

European Commission

# **Bulletin** **of the European Union**



6 • 1994

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# **Bulletin of the European Union**

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

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

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Interim report on trans-European networks  
Progress report on employment  
Conclusions of the Presidency of the Corfu European Council on the White Paper

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\* In preparation.





# I — Corfu European Council.

## Corfu, 24 and 25 June

*1.1.* The meeting of Heads of State or Government held in Corfu on 24 and 25 June was chaired by Mr Papandreu, President of the European Council and Prime Minister of Greece, and attended by Mr Delors, President of the Commission, and Mr Van den Broek, Member of the Commission, and, for the discussions on the economic policy guidelines, by Mr Christophersen, Vice-President of the Commission. The meeting was preceded by an exchange of views with Mr Klepsch, President of the European Parliament, on the main items on the agenda and on the need for constructive cooperation between the institutions.

*1.2.* The White Paper on growth, competitiveness and employment and the plan of action adopted by the Brussels European Council (→ point 1.2.1) provided the main focus for discussion at Corfu. Particular emphasis was placed on six points which should provide a new impetus to the follow-up debate on the White Paper: encouraging reforms in the Member States to make the employment systems more efficient; introducing specific measures to exploit fully the employment potential of small businesses; reinforcing the coordination of research policy; implementing the high-priority trans-European transport and energy projects without delay; making full use of the possibilities and opportunities offered by the information society; and encouraging the new model of sustainable development, including the environmental dimension. A list of 11 high-priority trans-European transport projects was adopted together with a list of eight priority energy projects. The information society was given a further boost, notably by the decision to set up a permanent coordination instrument with a person responsible at ministerial level appointed in each Member State. The European Council also endorsed the economic policy guidelines presented by the Council.

In the field of external relations, the European Council confirmed its commitment to the devel-

opment of existing links with the Mediterranean countries and to the peace process in the Middle East and stressed the importance of the Europe Agreements with the countries of Central and Eastern Europe. It welcomed the signing of the Partnership and Cooperation Agreement with Ukraine but expressed concern at the problems of nuclear safety there. It also welcomed the significant progress achieved in respect of the applications by Cyprus and Malta for accession to the Union.

Moving on to the common foreign and security policy, the European Council made statements on the former Yugoslavia, Rwanda, the pact on stability in Europe and the non-proliferation of nuclear weapons.

As regards cooperation in the fields of justice and home affairs, the European Council welcomed the joint Franco-German initiative against racism and xenophobia and the Commission's initiatives on immigration, asylum and drugs.

On the institutional front, the European Council decided to set up a Reflection Group to prepare for the 1996 intergovernmental conference. The Group will include two representatives of the European Parliament.

The Corfu European Council was also the occasion for the signing of the Acts of Accession of Austria, Sweden, Finland and Norway. The signing of these Acts and the participation of the Heads of State or Government of the four countries in the proceedings of the European Council constituted an important landmark in the history of European integration, reflecting the dynamism and attraction of the European Union and confirming the importance of its role on the international scene. Corfu was also the occasion for the signing of the Partnership and Cooperation Agreement with Russia. The signing of this Agreement intensifying cooperation between the European Union and Russia marks an important event in the efforts to promote peace, stability and prosperity on the continent of Europe.

# Conclusions of the Presidency

## Introduction

1.3. The signing at Corfu of the Treaty on Accession and the participation of the Heads of State or Government from Austria, Sweden, Finland and Norway in the work of the European Council constitute an important new landmark in the history of European integration.

The acceding countries will be joining a European Union faced with rapid development after the entry into force of the Treaty on European Union and with multiple demands addressed to it to play an ever-increasing role in promoting security and prosperity on our continent and beyond. The preparatory process is soon to be launched for a new intergovernmental conference with a view to making the European Union better able to confront the challenges of the 21st century, including those arising from enlargement of the Union to the east and to the south.

The Austrian people have already confirmed their Government's wish to participate in this unique endeavour, where independent and sovereign States decide freely to exercise in common some of their competences, in full respect of each country's history, culture and traditions. The European Council hopes that the decision of the population in the other candidate countries will be the same.

The new Member States will be in a position to make their influence felt in these endeavours, both with regard to day-to-day policy and on the long-term strategic choices to be made. The European Council welcomes in this connection the additional impetus coming from these countries which are in the vanguard of the efforts to promote environmental and social protection, transparency and open government, areas considered essential by a large part of the Union's citizens during the recent election campaign for the European Parliament and echoed by the President of Parliament in his intervention before the European Council.

The European Council, for its part, stresses that openness and subsidiarity are essential concepts which require further elaboration. The Union must be built with the support of its citizens.

The European elections have also underlined that the Union will be judged by its citizens on the contribution it makes in the fight against unemployment and in the promotion of the internal and external security of the Union.

The signing of the Partnership and Cooperation Agreement with Russia on the occasion of the Euro-

pean Council at Corfu marks an important event in the efforts to promote peace, stability and prosperity on this continent. Through this agreement Russia and the European Union, both of which have major responsibilities in these areas, will be able to intensify their cooperation in a large number of fields of mutual benefit to their peoples.

The past six months have seen the implementation of the new institutional provisions of the Treaty on European Union, including the establishment of the Committee of the Regions. From now on this Committee will make certain that the interests of the regions are fully taken into account in the decision-making procedure of the Union.

The European Council heard a statement from the President of the European Parliament on the main subjects dealt with by the European Council and on the necessity of constructive cooperation between the institutions and in particular between the Council and Parliament. Like Mr Klepsch, the European Council welcomed the progress made in this direction in the implementation of the new procedures of the Treaty.

## White Paper

### References:

Conclusions of the Brussels European Council: Bull. 12-1993, points 1.3 to 1.7

Commission White Paper on growth, competitiveness and employment: The challenges and ways forward into the 21st century: COM(93) 700; Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

Final Act concluding the Uruguay Round negotiations: COM(94) 143; Bull. 4-1994, point 1.3.61

1.4. In December 1993 the European Council in Brussels adopted a plan of action based on the Commission White Paper on a medium-term strategy for growth, competitiveness and employment. It underlined that a healthy and an open economy as well as an economy geared to solidarity were essential prerequisites for the successful implementation of this plan.

Signs of economic recovery are now being confirmed and non-inflationary economic growth is returning. The European Council considers it essential that the improvement in the economic situation should not lead to a slackening of efforts to promote structural adjustment in Europe but should instead be exploited to speed up essential reforms, particularly in the field of employment, where the situation is still very worrying.

The successful conclusion of the Uruguay Round within the guidelines set out by the European Council

has created an international trade policy environment which can provide effective support for economic recovery and job creation. The European Council calls on the Community institutions and Member States to do everything necessary to complete ratification in time to ensure the entry into force before 1 January 1995. The European Union will play an active role in efforts to ensure that the new World Trade Organization can carry out effectively its task of ensuring observance of the rules drawn up jointly and promote progress in combating unfair trade conditions. Environmental and social issues will also have to be discussed in this context.

The European Council, on the basis of a report from the President of the Commission, had an in-depth discussion on the different elements of the action plan decided at the Brussels European Council.

The European Council puts particular emphasis on the following points which should give a new impetus to the follow-up debate on the White Paper:

- encouragement of reforms in Member States intended to improve the efficiency of the systems of employment;
- specific measures with regard to fully exploiting the employment potential of small and medium-sized enterprises;
- reinforced coordination of research policy;
- rapid implementation of high-priority trans-European projects in the fields of transport and energy;
- fully exploiting the possibilities and opportunities offered by the information society;
- encouragement of the new model of sustainable development, including the environmental dimension.

### *Improving the employment situation*

#### **References:**

Progress report on employment: results of Mr Flynn's tour of the capitals: point 1.2.2 of this Bulletin; Supplement 2/94 — Bull.

Council agreement on a common position on the proposal for a Council Decision establishing an action programme for the implementation of a European Community vocational training policy (Leonardo da Vinci): point 1.2.198 of this Bulletin

Council agreement on a common position on the proposal for a Parliament and Council Decision establishing a Community action programme in the field of education (Socrates): point 1.2.197 of this Bulletin

Council agreement on a common position on the proposal for a Parliament and Council Decision on the third phase of the 'Youth for Europe' programme: point 1.2.199 of this Bulletin

1.5. A sound macroeconomic environment is a *sine qua non* for success in the fight against unemployment (→ point I.9).

The resumption of economic growth will not of itself suffice to settle the problem of unemployment, which requires structural reforms both at the level of Member States and of the Union.

The European Council considers that increases in productivity for the rest of this century should be dedicated primarily to investments and jobs. This objective should be implemented in a spirit of solidarity and taking special account of those in society who are in the weakest position. The European Council stresses the need to maximize the potential of human resources.

The European Council reviewed on the basis of a report from the Commission the initiatives under way in the Member States in accordance with the general objectives defined in December 1993. The European Council noted progress in these areas but considered that the efforts undertaken so far, though appreciable, still fall a long way short of what is necessary. It encourages Member States, in order to win the battle for jobs, to take further steps to implement the objectives set out in December. In particular:

- with regard to education and training, the European Council concurs with the Commission's recommendation that a more systematic and comprehensive approach will be needed in many Member States, in particular with regard to continuing training; at the Community level, the European Council welcomes the agreement in principle by the Council on the two new education and training programmes (Leonardo and Socrates) and invites the Council and the European Parliament to finalize the decisions on this programme before the end of the year;
- as regards measures to encourage employment, the European Council notes the Commission recommendation concerning the reduction of non-wage labour costs, mainly on the less-skilled. In this framework, the European Council underlines that further steps should be pursued, consistent with the objective of budgetary consolidation.

Accordingly, the European Council takes note of the discussion on the CO<sub>2</sub>/energy tax issues and underlines the need to ensure that environmental costs are better reflected throughout the economy;

- as regards the promotion of economically sound formulas for the organization of work, the European Council notes the need to remove obstacles to part-time work and in general to promote new forms of organization of work;
- with regard to developing new employment in connection with meeting new requirements linked to the quality of life and protection of the environment, the European Council notes that a number of initiatives have been taken but many of the new areas of job growth that were identified in the White Paper remain to be exploited. The European Council underlines the importance of the study to be prepared by the Com-

mission before the next European Council on this subject;

□ with regard to young people, the European Council considers that additional emphasis should be given to those young people who are facing the greatest difficulties. It attaches high importance to ensuring as far as possible that young people can move from education into work; in this context it welcomes the Commission's 'Youth start' programme.

To support these efforts the European Council invites the Council (social affairs), the Ecofin Council and the Commission, on the basis of information collected by the Commission, to keep progress in this area under constant review. The Council will report to the European Council in Essen on national experiences which have had positive effects on employment, analysing the reasons for their success, and define appropriate policy recommendations for adapting current policies.

Efforts to promote youth employment and to combat long-term unemployment should be given particular priority in the work of the Council.

Finally, the European Council invites the Commission to renew its efforts towards assuring the necessary social dialogue making full use of the new possibilities available in the Treaty on European Union and in particular of the provisions of the protocol annexed to it.

### *The internal market, competitiveness and small and medium-sized enterprises*

#### **References:**

Council agreement on a common position on the proposal for a Council Directive on the establishment of European committees or procedures in Community-scale undertakings and groups of undertakings for the purposes of informing and consulting employees: point 1.2.190 of this Bulletin

Proposal for a Council Regulation establishing a European Agency for Safety and Health at Work: point 1.2.191 of this Bulletin

Council Directive on the protection of young people at work: point 1.2.192 of this Bulletin

Commission communication on the implementation of an integrated programme for SMEs and the craft sector: COM(94) 207; point 1.2.79 of this Bulletin

Parliament and Council Decision 1110/94/EC concerning the fourth framework programme of European Community activities in the fields of research, technological development and demonstration (1994-98): Bull. 4-1994, point 1.2.69

1.6. The smooth operation of the internal market is essential if the economy is to be competitive and dynamic. This means that the delays in transposing

certain important Directives on public contracts, insurance, intellectual property and company law at national level must be remedied. Furthermore, it is essential that the basic principles of the single market should be extended to those areas, such as energy and telecommunications, which are still only partly covered by it while ensuring that the public service and town and country requirements in these sectors are also safeguarded.

The single market is implemented with due regard to environmental problems. The safeguard of important national environmental protection measures shall be secured in this context.

The single market is a fundamental aspect of Community construction but it is not an end in itself, as was already pointed out in the conclusions of the Rhodes European Council in 1988. It should be used to serve the welfare of all, in accordance with the tradition of social progress established in the history of Europe. The policy of the Union, alongside the policies of the Member States, should foster the affirmation of this social dimension. In the view of the Member States concerned, the recent agreement in the Council under the provisions of the Social Protocol concerning information and consultation of workers in multinational enterprises constitutes significant progress towards the realization of this objective. Further advances on the same basis, including efforts aimed at avoiding social exclusion, are essential in a society in rapid transformation. The European Council also welcomed the recent agreements in the Council on the protection of young workers as well as the creation of the Agency for Health and Safety at Work.

Small and medium-sized enterprises make a major contribution to growth and job creation and they should be able to benefit more from all the opportunities offered by the single market. The European Council welcomed the implementation by the Council of its orientations concerning interest-rate subsidies for SMEs and also the Commission decision to devote ECU 1 billion for the period 1994-99 to a Community initiative programme to help small and medium-sized enterprises adapt to the internal market and the new competitive environment. It also noted with interest the recent Commission initiative for an integrated programme in favour of small and medium-sized enterprises, including action to simplify legislation and reduce administrative burdens on such enterprises, and also the initiative of the Portuguese Prime Minister on the local dimension of the internal market and the initiatives taken by Ireland in the areas of social partnership and local development. The European Council considers that local development initiatives offer considerable potential for reinforcing the economic and social fabric of the European Union and for creating jobs. They are an essential element of the new model of development mentioned in the White Paper and will help to preserve cultural diversity

within the Union. The European Council notes the Commission's intention, within the framework of the report on new potential sources of employment to be submitted to the European Council in Essen, to draw up a detailed inventory of the various actions at Community level to foster local development and local employment initiatives, particularly those concerning micro-enterprises and craft industries. This inventory will be accompanied by the proposals deemed necessary to enhance the consistency and the effectiveness of those actions.

Regarding scientific and technological research, the European Council expects that the recent decision on the ambitious 1994-99 framework programme, to which considerable funding has been allocated, will be followed up without delay by the rapid adoption of specific sector programmes. In this context the information sector and biotechnology are of particular importance. It also invites the Council to pursue a more systematic coordination of Community and national research policies and invites the Commission to take any useful initiatives to promote such coordination.

Lastly, the European Council expressed its conviction that the elimination of unnecessary legal and administrative burdens on business and the simplification of Community and national legislation are important aspects of improving the competitiveness of the European economy. It welcomes the fact that the Commission is pursuing its efforts to simplify existing Community legislation and will reinforce its cost/benefit examination of proposed Community legislation. The Commission also intends to launch a process of examining the impact of existing Community and national legislation on employment and competitiveness. With regard to these latter aspects the European Council welcomes the establishment by the Commission of a group composed of independent personalities to assist it in this task and attaches high importance to its work.

As regards subsidiarity, the Council welcomes the progress made so far by the Commission in acting on the report of December 1993 and notes the Commission's undertaking to give a full report to the European Council in Essen.

### *Trans-European networks for transport, energy and environmental projects*

#### **References:**

Interim report of the group of personal representatives of the Heads of State or Government on trans-European networks: point 1.2.7 of this Bulletin; Supplement 2/94 — Bull.

Commission communication on financing the trans-European networks: point 1.2.8 of this Bulletin

1.7. The single market will produce all the expected positive effects to benefit citizens and firms only if it

can rely on effective trans-European networks for transport and energy. The European Council welcomed the work achieved so far by the Group chaired by Mr Christophersen in accordance with the mandate given last December.

On the basis of the Group's report, the European Council has agreed on a first priority list of 11 major transport projects, set out in Annex I. As far as the energy sector is concerned the European Council took note of the projects listed in Annex II and requested the Christophersen Group to continue its work examining in particular their economic viability. The Member States involved are asked to make every effort to ensure that all the transport projects whose preparation is sufficiently advanced are started up immediately and that the others are started up as far as possible during 1996 at the latest by accelerating administrative, regulatory and legal procedures. The European Council invites the Commission to take all useful initiatives in this respect including the convening where appropriate of project seminars aimed at coordinating the activities of all parties involved.

The European Council also attaches importance to the other major transport projects which are set out in the interim report.

The European Council calls on the Christophersen Group together with the representatives of the acceding States to continue their work on the basis of the mandate proposed in the Group's report studying further the extension of the trans-European networks to neighbouring countries (in particular to Central and East European countries and to the Mediterranean countries) and to prepare a final report to the European Council in Essen. It also asks the Christophersen Group to examine the question of relevant networks in the field of the environment.

As regards financing of networks, the European Council confirms that measures will be taken — if proved necessary — in order that priority projects do not run into financial obstacles which would jeopardize their implementation. It noted the conclusions of the Ecofin Council and the studies carried out by the Commission. This question will continue to be examined in the Christophersen Group and in the Ecofin Council until the Essen European Council, taking account of the specific characteristics of each project, the leading role of private funding and the judicious use of existing Community resources.

The Council will be informed if it appears that the achievement of certain projects is threatened for financial reasons linked to insufficient profitability — for example, because of the length of investments or environmental constraints. The Council will immediately consider with the Commission and the EIB the appropriate responses, within the limits set by the financial perspective.

## *The information society*

**Reference:** Report of the high-level group on Europe and the global information society — Recommendations to the European Council: point 1.2.9 of this Bulletin; Supplement 2/94 — Bull.

1.8. The European Council took note of the report from the group of leading figures representing the industry, operators and users who have been examining the various aspects of this question under the chairmanship of Mr Bangemann. The European Council considers that the current unprecedented technological revolution in the area of information opens up vast possibilities for economic progress, employment and the quality of life, while simultaneously representing a major challenge. It is primarily up to the private sector to respond to this challenge, by evaluating what is at stake and taking the necessary initiatives, notably in the matter of financing. The European Council, like the Commission, considers that the Community and its Member States do, however, have an important role to play in backing up this development by giving political impetus, creating a clear and stable regulatory framework (notably as regards access to markets, compatibility between networks, intellectual property rights, data protection and copyright) and by setting an example in areas which come under their aegis. The European Council agreed in general with the areas of application set out by the Group (teleworking, distance learning, network for universities and research centres, telematic services for SMEs, road-traffic management, air-traffic control, health-care networks, electronic tendering, administrative networks and city information highways). Also the importance of linguistic and cultural aspects of the information society was stressed by the European Council.

The European Council, having noted the findings of the Bangemann Group, considers that the importance and complexity of the issues raised by the new information society justify the setting-up of a permanent coordination instrument to ensure that the various parties involved — public and private — are working along the same lines. This coordination instrument, to be set up as soon as possible, should be based on the appointment in each Member State of a person responsible at ministerial level for coordinating all aspects of the subject (political, financial and regulatory) with a view *inter alia* to ensuring a coordinated approach in the Council. The Commission will act similarly.

At the Community level, the necessary regulatory framework has to be established as soon as possible. The European Council invites the Council and the European Parliament to adopt before the end of the year measures in the areas already covered by existing proposals. It also invites the Commission to establish as soon as possible a programme covering the remaining measures needed at the Community level.

The European Council will assess progress at its meeting in Essen.

## *The macroeconomic environment*

**Reference:** Commission recommendations for the broad guidelines of the economic policy of the Member States and the Community drawn up in conformity with Article 103(2) of the Treaty establishing the European Community: COM(94) 217; point 1.2.12 of this Bulletin

1.9. Regarding major economic trends, the European Council notes first of all that the Member States have broadly followed the guidelines laid down by the European Council in December 1993. Inflation, which is in the process of being overcome, a return to exchange-rate stability and an incipient reduction of public deficits are creating a sound basis for future growth and favouring the convergence of economies towards the criteria laid down in the Maastricht Treaty for the final stage of EMU. These efforts must be continued in order to consolidate the fall in short-term interest rates and to reverse the recent upward trend of long-term interest rates, all of which are essential conditions for stimulating investment and creating jobs.

For all these reasons the European Council endorses the economic policy guidelines contained in the report submitted by the Ecofin Council in accordance with Article 103 of the EC Treaty. It invites the Council to finalize the guidelines in the light of the conclusions of this European Council with regard to the implementation of the White Paper in general.

## **Common foreign and security policy**

### *Relations with the Mediterranean countries*

**References:**

Draft Association Agreement with Israel: Bull. 12-1993, point 1.3.31

New draft agreement with Morocco: Bull. 12-1993, point 1.3.33

New draft agreement with Tunisia: Bull. 12-1993, point 1.3.38

EC-Egypt Cooperation Council: Bull. 5-1994, point 1.3.43

Visit to the Commission by Mr Ahmed Benbitour: Bull.5-1994, point 1.3.41; visit by the troika to Algeria: Bull. 5-1994, point 1.3.42

1.10. The European Council confirms the importance it attaches to the close links already existing with its Mediterranean partners and its wish to develop them still further so that the Mediterranean area may become an area of cooperation guaranteeing peace, security, stability and well-being.

The European Council welcomes the progress made in the negotiations under way with Israel for the conclusion of a new agreement with a wider scope of application than the 1975 agreements and providing for a closer relationship between the parties on the basis of reciprocity and common interest. It considers that this new agreement should be supplemented by a separate agreement on scientific and technological cooperation. It also asks the Council and the Commission to do their utmost to ensure that these two agreements may be completed before the end of the year.

The European Council considers that these new contractual links will be strengthened by the development of regional cooperation involving Israel and the Palestinian side.

The European Council notes with satisfaction the progress made in the negotiations with Morocco and Tunisia on new partnership agreements. It asks the Council and the Commission to do their utmost to ensure that negotiations are completed before the end of the year.

The European Council also welcomes the opening of exploratory conversations between the Commission and the Egyptian authorities on a new partnership agreement.

The European Council expresses the wish of the European Union to develop existing cooperation relations with the Mashreq countries, taking into account the specific situation of each country.

The European Council is following closely the situation in Algeria. It condemns all acts of terrorism and violations of human rights, both against Algerians and foreign citizens.

The European Council encourages the rigorous pursuit of the national dialogue and the process of structural reform which is essential for the liberalization of the Algerian economy and its better integration into the world economy. The European Council notes with approval the recent Ecofin decision to consider favourably a proposal for further assistance of the order of ECU 200 million, subject to Algeria's continuing implementation of its IMF programme and the position of the Loan Guarantee Fund. Given the particular importance of this issue, the European Council invites the Ecofin Council to examine a Commission proposal very soon.

The European Council hopes that the internal situation in Algeria will improve so that relations with Algeria can develop in the framework of this new approach based on partnership.

The European Council stresses the value for all Mediterranean partners of jointly examining political, eco-

nomical and social problems to which solutions may be more effectively sought in the context of regional cooperation. The European Council has given a mandate to the Council to evaluate, together with the Commission, the global policy of the European Union in the Mediterranean region and possible initiatives to strengthen this policy in the short and medium term, bearing in mind the possibility of convening a conference attended by the European Union and its Mediterranean partners.

This evaluation should prepare the ground for decisions at the European Council in Essen.

### *Applicant countries*

#### **References:**

Draft fourth financial protocol between the European Community and Cyprus: point 1.3.38 of this Bulletin

Draft fourth financial protocol between the European Community and Malta: point 1.3.39 of this Bulletin

Council conclusions on the report by the European Union observer for Cyprus: point 1.3.37 of this Bulletin

Hungary's application to join the European Union: Bull. 4-1994, point 1.3.18

Poland's application to join the European Union: Bull. 4-1994, point 1.3.19

Europe (Association) Agreement between the European Communities and their Member States and Poland: OJ L 348, 31.12.1993; Bull. 12-1993, point 1.3.20

Europe (Association) Agreement between the European Communities and their Member States and Hungary: OJ L 348, 31.12.1993; Bull. 12-1993, point 1.3.20

*1.11.* The European Council welcomes the significant progress made regarding the application by Cyprus and Malta for accession to the European Union and considers that an essential stage in the preparation process could be regarded as completed.

The European Council asks the Council and the Commission to do their utmost to ensure that the negotiations with Malta and Cyprus with a view to the conclusion of the fourth financial protocols, intended in particular to support the efforts of Malta and Cyprus towards integration into the European Union, are brought to a rapid conclusion.

The European Council notes that, under these conditions, the next phase of enlargement of the Union will involve Cyprus and Malta.

The European Council, recalling relevant decisions of the Council of 4 October 1993, 18 April 1994 and 13 June 1994, reaffirms that any solution of the Cyprus problem must respect the sovereignty, independence, territorial integrity and unity of the country, in accordance with the relevant United Nations resolutions and high-level agreements.

The European Council welcomes the fact that the Europe Agreements with Hungary and Poland are now in force and that the first Association Council meetings at ministerial level with those countries have already taken place.

The European Council notes with satisfaction the submission by Hungary and Poland on 31 March and 4 April 1994 respectively of their applications to become members of the European Union. In this respect, it recalls the decisions of the Council to refer the two applications to the Commission in order to prepare its respective opinions.

Concerning Turkey, the European Council notes the convening of the EC-Turkey Association Council to deal in particular with the achievement of the customs union foreseen in the Association Agreement of 1964.

### *Middle East peace process*

#### **References:**

Israel-Palestine Agreement: Bull. 5-1994, point 1.3.46

Council Decision 94/276/CFSP on a joint action in support of the Middle East peace process: OJ L 119, 7.5.1994; Bull. 4-1994, point 1.3.2

*I.12.* The European Council warmly welcomes the Cairo Agreement between Israel and the PLO of 4 May 1994 as an important step towards the full implementation of the Declaration of Principles. It pays tribute to the determination of both sides to achieve a just, lasting and comprehensive peace in the region. The European Council welcomes the contribution already made by Member States of the European Union to the Temporary International Presence in Hebron.

The European Council looks forward to the establishment of the Palestinian Authority in the Gaza Strip and Jericho, which should lead to the early extension of its responsibilities to the rest of the Occupied Territories. Recalling the adoption by the Council on 19 April of a joint action in support of the Middle East peace process, the European Council welcomes the creation of a Palestinian police force and restates the Union's willingness to provide further assistance to move the peace process towards a successful conclusion.

### *Central and Eastern Europe*

#### **References:**

Conclusions of the Copenhagen European Council: Bull. 6-1993, point I.26

Council conclusions on reinforcement of the political dialogue with the associated countries of Central and Eastern Europe: Bull. 3-1994, point 1.3.37

Presidency press statement concerning the Latvian citizenship bill: point 1.3.12 of this Bulletin Draft Eu-

rope Agreement with Slovenia: Bull. 4-1994, point 1.3.33

Drafts of new trade agreements between the European Community and Estonia, Latvia and Lithuania: Bull. 1/2-1994, point 1.3.39; points 1.3.24 and 1.3.25 of this Bulletin

*I.13.* At the Copenhagen meeting in June 1993, the European Council decided that the associated countries of Central and Eastern Europe which wished to do so could become members of the European Union as soon as they were able to fulfil the relevant obligations.

The Europe Agreements and the decisions taken in Copenhagen constitute the framework for deepening relations and creating the context which will enable these conditions to be met. The further implementation of those Agreements and decisions is one of the essential conditions for accession: their full potential must now be exploited with a view to preparing for accession. The European Council recalls the importance of the decisions taken by the Council on 7 March 1994 on political dialogue, which should be fully and effectively implemented as a matter of priority.

The European Council invites the Commission to make specific proposals as soon as possible for the further implementation of the Europe Agreements and the decisions taken by the European Council in Copenhagen. The European Council also asks the Presidency and the Commission to report to it for its next meeting on progress made on this basis, on the process of alignment since the Copenhagen European Council, and on the strategy to be followed with a view to preparing for accession.

This will be helped by the development of good neighbourly relations, which will be the subject of the stability pact.

The institutional conditions for ensuring the proper functioning of the Union must be created at the 1996 intergovernmental conference, which for that reason must take place before accession negotiations begin.

The Union and its Member States will continue their contacts with Slovenia with a view to establishing the best conditions for increased cooperation with that country. Meanwhile, the Council will continue its examination of a draft mandate for a Europe Agreement.

The European Council welcomes the fact that the negotiations with the Baltic States for the establishment of free trade areas are moving towards finalization and reiterates that the conclusion of Europe Agreements with those countries, which will help them to prepare for subsequent accession, remains the aim of the Union.

The European Council expects Russia, in conformity with earlier commitments, to complete its troop withdrawals from Latvia and Estonia by 31 August 1994.



The European Council attaches importance to the efforts made by the Baltic States to develop legal and regulatory frameworks which conform with *inter alia* the recommendations of the CSCE High Commissioner and of the Council of Europe. It notes with concern the adoption by the Latvian Parliament of a citizenship law incompatible with these recommendations and hopes that the draft law will be reconsidered.

### *Pact on stability*

**Reference:** Inaugural conference: Bull. 5-1994, point 1.3.2

*I.14.* The European Council welcomes the adoption by the inaugural conference in Paris of the concluding documents setting in train the process that will lead to the conclusion of the pact on stability in Europe.

The European Council calls on the interested countries to give full expression now to the commitments into which they entered at the inaugural conference and looks forward to the early convening of the round tables. For its part, the Union reaffirms its will to mobilize its economic and financial instruments as its contribution to the success of this undertaking.

### *Rwanda*

*I.15.* The European Council expresses its horror at the genocide taking place in Rwanda. Those responsible should be brought to justice. The European Council appeals urgently to all parties to the conflict to stop the wanton killing of civilians and to come back to the negotiating table to work for peace and security for all, on the basis of the Arusha Agreement.

