

Bulletin of the European Communities

Commission



No 4 1989 Volume 22

The Bulletin of the European Communities reports on the activities of the Commission and the other Community institutions. It is edited by the Secretariat-General of the Commission (rue de la Loi 200, B-1049 Brussels) and published 11 times a year (one issue covers July and August) in the official Community languages.

The following reference system is used: the first digit indicates the part number, the second digit the chapter number and the subsequent digit or digits the point number. Citations should therefore read as follows: Bull. EC 1-1987, point 1.1.3 or 2.2.36.

Supplements to the Bulletin are published in a separate series at irregular intervals. They contain official Commission material (e.g. communications to the Council, programmes, reports and proposals).

© ECSC-EEC-EAEC, Brussels • Luxembourg, 1989
Reproduction is authorized provided the source is acknowledged.

Printed in Belgium

Bulletin of the European Communities

Commission

ECSC — EEC — EAEC
Commission of the European Communities
Secretariat-General
Brussels

No 4 1989 Volume 22

Sent to press in September 1989

Bulletin information service

Readers can obtain information on developments since this issue went to press (date of adoption of instruments by the Council, of opinions given by Parliament or the Economic and Social Committee, of publication in the Official Journal, etc.) by telephoning the document services of the Information Offices at the following numbers:

London	222 8122
Belfast	240708
Cardiff	371631
Edinburgh	225 2058
Dublin	712244

References in text and footnotes

References to other parts of the same issue of the Bulletin are given in parentheses in text, thus (→ point 2.1.53).

References to other issues of the Bulletin, to a Bulletin Supplement, to an Official Journal etc. are given in footnotes.

Standardized abbreviations for the designation of certain monetary units in the different languages of the Community:

ECU	=	European currency unit
BFR	=	Belgische frank / Franc belge
DKR	=	Dansk krone
DM	=	Deutsche Mark
DR	=	Greek drachma
ESC	=	Escudo
FF	=	Franc français
HFL	=	Nederlandse gulden (Hollandse florijn)
IRL	=	Irish pound / punt
LFR	=	Franc luxembourgeois
LIT	=	Lira italiana
PTA	=	Peseta
UKL	=	Pound sterling
USD	=	United States dollar

contents

PART ONE **SPECIAL FEATURES**

- | | |
|---|----|
| 1. Report of the Committee for the Study of Economic and Monetary Union | 8 |
| 2. Fundamental rights and freedoms | 10 |
| 3. The Uruguay Round after the mid-term review | 11 |
| 4. News in brief | 14 |

PART TWO **ACTIVITIES IN APRIL 1989**

- | | |
|---|----|
| 1. Building the Community | 16 |
| — Economic and monetary policy | 16 |
| — Internal market | 16 |
| — Customs union | 22 |
| — Taxation | 24 |
| — Enterprise | 24 |
| — Industrial strategy and services | 25 |
| — Research and technology | 25 |
| — Telecommunications, information technology and innovation | 27 |
| — Competition | 29 |
| — Employment and social policy | 34 |
| — Human resources, education, training and youth | 35 |
| — Information, communication and culture | 37 |
| — Regional policy | 38 |
| — Environment | 40 |
| — Consumers | 42 |
| — Agriculture | 43 |
| — Fisheries | 59 |
| — Transport | 62 |

2. External relations	64
— Commercial policy	64
— Industrialized countries	65
— Mediterranean, Gulf and Arabian Peninsula countries	68
— Asia	69
— Latin America	70
— African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs)	71
— Development cooperation	73
— International organizations and conferences	77
— Diplomatic relations	77
3. Intergovernmental cooperation	78
— European political cooperation	78
4. Human rights and fundamental freedoms	79
5. Financing Community activities	81
— Budgets	81
— Financial operations	86
— Anti-fraud measures	87
6. Statistics	88
7. Institutions and organs of the Communities	90
— Parliament	90
— Council	92
— Commission	94
— Court of Justice	95
— Economic and Social Committee	111
— European Investment Bank	111

PART THREE DOCUMENTATION

1. The ecu	116
2. Declaration of fundamental rights and freedoms	118
3. Infringement procedures	121
4. Additional references in the Official Journal	122
5. Index	124

Supplements 1988

- 4/88** The future of rural society
- 5/88** Disclosure requirements for branches. Single-member private limited companies
- 6/88** Public procurement in the excluded sectors

Supplements 1989

- 1/89** Statement on the broad lines of Commission policy and reply to the ensuing Parliamentary debate
- 2/89** Programme of the Commission for 1989
- 3/89** Takeover and other general bids

PART ONE

SPECIAL FEATURES

1. Report of the Committee for the Study of Economic and Monetary Union

1.1.1. The European Council meeting in Hanover on 27 and 28 June 1988¹ recalled that in adopting the Single Act the Member States confirmed the objective of progressive realization of economic and monetary union. The Heads of State or Government therefore decided to examine at the European Council meeting in Madrid in June 1989 the means of achieving this union. To this end they decided to entrust to a Committee chaired by Mr Delors, President of the Commission, the task of studying and proposing concrete stages leading towards economic and monetary union. In April the Committee produced the report on economic and monetary union in the European Community.

Developments in economic and monetary integration in the Community

1.1.2. The first part of the report briefly outlines past and present developments in economic and monetary integration in the Community. Recent developments are leading to an increasing degree of economic integration. Maintaining this will require more intensive and effective policy coordination.

Economic and monetary union, however, implies far more than the single market programme. It requires further major steps in all areas of economic policymaking, and presupposes a high degree of integration, a common monetary policy and consistent economic policies. These policies should be geared towards price stability, balanced growth and converging standards of living, high employment and external equilibrium.

The final stage of economic and monetary union

1.1.3. In the second part of the report the Committee considered it essential to define

clearly the main features of economic and monetary union and to fully discuss its implications before examining how it should be achieved.

The realization of the objective would require an amendment of the Treaty and consequent changes in national legislation. Amongst the reasons for this is that within the union there could be only one monetary policy, the conduct of which would require the creation of a European System of Central Banks (ESCB). This institution, which would be independent from instructions from national governments and Community authorities, would consist of a new Community institution and the existing national central banks coexisting within a federal structure. Its primary objective would be to ensure price stability and to support the Community's general economic policy.

A single currency is not strictly necessary to monetary union, but it would demonstrate full commitment to the irreversible locking of exchange rate parities. The Committee considered that the ecu has the potential to develop into the single currency without any break in its value.

No new institution would be needed, however, for the conduct of non-monetary economic policy, as the necessary institutional framework has already been set up by the Treaty of Rome. There would, however, have to be some extension and modification of the functions of the existing institutions, and relationships between them and the ESCB would have to be organized.

The new Treaty would also have to clearly specify areas in which decision-making authority would be transferred from the national to the Community level. This should be done in strict accordance with the principle of subsidiarity.

As well as the completion of the internal market programme, further action would

¹ Bull. EC 6-1988, points 1.1.1 to 1.1.4 and 3.4.1.

be needed in three other areas in order to achieve economic and monetary union:

- (i) competition policy and other measures to improve market mechanisms;
- (ii) common policies aimed at structural adjustment and regional development;
- (iii) tighter macroeconomic policy coordination, including binding budgetary rules, especially for the financing of budget deficits.

These measures are necessary to ensure that tensions do not build up within the union and that, in the absence of the possibility of exchange rate changes, the mobility of factors of production does not become the principal instrument of adjustment.

The stages towards economic and monetary union

1.1.4. The third part of the report lays out the concrete stages leading towards economic and monetary union. Each stage is distinct, but the process is a unified whole. The decision to begin the first stage would therefore be a decision to embark on the entire process (paragraph 39 of the report), and commitment by the political authorities to open negotiations on a new treaty would ensure continuity. The new arrangements coming into effect at the start of each stage would gradually develop, paving the way for the next stage. In each stage and between stages there would have to be broadly parallel developments on the economic and on the monetary fronts.

Experience has taught that it is not possible to define precisely in advance the conditions for moving from one stage to another or to foresee the progress that will be made. The Committee has therefore not thought it advisable to set out a precise timetable or to give explicit deadlines.

Stage one would mark the beginning of the process of creating economic and monetary

union. The process could be started between now and July 1990, the date on which the Directive on the full liberalization of capital movements comes into force. It would involve both strengthening economic and monetary policy coordination within the existing institutional framework and the preparation and ratification of the necessary amendments to the Treaty. The possibility that a European Reserve Fund should be set up in this stage was also considered.

Stage two, which would come into force with the implementation of the new Treaty, would involve the setting-up of the new monetary institution and the strengthening of the provisions governing economic policy coordination. This stage would provide a training ground before full authority is transferred from the national to the Community level.

Stage three would start with the irreversible locking of exchange rates, and the transfer of the economic and monetary authority described in the second part of the report to the Community institutions, including the European System of Central Banks. At some point, the national currencies would be replaced by a single common currency. The report recommends that this should take place as soon as possible after the locking of parities.

Proposed follow-up

1.1.5. The Committee takes the view that, if the European Council endorses its report, it could firstly invite the Council and the Committee of Governors to take the necessary decisions to implement stage one. The preparatory work on negotiations for the new Treaty would begin forthwith, and the competent Community bodies should be invited to submit practical proposals, on the basis of the report, for stage two and the final stage, to be incorporated in a revised treaty.

2. Fundamental rights and freedoms

European Parliament declaration

1.2.1. On 12 April Parliament passed a resolution adopting the Declaration of fundamental rights and freedoms by 183 votes in favour, nine against and six abstentions.¹ The other Community institutions and the Member States were invited to associate themselves formally with the declaration, which applies to all Community nationals.

1.2.2. The rights listed in the 28 Articles of the Declaration derive from the Treaties establishing the European Communities, the constitutions of the Member States, the case-law of the Court of Justice, the European Convention for the Protection of Human Rights and Fundamental Freedoms and the international instruments in force.

1.2.3. At this stage, such a declaration has a merely symbolic value, representing the fullest compendium of the values and traditions from which the Community should draw inspiration and guidance. Nevertheless, Parliament's goal is to eventually see the declaration:

- (i) adopted by the other Community institutions;
- (ii) included in the Treaties and in due course in a Treaty of European Union;
- (iii) endorsed by the Court of Justice as an instrument of reference, thereby becoming an integral part of the Community's legal system.

1.2.4. The declaration constitutes an important step in the process initiated in 1969, when the Court of Justice ruled that fundamental human rights were enshrined in the general principles of law which it was its duty to uphold,² and noted that international instruments for the protection of human rights to which the Member States

were parties could also provide guidance in the context of Community law.

1.2.5. In April 1977 Parliament, the Council and the Commission adopted a joint declaration on the protection of fundamental human rights, stressing the importance they attached to the respect of the rights deriving notably from the constitutions of the Member States and the European Convention for the Protection of Human Rights and Fundamental Freedoms.³

1.2.6. In 1979 the Commission presented a memorandum on the accession of the Communities to that Convention.⁴

The memorandum was addressed to the other Community institutions and aimed at encouraging debate on the possibility of adopting the protection mechanisms provided for under the Convention in order to:

- (i) improve the standard of human rights protection in the Community,
- (ii) maintain internal cohesion,
- (iii) affirm European identity.

1.2.7. The issue of the adoption of a declaration of fundamental rights and freedoms has cropped up regularly in the parliamentary agenda, for instance when the draft Treaty establishing the European Union was discussed. In the draft Treaty adopted by Parliament on 14 February 1984,⁵ the Union was called upon to make a decision within the following five years on its accession to European or international instruments relevant to it, and to draw up at the same time its own catalogue of fundamental rights and freedoms.

¹ OJ C 120, 16.5.1989. The full text of the declaration can be found under point 3.2.1.

² Case 26/69 *Stauder v Ulm* [1969] ECR 419.

³ OJ C 103, 24.4.1977.

⁴ Supplement 2/79 — Bull. EC.

⁵ Bull. EC 2-1984, point 1.1.1 *et seq.*

3. The Uruguay Round after the mid-term review

1.3.1. The Uruguay Round is the eighth in the series of multilateral trade negotiations held within the framework of the General Agreement on Tariffs and Trade (GATT). It was launched in September 1986 by the then 92 Contracting Parties meeting at ministerial level in Punta del Este, Uruguay.¹ The aim of the negotiations is to halt and reverse protectionism, remove distortions to trade, preserve the basic principles and further the objectives of GATT, and develop a more open, viable and durable multilateral trading system which would promote growth and development. The negotiations cover a wide range of issues closely affecting international trade; these are divided into 15 main 'chapters', each with its own separate negotiating group. Scheduled to last four years, the Uruguay Round has just been through a 'mid-term review' to take stock of progress and provide a common basis for relaunching the negotiations.

1.3.2. Meeting at ministerial level in Montreal in December 1988,² the participants agreed on the framework within which negotiations on 11 of the 15 chapters could be pursued until the end of the Round in 1990. At the second meeting of the Trade Negotiations Committee, which was held in Geneva from 5 to 8 April, senior officials reached agreement on the remaining four chapters (i.e. textiles and clothing, agriculture, safeguards, and intellectual property rights).

1.3.3. The Community itself had reservations about a mid-term review, feeling that it undermined the 'globality' of the negotiations. Some of its partners wanted to take advantage of the opportunity to obtain quick results in specific sectors, thus removing them from the final, overall evaluation. However, without such an evaluation it will be impossible to properly assess the overall balance and acceptability of the final package. Consequently, the Community was active in steering attention away from

the initial results and toward the fixing of guidelines for the negotiators for the remainder of the Round.

New sectors

1.3.4. The mid-term review has undoubtedly been most successful in the new negotiating areas. At the Punta del Este conference, the whole idea of including in the negotiations intellectual property rights, trade-related investment measures and trade in services was controversial. It is now accepted that these subjects, which have traditionally lain outside GATT's remit, should be discussed in the Uruguay Round. Indeed, the negotiating guidelines established at the mid-term review envisage the elaboration of substantive rules and disciplines for multilateral regulation of subjects previously left to the discretion of individual governments.

As regards intellectual property, the final text represents an important landmark. Negotiations can now focus on the formulation of substantive rules and implementing procedures. These negotiations should ensure effective protection for trade in goods subject to patents or copyrights or bearing marks or designations of origin. However, the exact content of the rules still has to be worked out, and the developing countries have yet to be persuaded that the General Agreement needs amending to include intellectual property rights.

The framework decided for trade-related investment measures means that local content and export performance conditions, together with other such measures which seriously interfere with the activities of Community operators, can now be subjected to multilateral discipline.

¹ Bull. EC 9-1986, points 1.4.1 to 1.4.4.

² Bull. EC 12-1988, points 2.2.2 to 2.2.4.

With regard to trade in services — the most promising sector in the post-industrial economy — the negotiating group expects to have laid the foundations by the end of 1989 for a multilateral agreement promoting progressive liberalization on the basis of GATT principles such as non-discrimination or national treatment.

Market access

1.3.5. Tariffs and non-tariff barriers to trade in goods have long been a concern of GATT and still constitute a real impediment to the Community's foreign trade, especially as regards exports to new trading partners such as the most advanced developing countries.

All the participants, including those who had made little or no contribution to previous liberalization exercises, committed themselves to reducing tariffs and increasing the scope of bindings so as to provide greater security and predictability in international trade.

Substantial progress still needs to be made in reducing or eliminating non-tariff measures. Increased participation by developing countries in the Codes¹ negotiated during the Tokyo Round will be encouraged, and the Codes, which cover such areas as technical barriers to trade, government procurement and licensing procedures, improved.

In the natural resources sector, the main objective is the liberalization of trade in semi-processed and processed products — a measure of crucial importance for the economy of raw materials exporters, among them many developing countries. As the Community hoped, this liberalization will, however, take full account of the specific aspects of trade in natural resource-based products.

The textiles and clothing sector, which has been governed for more than a decade by the Multifibre Arrangement² (a special agreement under GATT), will gradually be integrated into the General Agreement. As the Community wished, this will be done

on the basis of strengthened GATT rules; moreover, all the participants, including exporting countries, will be expected to contribute to market liberalization. The negotiation on textiles and clothing will thus be an important step in the integration of developing countries in the GATT system.

The Community was instrumental in achieving reductions in tariffs and non-tariff measures affecting tropical products. In addition to nine other industrialized countries, 11 of the developing countries — the main beneficiaries of more open markets in this sector — were, for the first time, prepared to contribute to trade liberalization. It is likely, therefore, that the circle of participants will grow, and that barriers will be further reduced as a result.

Agriculture

1.3.6. Since GATT's earliest days, trade in agricultural products has been exempted from certain multilateral trade disciplines and is therefore something of a special case as regards market access negotiations. Although most participants protect and support their farm sectors, international criticism has tended to focus on the Community's agricultural policy, putting it in a difficult position at the outset of negotiations.

The projected reform involves substantial progressive reductions in support and protection levels in the long term, but no commitment to their elimination before the year 2000, a victory for common sense and fully consistent with Community objectives. In the short term, the commitment to freeze support does not conflict with the basic mechanisms of the common agricultural policy. When reductions come up on the agenda, the Community will be able to point to the internal reform measures already taken.

¹ Thirteenth General Report, points 494 and 495.

² OJ L 341, 4.12.1986; Bull. EC 11-1986, point 2.2.2.

Rules and institutional matters

1.3.7. After 40 years of operation, GATT's rules and institutional provisions, the pillars of the multilateral trading system and the main defence against the ever-present threat of protectionism, need to be adapted to today's international trading environment.

The new agreement on safeguards, which will be negotiated on the basis of general GATT principles and will aim to re-establish multilateral control of trade protection measures, is central to the goal of strengthening the multilateral trading system.

If disciplines can be elaborated to cope with any crisis that might emerge within GATT's legal framework, this would provide an effective check on the development of unilateral or bilateral 'grey area' measures. The integration of the most advanced developing countries — one of the Community's main objectives in the Uruguay Round — means that the provisions governing exceptions in the case of balance-of-payments difficulties will have to be revised. Moreover, a review of Article XVII of the General Agreement could give rise to a more responsible attitude from the State-trading countries. There was no expectation, however, that the mid-term review would provide rulings on all these matters.

As regards the negotiations on subsidies, the framework agreed should enable a balance to be struck between strengthening both the rules on subsidies constituting unfair competition and those on countervailing duties.

There is general agreement that the dispute settlement system needs improving, particularly the conciliation and arbitration procedures; greater compliance with the recommendations of the panels which adjudi-

cate trade disputes is also required. Although the details have yet to be worked out, some progress toward this was made at Montreal,¹ e.g. on time limits.

The negotiations on the functioning of the GATT system basically cover three main areas: enhanced surveillance of trade policies, greater ministerial involvement in GATT, and closer relationships with the IMF and the World Bank, so as to achieve greater coherence in financial, monetary and trade policies. As a result of these negotiations, GATT looks like taking on its intended role in guiding the trade policies of its 100 or so contracting parties.

Achievements of the mid-term review

1.3.8. Much remains to be done before the Uruguay Round comes to its scheduled close at the end of 1990. The Community, like other participants in the negotiations, will inevitably have to make further concessions, some of which may be seen as sacrifices. However, the trends apparent at the end of the mid-term review clearly point toward more freedom, more security, more responsibility and more fairness in international trade. The Community, which played a crucial role in the negotiations, welcomes these developments as they tie in with its own efforts to create a single market by 1992. The new Europe² will have no internal frontiers and, far from closing in on itself, will be more open than ever to non-member countries.

1.3.9. On 24 April, the Council expressed broad satisfaction with the outcome of the review.

¹ Bull. EC 12-1988, point 2.2.3.

² Bull. EC 10-1988, points 1.2.1 to 1.2.14.

4. News in brief

Telecommunications

The Council adopts a Decision on a European standard for high-definition television (→ point 2.1.62).

The Commission adopts a proposal for a recommendation and a proposal for a Directive on the introduction of pan-European land-based public radiopaging (→ point 2.1.64).

Human resources, education, training and young people

The Commission adopts a proposal for a Decision on Erasmus II (→ point 2.1.93).

Information, communication and culture

The Commission adopts a communication on books and reading: a cultural challenge for Europe (→ point 2.1.102).

Environment

The Commission adopts a recommendation concerning a voluntary agreement between the Commission and Community aerosol manufacturers for a reduction in the use of CFCs (→ point 2.1.112).

Consumers

The Commission adopts a proposal for a Directive on general product safety (→ point 2.1.121).

Agriculture

Unanimous Council agreement on the prices and related measures for 1989/90 (→ points 2.1.124 to 2.1.138).

External relations

The Council adopts conclusions on an overall approach to relations with the East European countries (→ point 2.2.11).

The Council and the Commission adopt a statement on the suspension of negotiations between the Community and Romania (→ point 2.2.16).

PART TWO

**ACTIVITIES
IN APRIL 1989**

1. Building the Community

Economic and monetary policy

Economic and monetary union

2.1.1. The Committee for the Study of Economic and Monetary Union, chaired by Mr Delors, submitted its report in April, in accordance with the terms of reference given by the Hanover European Council (→ point 1.1.1 *et seq.*).

2.1.2. On 14 April Parliament adopted a resolution¹ on the process of European monetary integration. It notes the major progress achieved in the 10 years since the inception of the European Monetary System and emphasizes the fundamental preconditions for establishing economic and monetary union, and the likely benefits. Parliament indicates the progress that needs to be made as regards integration of economic and monetary policies and the measures to be adopted as a result. It calls upon the Commission and the Council to promote the establishment of economic and monetary union by strengthening the Community's structural and regional policies and by preparing and adopting the provisions required to complete the internal market. Parliament indicates the measures which it considers should be taken with a view to achieving economic and monetary union. It attaches to its resolution the suggested statutes of the European Central Bank.

Community borrowings

Six-monthly report

2.1.3. In accordance with the Council Decision of 19 April 1983 empowering it to contract loans under the New Community Instrument (NCI),² on 18 April the Commission adopted,³ for transmission to the Council and Parliament, its 10th six-monthly report⁴ on the rate of utilization of NCI tranches (1 January to 30 June 1988). Effective authorizations for NCI III borrow-

ings currently total ECU 2.9 billion, with an ECU 100 million margin held in reserve. The geographical breakdown of loans signed shows that most of the operations are in Italy (even if reconstruction operations are excluded), followed by France.

As regards total NCI loans signed for ordinary operations, there was an increasing shift towards the productive sectors, while the proportion of loans signed under NCI III for the energy and infrastructure sectors showed a fall.

Internal market

People's Europe

Freedom of movement

Removal of restrictions

2.1.4. On 11 April Parliament adopted a resolution on the freedom of movement of professional footballers in the Community.¹ Parliament regards the transfer fee system as a violation of freedom of contract and the freedom of movement guaranteed by Article 48 of the EEC Treaty, and an infringement of Article 85 of the Treaty. Parliament also considers that, in so far as nationals of Member States of the Community are concerned, the restriction on the number of foreign players entitled to play for a professional football team constitutes - illegal discrimination on grounds of nationality and an infringement of the principle of freedom of movement of workers. Parliament calls on the Commission to initiate legal proceedings against UEFA, the national football associations and individual clubs in the Community and

¹ OJ C 120, 16.5.1989.

² OJ L 112, 28.4.1983; Bull. EC 4-1983, point 2.1.8.

³ COM(89) 161 final.

⁴ Previous report: Bull. EC 7/8-1988, point 2.1.3.

to do everything within its power to ensure complete freedom of movement.

2.1.5. On 27 April the Economic and Social Committee endorsed the two proposals amending¹ Council Regulation (EEC) No 1612/68 of 15 October 1968 on freedom of movement for workers within the Community and Council Directive 68/360/EEC of 15 October 1968 on the abolition of restrictions on movement and residence within the Community for workers of Member States and their families.² Deploring the long administrative delays experienced by Community nationals entitled to social security benefits who move within the Community, the Committee approved the new approach reflected in the Commission's proposals. The Committee also called on the Commission to send it as soon as possible a full report on the measures to be taken to ensure implementation of the right of the individual to move freely within the Community.

Mutual recognition of diplomas — Access to economic activities

2.1.6. On 19 April the Commission decided, pursuant to Council Decision 85/368/EEC of 16 July 1985 on the comparability of vocational training qualifications between Member States,³ to publish in the Official Journal the results of the work carried out in respect of the following occupations: receptionist, porter, storeman/storewoman, assistant housekeeper, restaurant employee, barman/barmaid, cook and wine waiter/waitress.

Special rights

2.1.7. On 12 April the Presidents of Parliament, the Council and the Commission signed an interinstitutional agreement on the right to petition Parliament (→ point 2.4.2).

2.1.8. On 26 April the Commission adopted for transmission to the Council a communication on the general right of residence.⁴ Following discussions in the

Council on the proposal for a Directive on a right of residence for nationals of Member States in the territory of another Member State,⁵ the communication suggests a new approach to the issue within the limits of the proposal.

2.1.9. On 26 April the Economic and Social Committee issued an opinion on the proposal for a Directive on the driving licence.⁶ The Committee approved the proposal as a whole, but felt that the licence should have on it a photograph with a good likeness of the holder and his or her precise address, whereas the Commission is proposing that it be left to the Member States whether they insist on a photograph or not and whether the permanent place of residence is replaced by the postal address.

Freedom to provide services

Financial services

Banks and other financial institutions

2.1.10. On 17 April, acting on a Commission proposal,⁷ which had been amended⁸ in the light of Parliament's opinion⁹ (second reading) of 15 March, the Council (Economic and Financial Affairs) adopted Directive 89/299/EEC on own funds of credit institutions.¹⁰

This Directive is a key element in achieving an internal market in the banking sector. It lays down common rules which have been defined in a sufficiently general manner to cover all elements comprising own funds in

¹ OJ C 100, 21.4.1989; Bull. EC 12-1988, point 2.1.6.

² OJ L 257, 19.10.1968.

³ OJ L 199, 31.7.1985; Bull. EC 7/8-1985, point 2.1.88.

⁴ COM(89) 237 final.

⁵ OJ C 207, 17.8.1979; Bull. EC 7/8-1979, point 2.1.14; OJ C 188, 25.7.1980; OJ C 171, 10.7.1985; Bull. EC 6-1985, point 2.1.15.

⁶ OJ C 48, 27.2.1989; Bull. EC 11-1988, point 2.1.7.

⁷ OJ C 243, 27.9.1986; Bull. EC 9-1986, point 2.1.56; OJ C 32, 5.2.1988; Bull. EC 1-1988, point 2.1.43.

⁸ OJ C 131, 27.5.1989; COM(89) 208 final.

⁹ OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.4.

¹⁰ OJ L 124, 5.5.1989.

the various Member States. Details of certain elements making up own funds will be provided later. The Member States may still apply stricter provisions for some elements.

2.1.11. On 13 April the Commission adopted amendments¹ to the proposed second banking Directive,² which would amend Council Directive 77/780/EEC of 12 December 1977.³ The amendments will simplify application of the Directive and will clarify the reciprocity provisions governing the establishment in the Community of subsidiaries of banks from non-Community countries.

The following revised version of Article 7 has been incorporated into the proposal:

1. The competent authorities of the Member States shall inform the Commission (a) of any request for authorization of a subsidiary whose parent undertaking or undertakings is governed by the laws of a third country and of the identity of the ultimate parent, or (b) whenever such an undertaking acquires participation in a credit institution of the Community, so that the latter would become its subsidiary. The Commission shall inform the other Member States.

When authorization is granted to a subsidiary, the identity of the ultimate parent undertaking or undertakings must be specified in the notification which the competent authorities must address to the Commission, according to Article 3(7) of Directive 77/780/EEC.

2. The Member States shall inform the Commission of any general difficulties encountered by their credit institutions in establishing or carrying out banking activities in any third country.

3. The Commission shall, initially not later than six months before the Directive enters into force and then periodically, draw up a report examining the treatment of Community credit institutions, in the terms referred to in paragraphs 4 and 5 below, regarding the establishment and carrying out of banking activities, and the acquisition of participations in credit institutions of third countries. The Commission shall submit these reports to the Council of Ministers.

4. Where it appears to the Commission, either on the basis of the reports referred to in paragraph 3 or at any other time, that a third country is not granting to credit institutions of the Community effective market access and competitive opportunities comparable to those accorded by the Community to credit institutions of that third country,

the Commission may submit suitable proposals to the Council with a view to achieving such comparable access and competitive opportunities through negotiations between the Community and the third country in question.

5. Where it appears to the Commission, either on the basis of the reports referred to in paragraph 3 or at any other time, that credit institutions of the Community do not enjoy national treatment and the same competitive opportunities as domestic credit institutions in a third country and that the condition of effective market access has not been secured the Commission may in addition to the proposals for negotiations referred to in paragraph 4 decide that the competent authorities of the Member States shall limit or suspend their decision regarding requests for new authorizations and acquisitions by a parent undertaking governed by the third country in question, using the procedure provided for in Article 20.

The duration of the measures concerned may not exceed one year, though the Commission may propose their renewal.

6. Measures taken under this Article shall be subject to their conformity with the Community's obligations under any international agreements, whether bilateral or multinational, which cover the operation of credit institutions.

2.1.12. On 26 April the Economic and Social Committee delivered an opinion on the proposal for a Regulation on guarantees issued by credit institutions or insurance undertakings.⁴

2.1.13. The Committee by and large endorses the Commission proposal to ensure that responsibility for assessing the creditworthiness of credit institutions and insurance undertakings henceforth rests exclusively with the supervisory authorities concerned and is not left to public authorities in other Member States. However, the Committee wonders whether all the practical legal implications have been fully appreciated, especially as regards the national law applicable and the competent court.

¹ COM(89) 190 final.

² OJ C 84, 31.3.1988; Bull. EC 1-1988, points 1.2.1 to 1.2.3.

³ OJ L 322, 17.12.1977.

⁴ OJ C 51, 28.2.1989; Bull. EC 12-1988, point 2.1.141.

Insurance

2.1.14. On 26 April the Economic and Social Committee delivered an opinion on the proposal for a third Council Directive on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles.¹ The Committee notes that the Commission proposal is based on the Green Card system. It hopes that the Commission will take every possible step to ensure that the guarantee funds pay the compensation without delay once liability has been established and the amount of compensation determined. The Committee also calls upon the Commission to take steps to ensure that, in their contracts, insurance companies only take into consideration factors relating to risks, and not the nationality of clients.

Stock exchanges and securities

2.1.15. In the light of Parliament's opinion² (second reading) of 15 February, the Council adopted on 17 April, acting on a Commission proposal,³ Directive 89/298/EEC coordinating the requirements for the drawing-up, scrutiny and distribution of the prospectus to be published when transferable securities are offered to the public.⁴

This Directive will apply to transferable securities offered for the first time to the public in a Member State before being quoted on the stock exchange in that State. It supplements Council Directive 80/390/EEC of 17 March 1980, which requires a prospectus to be published at the time of application for admission to official stock exchange trading, by bringing forward the time of provision of information to the point at which the securities are first offered to the public.⁵

The Directive has a twofold aim: to protect the investor through the provision of appropriate and complete information on transferable securities, on the basis of which he can evaluate the risks entailed, and to encourage investment. The Directive provides for relief in the case of small and medium-sized undertakings and lays down

that certain types of offer or security are, by their nature and volume, excluded from its scope. Where Euro-issues are concerned, the Council decided that the Directive should not apply to transferable Euro-securities which are not the subject of a full-scale campaign of advertising or canvassing.

Audiovisual services

2.1.16. On 13 April the Council (Internal Market) adopted by a qualified majority a common position on the proposal, amended by the Commission in April 1988,⁶ for a Directive concerning broadcasting activities.⁷

The common position reflects to a large extent the agreement in principle which emerged from the Council meeting of 13 March.⁸ The Directive seeks to ensure the free movement of television broadcasts within the Community. It sets out rules covering the promotion of television programme distribution and production, as well as such questions as publicity, sponsorship, the protection of minors and the right of reply. The Council decided, however, to limit the scope of the Directive to television, but observed that the exclusion of radio broadcasts did not alter the position with regard to ensuring the free movement of such broadcasts on the basis of the Treaty. The Directive contained no chapter on copyright, but this issue will be reviewed in the light of experience gained in implementing the Directive. Two provisions were inserted on the sequentiality of the media (priority for cinema distribution) and on the possibility of linguistic quotas for national broadcasters. The Council also redefined European works, for which television chan-

¹ OJ C 16, 20.1.1989; Bull. EC 12-1988, point 2.1.144.

² OJ C 69, 20.3.1989; Bull. EC 2-1989, point 2.1.73.

³ OJ C 355, 31.12.1980; Bull. EC 12-1980, point 2.1.41; OJ C 226, 31.8.1982; Bull. EC 7/8-1982, point 2.1.53.

⁴ OJ L 124, 5.5.1989.

⁵ OJ L 100, 17.4.1980; Bull. EC 3-1980, point 2.1.34.

⁶ OJ C 110, 27.4.1988; Bull. EC 4-1988, point 2.1.11.

⁷ OJ C 179, 17.7.1986; Bull. EC 3-1986, point 1.2.1 *et seq.*; Supplement 5/86 — Bull. EC.

⁸ Bull. EC 3-1989, point 2.1.10.

nels must, where practicable, reserve a majority of their transmission time.

2.1.17. On 27 April the Economic and Social Committee delivered an additional opinion¹ on this proposal.²

While recognizing that the Directive restricts itself to television broadcasts, the Committee stressed that provisions similar to those contained in the proposed Directive should be applied to radio broadcasts also, though taking account of the specific nature of such broadcasts. The Committee reiterated its call for Community action to promote the production of programmes of Community origin. In this connection it expressed the hope that all television networks would undertake to devote a majority of transmission time to European programmes. It repeated its wish to see the adoption of a Directive regulating copyright, the entry into force of which should be coordinated with the present Directive. With regard to advertising, the Committee welcomed the introduction of the concept of illicit advertising and the definition of sponsorship, but regretted that the Council had exceeded the threshold of 10% recommended in its previous opinion.

Free movement of goods

Removal of trade barriers

Industrial products

Motor vehicles

2.1.18. On a proposal from the Commission,³ as amended on 12 April⁴ following Parliament's decision⁵ on the Council's common position,⁶ the Council (Internal Market) adopted, on 13 April, Directive 89/297/EEC⁷ on the approximation of the laws of the Member States relating to the lateral protection (side guards) of certain motor vehicles and their trailers. This Directive provides for the lateral protection of heavy commercial vehicles and their trailers in order to reduce the danger to 'unprotec-

ted road users' (pedestrians, cyclists and motorcyclists).

Wheeled agricultural and forestry tractors

2.1.19. On 12 April⁸ Parliament delivered three favourable opinions (first reading) on the proposals to amend⁹ Council Directives 77/536/EEC¹⁰ of 28 June 1977, 86/298/EEC¹¹ of 27 May 1986 and 87/402/EEC¹² of 25 June 1987 on roll-over protection structures.

Dangerous substances

2.1.20. At its meeting on 13 April the Council (Internal Market) reached agreement on a common position on the proposal amending for the eighth time¹³ Council Directive 76/769/EEC¹⁴ of 27 July 1976 relating to restrictions on the marketing and use of certain dangerous substances and preparations. The purpose of the amendment is to add a number of requirements to Directive 76/769/EEC regarding the marketing and use of various products including benzene, waste oils, benzidine, lead salts and certain anti-fouling preparations.

Implantable electromedical equipment

2.1.21. On 12 April⁸ Parliament delivered a favourable opinion (first reading)

¹ Opinion: OJ C 232, 31.8.1987; Bull. EC 7/8-1987, point 2.4.40.

² OJ C 179, 17.7.1986; Bull. EC 3-1986, point 1.2.1 *et seq.*; Supplement 5/86 — Bull. EC.

³ OJ C 265, 5.10.1987; Bull. EC 7/8-1987, point 2.1.15; OJ C 230, 6.9.1988; Bull. EC 7/8-1988, point 2.1.6.

⁴ OJ C 116, 9.5.1989; COM (89) 200 final.

⁵ OJ C 69, 20.3.1989; Bull. EC 2-1989, point 2.1.6.

⁶ Bull. EC 11-1988, point 2.1.17.

⁷ OJ L 124, 5.5.1989.

⁸ OJ C 120, 16.5.1989.

⁹ OJ C 305, 30.11.1988; OJ C 311, 6.12.1988; OJ C 385, 17.12.1988; Bull. EC 11-1988, point 2.1.21.

¹⁰ OJ L 220, 29.8.1977.

¹¹ OJ L 186, 8.7.1986; Bull. EC 5-1986, point 2.1.13.

¹² OJ L 220, 8.8.1987; Bull. EC 6-1987, point 2.1.12.

¹³ OJ C 43, 16.2.1988; Bull. EC 1-1988, point 2.1.11.

¹⁴ OJ L 262, 27.9.1976.

on the proposal for a Directive¹ on active implantable electromedical equipment.

2.1.22. This proposal was also the subject of an opinion delivered on 26 April by the Economic and Social Committee. The Committee commented on the definition of a medical device, the prototypes, the reference to the Community mark and the penalty for unwarranted use of the mark. The Committee stressed that the provisions should also apply to equipment from non-member countries and recommended that the Commission also include provisions giving firms which have not obtained the certificate of approval the right to appeal.

Units of measurement

2.1.23. On 12 April² Parliament delivered a favourable opinion (first reading) approving the proposal for a Directive³ amending Council Directive 80/181/EEC⁴ of 20 December 1979 relating to units of measurement.

2.1.24. On 26 April the Economic and Social Committee also delivered a favourable opinion on this proposal.

Foodstuffs

2.1.25. On 12 April² Parliament adopted (second reading) a decision on the common position⁵ adopted by the Council on 18 November 1988 on the proposal for a Directive⁶ amending for the third time Council Directive 75/726/EEC⁷ of 17 November 1975 on fruit juices and certain similar products.

2.1.26. On the same day² Parliament adopted (second reading) four decisions on the common positions adopted by the Council on 21 December 1988⁸ on:

(i) the proposal for a Directive⁹ relating to foodstuffs intended for particular nutritional uses,

(ii) the proposal for a Directive¹⁰ on the official inspection of foodstuffs,

(iii) the proposal for a Regulation¹¹ on indications or marks identifying the lot to which a foodstuff belongs,

(iv) the proposal for a Directive¹² amending Council Directive 79/112/EEC¹³ of 18 December 1988 on the labelling, presentation and advertising of foodstuffs.

2.1.27. Following these decisions, on 28 April the Commission adopted, for transmission to the Council, three re-examined proposals on official inspection,¹⁴ identification of the lot to which a foodstuff belongs,¹⁵ and the labelling and presentation of foodstuffs.¹⁶

2.1.28. On 26 April the Economic and Social Committee delivered an opinion on two proposals for Directives,¹⁷ one relating to the introduction of compulsory nutrition labelling of foodstuffs intended for sale to the final consumer and the other nutrition labelling rules. The Committee wishes to encourage discussion between all parties concerned with a view to establishing harmonized, compulsory labelling. It stressed that advertising had an important role to play in strengthening the impact of such labelling and called on the Commission to send it a report on the subject. It also asked the Commission to organize a conference on the specific topic of nutrition labelling.

*

¹ OJ C 14, 18.1.1989; Bull. EC 12-1988, point 2.1.23.

² OJ C 120, 16.5.1989.

³ OJ C 31, 7.2.1989; Bull. EC 12-1988, point 2.1.26.

⁴ OJ L 39, 15.2.1980.

⁵ Bull. EC 11-1988, point 2.1.26.

⁶ OJ C 24, 31.1.1987; Bull. EC 12-1986, point 2.1.27;

OJ C 214, 16.8.1988; Bull. EC 6-1988, point 2.1.40.

⁷ OJ L 311, 1.12.1975.

⁸ Bull. EC 12-1988, point 2.1.29.

⁹ OJ C 124, 23.5.1986; Bull. EC 4-1986, point 2.1.10;

OJ C 161, 19.6.1987; Bull. EC 5-1987, point 2.1.14.

¹⁰ OJ C 20, 27.1.1987; Bull. EC 12-1986, point 2.1.28; OJ

C 88, 5.4.1988; Bull. EC 2-1988, point 2.1.9.

¹¹ OJ C 310, 20.11.1987; Bull. EC 11-1987, point 2.1.24.

¹² OJ C 124, 23.5.1986; Bull. EC 4-1986, point 2.1.10;

OJ C 154, 12.6.1987; Bull. EC 5-1987, point 2.1.14.

¹³ OJ L 33, 8.2.1979.

¹⁴ OJ C 131, 27.5.1989; COM(89) 225 final.

¹⁵ OJ C 129, 25.5.1989; COM(89) 224 final.

¹⁶ COM(89) 223 final.

¹⁷ OJ C 282, 5.11.1988; Bull. EC 9-1988, point 2.1.9.

2.1.29. On 14 April¹ Parliament adopted a resolution on the food industry. It reiterated its support for the new approach adopted with an eye to completion of the internal market, provided that this did not lead to the adoption of low common denominator standards. With regard to Community policymaking in the food sector, Parliament called for closer integration of the various aspects of food policy, such as agricultural policy and public health. It stressed that the Commission must be given sufficient resources and called for the eventual establishment of a Community body similar to the United States Food and Drug Administration.

Parliament once again welcomed the fact that the amendment to Directive 83/189/EEC² of 28 March 1983 adopted by the Council on 22 March 1988³ now required the Member States to notify the Commission of all new draft technical regulations relating to food. It also stressed the importance of setting up a food legislation data base which would provide all the necessary information on the conditions under which a given product can be marketed in each Member State.

Pharmaceutical products

2.1.30. On 12 April¹ Parliament approved (second reading) the common positions adopted by the Council on 18 November⁴ and 21 December 1988⁵ on:

(i) the proposal to amend⁶ Council Directives 65/65/EEC⁷ of 26 January 1965, 75/318/EEC⁸ and 75/319/EEC⁸ of 20 May 1975 on proprietary medicinal products,

(ii) the three proposals⁶ extending the scope of Directives 65/65/EEC⁷ and 75/319/EEC⁸ and laying down additional provisions for immunological medicinal products, radiopharmaceuticals and medicinal products derived from human blood or plasma.

Fertilizers

2.1.31. Following the opinion (second reading) delivered by Parliament on 18 Jan-

uary,⁹ on 13 April the Council adopted, on a proposal from the Commission,¹⁰ Directive 89/284/EEC¹¹ supplementing and amending Council Directive 76/116/EEC¹² of 18 December 1975 in respect of the calcium, magnesium, sodium and sulphur content of fertilizers. The purpose of the amendments was to extend the rules governing the marketing of solid fertilizers to include the calcium, magnesium, sodium and sulphur contents of such fertilizers.

2.1.32. On 12 April¹ Parliament delivered an opinion (first reading) approving the proposal for a Directive¹³ supplementing and amending Directive 76/116/EEC¹² in respect of the trace elements boron, cobalt, copper, iron, manganese, molybdenum and zinc contained in fertilizers.

Customs union

Simplification of customs formalities

Community transit

2.1.33. On 28 April the Commission adopted Regulation (EEC) No 1159/89¹⁴ amending Regulation (EEC) No 1062/87 of 27 March 1987 on provisions for the implementation of the Community transit procedure and for certain simplifications of that procedure,¹⁵ Regulation (EEC) No

¹ OJ C 120, 16.5.1989.

² OJ L 109, 26.4.1983; Bull. EC 3-1983, point 2.1.8.

³ OJ L 81, 26.3.1988; Bull. EC 3-1988, point 2.1.12.

⁴ Bull. EC 11-1988, point 2.1.32.

⁵ Bull. EC 12-1988, point 2.1.33.

⁶ OJ C 36, 8.2.1988; Bull. EC 12-1987, point 2.1.18;

OJ C 308, 3.12.1988; Bull. EC 11-1988, point 2.1.32.

⁷ OJ 22, 9.2.1965.

⁸ OJ L 147, 9.6.1975.

⁹ OJ C 47, 27.2.1989; Bull. EC 1-1989, point 2.1.6.

¹⁰ OJ C 20, 26.1.1988; Bull. EC 12-1987, point 2.1.19.

¹¹ OJ L 111, 22.4.1989.

¹² OJ L 24, 30.1.1976.

¹³ OJ C 304, 29.11.1988; Bull. EC 10-1988, point 2.1.16.

¹⁴ OJ L 119, 29.4.1989.

¹⁵ OJ L 107, 22.4.1987; Bull. EC 3-1987, point 2.1.61.

2855/85 of 18 September 1985¹ and Regulation (EEC) No 2793/86 of 22 July 1986.² The amendments, mostly of a formal and technical nature, concerned both the Community transit procedure and the single administrative document.

General legislation

Customs debt

2.1.34. On 26 April, in the light of Parliament's opinion on second reading,³ the Commission amended⁴ its proposal⁵ for a Regulation on the terms of payment of the import duties or export duties resulting from a customs debt.

Temporary use

2.1.35. On 12 April Parliament approved on second reading⁶ the Council's common position⁷ on the proposal⁸ for the amendment of Council Regulation (EEC) No 3/84 of 19 December 1983 introducing arrangements for movement within the Community of goods for temporary use.⁹

International conventions

2.1.36. On 5 April the Commission adopted for transmission to the Council a proposal for a Decision authorizing the Member States to accept an amendment to the Customs Convention on the ATA carnet for the temporary admission of goods (ATA Convention, 1961), together with a recommendation for a Decision concerning Community participation in the negotiations on a further amendment enabling the Community to become a contracting party to the Convention.¹⁰

2.1.37. On a proposal from the Commission,¹¹ the Council adopted on 13 April Decision 89/285/EEC accepting Resolution No 46 of the Group of Experts on Customs Questions Affecting Transport of the Economic Commission for Europe concerning

the compliance of containers with the standards for transport of goods under customs seals.¹²

Common Customs Tariff/ Combined Nomenclature

Common Customs Tariff

Measures related to accession

2.1.38. On 25 April the Commission adopted for transmission to the Council a proposal for a Regulation totally suspending the residual customs duties which the Community of Ten would otherwise apply to manufactured and fisheries products imported from Spain and Portugal.¹³ This proposal is aimed at reducing the trade deficits of the new Member States. The EFTA countries intend to apply similar measures.

Combined Nomenclature

2.1.39. With a view to the uniform application of the Combined Nomenclature,¹⁴ the Commission adopted on 17 April Regulation (EEC) No 989/89 on the classification of goods.¹⁵

Integrated tariff (Taric)

2.1.40. In April the Commission published the second edition of the integrated tariff of

¹ OJ L 274, 15.10.1985.

² OJ L 263, 15.9.1986; Bull. EC 7/8-1986, point 2.1.47.

³ OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.24.

⁴ OJ C 135, 1.6.1989; COM(89) 215 final.

⁵ OJ C 41, 13.2.1985; Bull. EC 12-1984, point 2.1.40.

⁶ OJ C 120, 16.5.1989.

⁷ Bull. EC 2-1989, point 2.1.46.

⁸ OJ C 324, 17.12.1988; Bull. EC 11-1988, point 2.1.83.

⁹ OJ L 2, 4.1.1984; Bull. EC 12-1983, point 2.1.25.

¹⁰ COM(89) 144 final.

¹¹ Bull. EC 11-1988, point 2.1.84.

¹² OJ L 111, 22.4.1989.

¹³ COM(89) 169 final.

¹⁴ OJ L 256, 7.9.1987; Bull. EC 7/8-1987, point 2.1.80.

¹⁵ OJ L 106, 18.4.1989.

the European Communities (Taric),¹ now fully based on the Combined Nomenclature² as last amended by Commission Regulation (EEC) No 3174/88 of 21 September 1988.³ Taric gives a complete picture of:

- (i) temporary suspensions of the autonomous CCT duties;
- (ii) tariff preferences, autonomous and conventional quotas and tariff ceilings;
- (iii) anti-dumping duties and countervailing duties;
- (iv) monetary compensatory amounts (MCAs) and accession compensatory amounts (ACAs) and variable components and reference prices for wine;
- (v) unit values;
- (vi) textile categories;
- (vii) import licences, surveillance and protective measures and Cites restrictions;
- (viii) measures concerning Spain and Portugal.

Assistance to Member States

2.1.41. On 20 April the Commission approved a pilot training scheme for national customs officials. Called Mattheus after the patron saint of customs officials, the programme will initially involve 1 700 customs officials. The aim is to prepare national officials for the completion of the single market and to make them aware of their role in the customs union, particularly as regards the application of Community law at the Community's external borders. The pilot scheme will cost ECU 2.5 million, funded entirely from the Community budget, and will get under way in 1990; it will provide the necessary experience to ensure that the main programme — to be financed jointly by the Member States and the Community — runs smoothly.

Taxation

Indirect taxation

Turnover tax

Sixth VAT Directive

2.1.42. On 3 April the Commission adopted,⁴ for transmission to the Council, a proposal for a Decision authorizing the United Kingdom, pursuant to Article 27(1-4) of Council Directive 77/388/EEC of 17 May 1977 (Sixth VAT Directive),⁵ to extend for 12 months a measure derogating from Article 21 of that Directive with regard to certain transfers of assets to groups of undertakings.

Enterprise

Business environment

Intellectual property

2.1.43. On 13 April, acting on a Commission proposal,⁶ the Council authorized the Commission to conduct negotiations on behalf of the Community for the preparation of an international treaty on the protection of layout designs (topographies) of microchips at the Diplomatic Conference to be held in Washington from 8 to 26 May.

2.1.44. On 26 April the Economic and Social Committee adopted an opinion on the proposed Directive on the legal protection of biotechnological inventions.⁷ The Committee endorsed the proposal in gen-

¹ This document is available from the Office for Official Publications of the European Communities.

² OJ L 256, 7.9.1987; Bull. EC 7/8-1987, point 2.1.80.

³ OJ L 298, 31.10.1988.

⁴ COM(89) 158 final.

⁵ OJ L 145, 13.6.1977.

⁶ Bull. EC 2-1989, point 2.1.14.

⁷ OJ C 10, 13.1.1989; Bull. EC 10-1988, point 2.1.17.

eral, but felt that the text needed to be clarified in some places. It noted in particular that some inventions and their applications could give rise to ethical problems unrelated to patent law.

The Committee regretted that no explicit mention was made that human beings are excluded from patenting. As regards the objective of putting European inventors on an equal footing with their Japanese and US competitors, it felt that additional measures were necessary, such as an 'inventor's charter' on the lines of Japanese legislation on the protection of inventions.

Small business

Small business action programme

2.1.45. On 26 April the Economic and Social Committee adopted a favourable opinion on the proposal for a Directive relating to the improvement of the business environment and the promotion of the development of enterprises.¹ While it supported the approach advocated, the Committee decided to study this dossier more closely at a subsequent session.

Industrial strategy and services

Sectoral policies

Steel

Surveillance and control

Penalties

2.1.46. The Commission decided² on 21 April to drop the fine imposed on 10 November 1987 on LAS (Laminazione Acciai Speciali SpA)³ and to reduce the fine imposed on 8 December 1988 on Bisider from ECU 84 200 to ECU 42 100.⁴

Forward programme

2.1.47. On 4 April the Commission adopted,⁵ on second reading,⁶ the forward programme for steel for the second quarter.

Market situation

2.1.48. The surveillance system⁷ established in July 1988 indicates a greater Community demand than predicted in the forward programme for the first quarter of 1989,⁸ while exports have been well below the forecasts for most products. On the whole the forecasts for deliveries have been exceeded by far.

2.1.49. Crude steel production in the Community remains high because of a very considerable Community and world demand for steel products. In March production amounted to 12.188 million tonnes, 3.7% more than in March 1988, and for the first quarter the increase is 4.5% up on 1988. Over the first three months of the year the United States has recorded an increase of 2.6%, whereas in Japan production has fallen by 0.1% and in the other countries surveyed by the International Iron and Steel Institute (IISI) there has been a drop of 6.1%.

Research and technology

Community R&TD

Joint Research Centre (JRC)

2.1.50. On 13 April the Commission adopted,⁹ for transmission to the Council,

¹ OJ C 79, 30.3.1989; Bull. EC 2-1989, point 2.1.12.

² OJ C 125, 20.5.1989.

³ OJ C 321, 1.12.1987; Bull. EC 11-1987, point 2.1.39.

⁴ OJ C 8, 11.1.1989; Bull. EC 12-1988, point 2.1.46.

⁵ OJ C 94, 14.5.1989.

⁶ Bull. EC 3-1989, point 2.1.32.

⁷ OJ L 212, 5.8.1988; Bull. EC 7/8-1988, point 2.1.11.

⁸ OJ C 11, 14.1.1989; Bull. EC 12-1988, point 2.1.48.

⁹ COM(89) 160 final.

a report on the implementation of the research programme (1988-91) of the Joint Research Centre. This report, which covers 1988, was drawn up pursuant to Council Decisions 88/521/EEC, 88/522/Euratom and 88/523/Euratom of 14 October 1988¹ adopting specific research programmes to be implemented by the JRC for the EEC and for Euratom, and a supplementary research programme to be implemented by the JRC for the EEC.

2.1.51. On 14 April Parliament approved² the proposal for a Council Decision concerning work for third parties performed by the Joint Research Centre relevant to the European Economic Community.³

Coordination of national policies

2.1.52. Meeting in Brussels on 27 and 28 April, the Scientific and Technical Research Committee (Crest) held a detailed exchange of views on the basis of information supplied by the Commission's departments concerning the status and future prospects of Community R&TD activities in the fields of information technology (Esprit)⁴ and telecommunications (RACE).⁵ The Committee expressed a broadly favourable opinion on the progress of these activities.

The Committee also examined the conclusions of its *ad hoc* working group on transport and expressed its general satisfaction with the group's report. The Committee recommended that the Commission should be selective in choosing the proposals which could be submitted to the Council by mid-1989.

International cooperation

Framework agreements with the EFTA countries

2.1.53. On 12 April Parliament approved² (cooperation procedure: first reading) the proposals for Council Decisions concerning the conclusion on

behalf of the EEC and concerning the approval, for the purposes of conclusion by the Commission on behalf of the European Atomic Energy Community, of the Framework Agreement for scientific and technical cooperation between the European Communities and the Republic of Iceland.⁶

2.1.54. On 14 April Parliament approved² two proposals for Council Decisions concerning the conclusion of cooperation agreements with Finland⁷ and Norway⁸ on research and development in the field of the protection of the environment.

COST

2.1.55. Meeting in Brussels on 20 and 21 April, the COST Committee of Senior Officials agreed, further to the discussions in Reading on the future of cooperation in COST,⁹ to reduce the number of categories of COST projects from four to two. The Committee also approved the principle of a draft revised terms of reference for an *ad hoc* committee in the field of social sciences.

Main areas of Community R&TD

Quality of life

Radiation protection

2.1.56. From 4 to 7 April the Commission held a workshop in Dublin, in conjunction with the US Department of Energy, on the subject of 'Cell transformation systems relevant to radiation-induced cancer in man'. Eighty scientists of international standing attended this workshop, which provided an

¹ OJ L 286, 20.10.1988; Bull. EC 10-1988, point 2.1.26.

² OJ C 120, 16.5.1989.

³ OJ C 13, 17.1.1989; Bull. EC 12-1988, point 2.1.54.

⁴ OJ L 67, 9.3.1984; Bull. EC 2-1984, point 1.3.1 *et seq.*

⁵ OJ L 16, 21.1.1988; Bull. EC 12-1987, point 2.1.71.

⁶ OJ C 273, 22.10.1988; Bull. EC 10-1988, point 2.1.28.

⁷ OJ C 299, 24.11.1988; Bull. EC 11-1988, point 2.1.50.

⁸ OJ C 298, 23.11.1988; Bull. EC 11-1988, point 2.1.50.

⁹ Bull. EC 10-1988, point 2.1.30.

opportunity to review the current state of knowledge on the effects of ionizing radiation on cell transformation.

2.1.57. On 27 April the Economic and Social Committee unanimously adopted an opinion on a proposal for a Council Decision adopting a specific multiannual research and training programme for the European Atomic Energy Community in the field of radiation protection.¹ Whilst approving the objectives and content of the programme, the Committee deplored the reduction in the relevant budgetary resources and stressed the need to give priority to research into the radioactive contamination of food, irradiation resulting from medical treatment and radiation exposure at the workplace.

Environment

2.1.58. On 12 April Parliament approved in first reading² the proposal for a Council Decision adopting two specific R&TD programmes on the environment³ — STEP and Epoch — subject to four amendments seeking essentially to ensure that the Commission would propose each year to the budgetary authority the inclusion of appropriations under the heading of the two programmes in accordance with the actual requirements of the financial estimates laid down in the Interinstitutional Agreement.

2.1.59. On 26 April the Economic and Social Committee unanimously adopted an opinion on a proposal for a Council Decision adopting a programme of research and technological development for the European Economic Community in the field of raw materials and recycling (1990-92).⁴ The Committee approved the objectives and content of the programme, although it considered that too much emphasis had been placed on primary raw materials at the expense of the recycling programme. It also regretted that the new programme had been drawn up before the results of the projects carried out under the 1986-89 programme were known.⁵ The Committee expressed the view that the projects selected should

meet the long-term needs of the Community as a whole and that account should be taken of their social implications.

Biological resources

Biotechnology

2.1.60. On 26 April the Economic and Social Committee unanimously adopted an opinion on a proposal for a Council Decision adopting a programme of research and technological development for the European Economic Community in the field of biotechnology — Bridge — (1990-94).⁶ The Committee qualified its approval with comments on matters such as the evaluation of the BAP programme,⁷ the moral and ethical aspects of biotechnology research, the assessment of the risks and social implications of such research, participation by industry, training and consultation and, lastly, the extension of this programme to include European non-member countries.

Telecommunications, information technology and innovation

Information technology and telecommunications

Information technology (Esprit)

2.1.61. Further to the call for proposals published in September 1988 for the promotion of the training of engineers in the skills of very large scale integrated circuit (VLSI) design,⁸ the Commission has received 167 replies from establishments of

¹ OJ C 16, 20.1.1989; Bull. EC 12-1988, point 2.1.60.

² OJ C 120, 16.5.1989.

³ OJ C 327, 20.12.1988; Bull. EC 11-1988, point 2.1.54.

⁴ Bull. EC 1-1989, point 2.1.17.

⁵ OJ L 159, 14.6.1986; Bull. EC 6-1986, point 2.1.65.

⁶ OJ C 70, 20.3.1989; Bull. EC 12-1988, point 2.1.65.

⁷ OJ L 83, 23.3.1985; Bull. EC 3-1985, point 2.1.141;

OJ L 206, 30.7.1988; Bull. EC 6-1988, point 2.1.70.

⁸ Bull. EC 9-1988, point 2.1.35.

higher education in the Community and EFTA countries. From these the Commission has selected 118 establishments, 58 of which will be receiving, free of charge, computer aided design (CAD) workstations, test equipment with suitable software as well as assistance in the acquisition of additional workstations and in the training of teachers. Sixty other establishments will also be provided with CAD workstations, test equipment and software at reduced cost. The main aim of this action, which has an allocated budget of ECU 12.5 million, is to double the total number of research workers and engineers trained in VLSI design over the period 1989 to 1992.

Telecommunications

High-definition television (HDTV)

2.1.62. On 27 April, acting on a proposal from the Commission¹ and following the delivery of a favourable opinion by Parliament on 11 April² and by the Economic and Social Committee on 27 April, the Council (Telecommunications) unanimously adopted Decision 89/337/EEC relating to HDTV.³ In taking this Decision, the Council is laying down a set of objectives designed to serve as the basis for a global strategy for introducing HDTV in Europe. To this end, the Council calls on the Commission to draw up a detailed plan of action.

Integrated Services Digital Network (ISDN)

2.1.63. On 27 April the Council (Telecommunications) also reached agreement in principle on the proposal for a resolution on the strengthening of the further coordination of the introduction of the ISDN in the Community up to 1992.⁴

Public radiopaging

2.1.64. On 3 April⁵ the Commission adopted, for transmission to the Council, a proposal for a recommendation on the

coordinated introduction of pan-European land-based public radiopaging in the Community, notably with a view to laying down a timetable for the implementation of such a service. This system, known as Ermes (European radio messaging system), will extend well beyond the Community's existing geographical limits and, by eliminating fragmentation of the European market, will enable the cost of the receivers to be reduced. This proposal for a recommendation is accompanied by a proposal for a Directive relating to the allocation of a specific common frequency band reserved for radiopaging.

Common market in telecommunications

2.1.65. On 26 April the Economic and Social Committee delivered a favourable opinion on the proposal for a Directive on the establishment of the internal market for telecommunications services.⁶ The Committee is anxious to be kept informed of all Commission decisions taken in this area and looks forward to receiving a progress report from the Commission on developments in the telecommunications sector. At the same time, it advocates general consultations involving all the parties concerned, notably the users.

Combined use of IT and telecommunications in general applications

Tedis

2.1.66. On 5 April, acting on a proposal from the Commission,⁷ the Council adopted Decision 89/241/EEC⁸ amending Council Decision 87/499/EEC of 5 October

¹ OJ C 37, 14.2.1989; Bull. EC 11-1988, point 1.2.1 *et seq.*

² OJ C 120, 16.5.1989.

³ OJ L 142, 25.5.1989.

⁴ Bull. EC 11-1988, point 2.1.68.

⁵ COM(89) 166 final.

⁶ OJ C 39, 16.2.1989; Bull. EC 12-1988, point 2.1.73.

⁷ OJ C 273, 22.10.1988; Bull. EC 10-1988, point 2.1.43.

⁸ OJ L 97, 11.4.1989.

1987 introducing the programme on trade electronic data interchange systems (Tedis).¹ This amendment offers the possibility of associating third countries, particularly EFTA countries, with the programme.

Computerization in the administration sector

2.1.67. As part of Sicob (International Exhibition of Data Processing, Computerized Telecommunications, Communication, Office Organization and Automated Office Equipment), the Commission participated in the organization of the European Open Days featuring computerization in the administrative sector, held in Paris from 17 to 21 April. This event, which was attended by about 700 national and Community senior officials, served as a clearing-house for recommendations on data-processing and telecommunications applications in the management of the European administrative sector.

Standardization

2.1.68. On 27 April, on the basis of a communication from the Commission,² the Council adopted a resolution on standardization in the field of information technology and telecommunications,³ calling on the Member States to nominate the national standardization bodies participating in the ETSI (European Telecommunications Standards Institute) procedures, calling on the users (administrations, industries, etc.) to place experts at the disposal of ETSI, and calling on the Commission to contribute to the coherent development of this body. In addition, the Council urges ETSI itself to seek closer ties with CEN-Cenelec.

Innovation

2.1.69. On 17 April the Council formally adopted Decision 89/286/EEC⁴ concerning the implementation of the main phase (1989-93) of the strategic programme for innovation and technology transfer

(Sprint),⁵ to which it had agreed on 6 March.⁶

Competition

Restrictive practices, mergers and dominant positions: specific cases

Dominant positions

Filtrona/Tabacalera

2.1.70. On 26 April the Commission adopted a Decision under Article 86 of the EEC Treaty rejecting a complaint made by a Spanish cigarette filter producer, Filtrona Española, against the Spanish tobacco monopoly holder Tabacalera. The complaint accused Tabacalera of abusing a dominant position as a purchaser of cigarette filters by increasing its own production of ordinary filters from 44% to 100% of its requirements.

After a thorough examination of the complaint, the Commission came to the conclusion that Filtrona Española was not dependent on Tabacalera for its sales of cigarette filters since it was able to export to other markets and to change its production from ordinary filters to special filters. The Commission also came to the conclusion that Tabacalera's decision to produce its own cigarette filters was not an abuse of a dominant position, because production for a company's own requirements is not in itself an abnormal act of competition. Production by cigarette manufacturers of their own filters is common practice in the industry. In addition, Tabacalera justified its vertical integration on economic grounds. Pro-

¹ OJ L 285, 8.10.1987; Bull. EC 10-1987, point 2.1.45.

² Bull. EC 12-1988, point 2.1.77.

³ OJ C 117, 11.5.1989.

⁴ OJ L 112, 25.4.1989.

⁵ OJ C 268, 15.10.1988; Bull. EC 7/8-1988, point 2.1.40; OJ C 68, 18.3.1989; Bull. EC 2-1989, point 2.1.42.

⁶ Bull. EC 3-1989, point 2.1.58.

duction of all the filters it requires allows it to realize economies of scale and generally to reduce its production costs. There were no special circumstances suggesting that Tabacalera's decision was part of an abusive behaviour or strategy.

Mergers

Usinor-Sacilor — Lutrix

2.1.71. On 3 April, under the competition rules of the ECSC Treaty, the Commission authorized Usinor-Sacilor, Paris, to acquire a 24.5% share in Lutrix, Brescia, Italy. Usinor-Sacilor is a major Community producer of flat steel products, while Lutrix is a holding company belonging to the Italian private sector group Lucchini, which controls for example La Magona d'Italia, whose main activity is in flat coated sheets. Given the presence on the market of coated steel of several large producers, as well as many smaller ones, there will be little change in the two companies' position on the relevant market after the concentration. Consideration of the proposed transaction has shown that it meets the tests for authorization in Article 66(2) of the ECSC Treaty, and the Commission therefore granted its authorization.

State aid¹

General schemes

Job creation

Spain

2.1.72. On 13 April the Commission approved the implementation of a draft Decree submitted by the Canary Islands regional government introducing measures to promote job creation in cooperatives and similar types of business. These measures, whose budget for 1989 amounts to PTA 150 million (ECU 1.1 million), provide interest rate subsidies for loans intended to finance

the establishment and development of such businesses, and grants to cover wage costs for the first year, plus training costs and consultancy fees.

Energy

Federal Republic of Germany

2.1.73. On 20 April the Commission approved the German Government's aid scheme in favour of energy research and technology projects. The aid is granted to technology projects involving fossil energy, renewable energy sources, rational use of energy and nuclear fission and fusion. The aid approved by the Commission amounts to DM 1 096 million (ECU 550 million) for 1989 and DM 1 325 million (ECU 660 million) on average per annum over the period 1986-88.

Research and development

Italy

2.1.74. On 5 April the Commission approved national aid for Italian participation in three Eureka projects. The projects concerned are as follows:

(i) study and development of integrated circuit non-volatile memories (Eproms) having a storage capacity of 4 and 16 mbits. The participation of SGS Microelectronics SpA in the project amounts to LIT 172.5 billion (ECU 115 million) and aid will be awarded in the form of a grant equivalent to 34.2%. The six-year project involves both basic (30%) and applied (70%) R&D. It is an important international and collaborative project with a high European interest. A particular effort has to be made in the field of semiconductors, since they determine the rate of innovation of the whole industry and in this context the project represents a significant step towards a competitive European supply for advanced Eproms;

¹ For State aid for agriculture, transport, energy and fisheries, see the relevant sections.

(ii) development of a new robotized drilling system (Eurofor) capable of reducing by half the cost per metre drilled. The participation of J. Massarenti SpA in the project amounts to LIT 11 billion (ECU 7.2 million) and aid will be awarded in the form of a grant of 32.9% of this. This project involves applied research and will help to ensure the energy independence of the Community, and make its industry more competitive;

(iii) development of an efficient road traffic system which is not detrimental to the environment and which should guarantee an unprecedented degree of safety (Prometheus). Centro ricerche Fiat, Telettra-Telefonia Elettronica e Radio SpA and Veglia Borletti Srl will receive aid totalling LIT 12.6 billion (ECU 8.2 million) in the form of subsidies. The overall aid intensity is 44.1% of the project costs. The project involves basic research.

2.1.75. On 26 April, also in connection with Eureka projects, the Commission approved a national aid scheme worth LIT 270 billion (ECU 176 million) to finance Italian participation. The programme is for three years (1987-89). The projects to be aided concern both basic and applied R&D. The Italian authorities will limit aid to 35% of eligible research costs, rising to 43.5% for projects of common European interest, or those involving small or medium-sized firms or firms in the Mezzogiorno. Individual projects benefiting from the higher level of aid will be notified to the Commission for prior approval, irrespective of the cost of the project.

Regional aid

Federal Republic of Germany

2.1.76. On 13 April the Commission decided to approve the award to Daimler-Benz, Securitas and J.A. Krause by the Bremen authorities of investment grants of 6.25% for investments in each of the firms. These aids amount to DM 24.4 million (ECU 11.8 million) for Daimler-Benz, DM 2.2 million (ECU 1.1 million) for Securitas

and DM 987 500 (ECU 477 050) for J.A. Krause. All three cases concern investments for which a Federal investment allowance of 8.75% had been approved previously by the Commission.¹ The Commission approved the additional investment grants because the total aid intensity in each case respected the 15% intensity ceiling for Bremen and because the investments are intended to create alternative jobs in an area where unemployment is severe and increasing due to the decline of the steel and shipbuilding industries.

2.1.77. On 26 April the Commission decided to initiate an investigation under Article 93(2) of the EEC Treaty against aids granted without prior notification by the City of Hamburg in favour of a number of firms. The investments are situated in the labour market region of Hamburg. This is a non-assisted area, so investments there may not benefit from regional aid. The Commission considers the aid to be unjustified on the basis of the information at its disposal and informs potential beneficiaries of the uncertain status of the aid, pointing out that any recipient of aid granted unlawfully, i.e. before the Commission has reached a final decision upon it, may have to repay it.

Specific aid schemes

Shipbuilding

2.1.78. On 13 April the Commission approved, for transmission to the Council and Parliament, the report on the implementation of Council Directive 87/167/EEC² of 24 January 1987 (Sixth Directive) on aid to shipbuilding. The report indicates that the arrangements introduced by the Directive provide a satisfactory legal framework ensuring transparency and facilitating the monitoring of all forms of aid to shipbuilding. It also emphasizes that

¹ Federal aid for Daimler-Benz: Bull. EC 5-1988, point 2.1.69.

² OJ L 69, 12.3.1987; Bull. EC 1-1987, point 2.1.49.

Member States should make greater efforts to fulfil their obligation to report aid granted.

Federal Republic of Germany

2.1.79. On 20 April the Commission decided to adopt a negative decision in respect of German aid for a contract concerning the construction of a 1 700 cgt wine-tanker for the German shipowner Paul Häse. The Sixth Shipbuilding Directive¹ provides that where there is competition between yards in different Member States for the same order, the Commission will only permit the lowest aid level unless a higher aid level within the maximum production aid ceiling is necessary to ensure that the contract remains within the Community. In June 1987 the Dutch authorities asked the Commission to intervene in a case of intra-Community competition for the building of the above vessel. Yards in Germany and the Netherlands were involved in the bidding for the contract. As both Member States concerned eventually advised the Commission that they would not grant aid to the contract, the Commission decided to close the case. Subsequently, the German Government notified the Commission of its intention to grant production aid after all, and referred to competition from a third country. The aid would amount to DM 1 734 million (ECU 871 million), equivalent to 16.6% of contract value. The Dutch Government did not alter its plan not to grant aid. On 19 July 1988 the Commission opened a procedure² against the German Government. The German authorities have maintained their aid measures, arguing that the offers made by the competing yards are not comparable under the terms of Article 4(5) of the Sixth Directive and claiming that the Dutch yard was not involved in the competition throughout the tendering procedure. The Commission has concluded, however, that in fact there was competition between the two yards and that the aid level proposed may have influenced the shipowner's choice of yard and thereby distorted competition.

Greece

2.1.80. On 13 April the Commission decided to open a procedure under Article 93(2) of the EEC Treaty relating to the application of the general Greek regional aid Law (1262/1982) and its amendments to shipbuilding in Greece. The Commission considers that this Law and its amendments (which provide for incentives for the economic and regional development of Greece) could be in breach of the provisions of the Sixth Council Directive on shipbuilding¹ if the aid provided, in terms of grant equivalent of contract value, exceeds the ceiling set by the Commission on the basis of Article 4 of the Sixth Directive or if the aid is only provided to Greek nationals for construction of ships in national yards, therefore discriminating against nationals of other Member States, a practice which is in breach of the provisions of Article 3(3) of the Sixth Directive. Finally, it would allow for operating aid to ship-repair when, according to the Sixth Directive, only investment aid can be provided for this purpose.

Portugal

2.1.81. On 26 April the Commission agreed to Portuguese government aid for retraining workers in the shipbuilding industry. The first scheme concerns the vocational retraining of 2 707 people at seven different yards where there is a modernization programme to adapt them to new technologies. The second concerns the Lisenave yard, which has undergone a major restructuring programme since 1980, with a 46% cut in the workforce. The total aid of ESC 276 million (ECU 1.6 million) was notified under the Sixth Shipbuilding Directive.¹

Railway equipment

Spain

2.1.82. On 26 April the Commission decided to approve an aid package to the

¹ OJ L 69, 12.3.1987; Bull. EC 1-1987, point 2.1.49.

² Bull. EC 7/8-1988, point 2.1.67.

Spanish railway equipment producers. MTM and Ateinsa, two wholly-owned subsidiaries of the Spanish public holding company INI. For some time the companies have been involved in carrying out a restructuring programme which has improved important capacity adjustment, reductions in manpower levels and withdrawal from a number of non-railway equipment engineering activities. The Spanish authorities decided to sell the companies to the private sector in order to secure an adequate transfer of technology to ensure their future viability. At the end of 1988, it was decided to sell the companies to the French company Alsthom. As part of the terms of sale, the Spanish authorities have agreed to inject PTA 25 billion (ECU 194 million) into the companies, which have made heavy losses in recent years. No further aid will be granted after privatization and the new owners will bear the full costs of the completion of the rationalization and restructuring programme, including additional new investments. In reaching its decision the Commission took account of the specific characteristics of the railway equipment sector, where producers operate in largely closed markets, dependent on the national railways. The proposed aid will contribute to a reduction of capacity in the sector and to the adaptation of the sector to the new context of open competition.

United Kingdom

2.1.83. On 5 April the Commission decided to approve a write-off associated with the privatization of BREL (1988) Ltd, the railway equipment design, manufacture and repair subsidiary of the British Railways Board (BRB). The company's management together with Trafalgar House and Asea Brown Boveri will pay UKL 14 million (ECU 21.6 million) for the company and property relating to its operations and will carry out a major restructuring of the company, reducing capacity and streamlining operations. The costs of the restructuring plan, estimated at UKL 75 million (ECU 115.8 million), will be borne entirely by the new owners. However, the BRB has agreed

to waive repayment of UKL 64 million (ECU 96.8 million) loan stock. In reaching its decision on the compatibility of this aid, which it considers represents State aid under Article 92(1) of the EEC Treaty, the Commission took account of the fact that the BRB and its subsidiaries do not operate in the normal market economy since all operating losses are made up by transfers from public funds, that the market for railway equipment is largely closed because of national restrictions on public procurement, and that the restructuring plan will contribute to the reduction of overcapacity in this sector.

Film-making industry

Italy

2.1.84. On 13 April the Commission decided to close the proceedings it had initiated¹ against legislation on aid in force in Italy (Law No 1213/1965 and Law No 163/1985) which contained restrictions based on nationality and limited participation by nationals of other Member States in films receiving aid. While it was not opposed in principle to aid in view of the special nature of the film-making industry, the Commission asked the Italian Government to remove these restrictions so as to bring the laws governing aid into line with the provisions of the Treaty on the free movement of persons and freedom to provide services. The Italian Government has transmitted to the Commission the text of an administrative measure which came into force on 25 October 1988 and which abolishes all restrictions based on nationality in the aid scheme for the film industry.

Cement

Greece

2.1.85. On 5 April the Commission decided to initiate a procedure under Article 93(2) of the EEC Treaty against aid which

¹ Bull. EC 12-1987, point 2.1.129.

it believes may have been granted by the Greek Government to Halkis Cement Company. The procedure concerns non-payment of Halkis' debts to public enterprises such as banks and energy companies. The procedure also covers the possible conversion of DR 42.3 million (ECU 250 million) debts into public equity capital. The Commission considers that the aid, which was not notified to it, is illegal and that, on the basis of its information, none of the exemptions provided for in Article 92(3) applies.

National monopolies

2.1.86. On 19 April the Commission decided to close a procedure against the Italian Government concerning restrictions on the supply of telecommunication modems, which had been the exclusive domain of SIP, the concessionaire for internal telephone traffic in Italy. Considering this monopoly to be contrary to Article 37 of the EEC Treaty, the Commission asked the Italian Government to put an end to it in 1986. Meanwhile, Commission Directive 301/88/EEC of 16 May 1988¹ introduced a general obligation to end telecommunications terminals marketing monopolies. Pursuant to this Directive, the Italian Government finally abolished the exclusive rights concerned by Decree of 30 December 1988.

Employment and social policy

Employment

Employment and the labour market

2.1.87. On 19 April the Commission adopted, for transmission to the Council, a proposal for a Regulation on the organization of a manpower survey (spring 1990 and 1991) (→ point 2.6.2).

Living and working conditions and social protection

Action against poverty

2.1.88. On 26 April the Economic and Social Committee delivered an opinion on the proposal for a Council Decision establishing a medium-term Community action programme, for the period 1989-93, to foster the economic and social integration of the least-privileged groups.² Aware of the scale and complexity of the poverty phenomenon in the Community, the Committee expressed regret at the programme's limited scope, but stressed the importance of a comparison of the schemes concerned. It also urged that the prototype schemes adopted should be of an exemplary nature and emphasized the need to improve statistical information on poverty.

Health and safety

Public health

2.1.89. On 26 April the Economic and Social Committee delivered an opinion on the draft Council recommendation on banning smoking in public places.³

Stressing the harm done by tobacco as a carcinogen and source of pollution in enclosed spaces, the Committee was favourable to the draft but wished the Commission to continue its work on the 'no-smoking campaign' which forms part of the Community action programme against cancer.⁴ In addition, it recommended a wider ban on smoking, particularly in places where it might cause fires or accidents. The Committee also suggested that smoking should be totally forbidden on journeys of less than three hours on public transport where it was not possible to have separate 'smoking' and 'no-smoking' compartments.

¹ OJ L 131, 27.5.1988; Bull. EC 5-1988, point 2.1.59.

² OJ C 60, 9.3.1989; Bull. EC 12-1988, point 2.1.163.

³ OJ C 32, 8.2.1989; Bull. EC 1-1989, point 2.1.38.

⁴ OJ C 184, 23.7.1986; Bull. EC 7/8-1986, point 2.1.112.

Health and safety at work

2.1.90. At its meeting on 5 April the Council (Employment and Social Affairs) approved common positions on the three proposals for Directives on minimum health and safety requirements for the workplace,¹ for the use by workers of machines, equipment and installations² and for the use by workers of personal protective equipment.³ The common positions were largely based on the amended proposals adopted by the Commission on 17 March,⁴ especially as regards the consistency of these three proposals with the proposal for a framework Directive on the introduction of measures to encourage improvements in the safety and health of workers at the workplace,⁵ and the definition of the obligations of employers and the rights of workers and their representatives.

2.1.91. Following the opinions (first reading) delivered by Parliament on 16 November⁶ and 14 December 1988,⁷ the Commission adopted, on 25⁸ and 27 April,⁹ for transmission to the Council, two amended proposals for Directives on the minimum health and safety requirements for handling heavy loads where there is a risk of back injury for workers,¹⁰ and for work with visual display units.¹¹

Human resources, education, training and youth

Cooperation in the field of education

2.1.92. On 13 April, Parliament adopted an opinion¹² on the two proposals for Decisions setting up the Lingua programme for the promotion of foreign language teaching in the Community.¹³ Parliament welcomed this programme, which, by taking into account the Community's linguistic diversity and by encouraging the development of its human resources, responds to a growing need for economic and cultural integration. Expressing the hope that the

programme's budget will be increased from ECU 250 to 300 million for five years, Parliament also proposed an extension of the programme's scope as regards both the languages covered and the types of teaching and training envisaged.