It particularly welcomes the adoption of Security Council Resolution No 929 authorizing the establishment of a temporary operation, pending the arrival of the reinforced Unamir, to protect displaced persons, refugees, and civilians at risk in Rwanda. The European Council welcomes the 21 June 1994 decision of the Western European Union to support the efforts of its Member States which have expressed their willingness to contribute to this operation by ensuring the co-ordination of their contributions.

The European Council expresses its appreciation to the African countries, which have taken up the burden of so many refugees and are contributing to the political solution of the conflict. The European Union will for its part continue and increase its own humanitarian aid.

### *Southern Africa*

*I.16.* The European Council applauds the way in which South Africa has resolutely committed itself to democratic transition, through the exercise of moder-

ation and national reconciliation. It welcomes the start of the reintegration of the country into its region and the larger world community and also pledges to support the government of this new South Africa, as it addresses the needs and legitimate aspirations of all its people, whom it now represents.

The European Council confirms its intention to establish contractual relations between the European Union and South Africa in order to promote economic development, trade relations and political dialogue with South Africa.

The European Council will also encourage the political stabilization and economic development of the southern African region as a whole. In this context, the European Council recalls the decision to hold a ministerial Conference in Berlin on 5 and 6 September 1994 with the SADC Member States and South Africa.

The European Council welcomes the substantial progress achieved in the peace process in Mozambique, which *inter alia* has made it possible for the dates of 27 and 28 October 1994 to be set for general elections. It invites the Council to consider further ways to support the peace process, in particular in the field of electoral assistance.

The European Council calls on both the Government of Mozambique and Renamo to abide by their commitment to the process of national reconciliation.

### *Relations with the ACP States*

*I.17.* The European Council reaffirms its attachment to cooperation with the countries of Africa, the Caribbean and the Pacific, which are facing challenges on an unprecedented scale. It undertakes to support them in their efforts aimed at economic and political reform. The mid-term review of Lomé IV, which should result by 1 March 1995 in the revision of certain provisions of the Agreement and the definition of the next financial protocol, should provide an opportunity to confirm the European Union's commitment to the ACP States.

### *Ukraine*

**Reference:** Partnership and Cooperation Agreement between the European Communities and Ukraine: point 1.3.34 of this Bulletin

*I.18.* The European Council welcomes the signature of the Partnership and Cooperation Agreement with Ukraine, which will help to pave the way to the development of a full and fruitful cooperation relationship between Ukraine and the European Union.

The European Council reaffirms the Union's support for the independence, sovereignty and territorial integ-

riety of Ukraine, for the consolidation of democratic institutions and the achievement of market-oriented economic reforms. The European Council emphasizes in this context that success will largely depend on the sustained willingness and ability of the Ukrainian authorities to carry forward the process of economic and political reform.

The European Council welcomes the steps already taken by Ukraine towards the full implementation of nuclear and conventional disarmament agreements and calls for early Ukrainian ratification of the Non-proliferation Treaty as a non-nuclear weapon State.

The European Council invites the Council to continue its work on the formulation of an overall policy towards Ukraine. In elaborating such a policy, drawing on the full range of instruments available under the Treaty on European Union, including possible joint actions, the Council should follow these general guidelines:

- sustained support for the consolidation of democratic institutions, for respect for human rights and for the achievement of market-oriented economic reforms;
- the promotion of good neighbourly relations between Ukraine and its neighbours;
- cooperation with Ukraine in multilateral forums in support of regional and international stability and the peaceful settlement of disputes;
- support for the full implementation of nuclear and conventional disarmament agreements;
- acceptance by Ukraine of internationally accepted nuclear safety standards within an overall energy policy.

The European Council expresses its preoccupation with the global issue of nuclear safety in Ukraine. The European Council recommends in particular that the Chernobyl nuclear plant be closed definitively and as early as possible. This closure should be implemented through a combination of:

- the immediate and definitive closure of reactors 1 and 2 of Chernobyl together with, as early as possible, the closure of reactor 3, subject to compensation through the termination and upgrading to adequate safety standards of three reactors under construction in Zaporozje, Rovno and Khmelnytsky;
- an immediate structural reform of the energy sector in Ukraine, including an effective tariffication and pricing policy, and measures to promote energy saving, and the development of alternative sources of energy;
- an immediate and determined effort to strengthen and upgrade construction and operation standards for safety in the nuclear sector, with the aim of achieving standards corresponding to those applied in the European Union; the achievement of this objective should be monitored by independent inspectors;

- the ratification of the Vienna Convention on nuclear liability.

The European Union wishes to reach an agreement with Ukraine on this set of actions in the field of nuclear safety and is prepared to provide substantial help in a comprehensive plan to be discussed with its partners in the forthcoming G7 Summit. This plan will involve financial effort from the international community, including international financial institutions. The European Union, for its part, is willing to raise ECU 400 million in Euratom loans and, in addition, to provide ECU 100 million over three years under the TACIS programme for this plan.

Finally, the European Union expresses the strong hope that the next G7 Summit in Naples will agree to propose to Ukraine a joint effort to underpin the reform process, in particular in the field of nuclear safety.

### *North Korea*

1.19. The European Council is deeply concerned by the failure of the Democratic People's Republic of Korea to allow the IAEA inspectors to complete essential inspection activities, making it impossible to conclude whether diversion of plutonium from peaceful uses has taken place. The continued failure of the Democratic People's Republic of Korea to comply with the provisions of the DPRK-IAEA Safeguard Agreement is contrary to its international obligations.

The European Council considers nuclear proliferation a major threat to international peace and security and recalls its longstanding commitment to the aims of the Non-proliferation Treaty. The European Council calls again on the Democratic People's Republic of Korea to recognize and respect its international responsibilities and confirms that prospects for a better relationship with North Korea would be greatly enhanced if concerns about its nuclear activities could be alleviated. It expresses the hope that the exchanges being pursued with North Korea will result rapidly in a satisfactory solution.

### *Latin America*

1.20. The European Council reaffirms the importance it attaches to its relations with Latin American countries and their regional groupings. It expresses its satisfaction with the progress achieved in the areas of democracy and respect for human rights, peace and disarmament, economic reforms and regional integration.

In this context, the European Council welcomes the accession of Mexico to the OECD and expresses its wish to strengthen its political and economic relations with this country. It also confirms the intention of the European Union to strengthen its relations with Mercosur. It invites the Council and the Commission to pursue these questions further.

## *Guidelines for a joint action on the preparation of the 1995 Conference of the parties to the Treaty on the Non-proliferation of Nuclear Weapons*

1.21. The European Council, recalling its firm and full commitment in favour of the objective of nuclear non-proliferation stated in the 1990 declaration adopted by the European Council in Dublin, the report on common foreign and security policy submitted to the 1992 European Council in Lisbon as well as the report submitted to the 1992 European Council in Edinburgh on the development of the common foreign and security policy in the field of security, agrees that a joint action shall be adopted concerning the preparation of the 1995 Conference of the parties to the Treaty on the Non-proliferation of Nuclear Weapons (NPT).

The joint action should be prepared along the following lines:

- the basis for the joint action is consensus among partners that the NPT should be extended indefinitely and unconditionally;
- joint efforts have to be made in order to promote this goal among the States parties to the Treaty which might not share this conviction;
- the aim of universality of the NPT requires joint efforts in order to convince States which are not yet parties to the NPT to accede, if possible before 1995, and to assist the States ready to accede in accelerating their accession;
- in order to enhance the prospects for a successful outcome of the 1995 NPT Conference, representations have to be made with a view to:
  - promoting participation in the remaining two Prepcom sessions in Geneva and New York respectively and the 1995 Conference itself;
  - widening consensus on the aim of indefinite and unconditional extension of the NPT.

## *Former Yugoslavia*

### **References:**

Council conclusions on the administration of Mostar: Bull. 4-1994, point 1.3.30

Attendance by the Community troika at a ministerial meeting on Bosnia-Herzegovina: Bull. 5-1994, point 1.3.4

Memorandum of Understanding on the administration of Mostar: point 1.3.6 of this Bulletin

Council Decision 94/308/CFSP adapting and extending the application of Decision 93/603/CFSP concerning the joint action decided on by the Council on the basis of Article J.3 of the Treaty on European Union on support for the conveying of humanitarian aid in Bosnia and Herzegovina: OJ L 134, 30.5.1994; Bull. 5-1994, point 1.3.3

1.22. The European Council is deeply concerned by the continuation of the conflict in former Yugoslavia and particularly in Bosnia and Herzegovina.

In Geneva on 13 May, the European Union along with Russia and the United States of America demonstrated their determination to work together for an early and durable settlement of the Bosnian conflict through negotiations. The work of the contact group has reached a critical stage. The European Council expects the parties to show the necessary political will in order to reach a solution to the conflict as soon as possible.

The European Council urges the Bosnian parties to build on the cease-fire agreement of 8 June 1994. This is, however, only a first step towards a complete cessation of hostilities which is essential for progress in the negotiations. The European Council is committed to a settlement that preserves Bosnia and Herzegovina as a single union within its internationally recognized borders, while providing for constitutional arrangements that establish the relationship between the Bosniac-Croat and Bosnian Serb entities on the basis of a territorial arrangement which would allocate 51% of the territory to the Bosniac-Croat entity and 49% to the Bosnian Serb entity.

The European Council welcomes the progress made in the reconciliation between Bosniacs and Bosnian Croats based on the agreements for the establishment of the Bosniac-Croat Federation. The European Union has responded positively to the invitation to provide for the administration of Mostar for a period of up to two years. The European Council welcomes the readiness of the Western Economic Union to contribute a police element to this administration. The European Council calls on the parties concerned to approve the Memorandum of Understanding thus opening the way for signature without delay. The early establishment of the EU administration is an important step towards stabilization of the situation in Bosnia. In this context the European Council reiterates the readiness of the European Union to make its contribution to rehabilitation, the return of refugees and reconstruction in Bosnia-Herzegovina within the framework of the efforts of the international community.

The European Council expresses its disappointment at the cancellation of the Plitvice meeting between the Croatian Government and the Krajina Serbs. The Council calls for the early resumption of these talks and calls on the Serbs to show the necessary flexibility with a view to achieving a solution in the UNPAs in accordance with the action plan of the European Union.

## **Cooperation on justice and home affairs**

### **References:**

Action plan in the fields of justice and home affairs: Bull. 12-1993, point 1.8

Commission communication to the Council and Parliament on immigration and asylum policies: COM(94) 23; Bull. 1/2-1994, point 1.4.3

Commission communication to the Council and Parliament on a European Union action plan to combat drugs (1995-99): COM(94) 234; point 1.4.6 of this Bulletin

## *Racism and xenophobia*

*I.23.* The European Council condemns the continuing manifestations of intolerance, racism and xenophobia and affirms its determination to step up the fight against these phenomena.

It welcomes the joint Franco-German initiative against racism and xenophobia in which it is proposed in particular to:

- constitute a Consultative Commission composed of eminent personalities charged with making recommendations on cooperation between governments and the various social bodies in favour of encouraging tolerance and understanding of foreigners;
- develop a global strategy at EU level aimed at combating acts of racist and xenophobic violence;
- set up training efforts for officials in those parts of the national administrations most concerned by these phenomena.

The European Council invites the Council (general affairs) to examine the mandate, composition and status of the Consultative Commission proposed in the Franco-German initiative and report to the European Council in Essen on the interim results of the work of that Commission. It invited the Ministers for Justice and the Interior to report on their work at the next European Council in Essen. Finally, it requests that current work in the Council (education and social affairs) in this field should be speeded up in the light of the Franco-German initiative.

Finally, the European Council approved a detailed timetable and work plan with a view to the adoption by the European Council by the end of June 1995 of an overall strategy of the Union (Annex III).

## *Implementation of the priority plan*

*I.24.* The European Council notes with satisfaction the progress made in implementing its priority action plan drawn up in Brussels in December 1993, including the submission by the Commission of a new drugs plan which proposes an important new framework for the prevention of drug dependency, the reduction of drug trafficking and action on the international level. It expects this work to be accelerated so that the Essen European Council will be able to record that concrete measures have been taken in all areas covered by the action plan (Europol, global strategy on combating drugs, common list for visas, judicial cooperation,

asylum, coordination with the common foreign and security policy).

The Council underlined in general the importance of work within the framework of the cooperation on justice and home affairs to tackle the threats posed by organized crime (including terrorism) and drugs. It invited the Council (justice and home affairs) to complete its work on preparing a Convention setting up Europol by the beginning of October and agreed that Europol's remit should be extended to include organized crime as its next priority. The European Council invited the German Presidency to arrange a conference with the Central and East European States on drugs and organized crime. The European Council asked the Council (justice and home affairs) to reach agreement on tackling the criminal aspects of fraud and report back to its meeting at Essen in December.

In the context of preparation of the various instruments providing for the setting up of computerized systems, the problem of data protection must be given particular attention, notably as regards the following aspects: right of access by persons concerned to the system, right of appeal by individuals and creation of a common supervisory authority. The European Council asks the competent bodies to continue to give priority to these questions and hopes to receive a progress report at its meeting in December 1994.

## **Preparation of the 1996 intergovernmental conference**

**Reference:** Council Decision on qualified-majority decision-making by the Council: OJ C 105, 13.4.1994; Bull. 3-1994, point 1.3.27; declaration by the Member States and declaration by the four applicant countries: Bull. 3-1994, point 1.3.29

*I.25.* The European Council, following the Ioannina Agreement, hereby establishes a Reflection Group to prepare for the 1996 intergovernmental conference consisting of representatives of the Ministers for Foreign Affairs of the Member States and the President of the Commission. It will be chaired by a person appointed by the Spanish Government and begin its work in June 1995. Two European Parliament representatives will participate in the work of the Reflection Group. The Group will also have exchanges of views with the other institutions and organs of the European Union.

The institutions are invited to establish, before the start of the work of the Reflection Group, reports on the functioning of the Treaty on European Union which will provide an input for the work of the Group.

The Reflection Group will examine and elaborate ideas relating to the provisions of the Treaty on European Union for which a revision is foreseen and other possible improvements in a spirit of democracy and openness, on the basis of the evaluation of the functioning of the Treaty as set out in the reports. It will

also elaborate options in the perspective of the future enlargement of the Union on the institutional questions set out in the conclusions of the European Council in Brussels and in the Ioannina Agreement (weighting of votes, the threshold for qualified majority decisions, number of Members of the Commission and any other measure deemed necessary to facilitate the work of the institutions and guarantee their effective operation in the perspective of enlargement).

The Secretary-General of the Council will make the necessary arrangements for the secretariat of the Reflection Group in agreement with its chairman.

The Reflection Group will report in time for the meeting of the European Council at the end of 1995. The procedure laid down in the Treaty relating to revision will apply to the next phase.

1.26. The European Council took note of the intention of the incoming German Presidency to make bilateral contacts with delegations in order to prepare a decision on the designation of the future President of the Commission at an extraordinary European Council to be held in Brussels on 15 July.

*Annex I*

**List of high-priority transport projects adopted by the European Council**

1.27. The list of high-priority transport projects adopted by the European Council is set out below.

Projects	Countries involved
High-speed train/combined transport North-South Brenner axis Verona-Munich-Nuremberg-Erfurt-Halle/Leipzig-Berlin	Italy, Austria and Germany
High-speed train (Paris)-Brussels-Cologne-Amsterdam-London The following sections of the project are included: □ Belgium: French/Belgian border-Brussels-Liège-Belgian/German border, Brussels-Belgian/Dutch border □ United Kingdom: London-Channel Tunnel access □ Netherlands: Belgian/Dutch border-Rotterdam-Amsterdam □ Germany: Aachen <sup>1</sup> -Cologne-Rhine/Main	Belgium United Kingdom Netherlands Germany

Projects	Countries involved
High-speed train South Madrid-Barcelona-Perpignan-Montpellier  Madrid-Vitoria-Dax	Spain and France  Spain and France
High-speed train East The following sections of the project are included: <sup>2</sup> □ Paris-Metz-Strasbourg-Appenweier-Karlsruhe □ with junctions to Metz-Saarbrücken-Mannheim □ and Metz-Luxembourg	France France and Germany France and Luxembourg
Betuwe line: combined transport/conventional rail Rotterdam-Dutch/German border-Rhine-Ruhr <sup>1</sup>	Netherlands and Germany
High-speed train/combined transport France-Italy Lyons-Turin	France and Italy
Motorway Patras-Greek/Bulgarian border jointly with the West-East motorway corridor Via Egnatia Igoumenitsa-Thessaloniki-Alexandroupolis-Ormenio/Kipi	Greece
Motorway Lisbon-Valladolid	Portugal and Spain
Cork-Dublin-Belfast-Larne-Stranraer rail link	Ireland and United Kingdom
Malpensa Airport (Milan)	Italy
Fixed rail/road link between Denmark and Sweden (Øresund fixed link) Including access routes	Denmark and Sweden

<sup>1</sup> Ongoing construction support already provided at Community level.

<sup>2</sup> The extension to Frankfurt is already under construction; the project for the further extension to Berlin is not advanced enough.

*Annex II*

**List of energy projects to which the European Council has given priority status**

*I.28.* The list of energy projects to which the European Council has given priority status is set out below.

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- France-Italy: electricity interconnection
  - Italy-Greece: electricity interconnection (cable)
  - Denmark: East-West electricity connection (cable) (not eligible for Structural Funds)
  - Portugal: natural gas network
  - Greece: natural gas network
  - Spain-Portugal: natural gas interconnections<sup>1</sup>
  - Spain-Portugal: electricity interconnections
  - Algeria-Morocco-European Union: gas pipeline
  - Russia-Belarus-Poland-European Union: gas pipeline<sup>2</sup>
- 

<sup>1</sup> Including the introduction of natural gas in the Extremadura and Galicia regions of Spain.

<sup>2</sup> This project should also be shortlisted although it has not yet reached the same stage as the other gas schemes.

*Annex III*

**Implementation of the Franco-German initiative against racism and xenophobia**

*I.29.* The timetable and work plan for implementation of the Franco-German initiative against racism and xenophobia are set out below.

<p>18 and 19 July</p>	<p>Detailed mandate, composition and status of the Consultative Commission to be decided by the General Affairs Council. Essentially, this Commission could be charged with making recommendations, geared as far as possible to national and local circumstances, on cooperation between governments and the various social bodies in favour of encouraging tolerance and understanding of foreigners.</p>
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<p>July to end November</p>	<p>Work in the preparatory bodies for the JHA Council in fields coming under its responsibility, on the basis of the joint Franco/German initiative, the conclusions reached by the Council at its meeting on 29 and 30 November 1993 and the working document from the Greek Presidency.<sup>1</sup></p>
<p>28 and 29 November</p>	<p>Interim report from the Consultative Commission to the General Affairs Council on the results of its work.</p>
<p>30 November</p>	<p>Report of the JHA Council on the progress made and on other specific measures deemed appropriate, on the basis of the discussions undertaken during this period.</p>
<p>9 and 10 December</p>	<p>Presentation to the European Council in Essen of the reports of the General Affairs and JHA Councils.</p>
<p>March 1995</p>	<p>Examination by the JHA Council of the results of the work done pursuant to Title VI.</p>
<p>April and May 1995</p>	<p>Establishment by the General Affairs Council of an overall Union strategy aimed at combating racist and xenophobic acts of violence on the basis of:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> the final report of the Consultative Commission;</li> <li><input type="checkbox"/> the views expressed by the Council in its various specialized formations.</li> </ul>
<p>June 1995</p>	<p>Adoption by the European Council of the draft overall strategy of the Union.</p>

<sup>1</sup> Draft plan of work under Title VI  
As regards Title VI, the work should be done under the auspices of the K.4 Committee in the relevant existing working parties. In accordance with the conclusions of the Council meeting on 29 and 30 November 1993 and with the terms of the Franco/German initiative, these bodies should examine:

- training aspects, including the essential components of joint training measures;
- a more precise definition of what constitutes a racist or xenophobic act, leading on to a detailed examination of the scope for further approximating the laws and practices of the Member States;
- an improvement in the collection of data and statistics on racism and xenophobia;
- ways of improving cross-border cooperation and exchanges of information at an operational level between the various bodies responsible for enforcing the relevant laws in the Member States.

# **PART ONE**

**ACTIVITIES  
IN JUNE 1994**

# News in brief

## **Citizens' rights**

- The Commission responds to the recommendations of the Federal Republic of Germany regarding application of the subsidiarity principle (→ point 1.1.1).

## **The Community economic and social area**

### *Implementation of the White Paper on growth, competitiveness and employment*

- The European Council adopts conclusions on various aspects of the White Paper (→ point 1.2.1).

### *Industrial policy*

- The Commission adopts a communication entitled *Fresh impetus for restructuring the Community steel industry* (→ point 1.2.74).

### *Enterprise policy*

- The Commission adopts a communication on transfers of businesses (→ point 1.2.80).

### *Trans-European networks*

- The European Council adopts a list of 11 high-priority transport projects (→ point 1.2.103).

### *Energy*

- The European Energy Charter Treaty is agreed by the contracting parties at the international conference in Brussels (→ point 1.2.107).

### *Transport*

- The Commission adopts a communication on the way forward for civil aviation in Europe (→ point 1.2.108).

### *Telecommunications, information services and industry*

- The European Council decides to set up a permanent coordination instrument for the information society (→ point 1.2.119).

### *Economic and social cohesion*

- The Commission approves Community support frameworks for Spain, Luxembourg, Ireland, Greece, Germany and Italy (→ points 1.2.127 to 1.2.132).



- The Commission adopts the Community initiatives (→ point 1.2.133).

### *Agriculture*

- The Council agrees a proposal for a Regulation on Community plant variety rights (→ point 1.2.140).

### *Fisheries*

- The Council adopts a Regulation laying down certain technical measures for the conservation of fishery resources in the Mediterranean (→ point 1.2.157).

### *Environment*

- The Council agrees a common position on the proposal for a Directive on the landfill of waste (→ point 1.2.176).
- The Council agrees a common position on the proposal for a Regulation on substances that deplete the ozone layer (→ point 1.2.187).
- The Commission adopts a proposal for a Directive on the ecological quality of water (→ point 1.2.179).

### *Social policy*

- The Council adopts a Directive on the protection of young people at work (→ point 1.2.192).
- The Council agrees a common position on the proposal for a Directive on the establishment of European committees or procedures in Community-scale undertakings and groups of undertakings for the purposes of informing and consulting employees (→ point 1.2.190).
- The Council agrees a proposal for a Regulation establishing a European Agency for Safety and Health at Work (→ point 1.2.191).

### *Education, vocational training and youth*

- The Council agrees common positions on proposals for Decisions on the 'Socrates', 'Leonardo da Vinci' and 'Youth for Europe' programmes (→ points 1.2.197 to 1.2.199).

### *Public health and solidarity*

- The Commission adopts a communication and a proposal for a Parliament and Council Decision on health promotion, information, education and training within the framework for action in the field of public health (→ point 1.2.201).
- The Commission adopts a communication and a proposal for a Parliament and Council Decision on Community action in the field of drug dependence (→ point 1.2.206).

### *Consumers*

- The Commission adopts a communication on new directions on the liability of suppliers of services (→ point 1.2.207).

## **The role of the Union in the world**

### *Enlargement*

- The Acts of Accession of Austria, Sweden, Finland and Norway are signed in Corfu (→ point 1.3.15).

- The Austrians vote in favour of accession to the European Union (→ point 1.3.16).

*Central and Eastern Europe and the independent States of the former Soviet Union*

- The Partnership and Cooperation Agreement between the European Communities and the Russian Federation is signed in Corfu (→ point 1.3.30).
- The Partnership and Cooperation Agreement between the European Communities and Ukraine is signed in Luxembourg (→ point 1.3.34).

*Development policy*

- The Commission adopts a communication entitled 'Integration of developing countries in the international trading system. Role of the GSP 1995-2004' (→ point 1.3.91).

**Cooperation on justice and home affairs**

- The Commission adopts a communication on a European Union action plan to combat drugs (1995-99) (→ point 1.4.6).

**Fraud**

- The Commission adopts a proposal for a Regulation (→ point 1.5.11) and a proposal for a Council Act establishing a Convention (→ point 1.5.13) relating to the protection of the Communities' financial interests.

**Community institutions**

*Parliament*

- Europeans vote in the fourth direct elections (→ points 1.7.3 to 1.7.6).

# 1. Citizens' rights

## Democracy, transparency and subsidiarity

*1.1.1.* Commission response to the recommendations of the Federal Republic of Germany regarding application of the subsidiarity principle.

### References:

Conclusions of the Edinburgh European Council: Bull. 12-1992, points I.4, I.15 and I.21

Commission report to the European Council on the adaptation of existing legislation to the subsidiarity principle: COM(93) 545; Bull. 11-1993, point 1.7.2

Conclusions of the Brussels European Council: Bull. 12-1993, point I.14

Council Directive 80/778/EEC on the quality of water for human consumption: OJ L 229, 30.8.1980; Bull. 7/8-1980, point 2.1.68

Council Directive 85/210/EEC on the approximation of the laws of the Member States on the lead content of petrol: OJ L 96, 3.4.1985; Bull. 3-1985, point 2.1.70

Amended proposal for a Council Directive relating to the maximum permitted alcohol concentration for vehicle drivers: OJ C 11, 17.1.1990; COM(89) 640; Bull. 12-1989, point 2.1.245

Council Directive 90/219/EEC on the contained use of genetically modified micro-organisms: OJ L 117, 8.5.1990; Bull. 4-1990, point 1.1.78

Amended proposal for a 13th Directive on company law, concerning takeover and other general bids: OJ C 240, 26.9.1990; COM(90) 416; Bull. 9-1990, point 1.2.101

Proposal for a Council Directive on the liability of suppliers of services: COM(90) 482; Bull. 10-1990, point 1.3.98; point 1.2.207 of this Bulletin

Amended proposal for a Council Directive on speed limits for certain categories of motor vehicles in the Community: OJ C 96, 12.4.1991; COM(91) 66; Bull. 3-1991, point 1.2.69

Council Directive 91/682/EEC on the marketing of ornamental plant propagating material and ornamental plants: OJ L 376, 31.12.1991; Bull. 12-1991, point 1.2.220

Council Directives 92/33/EEC and 92/34/EEC on the marketing of vegetable propagating and planting material, other than seed, and the mar-

keting of fruit plant propagating material and fruit plants intended for fruit production: OJ L 157, 10.6.1992; Bull. 4-1992, point 1.3.131

Amended proposal for a Council Directive on the approximation of Member States' laws, regulations and administrative provisions on advertising for tobacco products: OJ C 129, 21.5.1992; COM(92) 196; Bull. 4-1992, point 1.3.181; Bull. 9-1992, point 1.2.151

Proposal for a Council Directive laying down minimum standards for the keeping of animals in zoos: OJ C 249, 24.9.1991; COM(91) 177; Bull. 7/8-1991, point 1.2.271; Bull. 6-1993, point 1.2.169

Proposals for Council Regulations on statutes for a European cooperative society, a European mutual society and a European association: OJ C 236, 31.8.1993; COM(93) 252; Bull. 7/8-1993, point 1.2.82

Amended proposal for a Parliament and Council Directive concerning comparative advertising and amending Directive 84/450/EEC concerning misleading advertising: OJ C 136, 19.5.1994; COM(94) 151; Bull. 4-1994, point 1.2.176

Proposal for a Parliament and Council Directive on the protection of purchasers in contracts relating to the purchase of a right to utilize one or several immovable properties on a time-share basis: OJ C 299, 5.11.1993; COM(93) 487; Bull. 10-1993, point 1.2.95; Bull. 5-1994, point 1.2.149

Parliament and Council Directive 94/25/EC on the approximation of the laws, regulations and administrative provisions of the Member States relating to pleasure craft: point 1.2.20 of this Bulletin

*Approved by the Commission on 8 June and adopted on 10 June.* In the context of the overall approach adopted by the Edinburgh European Council with a view to implementing Article 3b of the Treaty on European Union and in line with the undertaking given in its report to the Brussels European Council on the adaptation of existing legislation to the subsidiarity principle, the Commission has taken account of the recommendations of the Government of the Federal Republic of Germany in the following cases:

□ it intends to withdraw the proposals for Directives on the liability of suppliers of services

(COM(90) 482) and minimum standards for the keeping of animals in zoos (COM(91) 177);

□ it plans with Parliament and the Council to review application of the subsidiarity principle to the proposals for Directives on advertising for tobacco products (COM(92) 196), speed limits for certain categories of motor vehicles (COM(91) 66) and the maximum permitted alcohol concentration for vehicle drivers (COM(89) 640);

□ it will also propose the revision of certain Directives, notably on the quality of water for human consumption (80/778/EEC), biotechnology (90/219/EEC), plant propagating material (91/682/EEC, 92/33/EEC and 92/34/EEC) and the lead content of petrol (85/210/EEC);

□ in other cases, in particular as regards the proposals for Directives on the purchase of immovable property on a time-share basis (COM(93) 487) and pleasure craft (COM(94) 119) and the three proposals for Regulations on the social economy (COM(93) 252), the Commission pointed out that revised proposals have been adopted by the Council;

□ in addition it pointed out that it has amended its proposal for a Directive concerning comparative advertising (COM(94) 151) and announced its intention of amending the proposal concerning takeover and other general bids (COM(90) 416).

In the remaining cases the Commission has not followed the recommendations of the German authorities but it has notified them of the detailed findings of its review.