Higher education

2.1.93. On 26 April the Commission adopted for transmission to the Council a proposal¹⁴ for a Decision on the second phase of the Community programme for student mobility (Erasmus II). This proposal amends Decision 87/327/EEC¹⁵ of 15 June 1987 adopting the Erasmus programme. Based on the experience acquired over the first two years the programme has been in operation, these amendments, which aim mainly at increasing the number of students to benefit from the programme throughout the Community, are concerned mainly with the following points:

- (i) introduction of three-year financing for the inter-university cooperation programmes;
- (ii) the setting-up of a special fund of 5% of the sums earmarked for student grants in order to compensate for imbalances between Member States and between disciplines;
- (iii) inclusion in the programme of certain categories of students previously excluded;
- (iv) extension of the normal length of students' minimum stays to six months;

¹ OJ C 141, 30.5.1988; Bull. EC 2-1988, point 1.2.5.

² OJ C 114, 30.4.1988; Bull. EC 2-1988, point 1.2.6.

³ OJ C 161, 20.6.1988; Bull. EC 2-1988, point 1.2.7.

⁴ Bull. EC 3-1989, point 2.1.1986.

⁵ OJ C 141, 30.5.1988; Bull. EC 2-1988, point 1.2.4.

⁶ OJ C 326, 19.12.1988; Bull. EC 11-1988, point 2.1.134.

⁷ OJ C 12, 16.1.1989; Bull. EC 12-1988, point 2.1.179.

⁸ OJ C 129, 25.5.1989; COM(89) 213 final.

⁹ OJ C 130, 26.5.1989; COM(89) 195 final.

¹⁰ OJ C 117, 4.5.1988; Bull. EC 2-1988, point 1.2.9.

¹¹ OJ C 113, 29.4.1988; Bull. EC 2-1988, point 1.2.8.

¹² OJ C 120, 16.5.1989.

¹³ OJ C 51, 28.2.1989; Bull. EC 12-1988, point 2.1.157.

¹⁴ COM(89) 235 final.

¹⁵ OJ L 166, 25.6.1987; Bull. EC 5-1987, points 1.3.1 and 1.3.2.

(v) the gathering under the heading of action 1 (setting up and implementing the European university network) of certain types of activities split up among various actions (development of new teaching curricula, intensive curricula, study visits); the linguistic and cultural preparation of students, which is vital to the success of the programme, will likewise come under this heading;

(vi) elimination of the 10% financial ceiling imposed on actions 3 (measures to promote mobility by the academic recognition of diplomas and periods of study) and 4 (supplementary measures to promote student mobility and introduction of a 5% ceiling for action 4 only).

2.1.94. The close of the work preparatory to the launch of the European Credit Transfer System (ECTS)¹ was marked by the meeting in Pamplona from 10 to 12 April of representatives of the 84 higher education establishments and consortia chosen to take part in the experiment. These institutions have undertaken to reserve a total of 1 000 places for the students concerned for the 1989-90 academic year. A system has been set up for the transcription of the student's dossier, making it possible to transfer academic results from one establishment to another.

Vocational training

2.1.95. At its meeting on labour and social affairs held on 5 April, the Council adopted a resolution in which it invites the Member States, with due regard for the national powers of the parties concerned, to take or encourage measures to:

(i) encourage continuing vocational training to be made a more integral part of the short- and medium-term development strategies of firms, branches and sectors in order to strengthen economic competitiveness;

(ii) integrate continuing vocational training into local, regional and national

employment policies with a view to better forward management of employment;

(iii) strengthen training infrastructures, particularly in disadvantaged regions, so as better to achieve the objective of economic and social cohesion;

(iv) promote greater interaction between initial training and continuing vocational training and ensure that the latter leads to qualifications likely to be recognized by employers and the labour market;

(v) develop specific forms of linked work and training, ensuring a fair balance between activities carried out within the undertaking and those conducted outside;

(vi) encourage public and private training organizations to diversify the training they offer and to adapt it to the particular requirements of small and medium-sized enterprises;

(vii) develop the preventive function of continuing vocational training by making it more accessible to categories of workers whose jobs are threatened as a result of economic or technological restructuring;

(viii) encourage steps to ensure that workers and the unemployed can adapt to the consequences which technological change and sectoral restructuring have for employment and qualifications, so that they can take advantage of all the potential offered by technological and industrial innovation;

(ix) distribute fairly the organizational and financial burdens of continuing vocational training;

(x) extend access for workers and the unemployed to continuing vocational training by supporting the implementation of training measures and programmes inside and outside the firm, in particular measures aimed at workers in small and medium-sized enterprises;

(xi) integrate continuing vocational training measures into economic and social development schemes, particularly in

¹ OJ C 197, 27.7.1988; Bull. EC 7/8-1988, point 2.1.85; Bull. EC 12-1988, point 2.1.158.

regions whose development is lagging behind or regions in industrial decline, by promoting partnerships between the public and private sectors which include employers and workers' representatives, if they so desire, and all other interested parties;

(xii) strengthen the managerial, administrative and innovative skills of executive and supervisory staff in small firms;

(xiii) encourage all workers and the unemployed to make an effort to adapt and take vocational training in order to acquire better qualifications;

(xiv) ensure, pending completion of the internal market, which will create positive new prospects for employment, that any adverse short-term effects resulting from the completion of the internal market are anticipated, *inter alia*, by continuing vocational training;

(xv) promote continuing vocational training for all employed and self-employed workers, whether or not in employment, for employers and for members of cooperatives;

(xvi) encourage dialogue between workers and employers at all appropriate levels, in order to promote the implementation of the above measures on continuing vocational training.

The Council also requested the Commission to lay before it as soon as possible an action programme on continuing vocational training, taking account of the opportunities provided by the structural Funds and the Comett¹ and Eurotecnet² programmes.

2.1.96. On 13 April,³ the Commission adopted for transmission to the Council, Parliament and the Economic and Social Committee the second annual progress report⁴ on the implementation of the programme of cooperation between the universities and industry in the field of training for technology (Comett I).⁴

It emerges from the report that in 1988, 457 projects were chosen and the financing of 289 was renewed, the total representing Community financial aid amounting to ECU 19 million, as compared with ECU 13.7

million in 1987. Some 2 500 undertakings, 1 000 universities and 1 000 other types of bodies are participating directly in the Comett projects. Apart from the carrying-out of an outside assessment of the programme, 1988 was marked by the Council's adoption on 16 December⁵ of the Decision on the second phase (1990-94) and the organization in December of a conference on the European value-added in advanced training for technology.⁶

Information, communication and culture

Commission Offices in the Member States

2.1.97. On 26 April the Commission approved a paper defining a new role for its Offices in the Member States. With the Community increasingly in the spotlight as the internal market approaches completion, the Offices will have an even greater part to play among the principal vehicles for information about the Community.

Project 1992

Info 92

2.1.98. On 21 April Mr Bangemann, Vice-President of the Commission, unveiled Info 92, a new database set up by the Commission to give people in the Community access to information on every practical aspect of the completion of the internal market. Info 92 will be available from 1 June 1989 through videotex or as a database.

¹ OJ L 222, 8.8.1986: Bull. EC 7/8-1986, point 2.1.95.

² Bull. EC 4-1985, point 2.1.57.

³ COM(89) 171 final.

⁴ First annual report: Bull. EC 2-1988, point 2.1.80.

⁵ OJ L 13, 17.1.1989; Bull. EC 12-1988, point 2.1.159.

⁶ Bull. EC 12-1988, point 2.1.160.

Team 92

2.1.99. The first series of briefing sessions organized outside the Community on the Team 92 network¹ were held in a number of Japanese cities between 10 and 18 April. There are now some 100 Japanese trained to deliver talks on the 1992 programme and its implications for Japan. The participants, mainly commercial advisers from Japan and Europe, were also given full information on the Community's approach to trade relations.

Audiovisual policy and production: Media programme

2.1.100. At the beginning of April a vade-mecum entitled 'Media 92' was published, containing the articles of association and policy guidelines for the Media programme's seven pilot projects covering production, distribution and training in the European cinema and television industry. The vade-mecum is aimed primarily at those employed in the European audiovisual industry and has been distributed mainly at briefing sessions organized in the Member States.

Public awareness

Visit to the Commission

2.1.101. On 20 April a group of senior American journalists visited the Commission. The aim of the visit was to give US press representatives covering Community developments but working in cities other than Brussels an opportunity to hear at first hand the Commission's views on the major problems of the day.

Culture

2.1.102. On 26 April the Commission adopted a communication to the Council and Parliament entitled 'Books and reading: a cultural challenge for Europe', which, as

well as laying down general guidelines, sets out an initial set of meaningful measures covering the various stages in a book's journey from author to reader. The plan highlights the vital cultural challenge represented by books and reading for European society today, with its growing reliance on audiovisual media as a vehicle for information and communication. Four fields have been singled out for priority treatment—the provision of information on the cultural and economic phenomena affecting the book industry, support for translation, the social status of writers, and the development of a computerized library network.

The last of these is concerned with promoting cooperation between libraries, centring on the application of the new information technologies. The proposed programme covers five main areas: primary bibliographical data, international links between libraries, new services, new developments and prototypes, and the exchange of experience; it is to be introduced as soon as possible and will run for five years.

The proposed budget is ECU 4 million for the preparation of the action plan in 1990, with the total cost being established when the framework programme of research and technological development is reviewed.

Regional policy

Coordination of programmes

Regional development programmes

2.1.103. On 13 and 14 April Parliament adopted² three resolutions on certain Community areas:

Regional development in Spain. Recalling the major regional imbalances in Spain and the main bottlenecks, Parliament suggests that the Commission should consider spe-

¹ Bull. EC 2-1989, point 2.1.87; Bull. EC 3-1989, point 2.1.93.

² OJ C 120, 16.5.1989.

cial funding for a project to adapt the Spanish rail network to the track gauge of the European network; in addition, it asks the Commission to consider, with an eye to the single market, additional Community funding under the structural Funds to promote economic and social cohesion.

Community programmes to help the Portuguese autonomous island regions (the Azores and Madeira). Parliament proposes a number of priorities to develop these islands and invites the Commission to prepare a Community initiative in the form of a support programme focusing on transport and integrated action programmes relating to all the problems from which these regions suffer.

Creation of parks, the protection of land and the development of farm holidays. Parliament calls upon the Commission to submit a proposal for a Council Decision accepting the importance of protecting rural areas and the need to take stock of the natural, architectural and historical assets of rural areas. In addition, it calls upon the Member States to incorporate the establishment of parks in their proposed regional plans for rural areas which are of particular interest from the point of view of landscape and the environment.

Financial instruments

European Regional Development Fund

Annual reports

2.1.104. On 14 April Parliament adopted¹ a resolution on the 12th and 13th annual reports (1986² and 1987³) from the Commission concerning the activities of the European Regional Development Fund. It welcomes the many positive aspects, in particular the implementation of the IMPs and the establishment of a partnership arrangement, the adoption of new Community programmes, the utilization of virtually all the commitment appropriations for the non-quota section and the concentration of

assistance. Nevertheless, Parliament notes certain weaknesses, in particular the incomplete implementation of the non-quota measures, the fact that commitments in respect of productive activities were still less than 30% of the total, and the difficulties of effectively monitoring the measures launched. Parliament hopes that ERDF aid to projects which may affect the environment should be subjected to an environmental impact assessment and recalls the importance of establishing and complying with the principle of additionality.

Preparation of programmes

2.1.105. On 21 April the Commission adopted Decision 89/317/EEC⁴ including Braunschweig/Salzgitter (Federal Republic of Germany) in the areas eligible for aid under the Community programme to assist the conversion of steel areas (Resider).⁵

2.1.106. On 25 April the Commission adopted Decision 89/322/EEC⁶ including Emden/Leer (Federal Republic of Germany) in the areas eligible for aid under the Community programme to assist the conversion of shipbuilding areas (Renaval).⁷

ERDF assistance

Programmes

2.1.107. Under the Resider programme,⁵ on 21 April the Commission adopted for the Asturias region of Spain an aid programme for 1989-91 endowed with total ERDF assistance of ECU 13 million.

Overseas dimension of regional policy

2.1.108. On 26 April the Economic and Social Committee endorsed the draft Joint

¹ OJ C 120, 16.5.1989.

² Bull. EC 12-1987, point 2.1.160.

³ Bull. EC 12-1988, point 2.1.194.

⁴ OJ L 133, 17.5.1989.

⁵ OJ L 33, 5.2.1988; Bull. EC 2-1988, point 2.1.92.

⁶ OJ L 134, 18.5.1989.

⁷ OJ L 225, 15.8.1988; Bull. EC 7/8-1988, point 2.1.98.

Decision¹ of the Council and the Commission establishing a programme to assist the French overseas departments (Poisidom). The Committee notes in particular that the explanatory memorandum gives a complete and clear description of the situation in these regions which are remote from continental Europe. It would like to see mentioned in the text itself the idea of partnership, one of the principles underlying the programme. It also calls for greater clarity as regards the guarantees provided for in Article 39 of the Treaty with regard to the production of bananas which is a major activity for the economy of certain overseas territories.

Environment

Prevention and reduction of pollution and nuisance

Protection of the aquatic environment

2.1.109. On 26 April the Economic and Social Committee adopted an opinion on the proposal for a Directive concerning the protection of fresh, coastal and marine waters against nitrates.² It approved the Commission's proposal but asked that the Community measures take account of regional differences in climatic conditions and soil structure.

2.1.110. On 27 April the Economic and Social Committee also adopted a favourable opinion on the proposal³ amending Council Directives 80/778/EEC of 15 July 1980,⁴ 76/160/EEC of 8 December 1976,⁵ 75/440/EEC of 16 June 1975⁶ and 79/869/EEC of 9 October 1979,⁷ concerning respectively drinking water, bathing water, surface water and sampling and analysis of surface water.

Air pollution

Harmful motor-vehicle emissions

2.1.111. On 12 April Parliament adopted a Decision⁸ on the common position of the

Council⁹ concerning the proposal¹⁰ amending Council Directive 70/220/EEC of 20 March 1970 concerning air pollution caused by motor-vehicle engines of less than 1.4 litres.¹¹ Parliament approved all the amendments which it had already adopted in its opinion on the first reading,¹² concerning the taking into account of vehicles over 1.4 litres, limits for carbon monoxide, hydrocarbons and nitrogen oxides and dates for their introduction with respect to new models and new vehicles. It asked, however, that the limits be made compulsory and no longer optional in the Member States.

In adopting its opinion, Parliament took account of the position adopted by the Commission on 5 April in which it set out the following timetable:

- (i) compulsory introduction from 1 January 1991 of the limits contained in the common position;
- (ii) compulsory application from 1 January 1993 of stricter European standards;
- (iii) free movement of all vehicles complying with Community Directives during the changeover period from 1 January 1991 to 31 December 1992.

Control of chemicals, industrial hazards and biotechnology

Chlorofluorocarbons

2.1.112. On 13 April the Commission adopted Recommendation 89/349/EEC on a reduction in the use of chlorofluorocar-

¹ OJ C 53, 2.3.1989; Bull. EC 11-1988, point 2.1.157.

² OJ C 54, 3.3.1989; Bull. EC 12-1988, point 2.1.211.

³ OJ C 13, 17.1.1989; Bull. EC 12-1988, point 2.1.212.

⁴ OJ L 229, 30.8.1980.

⁵ OJ L 31, 5.2.1976.

⁶ OJ L 194, 25.7.1975.

⁷ OJ L 271, 29.10.1979.

⁸ OJ C 120, 16.5.1989.

⁹ Bull. EC 11-1988, point 2.1.167; Bull. EC 12-1988, point 2.1.214.

¹⁰ OJ C 56, 27.2.1988; Bull. EC 2-1988, point 2.1.103;

OJ C 321, 14.12.1988; Bull. EC 11-1988, point 2.1.166.

¹¹ OJ L 76, 6.4.1970; OJ L 81, 14.4.1970.

¹² OJ C 262, 10.10.1988; Bull. EC 9-1988, point 2.1.87.

bons by the aerosol industry.¹ The recommendation is addressed to Community aerosol manufacturers and to the Federation of European Aerosol Associations. It plans a 90% reduction, to be achieved not later than 31 December 1990, in the total volume used in 1976. Pharmaceutical and electronic uses and certain specialized industrial uses are, however, exempted. The recommendation calls for a voluntary agreement with the FEA resulting from discussions with the latter in accordance with the Council resolution of 14 October 1988.²

2.1.113. On behalf of the Community, the Commission participated in the First Conference of the Parties to the Vienna Convention on Protection of the Ozone Layer held in Helsinki from 26 to 28 April.³ Several decisions were adopted concerning the scientific research programmes on substances which harm the ozone layer: agreement was also reached on an arbitration procedure.

Protection and use of resources

Fauna and flora

2.1.114. On 26 April the Commission adopted for transmission to the Council a proposal for a Regulation prohibiting from 1 January 1996 the importation into the Community of animal furs originating in countries where the use of leghold traps is still permitted.⁴

Improving the quality of life

Awareness and training

2.1.115. On 13 April Parliament adopted a generally favourable opinion⁵ on the proposal for a Directive on freedom of information on the environment.⁶ However, it wanted strict limits to be placed on exceptions to the right to information (including cases where publicity would cause excessive damage to major interests), holding the

view that information on the emission of substances into the environment should under no circumstances be veiled in secrecy, even if it comes from private sources. It asked that the overriding obligation to disclose information be taken fully into account in cases where secrecy was considered necessary. It also asked for clarification of the question of the coverage of costs for certain categories of requesters of information.

2.1.116. The prize-giving for the 1989 'Better environment' competition, aimed at making European industry more aware of the importance of environmental protection, took place in London on 25 April. The following firms won prizes: Baxi Partnership (United Kingdom) for a project to reduce the environmental impact of a new foundry, Skanko (Denmark) and AJ Armstrong Evans (United Kingdom) for the development of environmental technologies adapted to the needs of developing countries. The competition, supported by the Commission and the United Nations Environment Programme (UNEP), was first launched as part of the European Year of the Environment.⁷

Nuclear safety

Action taken by the Community following the Chernobyl accident

2.1.117. On 25 April the Commission adopted,⁸ for transmission to the Council, Parliament and the Economic and Social Committee, a report on the action taken by the Community since the Chernobyl nuclear accident on 26 April 1986.⁹ The measures described in the report are part of a pro-

¹ OJ L 144, 27.5.1989.

² OJ C 285, 9.11.1988; Bull. EC 10-1988, point 2.1.108.

³ Bull. EC 3-1985, point 2.1.73.

⁴ OJ C 134, 31.5.1989; COM(89) 198 final.

⁵ OJ C 120, 16.5.1989.

⁶ OJ C 335, 30.12.1988; Bull. EC 10-1988, point 2.1.119.

⁷ Bull. EC 5-1987, point 2.1.137.

⁸ COM(89) 203 final.

⁹ Bull. EC 5-1986, points 1.1.1 to 1.1.5.

gramme of work adopted by the Commission in 1988,¹ the aim of which is to strengthen existing Community provisions in the fields of nuclear safety and the protection of the health of workers and the general public following the accident. These cover:

(i) the protection of the health of workers and the general public and protection of the environment against the dangers of ionizing radiation, including the laying-down of maximum permitted levels of radioactive contamination of food following a nuclear disaster;

(ii) the procedures to be followed in the event of a crisis, the exchange of information between authorities responsible and cooperation between States in the event of a radiological emergency;

(iii) informing the public about radiation protection measures and the dangers of ionizing radiation;

(iv) the technological aspects of the safety of nuclear installations;

(v) research on radiation protection and the safety of nuclear installations;

(vi) international cooperation in the above fields.

Radiation protection

2.1.118. On 12 April, in accordance with Council Regulation (Euratom) No 3954/87² of 22 December 1987 laying down maximum permitted levels of radioactive contamination of foodstuffs and of feeding-stuffs following a nuclear accident, the Commission adopted Regulation (Euratom) No 944/89³ relating to foodstuffs which make only a marginal contribution to food consumption by the population. For these products the maximum permitted levels of radioactive contamination are higher than those laid down in the Annex to Regulation (Euratom) No 3954/87.

2.1.119. On 13 April Parliament rejected⁴ the proposal for a Regulation⁵ on the special conditions for exporting foodstuffs and feedingstuffs following a nuclear accident.

2.1.120. On 20 April, in accordance with its outline communication of June 1986 on the consequences of the Chernobyl accident,⁶ the Commission adopted, for transmission to the Council, a communication on Community cooperation in the field of protection and assistance in the event of a nuclear accident or radiological emergency.⁷

In view of the international agreement on assistance adopted in 1986⁸ under the auspices of the International Atomic Energy Agency and the progress in Community cooperation on civil protection in general,⁹ the Commission advocates regular meetings between the members of a network of liaison officers in the Member States, better use of structures and resources in the event of an accident or emergency, and the publication of a catalogue of ways and means of combating nuclear accidents.

Consumers

Physical protection and product safety

2.1.121. On 20 April the Commission adopted, for transmission to the Council, a proposal for a Directive on general product safety.¹⁰ This proposal seeks to increase the confidence of both consumers and producers in the internal market by establishing a consistent policy on general product safety together with the means to respond appropriately to concerns regarding safety.

¹ Bull. EC 6-1986, points 2.1.241 to 2.1.246; Bull. EC 7/8-1986, points 2.1.220 to 2.1.236.

² OJ L 371, 30.12.1987; Bull. EC 12-1987, point 2.1.288.

³ OJ L 101, 13.4.1989.

⁴ OJ C 120, 16.5.1989.

⁵ OJ C 214, 16.8.1988; Bull. EC 6-1988, point 2.1.277.

⁶ Bull. EC 6-1986, points 2.1.241 to 2.1.246.

⁷ COM(89) 25 final.

⁸ Bull. EC 9-1986, point 2.1.161.

⁹ OJ C 176, 4.7.1987; Bull. EC 6-1987, point 2.1.10; OJ C 44, 23.2.1989; Bull. EC 2-1989, point 2.1.3.

¹⁰ COM(89) 162 final.

The proposal, which supplements Council Directive 85/374/EEC of 25 July 1985 concerning liability for defective products,¹ lays down rules concerning the safety of products in general, and not merely consumer products, and sets out the obligations incumbent on traders and public authorities. The proposed Directive would function on the basis of subsidiarity: it would not replace national legislation, but its implementation should lead to a uniform and high level of consumer protection in the large internal market. With regard to Community law, the proposal applies comprehensively to those sectors not yet covered by specific rules and is also intended to fill any gaps in existing legislation.

The proposal provides, in addition, for special arrangements for dealing, at Community level, with extremely urgent situations of particular relevance to the Community. Under these arrangements, the Member States must, in an emergency, ensure the smooth operation of the Community system for the rapid exchange of information² and, in the case of serious and immediate risks associated with a product, restrict and, if necessary, suspend the marketing of that product. The Commission, for its part, would be able to trigger a consultation and enquiry procedure or directly adopt a decision concerning the marketing of the product.

Consumer information, education and representation

2.1.122. On 7 April the Commission adopted, for transmission to the Council, Parliament and the Economic and Social Committee, a report on consumer education in primary and secondary schools.³ Further to the resolution of the Council and the Ministers for Education adopted on 9 June 1986 on this subject,⁴ the report describes, in its first section, Member States' policies and practices since 1986 in promoting consumer education, developing in-service teacher training and encouraging the production of suitable instructional material. The second part of the report is devoted

chiefly to pilot teacher-training schemes developed on the Commission's initiative and to the production of Commission-supported educational matter.

Agriculture

The Agricultural Situation in the Community — 1988 Report

2.1.123. The Commission has published its report on the agricultural situation in the Community in 1988.⁵

As in previous years,⁶ the report is made up of chapters which deal with the general economic context, developments on agricultural markets, farm incomes, harmonization of legislation, structures, financing of the CAP and the Community's external relations in the field of agriculture. A special chapter discusses the measures taken to reform this policy during the past four years. The second part of the report consists of a sizeable statistical annex covering the developments on agricultural markets, structural measures and the general agricultural economy of the Community.

1988 was an eventful year for Community agriculture. The general improvement in growth rates in the Community economy was partly reflected in the agricultural sector. It was offset to some extent, however,

¹ OJ L 210, 7.8.1985; Bull. EC 7/8-1985, point 1.5.1.

² OJ L 70, 13.3.1984; Bull. EC 3-1984, point 2.1.111.

³ COM(89) 17 final.

⁴ OJ C 184, 23.7.1986; Bull. EC 6-1986, point 2.1.167.

⁵ Published in conjunction with the *Twenty-second General Report on the Activities of the European Communities, 1988*, this report is available from the Office for Official Publications of the European Communities, L-2985 Luxembourg. Detailed information on trends on the agricultural markets may be found in the Commission paper 'The situation on the agricultural markets — 1988 report' (COM(88) 795 final) and the communication on the future of rural society, Supplement 4/88 — Bull. EC and Bull. EC 7/8-1988, point 1.2.1 *et seq.*

⁶ Bull. EC 1-1988, point 2.1.66.

by increases in the cost of inputs and the stabilizers.¹

The chapter dealing with the evolution of farm incomes over the past 10 years and the different factors affecting them includes a comparative study of the situation of the less-favoured areas in relation to the rest of the Community.

In the international context, the report lays particular emphasis on the effect on world markets on the reform of the CAP and the progress made in the Uruguay Round of GATT negotiations.

Farm prices and related measures for 1989/90

2.1.124. The Council reached an agreement on 22 April, which it formalized on 27 April² and 3 May,³ on the set of proposals on agricultural prices and related measures for 1989/90, which the Commission had adopted on 18 January⁴ and on which Parliament had delivered its opinion on 13 April⁵ and the Economic and Social Committee on 31 March.⁶

This agreement, which was unanimous, kept to the principles underlying the Commission proposals: full application of the budget stabilizers; pursuit of a market-oriented policy; compliance with budget discipline and phasing out of MCAs by 1992.

The main elements of the agreement reached in each sector are set out below. The impact of the Council decisions on support prices for agricultural products averages -0.1% in ecus and 1.3% in national currencies.

Prices and related measures

Cereals

2.1.125. The Council decided to maintain the intervention price for all cereals apart from durum wheat at the same level as in 1988/89, disregarding the 3% cut in this price resulting from the appli-

cation of the stabilizers for 1988/89.⁷ The intervention period is reduced by one month.

The monthly increments are also reduced by 12.5%, though their number remains unchanged.

As far as durum wheat is concerned, an alignment on the price of common wheat has been made by cutting the intervention price by 5.5%. On the other hand, the production aid has been increased by 16% and extended to include the region of Thrace and the provinces of Navarre, Toledo, Zamora and Salamanca.

For all cereals, an adjustment of transport costs has led to a slight decrease in the guide price, which is derived from the intervention price. The Council noted the Commission's intention to set a maximum moisture content of 15% for all cereals (except durum wheat and rice) during the period when the stabilizers are being applied, and a minimum specific weight of 62 kg/hl for barley in Spain.

The Commission is to look into the administrative difficulties arising out of the implementation of the co-responsibility levy and will submit a report to the Council, together with any appropriate proposals. Following the 3% cut in the intervention price for cereals, the Council undertook to adopt, on a proposal from the Commission, a Regulation for 1989/90 reducing the minimum price for potatoes intended for industrial processing by 3% and fixing processing aid at the same levels as those attained in 1988/90.

Rice

2.1.126. The Council decided to keep the intervention price for paddy rice at the current level for 1989/90. As in the case of cereals, it decided to reduce the monthly increments by 12.5%.

Production aid for Indica varieties is cut by 9.1%.

Sugar

2.1.127. The price for sugar beet for the 1989/90 marketing year will be reduced by 2%, which results in a net reduction for the producer of 1.7% after allowance has been made for the effect of the

¹ OJ L 110, 29.4.1988; Bull. EC 4-1988, point 2.1.126; OJ L 132, 28.5.1988; Bull. EC 5-1988, point 2.1.117.

² OJ L 118 and OJ L 119, 29.4.1989.

³ OJ L 126, 9.5.1989; OJ L 128 and OJ L 129, 11.5.1989.

⁴ OJ C 82, 3.4.1989; Bull. EC 1-1989, point 2.1.60 *et seq.*

⁵ OJ C 120, 16.5.1989.

⁶ Bull. EC 3-1989, point 2.1.121.

⁷ OJ L 110, 29.4.1988; Bull. EC 4-1988, point 2.1.126.

levies. The reduction in the intervention price for sugar, also of 2%, will be applied as from 1 October, in order to avoid devaluation of sugar stocks.

The Council and the Commission agreed that the margin available to the refiners of raw sugar should not be reduced by a greater percentage than the margin available to the processors of sugar beet into white sugar.

Italy is to maintain the national aids provided for in Article 46 of Council Regulation (EEC) No 1785/81 of 30 June 1981¹ for the 1989/90 and 1990/91 marketing years at 90% and 80% respectively of the overall financial commitment in ecus already authorized for the 1988/89 marketing year.

National aid in the French overseas departments is to be maintained temporarily at the 1988/89 level until adoption of measures forming part of the Poseidom programme.²

Oilseeds

2.1.128. Prices for 1989/90 remain unchanged at the 1988/89 levels, except for Spain, whose prices have been adjusted in accordance with the Act of Accession.

The intervention period has been reduced by one month. The monthly increments have also been cut by 12.5%, though their number remains unchanged.

Another period of one year, until 1992/93, was accepted for the entry into force of the system of paying aid for double-zero varieties of rapeseed. Nevertheless, the Council and the Commission confirmed their intention of maintaining aid for varieties which contain erucic acids where they are intended for industrial use.

Peas and field beans

2.1.129. The minimum price for peas for 1989/90 has been set at the same level as in 1988/89. The minimum price for field beans, on the other hand, is cut by 4%.

The monthly increments have been cut by 12.5%; their number remains the same as for the last marketing year.

Olive oil

2.1.130. The intervention price has been maintained at the 1989/90 level. The ceiling for being regarded as a small producer is increased to a

maximum of 400 kg. The production aid remains unchanged.

Some of the aid is to be used to fund the activities of producers' organizations and their associations. A further amount will be withheld, as in the past, to finance regional schemes aimed at improving the quality of olive oil production.

Cotton

2.1.131. The Commission, with the cooperation of the producer Member States, is to examine the situation of small producers of cotton and will submit a report to the Council before 1 August, together with appropriate proposals for measures to be implemented in 1989/90.

Wine

2.1.132. The guide prices for red wines of type R I and R II have been reduced by 2.5%; the guide prices for white wines of type A II have been increased by 2%, and the prices for other wines remain unchanged.

The Member States have been authorized to grant national aids for concluding short-term storage contracts for table wines and musts.

The Council took note of the Commission's intention to examine the problem of transferring replanting rights for table wines between holdings in the light of social and structural policies in the wine sector, and to make any necessary proposals.

Fresh fruit and vegetables

2.1.133. The basic and buying-in prices for oranges and mandarins have been reduced by 7.5%. The prices for other fruits and vegetables remain unchanged. The period of application of the basic and buying-in prices for table grapes has been extended until 20 November.

An intervention threshold is to be set for apples and cauliflowers. It is calculated by reference to the average production intended for consumption fresh over the past five marketing years and is equal, in the case of cauliflowers, to 3% of this average and, in the case of apples, to 6% of the average for 1989/90, 4% for 1990/91 and 3% for 1991/92.

Before the end of the 1990/91 marketing year the Commission will conduct an analysis and, if appro-

¹ OJ L 177, 1.7.1981; Bull. EC 6-1981, point 2.1.88.

² OJ C 53, 2.3.1989; Bull. EC 11-1988, point 2.1.157.

appropriate, propose a review of the threshold set for 1991/92 in the light of the market situation.

Special arrangements have also been made for implementing the intervention thresholds during 1989/90, the marketing year during which the second phase of the special transition for fruit and vegetables will start for Spain.

The aid for the processing of citrus fruit is extended so that all varieties of oranges, mandarins, clementines and satsumas can go for processing into juice, and clementines and satsumas can be processed into segments. The minimum price of products delivered for processing is set at the level of the withdrawal price, this being a single price for each of the products in question.

The Commission undertook to present a proposal to the Council shortly concerning the introduction into the aid scheme for processing citrus fruit into juice, in principle for 1989/90, of an element which permits improved assessment of fluctuations in the prices of these products imported into the Community.

Lastly, the Commission undertook to carry out a survey of varietal structure and conversion of apple orchards in the Community.

Processed fruit and vegetables

2.1.134. Tinned peaches and pears in their own juice have been included in the list of products qualifying for processing aid within the existing threshold.

Portugal has been authorized to transfer 20 000 tonnes from the tomato concentrate quota to the quota for other tomato products.

The present aid arrangements for tinned pineapple in syrup produced in the French overseas departments have been extended for 1989/90.

Tobacco

2.1.135. A freeze of prices and premiums for all varieties of tobacco has been decided for the 1989 crop. However, for the varieties Tsebelia, Mavra and Forchheimer Havanna and for the 1989, 1990 and 1991 crops the intervention price is reduced from 85 to 75% of the norm price, in the light of the large-scale deliveries into intervention. New maximum guaranteed quantities for the 1989 and 1990 harvests have been set as shown in Table 3.

The Commission stated its intention to review the maximum guaranteed quantities for the 1990/91 marketing year if there should be major unforeseen changes in supply and demand or prices.

Milk

2.1.136. The co-responsibility levy has been set at the following levels:

- (i) less-favoured areas: all producers: 0%;
- (ii) other areas:
 - (a) producers of less than 60 000 kg (actual quota available): 1 %,
 - (b) producers of more than 60 000 kg (actual quota available): 1.5%.

In order to maintain neutrality the intervention price for butter is to be reduced by 2%. The other prices remain unchanged.

The Council and the Commission stated that this reduction in the co-responsibility levy constituted the first step in a dismantling programme.

To that end, the Commission undertook to make the appropriate proposals for a further phase in the framework of the proposal on prices and related measures as from the 1990/91 marketing year.

The Council undertook to adopt the Commission proposal to extend the possibility of granting national aid for butter consumption (maximum ECU 50/100 kg) for 1989/90.

The Council, having regard to the changes in the market situation and the special problems of certain categories of producers, invited the Commission to carry out an in-depth study of the functioning of the quota system and to make any appropriate proposals before 31 July 1989 in order to avoid market distortions and discrimination among producers.

The Council and the Commission stated that, when fixing the reference quantity for Portugal in 1990, given the specific characteristics of Portuguese agriculture as recognized by the Brussels European Council in February 1988,¹ not only the 'acquis communautaire' will be taken into account but also the need to ensure that production expands, in view of the low level of Portuguese productivity compared with the level in the Community as a whole.

¹ Bull. EC 2-1988, point 1.1.1 *et seq.*

Table 1 — Prices agreed for individual agricultural products

Product and type of price or amount (period of application)	Decisions 1988/89		Decisions 1989/90		Spain			Portugal		
	Amounts (ECU/t)	% change	Amounts (ECU/t)	% change	Amounts (ECU/t)		% change	Amounts (ECU/t)		% change
					1988/89	1989/90		1988/89	1989/90	
1	2	3	4	5	6	7	8	9	10	11
Common wheat 1.7.1989-30.6.1990										
• Target price	250.30	- 2.26	247.78	- 1.01	250.30	247.78	- 1.01	—	—	—
• Intervention price for breadmaking wheat	179.44	0	179.44	0	179.44	179.44	0	—	—	—
• (Intervention price for feed wheat)	170.47	0	170.47	0	170.47	170.47	0	—	—	—
Barley 1.7.1989-30.6.1990										
• Target price	228.00	- 2.48	225.48	- 1.11	228.00	225.48	- 1.11	—	—	—
• Intervention price	170.47	0	170.47	0	161.17	170.47	+ 5.75	—	—	—
Maize 1.7.1989-30.6.1990										
• Target price	228.00	- 2.48	225.48	- 1.11	228.00	225.48	- 1.11	—	—	—
• Intervention price	179.44	0	179.44	0	179.44	179.44	0	—	—	—
Sorghum 1.7.1989-30.6.1990										
• Target price	228.00	- 2.48	225.48	- 1.11	228.00	225.48	- 1.11	—	—	—
• Intervention price	170.47	0	170.47	0	161.17	170.47	+ 5.75	—	—	—
Rye 1.7.1989-30.6.1990										
• Target price	228.00	- 2.48	225.48	- 1.11	228.00	225.48	- 1.11	—	—	—
• Intervention price	170.47	0	170.47	0	162.85	170.47	+ 4.66	—	—	—
Durum wheat 1.7.1989-30.6.1990										
• Target price	334.91	- 6.37	315.39	- 5.83	334.91	315.39	- 5.83	—	—	—
• Intervention price	276.34	- 5.23	261.09	- 5.52	221.90	222.51	+ 0.27	—	—	—
• Aid (ecu/ha)	137.05	+ 12.52	158.98	+ 16.00	54.49	80.61	+ 47.94	—	—	—
Rice 1.9.1989-31.8.1990										
• Target price — husked rice	549.85	+ 0.82	546.88	- 0.54	549.85	546.88	- 0.54	—	—	—
• Intervention price — paddy rice	314.19	0	314.19	0	270.64	281.52	+ 4.02	—	—	—
• Indica aid (ecu/ha)	330.00	0	300.00	- 9.09	330.00	300.00	- 9.09	—	—	—
Sugar 1.7.1989-30.6.1990										
• Basic price for sugarbeet	40.89	0	40.07	- 2	47.98	47.02	- 2	43.72	42.85	- 2
• Intervention price for sugarbeet ¹	54.18	0	53.10	- 2	62.78	61.52	- 2	51.88	51.70	- 0.3

Product and type of price or amount (period of application)	Decisions 1988/89		Decisions 1989/90		Spain			Portugal		
	Amounts (ECU/t)	% change	Amounts (ECU/t)	% change	Amounts (ECU/t)		% change	Amounts (ECU/t)		% change
					1988/89	1989/90		1988/89	1989/90	
1	2	3	4	5	6	7	8	9	10	11
Olive oil 1.11.1989-31.10.1990										
• Production target price	3 225.6	0	3 225.6	0	3 225.6	3 225.6	0	3 225.6	3 225.6	0
• Intervention price	2 162.4	0	2 162.4	0	1 550.1	1 652.1	+ 6	2 017.2	2 058.7	+ 10
• Production aid	709.5	0	709.5	0	271.0	333.6	+ 23		283.8	+ 33
Rapeseed 1.7.1989-30.6.1990										
• Target price	450.2	0	450.2	0	408.6	414.5	+ 1.4	450.2	450.2	0
• Intervention price	407.6	0	407.6	0	366.0	371.9	+ 1.6	407.6	407.6	0
Sunflower seed 1.8.1989-31.7.1990										
• Target price	583.5	0	583.5	0	462.8	480.0	+ 3.7	583.5	583.5	0
• Intervention price	534.7	0	534.7	0	414.0	431.2	+ 4.2	534.7	534.7	0
Soybeans 1.9.1989-31.8.1990										
• Guide price	558.5	0	558.5	0	443.5	459.9	+ 3.7	558.5	558.5	0
• Minimum price	489.4	0	489.4	0	374.4	390.8	+ 4.4	489.4	489.4	0
Dried fodder 1.5.1989-30.4.1990										
• Guide price	178.92	0	178.92	0	161.27	165.68	+ 2.7	178.92	178.92	0
Peas and field beans 1.7.1989-30.6.1990										
• Activating price	447.6	0	447.6	0	447.6	447.6	0	447.6	447.6	0
• Guide price	295.2	0	295.2	0	295.2	295.2	0	295.2	295.2	0
• Minimum price — peas	257.7	0	257.7	0	257.7	257.7	0	257.7	257.7	0
— field beans	248.6	0	238.7	- 4	248.6	238.7	- 4	248.6	238.7	- 4
Lupins 1.7.1989-30.6.1990										
• Activating price	430.5	0	430.5	0	409.5	430.5	+ 5.1	430.5	430.5	0
• Minimum price	289.0	0	289.0	0	276.4	289.0	+ 4.6	289.0	289.0	0
Flax 1.8.1989-31.7.1990										
• Guide price (seed)	554.1	0	554.1	0	487.3	496.8	+ 2	554.1	554.1	0
• Fixed-rate aid (fibre) (per ha)	355.09	0	375.0	+ 5.6	152.19	207.89	+ 36.6	152.19	207.89	+ 36.6
Hemp 1.8.1989-31.7.1990										
• Fixed-rate aid (per ha)	322.48	0	340.0	+ 5.4	138.21	188.66	+ 36.5	138.21	188.66	+ 36.5
• Hemp seed aid	250.0	0	250.0	0	250.0	250.0	0	250.0	250.0	0
Silk worms 1.4.1989-31.3.1990										
• Aid per box of silk seed	112.00	0	112.00	0	47.68	63.76	+ 34	47.68	63.76	+ 34

Cotton	1.9.1989-31.8.1990										
• Guide price		960.2	0	960.2	0	960.2	960.2	0	960.2	960.2	0
• Minimum price		912.3	0	912.3	0	912.3	912.3	0	912.3	912.3	0
Milk	1.4.1989-31.3.1990										
• Target price		278.4	0	278.4	0	—	—	—	—	—	—
Butter											
• Intervention price		3 132.0	0	3 008.0	- 2 ²	3 391.3	3 222.6	- 3.17	—	—	—
Skimmed-milk powder											
• Intervention price		1 740.4	0	1 740.4	0	2 260.4	2 201.2	- 2.62	—	—	—
Grana Padano cheese 30-60 days											
• Intervention price		3 889.3	0	3 889.3	0	—	—	—	—	—	—
Grana Padano cheese 6 months											
• Intervention price		4 803.3	0	4 803.3	0	—	—	—	—	—	—
Parmigiano-Reggiano 6 months											
• Intervention price		5 291.9	0	5 291.9	0	—	—	—	—	—	—
Beef/veal	6.4.1989-3.4.1990										
• Guide price for adult bovines ³		2 050.2	0	2 050.2	0	2 050.2	2 050.2	0	—	—	—
• Intervention price quality R 3, cat. A		3 440.0	0	3 440.0	0	3 440.0	3 440.0	—	—	—	—
• Intervention price quality R 3, cat. C		3 440.0	0	3 440.0	0	3 440.0	3 440.0	0	—	—	—
Sheepmeat	6.1.1989-3.1.1990	1988		1989							
• Basic price (carcase weight)		4 323.2	0	4 323.2	0	4 323.2	4 323.2	0	4 323.2	4 323.2	0
Pigmeat	1.7.1989-30.6.1990										
• Basic price (carcase weight)		2 033.3	0	2 033.3	0	2 033.3	2 033.3	0	—	—	—
Fruit and vegetables — Basic price											
• Cauliflowers	1.5.1989-30.4.1990		0		0	—	—	—	—	—	—
• Tomatoes	11.6.1989-30.11.1990		0		0	—	—	—	—	—	—
• Peaches	1.6.1989-30.9.1990		0		0	—	—	—	—	—	—
• Lemons	1.6.1989-31.5.1990		0		0	—	—	—	—	—	—
• Pears	1.7.1989-30.4.1990		0		0	—	—	—	—	—	—
• Table grapes	1.8.1989-20.11.1989		0		0	—	—	—	—	—	—
• Apples	1.8.1989-31.5.1990		0		0	—	—	—	—	—	—
• Mandarins	16.11.1989-29.2.1990		0		- 7.5	—	—	—	—	—	—
• Sweet oranges	1.12.1989-31.5.1990		0		- 7.5	—	—	—	—	—	—
• Apricots	1.6.1989-31.7.1990		0		0	—	—	—	—	—	—
• Aubergines	1.7.1989-31.10.1990		0		0	—	—	—	—	—	—
• Clementines	1.12.1989-15.2.1990		0		0	—	—	—	—	—	—
• Satsumas	16.10.1989-15.1.1990		0		0	—	—	—	—	—	—
• Nectarines	1.6.1989-31.8.1990		token entry		0	—	—	—	—	—	—
			token entry		0	—	—	—	—	—	—

Product and type of price or amount (period of application)	Decisions 1988/89		Decisions 1989/90		Spain			Portugal		
	Amounts (ECU/t)	% change	Amounts (ECU/t)	% change	Amounts (ECU/t)		% change	Amounts (ECU/t)		% change
					1988/89	1989/90		1988/89	1989/90	
1	2	3	4	5	6	7	8	9	10	11
Table wine ⁴ 1.9.1989-31.8.1990										
• Guide price Type R I	3.35	0	3.27	- 2.5	2.49	2.69	+ 8	—	—	—
• Guide price Type R II	3.35	0	3.27	- 2.5	2.49	2.69	+ 8	—	—	—
• Guide price Type R III	52.23	0	52.23	0	38.89	42.23	+ 8.59	—	—	—
• Guide price Type A I	3.11	0	3.17	+ 2	2.31	2.53	+ 9.52	—	—	—
• Guide price Type A II	69.60	0	69.60	0	51.78	56.24	+ 8.61	—	—	—
• Guide price Type A III	79.49	0	79.49	0	59.14	64.23	+ 8.61	—	—	—

¹ ECU/q.

² This reduction is in addition to that decided under the 'SLOM' scheme.

³ Price expressed per tonne live weight.

⁴ R I, R II and A I expressed in ECU/%/hl; R III and A II expressed in ECU/hl.

Table 2 — *Prices for tobacco*

Product, group and variety		1988 harvest decisions		1989 decisions EEC 12					
		(% change on 1987)		(% change on 1988)					
1		2		3					
Group I	3. Virgin D	} Price	0	} Price	0				
	7. Bright								
	17. Basmas					} Premium	+ 2	} Premium	0
	18. Katerini								
	26. Virgin GR								
	31. Virgin E								
33. Virgin P									
Group II	2. Bad. Burley	} Price	0	} Price	0				
	8. Burley I								
	9. Maryland								
	25. Burley GR					} Premium	+ 1	} Premium	0
	32. Burley E								
	34. Burley P								
28. Fermented Burley									
Group III	1. Bad. Geud.	} Price	0	} Price	0				
	4. Paraguay								
	5. Nijkerk								
	6. Missionero								
	10. Kentucky					} Premium	0	} Premium	0
	16. Round Tip								
	27. Santa Fé								
	29. Havana E								
30. Round Scafati									
Group IV	13. Xanti-Yaka	} Price	- 6	} Price	0				
	14. Perustitza								
	15. Erzegovina								
	19. K.K. classic					} Premium	- 6	} Premium	0
	20. K.K. non-classic								
	21. Myrodata Ag.								
	22. Zichnomyrodata								
Group V	11. Forch. Havanna	} Price	- 8	} Price	0 ¹				
	12. Beneventano								
	23. Tsebelia					} Premium	- 8	} Premium	0
	24. Mavra								

¹ For the varieties Forchheimer Havanna, Mavra and Tsebelia the intervention/norm price ratio is reduced from 85% to 75% for the 1989, 1990 and 1991 harvests.

Table 3 — *Maximum guaranteed quantities for the 1989 and 1990 raw tobacco harvests*

	tonnes of leaves	
	1989	1990
<i>Group I</i>		
3. Virgin D	10 500	11 000
7. Bright	44 250	46 750
31. Virginia E	14 500	16 000
33. Virginia P	3 500	4 000
17. Basmas	30 000	30 000
16. Katerini	23 000	23 000
26. Virginia GR	9 500	12 500
Total	135 250	143 250
<i>Group II</i>		
2. Bad. Burl. zone A	7 000	8 000
zone B	4 300	4 300
8. Burley I	42 500	43 500
9. Maryland	3 500	3 500
25. Burley GR	11 000	11 000
26. Burley fermented	27 000	26 500
32. Burley E		
34. Burley P	2 000	2 500
Total	97 300	99 300
<i>Group III</i>		
2. Bad. Geuderth. zone A	4 300	4 300
zone B	7 700	7 700
4. Paraguay zone A	20 000	18 000
zone B	2 700	2 700
zone C	2 000	2 000
5. Nijkerk		
6. Missionero	1 500	1 500
27. Sante Fé		
29. Havana E		
10. Kentucky	10 000	10 000
16. Round Tip		
30. Scafati	250	250
Total	48 450	46 450
<i>Group IV</i>		
13. Xanti-Yaka		
14. Perustitza	20 000	18 000
15. Erzegovina		
19. Kaba Koulak c.		
20. Kaba Koulak n.c.	36 000	33 000
21. Myrodاتا		
29. Zichnomyrodata		
Total	56 000	51 000

	tonnes of leaves	
	1989	1990
<i>Group V</i>		
11. Forchheimer Havanna		
12. Beneventano	18 000	17 000
23. Tsebelia		
24. Mavra	30 000	28 000
Total	48 000	45 000
Grand total	385 000	385 000

Table 4 — *Effect of Council decisions on support prices in ecus and in national currencies*

	Percentage change ¹	
	in ecus ²	in national currency ^{2,3}
Belgium	- 0.1	- 0.1
Denmark	0.0	0.6
FR Germany	- 0.1	- 0.8
Greece	- 0.5	14.0
Spain	1.4	1.3
France	- 0.2	1.0
Ireland	0.0	1.6
Italy	- 0.7	0.9
Luxembourg	0.0	0.0
Netherlands	- 0.1	- 0.6
Portugal ⁴	6.7	9.0
United Kingdom	0.0	3.0
EUR 12⁴	- 0.1	1.3

¹ Percentage variation between support prices for 1989/90 and those for 1988/89.

² Support (intervention or equivalent) prices, weighted in accordance with share of various products in value of agricultural production covered by common prices.

³ Common prices in ecus converted at green rates resulting from Council decisions.

⁴ Including effect of alignment of Spanish and Portuguese prices on common prices under accession arrangements.

Beef/veal, pigmeat, sheepmeat and goatmeat

2.1.137. It was decided to freeze prices.

Agri-monetary measures

2.1.138. As far as the Member States with negative monetary gaps are concerned, the Council decisions, in accordance with the Commission proposals and earlier undertakings, aim basically to reconcile two partly contradictory objectives:

(i) on the one hand, to phase out by the beginning of 1992, by devaluation of the 'green currencies', the stock of negative real monetary gaps (i.e. not only the MCAs applied but also the neutral margin), for which there would no longer be any justification in the context of the single market, and

(ii) on the other hand, to avoid a situation in which the objective pursued by the restrictive pricing policy and the implementation of stabilizers is obstructed by an excessive rise in prices in terms of national currencies, deriving from too large a devaluation of the green currencies.

As regards the Member States with positive monetary gaps, on the other hand (positive MCAs no longer apply since the beginning of April 1988), the aim of the Council decisions is, firstly, in accordance with the earlier agreements, to dismantle the residual gap by revaluing the green currencies and, secondly, to limit the negative effect on prices in national currencies and on incomes deriving from the revaluation of the respective green currencies.

In concrete terms, this approach was translated into the following decisions:

Negative gaps

France: reduction of the real monetary gap to 2 points except for pigmeat, for which the gap had already been completely dismantled, and for beef/veal for which the remaining gap (-0.531 point) has been eliminated;

Denmark: total elimination of the remaining real monetary gaps in all sectors;

Ireland: reduction of the real monetary gap to 2 points in all sectors except beef/veal, for which the existing gap (-2 points) is eliminated;

Italy: dismantling of half the real monetary gap existing on 1 January;

United Kingdom: dismantling of half the real monetary gap existing on 24 April for all products.

Dismantling in the beef/veal sector of the total real monetary gap existing on 24 April;

Greece: dismantling of 16.5 points of the real monetary gaps for all products, except for sheepmeat and structures for which the real monetary gap existing on 24 April will be dismantled;

Portugal: total dismantling of the real monetary gap existing on 24 April.

Positive gaps

Germany: dismantling to 0.4 point of the real monetary gaps for all livestock products. No dismantling for the remaining products;

Netherlands: elimination of the monetary gap for all products except cereals;

Spain: dismantling of one third of the real monetary gaps in force on 1 January for rice, olive oil, oilseed, wine, fruit and vegetables, dried fodder, flax and hemp and silkworms.

Market organizations

Cereals and rice

2.1.139. Pursuant to Article 7 of Council Regulation (EEC) No 1009/86 of 25 March 1986 establishing general rules applying to production refunds in the cereals and rice sector,¹ on 18 April the Commission adopted a report to be sent to the Council on the production refund scheme for users of cereal, ice and potato starch.²

2.1.140. In connection with this report, on 17 April the Commission adopted two proposals for Regulations³ for transmission to the Council:

(i) one amending Council Regulation (EEC) No 1008/86 of 25 March 1986 laying down detailed rules for production refunds applicable to potato starch; and

(ii) the other fixing the minimum price for potatoes payable by starch manufacturers to potato growers for the 1989/90 marketing year.

¹ OJ L 94, 9.4.1986; Bull. EC 3-1986, point 2.1.119.

² COM(89) 186 final.

³ COM(89) 185 final.

Table 5 — *Agri-monetary decisions 1989/90 — Fixed MCAs*

Member State — Product group	Situation at 24 April 1989				Decisions 1989/90				Consequences	
	Green central rate ¹	Green rate	Real gap	Applied gap	Dismante- ment	Green rate	Real rate	Applied gap	Devalu- ation	Effect on prices
	Value of ecu in NC ²	point			point	Value of ecu in NC ²	point		%	
FR GERMANY	2.34113									
Milk		2.38591	1.877	0	1.477	2.35053	0.400	0.0	1.505	- 1.483
Other livestock products		2.36110	0.846	0	0.446	2.35053	0.400	0.0	0.450	- 0.440
Cereals		2.37360	1.368	0	0.000	2.37360	1.368	0.0	0.000	0.000
Other products		2.36110	0.846	0	0.000	2.36110	0.846	0.0	0.000	0.000
NETHERLANDS	2.63785									
Cereals		2.66089	0.866	0	0.000	2.66089	0.866	0.0		
Milk		2.66089	0.866	0	0.866	2.63785	0.000	0.0	0.873	- 0.866
Other products		2.64704	0.347	0	0.347	2.63785	0.000	0.0	0.348	- 0.347
BLEU	48.2869									
All products		48.2869	0	0	0.000	48.2869	0.000	0.0	0.000	0.000
FRANCE	7.85183									
Milk		7.58418	- 3.529	- 2	- 1.529	7.69787	- 2.000	0.0	- 1.477	1.499
Pigmeat		7.85183	0	0	0.000	7.85183	0.000	0.0	0.000	0.000
Beef/veal		7.81036	- 0.531	0	- 0.531	7.85183	0.000	0.0	- 0.528	0.531
Sheepmeat		7.65577	- 2.561	—	- 0.561	7.69787	- 2.000	—	- 0.547	0.550
Other livestock products		7.56606	- 3.777	0	- 1.777	7.69787	- 2.000	0.0	- 1.712	1.742
Wine		7.54389	- 4.082	0	- 2.082	7.69787	- 2.000	0.0	- 2.000	2.041
Olive oil		7.58418	- 3.529	0	- 1.529	7.69787	- 2.000	0.0	- 1.477	1.499
Cereals, sugar		7.58418	- 3.529	- 2	- 1.529	7.69787	- 2.000	0.0	- 1.477	1.499
Other products		7.58418	- 3.529	—	- 1.529	7.69787	- 2.000	—	- 1.477	1.499
DENMARK	8.93007									
Pigmeat		8.93007	0	0	0.000	8.93007	0.000	0.0	0.000	0.000
Sheepmeat		8.66492	- 3.060	—	- 3.060	8.93007	0.000	—	- 2.969	3.060
Other products		8.84165	- 1.000	0	- 1.000	8.93007	0.000	0.0	- 0.990	1.000
IRELAND	0,8739									
Sheepmeat		0.829788	- 5.316	—	- 3.316	0.856765	- 2.000	—	- 3.149	3.251
Beef/veal		0.856765	- 2.000	0.0	- 2.000	0.873900	0.000	0.0	- 1.961	2.000
Pigmeat		0.856765	- 2.000	0.0	0.000	0.856765	- 2.000	0.0	0.000	0.000
Poultry		0.844585	- 3.471	0	- 1.471	0.856765	- 2.000	0.0	- 1.422	1.442
Crop products		0.843818	- 3.565	- 2.1	- 1.565	0.856765	- 2.000	0.0	- 1.511	1.534
Other products		0.844585	- 3.471	- 2.0	- 1.471	0.856765	- 2.000	0.0	- 1.422	1.442

¹ Coefficient: 1.137282 (0.879289).² NC: national currency.

Table 6 — Agri-monetary decisions 1989/90 — Variable MCAs

Member State — Product group	Situation at 24 April 1989				Decisions 1989/90				Consequences	
	Green central rate ¹	Green rate	Real gap	Applied gap	Dismantle- ment	Green rate	Real rate	Applied gap	Devalu- ation	Effect on prices
	Value of ecu in NC ²		point		point	Value of ecu in NC ²	point		%	
GREECE	197.622									
Pigmeat	167.523	— 17.967	— 16.3	— 16.500	194.765	— 1.467	0.0	— 13.987	16.262	
Sheepmeat	180.508	— 9.481	—	— 9.481	197.622	0.000	—	— 8.660	9.401	
Poultry	149.762	— 31.957	— 15.0	— 16.500	171.165	— 15.457	0.0	— 12.504	14.291	
Cereals, sugar	164.729	— 19.968	— 18.5	— 16.500	190.998	— 3.468	— 2.0	— 13.754	15.947	
Wine	164.729	— 19.968	— 15.0	— 16.500	190.998	— 3.468	0.0	— 13.754	15.947	
Olive oil	164.729	— 19.968	— 10.0	— 16.500	190.998	— 3.468	0.0	— 13.754	15.947	
Tobacco	164.729	— 19.968	—	— 16.500	190.998	— 3.468	—	— 13.754	15.947	
Other crop products	156.020	— 26.665	—	— 16.500	179.387	— 10.165	—	— 13.026	14.977	
Structures	190.827	— 3.561	—	— 3.561	197.622	0.000	—	— 3.438	3.561	
Other products	145.018	— 36.274	— 34.8	— 16.500	164.996	— 19.774	— 18.3	— 12.108	13.776	
SPAIN	144.284									
Pigmeat	146.854	1.750	0.0	0.000	146.854	1.750	0.0	0.000	0.000	
Sheepmeat	153.315	5.890	—	0.000	153.315	5.890	—	0.000	0.000	
Poultry	155.786	7.383	1.4	0.000	155.786	7.383	1.4	0.000	0.000	
Other livestock products	155.786	7.383	5.9	0.000	155.786	7.383	5.9	0.000	0.000	
Wine	154.213	6.438	1.4	0.805	152.896	5.633	1.0	0.861	— 0.854	
Olive oil	154.213	6.438	0.0	0.805	152.896	5.633	0.0	0.861	— 0.854	
Rice, oilseeds, fresh fruit	154.213	6.438	—	0.805	152.896	5.633	—	0.861	— 0.854	
Dried fodder, flax, hemp, silk	154.213	6.438	—	0.805	152.896	5.633	—	0.861	— 0.854	
Other crop products	154.213	6.438	4.9	0.000	154.213	6.438	4.9	0.000	0.000	
Other products	155.786	7.383	—	0.000	155.786	7.383	—	0.000	0.000	
ITALY	1 703.67									
Pigmeat	1 716.00	0.719	0.0	0.116	1 714.00	0.603	0.0	0.117	— 0.117	
Poultry	1 652.00	— 3.128	0.0	— 1.840	1 682.00	— 1.288	0.0	— 1.784	1.816	
Cereals, oilseeds, dried fodder	1 635.00	— 4.200	— 2.7	— 2.367	1 673.00	— 1.833	0.0	— 2.271	2.324	
Fresh fruit/veg., tobacco	1 668.00	— 2.138	—	— 1.329	1 690.00	— 0.809	—	— 1.302	1.319	
Wine	1 641.00	— 3.819	0.0	— 2.168	1 676.00	— 1.651	0.0	— 2.088	2.133	
Olive oil	1 652.00	— 3.128	0.0	— 1.840	1 682.00	— 1.288	0.0	— 1.784	1.816	
Other products	1 652.00	— 3.128	— 1.6	— 1.840	1 682.00	— 1.288	0.0	— 1.784	1.816	
PORTUGAL	192.002									
Olive oil	188.007	— 2.125	0.0	— 2.125	192.002	0.000	0.0	— 2.081	2.125	
Other products	188.007	— 2.125	0.0	— 2.125	192.002	0.000	0.0	— 2.081	2.125	
UNITED KINGDOM	0.729831									
Pigmeat	0.723693	— 0.848	0.0	— 0.424	0.726750	— 0.424	0.0	— 0.421	0.422	
Sheepmeat	0.671291	— 8.721	—	— 4.361	0.699340	— 4.360	—	— 4.011	4.178	
Beef/veal	0.710546	— 2.714	— 1.2	— 2.714	0.729831	0.000	0.0	— 2.642	2.714	
Poultry	0.685035	— 6.539	— 3.1	— 3.270	0.706728	— 3.269	0.0	— 3.069	3.167	
Olive oil	0.675071	— 8.112	0.0	— 1.056	0.701383	— 4.056	0.0	— 3.751	3.898	
Other crop products	0.675071	— 8.112	— 6.6	— 1.056	0.701383	— 4.056	— 2.6	— 3.751	3.898	
Other products	0.685035	— 6.539	— 5.0	— 3.270	0.706728	— 3.269	— 1.8	— 3.069	3.167	

¹ Coefficient: 1.137282 (0.879289).² NC: national currency.

These proposals provide for measures consisting in a 3% reduction in the minimum price for potatoes intended for the manufacture of starch and in the maintenance of the aid for the production of starch.

2.1.141. Parliament adopted an opinion on 13 April¹ on the proposal for a Regulation² amending Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals.³ It approved the proposal subject to a number of amendments concerning the threshold and checks on the granting of the progressive premium to livestock farmers who increase their use of cereals in compound feed beyond 20%.

The Economic and Social Committee adopted an opinion on 26 April on the proposals for Regulations:⁴

- (i) amending Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals,³ laying down general rules concerning production aid for high quality flint maize; and
- (ii) fixing the production aid for sowings in the 1988/89 marketing year of certain varieties of high quality flint maize.

The Committee approved these proposals, which provide for production aid to be granted over a period of three years to encourage the growing of this variety of maize.

2.1.143. The Economic and Social Committee, on 27 April, adopted a favourable opinion on the proposal for a Regulation⁵ amending Council Regulation (EEC) No 1418/76 of 21 June 1976 on the common organization of the market in rice.⁶ It took the view that the derogations provided for in the proposal in the case of the island of Réunion were fully justified in view of the remoteness of the island and the vital role played by rice in the diet of the poorest sections of the population.

Pigmeat

2.1.144. Parliament adopted a resolution on 13 April concerning the crisis in the pig-

meat sector.¹ This sector is subject, given the characteristics of its production process, to successive cyclical crises, the most recent of which began in late 1986 and reached its highest point in April 1988. Taking the view that the provisions of the current Community market organization are not sufficient to guarantee a minimum level of protection for producers in the face of these crises, Parliament asked the Commission to propose concrete measures to the Council for improving the existing instruments, together with new measures to improve stability in the sector in question.

Wine

2.1.145. On 10 April the Commission adopted Regulation (EEC) No 986/89 on the accompanying documents for carriage of wine products and the relevant records to be kept.⁷

In order to lay down uniform rules applicable throughout the Community and to simplify the administrative formalities for the public, the Community rules on the subject⁸ were revised in the light of experience and taking into account the requirements of the market. The new rules are applicable from 1 September, and transitional provisions are laid down for the period up to the end of 1990.

Milk and milk products

2.1.146. The Commission, on 18 April, adopted a proposal for a Regulation to be put to the Council⁹ amending Council Regulation (EEC) No 1307/85 of 23 May 1985 authorizing the Member States to grant consumption aid for butter.¹⁰ In view

¹ OJ C 120, 16.5.1989.
² OJ C 328, 21.12.1988; Bull. EC 11-1988, point 2.1.187.
³ OJ L 281, 1.11.1975.
⁴ OJ C 87, 8.4.1989; Bull. EC 3-1989, point 2.1.123.
⁵ OJ C 99, 20.4.1989; Bull. EC 3-1989, point 2.1.124.
⁶ OJ L 166, 25.6.1976.
⁷ OJ L 106, 18.4.1989.
⁸ OJ L 84, 27.3.1987; Bull. EC 3-1987, point 2.1.167.
⁹ OJ C 124, 19.5.1989; COM(89) 173 final.
¹⁰ OJ L 133, 27.5.1985; Bull. EC 5-1985, point 2.1.83.

of the steady downward trend in the consumption of butter, the purpose of the proposal is to prolong the aid scheme for the 1989/90 marketing year.

2.1.147. On 20 April the Commission adopted Regulation (EEC) No 1033/89¹ amending Regulation (EEC) No 1546/88 of 3 June 1988 laying down detailed rules for the application of the additional levy in the milk and milk products sector.² This Regulation lays down detailed rules for the application of Article 3a of Council Regulation (EEC) No 857/84 of 31 March 1984.³ It lays down the conditions under which special reference quantities are granted to 'SLOM' producers who, as a result of an undertaking given pursuant to Council Regulation (EEC) No 1078/77,⁴ had been unable to obtain quotas under the general additional levy scheme.

The Community reserve, increased by 600 000 tonnes for this purpose, is allocated partly to the same Member States as for the preceding period, while the additional 600 000 tonnes are intended for 'SLOM' producers. The Regulation also stipulates the conditions on which the special quota is to be granted on a provisional then on a permanent basis.

The Commission took the opportunity to simplify the application of the provisions concerning the taking into account of the fat content of the milk supplied by producers.

2.1.148. On 28 April the Commission adopted Regulation (EEC) No 1163/89 laying down detailed rules for the granting of private storage aid for long-keeping cheeses.⁵ This Regulation provides for private storage aid in respect of Emmentaler and Gruyère cheeses to protect the market from seasonal imbalances during the peak production period, which coincides with the lowest consumption figures.

Sheepmeat and goatmeat

2.1.149. On 13 April Parliament adopted an opinion⁶ rejecting the proposal for a

Regulation on the common organization of the market in sheepmeat and goatmeat.⁷

Sugar

2.1.150. Acting on a proposal from the Commission,⁸ approved by Parliament on 14 April,⁶ the Council, on 18 April, adopted Regulation (EEC) No 1069/89⁹ amending Regulation (EEC) No 1785/81 on the common organization of the markets in the sugar sector.¹⁰ The purpose of the Regulation is to extend to Portugal the Community aid for processors refining preferential raw cane sugar in respect of the quantities of raw sugar imported from non-member countries under Article 303 of the Act of Accession of Spain and Portugal and refined into white sugar in Portugal. The aid granted to this Member State for the 1988/89 and 1990/91 marketing years amounts to ECU 0.08/100 kg of sugar expressed as white sugar.

2.1.151. On 17 April the Commission adopted Regulation (EEC) No 999/89 on a standing invitation to tender to determine levies and/or refunds on exports of white sugar.¹¹ The Regulation provides for export refunds to be granted on exports of surplus sugar produced in the Community in 1989/90 to non-member countries by way of a standing invitation to tender closing on 16 May 1990.

Tobacco

2.1.152. On 13 April Parliament adopted a resolution on the budgetary control aspects of the common organization of the market in raw tobacco,⁶ in which it points

¹ OJ L 110, 21.4.1989.

² OJ L 139, 4.6.1988; Bull. EC 6-1988, point 2.1.209.

³ OJ L 90, 1.4.1984; Bull. EC 3-1984, point 1.2.4.

⁴ OJ L 131, 26.5.1977.

⁵ OJ L 121, 29.4.1989.

⁶ OJ C 120, 16.5.1989.

⁷ OJ C 319, 12.12.1988; Bull. EC 10-1988, point 2.1.145.

⁸ OJ C 58, 7.3.1989; Bull. EC 2-1989, point 2.1.112.

⁹ OJ L 114, 27.4.1998.

¹⁰ OJ L 177, 1.7.1981; Bull. EC 6-1981, point 2.1.88.

¹¹ OJ L 107, 19.4.1989.

out that the present balance between supply and demand on the market has been achieved artificially. It therefore calls on the Commission to present proposals for the reform of the market machinery aimed at:

- (i) encouraging conversion to different varieties;
- (ii) ensuring that greater account is taken of differences in quality in regular sales, even outside the intervention system;
- (iii) concentrating Community support as far as possible on growers;
- (iv) extending the system of production contracts to the whole of the Community in the economic and financial interests of growers, processors and also the Community budget;
- (v) making the subsidy scheme transparent.

Hops

2.1.153. On 21 April the Commission adopted, for transmission to the Council, a report on the production and marketing of hops (1988 harvest) and a proposal for a Regulation fixing the amount of the aid for producers for the 1988 harvest.¹ This aid is differentiated by groups of varieties in the following way: 'aromatic' hops: ECU 330/hectare and 'bitter' and other hops: ECU 390/hectare.

Legislation

Veterinary and animal husbandry

2.1.154. In April Parliament approved² the proposal for a Regulation on animal health conditions governing intra-Community trade in and importation from third countries of embryos of domestic animals of the bovine species.³

2.1.155. The Economic and Social Committee, on 27 April, adopted an opinion on the proposal for a Directive⁴ amending Council Directives 81/602/EEC of 31 July

1981⁵ and 88/146/EEC of 7 March 1988⁶ as regards the prohibition of certain substances having a hormonal or thyrostatic effect.

State aid

2.1.156. Under Articles 92 to 94 of the EEC Treaty, the Commission decided to raise no objection to the introduction of the following proposed schemes, which had been duly notified.

Federal Republic of Germany

Measures outside the community tasks applied in 1989 by the *Länder* in the structural field.

Denmark

Aid measures for the training of farmers.

Aid for the improvement of forests.

Budget for 1989 for the 'pro mille' Fund (constituted by parafiscal charges levied per unit of area) intended for funding various schemes (advertising, research, training, etc.) in various agricultural sectors.

Aid for the development of new agricultural products (aid for applied research in connection with innovative production in the interest of all the sectors concerned).

Greece

Charges levied on tobacco for the benefit of the National Tobacco Office to finance its administrative expenditure.

Italy

Sicily

Aid to compensate for losses resulting from the persistent drought (since 1986) and to

¹ COM(89) 172 final.

² OJ C 120, 16.5.1989.

³ OJ C 76, 28.3.1989; Bull. EC 12-1988, point 2.1.280.

⁴ OJ C 99, 20.4.1989; Bull. EC 3-1989, point 2.1.140.

⁵ OJ L 222, 7.8.1981; Bull. EC 7/8-1981, point 2.1.76.

⁶ OJ L 70, 16.3.1988; Bull. EC 3-1988, point 2.1.138.

reduce the cost of electricity, consumption of which increases sharply in times of drought on account of the need to use more drainage water.

2.1.156a. The Commission decided to terminate the procedure laid down in Article 93(2) of the EEC Treaty in respect of the following aids.

France

Aids for the storage of hemp seed. Given the scale of intra-Community trade in this product, the Commission took the view that the aid in question was unlikely to affect this trade.

Italy

Sicily

Subsidy for the cooperative Mugnai e Pastrai della Valle dei Platani, the undertaking in question having gone bankrupt.

Trento

Amendments to the provincial laws on agriculture, the Italian authorities having complied with the Commission's requests.

European Agricultural Guidance and Guarantee Fund

Guarantee Section

2.1.157. On 13 April the Commission adopted Regulation (EEC) No 961/89¹ amending Regulation (EEC) No 380/88² drawing up the list of measures which comply with the concept of intervention intended to stabilize the agricultural markets, within the meaning of Council Regulation (EEC) No 729/70 of 21 April 1970.³ This amendment updates the list of measures concerned.

2.1.158. On 19 April the Commission adopted Regulation (EEC) No 1019/89⁴ amending Regulation (EEC) No 2775/88 of

7 September 1988⁵ laying down detailed rules for the application of Article 5a of Council Regulation (EEC) No 729/70.³ This Regulation raises the interest rates applicable in the four least prosperous Member States of the Community (Greece, Spain, Ireland and Portugal) from 6.8% to 7.7% with effect from the start of the fiscal year. The new figure corresponds to the average rate of the ecu at three months for the last quarter of 1988.

Fisheries

Resources

Internal aspects

Community measures

Control measures

2.1.159. On 13 April Parliament adopted an opinion⁶ on the Commission's proposal for a Council Decision on a Community financial contribution towards expenditure incurred by Member States on the enforcement of the Community system for the conservation of fishery resources.⁷ Parliament approved the proposal subject to various amendments, mostly of a technical nature. It urges full compliance with the rules laid down in the common fisheries policy concerning conservation and surveillance and points out that a financial contribution from the Community will ensure that Member States show the necessary solidarity in meeting their obligations.

2.1.160. On the same day Parliament also adopted a resolution on monitoring the

¹ OJ L 102, 14.4.1989.

² OJ L 38, 11.2.1988; Bull. EC 2-1988, point 2.1.146.

³ OJ L 94, 28.4.1970.

⁴ OJ L 109, 20.4.1989.

⁵ OJ L 249, 8.9.1988.

⁶ OJ C 120, 16.5.1989.

⁷ OJ C 20, 26.1.1989; Bull. EC 11-1988, point 2.1.233.

enforcement of the common fisheries policy in which it requests the Commission to remind Member States of their responsibility for enforcement and to initiate the Article 169 procedure, without seeking any compromise, against those Member States who have clearly failed to meet their obligations. Parliament also takes the view that the Community inspectorate should be strengthened to take account of the increase in the number of ports to be monitored since enlargement and requests that the powers of the inspectorate should be reinforced at the same time. Again with a view to stricter controls, Parliament requests the Commission to amend Council Regulation (EEC) No 2241/87 of 23 July 1987¹ so that one Member State can send a surveillance vessel to monitor its own fishermen in the waters of another Member State. Parliament also points out the inconsistencies which are to be found not only between national fisheries policies and the common fisheries policy but also, at Community level, between the structural policy and the conservation policy, with all the risks which such a situation presents to the survival of stocks. It therefore calls on the Commission to propose a review of the structural policy for the fisheries sector, with particular reference to improving the balance between resources and fishing capacity.

External aspects

Greenland

2.1.161. On 28 April the Commission adopted, for transmission to the Council, a proposal for a Regulation² amending Council Regulation (EEC) No 3950/88 of 11 December 1988 allocating, for 1989, Community catch quotas in Greenland waters.³ The purpose of this proposal is to allocate among the Member States the additional 4 000-tonne quota of cod from the western stock which Greenland offered for 1989 and which was accepted by the Council Decision of 23 February.⁴

2.1.162. A first round of negotiations between the Community and the Greenland

authorities was held at Jakobshavn (Greenland) from 17 to 21 April, with a view to concluding a second fisheries protocol to replace that currently in force,⁵ which will expire on 31 December.

Malta

2.1.163. On 13 April the Council, acting on a proposal from the Commission,⁶ adopted a Decision authorizing the Commission to negotiate a fisheries agreement with Malta.

Baltic Sea, Belts and Sound

2.1.164. On 5 April the Council, acting on a proposal from the Commission,⁷ adopted Regulation (EEC) No 887/89⁸ amending for the third time Council Regulation (EEC) No 1866/86 laying down certain technical measures for the conservation of fishery resources in the waters of the Baltic Sea, the Belts and the Sound.⁹ The purpose of the amendment is to implement a number of recommendations adopted by the International Baltic Sea Fishery Commission at its 14th annual meeting, which was held in Warsaw from 19 to 23 September 1988.¹⁰

NAFO

2.1.165. On 20 April the Commission adopted, for transmission to the Council, a proposal for a Regulation¹¹ amending Council Regulation (EEC) No 3951/88 of 11 December 1988 fixing catch possibilities for 1989 for certain fish stocks and groups

¹ OJ L 207, 29.7.1987; Bull. 7/8-1987, point 2.1.238.

² COM(89) 216 final.

³ OJ L 352, 21.12.1988; Bull. EC 12-1988, point 2.1.307.

⁴ Bull. EC 2-1989, point 2.1.128.

⁵ OJ L 29, 1.2.1985; Bull. EC 2-1984, point 1.4.5.

⁶ Bull. EC 2-1989, point 2.1.131.

⁷ Bull. EC 2-1989, point 2.1.132.

⁸ OJ L 94, 7.4.1989.

⁹ OJ L 162, 18.6.1986; Bull. EC 6-1986, point 2.1.216.

¹⁰ Bull. EC 9-1988, point 2.1.126.

¹¹ COM(89) 176 final.

of fish stocks in the Regulatory Area as defined in the NAFO Convention.¹

The most recent scientific data having revealed a deterioration in the stocks concerned, the proposed amendment would bring the permissible level of fishing down to 58 400 tonnes.

Market organization

2.1.166. On 28 April the Commission adopted, for transmission to the Council, a proposal for a Regulation laying down common marketing standards for tinned sardines intended for human consumption.² The purpose of this proposal is to make the production of tinned sardines more profitable by improving the quality of the products and by harmonizing the existing marketing standards.

Structures

Granting of aid

2.1.167. On 26 April the Commission, acting under Council Regulation (EEC) No 4028/86 of 18 December 1986 on Community measures to improve and adapt structures in the fisheries and aquaculture sector,³ decided to grant, as the first instalment for 1989, aid totalling ECU 56 950 000 towards 122 shipbuilding projects, 342 vessel-modernization projects, 83 aquaculture projects and 1 artificial-reef project. Table 7 provides a breakdown by Member State.

2.1.168. On 27 April the Commission, acting under the same Regulation, also decided to grant aid totalling ESC 7 788 200 000 towards an exploratory fishing project submitted by Portugal.

¹ OJ L 352, 21.12.1988; Bull. EC 12-1988, point 2.1.311.

² COM(89) 211 final.

³ OJ L 376, 31.12.1986; Bull. EC 12-1986, point 2.1.285.

Table 7 — *Aid granted under Regulation (EEC) No 4028/86, broken down by Member State*

	Projects submitted		Projects approved	
	Number	Aid requested (ECU million) ¹	Number	Aid granted (ECU million) ¹
Belgium	18	2.30	6	0.18
Denmark	58	2.44	56	2.36
Germany (FR)	31	4.21	11	1.47
Greece	166	25.60	37	5.66
Spain	564	165.90	143	18.32
France	304	56.90	47	6.84 ²
Ireland	73	10.14	23	1.65
Italy	208	64.25	75	9.80
Netherlands	8	0.45	5	0.22
Portugal	130	25.18	54	6.25
United Kingdom	197	23.79	91	3.21
Total	1 757	381.16	548	56.95

¹ Converted at 1 April 1989 rates.

² Including ECU 0.03 million for one artificial-reef project.

Transport

Inland transport

Road transport

Fixing of rates

2.1.169. On 13 April the Commission adopted, for transmission to the Council, a proposal for a Regulation on the fixing of rates for the carriage of goods by road between Member States.¹ The idea is to replace, from 1 January 1990, the current Community system,² which allows the Member States to choose between compulsory tariffs and reference tariffs, by a single free rate-setting system applicable to all road haulage services between Member States. The proposed new system will also offer the option of establishing cost indices giving details of the various cost components to be taken into account by hauliers when negotiating rates with their customers.

Market observation

2.1.170. On 5 April the Commission adopted,³ for transmission to the Council, the third report on the collection of information concerning the activities of road hauliers participating in the carriage of goods to and from certain non-member countries.⁴ This time the report has been extended to include Austria, Switzerland and Yugoslavia in response to the growing interest being shown in the subject by these three countries of transit.

Technical aspects

2.1.171. On a proposal from the Commission,⁵ on 27 April the Council formally adopted Directive 89/338/EEC⁶ amending Directive 85/3/EEC of 19 December 1984 on the weights and dimensions of commercial vehicles,⁷ as agreed on 14 March.⁸ The new Directive adds to Annex I of Directive 85/3/EEC technical specifications for each

vehicle category plus new temporary derogations, expiring on a date yet to be decided, for Ireland and the United Kingdom.

2.1.172. On the subject of the end of the temporary derogations granted to Ireland and the United Kingdom, on 14 April Parliament endorsed⁹ the proposal of 2 December 1988¹⁰ amending Council Directive 85/3/EEC of 19 December 1984 on the weights and dimensions of commercial vehicles.⁷ It supported the objectives of the proposal but felt that the date proposed should be brought forward to coincide with completion of the internal market, i.e. 1 January 1993.