*1.1.2. Council resolution on the electronic dissemination of Community law and national implementing laws and on improved access conditions.*

**References:**

Council resolution on the automation of legal documentation: OJ C 20, 28.1.1975; Bull. 11-1974, point 1108

Council resolution on the reorganization of the operating structures of the CELEX system: OJ C 308, 28.11.1991; Bull. 11-1991, point 1.2.204

Parliament resolution on the transparency of Community law and the need for it to be consolidated: Bull. 5-1994, point 1.1.1

*Adopted on 20 June.* Recommendations by the Council to facilitate access to national and Com-

munity legislation and promote the dissemination of information include the development of synergy between Community and national legal databanks and databases.

OJ C 179, 1.7.1994

## Protection of citizens

### *Data protection*

*1.1.3. Proposal for a Parliament and Council Directive concerning the protection of personal data and privacy in the context of digital telecommunications networks, in particular the integrated services Digital network (ISDN) and digital mobile networks.*

**Reference:** Amended proposal for a Council Directive on the protection of individuals with regard to the processing of personal data and on the free movement of such data: OJ C 311, 27.11.1992; COM(92) 422; Bull. 10-1992, point 1.3.177

**Commission proposal:** OJ C 277, 5.11.1990; COM(90) 314; Bull. 7/8-1990, point 1.3.313

**Economic and Social Committee opinion:** OJ C 159, 17.6.1991; Bull. 4-1991, point 1.2.140

**Parliament opinion (first reading):** OJ C 94, 13.4.1992; Bull. 3-1992, point 1.2.215

**Proposal subject to the co-decision procedure since 1 November 1993**

*Amended proposal adopted by the Commission on 13 June.* Although the amended proposal retains the structure of the initial proposal and takes account of the amendments proposed by Parliament, the earlier text has been completely reworded and simplified in accordance with the subsidiarity principle and in an attempt to make it more consistent with the amended proposal for a Council Directive on the protection of individuals with regard to the processing of personal data and on the free movement of such data. It now includes provisions on judicial remedy and sanctions in the event of violation of the Directive and draws a distinction between the protection of subscribers and the protection of users.

OJ C 200, 22.7.1994; COM(94) 128

## 2. The Community economic and social area

### Implementation of the White Paper on growth, competitiveness and employment

#### References:

Conclusions of the Brussels European Council: Bull. 12-1993, points I.3 to I.7

Commission White Paper entitled 'Growth, competitiveness, employment: The challenges and ways forward into the 21st century': COM (93) 700; Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

*1.2.1.* The European Council held an in-depth discussion on the different elements of the action plan decided on in December 1993 in connection with the White Paper on growth, competitiveness and employment. It placed particular emphasis on six points that were to give new impetus in the follow-up debate on the White Paper:

- encouragement of reforms in Member States intended to improve the efficiency of employment systems;
- specific measures for fully exploiting the employment potential of small and medium-sized enterprises;
- reinforced coordination of research policy;
- rapid implementation of high-priority trans-European projects in the fields of transport and energy;
- full exploitation of the possibilities and opportunities offered by the information society;
- encouragement for the new model of sustainable development, including the environment dimension.

As regards the improvement in employment, the European Council reviewed, on the basis of an interim report on employment drawn up by Mr Flynn following his tour of capitals between February and June, the initiatives taken in Member States in accordance with the general objectives defined by the Brussels European Council

in December 1993. It stressed the importance of a resumption of economic growth and the need to take other measures to foster employment. It encouraged the reforms undertaken in Member States to improve the efficiency of employment systems and placed emphasis on education and training, the priority to be accorded young people, the organization of work, and job creation meeting new requirements linked to the quality of life and protection of the environment.

Turning to the macroeconomic environment, the European Council endorsed the economic policy guidelines set out in the report submitted by the Council and called on it to finalize the guidelines in the light of the conclusions of this European Council with regard to the implementation of the White Paper in general (→ point 1.2.11).

As regards competitiveness, the European Council emphasized the need for the basic principles of the single market to be extended to other fields such as energy and telecommunications (→ point 1.2.15). It underscored the importance of small and medium-sized enterprises for growth and job creation and advocated the elimination of unnecessary legal and administrative burdens on enterprises (→ point 1.2.78).

On the basis of a report on trans-European networks drawn up by a group chaired by Mr Christophersen (→ point 1.2.7), the European Council agreed on a list of eleven major transport projects (→ point I.27). It called on the group to continue its work in the energy sector, examining in particular the economic viability of eight priority projects (→ point I.28), to study further the extension of the trans-European networks to neighbouring countries and to examine the question of relevant networks in the environmental field. As regards the financing of networks, which was the subject of a Commission communication (→ point 1.2.8), it confirmed that measures would be taken, if necessary, to ensure that priority projects did not run into financial obstacles which would jeopardize their implementation.

The European Council also took note of the report from the group of leading figures repre-

senting the industry, operators and users who, under the chairmanship of Mr Bangemann, had been examining the various aspects of the information society (→ point 1.2.9). Given the importance and complexity of the issues raised, it decided to set up a permanent coordination instrument that would have to be based on the appointment in each Member State of a person responsible at ministerial level. It asked that the necessary regulatory framework be established rapidly and agreed in general with the areas of application identified by the group (→ point I.8).

## General

*1.2.2. Own-initiative Economic and Social Committee opinion on the industrial aspects of the White Paper on growth, competitiveness and employment.*

*Adopted on 1 June.* The Committee welcomes the strategic remarks set out in the White Paper but expresses concern at the arrangements for their implementation. It stresses the need for a dynamic European industrial policy, specific measures to promote small and medium-sized firms, the interlinking of infrastructures at European level, a European research and technology policy, and further development of European regional policy. It also recommends the setting-up of a 'European Innovation Council' on which the scientific community, industry and the trade unions are suitably represented and which would assess the ability of industrial sectors to innovate and help mobilize the innovative capacity of researchers and scientists.

*1.2.3. Own-initiative Economic and Social Committee opinion on the economic and financial aspects of the White Paper on growth, competitiveness and employment.*

*Adopted on 1 June.* The Committee endorses the long-term strategic content of the White Paper and stresses the importance of rapidly translating the guidelines set out in the White Paper into effective and coherent measures. It would like to see the reduction in unemployment and the creation of new jobs for young people being accorded basic priority in the formulation of Community macroeconomic and monetary policies. It stresses the need to consolidate and revitalize the European socioeconomic model,

which is based on high growth and on an effective system of social protection and solidarity. Lastly, it supports the development of trans-European networks with a view to reviving the European economy and strengthening its competitiveness.

*1.2.4. Own-initiative Economic and Social Committee opinion on the social aspects of the White Paper on growth, competitiveness and employment.*

*Adopted on 1 June.* The Committee approves the social aspects of the White Paper and hopes that the political will and the means of meeting the challenges of employment, equality of opportunity and competitiveness will be found rapidly and with determination. It stresses in particular the need to pool the efforts of everyone in combating unemployment and emphasizes the need for action by the social partners in order to find equitable, realistic and effective solutions.

*1.2.5. Own-initiative Economic and Social Committee resolution on the White Paper on growth, competitiveness and employment.*

*Adopted on 1 June.* In its resolution, the Committee reproduces the key elements of the three opinions examined above. It reiterates its support for the long-term strategy outlined in the White Paper and believes that the proposed guidelines should be translated into effective, coherent action without delay. In conclusion, it urges the Corfu European Council to take the important decisions now required, thereby making it clear to those in the Community that building a Community Europe is an ongoing process and thus restoring their confidence in the ability of European politicians to take action.

## Employment

*1.2.6. Interim report on employment: results of Mr Flynn's tour of capitals.*

*Sent to the Council on 8 June.* Following Mr Flynn's tour of capitals between February and June, the Commission sent to the Council an interim report on employment. In the course of his tour, Mr Flynn discussed with national governments and the social partners the progress made

in implementing the White Paper on growth, competitiveness and employment. The report examines in detail, in the light of the White Paper and the conclusions of the Brussels European Council in December 1993, the priority measures taken by Member States in the following fields:

- improvement in the systems of education and training;
- improvement in flexibility on labour markets and within firms;
- organization of work;
- reduction in non-wage labour costs;
- better use of public funds devoted to measures for combating unemployment;
- measures to assist young people who leave the education system with no proper training;
- creation of new jobs linked to the quality of life and environmental protection.

Supplement 2/94 — Bull.

## Trans-European networks

*1.2.7. Interim report by the group of personal representatives on trans-European networks.*

*Presented on 21 June.* At its meeting in December 1993, the European Council called on the Commission, assisted by a group of personal representatives of the Heads of State or Government, to be responsible for leadership and coordination regarding the swift and efficient establishment of trans-European transport and energy networks. The group, chaired by Mr Christophersen, presented an interim report to the Corfu European Council.

The group identifies priority projects of Community interest and proposes an initial group of 11 transport projects on which work has already begun or could begin within 18 months, together with a list of eight energy networks under discussion. It recommends that the Member States facilitate the implementation of these projects by speeding up administrative, regulatory and legal procedures.

It also notes that significant progress has already been made and requests that its mandate be extended until the next European Council, nota-

bly in order to assess priority projects with a view to drawing up a definitive list, to examine the problems arising in connection with the regulatory framework and financial requirements, and to study further the extension of the trans-European networks to neighbouring countries.

Supplement 2/94 — Bull.

*1.2.8. Commission communication on financing the trans-European networks.*

*Approved on 1 June.*

*Adopted on 15 June.* As requested by the European Council at its meeting in December 1993, the Commission presented a report on financing trans-European networks which takes account of the work of the groups chaired by Mr Christophersen and Mr Bangemann and of the discussions with the European Investment Bank and certain outside financial institutions.

The Commission considers that the existing sources of finance will not be sufficient to cover all the financing needs if an adequate pace of investment is to be maintained and the contribution of the networks to competitiveness, growth and employment maximized. Given the constraints on public budgets and the scope for participation by the private sector in the investment projects, the Commission advocates recourse to complementary fund-raising on capital markets, over and above assistance from the EIB and the European Investment Fund as part of a partnership in respect of these initiatives.

## Information society

*1.2.9. Report by the group of prominent persons on Europe and the global information society - Recommendations to the European Council.*

*Presented to the Commission on 1 June.* In December 1993 the European Council had requested a group of prominent persons representative of all relevant industries in the Union and of users and consumers to prepare a report for it on the specific measures to be taken into consideration by the Community and the Member States in the information field. The group, chaired by Mr Bangemann, presented its working report, which is not binding on the Commis-

sion and is one of the preparatory documents for the Corfu European Council.

The group stresses the potential of the information society, which is capable of improving employment and the quality of life of Europe's citizens, enhancing the efficiency of social and economic organization, and reinforcing cohesion. In order to exploit this potential best, it urges the European Union to put faith in market mechanisms and to foster an entrepreneurial mentality so as to permit the emergence of new dynamic sectors in the economy. In this connection, it calls for a proper regulatory framework that will make it possible, among other things, to improve the process of liberalization in the telecommunications sector, to take account of the objectives of interconnection of networks and interoperability of services, and to gain access to markets and networks in other regions of the world. It also advocates a regulatory framework for the protection of intellectual property rights, privacy and security of information in Europe and internationally. It recommends extending the availability of Euro-ISDN (integrated services digital network), promoting the provision and widespread use of standard trans-European basic services, including electronic mail, and identifying applications in promising sectors such as teleworking, distance learning, data-transmission networks for small and medium-sized enterprises, road-traffic management and air-traffic control.

Supplement 2/94 — Bull.

## Biotechnology

1.2.10. Commission communication to the Council, the European Parliament and the Economic and Social Committee on biotechnology and the White Paper on growth, competitiveness and employment: preparing the next stage.

### References:

Proposals for Council Decisions adopting specific research, technological development and demonstration programmes (1994-98) in the field of biotechnology, biomedicine and health: COM (94) 68; Bull. 3-1994, point 1.2.69

Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of agriculture and fisheries: point 1.2.94 of this Bulletin

*Adopted by the Commission on 1 June.* The White Paper on growth, competitiveness and

employment acknowledges biotechnology as one of the fields offering the greatest potential for innovation and growth and sets out recommendations for properly exploiting this potential. In the communication, the Commission describes the measures it deems necessary to implement those recommendations:

- development of the regulatory framework: the Commission envisages, on the one hand, exploiting fully, on the basis of experience and the latest scientific know-how, the scope for adapting existing legislation to technical progress and, on the other, proposing certain amendments to the legislation while leaving the basic structure intact;
- reinforced scientific input, notably in the field of risk assessment;
- stepping up research, in particular under the new research programmes in the areas of biotechnology, biomedicine and health, and agriculture and fisheries;
- assistance for small and medium-sized enterprises, and development of science parks with a biotechnology component;
- improving public understanding;
- reinforcing the profile of the Group of advisers on the ethical implications of biotechnology.

COM(94) 219

## Economic and monetary policy

1.2.11. The European Council adopted the economic policy guidelines contained in the report submitted to it by the Council (→ point 1.9).

## Economic and monetary union

### *Implementation of Stage II*

1.2.12. Draft recommendations for the broad guidelines of the economic policies of the Member States and the Community drawn up in accordance with Article 103(2) of the Treaty establishing the European Community.



**Commission approval:** Bull. 5-1994, point 1.2.3

*Formally adopted by the Commission on 2 June.*  
COM(94) 217

*Draft broad guidelines adopted by the Council on 6 June for presentation to the European Council.*

*Conclusions adopted by the European Council at its meeting on 24 and 25 June (→ point 1.9).*

## Growth initiative

**1.2.13.** Council Decision 94/375/EC on Community membership of the European Investment Fund.

### References:

Conclusions of the Edinburgh European Council: Bull. 12-1992, point 1.30

Addition to the Protocol on the Statute of the European Investment Bank empowering the EIB Board of Governors to establish a European Investment Bank: Bull. 5-1994, point 1.2.9

**Commission proposal:** OJ C 37, 11.2.1993; COM(93) 3; Bull. 1/2-1993, point 1.2.40

**Parliament opinion:** OJ C 115, 26.4.1993; Bull. 3-1993, point 1.2.21

**Council agreement:** Bull. 11-1993, point 1.2.30

*Formally adopted by the Council on 6 June.* This Decision provides that the Community will become a member of the European Investment Fund, which was set up in May 1994 and the establishment of which had been envisaged at the Edinburgh European Council.

OJ L 173, 7.7.1994

## International monetary and financial matters

### Macrofinancial assistance

**1.2.14.** Commission Report to the Council and the European Parliament on the implementation of macrofinancial assistance to third countries.

### References:

Council Decision 90/83/EEC providing medium-term financial assistance for Hungary: OJ L 58, 7.3.1990; Bull. 1/2-1990, point 1.2.12;

Council Decision 91/310/EEC providing further medium-term financial assistance for Hungary: OJ L 174, 3.7.1991; Bull. 6-1991, point 1.3.16

Council Decision 91/106/EEC on the granting of medium-term financial aid to the Czech and Slovak Federal Republic: OJ L 56, 2.3.1991; Bull. 1/2-1991; point 1.3.21

Council Decision 91/311/EEC providing medium-term financial assistance for Bulgaria: OJ L 174, 3.7.1991; Bull. 6-1991, point 1.3.15; Council Decision 92/511/EEC providing further medium-term financial assistance for Bulgaria: OJ L 317, 31.10.1992; Bull. 10-1992, point 1.4.14

Council Decision 91/384/EEC providing medium-term financial assistance for Romania: OJ L 208, 30.7.1991; Bull. 7/8-1991, point 1.3.18; Council Decision 92/551/EEC providing further medium-term financial assistance for Romania: OJ L 353, 3.12.1992; Bull. 11-1992, point 1.4.13

Council Decision 92/482/EEC providing long-term financial assistance for Albania: OJ L 287, 2.10.1992; Bull. 9-1992, point 1.3.7

Council Decision 92/542/EEC providing medium-term financial assistance for Estonia, Latvia and Lithuania: OJ L 351, 2.12.1992; Bull. 11-1992, point 1.4.8

Council Decision 91/408/EEC on financial aid for Israel and the Palestinian population of the Occupied Territories: OJ L 227, 15.8.1991; Bull. 7/8-1991, point 1.3.19

Council Decision 91/510/EEC providing a medium-term loan to Algeria: OJ L 272, 28.9.1991; Bull. 9-1991, point 1.3.26

*Adopted by the Commission on 7 June.* In the report, the Commission gives an assessment of the macrofinancial assistance granted to certain third countries in support of their economic policy reform efforts and analyses the economic situation and prospects for each country and the progress of economic reform, with particular reference to the implementation of the conditions attached to the assistance.

Between 1990 and 1993 the Community granted to third countries macrofinancial assistance amounting to ECU 3.1 billion. This was on top of the assistance provided through other Community aid instruments. The bulk of the assistance provided went to the countries of Central and Eastern Europe, with the remainder going to Algeria and Israel.

The macrofinancial assistance operations are governed by the following principles: exceptional nature of the operations; need for the recipient countries to respect in full effective dem-

ocratic mechanisms; complementarity with the resources provided by the International Monetary Fund (IMF) and other multilateral institutions; conditionality, with the disbursement of the successive tranches of assistance being conditional on compliance with certain macroeconomic performance and structural adjustment criteria.

OJ C 182, 2.7.1994; COM(94) 229

## Internal market

*1.2.15.* The European Council stressed that the smooth operation of the internal market is essential if the Community economy is to be competitive and dynamic. It referred to delays in transposing certain directives on public contracts, insurance, intellectual property and company law at national level. It also expressed a desire to see the basic principles of the single market extended to other areas and for the single market to be implemented with due regard to environmental problems. (→ *point 1.6*).

### General

*1.2.16.* Council resolution on the development of administrative cooperation in the implementation and enforcement of Community legislation in the internal market.

**Reference:** Commission communication on the development of administrative cooperation in the implementation and enforcement of Community legislation in the internal market: COM(94) 29; Bull. 1/2-1994, point 1.2.7

*Adopted on 16 June.* The Council welcomed the Commission's communication on administrative cooperation. A continuing effort is required to improve communication between the administrations, and Member States are therefore asked to notify to the Commission, for each of the main areas of activity linked to the implementation of the internal market, any essential information on their administrative structures and the 'contact points' (services expressly placed in charge of coordination between the various national authorities responsible for the enforce-

ment of internal market rules, and between them and the Commission) they have established.

OJ L 179, 1.7.1994

## Free movement of goods

### General

*1.2.17.* Proposal for a Parliament and Council Decision establishing a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods within the Community.

**Commission proposal:** OJ C 18, 21.1.1994; COM(93) 670; Bull. 12-1993, point 1.2.5

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.13

**Economic and Social Committee opinion:** Bull. 4-1994, point 1.2.13

*Amended proposal adopted by the Commission on 15 June.* The amendments, which take account of the opinions of Parliament and the Economic and Social Committee, do not modify the proposal's substance but strengthen both the Member States' obligations to ensure transparency and the Commission's coordinating role.

OJ C 200, 22.7.1994 ; COM(94) 250

### Technical aspects

#### Industrial products

*1.2.18.* Proposal for a Parliament and Council Directive on the approximation of the laws of the Member States relating to lifts.

**Directive to be repealed:** Council Directive 84/529/EEC on the approximation of the laws of the Member States relating to electrically operated lifts: OJ C 300, 19.11.1984; Bull. 9-1984, point 2.1.9, as last amended by Directive 90/486/EEC: OJ L 270, 2.10.1990; Bull. 9-1990, point 1.2.12

**Commission proposal:** OJ C 62, 11.3.1992; COM(92) 35; Bull. 1/2-1992, point 1.3.19

**Economic and Social Committee opinion:** OJ C 287, 4.11.1992; Bull. 7/8-1992, point 1.3.22

**Parliament opinion (first reading):** OJ C 305, 23.11.1992; Bull. 10-1992, point 1.3.29

**Amended Commission proposal:** OJ C 180, 2.7.1993; COM(93) 240; Bull. 6-1993, point 1.2.9

**Proposal subject to the co-decision procedure since 1 November 1993**

*Common position adopted by the Council on 16 June.* The proposal widens the scope of Directive 84/529/EEC, which covers only electric and hydraulic lifts, to include all types of lifts.

**1.2.19.** Proposal for a Parliament and Council Directive on the approximation of the laws of the Member States concerning pressure equipment.

**Commission proposal:** OJ C 246, 9.9.1993; COM(93) 319; Bull. 7/8-1993, point 1.2.2

**Proposal subject to the co-decision procedure since 1 November 1993**

**Economic and Social Committee opinion:** OJ C 52, 19.2.1994; Bull. 12-1993, point 1.2.8

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.16

*Amended proposal adopted by the Commission on 29 June.* Parliament's amendments accepted by the Commission are technical in nature or drafting changes.

OJ C 207, 27.7.1994; COM(94) 278

**1.2.20.** Parliament and Council Directive 94/25/EC on the approximation of the laws, regulations and administrative provisions of the Member States relating to recreational craft.

**Commission proposal:** OJ C 123, 15.5.1992; COM(92) 141; Bull. 4-1992, point 1.3.15

**Economic and Social Committee opinion:** OJ C 313, 30.11.1992; Bull. 9-1992, point 1.2.20

**Parliament opinion (first reading):** OJ C 337, 21.12.1992; Bull. 11-1992, point 1.3.30

**Amended Commission proposal:** OJ C 59, 2.3.1993; COM(93) 23; Bull. 1/2-1993, point 1.2.6

**Proposal subject to the co-decision procedure since 1 November 1993**

**Council common position:** OJ C 137, 19.5.1994; Bull. 12-1993, point 1.2.9

**Parliament amendments (second reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.13

**Commission opinion incorporating an amended proposal:** COM(94) 119; Bull. 4-1994, point 1.2.17

**Joint text:** Bull. 4-1994, point 1.2.17

**Parliament approval of the joint text:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.12

*Approved by the Council on 6 June.*

*Signed by Parliament and the Council on 16 June.* The Directive lays down the essential safety, health and consumer-protection requirements to be met by recreational craft in the Community. Craft which satisfy those require-

ments will bear the 'CE' mark and will be able to be placed on the market or put into service anywhere in the Community.

OJ L 164, 30.6.1994

## Precious metals

**1.2.21.** Proposal for a Parliament and Council Directive on articles of precious metal.

**Commission proposal:** OJ C 318, 25.11.1993; COM(93) 322; Bull. 9-1993, point 1.2.2, and 10-1993, point 1.2.7

**Proposal subject to the co-decision procedure since 1 November 1993**

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.15

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.20

*Amended proposal adopted by the Commission on 30 June.*

OJ C 209, 29.7.1994; COM(94) 267

## Dangerous substances

**Reference:** Council Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations: OJ L 262, 27.9.1976, as last amended by Directive 91/339/EEC: OJ L 186, 12.7.1991; Bull. 6-1991, point 1.2.21

**1.2.22.** Parliament and Council Directive 94/27/EC amending for the 12th time Directive 76/769/EEC.

**Commission proposal:** OJ C 116, 27.4.1993; COM(93) 134; Bull. 4-1993, point 1.2.6

**Economic and Social Committee opinion:** OJ C 304, 10.11.1993; Bull. 9-1993, point 1.2.4

**Parliament opinion (first reading):** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.8

**Proposal subject to the co-decision procedure since 1 November 1993**

**Amended Commission proposal:** OJ C 23, 27.1.1994; COM(93) 633; Bull. 12-1993, point 1.2.6

**Council agreement on a common position:** Bull. 12-1993, point 1.2.6

**Council common position:** OJ C 137, 19.5.1994; Bull. 3-1994, point 1.2.17

**Parliament approval (second reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.13

*Approved by the Council on 16 June.*

*Signed by Parliament and the Council on 30 June.* The Directive restricts the use of nickel in jewellery and personal objects coming into contact with the skin.

OJ L 188, 22.7.1994

**1.2.23.** Proposal for a Parliament and Council Directive amending for the 13th time Directive 76/769/EEC.

**Commission proposal:** OJ C 157, 24.6.1992; COM(92) 195; Bull. 5-1992, point 1.1.16

**Economic and Social Committee opinion:** OJ C 332, 16.12.1992; Bull. 10-1992, point 1.3.31

**Proposal subject to the co-decision procedure since 1 November 1993**

**Parliament opinion (first reading):** OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.14

**Amended Commission proposal:** OJ C 157, 8.6.1994; COM(94) 95; Bull. 3-1994, point 1.2.16

*Common position adopted by the Council on 16 June.* The proposal would restrict the placing on the market of certain substances which present a risk to health (creosote and its derivatives, chlorinated solvents, and carcinogenic substances and mutagens).

**1.2.24.** Proposal for a Parliament and Council Directive amending for the 15th time Directive 76/769/EEC.

**Commission proposal:** OJ C 306, 12.11.1993; COM(93) 499; Bull. 10-1993, point 1.2.9

**Proposal subject to the co-decision procedure since 1 November 1993**

**Parliament opinion (first reading):** OJ C 20, 24.1.1994; Bull. 12-1993, point 1.2.7

**Economic and Social Committee opinion:** OJ C 133, 16.5.1994; Bull. 1/2-1994, point 1.2.15

*Council common position adopted on 27 June.* The proposal would restrict the use of certain inflammable substances in aerosol generators intended for decorative and entertainment purposes.

## Pharmaceutical products

**1.2.25.** Council Decision 94/358/EC accepting, on behalf of the Community, the Convention on the elaboration of a European Pharmacopoeia.

**Commission proposal:** COM(93) 68; Bull. 1/2-1993, point 1.2.7

**Economic and Social Committee opinion:** OJ C 352, 30.12.1993; Bull. 10-1993, point 1.2.10

**Parliament assent:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.21

*Adopted by the Council on 16 June.* The purpose of this Convention, which was initiated by the Council of Europe, is to harmonize specifications for medicinal substances and pharmaceutical preparations to enable them to circulate in all the signatory countries.

OJ L 158, 25.6.1994

## Foodstuffs

**Basic Directive:** Council Directive 89/107/EEC on the approximation of the laws of the Member States concerning food additives authorized for use in foodstuffs intended for human consumption: OJ L 40, 11.2.1989; Bull. 12-1988, point 2.1.28

**1.2.26.** Parliament and Council Directive amending Directive 89/107/EEC.

**Commission proposal:** OJ C 206, 13.8.1992; COM(92) 255; Bull. 6-1992, point 1.3.22

**Economic and Social Committee opinion:** OJ C 73, 15.3.1993; Bull. 1/2-1993, point 1.2.11

**Parliament opinion (first reading):** OJ C 176, 28.6.1993; Bull. 5-1993, point 1.2.7

**Amended Commission proposal:** OJ C 191, 15.7.1993; COM(93) 289; Bull. 6-1993, point 1.2.15

**Council agreement on a common position:** Bull. 9-1993, point 1.2.5

**Proposal subject to the co-decision procedure since 1 November 1993**

**Council common position:** Bull. 11-1993, point 1.2.5

**Parliament approval (second reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.18

*Approved by the Council on 16 June.*

*Signed by Parliament and the Council on 30 June.* The Directive authorizes Member States, under certain conditions, to derogate from the general Community rules on additives in order to protect the production of 'traditional' foodstuffs.

**1.2.27.** Parliament and Council Directive on colours for use in foodstuffs.

**Commission proposal:** OJ C 12, 18.1.1992; COM(91) 444; Bull. 12-1991, point 1.2.29

**Economic and Social Committee opinion:** OJ C 313, 30.11.1992; Bull. 9-1992, point 1.2.25

**Parliament opinion (first reading):** OJ C 115, 26.4.1993; Bull. 3-1993, point 1.2.5

**Amended Commission proposal:** OJ C 134, 13.5.1993; COM(93) 153; Bull. 4-1993, point 1.2.9

**Council agreement on a common position:** Bull. 9-1993, point 1.2.7

**Proposal subject to the co-decision procedure since 1 November 1993**

**Council common position:** Bull. 11-1993, point 1.2.7

**Parliament amendments (second reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.20

**Commission opinion incorporating an amended proposal:** COM(94) 120; Bull. 4-1994, point 1.2.25

*Approved by the Council on 16 June.*

*Signed by Parliament and the Council on 30 June.* The Directive lays down the list of colouring matters authorized on the Community market and the foodstuffs in which they may be used, and specifies the conditions for their use, in particular their maximum permitted levels.

**1.2.28.** Parliament and Council Directive on sweeteners for use in foodstuffs.

**Commission proposal:** OJ C 206, 13.8.1992; COM(92) 255; Bull. 6-1992, point 1.3.22

**Economic and Social Committee opinion:** OJ C 332, 16.12.1992; Bull. 10-1992, point 1.3.35

**Parliament opinion (first reading):** OJ C 305, 23.11.1992; Bull. 10-1992, point 1.3.35

**Council agreement on a common position:** Bull. 9-1993, point 1.2.6

**Proposal subject to the co-decision procedure since 1 November 1993**

**Council common position:** Bull. 11-1993, point 1.2.6

**Parliament amendment (second reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.19

**Commission opinion incorporating an amended proposal:** COM(94) 121; Bull. 4-1994, point 1.2.26

*Approved by the Council on 16 June.*

*Signed by Parliament and the Council on 30 June.* The Directive lays down the list of sweeteners authorized on the Community market and specifies the conditions for their use, in particular their maximum permitted levels.

**1.2.29.** Proposal for a Parliament and Council Regulation laying down a Community procedure for flavouring substances used in foodstuffs.