2.1.173. On the same subject, on 19 April the Commission took the first moves to implement Directive 89/338/EEC⁶ (→ point 2.1.171) by adopting, for transmission to the Council, a proposal for a Directive whereby the new temporary derogations from the new standards for Ireland and the United Kingdom should end on 31 December 1996.¹¹ These derogations were granted for the same reasons allowed by Directive 85/3/EEC.⁷ The Commission therefore decided not to change the date proposed in December 1988 for ending the earlier derogations.¹⁰

Road safety

2.1.174. On 27 April the Economic and Social Committee adopted three opinions on Commission proposals on road safety:

(i) the Committee endorsed the proposal for a Directive relating to the maximum permitted blood alcohol concentration for

¹ COM(89) 189.

² OJ L 359, 22.12.1983; Bull. EC 12-1983, point 2.1.200; OJ L 176, 7.7.1988; Bull. EC 6-1988, point 2.1.257.

³ COM(89) 78 final.

⁴ Previous report: Bull. EC 2-1987, point 2.1.165.

⁵ OJ C 173, 2.7.1988; OJ C 214, 16.8.1988; Bull. EC 5-1988, point 2.1.186.

⁶ OJ L 142, 25.5.1989.

⁷ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.200.

⁸ Bull. EC 3-1989, point 2.1.152.

⁹ OJ C 120, 16.5.1989.

¹⁰ OJ C 45, 24.2.1989; Bull. EC 12-1988, point 2.1.334.

¹¹ COM(89) 201 final.

drivers,¹ which, it felt, should be set at 0.8 mg/ml;

(ii) the Committee approved the broad lines of the proposal for a Directive relating to compulsory use of safety belts in vehicles of less than 3.5 tonnes.² However, it urged that this obligation should be extended to all seats in minibuses and called for the submission of a proposal on children under the age of 12 as soon as possible;

(iii) finally, on the proposal for a Directive on speed limits,³ the Committee generally supported the Commission's approach of setting different limits for different categories of road or vehicle. However, its advocated changing the limits, particularly those for expressways, and introducing uniform rules for the two categories of goods vehicles.

Inland waterways

Structural improvements

2.1.175. On a proposal from the Commission,⁴ on 27 April the Council formally adopted Regulation (EEC) No 1101/89 on structural improvements in inland waterway transport,⁵ as agreed on 14 March.⁶

2.1.176. Also on 27 April the Commission adopted Regulation (EEC) No 1102/89⁵ laying down certain measures for implementing Regulation (EEC) No 1101/89.⁵ This fixed the rates for the annual contributions and scrapping premiums and laid down the arrangements for mutual financial support between the national scrapping funds.

Shipping

2.1.177. On a proposal from the Commission,⁷ on 5 April the Council formally adopted Decision 89/242/EEC⁸ amending

Council Decision 78/774/EEC of 19 September 1978 concerning the activities of certain third countries in the field of cargo shipping⁹ (introduction of voting by qualified majority) and Decision 89/243/EEC extending until 31 December the collection of information concerning the activities of carriers participating in cargo liner traffic in certain areas of operation¹⁰ in response to the persistent fears about the impact of carriers from certain countries on the competitiveness of the Community's lines.

2.1.178. On 13 April Parliament adopted a resolution on the oil spillage in Alaska.¹¹ This underlined the need to enforce the conventions adopted by the International Maritime Organization, called for proper training for crews of vessels carrying oil or other dangerous cargoes and said that preference should be given to land routes. The resolution also advocated penalties against the people responsible and called on the Commission to make sure that the Community is fully prepared for any similar accident.

Multimodal transport

2.1.179. On a proposal from the Commission,¹² on 27 April the Council formally adopted Regulation (EEC) No 1100/89 granting aid to combined transport services,⁵ as agreed on 14 March.¹³

¹ OJ C 25, 31.1.1989; Bull. EC 11-1988, point 2.1.255.

² OJ C 298, 23.11.1988; Bull. EC 10-1988, point 2.1.183.

³ OJ C 33, 9.2.1989; Bull. EC 1-1989, point 2.1.91.

⁴ OJ C 297, 22.11.1988; Bull. EC 5-1988, point 2.1.189;

OJ C 31, 7.2.1989; Bull. 12-1988, point 2.1.336.

⁵ OJ L 116, 28.4.1989.

⁶ Bull. EC 3-1989, point 2.1.154.

⁷ OJ C 28, 3.2.1989; Bull. EC 1-1989, point 2.1.97.

⁸ OJ L 97, 11.4.1989.

⁹ OJ L 258, 21.9.1978.

¹⁰ OJ L 382, 31.12.1986; Bull. EC 12-1986, point 2.1.302.

¹¹ OJ C 120, 16.5.1989.

¹² OJ C 113, 29.4.1988; Bull. EC 3-1988, point 2.1.194.

¹³ Bull. EC 3-1989, point 2.1.157.

2. External relations

Commercial policy

General

Commercial policy instruments

Easing of restrictive measures

2.2.1. Under Council Regulation (EEC) No 3420/83¹ of 14 November 1983 on import arrangements for products originat-

ing in State-trading countries, not liberalized at Community level, the Commission decided in April to open quotas and apply the open licensing system to the release for free circulation of various products.²

Trade protection

2.2.2. Trade protection measures taken in April are shown in Table 8.

¹ OJ L 346, 8.12.1983.

² OJ C 91, 12.4.1989; OJ C 106, 26.4.1989.

Table 8 — Trade protection measures

Council	Commission
<p>Anti-dumping measures</p> <p><i>Extension of provisional duty</i></p> <p>On imports of video cassettes and tapes therefor originating in the Republic of Korea or Hong Kong OJ L 107, 19.4.1989 (provisional anti-dumping duty: OJ L 356, 24.12.1988)</p>	<p>Anti-dumping measures</p> <p><i>Notice of initiation of a review of measures concerning imports of:</i></p> <p>Certain glass textile fibres (rovings) originating in Czechoslovakia or the German Democratic Republic OJ C 87, 8.4.1989 (definitive duty: OJ L 354, 16.12.1983)</p> <p>Vinyl acetate monomer originating in Canada or the United States of America and the reopening of the investigation concerning such imports OJ C 105, 25.4.1989 (definitive duties: OJ L 170, 29.6.1984; OJ L 213, 4.8.1987)</p> <p><i>Six Commission decisions on applications for refund of duties collected on certain hydraulic excavators originating in Japan</i></p> <p><i>Applicants</i></p> <p>Kobemac Ltd Oswald de Bruycker NV Boeg-Thomsen A/S Louis Reyners BV Tridiam Ltd Hitachi Construction Machinery (Europe) BV OJ L 108, 19.4.1989 (definitive duty: OJ L 176, 6.7.1985)</p> <p><i>Commission Decision (ECSC) terminating the review of measures concerning imports of</i></p> <p>certain iron or steel coils, hot-rolled, originating in Argentina or Canada and confirming the expiry of those measures OJ L 112, 25.4.1989 (definitive duty: OJ 210, 2.8.1983; acceptance of undertaking: OJ L 160, 18.6.1983; initiation of review: OJ C 158, 17.6.1988)</p>

Council	Commission
	<p><i>Notice of forthcoming expiry</i> of a measure in accordance with Article 15 of Council Regulation (EEC) No 2423/88 of 11 July 1988 concerning asbestocement corrugated sheets originating in Czechoslovakia or the German Democratic Republic OJ C 83, 4.4.1989 acceptance of undertaking: OJ L 259, 28.9.1984</p> <p><i>Notice of expiry of measures</i> in accordance with Article 15 of Council Regulation (EEC) No 2423/88 of 11 July 1988 concerning: Glass textile fibres (rovings) originating in Japan (acceptance of undertaking: OJ L 352, 15.12.1983) Ferro-chromium originating in South Africa, Sweden, Turkey or Zimbabwe (acceptance of undertaking: OJ L 161, 21.6.1983) Certain cold-rolled iron or steel angles, shapes and sections, originating in Romania (acceptance of undertaking: OJ L 83, 27.3.1984) Pentaerythritol originating in Spain (acceptance of undertaking: OJ L 88, 31.3.1984; OJ C 97, 18.4.1989)</p>

Individual sectors

Textiles

2.2.3. On 18 April the Commission adopted Regulations (EEC) Nos 1014/89 and 1015/89 on arrangements for imports into the Community of certain textile products originating in Poland or Indonesia.¹

Industrialized countries

United States

2.2.4. On 14 April Parliament adopted a resolution on the USA's refusal to comply with Community legislation on slaughterhouses and hormones, and the consequences of this refusal.² Recalling its resolution of 11 October 1985 on the use of hormones in livestock farming,³ Parliament called on all governments to recognize the European Community's health provisions and called on the US Government to withdraw its reprisal measures, rejecting the argument that the ban on hormones was a trade bar-

rier against the United States. While demanding that the general ban on hormones be strictly enforced from 1 January, Parliament called on the Commission to put forward proposals for a legal framework for the authorization and use of veterinary substances. Parliament further recommended, as part of the current round of GATT negotiations, a commitment to introduce a world-wide ban on the use of hormones and all other substances used to improve productivity in livestock production.

2.2.5. On 14 April Parliament also adopted a resolution on restrictions on strategic exports and US-EC technology transfer.² Acknowledging the importance for collective security of restrictions on certain exports to certain countries, Parliament nevertheless doubted the effectiveness of restrictive measures and drew attention to potential between such measures and Community provisions. Noting that the scope of US export control legislation is very wide,

¹ OJ L 109, 20.4.1989.

² OJ C 120, 16.5.1989.

³ OJ C 288, 11.11.1985; Bull. EC 10-1985, point 2.1.112.

covering in particular re-exportation from third countries, Parliament called on the Council, the Commission and the Member States to invite the United States to guarantee unlimited transfers of technology and information to the Community and to set up an effective system to control exports from the Community.

European Free Trade Association

2.2.6. On 17 April Mr Andriessen met Mrs Brundtland, Prime Minister of Norway and current President of EFTA, in Oslo. Following the informal Ministerial meeting on 20 March¹ it had been agreed to set up a joint high-level working group to study in particular the scope for applying the four freedoms laid down in the Treaty (free movement of goods, people, services and capital) to relations between EFTA and the Community. The group will also look into the legal and political implications and the scope for cooperation in other fields. At a first meeting held in Brussels on 28 April various sub-groups were set up to look into specific issues.

Bilateral relations

Iceland

2.2.7. On 20 April Mr Andriessen met Mr Hannibalson, the Icelandic Foreign Minister. They discussed the question of access to the Community market for Icelandic fisheries products following the accession of Spain and Portugal. Mr Andriessen also responded to concern about access for Icelandic students to Community universities by stressing that access could be opened to EFTA nationals under the second stage of the programme on cooperation between universities and enterprises regarding training in the field of technology (Comett II).² Looking ahead to Iceland's EFTA Presidency in the second half of the year, Mr Andriessen and Mr Hannibalson also exchanged views on the new approach to

cooperation between the Community and EFTA.

Norway

2.2.8. Mr Berge, Norway's Finance Minister, met Mr Bangemann, Mr Christophersen and Mrs Scrivener on 24 April. Their discussions included the completion of the internal market, the implications of possible Economic and Monetary Union, EC-EFTA relations, Norwegian public opinion on relations with the Community and various Commission proposals on tax-related issues.

Sweden

2.2.9. On 19 April Mrs Dahl, the Swedish Environment Minister, met Mr Pandolfi, Mr Ripa di Meana and Mr Cardoso e Cunha in Brussels. Their discussions focused on EC-EFTA environmental cooperation and relations between the European environmental measurement and verification system announced by the Commission in its 1989 programme³ and the corresponding Swedish bodies. The two parties also had very open discussions on barriers to trade in chlorofluorocarbons, with a view to the Helsinki conferences on the implementation of the Vienna Convention (April) (→ point 2.1.113) and on the revision of the Montreal Protocol (May).

Switzerland

2.2.10. On 17 April Mr Ogi, the Head of the Swiss Federal Department of Transport, Communications and Energy, met Mr Andriessen and Mr Van Miert. The main topics of discussion were current negotiations on transit traffic through Switzerland and Swiss participation in the Commission's liberalization of air transport.

¹ Bull. EC 3-1989, point 2.2.7.

² OJ L 13, 17.1.1989; Bull. EC 12-1988, point 2.1.159.

³ Bull. EC 2-1989, points 1.1.1 to 1.1.7; Supplement 2/89 — Bull. EC

East European countries

2.2.11. At the Council (General Affairs) meeting in Luxembourg on 24 April there was a broad exchange of views on relations with the countries of Eastern Europe. The need to ensure a more comprehensive, consistent and dynamic approach to those countries was emphasized.

The Council accordingly adopted certain conclusions: it believed that the Community and its Member States should continue to react constructively to the political and economic reforms being undertaken and to play an active role in East-West relations, taking into account the specific case of each East European country. The cooperation which the Community is in the process of establishing with those countries must be complementary to that of the Member States, and greater consistency should be sought between Community policies and those agreed in the framework of European political cooperation. The Council reiterated the importance of greater transparency and consistency on export credits to the countries of Eastern Europe and the need for a strengthening of the Community's role in those countries, in particular by initiatives to help business. It was also in favour of active Community participation in the conferences provided for in the final document of the Vienna Conference on Security and Cooperation in Europe¹ where matters involving Community competence are concerned.

Bilateral relations

Bulgaria

2.2.12. The first meeting with a view to the conclusion of a trade and commercial and economic cooperation Agreement between Bulgaria and the Community was held in Brussels on 6 and 7 April.² The two parties marked their resolve to reach a mutually advantageous Agreement which will further the development of trade and economic relations. Subsequent negotiations will have to define detailed bilateral

trade liberalization measures and prepare the ground for more intensive commercial cooperation to take advantage of the economic reforms under way in Bulgaria.

2.2.13. During talks with Mr Andriessen and Mr Bangemann in Brussels on 20 April, Mr Lukanov, Bulgarian Minister for External Economic Relations, recalled the extent of the reforms being undertaken by the Bulgarian authorities and stressed that major obstacles must still be overcome before the long-term objective of making the Bulgarian currency convertible could be considered. Mr Lukanov, Mr Andriessen and Mr Bangemann noted the progress achieved at the meeting on 6 and 7 April.

Poland

2.2.14. On 13 April Parliament adopted a resolution on Poland's indebtedness.³ Recognizing that the economic reforms implemented by Poland were hampered by the scale of the country's external debt, Parliament called on the Commission and the Council to grant Poland the financial aid it needed in order to achieve successful economic revival and to come to appropriate arrangements with Poland's creditors in order to facilitate economic recovery in Poland.

2.2.15. Meeting in Luxembourg on 24 April, the Council (General Affairs) welcomed the favourable turn taken by the process of political and economic reform in Poland. It expressed the Community's wish to make a contribution to this process in the context of the current negotiations for a trade and economic cooperation Agreement,⁴ the rapid conclusion of which should improve access to the Community market for Polish exports.

¹ Bull. EC 1-1989, point 2.2.33.

² Bull. EC 2-1989, point 2.2.25.

³ OJ C 120, 16.5.1989.

⁴ Bull. EC 2-1989, point 2.2.21; Bull. EC 3-1989, point 2.2.8.

Romania

2.2.16. At the meeting in Luxembourg on 24 April, the Council and the Commission adopted the following statement:

The Community and its Member States repeat their deep concern at the Romanian Government's continued failure to meet its commitments under the Helsinki process, in particular in the field of human rights.

It has accordingly been agreed that the negotiations between the Community and Romania for a trade and commercial and economic cooperation Agreement shall be suspended.¹

It has also been agreed to keep the subject under review with a view to considering further action should the situation in Romania and the relations of the EEC and its Member States with that Government deteriorate further. Any resumption of the negotiations will take place only if clear evidence emerges of a significant improvement in Romania's respect for human rights and its observance of the commitments it has entered into through the Helsinki process.

Mediterranean, Gulf and Arabian Peninsula countries

Mediterranean countries

Turkey

2.2.17. Mr Matutes had talks with Mr Özal, the Prime Minister, and other members of the Turkish Government, when he visited Turkey from 24 to 25 April. The discussions covered the various aspects of relations between the Community and Turkey, and in particular the opinion to be presented by the Commission to the Council following the lodging of Turkey's official application for accession on 14 April 1987.²

Andorra

2.2.18. Negotiations for a trade Agreement between the Community and Andorra were launched with a meeting in Brussels

on 13 and 14 April.³ The two sides looked at the problems involved, namely the scope and content of the customs union proposed for industrial products and the situation regarding agricultural products, since they would not be covered by the customs union, and certain aspects involving taxation.

Yugoslavia

2.2.19. Mr Loncar, Yugoslavia's Federal Secretary for Foreign Affairs, had talks with Mr Matutes on 17 April and with Mr Delors on 19 April. The main purpose of the visit was to inform the Commission about the economic reform under way in Yugoslavia. Mr Delors and Mr Matutes stressed the need for more information in order to convince others of the reform's chances of success.

Mr Loncar also presented his Government's point of view regarding the situation in Kosovo, in response to the resolution which Parliament adopted on this matter on 13 April (→ point 2.4.5.).

Morocco

2.2.20 On 24 April the second meeting⁴ of the EEC-Morocco Cooperation Council was held in the presence of Mr Filali, Morocco's Foreign Minister, Mr Fernández Ordóñez, President of the Council and Spain's Foreign Minister, and Mr Abel Matutes. At the meeting the participants took stock of the operation of the Cooperation Agreement⁵ which was signed in 1976 and entered into force on 1 November 1978, and of the initial results of the Additional Protocol to that Agreement,⁶ the Protocol on financial and technical cooperation and the new Fisheries Agreement,⁷ which were signed in Rabat on 26 May 1988.⁸

¹ Bull. EC 12-1986, point 2.2.26.

² Bull. EC 4-1987, point 1.3.1 and 1.3.2.

³ Bull. EC 3-1989, point 2.2.11.

⁴ Previous meeting: Thirteenth General Report, point 561.

⁵ OJ L 264, 27.9.1978.

⁶ OJ L 224, 13.8.1988; Bull. EC 6-1988, point 2.2.36.

⁷ OJ L 181, 12.7.1988; Bull. EC 6-1988, point 2.1.239.

⁸ Bull. EC 5-1988, point 2.2.28.

Mr Filali called for a fresh approach to relations between the Community and Morocco within a new cooperation framework which was more likely to meet his country's expectations. Mr Ordóñez said that the new framework established by the two Protocols and the Fisheries Agreement testified to the Community's willingness to place relations with Morocco in a special context which would strengthen cooperation between the two sides.

Tunisia

2.2.21. Mr Moncef Belaïd, Tunisia's Minister for the National Economy, had a meeting on 27 April with Mr Cardoso e Cunha. In their talks particular attention was paid to cooperation between Community and Tunisian SMEs and the two sides agreed on the need to explore every possible means of establishing links between SMEs as part of a proper partnership.

Asia

Southern Asia

India

2.2.22. On 28 April, after receiving a favourable opinion from the Committee on Aid to Developing Countries in Latin America and Asia, the Commission took the following financing decision, the cost of which is to be set against appropriations under Article 930 of the Community budget through reallocation of a sum previously committed to irrigation works in Gujarat (which were not carried out): project for training concerning fertilizer use (phase II) — total cost: ECU 7 million — EEC contribution: ECU 7 million — autonomous project.

Association of South-East Asian Nations

Thailand

2.2.23. On 10 April, the senior Deputy Prime Minister of Thailand, Mr Pong Sarasin, visited the Commission for talks with Mr Andriessen and Mr Matutes. In addition to exchanging views on the rapidly changing situation in South-East Asia, they discussed the need to project intellectual property rights, and also the possibility of increasing direct Community investment in Thailand and enlarging the scope of the Community's trade promotion programmes with that country.

China

2.2.24. On 28 April, after receiving a favourable opinion from the Committee on Aid to Developing Countries in Latin America and Asia, the Commission took the following financing decision, the cost of which is to be set against appropriations under Article 930 of the Community budget:

marine fisheries development — total cost: ECU 6.22 million — EEC contribution: ECU 3.8 million — autonomous project.

Other countries

Nepal

2.2.25. On 18 April Mr Matutes received a delegation from the Nepalese Parliament led by its President, Mr Navaraj Subedi, on its visit to Brussels at the invitation of the European Parliament. Relations between the Community and Nepal were the main topic of discussion. It was agreed that the Commission would send a technical mission to Nepal to look into the possibility of expanding relations in areas such as development aid and trade. The Nepalese representatives commented on their difficult relations with India, particularly over trade.

Latin America

Multilateral relations

Community—Latin America dialogue

Latin American Group

2.2.26. For the first time since the Community-Latin America dialogue was broken off in 1982,¹ a meeting at ambassador level between the Group of Latin American Heads of Missions to the European Communities,² Member States representing the Community,³ and the Commission was held in Brussels on 3 April. A practical discussion took place on growth and development issues such as the debt question, the effects on the Latin American countries of the completion of the internal market in 1992, and some facets of the political and economic dialogue between the Community and Latin America.

Bilateral relations

Mexico

2.2.27. During his visit to the Commission on 19 and 20 April, Mr Solana, the Mexican Minister for Foreign Affairs, had talks with Mr Delors, Mr Andriessen and Mr Matutes. The discussions centred on the institutionalization of the dialogue between the Community and the 'Group of Eight',⁴ the problem of indebtedness, and the revival of economic cooperation with Mexico, especially in the industrial sector. The strengthening of Mexico's diplomatic presence in the Community and the opening of the Commission delegation in Mexico were declared to be an important contribution to closer relations.

Peru

2.2.28. Mr Larco Cox, the Peruvian Minister for Foreign Affairs, visited the Com-

mission on 21 April and met Mr Andriessen, Mr Marín and Mr Matutes. Referring to the drug problem, Mr Larco Cox said he thought the solution lay in reducing consumption in the industrialized countries and substituting other crops for coca. As regards cooperation between the Community and Peru, Mr Larco Cox mentioned the Puyango Tumbes joint project for the irrigation of a large area on the frontier between Peru and Ecuador. Mr Matutes and Mr Larco Cox also signed a financing agreement for the Pampa Puno II rural development project, to which the Community is contributing ECU 21.4 million.

Nicaragua

2.2.29. On 24 April Mr Delors and Mr Matutes received Mr Ortega Saavedra, President of Nicaragua, together with members of the Nicaraguan Government. Mr Ortega reviewed the progress made in implementing the Esquipulas peace agreement of 7 August 1987, and gave an account of the measures taken to prepare the elections by universal suffrage scheduled for February 1990. He also described the country's difficult economic situation and the main components of the recent stabilization plan. He called on the Community to put its political weight behind the peace process in Central America and to strengthen development cooperation in the economic field.

Suriname

2.2.30. On 14 April⁵ Parliament adopted a resolution on increased cooperation with Suriname. It welcomed the consolidation of democratic institutions and considered that the district councils, trade union organiz-

¹ Bull. EC 2-1981, point 2.2.43; Bull EC 5-1981, point 2.2.64.

² Represented by Uruguay, Peru, Argentina, Mexico, Brazil, Honduras and Venezuela.

³ Represented by Spain, Federal Republic of Germany, Italy, United Kingdom and Portugal.

⁴ Brazil, Argentina, Uruguay, Peru, Venezuela, Mexico, Colombia and Panama.

⁵ OJ C 120, 16.5.1989.

ations and employers' associations should be given an important role to play in formulating economic development policy. It also called on the Government of Suriname to draw up a plan allowing refugees and displaced persons to return to their place of origin. In addition, it urged the Commission to attach priority to assistance for education and training under the ACP-EEC Convention. On the economic front, it was in favour of improved donor coordination, increased regional cooperation, and the diversification of agricultural production.

Argentina

2.2.31. On 14 April Parliament adopted a resolution¹ on economic and trade relations between the Community and Argentina. Parliament pointed out that Argentina would benefit if it reinforced its structural adjustment programmes based on an outward-oriented trade strategy, and stressed the need for Argentina to diversify its exports to the Community and for increased commercial and industrial cooperation. It underlined the benefits which would accrue to Argentina from protecting

and extending the open multilateral system of trade within the context of GATT, welcomed the increase in the number of cooperation agreements with Latin America, and reiterated its request² that the EIB should be authorized to finance projects in the region. Lastly, it supported the efforts of Argentina, Brazil and Uruguay towards sub-regional economic integration.

African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs)

Financial and technical cooperation

European Development Fund

2.2.32. In April, the Commission allocated resources from the fifth and sixth EDFs totalling ECU 96 550 000 to finance the projects, programmes and emergency aid operations administered by it (see Table 9).

¹ OJ C 120, 16.5.1989.

² OJ C 46, 23.2.1987; Bull. EC 1-1987, point 2.4.9.

Table 9 — *Financing of operations under the fifth and sixth EDFs*

Sector/country	Project/programme	Total	
		Grant	Special loan
<i>Economic infrastructure</i>			
Sierra Leone	Telecommunications	5.000	2.500
Togo	Road rehabilitation and maintenance	16.980	6.220
<i>Rural production</i>			
Somalia	Animal health project	2.000	
Vanuatu	Forestry development	1.800	
Sahelian countries	Regional reforestation and soil	4.250	
Chad	Import programme for petroleum products	9.500	

ECU million

Sector/country	Project/programme	Total	
		Grant	Special loan
<i>Thematic operations</i>			
CILSS (Permanent Interstate Committee for Drought Control in the Sahelian Zone) Member States	Desertification and drought control	34.000	
<i>Other</i>			
Cape Verde	Sectoral import programme (building materials)	4.000	
<i>Emergency aid</i>			
Sudan	Aid for the victims of the conflict in southern Sudan	7.000	
Ethiopia	Aid for Somalian refugees in south-eastern Ethiopia	0.650	
Djibouti	Aid to compensate for torrential rain damage	0.150	
Mozambique	Aid to cope with the emergency situation and respond to the appeal for assistance made by the government and the United Nations	2.500	
	Total	87.830	8.720

2.2.33. On 26 April, the Commission adopted Decision 89/308/EEC¹ reallocating appropriations not yet committed from non-programmable resources for the overseas countries and territories.

latest peace agreement and calling on all sides to return to their commitment to the peace process. It also called on the United Nations to take immediate action to send the full Untag force, expanding it to the 7 500 originally proposed.

Regional cooperation

Indian Ocean Commission

Support to the Front-line States

2.2.36. The seventh ministerial session⁴ of the Indian Ocean Commission (IOC)⁵ was held in Victoria (Seychelles) on 13 and 14 April with representatives of the Community present. The Community is the main contributor to the IOC, having already com-

2.2.34. In April, the Community committed ECU 7 million under the 1989 general budget to support the Front-line States.² The money will support projects providing aid for war orphans, social assistance for vulnerable groups, or training programmes for the victims of conflicts in southern Africa.

2.2.35. On 13 April Parliament adopted a resolution on Namibia,³ welcoming the

¹ OJ L 126, 3.5.1989.

² Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe.

³ OJ C 120, 16.5.1989.

⁴ Previous session: Bull. EC 2-1988, point 2.2.50.

⁵ Comoros, Madagascar, Mauritius, Seychelles and France (for Réunion).

mitted ECU 29 million under Lomé III. The IOC adopted several projects which are crucial to development in the area, concerning environmental protection, tourism, cyclone prevention and trade. Madagascar took over chairmanship of the IOC for a period of one year, and Mr Rasolondraibe, a national of that country, was appointed Secretary-General for a four-year term.

Visits

2.2.37. Mr Marín visited Mali on 2 and 3 April and was received by General Traore, the President of the Republic and the current President of the Organization of African Unity. They discussed the main political and economic problems affecting Africa, including the debt question and the Namibian independence process.

Both parties agreed that African indebtedness was not just a financial issue; it was a question of economic development and any solution would have to take this into account. During his stay, Mr Marín also met other members of the Government to discuss cooperation between the Community and Mali.

2.2.38. General Traore himself visited the Commission on 10 April and was received by Mr Delors. General Traore and Mr Delors discussed further the matters raised during Mr Marín's visit and expressed satisfaction with the Community's excellent relations with African countries; they hoped these would be further consolidated as a result of the negotiations on the new ACP-EEC Convention.

2.2.39. Mr Sibomana, Burundi's Prime Minister and Minister for Planning, together with other members of the Burundian Government visited Mr Marín. The Community—one of Burundi's main partners—was told about the situation in the country and the results of the measures taken by the Government to strengthen national unity.

Cooperation between Burundi and the Community was reviewed in the run-up to the Round Table Conference of development partners to be held in Bujumbura from 26 to 28 April.

2.2.40. Mr Nze Bekale, the Gabonese Minister for Small and Medium-Sized Enterprises, visited Mr Marín on 19 April. They discussed developments in the current negotiations on the renewal of the ACP-EEC Convention, with Mr Marín stressing the important role SMEs had to play.

Development cooperation

Commodities and world agreements

Coffee

2.2.41. The 51st session of the International Coffee Council¹ and the third session of the negotiating group² for drawing up a new Coffee Agreement were held in London from 3 to 15 April. The continued divergence of interests within the producer group prevented any definite decision on the Agreement's future. While the consumer group was unanimous in supporting the Community's proposal for a global quota, the producer countries were unable to agree on a common basis for negotiation and presented four separate proposals instead.

Tin

2.2.42. The United Nations Conference on Tin was held in Geneva from 29 March to 7 April.³ The proceedings closed with the adoption of the terms of reference for an international study group on tin. The aim of this intergovernmental cooperation body is to improve the exchange of information and statistical, technical and economic data.

¹ Previous session: Bull. EC 10-1988, point 2.2.50.

² Previous session: Bull. EC 2-1989, point 2.2.28.

³ Previous session: Bull. EC 11-1988, point 2.2.37.

Under the terms of reference, and in accordance with the common position of the Community and its Member States approved by the Council on 28 November 1988,¹ the Community, as an intergovernmental organization with responsibilities in connection with the implementation of commodity agreements, will be able to join the study group which, it is planned, will take over the non-economic role of the International Tin Agreement.²

Food aid

Food aid management

2.2.43. On 12 April, Parliament, the Council and the Commission adopted conclusions on the financing of food aid in 1989.³ The conclusions are designed to ensure that food aid policy is properly implemented, despite budgetary constraints resulting from the adoption of multiannual financial perspectives (→ point 2.5.2). Parliament and the Council said they would soon be favourably examining the Commission's proposals on switching appropriations between the two food aid budget headings. The Council also said it was willing to adopt a proposal for transferring up

to ECU 51 million in food aid refunds to cover the most urgent requirements and to consider any other valid transfer request.

2.2.44. On 5 April, the Commission adopted Decision 89/249/EEC⁴ amending Decision 89/171/EEC⁵ of 1 March concerning the establishment of overall quantities of food aid for 1989 and establishing a list of products to be supplied as food aid. The amendment adds cheese and pigmeat to the list, these being protein-rich products suitable for use in emergencies or as supplementary foodstuffs.

2.2.45. On 21 April, the Commission also adopted two reports, for transmission to the Council and Parliament,⁶ on the Community's food aid policy and food aid management in 1985 and 1986.

Normal food aid

2.2.46. In April, following a favourable opinion from the Food Aid Committee, the Commission approved the following food aid operations (Table 10):

¹ Bull. EC 11-1988, point 2.2.36.

² OJ L 342, 3.12.1982; Bull. EC 6-1982, point 2.2.21.

³ Bull. EC 3-1989, point 2.2.40.

⁴ OJ L 101, 13.4.1989.

⁵ OJ L 63, 7.3.1989; Bull. EC 3-1989, point 2.2.40.

⁶ COM(89) 183 and 184 final.

Table 10 — Food aid operations

Recipient organizations	<i>in tonnes</i>					
	Cereals	Vegetable oil	Milk powder	Sugar	Butteroil	Other
Unbro	—	—	—	—	—	1
UNHCR	35 000	3 500	1 000	2 000	—	—
ICRC	—	—	200	600	500	—
Licross	30 000	1 500	1 300	400	—	—
Total	65 000	5 000	2 500	3 000	500	—

Unbro: United Nations Border Relief Operation.

UNHCR: Office of the United Nations High Commissioner for Refugees.

ICRC: International Committee of the Red Cross.

Licross: League of Red Cross and Red Crescent Societies.

¹ Other products totalling ECU 1.5 million.

2.2.47. Under the Community's 1989 food aid programme, the Commission allocated commodities worth ECU 15.2 million to the United Nations Relief and Works Agency for Palestinian Refugees in the Near East. An additional cash contribution of ECU 4 million is intended to cover the operating costs of the Agency's supplementary feeding programme.

Emergency food aid

Laos

2.2.48. Since the rice harvest has been badly hit by drought, the Commission granted Laos emergency food aid amounting to 10 000 tonnes of cereals. The aid will be administered by the World Food Programme.

Sudan

2.2.49. The Commission allocated emergency food aid amounting to ECU 5.22 million in the form of cereals and emergency items for the victims of the conflict in southern Sudan. The aid will be administered by the World Food Programme.

Emergency aid

Lebanon

2.2.50. The Commission approved the following grants of emergency aid to help the victims of the recent violence:

- (i) ECU 300 000 for the Maronite Welfare Fund, a non-governmental charitable organization providing help for the needy, regardless of race or religion;
- (ii) ECU 1 500 000 for meeting basic needs (medicines, medical supplies, blankets, etc.), to be administered by the International Committee of the Red Cross, Médecins du monde, and the French and Belgian branches of Médecins sans frontières;

(iii) ECU 2 500 000 in response to an appeal by the United Nations Secretary-General, decided at a coordination meeting with Member States; the aid will be administered either by agencies specialized in e.g., the medical and food aid fields, or directly by the Commission (petroleum products). Operations will not be undertaken unless all the parties involved agree.

Sudan

2.2.51. On 11 April, the Commission allocated ECU 7 million of emergency aid for the victims of the conflict in southern Sudan. The aid is to be administered by the World Food Programme, the International Committee of the Red Cross and various non-governmental organizations, and is intended to cover the costs of air transport and the organization of emergency medical assistance.

Financial and technical cooperation

2.2.52. As part of its policy of industrial and financial cooperation with the countries of Latin America, Asia and the Mediterranean,¹ the Commission signed two new financing agreements ('EC International Investment Partners') with the Istituto Bancario San Paolo di Torino and the Italian Institute of Foreign Trade, bringing the number of these agreements to 18.²

Cooperation through non-governmental organizations

2.2.53. For the period between 1 January and 30 April, the Commission committed ECU 36.2 million for the cofinancing of 241 projects in developing countries presented by 120 non-governmental organizations. In addition, the Commission contributed ECU 3 252 173 for 28 projects aimed at increasing European public awareness.

¹ Bull. EC 6-1987, points 2.2.14 and 3.6.1.

² Bull. EC 12-1988, point 2.2.59.

2.2.54. The XVth¹ General Assembly of European NGOs active in the development field, which took place in Brussels from 18 to 21 April, focused on the role of women in development.

The Community was represented by Mr Marín, who opened the proceedings by highlighting the decisive role of NGOs, particularly in the area of raising European public awareness of the problems of developing countries; he also said the Community was determined to take greater account of the role of women in the new ACP-EEC convention.

Aid to promote self-sufficiency of refugee groups

2.2.55. The Commission granted emergency aid of ECU 650 000 for Somalian refugees in Ethiopia. The aid will be administered by Médecins sans frontières — Belgium, and will be used to provide food and medical care for people in the Aware region.

2.2.56. The Commission decided to grant ECU 290 000 to UNRWA (the United Nations Relief and Works Agency for Palestinian Refugees in the Near East) to help Palestinian communities in the occupied territories. The money will be used to pay for medical staff and equipment and to cover the hospital costs of the victims.

Positive measures for victims of apartheid

2.2.57. The Commission decided to provide further financial assistance amounting to ECU 5.2 million to 21 aid projects for the victims of apartheid. This is one in a series of decisions² taken following the ministerial political cooperation meeting in Luxembourg on 10 September 1985,³ and brings the total to ECU 61 million for 243 projects.

Cooperation in international forums

United Nations Conference on Trade and Development

2.2.58. Unctad's Special Committee on Preferences held its 16th session⁴ in Geneva from 24 to 28 April, under the Chairmanship of Mr Hörig (Federal Republic of Germany).

Although it was not possible to discuss the substance of the proposals on origin rules, the session none the less covered a lot of ground and there was renewed interest in bilateral consultations if these were properly organized by applicant countries.

A number of beneficiary country delegations remarked on the considerable increase in preferential trade over the last decade and the important role of the Generalized System of Preferences (GSP) as a tool of international cooperation. However, they were extremely critical of certain restrictions on preferences, particularly exclusions based either on objective criteria of competitiveness or other factors not directly linked to trade.

For its part, the Community pointed out that the differentiation policy it had been following since 1986⁵ was meant to provide disadvantaged suppliers with market openings by protecting against excessive competition from countries already at a certain level of industrialization and development. Tariff preference could not by itself guarantee stable export growth; market demand was not infinite and was bound to be affected by competition.

Visits

2.2.59. On 4 April, Mr Thelusma, Haiti's Minister for Economy and Finance, had

¹ Previous Assembly: Bull. EC 4-1988, point 2.2.50.

² Previous decision: Bull. EC 12-1988, point 2.2.56.

³ Bull. EC 9-1985, point 2.5.1.

⁴ Previous session: Bull. EC 6-1988, point 2.2.46.

⁵ OJ L 373, 31.12.1986; Bull. EC 12-1986, point 2.2.29.

talks with Mr Marín. In addition to discussing the operation of Stabex and food aid, Mr Thelusma requested Community support for his country's recovery policy. He also asked for Community backing for Haiti's application to accede to the next ACP-EEC convention. Mr Marín said a comprehensive solution would have to be worked out for Haiti and the Dominican Republic.

International organizations and conferences

General Agreement on Tariffs and Trade

Uruguay Round

2.2.60. The mid-term review of the Uruguay Round (begun in Montreal in December 1988) was completed in Geneva on 8 April (→ points 1.3.1 *et seq.*).

United Nations

Economic and Social Council

Economic Commission for Europe

2.2.61. The 44th session¹ of the Economic Commission for Europe was held in Geneva from 11 to 21 April. The ECE called on the member governments to take full advantage

of the possibilities it offered as an instrument for dialogue and the strengthening of East-West cooperation in Europe. The programme of work for 1989-90 was adopted and the long-term programme for 1989-93 ratified. In addition, a number of recommendations were proposed, concerning air pollution, earthquake forecasting, cooperation on environmental protection, and economic cooperation in the Mediterranean.

Diplomatic relations

2.2.62. The following ambassadors, whose appointments took effect on the dates shown, presented their letters of credence to the President of the Council and the President of the Commission.

10 April

HE Mr Sani Bako, Representative of the Republic of Niger to the EEC and Head of Mission to the ECSC and Euratom; HE Mr Charles Kakuru Katungi, Head of Mission of the Republic of Uganda to the European Communities.

13 April

HE Mr Abdallah Lahlou, Head of Representation of the Kingdom of Morocco to the EEC and Head of Mission to the ECSC and Euratom.

¹ Previous session: Bull. EC 4-1988, point 2.2.55.

3. Intergovernmental cooperation

European political cooperation

2.3.1. On 6 April the Twelve issued the following joint statements in Madrid and Brussels on the outcome of round-table talks in Poland and on events in northern Namibia:

Poland

The Twelve welcome the outcome of the round table in Poland. They hope that the results of these negotiations will permit the adoption of measures to promote pluralism and democratic reform and to ensure political and social stability as well as the economic recovery of the country.

The Community and its Member States look to the rapid conclusion of negotiations on a trade and cooperation Agreement that will permit the fruitful further development of relations between the Community and Poland.

Namibia

The Twelve, deeply concerned over recent events in northern Namibia in violation of Resolutions 435 and 632 of the Security Council and of the agreements between the parties concerned, underline the necessity that the process leading to independence should not be endangered by these actions, which they consider of grave significance.

They condemn, in the light of information furnished by the Secretary-General of the United Nations to the Security Council, any interruption of this process and reiterate their unqualified support for the Secretary-General of the United Nations, for his Special Representative, and for Untag, in which the majority of the Member States of the Community are direct participants.