**Commission proposal:** OJ C 1, 4.1.1994; COM (93) 609; Bull. 12-1993, point 1.2.11

**Economic and Social Committee opinion:** Bull. 4-1994, point 1.2.27

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.15

*Amended proposal adopted by the Commission on 3 June.* Parliament's amendments accepted by the Commission are drafting changes.

OJ C 171, 24.6.1994 ; COM(94) 236

## *Animal and plant health*

### **Animal health**

**1.2.30.** Council Decision 94/370/EC amending Decision 90/424/EEC on expenditure in the veterinary field.

**Commission proposal:** OJ C 4, 6.1.1994; COM (93) 470; Bull. 12-1993, point 1.2.17

**Parliament opinion:** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.24

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.24

*Adopted by the Council on 21 June.* The Decision improves the mechanisms through which the Community contributes financially to programmes for the eradication of animal diseases, and provides in particular for the financing of training courses.

OJ L 168, 2.7.1994

**1.2.31.** Proposal for a Council Directive amending Directive 91/628/EEC on the protection of animals during transport.

**Commission proposal:** OJ C 250, 14.9.1993; COM(93) 330; Bull. 7/8-1993, point 1.2.9

**Parliament opinion:** OJ C 20, 24.1.1994; Bull. 12-1993, point 1.2.20

**Economic and Social Committee opinion:** OJ C 127, 7.5.1994; Bull. 1/2-1994, point 1.2.19

*Amended proposal adopted by the Commission on 27 June.* The amendments to the proposal, made in response to Parliament's opinion, set out to strengthen the rules on the travel time, resting periods, feeding and watering of animals and their space allowances.

COM(94) 252

**1.2.32.** Council Directive 94/28/EC laying down the principles relating to the zootechnical and genealogical conditions applicable to imports from third countries of animals, their

semen, ova and embryos, and amending Directive 77/504/EEC on pure-bred breeding animals of the bovine species.

**Directive amended:** Council Directive 77/504/EEC: OJ L 206, 12.8.1977, as last amended by Directive 91/174/EEC: OJ L 85, 5.4.1991; Bull. 3-1991, point 1.2.96

**Commission proposal:** OJ C 306, 12.11.1993; COM(93) 497; Bull. 10-1993, point 1.2.17

**Parliament opinion:** OJ C 20, 24.1.1994; Bull. 12-1993, point 1.2.21

**Economic and Social Committee opinion:** OJ C 127, 7.5.1994; Bull. 1/2-1994, point 1.2.20

*Adopted by the Council on 23 June.* The Directive makes imports of pure-bred animals from third countries and of their semen, ova and embryos subject to the same requirements as intra-Community trade in these products.

OJ L 178, 12.7.1994

1.2.33. Proposal for a Council Decision on the conditions for drawing up, for a transitional period, provisional lists of third country establishments from which Member States are authorized to import certain products of animal origin, fishery products or live bivalve molluscs.

*Adopted by the Commission on 10 June.* The Decision would authorize the Commission, up to 1 July 1996, to draw up provisional lists of third country establishments from which Member States would be permitted to import animal products on the strength of the information provided by the said third countries. These temporary arrangements will give Community inspectors time to carry out the inspections necessary to draw up permanent lists.

OJ C 208, 28.7.1994; COM(94) 241

## Plant health

1.2.34. Council Directive amending the Annexes to Council Directives 86/362/EEC and 86/363/EEC on the fixing of maximum levels for pesticide residues in and on cereals and foodstuffs of animal origin, respectively; Council Directive amending Annex II to Directive 90/642/EEC relating to the fixing of maximum levels for pesticide residues in and on certain products of plant origin, including fruit and vegetables, and providing for the establishment of a list of maximum levels.

### Directives amended:

Council Directive 86/362/EEC: OJ L 221, 7.8.1986; Bull. 7/8-1986, point 2.1.169, as last amended by Directive 90/654/EEC: OJ L 353, 17.12.1990; Bull. 12-1990, point 1.2.1

Council Directive 86/363/EEC: OJ L 221, 7.8.1986; Bull. 7/8-1986, point 2.1.169

Council Directive 90/642/EEC: OJ L 350, 14.12.1990; Bull. 11-1990, point 1.3.161

**Commission proposal:** COM(93) 505; Bull. 10-1993, point 1.2.18

*Adopted by the Council on 23 June.* The Directives supplement the list of pesticides the residues of which in agricultural products are subject to maximum limits, and lay down those limits.

OJ L 189, 23.7.1994

1.2.35. Proposal for a Council Directive establishing Annex VI of Directive 91/414/EEC concerning the placing of plant protection products on the market.

**Commission proposal:** COM(93) 117; Bull. 4-1993, point 1.2.18

*Agreed by the Council on 21 June.* The aim of the proposal is to define the uniform principles on the basis of which Member States are to authorize the placing on the market of plant protection products.

## Free movement of services

### Financial services

1.2.36. Proposal for a Parliament and Council Directive amending Directives 77/780/EEC and 89/646/EEC in the field of credit institutions, Directives 73/239/EEC and 92/49/EEC in the field of non-life insurance, Directives 79/267/EEC and 92/96/EEC in the field of life assurance, Directive 93/22/EEC in the field of investment firms, and Directive 85/611/EEC in the field of undertakings for collective investment in transferable securities, in order to reinforce prudential supervision.

**Commission proposal:** OJ C 229, 25.8.1993; COM(93) 363; Bull. 7/8-1993, point 1.2.19

**Proposal subject to the co-decision procedure since 1 November 1993**

**Economic and Social Committee opinion:** OJ C 52, 19.2.1994; Bull. 12-1993, point 1.2.36

**Parliament opinion (first reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.29

**Amended Commission proposal:** COM(94) 170; Bull. 5-1994, point 1.2.18

*Council common position adopted on 6 June.* The proposal sets out to reinforce the prudential supervision of banks, the insurance industry and investment firms by means of provisions designed to prevent fraud and irregularities. The new arrangements require greater transparency on the part of the groups to which financial enterprises belong, oblige enterprises to locate their head office in the same Member State as their registered office, extend the scope for the exchange of information between supervisory authorities and certain bodies, and require auditors to report any irregularities discovered in financial enterprises to the supervisory authorities.

## Taxation

*1.2.37.* Proposal for a Council Directive amending Directive 92/12/EEC on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products, Council Directive 92/81/EEC on the harmonization of the structures of excise duties on mineral oils and Council Directive 92/82/EEC on the approximation of the rates of excise duties on mineral oils.

### **Directives to be amended:**

Council Directive 92/12/EEC: OJ L 76, 23.3.1992; Bull. 1/2-1992, point 1.3.9, as amended by Directive 92/108/EEC: OJ L 390, 31.12.1992; Bull. 12-1992, point 1.3.21

Council Directive 92/81/EEC: OJ L 316, 31.10.1992; Bull. 10-1992, point 1.3.13, as amended by Directive 92/108/EEC: OJ L 390, 31.12.1992; Bull. 12-1992, point 1.3.21

Council Directive 92/82/EEC: OJ L 316, 31.10.1992; Bull. 10-1992, point 1.3.14

*Adopted by the Commission on 28 June.* The proposal sets out to simplify and clarify the common arrangements governing the movement and monitoring of products subject to excise duty and the specific rules applicable to mineral oils. It provides in particular for a further easing of the administrative procedures linked to the implementation of these arrangements, and defines more accurately the scope of the term 'mineral oils'.

COM(94) 179

## Intellectual property

*1.2.38.* Proposal for a Parliament and Council Directive on the legal protection of biotechnological inventions.

**Commission proposal:** OJ C 10, 13.1.1989; COM(88) 496; Bull. 10-1988, point 2.1.17

**Economic and Social Committee opinion:** OJ C 159, 26.6.1989; Bull. 4-1989, point 2.1.44

**Parliament opinion (first reading):** OJ C 305, 23.11.1992; Bull. 10-1992, point 1.3.44

**Amended Commission proposal:** OJ C 44, 16.2.1993; COM(92) 589; Bull. 12-1992, point 1.3.50

**Proposal subject to the co-decision procedure since 1 November 1993**

**Council agreement on a common position:** Bull. 12-1993, point 1.2.40

**Council common position:** OJ C 101, 9.4.1994; Bull. 1/2-1994, point 1.2.36

**Parliament amendments (second reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.20

*Opinion incorporating an amended proposal adopted by the Commission on 9 June.* The amendments which have been accepted add two recitals.

COM(94) 245

*1.2.39.* Council Decision 94/373/EC on the extension of the legal protection of topographies of semiconductor products to persons from the United States of America.

### **References:**

Council Directive 87/54/EEC on the legal protection of topographies of semiconductor products: OJ L 24, 27.1.1987; Bull. 12-1986, point 2.1.33

Council Decision 94/4/EC on the extension of the legal protection of topographies of semiconductor products to persons from the United States of America: OJ L 6, 8.1.1994; Bull. 12-1993, point 1.2.41

*Proposal adopted by the Commission on 8 June.*

COM(94) 244

*Adopted by the Council on 27 June.* The Decision renews until 1 July 1995 the extension to persons and companies from the United States of America of legal protection for topographies of semiconductor products laid down by Directive 87/54/EEC.

OJ L 170, 5.7.1994

1.2.40. Draft Trade-mark Law Treaty.

*Recommendation for a Decision adopted by the Commission on 13 June.* The Decision would authorize the Commission to open negotiations to ensure Community participation in the diplomatic conference organized under the auspices of the World Intellectual Property Organization for the conclusion of a Trade-mark Law Treaty. The conference is to be held in Geneva in October 1994.

1.2.41. Proposal for a Council Regulation on Community plant variety rights (→ point 1.2.140).

## Public procurement

1.2.42. Draft Agreement in the form of an exchange of letters between the European Community and the United States of America on government procurement.

**Reference:** Final Act of the Uruguay Round multilateral trade negotiations: Bull. 4-1994, point 1.3.61

*Proposal for a Council Decision concerning the conclusion of this Agreement adopted by the Commission on 16 June.* Once concluded, the Agreement will implement both the undertakings on access to public contracts given during the Uruguay Round of multilateral trade negotiations and the results of bilateral consultations conducted in this area between the Community and the United States of America.

COM(94) 251

## Competition

### General rules

1.2.43. Commission report on the application of the competition rules to maritime transport.

**Reference:** Council Regulation (EEC) No 4056/86 laying down detailed rules for the application of Articles 85 and 86 of the Treaty to maritime transport: OJ L 378, 31.12.1986; Bull. 12-1986, point 2.1.300

*Adopted on 8 June.* In this report the Commission indicates how it intends to apply the competition rules to liner shipping, especially the land section of multimodal transport operations.

Members of liner conferences generally subcontract the inland part of operations to inland hauliers and make their own inland transport arrangements on behalf of shippers, with the exception of pricing which is based on the conference's inland transport tariff. Unlike sea transport, where a conference to some extent acts as organizer, a conference does not play a direct part in the supply and management of its members' inland transport activities or undertake any related activities. Its sole task is to fix a uniform tariff for its members. Such a tariff agreement does not encourage more efficient or more rational organization of the inland transport of containers.

The Commission therefore considers that it is not possible to grant a block exemption or, more generally, a series of individual exemptions for the fixing of land rates. The fixing of uniform prices restricts competition and cannot be exempted from the competition rules unless consumers benefit therefrom.

In certain circumstances, however, specific cooperation agreements between groups of shipowners or between shipowners and inland carriers could sufficiently promote technical or economic progress to qualify for an individual exemption allowing them to fix such uniform inland rates.

The Commission therefore envisages the following system:

- any group of shipowners whose pooled activities (together with inland carriers where appropriate) are substantial enough to bring about advantages for users on the land section could propose a uniform (multimodal) land tariff and be granted an individual exemption on a case-by-case basis;
- any other shipping line not having pooled its activities in this way could have only an individual (multimodal) inland tariff based on its negotiations with inland carriers.

The Commission concludes by requesting the parties concerned to comment on the proposals contained in the report in order to determine the



impact on multimodal transport of future cooperation agreements, and urges shipping companies to notify their future cooperation agreements, preferably after consulting the users, with a view to the possible granting of individual exemption.

## Rules applying to businesses

### *Permissible forms of cooperation*

#### **Commission decisions under Article 85(3) of the EC Treaty**

##### *Bayer/BP Chemicals*

**Previous decision:** Decision 88/330/EEC: OJ L 150, 16.6.1988; Bull. 5-1988, point 2.1.60

*1.2.44. Decision 94/384/EC of 6 June.* The decision amends the 1988 decision authorizing agreements between Bayer and BP Chemicals in the petrochemicals sector.

The Commission amends its 1988 decision authorizing agreements between Bayer AG and BP Chemicals International Ltd concerning Erdölchemie (a joint venture between Bayer and BP Deutschland AG). The agreements, which constituted one phase of the restructuring of the European petrochemicals industry, provided for the closure of the older of Erdölchemie's low-density polyethylene plants following the start-up of a new linear low-density polyethylene facility. The agreements were exempted on condition that the closure took place before the end of 1991, unless the Commission decided that, pursuant to Article 85(3), the situation in the polyethylene sector justified a postponement of that date.

The Commission considers that there are sufficient grounds for postponing the closure of the plant, chiefly as a result of changes in the product range which have enabled the firm to move into areas of the low-density polyethylene market that have steadily improved since 1992.

In the light of the new situation, the Commission amends its previous decision and allows the closure to be postponed to the end of 1994.

OJ L 174, 8.7.1994

## *Mergers*

### **Commission decisions under the Merger Control Regulation**

**Reference:** Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings: OJ L 395, 30.12.1989 (corrected version: OJ L 257, 21.9.1990); Bull. 12-1989, point 2.1.78; Supplement 2/90 — Bull.

##### *Medeol/Elosua*

*1.2.45. Adopted on 6 June.* The decision authorizes Medeol to acquire a majority interest in Elosua.

The transaction concerns the two leading suppliers in Spain of edible oils, including both olive and sunflower oil. The Commission decides that the concentration is compatible with the common market since other Spanish suppliers have the possibility of enlarging their market shares by being price-competitive. The lack of barriers to distribution, the limited part played by brand loyalty and by advertising, the importance of price promotions in sales outlets and the flexibility of bottling plants make for a market structure that is open to competition.

##### *BSN/St Louis (Euralim)*

*1.2.46. Adopted on 7 June.* The decision authorizes BSN to take over Panzalim, a joint venture recently set up by BSN and Euralim, a subsidiary of the Saint Louis group.

The Commission considers that the transaction, aimed at pooling all the 'prepared meals' activities of the two parent companies, is unlikely to create or reinforce a dominant position in France or Spain, whether in the prepared meals sector, all the different technologies taken together (aseptic canning, freezing, fresh produce), or in the narrower market sectors or segments. The additional market shares of each relevant sector or segment do not exceed 22%, with the exception of seven with combined shares of between 27 and 45%. However, taking account of the power of the competitors and the purchasers (distributive trades), the growing importance of distributor's brands and the minor barriers to competition, these new market shares held by Panzalim in France and Spain are compatible with the common market.

*GKN/Brambles/Leto Recycling*

1.2.47. *Adopted on 7 June.* The decision authorizes a merger in the waste management sector.

GKN plc and Brambles Industries Ltd, both engaged in waste management in the United Kingdom, notified the joint acquisition of 50% of the capital of Leto Recycling BV, a company engaged in the treatment of household and some hazardous wastes in the Netherlands. GKN and Brambles are involved in a number of joint ventures of which only one, the UK-based Cleanaway Holdings Limited, is active in household waste management.

The Commission considers that the merger does not entail any geographic or product overlap in the hazardous waste management business of the joint venture and Cleanaway, or any risk of significant vertical links between the parents and the joint venture.

It accordingly declares the transaction compatible with the common market.

*Shell/Montecatini*

1.2.48. *Adopted on 8 June.* The decision authorizes the formation of a joint subsidiary between Shell and Montedison in the polyolefins sector.

As the setting-up by Shell Petroleum NV (NL) and Montedison Nederland NV of a joint subsidiary, Sophia, specializing in polypropylene, could lead to the creation of a dominant position in the field of production technology and in the production and sale of polypropylene, the enterprises proposed solutions enabling the Commission to decide that the concentration is compatible with the Merger Regulation. First, the parties will keep Montedison's polypropylene production technology outside the joint subsidiary in a new company and, second, Montedison has undertaken to withdraw from Montefina, its joint subsidiary with Petrofina.

*Avesta (II)*

**Previous decision:** Bull. 9-1992, point 1.2.39

1.2.49. *Adopted on 9 June.* The decision authorizes a change in the pattern of shareholdings in Avesta Sheffield AB.

The sale by Axel Johnson of its shares in the joint venture Avesta Sheffield, the setting-up of which was authorized by the Commission in September 1992, considerably alters the position of AGA, another shareholder in the joint venture, by enabling it to veto strategic decisions taken by Avesta.

This change constitutes a concentration within the meaning of Regulation (EEC) No 4064/89, but the Commission has concluded that it is compatible with the common market.

*Banco de Santander/Banesto*

1.2.50. *Adopted on 13 June.* Banco de Santander is authorized to acquire the shares held by Fondo de Garantía de Depósitos in Banesto.

The Commission clears a merger whereby Banco de Santander acquires the 73.45% stake in Banco España Dnol de Crédito (Banesto) held by Fondo de Garantía de Depósitos, a fund set up by the Bank of Spain and the Spanish banking sector to guarantee bank deposits and banks in difficulty.

The transaction concerns the markets for banking and financial services, primarily in Spain and Portugal (through the Totta & Açores bank and BCI), where the new bank will be the leading private financial group. The presence of national and local competitors (local banks, savings and agricultural banks, credit cooperatives, etc.) ensures that there is keen competition in the Spanish and Portuguese financial systems. The Commission therefore decides to raise no objections to the transaction.

*Rhône-Poulenc/Snia (Nyltech)*

**Previous decisions:** Bull. 7/8-1992, point 1.3.51 and 9-1993, point 1.2.32

1.2.51. *Adopted on 17 June.* The decision authorizes a joint venture in the polyamide industrial plastics sector.

The Commission authorizes Caffaro, a subsidiary of Snia which is owned by the Fiat group, and Rhône-Poulenc SA to set up a joint venture, Nyltech. Nyltech will bring together all the industrial plastics activities of Rhône-Poulenc and Caffaro worldwide, apart from Latin America.

The transaction is along similar lines to concentrations previously approved by the Commission in which the two groups merged their polyamide carpet fibre activities.

The Commission takes no position on whether industrial plastics of different categories and qualities constitute separate product markets. However, the effects of the operation are chiefly limited to the West European market for top grade polyamide-based industrial plastics, of which Nyltech's market share will not exceed 25%, in the face of powerful competitors. Nyltech will have only a marginal presence on the market for industrial plastics produced from polyesters, polyacetals and second-grade polyamides.

#### *Roche/Syntex*

*1.2.52. Adopted on 20 June.* The decision clears the takeover of Syntex Corporation by the Roche Group.

The Commission approves a concentration between the pharmaceutical and medical diagnostics interests of Roche and its US competitor Syntex. The transaction, involving a friendly takeover, will chiefly affect the US market.

While there will be an increase in market shares in respect of several categories of pharmaceutical products, the impact of the merger will be mainly felt in the medical diagnostics sector, more specifically the analysis systems used to monitor consumption of medicinal products and drugs. There will not, however, be any creation or strengthening of a dominant position in respect of medical diagnostic systems since the new Roche/Syntex venture will face competition from other firms, especially the US company Abbott, the leading supplier on the world market for medical diagnostic systems. The Commission therefore concludes that the transaction does not give rise to serious doubts as to its compatibility with the common market.

#### *Procter & Gamble/VP Schickedanz (II)*

**Decision to initiate proceedings:** Bull. 1/2-1994, point 1.2.49

*1.2.53. Adopted on 21 June.* The decision authorizes Procter & Gamble to acquire VP Schick-

edanz on condition that P & G sells off the latter's sanitary towels business.

In response to serious doubts expressed by the Commission in its decision of February this year concerning the acquisition of VP Schickedanz (VPS), a producer of household paper, sanitary protection and personal hygiene products, by Procter & Gamble (P & G), the latter offered to divest itself of VPS' "Camelia" feminine hygiene products which include sanitary towels. The sale is subject to rigorous conditions and time-limits, with the administration and sale of the business in question to be entrusted to an independent manager. The purchaser must have the necessary financial resources and experience in consumer product markets. The Commission will have the power to object to potential purchasers although P & G is free to choose the final purchaser.

The Commission considers that the undertakings given fully resolve the competition problems posed by the concentration and avoid creating or strengthening a dominant position on the markets.

#### *Daimler-Benz AG/RWE AG*

*1.2.54. Adopted on 20 June.* The decision authorizes a concentration enabling Daimler-Benz and RWE to pool their solar energy businesses.

The proposed transaction concerns the setting-up of a joint subsidiary, Angewandte Solarenergie AG (ASE). The new enterprise will operate on the markets for solar energy applications on earth and in space (satellites).

Since innovation plays a major role in the relevant markets, the Commission considers that the transaction does not create or strengthen a dominant position.

#### *Electrolux/AEG*

*1.2.55. Adopted on 21 June.* AB Electrolux is authorized to acquire sole control of AEG Hausgeräte (AHG).

Electrolux, with a 20% stake in AHG, notified its intention of acquiring the remaining 80%. The relevant product markets are essentially the markets for domestic appliances (refrigerators, washing machines, cookers, etc.) and vacuum

cleaners. The geographic market is Western Europe. After the merger, the share held by Electrolux in each of the product markets will not exceed 24%, as several powerful competitors and large distribution or buying groups are present on these markets.

As the transaction will lead to an increase in Electrolux's already large market share in the Scandinavian countries, especially Sweden, the proposed concentration constitutes a form of cooperation requiring examination under the EEA Agreement. The Commission decided not to object to the merger, despite the large market share, because, as a result of the European integration process, the markets are no longer regarded as national markets.

*PowerGen/NRG Energy/Morrison Knudsen/MIB*

*1.2.56. Adopted on 27 June.* PowerGen, NRG Energy and Morrison Knudsen are authorized to acquire Mibrag. The Treuhandanstalt is selling Mibrag, a lignite producer in the former GDR, to PowerGen, NRG Energy and Morrison Knudsen, the first being engaged in electricity generation in the United Kingdom, the other two producing energy equipment in the United States. The three companies operate in distinct markets since, although Mibrag and PowerGen are electricity generators, their markets are geographically completely separate. The Commission therefore decides not to oppose the notified transaction, declaring it compatible with the common market and with the EEA Agreement.

*AGF/Assubel*

*1.2.57. Adopted on 27 June.* The decision authorizes a concentration in the insurance sector.

The Commission authorizes a transaction whereby AGF International SA (AGF) is to acquire control of all of Delta Capital SA, a company incorporated under Belgian law which holds 56.5% of Assubel-Vie. The memorandum of understanding provides for a series of operations which will result in AGF Benelux controlling Delta Capital. Delta Capital will take over all the activities carried on through AGF Belgium, Escaut and Assubel-Vie. The other shareholders in Delta Capital will be Assubel AT and ARAG. The effect of the transaction is

principally limited to the life assurance, non-life insurance and banking markets, especially in Belgium and Luxembourg. No competition problems are expected given the competitive situation on the insurance and banking markets in Belgium and Luxembourg and the existence of other groups with a market share exceeding or equal to that of the new venture. The transaction is therefore declared compatible with the common market.

*Tractebel/Synatom*

*1.2.58. Adopted on 30 June.* The decision authorizes Tractebel to acquire control of Synatom.

Tractebel, a Belgian holding company and subsidiary of Société générale de Belgique, with diversified interests in Belgium and abroad, notably in electricity, gas, waste management and engineering, is to acquire the 50% interest in Synatom held by the Belgian State.

Tractebel thus acquires sole control of Synatom, a Belgian firm which supplies Belgian nuclear power plants with enriched uranium, since it already owned 50% of Synatom. The Belgian Government will nevertheless retain certain rights in Synatom by virtue of its 'golden share' in order to safeguard the public interest in a regulated industry.

Given that Synatom does not hold a statutory monopoly in Belgium, that its sole customers are Electrabel, a Tractebel subsidiary, and other enterprises associated with Electrabel in nuclear power generation in Belgium and that new arrivals on the Belgian market are unlikely in the foreseeable future, and in view of the nuclear moratorium in force, the transaction is compatible with the common market.

## State aid

### *General rules*

#### **Method for the application of Article 92(3)(c) to regional aid**

*1.2.59.* Commission decision amending the method.

**Reference:** Commission communication on the method for the application of Article 92(3)(a) and (c) to regional aid: OJ C 212, 12.8.1988

*Adopted on 1 June.* To assess an area's eligibility for regional aid, in the light of Article 92(3)(c) of the EC Treaty and Part II of the communication which relates to subparagraph (c), the Commission essentially relies on two criteria: per capita gross domestic product (GDP) or gross value-added at factor cost (GVA), and structural unemployment. It became apparent, however, that these indicators did not reflect the specific regional problems of certain applicant countries, namely, Norway, Sweden and Finland, because of their geography (harsh climate, vastness) and the very low population density in certain parts of their territories. These features are barriers to regional development and handicaps to be overcome by firms in those areas, but they do not enter the statistical indicators used in the method. The Commission therefore decided to introduce a new eligibility criterion, namely low population density. This is fixed at 12.5 inhabitants per square kilometre on the basis of Level III of the nomenclature of territorial units for statistical purposes (NUTS).

The Commission also decided to be generally sympathetic to certain types of transport aid to enterprises located in such areas of low population density, provided that the aid serves only to offset extra transport costs within the country concerned, that it is objectively quantifiable and that the estimate of extra costs is based on the cheapest means of transport. Aid to enterprises in sectors which the Commission considers sensitive must be notified in advance and is subject to the sectoral guidelines applicable. The products of firms for which there is no possible alternative location (products of the extractive industries, hydroelectric power stations, etc.) are not eligible for transport aid. Agricultural products falling within Annex II of the EC Treaty, with the exception of fishery products, are not covered by the system.

### *Decisions to raise no objection*

#### **Shipbuilding**

##### *Spain*

**Reference:** Seventh Council Directive 90/684/EEC on aid to shipbuilding (OJ L 380, 31.12.1990; Bull. 12-1990, point 1.3.64), as last

amended by Council Directive 93/115/EC (OJ L 326, 28.12.1993; Bull. 12-1993, point 1.2.71)

*1.2.60.* Commission decision on a draft decree providing for aid to shipbuilding.

*Adopted on 1 June.* The proposed scheme to assist Spanish shipyards involves operating aid below the ceilings set in the seventh Directive, and restructuring aid pursuant to Chapter III of the Directive. A total of PTA 8 billion (ECU 50.3 million) is to be allocated under the first scheme, and PTA 20 billion (ECU 125.8 million) under the second. A budget of PTA 10 billion (ECU 62.9 million) is also available to grant subsidized loans to EU shipowners to build or convert vessels. The loans will not exceed 80 % of the value of the contract and will be granted for 12 years at 8%, with a two-year grace period from repayments and an estimated net grant equivalent of 1.3% of the contract. The Spanish authorities have agreed that any overlapping of the aid with direct aid to shipyards will not exceed the ceilings laid down in the seventh Directive.

The Commission approves the scheme, noting that it complies with the provisions of the seventh Directive.

#### **Other measures**

##### *Belgium*

*1.2.61.* Commission decision on aid to Cellardennes, a pulp producer in Rouvrois (Wallonia).

*Adopted on 21 June.* Following the bankruptcy of Cellulose des Ardennes in August 1993, the receivers sold its assets to the highest bidders, Cartiere Burgo and Idelux. Two new companies were created, Cellardennes and Burgo Ardennes, the former operating the pulp plant and the latter the paper production plant.

The Walloon authorities proposed to grant Cellardennes an equity loan of BFR 130 million (ECU 3.3 million) to help it to finance a major investment programme costing BFR 1 175 million (ECU 29.6 million). On the basis of the information provided by the Belgian Government, the Commission concluded that the transaction involved an element of State aid in respect of a very small proportion of the investment programme; however, the aid can be

authorized as it promotes the Community pulp and logging industry without affecting trade to an extent contrary to the common interest. Cellardennes is an important outlet for the waste wood produced by saw-mills in the Belgian and French Ardennes, which play a large part in forestry and logging in this area, and the aid will enable Cellardennes to make the necessary investments for profitable production.

#### *France*

*1.2.62.* Commission decision on aid to Kimberly Clark, a paper manufacturer in Sotteville (Seine Maritime).

*Adopted on 1 June.* Until the beginning of 1993, Kimberly specialized in the production and processing of cotton wool and cellulose, and employed a workforce of 465 persons. Market trends forced it to convert its Sotteville plant to the manufacture of paper tissues and draw up a restructuring plan involving the loss of 207 jobs. A social plan which would cost FF 109.08 million (ECU 16.5 million) was drawn up, with FF 27.25 million (ECU 4.1 million) to come from the Fonds national de l'emploi and 75% to be borne by the firm. The Commission notes that the social plan forms an integral part of the restructuring plan, which provides not only for a reduction in the workforce but also for improved profitability, achieved by specializing in new products and cutting production capacity from 19 000 tonnes a year to some 13 000 to 14 000 tonnes a year.

The Commission considers that, although the grant from the Fonds constitutes State aid within the meaning of Article 92(1) of the EC Treaty, it can be authorized as the social plan considerably exceeds the minimum which the firm would normally have had to finance. In addition, the redundant workers are the main beneficiaries of the plan.

#### *United Kingdom*

*1.2.63.* Commission decision on aid to Carnon Consolidated, a tin-mining company in Cornwall.

*Adopted on 21 June.* The aid consists in the write-off of interest-free loans totalling UKL 23.4 million (ECU 30 million) granted by the

UK Government to Carnon in 1986 and 1988 and duly notified and authorized at the time by the Commission. The purpose of the aid is to support the restructuring of the company and improve its competitiveness. Tin is mined in the Community only by Carnon and at Neves Corvo in Portugal as a by-product of copper extraction.

The Commission notes that Carnon's entire output is exported to Malaysia, intra-Community trade consisting only in the export of a part of the Portuguese output to Spain. It authorizes the aid on the ground that it promotes the Community tin-mining industry without adversely affecting trade to an extent contrary to the common interest. The Commission also notes that Carnon is important to the economic development of Camborne, in Cornwall, an area of high unemployment.

#### **Environmental aid**

##### *Germany*

**Reference:** Community guidelines on State aid for environmental protection: OJ C 72, 10.3.1994; Bull. 12-1993, point 1.2.73

*1.2.64.* Commission decision on aid to energy conservation and the use of renewable energy in Brandenburg.

*Adopted on 21 June.* The scheme is intended to promote energy conservation and the use of renewable energy. Aid may be granted in various fields (new energy sources, hydroelectric, thermal, solar and geothermal plant) and may reach 40% of the project in the case of SMEs and an exceptional 50% in the case of geothermal plants. The Commission authorizes the scheme on the grounds that its implementing arrangements are in line with the environmental aid framework and that the measures will help to improve the quality of the environment in the former German Democratic Republic.

#### **Regional aid**

**Reference:** Commission communication on the principles of coordination of regional aid schemes: OJ C 31, 3.2.1979

##### *Belgium*

*1.2.65.* Commission decision concerning an amendment to a regional aid scheme in the province of Hainaut.

*Adopted on 8 June.* The Commission authorizes the extension of eligibility for regional aid, intended for the development of certain regions in line with Article 92(3)(c) of the EC Treaty, to the entire province of Hainaut. The province satisfies the eligibility criteria for regional aid since its gross domestic product is only 74.3% of national GDP, whilst unemployment is 170.5% of the national rate. The Commission also authorizes an increase in maximum aid intensities so that investment aid may in future amount to 25% net grant equivalent (NGE) for large enterprises and 30% NGE for small and medium-sized enterprises. Furthermore, as Hainaut has been classified as an Objective 1 (backward) region for the purpose of assistance from the Structural Funds, the Commission decision is in line with its aim of achieving consistency between areas supported by the Structural Funds and national assisted areas.

#### France

1.2.66. Commission decision on aid envisaged under Corsica's new tax arrangements.

**Previous decision:** Bull. 1/2-1990, point 1.1.75

*Adopted on 21 June.* The draft law introducing new tax arrangements for Corsica provides in particular for exemption from corporation tax for new activities and businesses in Corsica. The Commission considers that this constitutes investment aid with an intensity of 17%, but decides not to object to the new measure, effectively an extension of an existing scheme, as the economic and social situation in Corsica continues to justify regional aid covering up to 30% of the investment.

The Commission also notes that the measure bringing the rate of business tax in Corsica closer to the national average is justified by the nature and general design of the tax system and does not constitute aid within the meaning of Article 92 of the EC Treaty.

#### Research and development

**Reference:** Community framework for State aid for research and development: OJ C 83, 11.4.1986; Bull. 3-1986, points 1.1.1 to 1.1.6.

#### Germany

1.2.67. Commission decision on a German R&D programme 'Digitale audiovisuelle Systeme HDTV'.

*Adopted on 1 June.* The aid provided for in the research and development programme, which has a budget of DM 148 million (ECU 76.7 million) until 1998, is aimed at developing, in the area of electronic components, proposals for European standards which have broad European support and would thus have a chance of becoming the world standards. The recipients of the aid, which is for fundamental and basic industrial research, are enterprises and research institutes. The Commission authorizes the programme as the aid rates and conditions are compatible with the Community framework for State aid for research and development.

1.2.68. Commission decision on a research project 'Digital Audio Broadcasting System'.

*Adopted on 1 June.* This German research project is part of the Eureka 147 (DAB) project involving, in particular, France, Germany, the United States, the Netherlands and Finland. It is aimed at demonstrating the technical feasibility of a digital terrestrial radio network and at seeking the best solution as regards international standards for digital radio. The project has a total budget, for the period 1992-96, of ECU 10 million, of which ECU 6.7 million is intended for industry. The project is compatible with the EC Treaty and with the Community framework for State aid for research and development.

#### Luxembourg

1.2.69. Commission decision on R&D aid to ProfilARBED SA.

*Adopted on 21 June.* The Commission authorizes the granting of aid for 12 research projects involving investigation and experimentation work by ProfilARBED aimed at acquiring the knowledge required for new steel products and manufacturing processes. The aid granted to the projects (maximum 20% gross) is below the thresholds provided for in the Community framework for State aid for research and development.

#### *Decision to initiate proceedings under Article 93(2) of the EC Treaty*

#### Germany

1.2.70. Commission decision on aid to AEG Sachsenwerk GmbH of Regensburg, Bavaria.

*Adopted on 21 June.* The Bavarian authorities planned to grant a subsidized loan to AEG Sach-

senwerk of DM 45 million (ECU 23 million) for four years at 5% and with a two-year grace period from repayment. Of that amount, DM 30 million would serve to consolidate the firm's financial position by repaying loans obtained at higher interest rates, and DM 15 million would finance a number of restructuring measures.

The Commission decided to initiate the procedure because the aid, which is caught by the ban in Article 92(1) of the EC Treaty, does not seem to qualify for exemption under Article 92(2) and (3).

The portion of the aid intended to finance restructuring concerns past measures taken in the period 1988-93 and simple modernization measures plus costs connected with export promotion campaigns, costs which should normally be borne by firms without State assistance.

The portion of the aid intended to consolidate the financial position of the firm constitutes operating aid which is incompatible with the common market. Operating aid may be considered compatible in certain cases, but only in severely handicapped regions eligible for aid under Article 92(3)(a) of the EC Treaty, which is not the case of Regensburg, the sole site of AEG Sachsenswerk; nor does the aid satisfy any of the other tests for exemption under Article 92 of the Treaty.

### *Decision to initiate proceedings under Article 6(4) of the Steel Aid Code*

#### **Luxembourg**

1.2.71. Commission decision on environmental aid to Profilarbed SA (Arbed).

**Reference:** Commission Decision 3855/91/ECSC establishing Community rules for aid to the steel industry: OJ L 362, 31.12.1991; Bull. 11-1991, point 1.2.26

*Adopted on 1 June.* Under the operating licence granted by the Luxembourg authorities, Profilarbed must comply with mandatory standards fixing the thresholds for dust and noise emission. In order to meet the thresholds, Arbed had to agree to make considerable investments in the Esch Schiffflange plant. In view of the high costs involved in bringing the existing steelworks into line with the environmental protection stan-

dards, Arbed decided to speed up the process of replacing its plant with equipment meeting the new environmental protection standards.

In that connection, the Luxembourg authorities notified a plan to grant environmental protection aid to Profilarbed. The Commission concludes from its examination of the plan that the investments to be assisted relate to new plant and therefore decides to initiate the procedure provided for in Article 6(4) of the Steel Aid Code.

### *Positive final decision*

#### **Germany**

1.2.72. Commission decision on aid to Märkische Faser AG.

**Reference:** initiation of procedure: OJ C 235, 31.8.1993

*Adopted on 8 June.* Märkische Faser, the largest synthetic fibre producer in the former German Democratic Republic, was acquired in 1991 by the Swiss company Alcor Chemie AG. In July 1993 the Commission initiated the Article 93(2) procedure in respect of various transactions between Märkische Faser, the Treuhandanstalt (THA) and the *Land* of Brandenburg, involving loans, the sale of the company's real property and suspension of the enforcement of a claim by Brandenburg relating to water consumption pending a court decision on the matter.

After a detailed examination of these measures and the information supplied by the German authorities as part of the procedure, the Commission concluded that the various measures do not constitute State aid as covered by Article 92(1) of the EC Treaty and decided to terminate the procedure.

## **Industrial policy**

### **General**

1.2.73. Economic and Social Committee opinion on the industrial aspects of the Commission White Paper entitled 'Growth, competitiveness,



employment: The challenges and ways forward into the 21st century' (→ point 1.2.2).

## Individual industries

### Steel

1.2.74. Communication from the Commission to the Council and the European Parliament entitled 'Fresh impetus for restructuring the steel industry in the Community'.

#### References:

Commission Decision No 3855/91/ECSC establishing Community rules for aid to the steel industry: OJ L 362, 31.12.1991; Bull. 11-1991, point 1.2.26

Commission communication on the restructuring of the steel industry: interim report: Bull. 4-1994, point 1.2.64

Council conclusions on the restructuring of the steel industry: Bull. 4-1994, point 1.2.64

*Adopted on 21 June.* In this communication, the Commission takes stock of the difficulties encountered in restructuring a number of steel firms. It confirms its commitment to the approach agreed by all the parties concerned, reminds the industry in the Community of its responsibilities and highlights the important role which the Member States must play in the restructuring process. It stresses that the minimum closure target of 19 million tonnes must be maintained. It will continue to apply the accompanying measures currently in force, while reserving the right to suspend them if, in September, it should find that insufficient commitments have been made on closures.

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*Endorsed by the Council on 22 June.* The Council confirmed the minimum target for the restructuring plan, set at 19 million tonnes of production capacity to be shed, which the industry was committed to honouring, and called on the Commission to press ahead with implementing the restructuring plan by encouraging all initiatives which contributed to reaching that target.

1.2.75. Commission communication concerning guidelines relating to production and deliveries of steel products in the Community for the third quarter of 1994.

**Reference:** Commission communication concerning guidelines relating to production and de-

liveries of steel products: Bull. 3-1993, point 1.2.53

*Adopted on 24 June.* The guidelines drawn up by the Commission, in cooperation with the steel industry trade associations, form part of the system of quarterly guidelines established in March 1993 with a view to stabilizing the market. The Commission notes that prospects vary between long and flat products. In the case of flat products, a slight improvement in demand has been noted which should continue during the third quarter. Export prospects are good, especially to the United States, and deliveries to China may yet be resumed. Now that the economic situation in the Community has ceased to deteriorate, several major steel-consuming sectors such as the motor industry and shipbuilding are on an upward trend again. For long products, the foreseeable drop in deliveries in the Community remains substantial compared with the figures for the third quarter of 1993, in particular for products associated with activity in the construction industry, which remains relatively depressed and is struggling with a number of factors, including a drop in deliveries to China, the absence of a recovery in investments, high stocks, the pressure of imports from certain third countries and the high cost of scrap.

OJ C 178, 30.6.1994

1.2.76. Draft forward programme for steel for the second half of 1994 and revised estimates for the year as a whole.

**Previous programme:** Bull. 1/2-1994, point 1.2.72

*Adopted by the Commission (first reading) on 28 June.* In the forward programme, which is supplemented by quarterly guidelines, the Commission gives economic forecasts which foreshadow only a very slow recovery during the second half of the year. Greater activity in certain steel-consuming sectors, such as the motor-vehicle and mechanical engineering industries, is expected to lead to a slight increase in demand for steel on the Community market, together with a small rise in imports. Community exports of steel products are expected to slow slightly, following strong growth in 1993, owing to the slackening of activity in China and in a number of countries in South East Asia. On the basis of these forecasts, actual consumption of steel is estimated at 53.25 million tonnes, an increase of 4.4% on the corresponding period in 1993.

However, with exports likely to fall off significantly, steel production for the half year is expected to be 63.5 million tonnes, a fall of 1.2% compared with the second half of 1993.

The forecasts for 1994 have been revised, mainly because the out-turn for 1993 was worse than expected. Actual consumption is estimated at 112.5 million tonnes. Dealers' stocks are likely to increase by 1 million tonnes and, given the continuing high level of exports, steel production should amount to 133.3 million tonnes.

*Endorsed by the ECSC Consultative Committee on 30 June.*

### *Textiles and clothing*

1.2.77. Economic and Social Committee opinion on the Commission report on the competitiveness of the European textile and clothing industry.

**Reference:** Commission report: COM(93) 525; Bull. 11-1993, point 1.2.69

*Adopted by the Economic and Social Committee on 1 June.* The Committee welcomes the report and calls on the European Union to step up its efforts to increase the competitiveness of the industry. It urges the Commission to consult the social partners before taking any decisions. The Committee considers that particular attention should be paid to the fair application of international trade rules within the framework of the World Trade Organization.

## Enterprise policy

### **Small and medium-sized enterprises**

1.2.78. The Council welcomes the integrated programme in support of small and medium-sized enterprises, which aims to help them to adapt to the internal market and to the new competitive environment. It also stresses the importance of local development initiatives for job creation and the need to remove the regulatory

and administrative burdens faced by enterprises in improving their competitiveness. (→ point 1.6).

1.2.79. Commission communication on the implementation of an integrated programme in support of small and medium-sized enterprises (SMEs) and the craft sector.

**Commission approval:** Bull. 5-1994, point 1.2.45

*Formally adopted by the Commission on 3 June.*  
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*Conclusions adopted by the Council (industry) on 22 June.* The Council notes that the integrated programme presented by the Commission responds to the objectives laid down by the White Paper on growth, competitiveness and employment and reflects the thinking behind the action plan decided by the European Council in Brussels with the aim of improving the competitiveness of SMEs and the craft sector in the medium term. It notes with interest the themes and methods contained in the programme and the new approaches proposed therein, particularly concerning consultation between Member States, stimulating demand for national and regional measures for SMEs and the craft sector and identification and integration of the various contributions that the European Union can make to the creation and development of enterprises. It draws the attention of the Corfu European Council to the importance of this programme.

1.2.80. Commission communication on the transfer of enterprises.

**Reference:** Commission communication on the implementation of an integrated programme in support of small and medium-sized enterprises (SMEs) and the craft sector: point 1.2.79 of this Bulletin

*Adopted by the Commission on 29 June.* After setting out the main problems encountered by entrepreneurs in transferring an enterprises to an heir, in this communication the Commission examines the various potential solutions to ensure the continuity of enterprises and the jobs which go with them. Its intention is thus to instigate a large-scale consultation of all interested parties, who will have to present their comments by 30 September 1994, whereupon it will propose the necessary measures to ease the transfer of enterprises by improving their legal and fiscal environment.

Every year, maladministration of transfers leads to thousands of enterprises and SMEs in particular being wound up. The Commission has identified several fiscal and legal solutions in existence in the Member States which would appear to be the best practice to ease the transfer of an enterprise and which could apply to the Community as a whole.

It has identified the following guidelines:

- the legal principle of the continuity of partnerships and sole proprietorships in the event of the death of one of the partners or of the entrepreneur, and the primacy of a memorandum of association over the provisions of a will;
- majority or qualified-majority voting by co-heirs on decisions affecting the fate of a partnership or sole proprietorship;
- the strengthening of the status of a sole proprietor so as to provide a more suitable legal framework and the transfer of the enterprise as a whole by a single legal act;
- the introduction of a right of conversion, in particular of a partnership or sole proprietorship to an incorporated enterprise, and particularly to a joint-stock company, without requiring the winding-up of the enterprise and the founding of a new entity;
- the option for an SME of organizing as a joint-stock company which could be set up and run on a simpler format to that of large joint stock corporations;
- the application of fiscal neutrality to the operations to amend the legal status of the enterprise;
- measures to facilitate the takeover of the enterprise by one or more outside parties or by the employees themselves;
- measures to reduce inheritance taxes applicable to the transfer of SMEs on condition that the activity is maintained, with the possibility of deferring payment of inheritance taxes;
- measures to avoid double taxation in the event of a cross-border succession.

## Research and technology

*1.2.81.* The European Council called for the rapid adoption of specific sector programmes, in particular in the information and biotechnology

sectors, in order to give practical effect to the recently adopted framework programme 1994-98. It also called for more systematic coordination of Community and national research policies.

## Framework programme 1994-98

### *Specific programmes*

*1.2.82.* The Council reached agreement on common positions on the proposals for Decisions concerning the rules for the participation of undertakings, research centres and universities in the specific research, technological development and demonstration programmes of the European Community and the rules for the dissemination of the research results from those programmes (→ points 1.2.83 and 1.2.84). It also reached agreement on the proposal for a Decision concerning the rules for the participation of undertakings, research centres and universities in the specific research and training programmes of the European Atomic Energy Community (→ point 1.2.85). The purpose of these provisions is to lay down general rules for implementing the specific research and technological development programmes, special attention being paid to small and medium-sized enterprises and cooperation with entities from third countries or international organizations.

*1.2.83.* Proposal for a Council Decision concerning the rules for the dissemination of the research results from the specific research, technological development and demonstration programmes of the European Community.

**Commission proposal:** OJ C 81, 18.3.1994; COM(94) 12; Bull. 1/2-1994, point 1.2.80

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.67

*Endorsed by the Economic and Social Committee on 1 June.* However, the Committee would like the Commission to spell out in detail the rights and obligations connected with the dissemination and exploitation of research results, in particular as regards intellectual property rights and the protection of knowledge.

*Amended proposal adopted by the Commission on 7 June.*

OJ C 175, 28.6.1994; COM(94) 242

*Common position agreed by the Council on 27 June.*

1.2.84. Proposal for a Council Decision concerning the rules for the participation of undertakings, research centres and universities in the specific research, technological development and demonstration programmes of the European Community.

**Commission proposal:** OJ C 81, 18.3.1994; COM(94) 12; Bull. 1/2-1994, point 1.2.80

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.66

*Endorsed by the Economic and Social Committee on 1 June.*

*Amended proposal adopted by the Commission on 7 June.*

OJ C 175, 28.6.1994; COM(94) 242

*Common position agreed by the Council on 27 June.*

1.2.85. Proposal for a Council Decision concerning the rules for the participation of undertakings, research centres and universities in the specific research and training programmes of the European Atomic Energy Community.

**Commission proposal:** OJ C 81, 18.3.1994; COM(94) 12; Bull. 1/2-1994, point 1.2.80

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.68

*Economic and Social Committee opinion delivered on 1 June.* In its opinion, which also covers the participation rules proposed by the Commission for specific programmes covered by the EC Treaty (→ point 1.2.84), the Committee endorsed the Commission proposals but emphasized the risk of a proliferation of special rules liable to complicate even further procedures which are already complex, called for greater efforts to improve transparency and provide information, in particular with regard to small and medium-sized enterprises, and regretted the lack of provisions to encourage research cooperation between firms and universities.

*Amended proposal adopted by the Commission on 7 June.*

OJ C 175, 28.6.1994; COM(94) 242

*Agreed by the Council on 27 June.*

1.2.86. In order to take account of the amendments adopted by Parliament, the Commission

adopted amended proposals relating to 12 of the 20 specific programmes (→ points 1.2.87 to 1.2.98) implementing the fourth European Community framework programme for research, technological development and demonstration activities. It agreed to most of the specific amendments adopted by Parliament, but, where the amendments common to all the proposals are concerned, it did not agree to those concerning the consultation of committees, international cooperation, and SMEs.

The Economic and Social Committee adopted opinions on three of these specific programmes (→ points 1.2.87 to 1.2.89).

The Council reached agreement on two specific programmes (→ points 1.2.87 and 1.2.88).

1.2.87. Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of advanced communications technologies and services (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.55

*Endorsed by the Economic and Social Committee on 1 June.* However, the Committee called for the emphasis to be placed on practical activities that can be speedily implemented and disseminated, for the administrative expenditure to be halved, and for the breakdown of amounts allocated to be altered.

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

*Agreed by the Council on 27 June.* The Council decided on the following indicative breakdown of the amount (ECU 630 million) deemed necessary for this programme:

- interactive digital multimedia services: ECU 162 million;
- photonic technologies: ECU 104 million;
- high-speed networking: ECU 75 million;
- mobility and personal communications networks: ECU 115 million;
- intelligence in networks and service engineering: ECU 100 million;

- quality, security and safety of communication services and systems: ECU 43 million;
- horizontal actions: ECU 31 million.

1.2.88. Proposal for a Council Decision adopting a specific research and technological development programme in the field of industrial and materials technologies (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.57

*Endorsed by the Economic and Social Committee on 1 June.* However, the Committee called for the procedures to be simplified and for a support service for SMEs to be set up.

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

*Agreed by the Council on 27 June.* The Council decided on the following indicative breakdown of the amount (ECU 1 617 million) deemed necessary for the programme:

- production technologies: 36.5 %;
- materials and technologies for product innovation: 35 %;
- technologies for means of transport: 28.5 %, 50 % of which for the aeronautics sector.

In addition, the Joint Research Centre will contribute to this programme by means of direct action projects totalling ECU 90 million.

1.2.89. Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of non-nuclear energy (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.61

*Endorsed by Economic and Social Committee on 1 June.* However, the Committee commented that priority should have been given to the rational use of traditional energy sources rather than allocating a substantial proportion to the funding of renewable energy sources, and that greater emphasis should be placed on cogeneration and district heating/cooling technologies.

*Amended proposal adopted by the Commission on 3 June.*

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1.2.90. Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of telematics applications of common interest (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.54

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.91. Proposal for a Council Decision adopting a specific research and technological development programme in the field of information technologies (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.56

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.92. Proposal for a Council Decision adopting a specific research and technological development programme in the field of standardization, measurement and testing (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.58

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.93. Proposal for a Council Decision adopting a specific research and technological development programme in the field of marine science and technology (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.59

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.94. Proposal for a Council Decision adopting a specific research, technological develop-

ment and demonstration programme in the field of agriculture and fisheries (including agro-industry, food technologies, forestry, aquaculture and rural development) (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.60

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.95. Proposal for a Council Decision adopting a specific programme in the field of targeted socio-economic research (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.62

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.96. Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of cooperation with third countries and international organizations (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.63

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.97. Proposal for a Council Decision adopting a specific research and technological development programme in the field of training and mobility of researchers (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.64

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

1.2.98. Proposal for a Council Decision adopting a specific research and development programme to be carried for the European Commu-

nity by means of direct action (JRC) and by means of activities within the framework of a competitive approach and intended for scientific and technical support to Community policies (1995-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.65

*Amended proposal adopted by the Commission on 3 June.*

COM(94) 243

## Accompanying, promotion and support activities and other activities

### Technical coal research

1.2.99. Draft Commission Decision granting financial aid to technical coal research projects for 1994.

**Commission draft:** Bull. 3-1994, point 1.2.73

*Assent given by the Council on 27 June.*

OJ C 192, 15.7.1994

*Endorsed by the ECSC Consultative Committee on 30 June.*

## International cooperation

### Australia

1.2.100. Agreement relating to scientific and technical cooperation between the European Community and Australia.

**Negotiating directives:** Bull. 5-1992, point 1.1.64

**Commission proposal concerning conclusion:** OJ C 181, 3.7.1993; COM(93) 269; Bull. 6-1993, point 1.2.93

**Economic and Social Committee opinion:** OJ C 304, 10.11.1993; Bull. 9-1993, point 1.2.63

**Parliament opinion:** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.69

**Council Decision concerning signature:** Bull. 1/2-1994, point 1.2.85

*Decision 94/457/EC concluding the Agreement adopted by the Council on 27 June.* The purpose

of the Agreement is to encourage and facilitate cooperation between Australia and the Community in fields of common interest where the parties support research and development activities to advance science and/or technology relevant to those fields. Under the Agreement, cooperation will cover activities in the following fields: biotechnology, medical and health research, marine science and technology, environment, and information and communication technologies.

OJ L 188, 22.7.1994

## Japan

1.2.101. Visit by Mr Ruberti from 2 to 12 June.

**Reference:** Commission Decision on the establishment of an EC-Japan Forum on Science and Technology: Bull. 7/8-1993, point 1.2.87

Having been received by Mr Kakizawa, the Japanese Minister for Foreign Affairs, Mr Ruberti co-chaired, with Mr Omi, the Minister responsible for the Science and Technology Agency, the first meeting of the EC-Japan Forum on Science and Technology, in the framework of which regular high-level consultations are to be held between the Commission and the Japanese Government in order to strengthen cooperation on science and technology.

Mr Ruberti also met Mrs Akamatsu, the Minister for Education, Science and Culture, and various other eminent personalities. The talks covered various aspects of science and technology, and in particular the challenges facing the European Union and Japan, the development of cooperation between Japan and the Union in this area, cooperation on large international projects, and the management of human resources.

## Switzerland

1.2.102. Draft Agreement between the European Community and Switzerland with a view to its participation in all the Community's research and technological development programmes.

### References:

Framework Agreement for scientific and technical cooperation between the Communities and Switzerland: OJ L 71, 14.3.1987, Bull. 2-1987, point 2.1.31; Bull. 3-1987, point 2.1.42

Parliament and Council Decision No 1110/94/EC concerning the fourth framework programme of European Community activities in the field of research, technological development and demonstration (1994-98): OJ L 126, 18.5.1994; Bull. 4-1994, point 1.2.69

Council Decision 94/268/Euratom concerning a framework programme of Community activities in the field of research and training for the European Atomic Energy Community (1994-98): OJ L 115, 6.5.1994; Bull. 4-1994, point 1.2.70

Council conclusions on relations with Switzerland: Bull. 5-1994, point 1.3.25

*Recommendation for a Council Decision adopted on 15 June.* The draft Agreement fits in with the Council's May conclusions and implements the 1987 Framework Agreement. It covers all the activities proposed under the fourth framework programme (1994-98) and the nuclear research framework programme (1994-98).

# Trans-European networks

## General

1.2.103. Conclusions of the Corfu European Council (→ point I.7).

1.2.104. Interim report of the group of personal representatives on the trans-European networks (→ point 1.2.7).

1.2.105. Commission communication on financing the trans-European networks (→ point 1.2.8).

## Telematics and telecommunications networks

1.2.106. Council resolution on information exchange between administrations.

**Council agreement:** Bull. 5-1994, point 1.2.73

*Formally adopted by the Council on 20 June.*

OJ C 181, 2.7.1994

# Energy

## Relations with third country energy producers or importers

### *European Energy Charter*

#### 1.2.107. European Energy Charter Treaty.

**Signature of the European Energy Charter:**  
Bull. 12-1991, point 1.2.114

**Previous meeting:** Bull. 3-1994, point 1.2.83

*Agreed by the contracting parties at the plenary meeting of the conference held in Brussels, from 7 to 11 June.* After several years of negotiations the conference members reached an agreement on the European Energy Charter Treaty.

The main aim of the Charter, which was signed on 17 December 1991 to develop new relations between the main European countries, most of the independent States of the former Soviet Union and Central and Eastern Europe, Canada, United States of America and Japan, concerning trade, investment and energy cooperation, is to develop the energy potential of the countries of the Commonwealth of Independent States (CIS) and of Central and Eastern Europe while helping to improve the security of supply for the European Community.

The political commitment entered into in 1991 has now been translated into legally binding provisions which will, however, have to be re-examined from the technical and legal points of view by the contracting parties. The negotiations now having been concluded, the Treaty will be signed once the various governments have approved the text and made the necessary clarifications.

## Transport

### General

#### *Development of the common transport policy*

#### 1.2.108. Commission communication on the way forward for civil aviation in Europe.

**Reference:** Council Regulations (EEC) No 2407/92, No 2408/92, and No 2409/92 on licens-

ing of air carriers, access for Community air carriers to intra-Community air routes, and fares and rates for air services (third liberalization package): OJ L 240, 24.9.1992; Bull. 7/8-1992, point 1.3.98

*Adopted on 1 June.* In this communication to the Council, Parliament and the Economic and Social Committee the Commission analyses the situation of and the difficulties facing air transport, in particular in the light of the conclusions of the Committee of Wise Men which it set up in June 1993. Taking the view that the difficulties encountered by the civil aviation sector in Europe are due not only to the disturbances caused by the Gulf crisis and the economic crisis but also to structural deficiencies such as barriers to the smooth functioning of the single market, its unnecessary fragmentation, and the inadequacy of the infrastructure, and noting that operating costs are 40% greater than those of American airlines, the Commission is proposing to implement an action programme designed to make it possible to restructure this sector in order to make it more efficient and more competitive.

The action programme, for which an indicative timetable is given, will be implemented in consultation with the other Community institutions, international organizations and specialist bodies, and comprises the following main features:

- continuation of efforts to implement the rules of the third liberalization package in order to fulfil all the requirements of the single market;
- intensification of work on the modernization of infrastructure and the creation of a political and institutional framework for air-traffic management;
- taking into account, when applying the rules of competition, of savings resulting from cooperation between airlines;
- new initiatives to develop a common policy with regard to external relations, in particular to entitle Community airlines to serve third countries from Member States other than the State of registration and replace nationality clauses in bilateral air services agreements concluded by Member States by a Community clause;
- continuation of measures to harmonize standards, together with an appropriate cost-benefit assessment.

COM(94) 218



## Inland transport

### Road transport

**1.2.109.** Proposal for a Council Directive laying down maximum authorized weights and dimensions for road vehicles over 3.5 tonnes circulating within the Community.

**Commission proposal:** OJ C 38, 8.2.1994; COM(93) 679; Bull. 12-1993, point 1.2.132

*Economic and Social Committee opinion delivered on 1 June.* While welcoming the consolidation of existing legislation on maximum weights and dimensions for vehicles over 3.5 tonnes carrying out transport operations in the Community, the Committee considered that the provisions should not be extended to cover national transport in the immediate future.

**1.2.110.** Proposal for a Council Directive on the approximation of the laws of the Member States with regard to the transport of dangerous goods by road.