The Twelve appeal to the sense of responsibility of all parties concerned, who should respect scrupulously all the agreements and the relevant resolutions of the Security Council of the United Nations so as to avoid any action which could threaten the peaceful transition of Namibia to independence.

2.3.2. On 17 April the Twelve issued the following statement on the death of the Spanish Ambassador to Beirut:

Lebanon

The Twelve, deeply moved by the tragic death of Ambassador Pedro de Aristegui, representative of the Presidency in Beirut, condemn the taking of this innocent life as a result of the indiscriminate bombardment of the civilian population.

The Twelve reiterate with the greatest firmness their appeal to all parties, including Syria, for the establishment of a cease-fire and for an immediate end to shelling.

This tragic event confirms the absolute necessity of a negotiated solution to the Lebanese crisis, as stated repeatedly by the Twelve in their statements on the very grave situation in this Mediterranean country.

The Community and its Member States express their readiness to pursue emergency humanitarian aid to the Lebanese population without distinction and to relieve the present suffering as rapidly as possible.

2.3.3. On 25 April the Presidency issued the following message in Madrid and Brussels from Mr Fernández Ordóñez to the President of the Good Offices Committee and the Secretary-General of the Arab League:

Lebanon

I am writing on behalf of the Foreign Ministers of the 12 Member States of the European Community about the present disastrous situation in Lebanon.

As Your Excellency will know from recent statements, the Twelve are deeply concerned about Lebanon and anxious to help in any way possible in order to relieve the suffering of its people and to bring about a political settlement. In addition to our profound concern at the great loss of life over recent months in Beirut, the Twelve were particularly shocked by the death on 16 April of the Spanish Ambassador to Lebanon and members of his family. The indiscriminate shelling of the past few weeks, with its tragic consequences for the local population, has underlined the urgent need for an agreement on an immediate cease-fire and for a solution to the political problems of Lebanon.

The Twelve, who have consistently supported the efforts of the Good Offices Committee of the Arab League, have followed with the greatest interest the meetings Your Excellency and the Secretary-General of the Arab League have held with rep-

representatives of the parties concerned in the Lebanese conflict. This offers the most promising way to develop the contacts between the Lebanese communities and the other parties concerned in the dispute, which are necessary if a cease-fire is to be attained.

The Twelve consider that the calling, at your initiative, of an extraordinary Council of Ministers of the Arab League in Tunisia can also provide, at the present stage, a useful support and a new momentum to the efforts made by your Committee

to promote a cease-fire and to ensure that it is respected. This would be a necessary condition for the search for a solution to the Lebanese crisis, which constitutes the central purpose of your efforts.

You may be sure of the active interest of the Community and its Member States in the activities of the Good Offices Committee and of their readiness to make their contribution in whatever way would be useful, including the pursuit of their emergency humanitarian aid, in order to overcome the current serious situation.

4. Human rights and fundamental freedoms

Declaration by the European Parliament

2.4.1. On 12 April Parliament passed a resolution adopting the Declaration of fundamental rights and freedoms (points 1.2.1 *et seq.* and 3.2.1.).

Right of petition

2.4.2. On 12 April an agreement was signed in Strasbourg by Lord Plumb (on behalf of Parliament), Mr Fernández Ordóñez (on behalf of the Council) and Mr Bangemann (on behalf of the Commission) on the right to petition Parliament. The agreement formally establishes this right and the commitment to provide effective follow-up to petitions.

The Presidents of the three institutions agreed that Parliament should, whenever possible, continue to send the Commission, as custodian of the Treaties, all requests for aid which fall within the Community's competence, or ask the Commission to forward them, after examination, to the Member States concerned.

Exploitation of prostitution and the traffic in human beings

2.4.3. On 14 April Parliament adopted a resolution calling for the definition of a

common policy among the Member States with a view to combating prostitution and eradicating the traffic in human beings.¹ It stressed that such a policy must be aimed at punishing those who exploit human beings, incite them to prostitution and limit their freedom. This policy should also fulfil a social objective in allowing people who prostitute themselves access to all health-care facilities and job opportunities likely to contribute to their reintegration in society.

Human rights around the world

2.4.4. At the Council meeting on 24 April the Commission and the Council agreed to suspend the negotiations between the Community and Romania owing to the failure of the Romanian Government to respect its undertakings in the field of human rights (points 2.2.16).

2.4.5. At its April part-session Parliament adopted resolutions on the following issues:¹

International humanitarian law and support for the work of the International Committee of the Red Cross (ICRC): since the problems

¹ OJ C 120, 16.5.1989.

facing international humanitarian organizations are growing with the increasingly radical nature of conflicts, involving, among other things, acts of terrorism, executions without trial, the takings of hostages and the use of banned weapons, Parliament appealed earnestly to all parties engaged in armed conflicts covered by international humanitarian law to ensure that the victims receive all the emergency aid they need, notably through the good offices of humanitarian, neutral and impartial international organizations, such as the ICRC, and to grant such organizations regular access to all persons held prisoner as a result of these conflicts. It called on the Member States to provide active support for the humanitarian organizations, and especially the ICRC, in their work by increasing substantially their contributions, and by enabling them, through additional contributions linked to specific operations, to continue their emergency humanitarian work.

The position of the world's Indians: Parliament called on countries with Indian populations to strengthen measures to protect native communities and urged the governments to act to ensure that Indians are not deprived of their way of life and to protect them against the harmful consequences of industrial and agro-industrial development. Parliament called upon the Commission to make its involvement in countries with Indian communities contingent upon the fulfilment of demanding conditions as regards observing the rights of indigenous peoples, and to devise support programmes designed to provide Indian communities with all the legal assistance they require to uphold their rights. Finally, it called on the Member States, the Council and the Commission, when concluding trade agreements and bilateral conventions on social or cultural matters with countries having large Indian communities, to include provisions to protect the interests and identity of those communities.

The most recent incidents at the border with the German Democratic Republic: Parliament called on the German Democratic Republic to alter its provisions on the use

of firearms by its border troops and to act in a manner compatible with the human rights agreements it signed in Vienna in the follow-up to the Conference on Security and Cooperation in Europe; it also called on the Council and the Member States to make this position clear in negotiations with the German Democratic Republic.

The situation in Kosovo in southern Yugoslavia: Parliament called for the release of all political prisoners, appealed to the Serbian authorities to show understanding and sympathy for the anxieties of the Albanian inhabitants of Yugoslavia and called on the Albanian majority living in the province of Kosovo to respect the rights of the Serb minority. It called on the Commission and the Foreign Ministers meeting in European political cooperation to take full advantage of the contacts and possibilities open to them under the Association between the Community and Yugoslavia so as to meet these requests and help to put an end to ethnic tension. Finally, Parliament welcomed the invitation from the President of the Assembly of the Socialist Federal Republic of Yugoslavia to send a delegation to examine the situation on the spot.

Lebanon: Parliament, having lamented the casualties caused every day by the fighting and expressed its deepest sympathy to the families of the victims, called on the Council to make representations to Syria to secure a cease-fire and respect for the pluralist constitution, and called on the Commission forthwith to use all the means at its disposal to provide emergency aid for the victims.

Slaughter of Italian missionaries in Mozambique: Parliament called on the Foreign Ministers meeting in European political cooperation to take all the necessary steps to shed light on the circumstances of the slaughter and save the life of the missing priest, and, together with the Commission, to consider introducing measures — in conjunction with the Mozambican authorities — to increase the safety of development aid workers and those involved in the implementation of European development and aid projects in Mozambique.

Detention in South Africa: deploring the fact that thousands of South Africans, especially children, have been detained without trial for long periods of time, Parliament urged the South African Government to put an immediate end to its policy of detention without trial and called for the immediate release of the individuals concerned.

Release of Hélène Passtoors in South Africa: since the major obstacle raised by South Africa to the release of Hélène Passtoors, namely her evidence in the case against Ishmael Ibrahim, no longer exists since the case is now closed, Parliament called for her

immediate and unconditional release and urged the Council to make political and diplomatic approaches with a view to securing her release.

The Caazapa Scheme in Paraguay: since the Caazapa rural development scheme could constitute a threat to the survival and the lands of the Aché and Mbyà tribes, Parliament called on the Government of Paraguay to heed the reasonings of the democratic and humanitarian groups opposed to it, and to take into account the rights and needs of the indigenous peoples, the least-favoured of all the disadvantaged minorities in the country.

5. Financing Community activities

Budgets

General budget

Budgetary procedure

Supplementary and amending budget No 1/89

2.5.1. On 13 April Parliament adopted a resolution¹ approving draft supplementary and amending budget No 1/89.² On the same date the President of Parliament accordingly announced the definitive adoption of the budget.³

Financial perspective

2.5.2. On 17 April the Council approved the adjustments to the financial perspective proposed by the Commission for 1990.⁴ It also fixed the reference framework for compulsory expenditure other than the

EAGGF Guarantee Section as deriving from the adjustment of the financial perspective for 1990, subject to the classification of expenditure in respect of which it is required to take a decision as part of the budgetary procedure.

Preliminary draft budget for 1990

2.5.3. On 12 April Parliament adopted a resolution¹ on the annual adjustment of the financial perspective (1990)⁴ and the preliminary draft budget for 1990. As regards the financial perspective, it approved the Commission's proposed adjustments and called on the Commission to submit, by next year at the latest, a proposal for a full revision as provided in the Interinstitutional Agreement.⁵ It also

¹ OJ C 120, 16.5.1989.

² Bull. EC 3-1989, point 2.5.1.

³ OJ L 132, 16.5.1989.

⁴ Bull. EC 2-1989, point 2.3.3.

⁵ OJ L 185, 15.7.1988; Bull. EC 6-1988, points 2.3.8, 2.3.10 and 2.4.12.

noted that the macroeconomic framework to which the financial perspective belonged had developed more favourably than expected.

As for the preliminary draft budget for 1990, Parliament listed a number of priorities in addition to continued discipline in the agricultural sector. These were the completion of the internal market, the promotion of economic and social cohesion, research, environmental protection, development cooperation and measures to combat fraud affecting the Community budget.

Finally, Parliament reiterated its wish for a new procedure for assessing the implementation of the current year's budget so that the financial perspective can be adjusted if necessary.

2.5.4. On 26 April the Commission adopted the preliminary draft budget for 1990. Appropriations total ECU 48 931

million for commitments and ECU 46 820 million for payments, 5.4% and 4.4% higher than in the 1989 budget. Further progress has been made in achieving a balance between compulsory and non-compulsory expenditure since the ratio in the case of commitment appropriations is now 64.7%:35.3% as against 68.4%:31.6% in the 1989 budget.

On the expenditure side, Table 11 shows that the amounts entered in the preliminary draft respect the various intermediate ceilings for each item of the financial perspective for 1990 after the technical adjustment in line with GNP and prices.¹

On the revenue side, when the correction in favour of the United Kingdom is taken into account, the uniform VAT call-in rate is 1.25% and the rate for the GNP-based additional resources is 0.10%.

¹ Bull. EC 2-1989, point 2.3.3.

Table 11 — 1989 budget procedure — expenditure by sector

		<i>million ecus</i>					
		Commitments			Difference (preliminary draft budget 1990 minus 1989 budget)	Percentage increase (preliminary draft budget 1990 in relation to 1989 budget)	Difference (preliminary draft budget 1990 minus 1990 financial perspective)
		1989 budget	1990 financial perspective	Preliminary draft budget 1990			
		1	2	3	4 = 3 - 1	5 = 3 : 1	6 = 3 - 2
1. EAGGF Guarantee							
•	Titles 1 and 2	CE	26 741.00		26 788.00	+ 47.00	+ 0.18
•	Set-aside	CE	20.00		70.00	+ 50.00	+ 250.00
	Total 1	CE	26 761.00	30 700.00	26 858.00	+ 97.00	+ 0.36 - 3 842
2. Structural operations							
•	ESF (60)	NCE	3 387.00		4 075.00	+ 688.00	+ 20.31
•	EAGGF Guidance Section (30) (including fisheries)	CE	248.00		251.00	+ 3.00	+ 1.21
		NCE	1 165.00		1 449.00	+ 284.00	+ 24.38
•	ERDF (50)	NCE	4 495.00		5 408.00	+ 913.00	+ 20.31
•	Pedip (553)	NCE	103.50		108.80	+ 5.30	+ 5.12
•	Support programme (554)	NCE	9.70		13.50	+ 3.80	+ 39.18

million ecus

		Commitments			Difference (preliminary draft budget 1990 minus 1989 budget)	Percentage increase (preliminary draft budget 1990 in relation to 1989 budget)	Difference (preliminary draft budget 1990 minus 1990 financial perspective)
		1989 budget	1990 financial perspective	Preliminary draft budget 1990			
		1	2	3			
• Set-aside and income support	CE	80.00		225.00	+ 145.00	+ 181.25	
Sub-total	CE	328.00		476.00	+ 148.00	+ 45.12	
Sub-total	NCE	9 160.20		11 054.30	+ 1 894.10	+ 20.68	
Total 2	CE	9 488.20	11 555.00	11 530.30	+ 2 042.10	+ 21.52	- 25
3. Policies with multiannual allocations							
• IMPs (550 to 552)	NCE	254.00		344.00	+ 90.00	+ 35.43	
• Research (73) of which: framework programme	NCE	1 441.00		1 723.00	+ 282.00	+ 19.57	
	NCE	1 365.00		1 586.00	+ 221.00	+ 16.19	
Total 3	NCE	1 695.00	2 071.00	2 067.00	+ 372.00	+ 21.95	- 4
4. Other policies							
• Other measures in agriculture (38)	CE	27.20		42.38	+ 15.18	+ 55.79	
	NCE	59.15		52.33	- 6.83	- 11.54	
• Fisheries (Title 4)	CE	214.60		249.00	+ 34.40	+ 16.03	
	NCE	146.64		156.70	+ 10.06	+ 6.86	
• Other regional operations (54)	NCE	26.60		27.50	+ 0.90	+ 3.38	
• Transport (58)	NCE	64.35		66.45	+ 2.10	+ 3.26	
• Social support (62)	NCE	0.00		0.00	0.00		
• Education, training, youth (63)	NCE	119.92		144.50	+ 24.58	+ 20.50	
• Employment, social protection, public health (64)	NCE	76.52		78.44	+ 1.92	+ 2.51	
• ECSC restructuring (65)	NCE	0.00		0.00	0.00		
• Environment (66)	NCE	41.11		50.78	+ 9.67	+ 23.52	
• Information, communication, culture (67)	NCE	37.98		42.43	+ 4.45	+ 11.72	
• Consumers (68)	NCE	7.40		12.20	+ 4.80	+ 64.86	
• Disaster aid (69)	NCE	37.00		27.30	- 9.70	- 26.22	
• Energy (70)	NCE	132.35		63.55	- 68.80	- 51.98	
• Nuclear safeguards (71)	NCE	4.73		4.87	+ 0.14	+ 2.96	
• Information market, innovation (75)	NCE	27.95		47.50	+ 19.55	+ 69.95	

Budgets

million ecus

	Commitments			Difference (preliminary draft budget 1990 minus 1989 budget)	Percentage increase (preliminary draft budget 1990 in relation to 1989 budget)	Difference (preliminary draft budget 1990 minus 1990 financial perspective)
	1989 budget	1990 financial perspective	Preliminary draft budget 1990			
	1	2	3			
• Statistical information (76)	NCE	20.52		36.00	+ 15.49	+ 75.48
• Industry, internal market (77)	CE	0.00		0.00	0.00	
	NCE	125.15		164.20	+ 39.06	+ 31.21
• Eureka and other (78)	CE	0.18		0.18	0.00	0.00
	NCE	0.00		0.00	0.00	
• Financial engineering (79)	NCE	6.50		6.00	- 0.50	- 7.69
• Food aid (92)	CE	101.40		124.00	+ 22.60	+ 22.29
	NCE	372.00		376.95	+ 4.95	+ 1.33
• Cooperation with Latin America and Asia (93)	NCE	359.90		396.90	+ 37.00	+ 10.28
• Specific and exceptional measures (94,95)	CE	20.00		22.00	+ 2.00	+ 10.00
	NCE	166.55		188.60	+ 22.05	+ 13.24
• Cooperation with Mediterranean countries (96)	CE	189.00		258.00	+ 69.00	+ 36.51
	NCE	8.00		9.50	+ 1.50	+ 18.75
• Miscellaneous cooperation (97 to 99)	CE	0.00		0.00	0.00	
	NCE	23.66		20.28	- 3.38	- 14.27
• Contingency reserve (101)	NCE	0.00		0.00	0.00	
Sub-total	CE	552.38	706.00	695.56	+ 143.18	+ 25.92
Sub-total	NCE	1 863.96	2 023.00	1 972.97	+ 109.01	+ 5.85
Total 4		2 416.35	2 729.00	2 668.53	+ 252.18	+ 10.44
5. Repayments and administration (provisional amounts)						
• Repayments (Title 8) and stock deposit	CE	1 463.00		925.80	- 537.20	- 36.72
	CE	1 449.00		1 481.00	+ 32.00	+ 2.21
• Section III A	NCE	1 229.30		1 331.58	+ 102.28	+ 8.32
	CE	187.00		215.80	+ 28.80	+ 15.40
• Section I	NCE	405.50		455.50	+ 50.00	+ 12.33
• Section II	NCE	240.40		296.10	+ 55.70	+ 23.17

million ecus

		Commitments			Difference (preliminary draft budget 1990 minus 1989 budget)	Percentage increase (preliminary draft budget 1990 in relation to 1989 budget)	Difference (preliminary draft budget 1990 minus 1990 financial perspective)
		1989 budget	1990 financial perspective	Preliminary draft budget 1990			
		1	2	3			
• Section IV	NCE	60.50		68.70	+ 8.20	+ 13.55	
• Section V	NCE	30.60		32.80	+ 2.20	+ 7.19	
	Sub-total	CE		2 622.60	- 476.40	- 15.37	
	Sub-total	NCE		2 184.68	+ 218.38	+ 11.11	
	Total 5		4 930.00	4 807.28	- 258.02	- 5.09	- 123
6. Monetary reserve (102)	CE	1 000.00	1 000.00	1 000.00	0.00	0.00	0
	Total	CE	35 454.00	31 652.16	- 88.23	- 28	- 3 802
	Total	NCE	17 531.00	17 278.95	2 592.99	+ 17.66	- 253
	Grand total		52 985.00	48 930.61	2 504.76	5.40	- 4 054

CE: Compulsory expenditure.

NCE: Non-compulsory expenditure.

The numbers after each heading refer to the various titles, chapters and articles of the budget nomenclature.

Own resources

2.5.5. At its meeting on 17 April the Council (Economic and Financial Affairs) held a conciliation meeting with a European Parliament delegation, with the Commission in attendance, in accordance with the Joint Declaration of 5 March 1975.¹ The discussions centred on the new regulations on the establishment, entry in the accounts, making available and control of the Communities' own resources. The Council amended several aspects of the common guidelines approved on 13 February² to accommodate Parliament's requests. In particular, it agreed that, in order to strengthen the role of the Commission in combating fraud, the Commission should be allowed to make its own on-the-spot investigations into transactions relating to traditional own resources. The Council also decided that the Committees which would assist the Commission in implementing the new regulations should be Advisory Committees.

Budget discharge

2.5.6. Acting on the recommendation from the Council³ and in accordance with Article 206 of the EEC Treaty, on 13 April Parliament granted a discharge to the Commission in respect of the implementation of the 1987 Community budget.⁴ In the resolution accompanying the decision, Parliament welcomes the fruitful interinstitutional dialogue which has been established in the course of the present Parliament and makes a number of recommendations and comments. At the same time, it also granted the Commission a discharge for its financial management of the third, fourth, fifth and sixth European Development Funds. The decisions were each accompanied by a resolution.

¹ OJ C 89, 22.4.1975.

² Bull. EC 2-1989, point 2.3.5.

³ OJ C 120, 16.5.1989.

⁴ Bull. EC 3-1989, point 2.5.3.

2.5.7. On the same day Parliament adopted a decision granting a discharge to the Commission in respect of the management of the ECSC in 1987.¹ A resolution was also adopted.

2.5.8. Also on 13 April, Parliament granted discharges to the Management Board of the European Centre for the Development of Vocation Training, Berlin, and the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions, Dublin, in respect of the implementation of their appropriations for 1987.¹ The decisions were accompanied by resolutions.

Financial Regulation

2.5.9. On 13 April Parliament delivered an opinion¹ on the proposal for the amendment² of the Financial Regulation of 21 December 1977 applicable to the general budget of the Communities.³ Among the most important amendments proposed by Parliament are the strengthening of the principle of sound financial management, the additional explanations which the Council must furnish to allow Parliament to compare the draft budget with the Commission's preliminary draft, additional details concerning the entry of the balance for the financial year, more detailed information on the implementation of the budget to be sent by the Commission to the budgetary authority, details on the scope of the discharge procedure and the action to be taken to follow up Parliament's resolutions resulting from the special reports of the Court of Auditors.

ECSC operating budget

2.5.10. On 10 April the Commission adopted an *aide-mémoire* on the first amendment to the 1989 ECSC operating budget⁴ for transmission to Parliament and the ECSC Consultative Committee. This draft amending budget concerns the financing of the steel industry social support

programme following the conclusions of the Council (Industry) at its meeting on 16 March.⁵

The amendment consists of the following:

(i) an increase of ECU 75 million in resources (ECU 39 million as the net balance from the preceding year, ECU 22 million in fines and surcharges for late payment and ECU 14 million in unused resources from 1988);

(ii) allocation of ECU 75 million to the chapter on the requirements side for social measures connected with the restructuring of the steel industry.

Financial operations

ECSC

Loans raised

2.5.11. In April the Commission made a number of private placings in Swiss francs, lire, guilders, pesetas and marks for the equivalent of ECU 51.4 million.

Loans paid out

2.5.12. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission paid out loans in April totalling ECU 55.11 million broken down as follows:

Industrial loans

2.5.13. Industrial loans (Article 54) amounting to ECU 4.78 million were paid out to Italy.

¹ OJ C 120, 16.5.1989.

² Bull. EC 12-1988, point 2.3.8.

³ OJ L 356, 31.12.1977.

⁴ COM(89) 154 final.

⁵ Bull. EC 3-1989, point 2.5.4.

Conversion loans

2.5.14. Conversion loans (Article 56) totalling ECU 46.04 million were paid out to Germany, Spain, Italy and the Netherlands.

Workers' housing

2.5.15. Housing loans totalling ECU 4.29 million were granted for steelworkers and mineworkers in Spain, France and the United Kingdom.

EEC-NCI***Loans raised***

2.5.16. In April the Commission made a HFL 120 million six-year public issue at 7.25% with an issue price of 101.5%.

Anti-fraud measures**Strategy**

2.5.17. On 13 April Parliament adopted a resolution on preventing and combating

fraud against the European Community budget in a post-1992 Europe.¹

Arguing that the origin of fraud, the scale of which is undermining the Community's credibility, lies in the complexity of Community legislation and the Council's refusal to give the Commission the necessary powers and in the lack of any real interest in questions of control, Parliament calls on the Commission to use all its powers to the full and conduct a systematic analysis of the risk inherent in all Community rules which might be susceptible to fraud. It also underlines the need for better coordination of measures to counter fraud. While welcoming the establishment of a unit for the coordination of fraud prevention,² Parliament stresses the importance of developing an operational system and the exchange of information.

¹ OJ C 120, 16.5.1989.

² Bull. EC 9-1988, point 2.4.20.

6. Statistics

General

Legislation

2.6.1. On 17 April the Council (Economic and Financial Affairs) reached agreement on the proposal for a resolution concerning the implementation of a plan of priority actions in the field of statistical information (statistics programme 1989-92).¹

2.6.2. On 19 April the Commission adopted for transmission to the Council a proposal for a Regulation² on the organization of a labour-force sample survey in the Member States in the spring of 1990 and 1991, following the annual surveys which have been carried out since 1983.³ The proposal provides for an adaptation of the content of surveys to cover trends in new forms of employment and to improve the reliability of regional data, which are playing an increasingly important role in evaluating the situation in the Community. The findings of the labour force survey are a vital source of statistical information on the development and structure of employment and unemployment, which allows comparisons between individual Member States and regions; they will serve as a basis for evaluating what has still to be done in order to achieve greater economic and social cohesion in the Community.

2.6.3. On 26 April the Economic and Social Committee adopted an opinion on the proposal for a Regulation on the statistics relating to the trading of goods between Member States (Intrastat).⁴ While endorsing the Commission's proposal, the Committee recommended that more information on the procedures for abolishing frontiers, particularly as regards indirect taxation, ought to be obtained in order to finalize the data-gathering system and that provisions to ensure the reliability of statistical information be included in the proposal. It also called on the Commission to make adequate provision for technical and financial assistance before implementing the new system.

2.6.4. On 28 April, pursuant to Council Decisions 85/360/EEC⁵ and 88/390/EEC,⁶ the Commission adopted Decisions 89/323/EEC⁷ and 89/324/EEC⁷ approving the programmes submitted by the Greek and Irish Governments for 1989 on the restructuring and the development of the systems for agricultural surveys in their respective countries.

Forward planning

2.6.5. The Commission held a seminar in Brussels from 6 to 8 April on the European statistical information system after 1992, which was attended by experts from the Member States, the EFTA countries, the United States, Canada and Japan. The proceedings covered four main areas: the environment and regional development, and the social, economic and financial spheres.

Data

*The Community's economic, social and financial situation*⁸

1988

2.6.6. 1988 was an exceptional year in terms of economic growth: according to Commission (Eurostat) estimates, growth in the Community was 3.7%, compared with 3.8% for the United States and 5.6% in Japan. This trend is expected to persist in 1989 and 1990 when growth rates of 3% are expected for the Community. The driving force behind this growth is a sustained level of domestic demand, the strong point being the recovery in investment (+7.3% in 1988 and between 5 and 6% for

¹ Bull. EC 11-1988, point 2.5.1.

² COM(89) 150 final.

³ 1989 survey: see Bull. EC 11-1988, point 2.5.3.

⁴ OJ C 41, 18.2.1989; Bull. EC 12-1988, point 2.5.1.

⁵ OJ L 191, 23.7.1985.

⁶ OJ L 186, 16.7.1988.

⁷ OJ L 134, 18.5.1989.

⁸ Eurostatistics, No 4/89.

1989 and 1990). At the same time the effects of this strong domestic demand — particularly from industry — have been:

- (i) a very substantial increase in the industrial production index in the Community (up 4.2% in 1988 as against 2.1% in 1987), particularly for investment goods;
- (ii) increased imports of manufactured goods, with a consequent sharp deterioration in the Community's external trade balance (a deficit of ECU 21 million for 1988, compared with a surplus of around ECU 1 billion in 1987);
- (iii) a reduction of some ECU 15 billion in the current account surplus due to the trade deficit, as well as a reduction of ECU 4 billion in the invisibles surplus (particularly under 'travel').

Initial data for 1989

2.6.7. On the basis of the data currently available, the Commission (Eurostat) takes the view that:

- (i) the substantial growth in production in the Community in 1988 will continue in January 1989 (4.2% up on January 1988);
- (ii) unemployment is continuing to fall and in February 1989 was 9.7% of the work-

ing population (compared with 10.4% in February 1988);

- (iii) on the other hand the rise in inflation is persisting, with a rate in the Community of 5% for the period from February 1988 to February 1989.

In the financial sector the signs of inflationary pressures in Europe, the USA and elsewhere seem to be at the root of an upward movement in long-term nominal interest rates during February 1989. On the other hand, precisely because of the increase in inflation, real interest rates (i.e. adjusted for inflation) are going down. Thus the real average rate for the Community, the USA and Japan as a whole was 4.3% in February 1989 as against 5.7% one year previously. For the Community alone the rate was 4.3% in February 1989 compared with 6.1% in February 1988.

As far as exchange rates are concerned, the EMS is more stable owing, for example, to the strength of the French franc and the improved position of the Italian lira. The whole of the period since the last monetary realignment in January 1987¹ has been characterized by the growing capacity of the EMS to absorb large trade imbalances between its members fairly smoothly.

¹ Bull. EC 1-1987, point 2.1.1.

7. Institutions and organs of the Communities

Parliament

Strasbourg: 10 to 14 April¹

Highlights

2.7.1. Besides the statement by Mr Felipe González, President of the Council, who reported on the first three months of the Spanish Presidency and reviewed the main items on the agenda of the European Council's forthcoming meeting in Madrid (→ point 2.7.13), the main highlight of this part-session was the resolution passed by Parliament adopting a Declaration of fundamental rights and freedoms (→ point 1.2.1 *et seq.* and 3.2.1).

Although the debate on the eight reports on the approximation of VAT and excise duties was postponed pending new Commission proposals, Parliament still adopted an ambitious resolution on the process of European monetary integration (→ point 2.1.2), to which the Commission President, Jacques Delors, replied on the basis of the recently published report of the Committee set up by the Hanover European Council which he had chaired (→ point 1.1.1 *et seq.*).

The other main items of business dealt with during this part-session included the agricultural prices for 1989/90 (→ points 2.1.124 to 2.1.138), the discharge for the budgetary year 1987 (→ points 2.5.6 to 2.5.8) and preventing and combating fraud against the Community budget (→ point 2.5.5).

Finally, with the intention of finishing as much work as possible before the end of its term of office, the House once again considered an exceptionally large number of reports under the cooperation procedure, many of which were adopted without debate or amendment.

Opinions, decisions and resolutions

2.7.2. Parliament adopted resolutions giving its opinion (first reading) on the following Commission proposals:

three amendments to Directives on roll-over protection structures for wheeled agricultural and forestry tractors (→ point 2.1.19);

Directive on active implantable electro-medical equipment (→ point 2.1.21);

amendment to the Directive on units of measurement (→ point 2.1.23);

amendment to the Directive on certain trace elements in fertilizers (→ point 2.1.32);

Decision concerning the approval, on behalf of the EEC, of the Framework Agreement for scientific and technical cooperation between the Community and Iceland (→ point 2.1.53);

Decision adopting two specific research and technological development programmes in the field of the environment (STEP and Epoch) (→ point 2.1.58).

2.7.3. Parliament adopted decisions (second reading) on the Council's common position on the following Commission proposals:

an amendment to the Directive on fruit juices and certain similar products (→ point 2.1.25);

two Directives, an amendment to a Directive and a Regulation on foodstuffs (→ point 2.1.26);

four amendments to Directives on proprietary medicinal products (→ point 2.1.30);

an amendment to the Regulation introducing arrangements for movement of goods within the Community (→ point 2.1.35);

an amendment to the Directive on air pollution by gases from motor vehicles (→ point 2.1.111).

2.7.4. Parliament gave opinions on the following Commission proposals:

Decision concerning work for third parties performed by the Joint Research Centre

¹ The texts of the resolutions adopted by Parliament appear in OJ C 120, 16.5.1989, and the report of the proceedings is published in OJ Annex 2-377.

relevant to the Community (→ point 2.1.51);

Decision concerning the conclusion, on behalf of the EAEC, of the Framework Agreement for scientific and technical cooperation with Iceland (→ point 2.1.53);

two Decisions concerning the conclusion of Cooperation Agreements between the Community and Norway and the Community and Finland on research and development in the field of the protection of the environment (→ point 2.1.54);

Decision concerning high-definition television (→ point 2.1.62);

two Decisions establishing the Lingua programme (→ point 2.1.92);

Directive on the freedom of access to information on the environment (→ point 2.1.115);

Regulation on the special conditions for exporting foodstuffs and feedingstuffs following a nuclear accident (→ point 2.1.119);

Regulation derogating from Council Regulation (EEC) No 797/85 as regards certain investment aids in the pig production sector;

Regulation on animal health conditions governing intra-Community trade in and importation from third countries of embryos of domestic animals of the bovine species;

an amendment to Council Regulation (EEC) No 1785/81 on the common organization of the markets in the sugar sector;

an amendment to Council Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables;

Decision making an exception to the reference periods for the 1989 basic surveys of areas under vines for France and Italy;

Decision on a Community financial contribution towards expenditure incurred by Member States on the enforcement of the Community system for the conservation and management of fishery resources (→ point 2.1.159);

an amendment to the Financial Regulation applicable to the general budget of the Communities (→ point 2.5.9).

2.7.5. Acting under its powers on budgetary matters Parliament adopted a resolution on draft supplementary and amending budget No 1/1989 (→ point 2.5.1). It also adopted a series of decisions and resolutions granting discharges to Community institutions and organs (general budget, ECSC management, EDF, Cedefop — Berlin, European Foundation — Dublin) for 1987 (→ points 2.5.6 to 2.5.8).

2.7.6. Resolutions were passed on the following subjects:

the Declaration of fundamental rights and freedoms (→ point 1.2.1);

the process of European monetary integration (→ point 2.1.2);

freedom of movement of professional footballers (→ point 2.1.4);

the food industry (→ point 2.1.29);

regional development in Spain (→ point 2.1.103);

Community programmes to help the Portuguese autonomous island regions (→ point 2.1.103);

creation of parks, the protection of land and the development of farm holidays (→ point 2.1.103);

12th and 13th annual reports (1986 and 1987) from the Commission concerning the activities of the European Regional Development Fund (ERDF) (→ point 2.1.104);

agricultural prices (→ point 2.1.124);

the crisis in the pigmeat sector (→ point 2.1.144);

the budgetary control aspects of the common organization of the market in raw tobacco (→ point 2.1.152);

monitoring the enforcement of the common fisheries policy (→ point 2.1.160);

the oil spillage in Alaska (→ point 2.1.178);

the USA's refusal to comply with Community legislation on slaughterhouses and hormones (→ point 2.2.4);

restrictions on strategic exports and US-EC technology transfer (→ point 2.2.5);

Poland's indebtedness (→ point 2.2.14);

increased cooperation with Suriname (→ point 2.2.30);

economic and trade relations between the European Community and Argentina (→ point 2.2.31);

Namibia (→ point 2.2.35);

the exploitation of prostitution and the traffic in human beings (→ point 2.4.3);

international humanitarian law and support for the work of the International Committee of the Red Cross (ICRC) (→ point 2.4.5);

the position of the world's Indians (→ point 2.4.5);

recent incidents at the border with the German Democratic Republic (→ point 2.4.5);

the situation in Kosovo in southern Yugoslavia (→ point 2.4.5);

Lebanon (→ point 2.4.5);

release of Hélène Passtoors in South Africa (→ point 2.4.5);

the Caazapa scheme in Paraguay (→ point 2.4.5);

detention in South Africa (→ point 2.4.5);

slaughter of Italian missionaries in Mozambique (→ point 2.4.5);

annual adjustment of the financial perspective (1990) and preparation of the preliminary draft budget for 1990 (→ point 2.5.3);

preventing and combating fraud against the European Community budget in a post-1992 Europe (→ point 2.5.17);

statement of the President of the Council (→ point 2.7.13);

fifth annual report from the Commission on monitoring of the application of Community law — 1987 (→ point 2.7.18);

consultation of Parliament on the appointment of senior officials by the Commission

and on the Community's diplomatic representation.

Council

1310th meeting

2.7.7. Labour and Social Affairs

(Luxembourg, 5 April)¹

President: Mr Chaves González, Spanish Minister for Labour and Social Security

Commission: Miss Papandreu

Main items:

Safety and health of workers at the workplace: common positions adopted (→ point 2.1.90);

Continuing vocational training: resolution agreed (→ point 2.1.95).

Other business:

Community Charter of Basic Social Rights: Commission statement;

Social aspects of the Renaval programme: discussion;

Social security for migrant workers (family benefits): delegation statement.

1311th meeting

2.7.8. Internal Market

(Luxembourg, 13 April)²

President: Mr Solbes, Spanish State Secretary for Relations with the European Communities

Commission: Mr Bangemann, Sir Leon Brittan, Mr Dondelinger

Main items:

Television without frontiers: common position adopted (→ point 2.1.16);

¹ Previous meeting: Bull. EC 12-1988, point 2.4.34.

² Previous meeting: Bull. EC 3-1989, point 2.7.12.

Lateral protection of goods vehicles: Directive adopted (→ point 2.1.18);

Dangerous substances and preparations: common position agreed (→ point 2.1.20).

Other business:

Right of residence: compromise proposal considered;

Merger control: discussion;

Disclosure requirements in respect of companies' branches: common position agreed.

1312th meeting

2.7.9. Economic and Financial Affairs

(Luxembourg, 17 April)¹

President: Mr Solchaga Catalán, Spanish Minister for Economic Affairs and Finance

Commission: Mr Delors, Sir Leon Brittan, Mr Christophersen, Mr Schmidhuber, Mrs Scrivener

Main items:

Own funds of credit institutions: Directive adopted (→ point 2.1.10);

Arrangements for the collection and making available of own resources: conciliation with Parliament (→ point 2.5.5).

Other business:

Second banking coordination Directive: general discussion;

Tax incentives for cooperation between undertakings in different Member States: discussion;

Taxation of savings: detailed discussion;

Abolition of certain VAT derogations: proposal for an 18th VAT Directive considered;

Removal of fiscal frontiers: discussion;

Statistical programme 1989-92: discussion.

1313th meeting

2.7.10. Agriculture

(Luxembourg, 18-22 April)²

President: Mr Romero Herrera, Spanish Minister for Agriculture, Fisheries and Food

Commission: Mr Mac Sharry

Main items:

Agricultural prices and related measures (1989/90): agreed (→ points 2.1.124 to 2.1.138);

Sugar: Regulation adopted (→ point 2.1.150).

Other business:

Investment aid for pig breeding: Regulation adopted;

Community strategy and action programme for forestry: detailed discussion.

1314th meeting

2.7.11. General Affairs

(Luxembourg, 24 April)³

President: Mr Fernández Ordóñez, Spanish Minister for Foreign Affairs

Commission: Mr Andriessen, Mr Matutes

Main items:

Uruguay Round: conclusions adopted (→ point 1.3.1 *et seq.*);

Cooperation between the Community and the East European countries: conclusions adopted (→ point 2.2.11);

Relations with Poland (→ point 2.2.15);

Relations with Romania: Joint Council/Commission statement (→ point 2.2.16).

Other business:

Relations with the USSR: Commission statement;

Relations with the Gulf States: Commission report;

¹ Previous meeting: Bull. EC 3-1989, point 2.7.10.

² Previous meeting: Bull. EC 3-1989, point 2.7.9.

³ Previous meeting: Bull. EC 3-1989, point 2.7.14.

Relations with Morocco: position prepared for adoption at the Cooperation Council meeting;

Relations with the United States — hormones: Commission report.

1315th meeting

2.7.12. Telecommunications

(Luxembourg, 27 April) ¹

President: Mr Barrionuevo Peña, Spanish Minister for Transport, Tourism and Communications

Commission: Mr Pandolfi

Main items:

High-definition television: Decision adopted (→ point 2.1.62);

Integrated Services Digital Network: substantive agreement on a resolution (→ point 2.1.63);

Telecommunications standardization as part of Community standardization: resolution adopted (→ point 2.1.68).

Other business:

Liberalization of telecommunications: general discussion.

*

2.7.13. On 13 April, with the end of the session and the Madrid European Council approaching, Parliament adopted five resolutions following the statement by Mr González, President of the Council. ² Parliament expressed its satisfaction that normal decision-making procedures, including European political cooperation, were running smoothly and asked the Spanish Presidency to see that as much as possible of the programme presented in January ³ was carried out. It also outlined a number of priorities for the Madrid European Council, which included the social dimension of the internal market, economic and monetary integration, economic and social cohesion, cultural policy, and the implications of remov-

ing physical frontiers for the free movement of individuals and internal security.

Commission ⁴

Measures taken

2.7.14. In April the Commission adopted the following provisions:

Comparability of vocational training qualifications: Decision to publish results of work carried out (→ point 2.1.6).

Matthaeus programme for the exchange of customs officials: Pilot scheme (→ point 2.1.41).

Resider and Renaval programmes: Approval of areas (→ points 2.1.105 and 2.1.106).