**Commission proposal:** OJ C 17, 20.1.1994; COM(93) 548; Bull. 11-1993, point 1.2.92

**Economic and Social Committee opinion:** Bull. 4-1994, point 1.2.90

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.83

*Amended proposal adopted by the Commission on 2 June.* This proposal takes over certain Parliament amendments, in particular concerning the use of non-certified packagings.

OJ C 192, 15.7.1994; COM(94) 238

*Common position agreed by the Council on 14 June.* This proposal aims to harmonize the rules applicable to national and intra-Community transport of dangerous goods in order to ensure an acceptable level of safety and to create a single market for such transport services. The proposal is designed to bring into Community law the rules of the Europe Agreement concerning the international carriage of dangerous goods by road (ADR), the amendments adopted in the course of the updating of the ADR and the UN's recommendations on the transport of dangerous goods. The common position uses the ADR to determine those dangerous goods which it would be forbidden to transport by road, and those which could be so transported if certain conditions were fulfilled, e.g. concerning the

packaging of goods and the construction of vehicles. It also includes the option for Member States in certain cases of imposing stricter requirements than those laid down by the ADR in order to ensure a higher level of safety.

**1.2.111.** Proposal for a Council Directive on admission to the occupation of road haulage and road passenger transport operator and mutual recognition of diplomas, certificates and other evidence of formal qualifications intended to facilitate for these operators the right to freedom of establishment in national and international transport operations.

**Commission proposal:** OJ C 286, 14.11.1990; Bull. 10-1990, point 1.3.189

**Amended Commission proposal:** COM(93) 586; Bull. 12-1993, point 1.2.133

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.88

*Endorsed by the Economic and Social Committee on 1 June.*

### Inland waterway transport

**1.2.112.** Commission report on the organization of the inland waterway transport market and systems of chartering by rotation.

*Adopted on 9 June.* In this report, which was requested by the Council, the Commission studies the position, from the point of view of Community law, of the system of chartering by rotation, a system of allocating requests for transport operations at fixed tariffs in Belgium, France and the Netherlands. The Commission comes to the conclusion that rotation systems organized by operators are incompatible with the competition rules and considers that systems regulated by the Member States should only be accepted subject to certain conditions. It recommends considering the problem of rotation not solely from a legal point of view but also from the point of view of the inland waterway transport market as a whole, and in particular its socio-economic aspects. It advocates an overall solution covering the various rotation systems, aimed at promoting this mode of transport, and establishing a common approach for the whole inland waterway transport market, entailing the gradual liberalization of the market, together with measures to mitigate the structural weaknesses in the sector.

## Sea transport

*1.2.113.* Proposal for a Council Regulation on the implementation of IMO resolution A 747 (18) on the application of tonnage measurement of ballast spaces in segregated ballast oil-tankers.

**Commission proposal:** OJ C 5, 7.1.1994; COM (93) 468; Bull. 12-1993, point 1.2.138

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.84

*Endorsed by the Economic and Social Committee on 1 June.*

*Amended proposal adopted by the Commission on 2 June.* This amended proposal takes over all Parliament's amendments.

OJ C 192, 15.7.1994; COM(94) 239

*Common position agreed by the Council on 13 June.* This proposal aims to ensure that segregated ballast tankers are not placed at a disadvantage where dues are calculated on the basis of gross tonnage, either by deducting the tonnage of the segregated ballast tanks from the gross tonnage or by ensuring that the fee for a segregated ballast tanker is at least 17% lower than that for an equivalent tanker without segregated ballast tanks.

*1.2.114.* Proposal for a Council Directive concerning the setting-up of a European vessel reporting system in the maritime zones of Community Member States.

**Commission proposal:** OJ C 22, 26.1.1994; COM(93) 647; Bull. 12-1993, point 1.2.137

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.92

*Endorsed by the Economic and Social Committee on 1 June.* The Committee recommended that the costs to the Member States and the fleet as a result of setting up the system should be kept as low as possible, and in particular that the costs of acquiring and/or modernizing the equipment needed should be included in the financing scheduled for the trans-European networks.

*Amended proposal adopted by the Commission on 7 June.* The amended proposal takes over certain Parliament amendments and in particular provides for taking into account the international conventions governing the movement of vessels in transit.

OJ C 193, 16.7.1994; COM(94) 220

*1.2.115.* Proposal for a Council Directive on common rules and standards for ship inspection and survey organizations.

**Commission proposal:** OJ C 167, 18.6.1993; COM(93) 218; Bull. 5-1993, point 1.2.74

**Economic and Social Committee opinion:** OJ C 34, 2.2.1994; Bull. 11-1993, point 1.2.96

**Parliament opinion (first reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.93

**Amended Commission proposal:** OJ C 124, 5.5.1994; COM(94) 111; Bull. 4-1994, point 1.2.94

*Common position agreed by the Council on 13 June.* This proposal lays down the criteria which must be met by ship inspection, survey and certification organizations. In particular, under the proposed Directive such organizations must have extensive experience of assessing the design and construction of merchant ships, classify at least 1 000 vessels of over 100 grt, and employ a technical staff commensurate with the number of vessels classified. It also provides for comprehensive rules concerning the design, construction and periodic surveys of merchant ships, the annual publication of a register of vessels, and freedom from control by shipowners or shipbuilders.

*1.2.116.* Proposal for a Council Directive on the minimum level of training for seafarers.

**Commission proposal:** OJ C 212, 5.8.1993; COM(93) 217; Bull. 5-1993, point 1.2.73

**Economic and Social Committee opinion:** OJ C 34, 2.2.1994; Bull. 11-1993, point 1.2.95

**Parliament opinion (first reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.92

**Amended Commission proposal:** OJ C 144, 27.5.1994; COM(94) 124; Bull. 4-1994, point 1.2.93

*Common position agreed by the Council on 13 June.* The purpose of this proposal is to improve safety at sea by improving crew training and by developing common minimum training standards for key personnel.

In particular, it lays down that all seafarers serving on board ships registered in a Community Member State must hold a certificate proving that they have received appropriate training in compliance with the relevant IMO International Convention. It also lays down a strict procedure for recognition of foreign certificates in the Community, to ensure that seafarers from third countries have a level of competence compara-

ble to that required by the Convention. It also emphasizes the need for effective oral communication on safety matters among crew members and between the crew and passengers in emergency situations, and for appropriate checks by the Member States of the level of training and competence of crews belonging to ships flying the flag of a third country which has not signed the Convention or holding non-recognized certificates.

*1.2.117.* Commission communication and draft Council Resolution on a Community approach to satellite navigation systems.

*Adopted on 8 and 14 June.* The purpose of this communication is to present the area of satellite navigation and the strategic issues involved, and to propose a European approach in this connection.

The Commission stresses the need for immediate action to enable the European Union to harness satellite navigation systems in the interest of users and industry and in particular to develop a system complementary to the American global positioning system and the Russian global navigation satellite system, and the need to set up a high-level coordinating group. It suggests that studies and research should be carried out to enable European industry to be involved in the design and implementation of the future global navigation satellite system (GNSS2), the Community contribution to the funding of these activities to be provided through the existing financial instruments, in particular in the context of the trans-European networks and the fourth research and development programme.

The aim of the draft Council resolution attached to the communication is to enable an early decision to be taken about the commencement of the European Union's involvement in the establishment of a global satellite navigation system.

COM(94) 248

## State aid

### *Decisions to raise no objections*

#### Netherlands

*1.2.118.* Commission Decision on proposed aid to shipping companies.

*Adopted on 21 June.* The purpose of the proposed aid is to encourage the modernization of

the Dutch fleet, and compliance with high safety and environmental standards by vessels flying the Dutch flag, and to increase the competitiveness of the Dutch fleet. It is also designed to prevent the transfer of flags to open registries. The Commission took the view that these measures would not affect trade between Member States and were compatible with Community shipping policy the two main objectives of which are to ensure that vessels remain under the flags of the Member States and that the greatest possible number of Community seafarers are employed, given the increased competition from third countries.

## Telecommunications, information services and industry

### General

*1.2.119.* Report of the high-level group on Europe and the global information society — Recommendations to the European Council (→ point 1.2.9); conclusions of the Corfu European Council (→ point 1.8).

### Telecommunications

#### *Legislative aspects*

*1.2.120.* Commission communication on space segment capacity in satellite communications.

**Reference:** Commission Green Paper on a common approach in the field of satellite communications in the European Community: COM(90) 490; Bull. 11-1990, point 1.3.64

*Adopted by the Commission on 10 June.* This communication supplements the Green Paper on satellite communications, in which the Commission envisaged the liberalization and harmonization of earth station equipment and services ('ground segment'). In view of the need to cre-

ate a single market for the supply of satellite communications services and equipment and in view of the benefits of such a market to European enterprises, the Commission suggests certain additional measures concerning the 'space segment':

- ensuring throughout the European Union direct access to the space segment, including in particular the space segment provided by the International Satellite Organizations;
- joint action by the Member States in the reform of the International Satellite Organizations and in particular of Eutelsat, bearing in mind the new regulatory and market requirements;
- joint management in the future of the space segment as a common resource of the European Union, in particular concerning future applications to the International Telecommunication Union for orbital positions;
- the establishment of measures to ensure comparable and effective access to third countries, in parallel with the liberalization of the market in the European Union;
- inclusion of satellite-based services as a priority in programmes for trans-European networks, in particular with regard to the emerging technologies.

COM(94) 210

*1.2.121.* Proposal for a European Parliament and Council Directive on a policy for the mutual recognition of licences and other national authorizations for the provision of satellite network services and/or satellite communication services.

**Commission proposal:** OJ C 36, 4.2.1994; COM (93) 652; Bull. 1/2-1994, point 1.2.99

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.99

*Endorsed by the Economic and Social Committee on 1 June.* The Committee made comments concerning in particular the ample discretion to be given to the Commission in implementing the Directive, the risks of hampering the operation of the sector by binding administrative procedures and the conditions governing the allocation of radio frequencies. More specifically, it suggested specifying the one-stop shopping procedure and the concept of an undertaking already established in a Member State.

*1.2.122.* Proposal for a European Parliament and Council Directive on the application of open network provision (ONP) to voice telephony.

**Commission proposal:** OJ C 263, 12.10.1992; COM(92) 247; Bull. 7/8-1992, point 1.3.86

**Economic and Social Committee opinion:** OJ C 19, 25.1.1993; Bull. 11-1992, point 1.3.92

**Parliament opinion (first reading):** OJ C 115, 26.4.1993; Bull. 3-1993, point 1.2.75

**Amended Commission proposal:** OJ C 147, 27.5.1993; COM(93) 182; Bull. 5-1993, point 1.2.77

**Council agreement on a common position:** Bull. 5-1993, point 1.2.77

**Council common position:** Bull. 6-1993, point 1.2.124

**Proposal subject to the co-decision procedure since 1 November 1993**

**Parliament amendments (second reading):** OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.102

**Commission opinion:** COM(94) 48; Bull. 3-1994, point 1.2.102

**Conciliation Committee meeting:** Bull. 3-1994, point 1.2.102

**Council agreement confirming its common position:** Bull. 5-1994, point 1.2.88

*Common position formally confirmed by the Council on 20 June.*

## Economic and social cohesion

### Structural action, regional policies

#### *Planning and orientation*

##### **General matters**

*1.2.123.* Council resolution on promotion of equal opportunities for men and women through action by the European Structural Funds.

*Adopted on 22 June.* The Council, stressing the importance of the principle of equal opportunities for men and women on the labour market and recalling that women experience serious and particular difficulties thereon, invites the Member States and the Commission to take account of this in the use made of the Structural Funds, particularly the European Social Fund.

##### **Community structural action in Objective 1 areas**

**Reference:** Council Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards co-

ordination of the activities of the different Structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments (OJ L 374, 31.12.1988; Bull. 12-1988, point 2.1.200), as last amended by Regulation (EEC) No 2082/93; OJ L 193, 31.7.1993; Bull. 7/8-1993, point 1.2.116

#### *Single programming documents*

**1.2.124.** Commission Decision approving the single programming document for Community structural action in Hainault, eligible under Objective 1 (development and adjustment of regions lagging behind in development).

**Approved by the Commission:** Bull. 5-1994, point 1.2.92

*Formally adopted on 14 June.*

**1.2.125.** Commission Decision approving the single programming document for Community structural action in Flevoland, eligible under Objective 1 (development and adjustment of regions lagging behind in development).

**Approved by the Commission:** Bull. 5-1994, point 1.2.91

*Formally adopted on 29 June.*

#### *Community support frameworks*

**Reference:** Decisions on establishment of Community support frameworks (1989-93) for regions lagging behind in development: OJ L 370, 19.12.1989; Bull. 10-1989, point 2.1.102

**1.2.126.** The Commission, in partnership with national, regional and local authorities, has drawn up Community support frameworks for the regions of Germany, Greece, Ireland, Italy and Spain covered by Objective 1 (development and adjustment of regions lagging behind in development) (points & rarr; 1.2.127 to 1.2.131).

**1.2.127.** Commission Decision on establishment of a Community support framework for structural action in the Spanish Objective 1 regions.

*Approved on 1 June.*

*Formally adopted on 29 June.* The support framework for Andalusia, Asturias, the Canary

Islands, Cantabria, Castile-La Mancha, Castile-Leon, Ceuta, Extremadura, Galicia, Melilla, Murcia and Valencia sets the following priorities:

- improving the productive system (industry, tourism, agriculture, fisheries, research and development, technical assistance) in order to boost economic growth and create jobs and so help combat unemployment
- upgrading human resources and the environment in conjunction with development of the productive base, since these are essential factors in the fight against unemployment
- improving access (roads, railways, ports, airports, telecommunications)
- improving basic facilities, particularly water and energy supply.

The Community's contribution amounts to ECU 26.3 billion, two and a half times that provided under the previous Community support framework. The breakdown is 60.6% from the ERDF, 23% from the ESF, 12.6% from the EAGGF and 3.8% from the FIG.

**1.2.128.** Draft Commission Decision establishing the Community support framework for structural action in Ireland under Objective 1.

*Approved on 15 June.* The support framework for the Irish regions sets two main objectives: (i) ensuring the best long-term return for the economy by increasing output, economic potential and long-term jobs; (ii) reintegrating the long-term unemployed and those at high risk of becoming so into the economic mainstream. The strategy approved by the Commission sets a number of priorities:

- strengthening the productive sector
- developing the economic infrastructure in two fields: transport (airports, roads, Dublin Transportation Initiative) and the environment
- developing human resources (education, continuing training, fighting exclusion from the labour market) and strengthening education and training structures
- urban and rural development through implementation of local development plans.

The Community assistance scheduled amounts to ECU 5.62 billion, 45.6% from the ERDF, 34.8% from the ESF, 18.8% from the EAGGF and 0.8% from the FIG.

1.2.129. Draft Commission Decision establishing the Community support framework for structural action in Greece under Objective 1.

*Approved on 15 June.* The support framework for the Greek regions sets five priorities:

- reducing the extent of remoteness and promoting internal integration by investment in major (chiefly transport) infrastructure, thereby creating the necessary environment for productive investment generating income and jobs
- improving living conditions through integrated environmental action, improvement of the health system and urban development
- supporting development of the economic fabric through an industrial policy focusing on international competitiveness of firms and modernization of agriculture, tourism and fishing
- developing human resources and promoting employment
- reducing regional disparities and improving access to the islands.

The scheduled Community contribution is ECU 13.98 billion: ECU 9.5 billion from the ERDF, ECU 2.5 billion from the ESF, ECU 1.8 billion from the EAGGF and ECU 200 million from the FIG.

1.2.130. Draft Commission Decision establishing the Community support framework for structural action in the German Objective 1 regions.

*Approved on 21 June.* The support framework for the five new German *Länder* (Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt, Thuringia) and East Berlin sets a number of priorities for action in pursuit of the general objective of economic reconstruction and launching of rapid growth:

- expansion of productive investment and investment in infrastructure of economic importance
- support for small and medium-sized enterprises
- research, technological development and innovation
- protection and improvement of the environment

- combating unemployment, developing human resources and vocational training
- rural development; redevelopment in agriculture and fisheries
- technical assistance.

The scheduled Community contribution is ECU 13.64 billion, 50% from the ERDF, 30% from the ESF, 19.38% from the EAGGF and 0.62% from the FIG.

1.2.131. Draft Commission Decision establishing a Community support framework for structural action in the Italian Objective 1 regions.

*Approved on 29 June.* The support framework covering Abruzzi from 1 January 1994 to 31 December 1996 and Apulia, Basilicata, Calabria, Campania, Molise, Sardinia and Sicily from 1 January 1994 to 31 December 1999 sets as priority action areas: (i) transport infrastructure; (ii) industry, the crafts sector and business services; (iii) tourism; (iv); diversification and improvement of agricultural resource use (v) fisheries; (vi) other support infrastructure for economic activities; (vii) development of human resources.

The support framework is in two sections: multi-regional and regional, with scheduled Community contributions of ECU 7.574 and 7.286 billion respectively. The total of ECU 14.86 billion will come 65% from the ERDF, 18.4% from the ESF, 15% from the EAGGF and 1.6% from the FIG.

### **Community structural assistance under Objective 3**

#### *Community support frameworks*

1.2.132. Commission Decision establishing the Community support framework for European Social Fund Assistance under Objective 3 in Luxembourg.

**Reference:** Decision establishing a Community support framework for assistance from the European Social Fund under Objectives 3 and 4 in Luxembourg; OJ L 64, 13.3.1990; Bull. 12-1990, point 2.1.131

*Approved by the Commission on 1 June.*

*Formally adopted on 27 June.* In partnership with the national authorities the Commission has

drawn up the Community support framework for European Social Fund assistance under Objective 3 (combating long-term unemployment and integration into working life of young people and persons exposed to exclusion from the labour market). Five action areas are defined:

- reducing structural long-term unemployment by developing training and job-finding services
- integrating young people by means of training and work-experience schemes
- improving integration into working life of persons with a physical, sensory or mental disability
- improving equality of opportunity for men and women by supporting training for women
- backing up training and integration structures by setting up a market research, placement and follow-up unit.

The contribution of the European Social Fund is ECU 20.7 million.

### Community initiatives

*1.2.133.* Commission notices to the Member States setting guidelines for the operational programmes and global grant applications they are invited to present under the Community initiatives Konver, SMEs, REGIS II, Rechar II, RETEX, Resider II, Interreg II, Leader II, PESCA, ADAPT, employment and development of human resources, URBAN and modernization of the Portuguese textile and clothing industry.

**Draft Commission notices:** COM(94) 46; Bull. 3-1994, point 1.2.113; COM(94) 61; Bull. 3-1994, point 1.2.111; COM(94) 82; Bull. 3-1994, point 1.2.112

**Parliament opinion:** Bull. 5-1994, points 1.2.93, 1.2.94 and 1.2.95

**Committee of the Regions opinion:** Bull. 5-1994, points 1.2.93, 1.2.94 and 1.2.95

*Opinion of Economic and Social Committee, 1 June.* The Committee expressed its support for the range of programmes proposed and particularly welcomed the introduction of innovative ones addressing problems of labour market flexibility. Community initiatives by themselves could, however, make only a limited contribution to countering joblessness in the Union. A larger contingency reserve was required and the Committee was also concerned that extension of geographical eligibility for certain initiatives

would compromise their contribution to cohesion. Involvement of the economic and social partners in implementation of initiatives ought to be fostered and the Commission should provide regular assessments of the impact of initiatives.

*Adopted on 15 June.* In setting these guidelines for implementation of the Community initiatives for the period 1994 to 1999 the Commission took account of the comments of Parliament, the Economic and Social Committee and the Committee of the Regions on its proposals by extending the geographical scope of certain initiatives, relaxing criteria for selecting eligible zones and adding certain measures. The total scheduled Community contribution to these initiatives is ECU 11.85 billion. This sum plus a reserve of ECU 1.6 billion amounts to 9% of total Structural Fund appropriations. The 13 Community initiatives adopted are:

- Interreg II, combining cross-border cooperation and completion of energy networks, is designed to help areas on the Union's internal and external borders to overcome the specific problems caused by their economic and geographical isolation, promote creation and development of cooperation networks and secure completion of energy networks already selected under the REGEN initiative. By comparison with Interreg I the scope of eligible cooperation across external borders is increased and the rules on zonal eligibility relaxed. The total Community budget is ECU 2.9 billion
- Leader II is aimed at stimulating innovative action by public bodies and private bodies and persons in all sectors of rural activity and making the results known through a European rural development network. Two new types of action are included: skill acquisition prior to investment and projects involving more than one Member State. The total Community budget is ECU 1.4 billion
- REGIS II, pursuing REGIS I's objective of better integration of the Community's remotest regions into its internal market, will also include all types of action covered by the other initiatives carried out in these outermost regions of the Community and action under Poseidom, Poseima and Poseican eligible for Structural Fund assistance. The budget is ECU 600 million
- employment and development of human resources: designed to support employment

growth and promote social solidarity throughout the Community. It has three strands: promotion of equal employment opportunities for women through training and facilitation of access to jobs in growth sectors and management positions (corresponding to former NOW initiative), improving the employment prospects of the disabled and other disadvantaged groups (corresponding to former Horizon initiative) and integration into the labour market of young people without qualifications or training (new Youth start programme). The Community budget is ECU 1.4 billion

□ ADAPT is a new initiative covering the whole Community geared to the new Structural Funds Objective 4 (adaptation of workers to industrial change and changes in production systems) with a budget of ECU 1.4 billion;

□ Rechar II will until 1997 support economic conversion in the areas most affected by the decline of coal-mining and attendant job losses. Priority will be given to the environment, new economic activities and human resources and Member States may ask the Commission to add to the list of areas that benefited under Rechar I others not eligible under Objectives 1, 2 or 5b. The total Community budget is ECU 400 million

□ Resider II is intended to support economic and social conversion in steel-producing areas through environmental improvement, promotion of new economic activities and development of human resources. Member States may also propose for eligibility other zones highly dependent on the steel industry. The total Community budget is ECU 500 million

□ Konver is designed to boost diversification of economic activity in areas heavily dependent on the defence sector, in particular by conversion of economic activities linked to the sector so as to make them less dependent on it, and to encourage adjustment of commercially viable businesses in all sectors of industrial activity in these areas. The total Community budget is ECU 500 million

□ RETEX is aimed at diversification of economic activity in areas highly dependent on the textiles and clothing sector, in order to reduce this reliance, and at facilitating adjustment of commercially viable businesses in all sectors of industrial activity in these areas. The total Community budget is ECU 500 million

□ modernization of the Portuguese textile and clothing industry: will promote modernization

of textile and clothing undertakings in Portugal to help them cope with increasing international competition. Granting of Community aid is subject to approval by the Commission of an adjustment strategy for the sector for the period 1994-99 to be presented by Portugal. The total Community budget is ECU 400 million, of which up to ECU 100 million may be used for interest subsidies

□ SMEs will help small and medium-sized industrial and service enterprises, particularly in the less developed regions, to adapt to the single market and become internationally competitive. The total Community budget is ECU 1 billion

□ URBAN will promote an integrated approach to urban problems involving enterprise creation, infrastructure and environmental improvement, and provision of training and social amenities. The total Community budget is ECU 600 million

□ PESCA will help tackle the problems attendant on restructuring of the fisheries sector, helping it to cope with the social and economic impact of the present crisis and contributing to diversification in the areas concerned by fostering action conducive to employment. The Community budget is ECU 250 million.

OJ C 180, 1.7.1994

### ECSC social aid

*1.2.134.* Commission Decision suspending ECSC funding of certain social aid.

**Reference:** Communications on the future of the ECSC Treaty: Bull. 11-1992, point 1.6.6; COM (93) 512; Bull. 10-1993, point 1.5.10

*Adopted on 24 June.* To give better use of Community resources, the Commission has decided to suspend from 1 January 1995 application of Article 56 of the ECSC Treaty as regards aid for vocational training and employment aid. Member States will be able to resort to the European Social Fund for funding of such aid in the case of workers covered by the ECSC Treaty. The bilateral conventions with the Member States on readjustment measures for coal and steelworkers will be adjusted using the termination procedure provided for therein.

OJ C 178, 30.6.1994

### Structural funds and financial instrument for fisheries guidance (FIFG)

*1.2.135.* Commission Decision 94/447/EC on an indicative allocation between Member States of Structural Fund and FIFG commitment ap-



proportions for adjustment of fisheries structures under Objective 5a.

Approved by the Commission: Bull. 3-1994, point 1.2.107

Formally adopted on 17 June.

OJ L 183, 19.7.1994

## Financing

### Coal and steel workers

1.2.136. Commission Decisions granting readjustment aid under the ECSC Treaty for steel industry workers.

Adopted on 13 and 17 June. Grant aid of ECU 38 million under Article 56(2)(b) of the ECSC Treaty and of ECU 20.8 million for social measures accompanying the 1993-95 steel restructuring programme.

### Regions lagging behind in development

1.2.137. Commission decisions: see Table 1.

Table 1 — *Financing under Objective 1*

<i>(million ECU)</i>		
Country/purpose	Fund	Total assistance
<i>Italy</i> Information provision and pooling of experience	ERDF	150.48

## Adjustment of agricultural structures

1.2.138. Commission decisions: see Table 2.

Table 2 — *Financing under Objective 5a*

<i>(million ECU)</i>		
Country/purpose	Fund	Total assistance
<i>Germany</i> Processing and marketing of agricultural products	EAGGF	5
<i>Greece</i> Processing and marketing of agricultural products	EAGGF	29.3
<i>Portugal</i> Processing and marketing of agricultural and forestry products	EAGGF	2.7
Processing and marketing of agricultural and forestry products	EAGGF	0.4

## Other financing

1.2.139. Commission decisions: see Table 3.

Table 3 — *Other financing*

<i>(million ECU)</i>			
Type of action	Description	Fund	Total assistance
Programme	Europartenariat Cornista Atlantica (Spain)	ERDF	0.96
Conference	Role of SMEs and SMIs in regional and international development (France)	ERDF	0.01
	First conference of European Union island chambers	ERDF	0.09

# Agriculture

## Orientation of CAP

*1.2.140.* Proposal for a Council Regulation on Community plant variety rights.

**Commission proposal:** OJ C 244, 28.9.1990; COM(90) 347; Bull. 7/8-1990, point 1.3.166

**Economic and Social Committee opinion:** OJ C 60, 8.3.1991; Bull. 12-1990, point 1.3.183

**Parliament opinion:** OJ C 305, 23.11.1992; Bull. 10-1992, point 1.3.111

**Amended Commission proposal:** OJ C 113, 23.4.1993; COM(93) 104; Bull. 3-1993, point 1.2.114

*Agreed by the Council on 20 June.* Industrial property rights would be introduced for the development of new plant varieties in order to reward breeders properly and so encourage breeding. The arrangements proposed are in line with those instituted by the International Union for the Protection of New Varieties of Plants. By a single decision in response to a single application breeders would be able to obtain direct uniform protection of their varieties throughout the Community. The principle of 'farmer's privilege' (use on a farmer's own holding of seed obtained by himself) is recognized and appropriate rules proposed.

A Community Plant Variety Office would be set up to administer the new provisions.

*1.2.141.* Council Regulation (EC) No 1467/94 on the conservation, characterization, collection and utilization of genetic resources in agriculture.

**Commission proposal:** OJ C 266, 1.10.1993; COM(93) 337; Bull. 9-1993, point 1.2.114

**Economic and Social Committee opinion:** OJ C 52, 19.2.1994; Bull. 12-1993, point 1.2.190

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.110

*Adopted on 20 June.* Sets up a Community programme for coordination and promotion of action within the Member States to conserve, characterize, collect and utilize genetic resources.

OJ L 159, 28.6.1994

*1.2.142.* Commission discussion paper on European apiculture.

**Reference:** Parliament resolution on beekeeping in the European Union: OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.118

*Adopted by the Commission on 24 June.* This document, transmitted to Parliament and the Council, gives a general picture of apiculture in the Union and the world as a whole. It covers the problems and requirements of the sector, the operation of past and present Community support measures and suitable action to improve production conditions and marketing of honey.

COM(94) 256

## Product quality

*1.2.143.* Council Regulation (EC) No 1468/94 amending Regulation (EEC) No 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs.

**Regulation amended:** Council Regulation (EEC) No 2092/91 (OJ L 198, 22.7.1991; Bull. 6-1991, point 1.2.153), last amended by Regulation (EEC) No 2083/92: OJ L 208, 24.7.1992; Bull. 7/8-1992, point 1.3.172

**Commission proposal:** OJ C 326, 3.12.1993; COM(93) 558; Bull. 11-1993, point 1.2.141

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.121

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.112

*Adopted on 20 June.* Extends to 1 July 1995 the validity of the temporary provisions of Regulation (EEC) No 2092/91 on labelling of products containing an agricultural ingredient grown by a producer converting to organic farming.

OJ L 159, 28.6.1994

## Market organization

### Cereals

*1.2.144.* Proposal for a Council Regulation on special arrangements for imports of maize and sorghum into Spain for 1994.

**Reference:** Council Regulation (EC) No 532/94 continuing the measures taken under the Agreement between the Community and the United States for conclusion of negotiations under GATT Article XXIV.6: OJ L 68, 11.3.1994; Bull. 3-1994, point 1.3.79

*Adopted by the Commission on 10 June.* The Community's commitments to the United States

in the framework of negotiations under GATT Article XXIV.6 require special arrangements for 1994 for importation of maize and sorghum of United States origin into Spain.

COM(94) 246

### *Fruit and vegetables*

*1.2.145.* Council Regulation (EC) No 1487/94 setting basic and buying-in prices for cauliflowers, peaches, nectarines, lemons, tomatoes, apricots, pears and aubergines for July 1994.

*Proposal adopted by the Commission on 24 June.*

COM(94) 285

*Adopted on 24 June.* Prevents a legal vacuum pending setting of 1994/95 agricultural prices.

OJ L 161, 29.6.1994

*1.2.146.* Proposal for a Council Regulation amending Regulation (EEC) No 1200/90 on improvement of Community production of apples.

**Regulation to be amended:** Council Regulation (EEC) No 1200/90 (OJ L 119, 11.5.1990; Bull. 5-1990, point 1.2.142), amended by Regulation (EEC) No 3577/90: OJ L 353, 17.12.1990; Bull. 12-1990, point 1.2.1

*Adopted by the Commission on 20 June.* Reactivates for the 1994/95 marketing year the grubbing premium granted from 1990/91 to 1992/93.

OJ C 206, 26.7.1994; COM(94) 259

### *Sugar, milk, beef and veal*

*1.2.147.* Commission Regulations (EC) Nos 1518/94 to 1520/94 on precautionary measures in the sugar, beef and veal, and milk sectors respectively for July 1994.

*Adopted on 29 June.* Prevent a legal vacuum pending setting of 1994/95 agricultural prices.

OJ L 162, 30.6.1994

## **EAGGF Guarantee Section**

*1.2.148.* Proposal for a Council Regulation amending Regulation (EEC) No 4045/89 on scrutiny by Member States of transactions fall-

ing within the scope of the EAGGF Guarantee Section financing system.

**Reference:** Council Regulation (EEC) No 4045/89: OJ L 388, 30.12.1989; Bull. 12-1989, point 2.1.209

*Adopted by the Commission on 6 June.* In the light of four years of application of Regulation (EEC) No 4045/89, changes are proposed to improve the effectiveness of Member States' monitoring of the regularity of operations financed by the Guarantee Section. Member States would have greater latitude in selecting undertakings and operations for scrutiny.

OJ C 175, 28.6.1994; COM(94) 159

*1.2.149.* Proposal for a Regulation on checks and penalties applicable under the common agricultural and fisheries policies.

**Commission proposal:** OJ C 137, 6.6.1990; COM(90) 126; Bull. 5-1990, point 1.2.138

**Parliament opinion:** OJ C 72, 18.3.1991; Bull. 1/2-1991, point 1.2.138

**Amended Commission proposal:** OJ C 294, 13.11.1991; COM(91) 378; Bull. 10-1991, point 1.2.105

*Proposal withdrawn by the Commission on 15 June* given its adoption of a proposal for a Regulation on protection of the Community's financial interests (→ point 1.5.11).

## **State aid**

### *Decisions to raise no objection*

#### **United Kingdom**

*1.2.150.* Commission Decision on a marketing development scheme.

*Adopted on 1 June.* The scheme encourages producers to improve their marketing techniques by covering part of their marketing consultancy costs.

*1.2.151.* Commission Decision on aid to the cooperatives replacing the Scottish Milk Marketing Boards.

*Adopted on 1 June.* The aid covers the expenditure incurred by voluntary cooperatives replac-

ing the Milk Marketing Boards on informing farmers of the new options open to them.

*1.2.152.* Commission Decision on reorganization proposals for the England and Wales Milk Marketing Board.

*Adopted on 15 June.* These new proposals relating to replacement of the Milk Marketing Board by a voluntary cooperative, Milk Marque, replace those examined by the Commission in December 1993 (→ *point 1.2.153*), for which it initiated the procedure chiefly on the grounds that the terms of distribution of Milk Marque entitlement certificates to producers formerly registered with the Milk Marketing Board were such that membership of Milk Marque could not be considered entirely voluntary. It finds that the new terms of distribution of these certificates are on normal market terms involving no discrimination against producers choosing not to join Milk Marque and accordingly raises no objection to the revised proposals.

### *Decision to terminate procedure*

#### **United Kingdom**

*1.2.153.* Commission Decision on reorganization proposals for the England and Wales Milk Marketing Board.

**Reference:** Procedure initiated: Bull. 12-1993, point 1.2.223

*Adopted on 1 June.* The aid scheme in question has been withdrawn, the British authorities having presented a replacement to which the Commission raises no objection (→ *point 1.2.152*).

#### **International cooperation**

##### *Norway*

*1.2.154.* Visit to the Commission by Mrs G. Knudsen, Minister for Trade, on 13 June.

Mrs Knudsen discussed with Mr Steichen the preparatory work for accession under way in the agriculture sector, and in particular the delimitation of Norway's Arctic farming zones.

##### *Czech Republic*

*1.2.155.* Visit by Mr Steichen on 10 June.

Mr Steichen was received by President Havel. His thoroughgoing discussions with Mr J. Lux,

Minister for Agriculture, and other government members focused on future agricultural cooperation between the Czech Republic and the Union, in particular on veterinary and phytosanitary matters and on red fruit. A seminar will be organized in Prague on operation of the CAP.

## Fisheries

### **Orientation of common fisheries policy**

*1.2.156.* Commission report on European aquaculture research: current position and prospects.

**Reference:** Commission communication on European fisheries research: current position and prospects: COM(93) 95; Bull. 3-1993, point 1.2.135

*Adopted on 23 June.* In this report, which complements that adopted in March 1993 on fisheries research, the Commission sets out the objectives, operating conditions and current problems facing European aquaculture research and looks at the prerequisites for Community action in this field.

COM(94) 258

### **Conservation and management of resources**

#### *Internal aspects*

*1.2.157.* Council Regulation (EC) No 1626/94 laying down certain technical measures for the conservation of fishery resources in the Mediterranean.

**Commission proposal:** OJ C 5, 9.1.1993; COM (92) 533; Bull. 12-1992, point 1.3.272

**Economic and Social Committee opinion:** OJ C 201, 26.7.1993; Bull. 5-1993, point 1.2.134

**Parliament opinion:** OJ C 255, 20.9.1993; Bull. 7/8-1993, point 1.2.181

**Amended Commission proposal:** OJ C 306, 12.11.1993; COM(93) 500; Bull. 10-1993, point 1.2.157

*Agreed by the Council on 10 June.*

*Formally adopted on 27 June.* The purpose of this Regulation is to harmonize the technical measures applicable to fishing activities in the Mediterranean. In particular it bans fishing gear which contributes to the degradation of the marine environment or to the depletion of fish stocks; defines minimum mesh sizes for other types of gear and minimum sizes for certain species of fish; reserves part of the coastal zone for the most selective gear used in non-industrial fishing and protects certain areas where juvenile fish congregate.

The Regulation is due to enter into force on 1 January 1995, but allows certain gear or practices banned by the Regulation to continue to be used in accordance with current national legislation for a limited period, i.e. until 1999 or 2002, depending on the case, providing it is established that their use does not adversely affect the fishery resources concerned. Stricter national measures may be maintained or introduced if they are compatible with Community law and in conformity with the common fisheries policy.

OJ L 171, 6.7.1994

*1.2.158.* Council Regulation (EC) No 1627/94 laying down general provisions concerning special fishing permits.

**References:**

Council Regulation (EEC) No 3760/92 establishing a Community system for fisheries and aquaculture: OJ L 388, 31.12.1992; Bull. 12-1992, point 1.3.260

Council Regulation (EC) No 3690/93 establishing a Community system of fishing licences: OJ L 341, 31.12.1993; Bull. 12-1993, point 1.2.233

**Commission proposal:** OJ C 310, 16.11.1993; COM(93) 496; Bull. 10-1993, point 1.2.154

**Economic and Social Committee opinion:** OJ C 34, 2.2.1994; Bull. 11-1993, point 1.2.169

**Parliament opinion:** OJ C 20, 24.1.1994; Bull. 12-1993, point 1.2.233

**Amended Commission proposal:** OJ C 152, 3.6.1994; COM(94) 146; Bull. 4-1994, point 1.2.130

*Agreed by the Council on 10 June.*

*Formally adopted on 27 June.* This Regulation supplements, in connection with the implementation of Regulation (EEC) No 3760/92, the Regulation on fishing licences (vessel 'identity

cards') with provisions governing fishing permits (authorization to carry out fishing activities during a specified period, in a given area, for a given fishery). It entrusts to the Member States the task of issuing and managing the permits of vessels flying their flag, while the Commission is to do this for vessels flying the flag of a third country operating in the Community fishing zone. Community vessels operating in the waters of a third country with which the Community has concluded a fisheries agreement are excluded from the scope of the Regulation and will have to be covered by a separate instrument, while Community vessels under 10 metres in length operating exclusively in the waters of the flag Member State are exempt from the obligation to have a special fishing permit.

OJ L 171, 6.7.1994

*1.2.159.* Annual Commission report on the progress of the multiannual guidance programmes for the fishing fleet at the end of 1993.

**Reference:** Commission Decisions 92/588 to 92/598/EEC concerning multiannual guidance programmes for Member States' fishing fleets for the period 1993 to 1996: OJ L 401, 31.12.1992; Bull. 12-1992, point 1.3.264

*Adopted on 1 June.* The report traces the progress made in reducing the fishing effort of the Member States. It notes that the targets of the multiannual guidance programmes have on the whole been achieved and even exceeded in some cases as regards the reduction of tonnage.

COM(94) 208

*1.2.160.* Commission communication on fishing with passive gear in the Community: the need for management, its desirability and feasibility.

**Reference:** Council Regulation (EEC) No 3094/86 laying down certain technical measures for the conservation of fishery resources (OJ L 288, 11.10.1986; Bull. 10-1986, point 2.1.174), as last amended by Regulation (EEC) No 3034/92: OJ L 307, 23.10.1992; Bull. 10-1992, point 1.3.162

*Adopted by the Commission on 10 June.* The report sets out to examine the impact on fish stocks of the increasing use of passive gear, particularly fixed gillnets, and to determine to what extent current Community legislation on conservation techniques, which has hitherto concentrated on mobile gear, should be extended to passive gear.

COM(94) 235

## *External aspects*

### **South Africa**

1.2.161. Council Decisions authorizing Spain and Portugal to extend until 7 March 1995 their agreements on mutual fishery relations with the Republic of South Africa.

**Commission proposal:** COM(94) 136 and 137; Bull. 4-1994, point 1.2.133

*Adopted on 2 June.* The Decisions authorize Spain and Portugal to extend their bilateral fishing agreements with South Africa for a year.

### **Angola**

1.2.162. Draft Protocol establishing, for the period from 3 May 1984 to 2 May 1986 the fishing opportunities and financial compensation provided for in the Agreement between the Community and the Government of Angola on fishing off Angola; draft Agreement in the form of an exchange of letters on the provisional application of the Protocol.

**Reference:** Fisheries Agreement between the Community and Angola: OJ L 341, 3.12.1987

*Proposal for a Council Regulation on the conclusion of the Protocol and proposal for a Council Decision on the conclusion of the Agreement and the provisional application of the Protocol adopted by the Commission on 1 June.* The proposals lay down the technical and financial conditions governing the fishing activities of Community vessels in the waters off Angola for the period from 3 May 1994 to 2 May 1996.

OJ C 184, 6.7.1994; COM(94) 211

### **Greenland**

1.2.163. Draft amendment to the 1985 Fisheries Agreement between the Community and the Government of Denmark and the Home Rule Government of Greenland.

**Recommendation for a Decision:** Bull. 5-1994, point 1.2.116

*Negotiating directives adopted on 10 June.*

### **Guinea**

1.2.164. Agreement in the form of an exchange of letters concerning the provisional application of the Protocol establishing, for the

period 1 January 1994 to 31 December 1995, the fishing rights and financial compensation provided for in the Agreement between the Community and Guinea.

**Commission proposal on conclusion:** COM(94) 138; Bull. 4-1994, point 1.2.134

*Council Decision 94/456/EC on the conclusion of the Agreement adopted on 17 June.*

OJ L 188, 22.7.1994

### **Mauritania**

1.2.165. Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the Community and the Islamic Republic of Mauritania on fishing off the coast of Mauritania for the period 1 August 1993 to 31 July 1996.

**Proposal for a Regulation on the conclusion of the Protocol:** COM(93) 370; Bull. 7/8-1993, point 1.2.184

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.135

*Council Regulation (EC) No 1348/94 on the conclusion of the Protocol adopted on 2 June.*

The Protocol provides, for the period 1 August 1993 to 31 July 1996, for the following fishing opportunities for the Community fishing fleet in Mauritanian waters: 4 500 grt per month annual average for fishing vessels specializing in crustaceans (with the exception of crawfish); 12 000 grt/month for black hake trawlers and bottom longliners; 2 600 grt/month for vessels fishing for demersal species other than black hake with gear other than trawls; 4 200 grt/month for trawlers fishing for deepwater demersal species other than black hake; 300 grt/month for pot vessels (crawfish); 11 pole-and-line tuna vessels and surface longliners and 34 freezer tuna seiners. The financial compensation for the whole period is ECU 26 million, of which ECU 900 000 for scientific and technical programmes and ECU 360 000 for the training of fisheries specialists.

OJ L 149, 15.6.1994

### **North-West Atlantic Fisheries Organization (NAFO)**

1.2.166. Proposal for a Council Regulation amending Regulation (EEC) No 3928/92 establishing a NAFO pilot observer scheme applica-

ble to Community vessels operating in the NAFO regulatory area.

**Regulation to be amended:** Council Regulation (EEC) No 3928/92: OJ L 397, 31.12.1992; Bull. 12-1992, point 1.3.283

*Adopted by the Commission on 9 June.* The proposal extends the pilot observer scheme established by Regulation (EEC) No 3928/92 until 31 December 1994.

OJ C 193, 16.7.1994; COM(94) 203

## Organization of markets

*1.2.167.* Council Regulation (EC) No 1503/94 establishing a system of compensation for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French department of Guiana as a result of their very remote location.

### References:

Council Decision 89/687/EEC (Poseidom programme): OJ L 399, 30.12.1989; Bull. 12-1989, point 2.1.142

Council Decisions 91/314/EEC and 91/315/EEC (Poseican and Poseima programmes): OJ L 171, 29.6.1991; Bull. 6-1991, points 1.2.120 and 1.2.121

**Commission proposal:** OJ C 4, 6.1.1994; COM (93) 630; Bull. 12-1993, point 1.2.252

**Economic and Social Committee opinion:** OJ C 133, 16.5.1994; Bull. 1/2-1994, point 1.2.153

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.139

*Agreed by the Council on 10 June.*

*Amended proposal adopted by the Commission on 17 June.*

OJ C 199, 21.7.1994; COM(94) 237

*Formally adopted by the Council on 27 June.* This Regulation, which was approved under the Poseidom, Poseican and Poseima specific programmes and follows on from schemes already undertaken in this context, is designed to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French department of Guiana as a result of their very remote location by means of grants from the EAGGF Guarantee Section in 1994 as follows:

□ the Azores and Madeira: ECU 155 per tonne of tuna delivered to the local processing industry, up to a maximum of 10 000 tonnes for the Azores and 5 000 tonnes for Madeira;

□ the Canary Islands: ECU 125 per tonne of tuna for marketing fresh, up to a maximum of 10 400 tonnes; ECU 45 per tonne of frozen tuna, up to a maximum of 3 500 tonnes; ECU 85 per tonne of sardines or mackerel for canning, up to a maximum of 10 500 tonnes, and ECU 45 per tonne of sardines or mackerel for freezing, up to a maximum of 7 000 tonnes;

□ Guiana: ECU 865 per tonne of prawns fished by industrial methods, up to a maximum of 3 500 tonnes, and ECU 930 per tonne of shrimps fished by non-industrial methods, up to a maximum of 500 tonnes.

OJ L 162, 30.6.1994

*1.2.168.* Commission report on the arrangements applicable to tuna for the canning industry.

**Reference:** Council Regulation (EEC) No 3759/92 on the common organization of the market in fishery and aquaculture products: OJ L 388, 31.12.1992; Bull. 12-1992, point 1.3.284

*Adopted on 28 June.* The report, drawn up in response to a request from the Council, outlines the market situation for tuna for processing and examines the operation of the current arrangements based on an allowance paid to producers to compensate for the suspension of customs duties on the raw material imported by the canning industry. It sets out the various options for the future and suggests that the principle underlying these arrangements should be maintained but that the mechanisms should be simplified and the level of intervention reduced.

COM(94) 266

## Environment

### General

*1.2.169.* Council conclusions on the environmental aspect of the White Paper on growth, competitiveness and employment.

**Reference:** Commission White Paper entitled 'Growth, competitiveness, employment: The challenges and ways forward into the 21st century': COM(93) 700, Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

*Adopted on 9 June.* The Council emphasized that the purpose of taking due account of environmental considerations when formulating and implementing economic and social policies, as provided for in Article 130b of the Treaty, is to ensure more rational use of human and natural resources, and may therefore help to make the Community economy more competitive and stimulate growth and employment. It called in particular for the environmental impact of the trans-European networks to be taken into account and for environmental infrastructures of Community importance to be identified and implemented. It also stressed that employment and environment difficulties are bound up with current types of growth, production, consumption and behaviour, and that to resolve these difficulties a change of priorities in decisions by economic operators is needed. In this connection, it stressed the need for appropriate economic instruments, and called upon the Commission and the Member States to step up their work on tax instruments designed to improve the environment and create jobs, environmental accounting, and cost-benefit analyses reflecting environmental realities.

## General

### *International cooperation*

*1.2.170.* European Conference on Environment and Health.

**Reference:** first conference (Frankfurt): Bull. 12-1989, point 2.1.149

*Meeting held in Helsinki from 20 to 22 June.* This conference, held at the instigation of the World Health Organization, was opened by Mr Ahtisaari, the President of Finland. Mr Paleokrassas represented the Commission. The talks covered such matters as health in towns and cities, urban environment problems, and the role of international cooperation. The conference adopted an action plan for the environment and health in Europe. The Commission will play an active part in implementing this plan.

*1.2.171.* Draft international Convention to combat desertification.

*Negotiating directives adopted by the Council on a recommendation from the Commission on 13 June.* This draft Convention is designed to provide a response to the problems of the countries severely affected by desertification, in particular in Africa but also in other regions of the world, including within the Community.

## Industry and environment

### *Environmental control of products, industrial plants and biotechnology*

*1.2.172.* Proposal for a Council Directive on the control of major-accident hazards involving dangerous substances.

**Commission proposal:** OJ C 106, 14.4.1994; COM(94) 4; Bull. 1/2-1994, point 1.2.161

*Endorsed by the Economic and Social Committee on 2 June,* subject to various comments concerning in particular information, training and equipment for the workers concerned, and the scope of proposal. In particular, the Committee suggested including an additional category for dangerous substances that are both carcinogenic and very toxic or toxic.

*1.2.173.* Proposal for a Council Regulation amending for the first time Annex I to Council Regulation (EEC) No 2455/92 concerning the export and import of certain dangerous chemicals.

**Regulation to be amended:** Council Regulation (EEC) No 2455/92: OJ L 251, 29.8.1992; Bull. 7/8-1992, point 1.3.148

**Commission proposal:** OJ C 112, 22.4.1993; COM(93) 120; Bull. 3-1993, point 1.2.96

**Economic and Social Committee opinion:** OJ C 249, 13.9.1993; Bull. 6-1993, point 1.2.158

**Parliament opinion (first reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.147

*Council common position adopted on 8 June.* Adds to the list of dangerous chemicals, the export of which has to be the subject of a notification procedure.

### *Emissions from industrial plants and products*

*1.2.174.* Proposal for a Council Directive amending Directive 88/609/EEC on the limitation of emissions of certain pollutants into the air from large combustion plants.



**Commission proposal:** OJ C 17, 22.1.1993; COM(92) 563; Bull. 12-1992, point 1.3.190  
**Economic and Social Committee opinion:** OJ C 201, 26.7.1993; Bull. 5-1993, point 1.2.100  
**Parliament opinion:** OJ C 268, 4.10.1993; Bull. 9-1993, point 1.2.104  
**Council agreement on a common position:** Bull. 3-1994, point 1.2.148

*Common position formally adopted by the Council on 8 June.*

**1.2.175.** Draft Protocol to the Convention on Long-range Transboundary Air Pollution on the further reduction of sulphur emissions.

**Reference:** Geneva Convention on Long-range Transboundary Air Pollution: OJ L 171, 27.6.1981; Bull. 6-1981, point 2.1.72  
**Commission recommendation:** Bull. 12-1992, point 1.3.196  
**Negotiating directives:** Bull. 11-1993, point 1.2.132  
**Proposal for a Decision concerning signature:** COM(94) 177; Bull. 5-1994, point 1.2.123

*Decision on the signing of the Protocol adopted by the Council on 8 June.*

*Signature of Protocol in Oslo on 14 June.* The protocol aims at a reduction in sulphur emissions by the parties to the Convention on Long-range Transboundary Air Pollution, including the Community and its Member States, in accordance with a set timetable and specific reduction targets.

## *Waste management*

**1.2.176.** Proposal for a Council Directive on the landfill of waste.

**Commission proposal:** OJ C 190, 22.7.1991; COM(91) 102; Bull. 4-1991, point 1.2.134  
**Economic and Social Committee opinion:** OJ C 40, 17.2.1992; Bull. 11-1991, point 1.2.182  
**Parliament opinion (first reading):** OJ C 305, 23.11.1992; Bull. 10-1992, point 1.3.103  
**Amended Commission proposal:** OJ C 212, 5.8.1993; COM(93) 275; Bull. 6-1993, point 1.2.161

*Common position adopted by the Council on 9 June.* The aim of this proposal for a framework Directive is to harmonize landfill standards in the Member States, in particular in order to reduce surface water, groundwater, soil and air pollution and the resulting risks to

human health. It is based on a classification of landfills according to the types of waste — hazardous, non-hazardous and inert — accepted by them, joint disposal being subject to very strict conditions, and the establishment of harmonized authorization, control and monitoring procedures. In addition, in order to encourage a reduction in waste arisings and the recycling of waste, it provides that the prices to be charged for the disposal of waste should at least cover the costs of setting up and operating the landfill site.

Transitional provisions are laid down for existing landfills; in addition, derogations may be granted, under certain conditions, for small landfill sites for non-hazardous waste. Since the Council has taken Article 130s of the Treaty as the legal basis for its common position, those Member States which so wish can continue to apply, or introduce, more stringent provisions with due regard for the Treaty.

**1.2.177.** Recommendation for a Council Decision on the negotiation with certain third countries of agreements and arrangements concerning the supervision and control of shipments of waste into and out of the Community.

**Reference:** Council Regulation (EEC) No 259/93 on the supervision and control of shipments of waste within, into and out of the European Community: OJ L 30, 6.2.1993; Bull. 1/2-1993, point 1.2.150

*Adopted by the Commission on 8 June.* Regulation (EEC) No 259/93, which prohibits movements of waste to and from certain third countries unless a specific agreement or arrangement has been concluded, entered into force on 6 May 1994, and, in order to enable such shipments to continue, some of the countries concerned wish to conclude with the Community agreements guaranteeing that they treat the waste in an environmentally acceptable manner. The Commission asks the Council to authorize it to negotiate such agreements and, where appropriate, temporary arrangements enabling shipments to continue pending the conclusion of agreements.

**1.2.178.** Council Directive 94/31/EC amending Directive 91/689/EEC on hazardous waste.

**Directive amended:** Council Directive 91/689/EEC on hazardous waste: OJ L 377, 31.12.1991; Bull. 12-1991, point 1.2.304  
**Commission proposal:** OJ C 271, 7.10.1993; COM(93) 425; Bull. 9-1993, point 1.2.105

**Parliament opinion (first reading):** OJ C 329, 6.12.1993; Bull. 11-1993, point 1.2.133

**Economic and Social Committee opinion:** OJ C 34, 2.2.1994; Bull. 11-1993, point 1.2.133

**Council agreement on a common position:** Bull. 12-1993, point 1.2.177

**Amended Commission proposal:** OJ C 51, 19.2.1994; COM(93) 696; Bull. 12-1993, point 1.2.177

**Council common position:** OJ C 137, 19.5.1994; Bull. 1/2-1994, point 1.2.163

**Parliament opinion (second reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.149

*Adopted by the Council on 27 June.* Purpose: Postpones the entry into force of Directive 91/689/EEC pending the drawing-up of the list of hazardous waste provided for.

OJ L 168, 2.7.1994

## **Environmental quality and natural resources**

### *Protection of water and coastal zones, environment and tourism*

**1.2.179.** Proposal for a Council Directive on the ecological quality of water.

**References:**

Fifth Community programme of policy and action in relation to the environment and sustainable development: COM(92) 23; Bull. 3-1992, point 1.2.115

Council resolution on the protection of the North Sea and other waters in the Community: OJ C 209, 9.8.1988; Bull. 6-1988, point 2.1.171

Council Directive 76/160/EEC concerning the quality of bathing water: OJ L 31, 5.2.1976, as last amended by Directive 91/692/EEC: OJ L 377, 31.12.1991; Bull. 12-1991, point 1.2.312

Council Directive 80/778/EEC relating to the quality of water intended for human consumption: OJ L 229, 30.8.1980, as last amended by Council Directive 91/692/EEC: OJ L 377, 31.12.1991; Bull. 12-1991, point 1.2.312

**Directives to be repealed:**

Council Directive 78/659/EEC on the quality of fresh waters needing protection or improvement in order to support fish life: OJ L 222, 14.8.1978, as last amended by Directive 91/692/EEC: OJ L 377, 31.12.1991; Bull. 12-1991, point 1.2.312

Council Directive 79/923/EEC on the quality required of shellfish waters: OJ L 28, 10.11.1979, as last amended by Council Directive 91/692/

EEC: OJ L 377, 31.12.1991; Bull. 12-1991, point 1.2.312.

*Adopted by the Commission on 15 June.* The aim of this proposal for a framework Directive is to guarantee the good ecological quality of all the surface waters in the Community, without prejudice to the provisions of Directives concerning specific uses of water (drinking water, bathing water). It identifies the main elements involved in ecological water quality, for example, purity, oxygenization, and the diversity of flora and fauna, and spells out the concept of 'good ecological water quality'. In particular, it provides for the Member States to define quality targets for all their surface waters, set up a monitoring system, prepare an inventory of discharges and sources of pollution, prepare and implement integrated water quality improvement programmes, and provide appropriate information for the public.

COM(93) 680

**1.2.180.** Eleventh Commission report on bathing water quality.

**References:**

Council Directive 76/160/EEC concerning the quality of bathing water: OJ L 31, 5.2.1976, as last amended by Directive 91/692/EEC: OJ L 377, 31.12.1991; Bull. 12-1991, point 1.2.312

Proposal for a Council Directive concerning the quality of bathing water: COM(94) 36; Bull. 1/2-1994, point 1.2.164

**Previous report:** Bull. 6-1993, point 1.2.162

*Published on 7 June.* In this report the Commission publishes the results of samples carried out during the 1993 bathing season. It concludes that 90% of the areas sampled at the set frequency met the quality criteria laid down in Directive 76/160/EEC, a 4% improvement on 1992 and a 10% improvement on 1991. However, while the situation is particularly satisfactory in the case of coastal areas sampled at the set frequency (93% of areas in conformity), in inland bathing areas the water quality is more inconsistent (80% of areas in conformity), and in a number of cases (5% of coastal areas and 21% of inland areas) samples were not taken with the required frequency. The Commission also emphasizes that the proposal to revise the Directive which it submitted in February 1994 provides for a marked improvement in information for the public, in particular by requiring that the results of the most recent analyses be posted at bathing places.

(Document available from the documentation service of the Directorate-General for the Environment.)

*1.2.181. Convention on cooperation for the protection and sustainable use of the Danube.*

**Commission proposal concerning signature:** COM(94) 199; Bull. 5-1994, point 1.2.127

*Decision concerning the signing of the Convention adopted by the Council on 27 June.*

*Signature of Convention in Sofia on 29 June.* This Convention provides a framework for cooperation between the Danube basin countries in order to protect the aquatic environment, prevent and control pollution of the Danube, and ensure sustainable use of its water resources.

### *Protection of nature, flora and fauna.*

*1.2.182. Proposal for a Council Regulation on operations to promote tropical forests.*

**Commission proposal:** OJ C 78, 19.3.1993; COM(93) 53; Bull. 1/2-1993, point 1.2.157

**Economic and Social Committee opinion:** OJ C 249, 13.9.1993; Bull. 6-1993, point 1.2.166

**Parliament opinion:** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.128

*Amended proposal adopted by the Commission on 10 June.* The amendments to the proposal take into account the opinion of the European Parliament and are aimed in particular at protecting the biodiversity of tropical forests, preserving ecosystems and providing for active participation by local communities.

OJ C 201, 23.7.1994; COM(94) 153

*1.2.183. Council Directive 94/24/EC amending Directive 79/409/EEC on the conservation of wild birds.*

**Directive amended:** Council Directive 79/409/EEC; OJ L 103, 25.4.1979, as last amended by Commission Directive 91/244/EEC; OJ L 115, 8.5.1991; Bull. 3-1991, point 1.2.169

**Commission proposal:** OJ C 255, 2.10.1992; COM(91) 42; Bull. 3-1991, point 1.2.168

**Economic and Social Committee opinion:** OJ C 191, 22.7.1991; Bull. 5-1991, point 1.2.154

**Parliament opinion:** OJ C 150, 15.6.1992; Bull. 5-1992, point 1.1.133

**Amended Commission proposal:** OJ C 260, 9.10.1992; COM(92) 398; Bull. 9-1992, point 1.2.104

**Council common position:** OJ C 137, 19.5.1994; Bull. 1/2-1994, point 1.2.169

**Parliament opinion (second reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.128

*Adopted by the Council on 8 June.* Adds to the list of species, the hunting of which may be authorized by the Member States.