Reduction in the use of chlorofluorocarbons: Recommendation to aerosol manufacturers (→ point 2.1.112).

Radiation protection: Regulation (→ point 2.1.118).

Romania: Joint Commission/Council statement (→ point 2.2.16).

Restructuring of the system for agricultural surveys in Greece and Ireland: Approval of programmes (→ point 2.6.4).

Measures proposed

2.7.15. Proposals to be adopted under the cooperation procedure:

Banking services: Amendment to the proposed second Directive (→ point 2.1.11).

Public radiopaging: Proposal for a Directive (→ point 2.1.64).

General product safety: Proposal for a Directive (→ point 2.1.121).

2.7.16. Other proposals and recommendations:

¹ Previous meeting: Bull. EC 6-1988, point 2.4.27.

² OJ C 120, 16.5.1989.

³ Bull. EC 1-1989, point 3.2.1.

⁴ Selected items.

Public radiopaging: Proposal for a recommendation (→ point 2.1.64).

Erasmus II: Proposal for a Decision (→ point 2.1.93).

Leghold traps: Proposal for a recommendation (→ point 2.1.114).

Quality standards for tinned sardines: Proposal for a recommendation (→ point 2.1.166).

Formation of international road haulage rates: Proposal for a recommendation (→ point 2.1.169).

Labour-force survey: Proposal for a Regulation (→ point 2.6.2).

Communications and reports

2.7.17. In April the Commission adopted the following communications and reports for transmission to the institutions concerned:

Joint Research Centre: 1988 annual report (→ point 2.1.50).

Comett I: Second annual report (→ point 2.1.96).

Books and reading: a cultural challenge: Communication (→ point 2.1.102).

Community cooperation in the event of a nuclear accident or radiological emergency: Communication (→ point 2.1.120).

Consumer education: Report (→ point 2.1.122).

Action taken since Chernobyl: Progress report (→ point 2.1.117).

2.7.18. On 14 April Parliament adopted¹ a resolution on the 5th annual report from the Commission on monitoring of the application of Community law — 1987.² After welcoming the fact that the Commission had submitted the report, Parliament agreed with the Commission's strategy of increasing its monitoring activity, recognizing the difficulties faced by the Commission in assessing whether Directives have been correctly implemented by the Member States. After noting that the number of complaints addressed by private individuals to the

Commission had increased, Parliament nevertheless considered that the Member States themselves should monitor the application of Community law more rigorously, and that information about Community law should be improved. To this end, Parliament also called upon the Commission to make a full review of the judgments of national courts of final instance, in particular as regards the implementation of Article 177 of the Treaty (preliminary rulings).

Court of Justice³

Analysis of judgments delivered between 1 January and 31 March 1989

Free movement of goods and customs union

Copyright — Different protection periods

2.7.19. In Case 341/87 *EMI Electrola v Patricia*⁴ the Court ruled that in the present state of Community law and in the absence of harmonized laws on the protection of literary and artistic property, Articles 30 and 36 of the Treaty must be interpreted as not precluding the application of legislation of a Member State which allows a producer of sound recordings in that Member State to rely on the exclusive rights of reproduction and distribution of certain musical works of which he is the owner in order to prohibit the sale, in the territory of that Member State, of sound recordings of the same musical works when those recordings

¹ OJ C 120, 16.5.1989.

² OJ C 310, 5.12.1988; Bull. EC 9-1989, point 2.4.7.

³ For more detailed information, see the material published by the Court of Justice in the *Official Journal* and the *European Court Reports*, and the publications of its Information Office (e.g. the weekly *Proceedings of the Court*).

⁴ OJ C 62, 11.3.1989.

are imported from another Member State in which they had been lawfully marketed, without the consent of the aforesaid owner, and in which the producer of those recordings had enjoyed protection which has in the meantime expired.

**Free movement of goods —
Prohibition against importing
meat products not complying
with German rules**

2.7.20. In Case 274/87 *Commission v Federal Republic of Germany*¹ the Court held that by prohibiting the importation and marketing in its territory of meat products from other Member States which do not comply with German legislation, the Federal Republic of Germany had failed to fulfil its obligations pursuant to Article 30 of the Treaty. This judgment is in keeping with the Court's earlier ruling in matters of consumer protection and fair trading. The Court confirmed previous decisions² in holding that Member States must refrain from taking any unilateral measure, even if it supports a common policy of the Community, such as the free movement of goods, unless they are justified by reasons recognized by Community law.

**Importation of medicinal products —
Compatibility with Articles 30 and 36
of the Treaty**

2.7.21. German Customs had refused a request from an individual to allow the release for consumption of a consignment of medicinal products sent by a French pharmacy. Under German law, no one who is neither a pharmacist, veterinarian, pharmaceutical operator or wholesaler can import medicinal products, even if these come from another Member State of the Community.

The Court³ held that such legislation amounts to a quantitative restriction on imports and considered that Article 30 of the Treaty also applies to importations by individuals even when these are occasional.

The purchase of a medicinal product in a pharmacy of another Member State in effect gives a guarantee equivalent to that resulting from the sale of the medicinal product by a pharmacy of the Member State into which the medicinal product is imported by an individual. That is all the more true since the conditions for access to the profession of pharmacist and the terms for practising the profession are the subject of Council Directives 85/432/EEC and 85/433/EEC.⁴

While emphasizing the role of Article 36 of the Treaty in protecting health and human life, the Court held that measures intended to ensure such protection should be really necessary. The provision in question restricted intra-Community trade without being justified by the protection of public health.

**Free movement of persons
and services**

**Tourists as recipients of services —
Non-discrimination —
Right to compensation
following an assault**

2.7.22. A United Kingdom national was the victim of an assault by unidentified persons during a brief stay in Paris. He requested compensation from the French State. The French Government refused on the grounds that French law restricted the right of compensation to French nationals, foreigners holding a residence permit or nationals of a country which has concluded a reciprocal agreement with France in this respect.

In the French court, the applicant had invoked Article 7 of the EEC Treaty, claiming that the French law was discriminatory and prevented tourists from freely visiting

¹ OJ C 62, 11.3.1989.

² Case 216/84 *Commission v France* and Case 407/85 *Dres Glocken and Kritzinger v USL Centro-Sud and Another*: OJ C 74, 22.3.1988 and OJ C 215, 17.8.1988.

³ Case 215/87 *Schumacher v HZA Frankfurt*: OJ C 87, 8.4.1989.

⁴ OJ L 253, 24.9.1985.

another Member State to receive services there.

In its judgment,¹ the Court stressed that Article 7 of the Treaty requires that persons who are in a situation governed by Community law be treated perfectly equally with nationals of that Member State.

The Court said that the right to equal treatment was conferred directly by Community law and could not be made conditional upon the holding of a residence permit or the existence of a reciprocal agreement.

The Court confirmed² that tourists must be considered to be recipients of services and that when Community law guarantees a natural person the freedom to go to another Member State, the protection of that person in the Member State concerned, on the same basis as nationals and persons residing there, is a corollary of this freedom of movement.

Budgetary questions

Own resources — Default interest — Establishment of entitlements — Rectification

2.7.23. In Case 54/87 *Commission v Italy*,³ the Court upheld its case-law when it declared that default interest is due in respect of 'any delay' and is payable whatever the reason for the delay in crediting the Commission's account. The Court stated that the aim of Community provisions on own resources was to ensure that the Commission's own resources were made available to it in the best possible conditions.⁴

Tax questions

Italy — Action for failure to fulfil obligations — VAT — Temporary derogation due to earthquakes in Campania and Basilicata

2.7.24. In Case 203/87 *Commission v Italy* the Court censured Italy for maintaining, beyond the date authorized by the Council,

a temporary derogation from VAT arrangements in the context of aid to earthquake victims.

The Court did not accept the line of argument put forward by Italy that it had correctly calculated the Community's own resources and had not infringed the Sixth VAT Directive (77/388/EEC)⁵ since the Directive sought only to achieve the uniform collection of own resources in all the Member States.

The Court pointed out that although uniform collection of own resources was important, it was not the sole aim; the Directive was designed to secure 'a uniform basis of assessment for VAT with a view to the eventual achievement of a common market with healthy competition and characteristics resembling those of a genuine internal market'.

VAT — Automatic games machines

2.7.25. In *Lambert and Others v Directeurs des services fiscaux and Others*,⁶ the Court confirmed that the State tax on automatic machines and the municipal tax on entertainments which, besides value-added tax, are levied in France on automatic games machines, was compatible with Community law.

Following *Bergandi*,⁷ the Court concluded that the tax in question could not be regarded as a turnover tax of the kind prohibited by Article 33 of the sixth VAT Directive.⁸

¹ Case 186/87 *Cowan v French Treasury*: OJ C 62, 11.3.1989.

² Joined Cases 286/82 and 26/83 *G. Luisi and G. Carbone v Ministero del Tesoro* [1984] ECR 377.

³ OJ C 75, 23.3.1989.

⁴ Case 303/84 *Commission v Germany* [1986] ECR 1171. OJ L 145, 13.6.1977.

⁵ Joined Cases 317/86, 48, 49, 285, 363 to 367/87, 66 and 78 to 80/88: OJ C 92, 13.4.1989.

⁷ Case 252/86 *Bergandi v Directeur général des impôts*.

⁸ OJ L 145, 13.6.1977.

Competition

State aids — Recovery

2.7.26. In Case 94/87 *Commission v Germany*,¹ the Court examined the argument put forward by the German authorities that the principle of legitimate expectation justified the non-recovery of aid which the Commission had considered to be incompatible with the Treaty. The Court recalled that, according to its case-law,² the only possible defence was the absolute impossibility of implementing the decision correctly and that in the case in point the relevant provisions of national law would have to be applied so as not to make the recovery required by Community law impossible.

Social policy

Declaration of invalidity on a preliminary reference — Effects — Family allowances

2.7.27. In *Pinna v Caisse d'allocations familiales de la Savoie*,³ the Court declared that, in the matter of family allowances, France is obliged to apply the system provided for by Community law according to which an employed person is entitled to the family benefits provided for by the legislation of the Member State in which he works for members of his family residing in the territory of another Member State, until such time as the Council adopts new rules.

In *Pinna v Caisse d'allocations familiales de la Savoie*,⁴ the Court had ruled that the provision of Council Regulation No 1408/71,⁵ which made France an exception to the general rule, was invalid and introduced the principle of payment according to the legislation of the country of residence.

Following that judgment, the French Government took the view that a legal vacuum had been created, and that it could maintain the previous system until new

rules were drawn up to replace the invalid provision.

The Court, having been asked by the French Court of Cassation for a preliminary ruling, held that until such time as the Council adopted new rules in the matter the French authorities could not continue to apply a system of family allowances which was invalid and contrary to Community law.

Non-discrimination — Access to education — Financing of studies

2.7.28. In *Echternach and Moritz v Netherlands Minister for Education and Science*,⁶ the Court considered the rights of children of migrant workers to the financing of their studies by the government of the host country where they are pursuing post-secondary studies in the light of Article 12 of Council Regulation No 1612/68.⁷ The Court confirmed its previous ruling that the benefit of the rights which a member of the family of a worker of a Member State derives from the provisions of Community law may not be made subject to the grant of a residence permit on certain conditions.⁸

The Court also gave a broad interpretation of the scope of the protection provided by Community law under Article 12 of the abovementioned Regulation in ruling that this provision covers general education as well as vocational training and that the equal treatment provided for in the article also extends to the aid granted to cover the student's maintenance and education.

¹ OJ C 66, 16.3.1989.

² Case 52/84 *Commission v Belgium* [1986] ECR 89.

³ Case 359/87: OJ C 81, 1.4.1989.

⁴ Case 41/84 [1984] ECR 1.

⁵ OJ L 149, 5.7.1971.

⁶ Joined Cases 389 and 390/87: OJ C 99, 20.4.1989.

⁷ OJ L 257, 19.10.1968 (corrigendum: OJ L 295, 7.12.1968).

⁸ Case 48/75 [1976] ECR 497.

Common commercial policy**Temporary importation of containers —
Action for annulment — Legal
basis — Common commercial
policy — Common customs tariff**

2.7.29. In Case 275/87 *Commission v Council*,¹ the Court declared void Council Regulation No 2096/87² on the temporary importation of containers which was based on Articles 28 and 235 of the Treaty. The Court considered that the provisions on their use in internal traffic before re-exportation was an essential component of the arrangements, which necessarily included rules which authorize or prohibit the use of containers within the customs territory of the Community. The Court ruled that this aspect was 'inseparable' from the aim of the Regulation at issue which was covered by Article 28 or Article 113, or both.

Consequently, without ruling on the scope of the two Articles, the Court considered that the Council was not justified in basing itself on Article 235. However, the Court ordered that the provisions of the Regulation should continue to have effect until

such time as the Council adopted measures to comply with its judgment.

**Common agricultural policy
and fisheries****Sea fishing —
Exceeding of quotas for 1983 —
Financing by the EAGGF of expenditure
relating to export refunds**

2.7.30. In Case 262/87 *Netherlands v Commission*,³ the Court confirmed its case-law on the Commission's extensive responsibilities in account clearance for the EAGGF.⁴ The judgment is important in that it is the first time that the Court has applied this case-law to the common fisheries policy.

New cases

2.7.31. The following cases came before the Court in April either as references for preliminary rulings or as actions brought direct:

¹ OJ C 66, 16.3.1989.

² OJ L 196, 17.7.1987; Bull. EC 7/8-1987, point 2.1.75.

³ OJ C 62, 11.3.1989.

⁴ Case 347/86 *United Kingdom v Commission*: OJ C 106, 22.4.1988.

Case	Subject	Basis
Internal market 73/89 <i>Fournier and Another v Van Werven and Others</i> ¹	In what territory is a vehicle which has been the subject of successive registrations in more than one Member State, whether duly granted by the competent authorities or indicated by the affixing thereto of false registration plates, normally based within the meaning of Article 1(4) of Council Directive 72/166/EEC as amended by Directive 84/5/EEC?	Article 177 EEC
Customs union 64/89 <i>HZA Giessen v Deutsche Fernsprecher, Marburg</i> ²	1. Is the relevant Community law, in particular Article 4 of Commission Regulation No 1573/80, to be interpreted as meaning that in the case of post-clearance recovery of customs duty of an amount equal to or greater than ECU 2 000 it is unnecessary to request the Commission to take a decision on the waiver of the post-clearance recovery of the duty where the competent authority of the Member State in	Article 177 EEC

Case	Subject	Basis
	<p>which the error which resulted in the non-collection of the duty was committed holds that the conditions set out in Article 5(2) of Council Regulation No 1697/79 are not fulfilled?</p> <p>2. In the event that Question 1 is answered in the affirmative: Is Article 5(2) of Regulation No 1697/79 to be interpreted as meaning that whether the error could not reasonably have been detected by the person liable is to be determined on the basis of an objective test and that it is therefore to be assumed that the error could have been so detected where the party concerned could have ascertained the error in the light of the relevant (published) provisions which are neither unclear nor incomplete, or is the error to be considered as undetectable where the customs authority expressed to the party concerned its erroneous view, on which the customs treatment was based, providing the information in question on two occasions (without binding legal effect)?</p>	
<p>66/89 Directeur général des douanes et des droits indirects v Powerex-Europe³</p>	<p>1. Do the two categories of items imported by Powerex-Europe, the qualities and characteristics of which were described by Mr Camus, in his report dated 29 December 1988, fall within the scope of Commission Regulation No 1203/86?</p> <p>2. If Question 1 is answered in the affirmative, must that Regulation be declared invalid for the reasons put forward by Powerex-Europe?</p> <p>3. If Question 2 is answered in the affirmative, does the decision annulling the Regulation affect imports made before the judgment was given?</p>	<p>Article 177 EEC</p>
<p>79/89 Brown Boveri v HZA Mannheim⁴</p>	<p>1. Was Article 3 of Council Regulation No 1224/80 to be interpreted in 1982 as meaning that the transaction value of imported carrier media with software recorded on them in respect of which the supplier provided the person making the customs declaration with an invoice containing only a total price was the entire invoice price or was the transaction value only that part of the invoice price which corresponded to the carrier medium? Did it make any difference if the person making the customs declaration distinguished between the price of the carrier medium and the price of the software of the carrier medium and the price of the software at the material time or later?</p> <p>2. Are charges for assembly to be regarded as having been distinguished within the meaning of Article 3(4) of Regulation No 1224/80 only when the distinction has been brought to the customs authorities' attention at the material time?</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
80/89 Erwin Behn Verpackungsbedarf v HZA Itzehoe ⁵	<p>1. Is the Commission's decision set out in C(85)1709 final concerning the post-clearance recovery of import duties on goods which the plaintiff imported in the period from January to September 1983 invalid? Does that invalidity affect only the payment of duties and charges up to 19 August 1983 or also imports up to and including September 1983?</p> <p>2. If the Commission's decision is valid, how is Article 5(1) of Council Regulation No 1697/79 to be interpreted:</p> <p>(a) Do general administrative directives issued by departments not directly concerned with the collection of duties constitute information given by the competent authorities?</p> <p>(b) If so: are administrative directives regarding the level of rates of customs duty binding on the authorities concerned with the collection of duties in so far as those authorities based the duties charged on the set rates?</p>	Article 177 EEC
83/89 Public Prosecutor and Minister for Finance v Houben ¹	<p>1. May goods which are imported from a non-member country into a Member State be regarded as being 'in free circulation' if they are imported into another Member State, even if the import tax in the first Member State was not paid?</p> <p>2. If it is assumed that goods cannot be 'in free circulation' unless the import formalities were duly completed and in addition the customs duties paid, is it then to be presumed that those obligations have been fulfilled when the goods are found in a Member State, or must it be presumed that those obligations are not fulfilled unless the person possessing the goods adduces proof to the contrary? More generally, must an importer of goods originating in a non-member country prove, when importing those goods from a Member State into another Member State, that he paid customs duties in the first Member State so as to establish the presumption that the goods are in free circulation in the EEC?</p>	Article 177 EEC
<p>Right of establishment</p> <p>61/89 Procureur de la République and Others v Bouchoucha⁶</p>	Is the prohibition whereby a French national holding a State Diploma as masseur-kinesitherapist and a diploma in osteopathy issued on 1 October 1979 by the European School of Osteopathy, Maidstone, is not allowed to practice osteopathy in France on the ground that he does not hold the qualification of Doctor of Medicine laid down as a requirement for	Article 177 EEC

Case	Subject	Basis
	that purpose by the Ministerial Order of 6 January 1962 compatible with the Treaty, in particular Article 52 <i>et seq.</i> thereof on freedom of establishment?	
Competition		
98/89 PPG Vernante Pennitalia v Commission	Annulment of Commission Decision 89/93/EEC relating to a proceeding under Articles 85 and 86 of the Treaty (IV/31.906—Flat glass)	Article 173 EEC
102/89 BASF v Commission ⁷	Annulment of Commission Decision 89/190/EEC relating to a proceeding under Article 85 of the EEC Treaty (IV/31.865—PVC)	Article 173 EEC
121/89 Limburgse Vinyl v Commission ⁷	Same as 102/89 above	Article 173 EEC
122/89 DSM NV and Another v Commission ⁷	Same as 102/89 above	Article 173 EEC
123/89 Hüls v Commission ⁷	Same as 102/89 above	Article 173 EEC
126/89 Atochem v Commission ⁷	Same as 102/89 above	Article 173 EEC
129/89 Société Artésienne de Vinyle v Commission ⁷	Same as 102/89 above	Article 173 EEC
130/89 Wacker Chemie v Commission ⁷	Same as 102/89 above	Article 173 EEC
132/89 Enichem v Commission ⁷	Same as 102/89 above	Article 173 EEC
134/89 Hoechst v Commission ⁷	Same as 102/89 above	Article 173 EEC
138/89 ICI v Commission ⁷	Same as 102/89 above	Article 173 EEC
141/89 Shell International Chemical v Commission ⁷	Same as 102/89 above	Article 173 EEC
147/89 Montedison v Commission ⁷	Same as 102/89 above	Article 173 EEC
149/89 Norsk Hydro v Commission ⁷	Same as 102/89 above	Article 173 EEC
103/89 BASF v Commission	Annulment of Commission Decision 89/191/EEC relating to a proceeding under Article 85 of the Treaty (IV/31.866—low-density polyethylene)	Article 173 EEC
114/89 Monsanto v Commission	Same as 103/89 above	Article 173 EEC
120/89 DSM and Another v Commission	Same as 103/89 above	Article 173 EEC
124/89 Orkem v Commission	Same as 103/89 above	Article 173 EEC
125/89 Bayer v Commission	Same as 103/89 above	Article 173 EEC
127/89 Atochem v Commission	Same as 103/89 above	Article 173 EEC
131/89 Norske Stats Oljeselskap v Commission	Same as 103/89 above	Article 173 EEC

Case	Subject	Basis
133/89 Enichem v Commission	Same as 103/89 above	Article 173 EEC
135/89 Hoechst v Commission	Same as 103/89 above	Article 173 EEC
139/89 ICI v Commission	Same as 103/89 above	Article 173 EEC
140/89 Neste Oy v Commission	Same as 103/89 above	Article 173 EEC
141/89 Repsol Quimica v Commission	Same as 103/89 above	Article 173 EEC
143/89 Shell International Chemical v Commission	Same as 103/89 above	Article 173 EEC
148/89 Montedison v Commission	Same as 103/89 above	Article 173 EEC
Social security		
85/89 Ravida v Office national des pensions ³	Where the legislation of a Member State provides for a ceiling where retirement and survivor's pensions overlap (in the present case Article 52 of the Royal Decree of 21 December 1967) and that ceiling has been determined at a date when the pension was first paid, taking into consideration also the benefit payable by another Member State, is the competent institution of the first State justified in taking account of adjustments to the benefit granted by the other Member State in order to recalculate and reduce, by implicitly applying Article 51(2) of Council Regulation No 1408/81, the amount of the pension originally granted, if at any given time the national ceiling is exceeded because of an increase in the benefit paid by the other State?	Article 177 EEC
99/89 Yanez-Campoy v Bundesanstalt für Arbeit ³	Did the uniform solution for all the Member States referred to in Article 99 of Council Regulation No 1408/71 enter into force in January 1986, and is Article 73(1) of Regulation No 1408/71 consequently applicable from January 1986 to the children resident in Spain of Spanish workers employed in the Federal Republic of Germany?	Article 177 EEC
105/89 Buhari v Institut national d'assurances sociales pour travailleurs indépendants ⁸	Interpretation of Articles 1 to 4, the first subparagraph of Article 10(1) and Articles 44 to 51 of Council Regulation No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community, and subsequently Articles 35 to 59 of Council Regulation No 574/72 with regard to periods spent in the former Belgian Congo	Article 177 EEC

Case	Subject	Basis
Agriculture		
67/89 Berkenheide v HZA Münster ³	Is it compatible with Article 3(3) of Council Regulation No 857/84 in conjunction with Article 3 of Commission Regulation No 1371/84 to interpret the second sentence of the German Regulation of 25 May 1984, as amended by the first amending Regulation of 27 September 1984, to mean that if milk production in the 1981 calendar year was affected by an exceptional event (an epizootic) within the meaning of the abovementioned provisions of EEC law, the quantity of milk which it is estimated that the milk producer would have produced in 1981 had the event not occurred, rather than the quantity actually produced in 1981, is taken as the basis for calculating the negative weighting?	Article 177 EEC
71 and 72/89 R v Intervention Board for Agricultural Produce ⁵	Is Commission Regulation No 1587/88 invalid in so far as it suspended the advance fixing of subsidy for rapeseed in the case of certificates, the applications for which were lodged on 7 June 1988?	Article 177 EEC
92/89 Zuckerfabrik Soest v HZA Paderborn ⁵	<p>1. Is Council Regulation No 1914/87 invalid because the special elimination levy constitutes a financing levy which could be introduced only on the basis of Article 201 of the Treaty?</p> <p>2. Is the introduction of the special elimination levy for the 1986/87 marketing year by Council Regulation No 1914/87 compatible with the limitation on self-financing which is laid down in Article 28 of Regulation No 1785/81 and with the principle of non-interference with the legislative system of the Community?</p> <p>3 to 5. The national court questions the validity of the abovementioned Regulation because of its economic effects on sugar manufacturers</p>	Article 177 EEC
104/89 Mulder and Others v Council and Commission ⁸	Non-contractual liability of the Community as a result of Council Regulation No 857/84 having been declared invalid by the Court in Case 120/86 and of the inadequacy of Council Regulation No 764/89 which was adopted following its judgment in order to remedy the situation	Article 178 EEC, Article 215 (Second paragraph) EEC
118/89 Lingens v Federal Republic of Germany ⁹	Is the third subparagraph of Article 9(2) of Commission Regulation No 2499/82 laying down provisions concerning preventive distillation for the 1982/83 wine year valid in so far as it provides that the aid is to be recovered if the distiller has not paid the minimum buying-in price specified therein to the producer within 90 days?	Article 177 EEC

Case	Subject	Basis
Transport		
136/89 Hyundai Merchant Marine v Council ¹⁰	Annulment of Council Regulation No 15/89 introducing a redressive duty on containerized cargo to be transported in liner service between the Community and Australia by Hyundai Merchant Marine of Seoul, Republic of Korea	Article 173 EEC
Infringements		
110/89 Commission v Greece ¹¹	Seeking a declaration that, by restricting and prohibiting exports of maize by private persons during the autumn of 1985 while permitting the Kidep (Central Department for the Administration of National Products) to export maize, Greece has failed to fulfil its obligations under Council Regulation No 2727/75 on the common organization of the market in cereals—of which Article 34 of the Treaty forms an integral part—and the corresponding implementing measures	Article 169 EEC
119/89 Commission v Spain ¹¹	Seeking a declaration that, by not adopting the measures necessary to accord to persons not subject to value-added tax who import goods on which VAT has already been levied the right to deduct the residual portion of that tax, Spain has failed to fulfil its obligations under Article 95 of the Treaty	Article 169 EEC
128/89 Commission v Italy ⁹	Seeking a declaration that, by prohibiting overland cross-frontier imports of grapefruits originating in other Member States, Italy has failed to fulfil its obligations under Article 30 of the Treaty and Council Directive 77/93/EEC	Article 169 EEC
137/89 Commission v Italy ¹²	Seeking a declaration that, by charging importers of live animals from other Member States the cost of the telegrams which, pursuant to national legislation, veterinary surgeons at frontier crossing posts send to the competent national veterinary and health departments, Italy has failed to fulfil its obligations under Article 12 <i>et seq.</i> of the Treaty	Article 169 EEC
146/89 Commission v United Kingdom ¹³	Seeking a declaration that by applying in certain areas for the purposes of the fisheries arrangements established for the coastal waters of the United Kingdom in Annex 1, together with Article 6(2) of Council Regulation No 170/83, new baselines which are shifted further out to sea than those in force on 25 January 1983, the United Kingdom has failed to fulfil its obligations under the Treaty	Article 169 EEC

Case	Subject	Basis
151/89 Commission v Italy ¹⁴	Seeking a declaration that, by prohibiting the marketing in Italy of beers lawfully manufactured and marketed in other Member States, although in a manner not in conformity with the Italian production rules, Italy has failed to fulfil its obligations pursuant to Article 30 of the Treaty	Article 169 EEC
152/89 Commission v Luxembourg ¹⁵	Seeking a declaration that by using, for the purposes of excise duty refunds on the exportation of beer and compensatory duty on its importation, a rate for wastage incurred between the wort and the finished product which exceeds the average rate found in the Luxembourg brewing industry and in any event exceeds that of certain Luxembourg breweries, Luxembourg has failed to fulfil its obligations under the Treaty	Article 169 EEC
153/89 Commission v Belgium ¹⁵	Seeking a declaration that by using, for the purposes of excise duty refunds on the exportation of beer and compensatory duty on its importation, a rate for wastage incurred between the wort and the finished product which exceeds the average rate found in the Belgian brewing industry and in any event exceeds that of certain Belgian breweries, Belgium has failed to fulfil its obligations under the Treaty	Article 169 EEC
154/89 Commission v France ¹⁶	Seeking a declaration that, by requiring tourist guides travelling with groups of tourists from Member States other than France to hold a 'carte professionnelle' (licence), dependent on the possession of a specific qualification generally awarded upon the passing of an examination, for the purpose of providing their services in French departments or communes appearing on a list laid down by order of the Minister for Tourism when those services involve guiding such tourists in places other than museums or historical monuments which may only be visited with a specialized professional guide, France has failed to fulfil its obligations under Article 59 of the Treaty	Article 169 EEC
Successful candidate		
81/89 Viciano v Commission ¹⁷	Annulment of the decision by the Commission not to offer a post on the expiry of the reserve list	Article 173 EEC

Disputes between the Community and its staff

v Commission:

115/89 Marcato

- ¹ OJ C 97, 18.4.1989.
- ² OJ C 85, 6.4.1989.
- ³ OJ C 94, 15.4.1989.
- ⁴ OJ C 100, 21.4.1989.
- ⁵ OJ C 107, 27.4.1989.
- ⁶ OJ C 80, 31.3.1989.
- ⁷ OJ C 177, 13.7.1989.
- ⁸ OJ C 109, 29.4.1989.
- ⁹ OJ C 125, 20.5.1989.
- ¹⁰ OJ C 150, 17.6.1989.
- ¹¹ OJ C 123, 18.5.1989.
- ¹² OJ C 137, 3.6.1989.
- ¹³ OJ C 133, 30.5.1989.
- ¹⁴ OJ C 141, 7.6.1989.
- ¹⁵ OJ C 153, 21.6.1989.
- ¹⁶ OJ C 149, 16.6.1989.
- ¹⁷ OJ C 122, 17.5.1989.

Judgments

2.7.32. In April, the following judgments were delivered by the Court:

Date and Case	Held
<p>Competition</p> <p>11.4.1989: 66/86 — Ahmed Saeed Flugreisen and Silver Line Reisebüro v Zentrale zur Bekämpfung unlauteren Wettbewerbs¹</p>	<p>1. Bilateral or multilateral agreements regarding airline tariffs applicable to scheduled flights are automatically void under Article 85(2) of the Treaty:</p> <p>(i) in the case of tariffs applicable to flights between airports in a given Member State or between such an airport and an airport in a non-member country: where either the authorities of the Member State in which the registered office of one of the airlines concerned is situated or the Commission, acting under Article 88 and Article 89 respectively, have ruled that the agreement is incompatible with Article 85</p> <p>(ii) in the case of tariffs applicable to international flights between airports in the Community: where no application for exemption of the agreement from the prohibition set out in Article 85(1) has been submitted to the Commission under Article 5 of Regulation No 3975/87; or where such an application has been made but received a negative response on the part of the Commission within 90 days of the publication of the application in the <i>Official Journal of the European Communities</i>; or again where the 90-day time-limit expired without any response on the part of the Commission but the period of validity of</p>

Date and Case	Held
	<p>the exemption of six years laid down in the aforesaid Article 5 has expired or the Commission withdrew the exemption during that period</p> <p>2. The application of tariffs for scheduled flights on the basis of bilateral or multilateral agreements may, in certain circumstances, constitute an abuse of a dominant position on the market in question, in particular where an undertaking in a dominant position has succeeded in imposing on other carriers the application of excessively high or excessively low tariffs or the exclusive application of only one tariff on a given route</p> <p>3. Articles 5 and 90 of the Treaty must be interpreted as:</p> <p>(i) prohibiting the national authorities from encouraging the conclusion of agreements on tariffs contrary to Article 85(1) or Article 86 of the Treaty, as the case may be</p> <p>(ii) precluding the approval by those authorities of tariffs resulting from such agreements</p> <p>(iii) not precluding a limitation of the effects of the competition rules in so far as it is indispensable for the performance of a task of general interest which air carriers are required to carry out, provided that the nature of that task and its effects on the tariff structure are clearly defined</p>
<p>Free movement of workers</p> <p>18.4.1989: 128/88 — Di Felice v Institut national d'assurances sociales pour travailleurs indépendants²</p>	<p>1. The provisions of Council Regulation No 1408/71, extended to self-employed persons and members of their families by Council Regulation No 1390/81 must be interpreted as prohibiting the application of national legislation according to which a retirement pension may not be made if the beneficiary is receiving an invalidity pension under the legislation of another Member State if the application of that legislation is less favourable to the persons concerned than the application of Article 46 of Regulation No 1408/71</p> <p>2. An early retirement pension obtained under the legislation of one Member State and an invalidity pension obtained under the legislation of another are to be regarded as benefits of the same kind within the meaning of Article 12(2) of Regulation No 1408/71</p>
<p>Agriculture</p> <p>18.4.1989 — Drewes v Bezirksregierung Lüneburg³</p>	<p>1. The term 'undertakings' in Article 11(1) of Council Regulation No 1078/77 must be interpreted, in the case of a non-marketing premium, as referring only to the undertakings associated</p>

Date and Case	Held
	<p>with the grant of the premium by virtue of Article 2 of that Regulation</p> <p>2. The term 'obligations' in Article 8(1) of Commission Regulation No 1307/77 must be interpreted, in the case of a non-marketing premium, as referring only to the conditions set out in Article 2 of Regulation No 1078/77</p> <p>3. Article 8(3) of Commission Regulation No 1307/77 must be interpreted as referring also to cases in which a few animals were not marked and registered and identity cards were not issued for them</p>
Staff regulations	
18.4.1989: 130/87 — Retter v Caisse de pension des employés privés ³	Article 11(2) of Annex VIII to the Staff Regulations of officials of the ECSC must be interpreted as precluding, from its entry into force on 1 January 1962, the application of national legislation whereby a Community official, who had been affiliated to the social security scheme of that Member State, was obliged to surrender definitively the pension rights he had previously acquired under the national scheme in return for the surrender value of those pension rights limited to his own contributions, without having the option of maintaining those pension rights or having them transferred to the Community scheme
Infringements	
25.4.1989: 141/87 — Commission v Italy ³	Application dismissed By including in the area of production of Lago di Caldaro wine certain districts in which wine has not traditionally been marketed under that denomination, the Italian Republic has failed to fulfil its obligations under Council Regulation No 338/79
27.4.1989: 321/87 — Commission v Belgium ⁴	Application dismissed By requiring the nationals of other Member States residing legally in Belgium to undergo, on entry into Belgian territory, a personal inspection to determine whether they hold a residence or establishment permit, Belgium has failed to fulfil its obligations under the Treaty
27.4.1989: 324/87 — Commission v Italy ⁴	By failing to adopt within the prescribed period the provisions needed to comply with Council Directive 83/91/EEC amending Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovine animals and

Date and Case	Held
<p>Protocol on the Privileges and Immunities of the European Communities</p> <p>11.4.1989: 1/88 — Société générale de banque v Commission⁵</p> <p>Customs union</p> <p>26.4.1989: 343/88 — Riedl v HZA Augsburg⁶</p>	<p>swine and fresh meat from third countries and Directive 77/86/EEC on the examination for trichinae upon importation from third countries of fresh meat derived from domestic swine, Italy has failed to fulfil its obligations under the Treaty</p> <p>1. The applicant is authorized to serve a garnishee order on the Commission of the European Communities in respect of the amount due to it under the judgment of the Brussels Court of First Instance, provided that the said order is limited to the sums owing by the European Communities to the Belgian State in respect of rent</p> <p>2. For the rest, the application is dismissed</p> <p>Removed from the Court Register (interpretation of CCT headings 27.16 and 32.09 — bitumen solutions)</p>

Disputes between the Community and its staff

v Commission:

20.4.1989: 300/87 Baumgärtner and Others — Removed from the Court Register (seeking the annulment of the decision of 5 December 1986 to the effect that the amounts paid and to be paid under Council Regulation No 3619/86 are to be regarded as provisional and may have to be reimbursed)

20.4.1989: 332/87 Dapo and Others — Removed from the Court Register (calculation of salary arrears for the period from 1 July to 31 December 1986 and remuneration as from January 1987 by applying a weighting which was not adjusted in accordance with the five-yearly review method)

26.4.1989: 180/87 Hamill — There is no longer any need to rule in Case 180/87

27.4.1989: 192/88 Turner — 1. The objection of inadmissibility raised against the first head of claim is rejected 2. The second head of claim is declared inadmissible

v Parliament:

27.4.1989: 271/87 Fedeli — Parliament is ordered to pay the applicant the amounts deducted from her remuneration for the period from 3 July 1985 to 13 March 1986 plus 8% interest

¹ OJ C 122, 17.5.1989.
² OJ C 123, 18.5.1989.
³ OJ C 125, 20.5.1989.
⁴ OJ C 136, 2.6.1989.
⁵ OJ C 124, 19.5.1989.
⁶ OJ C 331, 24.12.1988.

Economic and Social Committee

265th plenary session

2.7.33. The Economic and Social Committee held its 265th plenary session in Brussels on 26 and 27 April with Mr Masprone in the chair. The meeting was attended by Mrs Scrivener. In order to get through a very heavy agenda of 27 items, 17 opinions were adopted without debate. The atmosphere was generally constructive and there were large majorities for most of the opinions. Only the issues of banning smoking in public places and maximum blood alcohol levels for drivers prompted more heated debate. The highlight of the session, however, was Mrs Scrivener's statement on the taxation of savings and indirect taxation. This was followed by a question-and-answer session which enabled the Committee to probe into the main points of the Commission's thinking on taxation.

2.7.34. The Committee debated and adopted opinions on the following items:

Free movement of workers (→ point 2.1.5).

Television without frontiers (additional opinion) (→ point 2.1.17).

Active implantable electromedical equipment (→ point 2.1.22).

Compulsory nutritional labelling of food-stuffs (→ point 2.1.28).

Improvement of the business environment (→ point 2.1.45).

Research and training in the field of radiation protection (→ point 2.1.57).

The internal market for telecommunications services (→ point 2.1.65).

Ban on smoking in public places (→ point 2.1.89).

Poseidom programme (→ point 2.1.108).

Rules on water quality (→ point 2.1.110).

Common organization of the market in cereals (→ point 2.1.142).

Common organization of the market in rice (→ point 2.1.143).

Hormones (→ point 2.1.155).

The maximum permitted blood alcohol level for drivers (→ point 2.1.174).

Compulsory use of seat belts (→ point 2.1.174).

2.7.35. The Committee also adopted unanimously opinions, without debate, on:

Driving licences (→ point 2.1.9).

Guarantees issued by credit institutions (→ point 2.1.12).

Units of measurement (→ point 2.1.24).

Insurance against civil liability in respect of motor vehicles (→ point 2.1.14).

The legal protection of biotechnological inventions (→ point 2.1.44).

The Bridge programme (→ point 2.1.60).

Recycling of raw materials (→ point 2.1.59).

High-definition television (→ point 2.1.62).

Action programme to foster the integration of the least-privileged groups (→ point 2.1.88).

Protection of fresh waters against nitrate pollution (→ point 2.1.109).

Speed limits (→ point 2.1.174).

Statistics relating to the trading of goods between Member States (→ point 2.6.3).

European Investment Bank ¹

Operations in April

2.7.36. In April the EIB granted loans totalling ECU 618.9 million² for investments within the Community. Of these,

¹ Further details can be obtained from the European Investment Bank 100 boulevard Konrad Adenauer, L-2950 Luxembourg (tel. (352 43791).

² The conversion rates at 31 March 1989 used by the EIB in statistics for the second quarter were ECU 1 = BFR 43.60, DKR 8.10, DM 2.08, DR 175.99, ESC 171.55, FF 7.04, HFL 2.35, IRL 0.78, FLUX 43.60, LIT 1 527, PTA 129.64, UKL 0.65, USD 1.10.

ECU 386 million went to Italy, 119.5 million to Spain, 46.7 million to Portugal, 35.5 million to France, 26.4 million to Ireland and 4.8 million to Germany. Outside the Community the Bank lent ECU 6.5 million, including ECU 4 million from risk capital for projects in Rwanda under the Third Lomé Convention,¹ and ECU 2.5 million for projects in Jordan, from the Bank's own resources under the Third EEC-Jordan Financial Protocol.²

Community

Italy

2.7.37. The Bank lent a total of LIT 590 billion, of which LIT 310 billion went to industrial projects (particularly in the field of advanced technologies), LIT 193 million went for small and medium-scale investment and LIT 70 billion for infrastructure projects.

The Bank made the following individual loans for industrial projects: LIT 120 billion towards modernizing a television-screen factory in Anagni (Frosinone), LIT 15 billion for expanding a pharmaceutical research and development centre in Bresso/Cormano (Milan), LIT 40 billion for the construction of a similar R&D centre at Nerviano (Milan) together with 20 billion for restructuring a pharmaceuticals plant in Ascoli Piceno, LIT 35 billion for the construction of a plant in Alanno (Pescara) for making tissue products for domestic use, LIT 15 billion towards the modernization of a glass-bottle manufacturing factory at Asti, LIT 10 billion for the modernization of a chemicals complex at Rosignano, LIT 15 billion for the modernization of an ice-cream factory in Naples, LIT 20 billion for the construction of a new factory in Modugno (Bari) for producing automobile brake components and LIT 20 billion for enlarging a commercial-vehicle manufacturing plant at Atessa (Chieti). The Bank provided some LIT 193 billion in the form of global loans for the cofinancing of small and medium-scale investments, primarily in industry and allied services, agricultural

processing and tourism, but also to promote the rational use of energy and protection of the environment.

For infrastructure projects, the EIB lent LIT 70 billion towards the completion of the Maccarese-Rome San Pietro rail link which will be reserved for long-distance traffic between Rome and Genoa, thereby freeing the existing line for use as an express link between Rome and Fiumicino airport, LIT 10 billion to establish a satellite telecommunications network for detecting natural disasters and LIT 7 billion for waste-water treatment plants at San Remo and Ventimiglia.

Spain

2.7.38. The Bank lent a total of PTA 15 billion: PTA 8 billion to the Banco Español de Crédito (Banesto) in the form of a global loan for productive investment schemes (with special emphasis on advanced technology and the efficient use of energy) by small businesses in industry and associated services and, in the less developed areas of Spain, tourism and commerce (except retailing); PTA 7.5 billion to the Comunidad Autónoma de Andalucía for infrastructure works involving 11 sections of road covering 140 km in all, including, in particular, the east-west highway facilitating road links between Granada and Seville and the eastern La Carolina-Guadiz-Almería highway. These two trunk roads will ease communications between Andalucía's eastern provinces and the Seville-Baza motorway programmed for completion in 1991.

Portugal

2.7.39. The Bank lent ESC 8.15 billion: ESC 5.15 billion, in the form of a global loan, to the Caixa Geral de Depósitos Agro to finance ventures in industry, tourism and related services, as well as projects for the rational use of energy and for improving

¹ OJ L 86, 31.3.1986; Bull. EC 4-1986, points 2.2.31.

² OJ L 22, 27.1.1988; Bull. EC 12-1987, point 2.2.31.

the environment; ESC 2 billion, also in the form of a global loan, to Lusoleasing to finance leasing schemes for small and medium-scale industrial projects throughout Portugal, and ESC 1 billion to increase production facilities for uncoated white printing paper at Setubal, in one of Portugal's most important areas in terms of the country's regional development strategy.

France

2.7.40. The Bank lent FF 250 million to Orlyval (the contractor and operator of the transport link) to construct an automatic light metro line between Orly airport and the network serving Paris and its inner suburbs. The proposed line, which will be approximately 7 km long and have several stations, will be constructed between Antony on line B of the regional express network (RER) and the west and south terminals of the airport. It will relieve the severely congested road system and facilitate transfers between the two Paris airports.

Ireland

2.7.41. The Bank lent IRL 20.6 million: IRL 12 million for the Electricity Supply Board (ESB) for improvements to the electricity transmission and distribution system, including some 38 000 new customer connections; IRL 4.6 million for restoration works and a new conference centre at Dublin Castle, an important part of Ireland's architectural heritage; IRL 4 million to Aer Rianta to help finance the expansion of Dublin airport (building a new runway, control tower and technical facilities in particular).

Germany

2.7.42. The Bank granted a loan of DM 10 million to Salzgitter Elektronik GmbH

for the relocation of an existing plant and the construction of a microelectronic components factory at Flintbek in Schleswig-Holstein. The plant will produce integrated circuits and modules for telecommunications and data-processing, mechanical engineering and space technology. The project will reinforce the technical and commercial position of a company regarded as the world leader in the testing equipment sector and contribute to the European electronics industry's competitiveness. It will also create new jobs in a region where unemployment is high by national standards.

Outside the Community

Mediterranean

2.7.43. The Bank granted a global loan of ECU 2.5 million for small-scale projects by local authorities in Jordan. This loan, from the Bank's own resources, will be onlent by the Cities and Villages Development Bank (CVDB) to local authorities as cofinancing for various projects (technical workshops, slaughterhouses, commercial stores and truck stations).

ACP States

2.7.44. The Bank lent ECU 4 million to help finance small and medium-sized ventures in the industrial, agro-industrial, mining and tourism sectors in Rwanda, and feasibility studies for the preparation of these projects. The funds, from risk capital resources, were advanced in the form of a conditional loan to Banque Rwandaise de Développement (BRD), of which the State is the largest shareholder.



PART THREE

DOCUMENTATION

1. The ecu

Values in national currencies of one ecu

28 April¹

BFR/ LFR	Belgian franc and Luxembourg franc (convertible)	43.5403
	Belgian franc and Luxembourg franc (financial)	43.7091
DKR	Danish krone	8.09578
DM	German mark	2.08041
DR	Greek drachma	177.427
ESC	Portuguese escudo	172.163
FF	French franc	7.03122
HFL	Dutch guilder	2.34625
IRL	Irish pound	0.778725
LIT	Italian lira	1 522.83
PTA	Spanish peseta	129.065
UKL	Pound sterling	0.655725
AUD	Australian dollar	1.39445
CAD	Canadian dollar	1.31413
FMK	Finnish mark	4.64467
NKR	Norwegian krone	7.55935
NZD	New Zealand dollar	1.79739
OS	Austrian schilling	14.6459
SFR	Swiss franc	1.84901
SKR	Swedish krona	7.06720
USD	United States dollar	1.10719
YEN	Japanese yen	147.002

¹ OJ C 109, 29.4.1989.

NB: Explanatory notes on the ecu and 'green' rates can be found in Bull. EC 7/8-1982, points 3.1.1 to 3.1.3, and Bull. EC 10-1984, point 3.1.1.

Representative rates ('green' rates)

Conversion rates into national currencies for the ecu used in connection with the common agricultural policy

April 1989		
National currency/product		Value in national currency of ECU 1
BFR/ LFR	Belgian franc and Luxembourg franc All products	48.2869
DKR	Danish krone Sheepmeat and goatmeat Pigmeat Other products	8.66492 8.93007 8.84165
DM	German mark Milk and milk products Cereals Other products	2.38591 2.37360 2.36110
DR	Greek drachma Sheepmeat and goatmeat Pigmeat Eggs and poultrymeat Cereals, sugar, wine, olive oil and tobacco Other crop products Structures Other products	180.508 166.169 (167.523 from 17.4.1989) 149.762 164.729 156.020 190.827 145.018
ESC	Portuguese escudo All products	188.007
FF	French franc Milk and milk products Sheepmeat and goatmeat Beef/veal Pigmeat Wine Other livestock products Other products	7.58418 7.65577 7.81036 7.85183 7.54389 7.56606 7.58418
HFL	Dutch guilder Milk and milk products and cereals Other products	2.66089 2.64704

April 1989		
National currency/product		Value in national currency of ECU 1
IRL	Irish pound Sheepmeat and goatmeat Beef/veal and pigmeat Other livestock products Crop products	0.829788 0.856765 0.844585 0.843818
LIT	Italian lira Pigmeat Cereals and oilseeds Wine Fruit and vegetables and tobacco Other products	1 716.00 1 635.00 1 641.00 1 668.00 1 652.99
PTA	Spanish peseta Sheepmeat and goatmeat Pigmeat Other livestock products Crop products	153.315 146.854 155.786 154.213
UKL	Pound sterling Sheepmeat and goatmeat Beef/veal Pigmeat Other livestock products Crop products	0.671291 0.710546 0.723693 0.685035 0.675071

2. Declaration of fundamental rights and freedoms

3.2.1. On 12 April Parliament adopted a resolution containing the following declaration:

Preamble

In the name of the peoples of Europe

Whereas with a view to continuing and reviving the democratic unification of Europe, having regard to the creation of an internal area without frontiers and mindful of the particular responsibility of the European Parliament with regard to the well-being of men and women, it is essential that Europe reaffirm the existence of a common legal tradition based on respect for human dignity and fundamental rights,

Whereas measures incompatible with fundamental rights are inadmissible and recalling that these rights derive from the Treaties establishing the European Communities, the constitutional traditions common to the Member States, the European Convention for the Protection of Human Rights and Fundamental Freedoms and the international instruments in force and have been developed in the case-law of the Court of Justice of the European Communities,

The European Parliament, lending expression to these rights, hereby adopts the following Declaration, calls on all citizens actively to uphold it and presents it to the Parliament which is to be elected in June 1989.

General provisions

Article 1

(Dignity)

Human dignity shall be inviolable.

Article 2

(Right to life)

Everyone shall have the right to life, liberty and security of person.

No one shall be subjected to torture or to inhuman or degrading treatment or punishment.

Article 3

(Equality before the law)

1. In the field of application of Community law, everyone shall be equal before the law.
2. Any discrimination on grounds such as race, colour, sex, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status shall be prohibited.
3. Any discrimination between European citizens on the grounds of nationality shall be prohibited.
4. Equality must be secured between men and women before the law, particularly in the areas of work, education, the family, social welfare and training.

Article 4

(Freedom of thought)

Everyone shall have the right to freedom of thought, conscience and religion.

Article 5

(Freedom of opinion and information)

1. Everyone shall have the right to freedom of expression. This right shall include freedom of opinion and the freedom to receive and impart information and ideas, particularly philosophical, political and religious.
2. Art, science and research shall be free of constraint. Academic freedom shall be respected.

Article 6

(Privacy)

1. Everyone shall have the right to respect and protection for their identity.
2. Respect for privacy and family life, reputation, the home and private correspondence shall be guaranteed.

Article 7

(Protection of family)

The family shall enjoy legal, economic and social protection.

*Article 8***(Freedom of movement)**

1. Community citizens shall have the right to move freely and choose their residence within Community territory. They may pursue the occupation of their choice within that territory.
2. Community citizens shall be free to leave and return to Community territory.
3. The above rights shall not be subject to any restrictions except those that are in conformity with the Treaties establishing the European Communities.

*Article 9***(Right of ownership)**

The right of ownership shall be guaranteed. No one shall be deprived of their possessions except where deemed necessary in the public interest and in the cases and subject to the conditions provided for by law and subject to fair compensation.

*Article 10***(Freedom of assembly)**

Everyone shall have the right to take part in peaceful meetings and demonstrations.

*Article 11***(Freedom of association)**

1. Everyone shall have the right to freedom of association including the right to form and join political parties and trade unions.
2. No one shall in their private life be required to disclose their membership of any association which is not illegal.

*Article 12***(Freedom to choose an occupation)**

1. Everyone shall have the right to choose freely an occupation and a place of work and to pursue freely that occupation.
2. Everyone shall have the right to appropriate vocational training in accordance with their abilities and fitting them for work.
3. No one shall be arbitrarily deprived of their work and no one shall be forced to take up specific work.

*Article 13***(Working conditions)**

1. Everyone shall have the right to just working conditions.
2. The necessary measures shall be taken with a view to guaranteeing health and safety in the workplace and a level of remuneration which makes it possible to lead a decent life.

*Article 14***(Collective social rights)**

1. The right of negotiation between employers and employees shall be guaranteed.
2. The right to take collective action, including the right to strike, shall be guaranteed subject to obligations that might arise from existing laws and collective agreements.
3. Workers shall have the right to be informed regularly of the economic and financial situation of their undertaking and to be consulted on decisions likely to affect their interests.

*Article 15***(Social welfare)**

1. Everyone shall have the right to benefit from all measures enabling them to enjoy the best possible state of health.
2. Workers, self-employed persons and their dependants shall have the right to social security or an equivalent system.
3. Anyone lacking sufficient resources shall have the right to social and medical assistance.
4. Those who, through no fault of their own, are unable to house themselves adequately, shall have the right to assistance in this respect from the appropriate authorities.

*Article 16***(Right to education)**

Everyone shall have the right to education and vocational training appropriate to their abilities.

There shall be freedom in education.

Parents shall have the right to make provision for such education in accordance with their religious and philosophical convictions.

Article 17

(Principle of democracy)

1. All public authority emanates from the people and must be exercised in accordance with the principles of the rule of law.
2. Every public authority must be directly elected or answerable to a directly elected parliament.
3. European citizens shall have the right to take part in the election of Members of the European Parliament by free, direct and secret universal suffrage.
4. European citizens shall have an equal right to vote and stand for election.
5. The above rights shall not be subject to restrictions except where such restrictions are in conformity with the Treaties establishing the European Communities.

Article 18

(Right of access to information)

Everyone shall be guaranteed the right of access and the right to corrections to administrative documents and data concerning them.

Article 19

(Access to the courts)

1. Anyone whose rights and freedoms have been infringed shall have the right to bring an action in a court or tribunal specified by law.
2. Everyone shall be entitled to have their case heard fairly, publicly and within a reasonable time-limit by an independent and impartial court or tribunal established by law.
3. Access to justice shall be effective and shall involve the provision of legal aid to those who lack sufficient resources otherwise to afford legal representation.

Article 20

(*Non bis in idem*)

No one shall be tried or convicted for offences for which they have already been acquitted or convicted.

Article 21

(Non-retroactivity)

No liability shall be incurred for any act or omission to which no liability applied under the law at the time when it was committed.

Article 22

(Death penalty)

The death penalty shall be abolished.

Article 23

(Right of petition)

Everyone shall have the right to address written requests or complaints to the European Parliament.

The detailed provisions governing the exercise of this right shall be laid down by the European Parliament.

Article 24

(Environment and consumer protection)

1. The following shall form an integral part of Community policy:
 - (i) the preservation, protection and improvement of the quality of the environment,
 - (ii) the protection of consumers and users against the risks of damage to their health and safety and against unfair commercial transactions.
2. The Community institutions shall be required to adopt all the measures necessary for the attainment of these objectives.

Final provisions

Article 25

(Field of application)

1. This Declaration shall afford protection for every citizen in the field of application of Community law.
2. Where certain rights are set aside for Community citizens, it may be decided to extend all or part of the benefit of these rights to other persons.
3. A Community citizen within the meaning of this Declaration shall be any person possessing the nationality of one of the Member States.

Article 26**(Limits)**

The rights and freedoms set out in this Declaration may be restricted within reasonable limits necessary in a democratic society only by a law which must at all events respect the substance of such rights and freedoms.

Article 27**(Degree of protection)**

No provision in this Declaration shall be interpreted as restricting the protection afforded by Com-

munity law, the law of the Member States, international law and international conventions and accords on fundamental rights and freedoms or as standing in the way of its development.

Article 28**(Abuse of rights)**

No provision in this Declaration shall be interpreted as implying any right to engage in any activity or perform any act aimed at restricting or destroying the rights and freedoms set out therein.

3. Infringement procedures

Proceedings for failure to implement Directives

Letters of formal notice

3.3.1. In April the Commission sent letters of formal notice for failure to notify it of national implementing measures in the following cases:

Internal market

First Commission Directive 86/424/EEC of 15 July 1986 laying down methods of sampling for chemical analysis of edible caseins and caseinates (Belgium, France, Netherlands and United Kingdom)

OJ L 243, 28.8.1986

Council Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products (Belgium, Denmark, Federal Republic of Germany, France, Ireland and Netherlands)

OJ L 210, 7.8.1985

Council Directive 85/384/EEC of 10 June 1985 on the mutual recognition of diplomas, certificates and other evidence of formal qualifications in architecture, including measures to facilitate the

effective exercise of the right of establishment and freedom to provide services (Spain)

OJ L 223, 5.8.1985

Council Directive 85/614/EEC of 20 December 1985 amending, on account of the accession of Spain and Portugal, Directive 85/384/EEC on the mutual recognition of diplomas, certificates and other evidence of formal qualifications in architecture, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services (Spain)

OJ L 376, 31.12.1985

Council Directive 86/17/EEC of 27 January 1986 amending, on account of the accession of Portugal, Directive 85/384/EEC on the mutual recognition of diplomas, certificates and other evidence of formal qualifications in architecture, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services (Spain)

OJ L 27, 1.2.1986

3.3.2. The Commission also sent a letter of formal notice for failure to comply with a judgment of the Court of Justice in the following case:

Environment

Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds (Netherlands)

OJ L 103, 25.4.1979

Reasoned opinions

3.3.3. In December the Commission delivered reasoned opinions for failure to notify it of national implementing measures in the following cases:

Internal market

Council Directive 80/155/EEC of 21 January 1980 concerning the coordination of provisions laid down by law, regulation or administrative action relating to the taking up and pursuit of the activities of midwives (Spain)
OJ L 33, 11.2.1980

4. Additional references in the Official Journal

3.4.1. This section lists the titles of legal instruments and notices of Community institutions or organs which have appeared in the Official Journal since the last Bulletin was published but relating to items appearing in earlier issues of the Bulletin; the references were not available when the Bulletin went to press.

The number of the Bulletin and the point to which this additional information refers is followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

Bull. EC 11-1988

Point 2.1.104

Commission Decision 89/254/EEC of 15 November 1988 relating to aid which the Belgian Government has granted to a petrochemicals company at Ottignies/Louvain-la-Neuve (SA Belgian Shell)
OJ L 106, 18.4.1989

Point 2.1.111

Commission Decision 89/348/EEC of 23 November 1988 on aid granted by the French Government to an undertaking manufacturing equipment for the motor-vehicle industry — Valéo
OJ L 143, 26.5.1989

Bull. EC 12-1988

Point 2.1.138

Commission Decision 89/305/EEC of 21 December 1988 concerning aid from the French Government

to an undertaking in the motor-vehicle sector — Peugeot SA
OJ L 123, 4.5.1989

Point 2.3.8

Proposal for a Council Regulation (ECSC, EEC, Euratom) amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities
OJ C 115, 8.5.1989

Bull. EC 2-1989

Point 2.1.32

Re-examined proposal for a Council Decision adopting a specific research and technological development programme in the field of energy — Non-nuclear energies and rational use of energy — Joule (1989-92)
OJ C 117, 11.5.1989

Point 2.1.75

Opinion of the Economic and Social Committee on basic Community social rights
OJ C 126, 23.5.1989

Point 2.1.93

Commission Decision 89/300/EEC of 7 February 1989 on the granting of a contribution from the European Regional Development Fund towards the financing of a national programme of Community interest under the integrated Mediterranean programme (IMP) for Apulia (Italy)

Commission Decision 89/301/EEC of 7 February 1989 on the granting of a contribution from the European Regional Development Fund towards the financing of a national programme of Community interest under the integrated Mediterranean programme (IMP) for Campania (Italy)

Commission Decision 89/302/EEC of 7 February 1989 on the granting of a contribution from the European Regional Development Fund towards the financing of a national programme of Community interest under the integrated Mediterranean programme (IMP) for Sicily (Italy)
OJ L 122, 3.5.1989

Points 2.4.34 to 2.4.36

Opinions adopted by the Economic and Social Committee during its session on 22 and 23 February 1989
OJ C 102, 24.4.1989

Bull. EC 3-1989

Point 2.1.11

Re-examined proposal for a Council Directive amending Council Directive 71/305/EEC concerning the coordination of procedures for the award of public works contracts
OJ C 115, 8.5.1989

Point 2.1.60

Commission Decision 89/248/EEC of 30 March 1989 authorizing the agreements on supplies of solid fuels to six steelworks by Ruhrkohle AG
OJ L 101, 13.4.1989

Point 2.1.86

Amended proposal for a Council Directive concerning the minimum safety and health require-

ments for the use by workers of machines, equipment and installations
OJ C 106, 26.4.1989

Amended proposal for a Council Directive concerning safety and health requirements for the workplace

Amended proposal for a Council Directive concerning the minimum safety and health requirements for the use by workers of individual protection equipment at the workplace
OJ C 115, 8.5.1989

Point 2.1.96

Commission Decision 89/288/EEC of 21 March 1989 establishing an initial list of declining industrial areas concerned by objective 2 as defined by Council Regulation (EEC) No 2052/88
OJ L 112, 25.4.1989

Commission Decision 89/289/EEC of 8 March 1989 fixing an indicative allocation between Member States of 85 % of the commitment appropriations of the European Regional Development Fund under objective 2 as defined by Council Regulation (EEC) No 2052/88
OJ L 113, 26.4.1989

Point 2.1.135

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No 3033/88 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products
OJ C 122, 17.5.1989

Point 2.1.164

Commission Decision 89/296/EEC of 30 March 1989 ruling on a financial measure taken by the Federal Republic of Germany in respect of the coal industry during 1988 and a supplementary financial measure in respect of the coal industry during 1987
OJ L 116, 28.4.1989

5. Index

A

ACP States: 2.7.44
Agri-monetary measures: 2.1.138
Agricultural prices: 2.1.124 to 2.1.138
Agricultural situation: 2.1.123
Air pollution: 2.1.111
Andorra: 2.2.16
Anti-dumping: 2.2.2
Apartheid: 2.2.57
Argentina: 2.2.31
ATA Convention: 2.1.36

B

BAP (Biotechnology action programme): 2.1.60
Basic social rights: 1.2.1 to 1.2.7; 2.4.1
Beef/veal: 2.1.137
Bridge (Biotechnology research for innovation, development and growth in Europe): 2.1.60
Broadcasting: 2.1.16; 2.1.17
Budget — ECSC operating: 2.5.10
Budget — general: 2.5.1 to 2.5.9; 2.5.17; 2.7.5
Bulgaria: 2.2.12; 2.2.13
Burundi: 2.2.39
Butter: 2.1.146

C

Cereals: 2.1.125; 2.1.141; 2.1.142
China: 2.2.24
Chlorofluorocarbons (CFCs): 2.1.112
Coffee: 2.2.41
Combined Nomenclature: 2.1.39
Comett (Community programme in education and training for technology): 2.1.95; 2.1.96
Community law: 2.7.18
Community transit: 2.1.33
Conference on Security and Cooperation in Europe (CSCE): 2.2.11
Copyright: 2.7.19
COST: 2.1.55
Cotton: 2.1.131
Credit institutions: 2.1.10 to 2.1.13
Crest: 2.1.52
Culture: 2.1.102
Customs debt: 2.1.34
Customs duties: 2.1.38

D

Dangerous preparations: 2.1.20
Dangerous substances: 2.1.20
Denmark: 2.1.156
Dominant positions: 2.1.70
Driving licences: 2.1.164

E

Easing of restrictive measures: 2.2.1
East European countries: 2.2.11
Economic and monetary union: 1.1.1 to 1.1.5; 2.1.1.; 2.1.2
Economic Commission for Europe (ECE): 2.2.61
ECSC social measures: 2.5.11 to 2.5.15
Education: 2.1.122; 2.7.28
EFTA: 2.2.6
Emergency aid: 2.2.50 to 2.2.52; 2.2.55; 2.2.56
Environment: 2.1.115; 2.1.116
Epoch (European programme on climatology and natural hazards): 2.1.58
Erasmus (European action scheme for the mobility of university students): 2.1.93
Esprit (European strategic programme for research and development in information technologies): 2.1.52; 2.1.61
European Agricultural Guidance and Guarantee Fund (EAGGF): 2.1.157; 2.1.158; 2.7.30
European Development Fund (EDF): 2.2.32
European Investment Bank (EIB): 2.7.36
European political cooperation (EPC): 2.3.1 to 2.3.3
European radio messaging system (Ermes): 2.1.64
European Regional Development Fund (ERDF): 2.1.104; 2.1.107; 2.1.108

F

Family allowances: 2.7.27
Federal Republic of Germany: 2.1.73; 2.1.76; 2.1.77; 2.1.79; 2.1.156; 2.7.42
Fertilizers: 2.1.31; 2.1.32
Finland: 2.1.54
Fisheries: 2.1.159 to 2.1.168
Food aid: 2.2.43 to 2.2.49
Foodstuffs: 2.1.25 to 2.1.29
France: 2.1.156a; 2.7.40
Fruit and vegetables: 2.1.133

G

Gabon: 2.2.40
GATT: 1.3.1 to 1.3.9
German Democratic Republic: 2.4.5
Greece: 2.1.80; 2.1.85; 2.1.156
Greenland: 2.1.161; 2.1.162

H

Haiti: 2.2.59
High-definition television (HDTV): 2.1.62
Hops: 2.1.153
Hormones: 2.1.155; 2.2.4

Human rights: 2.4.4; 2.4.5

I

Iceland: 2.1.53; 2.2.7

Implantable electromedical equipment: 2.1.21; 2.1.22

Import restrictions: 2.7.20; 2.7.21

India: 2.2.22

Indian Ocean Committee (IOC): 2.2.36

Integrated Services Digital Network (ISDN): 2.1.63

Integrated Tariff of the European Communities (TariC): 2.1.40

International Atomic Energy Agency: 2.1.120

International Committee of the Red Cross (ICRC): 2.4.5

Ireland: 2.7.41

Italy: 2.1.74; 2.1.84; 2.1.156a; 2.7.37

J

Joint Research Centre (JRC): 2.1.50; 2.1.51

Jordan: 2.7.43

L

Laos: 2.2.48

Latin American Group: 2.2.26

Lebanon: 2.2.50; 2.3.2; 2.3.3; 2.4.5

Libraries (cooperation): 2.1.102

Lingua (promotion of foreign-language teaching in the Community): 2.1.92

M

Mali: 2.2.37; 2.2.38

Malta: 2.1.163

Matthaeus (exchange of customs officials): 2.1.41

Media (measures to promote the development of the audiovisual industry): 2.1.100

Mergers: 2.1.71

Mexico: 2.2.27

Milk products: 2.1.147; 2.1.148

Milk quotas: 2.1.147

Milk: 2.1.136; 2.1.147

Monetary compensatory amounts (MCAs): 2.1.124; 2.1.138

Monopolies: 2.1.86

Morocco: 2.2.20

Motor-vehicle insurance: 2.1.14

Motor vehicles: 2.1.18

Mozambique: 2.4.5

N

NAFO Convention: 2.1.165

Namibia: 2.2.35; 2.3.1

NCI (New Community Instrument): 2.1.3; 2.5.16

Nepal: 2.2.25

Nicaragua: 2.2.29

Non-governmental organizations (NGOs): 2.2.53; 2.2.54

Norway: 2.1.54; 2.2.8

Nuclear accident: 2.1.117 to 2.1.120

O

Oil: 2.1.130

Own resources: 2.5.5; 2.7.23

Ozone layer: 2.1.113

P

Paraguay: 2.4.5

Passtoors, Hélène: 2.4.5

Patents: 2.1.43; 2.1.44

Peru: 2.2.28

Pharmaceutical products: 2.1.30

Pigmeat: 2.1.137; 2.1.144

Poland: 2.2.14; 2.2.15; 2.3.1

Portugal: 2.1.81; 2.7.39

Poverty: 2.1.88

Product safety: 2.1.121

Professional footballers: 2.1.4

Programme to assist the French Overseas Departments (Poseidom): 2.1.108

R

Race (Research and development in advanced communication technologies for Europe): 2.1.52

Radiation protection: 2.1.56; 2.1.57; 2.1.118 to 2.1.120

Raw materials and recycling programme: 2.1.59

Regional development programmes: 2.1.103

Renaval (conversion of shipbuilding areas): 2.1.106

Resider (conversion of steel areas): 2.1.105; 2.1.107

Rice: 2.1.126; 2.1.143

Right of residence: 2.1.8

Right to compensation: 2.7.22

Right to petition: 2.1.7; 2.4.2

Road safety: 2.1.174

Road transport: 2.1.169 to 2.1.173

Romania: 2.2.16; 2.4.4

S

Safety belts: 2.1.174

Securities: 2.1.15

Sheepmeat and goatmeat: 2.1.137; 2.1.149

Shipbuilding: 2.1.78 to 2.1.81

Shipping: 2.1.177; 2.1.178

Small business: 2.1.45

Smoking: 2.1.89

South Africa: 2.4.5
Southern Africa: 2.2.34
Spain: 2.1.72; 2.1.82; 2.7.38
Speed limits: 2.1.174
Sprint (Strategic programme for innovation and technology transfer): 2.1.69
Standardization: 2.1.37; 2.1.68
State aid: 2.1.72 to 2.1.85; 2.1.156; 2.7.26
Steel: 2.1.46 to 2.1.49
Step (Science and technology for environmental protection): 2.1.58
Sudan: 2.2.49; 2.2.51
Sugar: 2.1.127; 2.1.150; 2.1.151
Suriname: 2.2.30
Sweden: 2.2.9
Switzerland: 2.2.9

T

Tedis (Trade electronic data interchange systems): 2.1.66
Telecommunications: 2.1.65
Temporary use: 2.1.35; 2.7.29
Textile products: 2.2.3
Thailand: 2.2.23
Tin: 2.2.42
Tobacco: 2.1.135; 2.1.152
Transport infrastructure: 2.1.175; 2.1.176
Technology transfer: 2.2.5
Tunisia: 2.2.21
Turkey: 2.2.17

U

United Kingdom: 2.1.83
United Nations Conference on Trade and Development (Unctad): 2.2.58
United States: 2.2.4; 2.2.5
Units of measurement: 2.1.23; 2.1.24
Uruguay Round: 1.3.1 to 1.3.9; 2.2.60

V

Value-added tax (VAT): 2.1.42; 2.7.24; 2.7.25
Veterinary legislation: 2.1.154; 2.1.155
Visits to Commission: 2.2.7 to 2.2.10; 2.2.13; 2.2.19; 2.2.21; 2.2.23; 2.2.25; 2.2.27 to 2.2.29; 2.2.38 to 2.2.40; 2.2.59
Vocational training: 2.1.6; 2.1.95

W

Water pollution: 2.1.109
Water quality: 2.1.110
Wheeled agricultural and forestry tractors: 2.1.19
Wild fauna and flora: 2.1.114
Wine: 2.1.132; 2.1.145
Workplace (health and safety): 2.1.90; 2.1.91

Y

Yugoslavia: 2.2.19; 2.4.5

publicity announcement



OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES



*advertising
space
now available*

under certain conditions (PTO)

PUBLICITY QUESTIONNAIRE

The Commission of the European Communities has decided to open up a number of its publications to outside advertising. To find out more, or if you would like to place advertisements, please fill in this questionnaire and return it to

OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES
2, rue Mercier, L-2985 Luxembourg

COMPANY:

NAME

ADDRESS:

Tel.:

1. From among the publications listed below, please indicate the ones in which you would like to place advertisements:

- | | | |
|---|--|---|
| <input type="checkbox"/> Euro-abstracts
Euratom and EEC R, D&D projects
monthly — A4 format
EN | <input type="checkbox"/> Supplement to the OJ
Public contracts
daily — A4 format
ES, DA, DE, GR, EN, FR, IT, NL, PT | <input type="checkbox"/> European Economy
quarterly —
A4 format
DE, EN, FR, IT |
| <input type="checkbox"/> Progress in coal, steel and
related social research
quarterly — A4 format
multilingual (DE/EN/FR) | <input type="checkbox"/> EC Bulletin
monthly —
B5 format
ES, DA, DE, GR, EN, FR, IT, NL, PT | <input type="checkbox"/> Energy in Europe
3 issues/year —
A4 format
ES, DE, EN, FR |
| <input type="checkbox"/> Catalogue of EC publications
quarterly and annual —
B5 format
ES, DA, DE, GR, EN, FR, IT, NL, PT | <input type="checkbox"/> Eurostatistics — Data
for short-term economic analysis
monthly — A4 format
multilingual (DE/EN/FR) | <input type="checkbox"/> Social Europe
3 issues/year —
A4 format
DE, EN, FR |

2. Frequency of placement:

- in each issue of the chosen publication
 irregularly: number of placements
 (a) in alternate issues (b) other (please specify):

3. Format of advertisement: 1 page $\frac{1}{2}$ page

4. Are you interested solely in advertising in the publications appearing in your native language or in all Community languages?

- Native language
— Other languages: ES DA DE GR EN FR IT NL PT

Date:

Signature:

PLEASE NOTE

The Publications Office reserves the right to reject advertisements it considers incompatible with the policy or aims of the Commission. The decision of the Publications Office is final.

Films (in very good condition) for offset printing must be supplied by the customer. The space taken up by the advertisement may not exceed the format indicated.



**Venta y suscripciones · Salg og abonnement · Verkauf und Abonnement · Πωλήσεις και συνδρομές
Sales and subscriptions · Vente et abonnements · Vendita e abbonamenti
Verkoop en abonnementen · Venda e assinaturas**

<p>BELGIQUE / BELGIË</p> <p>Moniteur belge / Belgisch Staatsblad 42, Rue de Louvain / Luwervegweg 42 1000 Bruxelles / Brussel Tél 512 00 28 Télécopieur 511 01 84 CCP / Postrekening 000-200505-27</p> <p>Sous-dépôts / Agentschappen Librairie européenne / Europese Boekhandel Avenue Albert Jonnard 50 / Albert Jonnardlaan 50 1200 Bruxelles / 1200 Brussel Tél 734 02 81 Télécopieur 735 08 80</p> <p>Jean De Lannoy Avenue du Roi 202 / Koningslaan 202 1060 Bruxelles / 1060 Brussel Tél (02) 538 5169 Télex 63220 UNBOOK B</p> <p>CREDOC Rue de la Montagne 34 / Bergstraat 34 Bte 11 / Bus 11 1000 Bruxelles / 1000 Brussel</p>	<p>IRELAND</p> <p>Government Publications Sales Office Sun Alliance House Molesworth Street Dublin 2 Tel 71 03 09</p> <p>or by post Government Stationery Office EEC Section 6th floor Bishop Street Dublin 8 Tel 78 16 86</p>	<p>UNITED KINGDOM</p> <p>HMSO Books (PC 16) HMSO Publications Centre 51 Nine Elms Lane London SW8 5DR Tel (01) 873 8090 Fax GP3 873 8463</p> <p>Sub-agent Alan Armstrong Ltd 2 Arkwright Road Reading, Berks RG2 0SQ Tel (0734) 75 17 71 Telex 849537 AAALTD G Fax (0734) 755184</p>
<p>DANMARK</p> <p>J. H. Schultz information A/S EF-Publikationer Ottavej 18 2500 Valby Tlf 36 44 22 86 Telefax 36 44 01 41 Girokonto 8 00 08 86</p>	<p>ITALIA</p> <p>Licosa Spa Via Benedetto Fortini, 120/10 Casella postale 552 50 125 Firenze Tel 64 54 15 Telefax 64 12 57 Telex 570466 LICOSA I CCP 343 509</p> <p>Subagenti: Libreria scientifica Lucio de Basio - AEIOU Via Meravigli, 16 20 123 Milano Tel 80 76 79</p> <p>Harder Editrice e Libreria Piazza Montecitorio, 117-120 00 186 Roma Tel 87 94 628/87 95 304</p> <p>Libreria giundica Via 12 Ottobre, 172/R 16 121 Genova Tel 59 56 93</p>	<p>SUISSE</p> <p>OSEC Stampfenbachstraße 85 CH-8035 Zurich Tel (01) 365 51 51 Fax (01) 365 52 21</p> <p>ÖSTERREICH</p> <p>Menz'sche Verlagsbuchhandlung Kohlmarkt 16 1014 Wien Tel (0222) 531 61-0 Telex 11 25 00 BOX A Telefax (0222) 531 61-81</p>
<p>BR DEUTSCHLAND</p> <p>Bundesanzeiger Verlag Breite Straße Postfach 10 80 06 5000 Köln 1 Tel (02 21) 20 29-0 Fernschreiber ANZEIGER BONN 8 882 595 Telefax 20 29 278</p>	<p>GRAND-DUCHÉ DE LUXEMBOURG</p> <p>Abonnements seulement Subscriptions only Nur für Abonnements</p> <p>Messagerie Paul Kraus 11, rue Christophe Plantin L-2339 Luxembourg Tél 48 21 31 Télex 25 15 CCP 49242-63</p>	<p>TURKIYE</p> <p>Dünya süper veb ofset A Ş Narlıbahçe Sokak No 15 Cağaloğlu İstanbul Tel 512 01 90 Telex 23822 dsvo-tr</p>
<p>GREECE</p> <p>G.C. Eleftheroudakis SA International Bookstore 4 Nikis Street 105 83 Athens Tel 3228-323 Telex 219410 ELEF Telefax 3254 8889</p> <p>Sub-agent for Northern Greece Molho's Bookstore The Business Bookshop 10 Tarsaki Street Thessaloniki Tel 275 271 Telex 412886 LIMO</p>	<p>NETERLAND</p> <p>SDU uitgeverij Christoffel Plantijnstraat 2 Postbus 20014 2500 EA 's-Gravenhage Tel (070) 78 98 80 (bestellingen) Telefax: (070) 476351</p>	<p>UNITED STATES OF AMERICA</p> <p>UNIPUB 4661-F Assembly Drive Lanham, MD 20706-4391 toll free (800) 274-4888 Fax (301) 459-0066 Telex 7108280418</p> <p>CANADA</p> <p>Renouf Publishing Co., Ltd 61 Sparks Street Ottawa Ontario K1P 6R1 Tel Toll Free 1 (800) 267 4164 Ottawa Region (613) 238 8986-6 Telex 063-4936</p>
<p>ESPAÑA</p> <p>Boletín Oficial del Estado Trafalgar 27 E-28010 Madrid Tel (91) 448 60 00</p> <p>Mundi-Premsa Libros, S.A. Castello 37 E-28001 Madrid Tel (91) 431 33 99 (Libros) 431 32 22 (Suscripciones) 435 36 37 (Dirección) Telex 49370-MPLI-E Telefax: (91) 275 39 98</p>	<p>PORTUGAL</p> <p>Imprensa Nacional Casa da Moeda, E.P. Rua D. Francisco Manuel de Melo, 5 1092 Lisboa Codex Tel 69 34 14</p> <p>Distribuidora Livros Bertrand Lda. Grupo Bertrand, S.A.R.L. Rua das Terras dos Vales, 4-A Apart 37 2700 Amadora Codex Tel 493 90 50 - 494 87 88 Telex 16798 BERDIS</p>	<p>JAPAN</p> <p>Kinokuniya Company Ltd 17-7 Shinjuku 3-Chome Shinjuku-ku Tokyo 160-91 Tel (03) 354 0131</p> <p>Journal Department PO Box 55 Chitose Tokyo 166 Tel (03) 439 0124</p>
<p>FRANCE</p> <p>Journal officiel Service des publications des Communautés européennes 26, rue Desaix 75727 Paris Cedex 15 Tél (1) 40 58 75 00 Télécopieur (1) 4058 7574</p>	<p>ALTRÉS PAYS OTHER COUNTRIES ANDERE LANDER</p> <p>Office des publications officielles des Communautés européennes 2 rue Mercier L-2986 Luxembourg Tél 49 82 81 Télex PUBOF LU 1324 b CC bancaire BIL 8-109/8003/700</p>	

Price (excluding VAT) in Luxembourg	ECU
Annual subscription (Complete subscription)	98.50
Bulletin of the European Communities (11 issues + Index + 1st Supplement)	80
Price per single copy	7.60
Supplements to the Bulletin (per single copy)	3.80

Subscriptions are annual and run from 1 January to 31 December. Payment to be made only to the agents in the countries listed above.

These are surface mail rates; for air subscription rates, please apply to the agents.

A 50% reduction is obtainable for subscriptions by students. Applications should be made to the Office for Official Publications of the European Communities, L-2985 Luxembourg.

Last published Index 1984.



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L - 2985 Luxembourg



CB-AA-89-004-EN-C

060 TA XL 273
2/09/95 192195
IC
EUROPEAN COMMUNITIES