OJ L 164, 30.6.1994

*1.2.184. Conference of the contracting parties to the Bonn Convention on the conservation of migratory species of wild animals.*

**Reference:** Bonn Convention: OJ L 210, 19.7.1982

*Fourth meeting held in Nairobi from 7 to 11 June.* At this meeting, which was attended by representatives of some 40 parties to the Bonn Convention, the Commission, non-governmental organizations and observers, additions were made to the list of species protected under this Convention: several species were added to the list of species benefiting from strict protection, and 50 bird species were added to the list of species to be the subject of regional agreements.

*1.2.185. Council statement on illegal trade in rhinoceros and tiger products.*

**Reference:** Conference of the parties to CITES: Bull. 3-1992, point 1.2.136

*Adopted on 9 June.* The Council endorsed the conclusions of the Standing Committee of the Convention on International Trade in Endangered Species (CITES) that countries consuming rhinoceros and tiger products should take urgent measures to combat this illegal trade. It expressed particular concern about the pressure on tiger populations, and stressed that the Member States will be particularly vigilant in enforcing CITES for this species.

### *Urban environment, air quality, transport and noise*

*1.2.186. Proposal for a Parliament and Council Directive amending Council Directive 86/662/EEC on the limitation of noise emitted by earth-moving machinery.*

**Commission proposal:** OJ C 157, 9.6.1993; COM(93) 154; Bull. 5-1993, point 1.2.104

**Parliament opinion:** OJ C 255, 20.9.1993; Bull. 7/8-1993, point 1.2.145

**Economic and Social Committee opinion:** OJ C 304, 10.11.1993; Bull. 9-1993, point 1.2.108

**Proposal subject to the co-decision procedure since 1 November 1993**

**Council agreement on a common position:** Bull. 3-1994, point 1.2.155

*Common position formally adopted by the Council on 8 June.*

### *Global environment, climate change, geosphere and biosphere*

**1.2.187.** Proposal for a Council Regulation on substances that deplete the ozone layer.

**Reference:** Council Decision 94/68/EC concerning the conclusion of the second amendment to the Montreal Protocol on substances that deplete the ozone layer: OJ L 33, 7.2.1994; Bull. 12-1993, point 1.2.181

**Commission proposal:** OJ C 232, 28.8.1993; COM(93) 202; Bull. 6-1993, point 1.2.173

**Economic and Social Committee opinion:** OJ C 52, 19.2.1994; Bull. 12-1993, point 1.2.182

**Parliament opinion (first reading):** OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.173

**Amended Commission proposal:** OJ C 109, 19.4.1994; COM(94) 75; Bull. 3-1994, point 1.2.156

*Common position agreed by the Council on 8 June.* This proposal concerns the implementation in the Community of the second amendment to the Montreal Protocol the aim of which is the eventual elimination of HCFCs (hydrochlorofluorocarbons), methyl bromide, and HBFCs (hydrobromofluorocarbons). Essentially, the Council's common position prescribes tighter measures than the second amendment to the Montreal Protocol, setting as it does, from 1995, a consumption ceiling for HCFCs of 2.6% of the calculated level of consumption of CFCs (chlorofluorocarbons) and HCFs in 1989, and a phase-out schedule ending in total elimination in 2015. A 25% reduction in methyl bromide production and consumption compared with 1991 is also planned, in addition to the freezing at 1991 levels in 1995 called for by the amendment to the 1994 Protocol.

## Social policy

**1.2.188.** The European Council stressed the social dimension of the internal market and welcomed the agreements on the information and

consultation of employees in multinational undertakings, the protection of young people at work and the creation of a European Agency for Safety and Health at Work. It also reaffirmed its determination to combat social exclusion (→ point I.6).

## General

**1.2.189.** Third report by the Commission on the application of the Community Charter of the Fundamental Social Rights of Workers.

**Reference:** Commission communication concerning its action programme for the implementation of the Community Charter of the Fundamental Social Rights of Workers: COM(89) 568; Bull. 11-1989, point 2.1.80

**Commission report:** COM(93) 668; Bull. 12-1993, point 1.2.164

*Endorsed by the Economic and Social Committee on 1 June.* The Committee considered that the Commission should continue to prepare annual reports on the application of the Community Charter. It pointed out that, as a number of legislative items had still not been adopted by the Council, the application of the Charter could not be judged to be complete. The Committee urged the promotion of a 'social clause' within the World Trade Organization procedures.

## Implementation of the Protocol on social policy

**1.2.190.** Proposal for a Council Directive on the establishment of European committees or procedures in Community-scale undertakings and groups of undertakings for the purposes of informing and consulting employees.

**Commission proposal:** OJ C 135, 18.5.1994; COM(94) 134; Bull. 4-1994, point 1.2.154

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.133

*Endorsed by the Economic and Social Committee on 1 June,* subject to a number of observations. The Committee felt that, in the absence of agreements, the Directive should lay down mandatory minimum provisions. It suggested that the negotiating phase be restricted to one year

and that the scope of the confidentiality clauses be reduced. The Committee further called for proposals to ensure the training of workers' representatives and stressed that workers' representatives' rights and responsibilities, anchored in national law, should in no way be impaired.

*Amended proposal adopted by the Commission on 3 June.* The changes made to the proposal in the wake of Parliament's opinion are of form rather than substance.

OJ C 199, 21.7.1994; COM(94) 228

*Common position agreed by the Council on 22 June.* The purpose of this proposal is to improve the information and consultation of employees in 'Community-scale' undertakings and groups of undertakings on transnational issues. It provides for the establishment, in such undertakings or groups, of a European committee or an alternative procedure for informing and consulting employees following agreement between the central management and a special negotiating body or, failing that, by reference to subsidiary minimum provisions. 'Community-scale' undertakings or groups of undertakings are defined in the common position agreed by the Council as those which employ at least 1 000 persons within the Member States as a whole and at least 150 persons in each of at least two Member States. As the Council's agreement comes under the Protocol on social policy, the Directive's provisions will not apply to the United Kingdom.

## Health and safety at work

*1.2.191.* Proposal for a Council Regulation establishing a European Agency for Safety and Health at Work.

**Reference:** Conclusions of the Brussels European Council: Bull. 10-1993, point I.6

**Commission proposal:** OJ C 271, 16.10.1991; COM(90) 564; Bull. 9-1991, point 1.2.61

**Economic and Social Committee opinion:** OJ C 169, 6.7.1992; Bull. 4-1992, point 1.3.91

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.158

*Amended proposal adopted by the Commission on 3 June.* The amended proposal incorporates some of Parliament's amendments and provides in particular for the Administrative Board to elect its own chairman.

OJ C 176, 29.6.1994; COM(94) 233

*Agreed by the Council on 22 June.* The purpose of this proposal is to set up a European Agency for Safety and Health at Work in accordance with the European Council's decision. The Agency's role will be to collect, exchange and disseminate technical, scientific and economic information in the field of safety and health at work, and to supply the Community bodies and the Member States with the information they require to formulate and implement their policies in this field. It will also promote cooperation and the exchange of information and experience amongst the Member States, and will set up and run a network embracing national information networks and specialist centres.

The Agency will have legal personality and an Administrative Board comprising representatives of the Member States, the social partners and the Commission, and will be situated in Bilbao.

*1.2.192.* Council Directive on the protection of young people at work.

**Commission proposal:** OJ C 84, 4.4.1992; COM (91) 543; Bull. 1/2-1992, point 1.3.121

**Economic and Social Committee opinion:** OJ C 313, 30.11.1992; Bull. 9-1992, point 1.2.79

**Parliament opinion (first reading):** OJ C 21, 25.1.1993; Bull. 12-1992, point 1.3.160

**Amended Commission proposal:** OJ C 77, 18.3.1993; COM(93) 35; Bull. 1/2-1993, point 1.2.142

**Council agreement on a common position:** Bull. 10-1993, point 1.2.111

**Council common position:** Bull. 11-1993, point 1.2.126

**Parliament opinion (second reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.165

**Re-examined Commission proposal:** COM(94) 88; Bull. 3-1994, point 1.2.165

*Adopted by the Council on 22 June.* The Directive lays down the minimum provisions on protection at work for young persons of less than 18 years of age, making a distinction between children (less than 15 years of age or still subject to compulsory full-time schooling) and adolescents. It stipulates that Member States must:

□ prohibit work by children, with the exception of certain cultural, artistic and sporting activities and, for children of at least 14 years of age (13 in very specific cases), combined work/training schemes, in-plant work-experience schemes and certain light work;

□ strictly regulate work done by adolescents, imposing specific rules in respect of working time, daily rest periods, weekly rest periods and night work, and laying down technical health and safety standards (more rigorous rules apply to children working by virtue of one of the abovementioned exceptions).

Certain of the provisions will not become applicable in the United Kingdom until four years after the Directive has come into force.

*1.2.193.* Proposal for a Council Directive on the protection of the health and safety of workers from the risks related to chemical agents at work.

**Commission proposal:** OJ C 165, 16.6.1993; COM(93) 155; Bull. 5-1993, point 1.2.94

**Economic and Social Committee opinion:** OJ C 34, 2.2.1994; Bull. 11-1993, point 1.2.128

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.161

*Amended proposal adopted by the Commission on 9 June.*

OJ C 191, 14.7.1994; COM(94) 230

## Equal opportunities

*1.2.194.* Commission memorandum on equal pay for work of equal value.

**Reference:** Council resolution on the third medium-term Community action programme for equal opportunities between women and men: OJ C 142, 31.5.1991; Bull. 5-1991, point 1.2.76

*Adopted by the Commission on 23 June.* The memorandum, provision for which was made in the third medium-term Community action programme for equal opportunities, seeks to define the concept and scope of 'equal pay for work of equal value'. It contains a detailed analysis of the European Court of Justice's case-law on the subject and sets out guidelines for complementary measures (e.g. more effective arrangements for the collection of information on pay discrimination, for the dissemination of information and for legal training) with a view to promoting the practical achievement of equal pay for work of equal value, having regard to the current substantial discrepancies between men's and women's pay.

COM(94) 6

*1.2.195.* Council resolution on the promotion of equal opportunities for men and women through the agency of the Structural Funds (→ point 1.2.123).

## International cooperation

*1.2.196.* Draft International Labour Organization (ILO) convention and recommendation on part-time working and on health and safety in mines.

**Commission recommendation:** Bull. 4-1994, point 1.2.163

*Negotiating directives adopted by the Council on 6 June.*

## Education, vocational training and youth

### Cooperation in the field of education

*1.2.197.* Proposal for a Parliament and Council Decision establishing the Community action programme 'Socrates'.

#### References:

Council Decision 89/489/EEC establishing an action programme to promote foreign language competence in the European Community (Lingua): OJ L 239, 16.8.1989; Bull. 7/8-1989, point 2.1.113

Council Decision 89/663/EEC amending Decision 87/327/EEC adopting the European Community action scheme for the mobility of university students (Erasmus): OJ L 395, 30.12.1989; Bull. 12-1989, point 2.1.123

**Commission proposal:** OJ C 66, 3.3.1994; COM(93) 708; Bull. 1/2-1994, point 1.2.184

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.165

**Economic and Social Committee opinion:** Bull. 4-1994, point 1.2.165

**Amended Commission proposal:** OJ C 164, 16.6.1994; COM(94) 180; Bull. 5-1994, point 1.2.137

**Committee of the Regions opinion:** Bull. 5-1994, point 1.2.137

*Council common position agreed on 21 June.* The programme, which has a duration of five years and is reviewable after three years, is intended to contribute to the development of quality education and an open European area for cooperation through Community action at all levels of education.

At school level, Socrates is concerned essentially with encouraging exchanges of teachers and the creation of partnerships between schools in different Member States with a view to the joint running of educational projects, more particularly in languages, the cultural heritage and protection of the environment.

As regards higher education, the promotion of student and teacher mobility, currently covered by the Erasmus and Lingua programmes, still constitutes a major programme objective. There will also be support for projects to enable universities to cooperate on subjects of common interest.

Provision is also made for Community action at all levels of education with a view to promoting language skills in the Community, open and distance learning, and exchanges of information and experience.

The Council estimates the total budget necessary for the execution of the programme at ECU 760 million — reviewable after three years — while the Commission's initial proposal was for a total budget of ECU 1 006 million.

## Vocational training

*1.2.198.* Proposal for a Council Decision establishing an action programme for the implementation of a European Community vocational training policy 'Leonardo da Vinci'.

**Commission proposal:** OJ C 67, 4.3.1994; COM (93) 686; Bull. 12-1993, point 1.2.113

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.169

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.138

**Amended Commission proposal:** OJ C 176, 29.6.1994; COM(94) 215; Bull. 5-1994, point 1.2.138

*Council common position agreed on 22 June.* This programme, which has a duration of five

years and is reviewable after three years, aims to raise the quality of vocational training by formulating a common framework of objectives and creating a more rational framework for the various Community measures which have been carried out hitherto in this field, stressing the need for a balance between initial and continuing training.

The European Union's intention is to support transnational exchange schemes and the pooling of know-how and experience, programmes for placements in an undertaking or training organization in a different Member State, and a range of studies and analyses designed to bring out common points of reference. The proposed Community measures are fourfold:

- support for the improvement of Member States' vocational training systems and arrangements;
- support for the improvement of vocational training actions, including university/industry cooperation for the benefit of companies and employees;
- support for the development of language skills, knowledge and the dissemination of innovative measures;
- support measures (cooperation network, information, monitoring, assessment).

The Council estimates the total budget needed for implementation of the programme at ECU 620 million, whereas the Commission's proposal was for some ECU 802 million.

## Youth

*1.2.199.* Proposal for a Parliament and Council Decision adopting the 'Youth for Europe III' programme designed to promote the development of exchanges among young people and of youth activities in the Community.

### References:

Council Decision 87/569/EEC concerning an action programme for the vocational training of young people and their preparation for adult and working life (PETRA): OJ L 346, 10.12.1987; Bull. 12-1987, point 2.1.143

Council Decision 88/348/EEC adopting an action programme 'Youth for Europe' for the promotion of youth exchanges in the Community: OJ L 158, 25.6.1988; Bull. 6-1988, point 2.1.142

Council Decision 90/233/EEC establishing a trans-European mobility scheme for university studies (Tempus): OJ L 122, 7.5.1992; Bull. 4-1992, point 1.3.98

**Commission proposal:** OJ C 160, 11.6.1994; COM(93) 523; Bull. 11-1993, point 1.2.81

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.170

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.167

**Amended Commission proposal:** OJ C 170, 23.6.1994; COM(94) 186; Bull. 5-1994, point 1.2.141

**Committee of the Regions opinion:** Bull. 5-1994, point 1.2.141

*Council common position agreed on 6 June.* This action programme constitutes a coherent and rationalized framework for continuity, with effect from 1 January 1995, of the various Community initiatives for young people.

Appealing more particularly to the creativity, spirit of initiative and direct involvement of young people in the implementation of the programme, this third phase extends the programme's earlier scope. In addition to youth exchange activities and the training of youth workers within the Community, the programme seeks more diversity, aiming to encourage access by disadvantaged young people to programme activities and to provide support for exchanges involving young people from non-member countries with which the Community has cooperation agreements. The programme also provides for complementarity of action with relevant international organizations and focuses on the exchange of information and know-how in the field of youth between the Member States.

The Council estimates the total amount needed for implementation of the programme at ECU 105 million, whereas the Commission's initial proposal was for a budget of ECU 157 million.

## Public health and solidarity

### Public health

**Reference:** Commission communication on the framework for action in the field of public health: COM(93) 559; Bull. 11-1993, point 1.2.191

### General

*1.2.200.* Council resolution on the framework for Community action in the field of public health.

#### References:

Resolution of the Council and the Ministers for Health on future action in the field of public health: OJ C 174, 25.6.1993; Bull. 5-1993, point 1.2.145

Parliament resolution on public health policy after Maastricht: OJ C 329, 6.12.1993; Bull. 11-1993, point 1.2.192

Preliminary draft budget for 1995: Bull. 4-1994, point 1.5.5

*Adopted on 2 June.* Welcoming the Commission communication on the framework for action in the field of public health as an important contribution to the development of Community policies and action in this area, the Council stressed the need, in the interests of continuity and consistency, for comprehensive multiannual programming of existing and future action and the identification of priority areas for action such as cancer, drug dependence, AIDS and other transmissible diseases, health promotion, education and training, disease surveillance and the collection of reliable health data. It also called for more intensive cooperation between the Member States, the Community, third countries and international organizations competent in the field of public health and asked the Commission to present proposals to this effect.

OJ C 165, 17.6.1994

*1.2.201.* Commission communication accompanied by a proposal for a Parliament and Council Decision adopting a programme of Community action on health promotion, information, education and training within the framework for action in the field of public health.

*Adopted on 1 June.* As a follow-up to its communication of 24 November 1993 on the framework for action in the field of public health, the Commission is proposing a five-year action programme (1995-99) defining an information and education strategy based on both general and specific measures and identifying priority areas for action designed to influence behaviour in the field of health.

The programme provides for health information, education and training activities at school and at the workplace relating in particular to nutrition,



alcohol, tobacco and drug abuse, physical and mental health, and medical products and medication. It also provides for specific measures in the field of prevention and health promotion with reference to certain diseases and major dangers to health. The Commission also intends to support proposals for action submitted by the Member States, initiatives involving organizations and agencies engaged in health promotion, and cooperation with other international organizations and transnational associations working in the field concerned. The total budget for implementation of this five-year programme is put by the Commission at ECU 35 million, of which ECU 6 million has already been entered in the 1995 draft budget for health promotion measures.

COM(94) 202

1.2.202. Second European Conference on Environment and Health (→ point 1.2.170).

## AIDS

1.2.203. Proposal for a Parliament and Council Decision concerning the extension of the 'Europe against AIDS' programme.

**Reference:** Decision 91/317/EEC of the Council and the Ministers for Health meeting within the Council adopting a plan of action in the framework of the 1991-93 'Europe against AIDS' programme: OJ L 175, 4.7.1991; Bull. 6-1991, point 1.2.215

**Commission proposal:** COM(93) 453; Bull. 9-1993, point 1.2.140

**Procedure subject to the co-decision procedure since 1 November 1993**

**Parliament opinion (first reading):** OJ C 20, 24.1.1994; Bull. 12-1993, point 1.2.258

**Economic and Social Committee opinion:** OJ C 133, 16.5.1994; Bull. 1/2-1994, point 1.2.188

**Committee of the Regions opinion:** Bull. 5-1994, point 1.2.143

*Common position adopted by the Council on 2 June.* The aim is to extend the programme until 31 December 1995 so that the activities being pursued at present do not have to be interrupted. The budget needed for the purpose is put by the Council at ECU 18 million.

## Cardiovascular diseases

1.2.204. Council resolution on cardiovascular diseases.

## References:

Conclusions of the Council and the Ministers for Health meeting within the Council concerning cardiovascular disease in the Community: OJ C 329, 31.12.1990; Bull. 12-1990, point 1.3.310

Parliament resolution on public health policy after Maastricht: OJ C 329, 6.12.1993; Bull. 11-1993, point 1.2.192

*Adopted on 2 June.* Given that cardiovascular diseases are one of the main causes of premature death, the Council considers that preventing, investigating and combating them should be priorities for the European Union in its efforts to promote health and that it is necessary to look into ways of developing Community measures to combat risk factors and strengthen protective factors, establishing systems enabling Member States to cooperate and coordinate their policies and programmes, improving the knowledge of health professionals and designing special health education and information programmes for the public. It called on the Commission to examine appropriate incentives and to take any useful initiative to promote the coordination of national policies in this area.

OJ C 165, 17.6.1994

## Drugs

1.2.205. Commission communication to the Council and Parliament on a European Union action plan to combat drugs (1995-99) (→ point 1.4.6).

1.2.206. Commission communication on Community action in the field of drug dependence, together with a proposal for a Parliament and Council Decision adopting a Community action programme on the prevention of drug dependence.

**Reference:** Commission communication to the Council and Parliament on a European Union action plan to combat drugs: COM(94) 234; point 1.4.6 of this Bulletin

*Adopted on 21 June.* Using the powers vested in it by the EC Treaty and in the context both of its communication on the framework for action in the field of public health and of the European Union action plan to combat drugs, the Commission is developing a multilayered approach in a variety of fields connected with drug dependence. The aims of the Community action programme are to prevent the use of narcotics and psychotropic substances and the abuse of alco-

hol and pharmaceutical products, to discourage the diversion of chemicals to the manufacture of narcotics and to meet the health and social needs of drug addicts.

In an attempt to maximize the impact of this approach at Community level, the programme will be based on measures such as increasing public awareness by means of coordinated transnational action, using the opportunities provided by other Community policies, programmes and instruments, especially the Structural Funds, research and training, and initiatives and activities targeted at young people still in school.

The budget for this programme is put at ECU 30 million over five years.

COM(94) 223

## Consumers

### Protection of consumers' economic and legal interests

*1.2.207.* Commission communication to the Council and the European Parliament on new directions on the liability of suppliers of services.

**Reference:** Conclusions of the Edinburgh European Council: Bull 12-1992, point I.23

**Proposal withdrawn:** Proposal for a Council Directive on the liability of suppliers of services: OJ C 12, 18.1.1991; COM(90)482; Bull. 7/8-1991, point 1.2.286

*Adopted by the Commission on 23 June.* The new directions adopted by the Commission are the outcome of an in-depth re-examination of the approach adopted in the proposal for a Directive presented by the Commission in 1990, which addressed the problem of the safety of services by way of a general, across-the-board harmonization of all national liability systems. This proposal met with opposition from various professional circles and received a negative reaction from the Economic and Social Committee. In addition, the Edinburgh European Council called for the proposal to be re-examined in the light of subsidiarity.

The Commission's rethink, which means withdrawing the 1990 proposal, will lead to the work being resumed along three main lines:

- improved information for consumers, centring on the development of voluntary standards and codes of conduct;
- the preparation of specific texts concerning sectors in respect of which particular needs are established;
- support for initiatives regarding access to justice, the simplified settlement of disputes, and guarantees and after-sales services.

COM(94) 260

*1.2.208.* Commission Green Paper on access of consumers to justice and the settlement of consumer disputes in the single market.

**Reference:** Commission Green Paper: COM(93) 576; Bull. 11-1993, point 1.2.105

*Economic and Social Committee opinion delivered on 2 June.* The Committee broadly welcomed the Green Paper, but urged the Commission to submit specific proposals on a system of special legal support and aid for transfrontier disputes and to define basic rules for the standardization of collective or joint actions.

*1.2.209.* Commission Green Paper on guarantees for consumer goods and after-sales services.

**Reference:** Commission Green Paper: COM(93) 509; Bull. 11-1993, point 1.2.107

*Economic and Social Committee opinion delivered on 2 June.* The Committee opted for phased harmonization in respect of legal guarantees and for a European consumer code on commercial guarantees. Regarding after-sales services, it recommended the introduction of codes of conduct in preference to regulation.

## Culture

### Cultural heritage

*1.2.210.* Council conclusions on cultural heritage.

**Reference:** Conclusions of the Council and the Ministers for Culture meeting within the Council

on guidelines for Community cultural action: OJ C 336, 19.12.1992; Bull. 11-1992, point 1.3.245

*Adopted on 17 June.* Referring back to the conclusions adopted by the Council and the Ministers for Culture in November 1992, in which they expressed their interest in cultural heritage, both movable and immovable, the Council came out in favour of combining the various aspects of cultural heritage in one global operation, highlighting the importance of taking into account the cultural dimension of other Community policies and programmes, increasing the awareness of all those involved with culture, especially at local level, mobility for professionals, the exchange of experience and information, networks and establishments devoted to conservation, training and research in the field of cultural heritage, and cooperation with non-member countries and international organizations.

More specific action is also envisaged, notably in respect of the conservation and safeguarding of cultural heritage of European significance, the dissemination of information, training, public awareness, taking cultural heritage into account in regional development and job creation, tourism and the environment, research, mass media and the new technologies.

*1.2.211.* Council conclusions on cooperation in the field of archives.

*Adopted on 17 June.* In view of the fact that archives constitute a significant part of Europe's cultural heritage and their use can help improve knowledge of European culture and history, the Council has asked the Commission to include archives in the communication it has undertaken to produce on the Community's cultural heritage and to make provision for the following:

- organizing a multidisciplinary forum on the management, storage, conservation and retrieval of machine-readable data;
- promoting student and archivist exchanges through Community action programmes on education and vocational training;
- preparing and promoting the publication in all the official Community languages of a practical guide to the procedures and other provisions in the Member States and the Community institutions for user-access to their archives;
- preparing and promoting the publication of technical material on research and research find-

ings on the conservation and restoration of archives and archive material;

- encouraging the publication of information on the content of archives.

## Architectural heritage

*1.2.212.* Support for pilot projects.

### References:

Selection of last year's projects: Bull. 6-1993, point 1.2.233

Call for applications: OJ C 275, 13.10.1993; Bull. 10-1993, point 1.2.178

*Projects selected by the Commission on 6 June.* ECU 3 740 million has been allocated to part-finance the 53 pilot projects selected from among the 522 applications received; this year's projects are concerned with historic buildings and sites related to the performing arts in the wider sense of the term, for example, theatres, concert halls, operas and cinemas.

Priority has been given to projects designed to conserve monuments and sites purpose-built and still used for their original purpose. As well as saving the monuments and sites in question, the conservation projects also have a significant cultural and socioeconomic impact, particularly in terms of employment.

## European Cultural Month

*1.2.213.* Council decision on the designation of host cities for European Cultural Month.

### References:

Conclusions of the Ministers for Culture meeting within the Council on a special event for European Cultural Month: OJ C 162, 3.7.1990; Bull. 5-1990, point 1.2.233

Previous decision: Bull. 11-1993, point 1.2.203

*Adopted on 17 June.* The cities chosen to host European Cultural Month are St Petersburg for 1996 and Ljubljana for 1997. Ljubljana had originally been due to host the event in 1995 but asked for it to be deferred.

## Education and culture

*1.2.214.* Council conclusions on the cultural and artistic aspects of education.

**Reference:** Proposal for a Parliament and Council Decision establishing the Community action

programme 'Socrates': point 1.2.197 of this Bulletin

*Adopted on 21 June.* The Treaty on European Union calls for cooperation between Member States on education and highlights the importance of quality. With this in mind, the Council stressed that cultural input is essential to quality education and pointed out that introduction to culture and initiation in creative or performing arts can also contribute to the harmonious development of the individual in society. It drew attention to the fact that the new Community education programme 'Socrates' attaches particular importance to the cultural and artistic aspects of education and calls for cooperation with the Council of Europe and other European organizations concerned with the cultural aspects of education. Lastly, the Council noted with interest the pilot project being implemented by the Commission designed to bring a specific European dimension into post-secondary level schools of art, dance, theatre, audiovisual studies, design and music, which because of their status may not be adequately covered by existing education and training programmes.

*1.2.215.* Council conclusions on children and culture. *Adopted on 17 June.* In view of the beneficial effects of culture on young children and adolescents, particularly with regard to equality and social responsibility, the Council welcomed the fact that children and culture are now on the European Union agenda.

*1.2.215.* Council conclusions on children and culture.

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## Information, communication and audiovisual media

### Information and communication

*1.2.216.* Eurobarometer No 41.

**Reference:** Previous Eurobarometer: Bull. 12-1993, point 1.2.269

*Findings published by the Commission on 7 June.* In the latest Eurobarometer survey carried out between 4 April and 6 May in the run-up to the European elections, 52% of interviewees in the European Union claimed to have recently heard a reference to the European Parliament. 44% said they would like Parliament to have more power as against 33% who said they would like it to have less. Opposition was the most outspoken in the United Kingdom (27% for and 58% against) and in Denmark (18% for and 73% against). Most of those who intended to vote thought national questions would carry more weight in their vote (55%) than European questions (37%). These figures were reversed in the Netherlands (53%).

The poll confirms the erosion of support for the European Union. Compared with the previous Eurobarometer, the number of interviewees who thought their country's membership of the Union was 'a good thing' had declined by 3% (54%). But this figure is still four times higher than the number who thought it was 'a bad thing' (13%). The sharpest fall in support over the last six months was recorded in Greece (down 9% since the previous Eurobarometer). That said, the Greeks are still massively behind the Union: 64% think their country's membership is 'a good thing' and 69% feel their country has benefited from it. In general, compared with the previous Eurobarometer, the figures overall show a 2% increase in the number who consider their country has benefited from membership of the Union; the increase is particularly significant in the United Kingdom (up 8%).

(Available from the European Commission, Directorate-General for Information, Communication, Culture and Audiovisual Media, 200 rue de la Loi, B-1049 Brussels)

### Audiovisual policy

*1.2.217.* Council resolution on a framework for Community policy on digital video broadcasting.

**Council agreement:** Bull. 5-1994, point 1.2.158

*Adopted on 27 June.*

OJ C 181, 2.7.1994

### 3. The role of the Union in the world

#### Common foreign and security policy

1.3.1. The European Council welcomed the adoption of final documents by the inaugural conference for a pact on stability in Europe and called on the countries involved to honour the undertakings they entered into at the conference to conclude the stability pact. It also adopted guidelines for joint action to prepare the 1995 Conference of signatories to the Treaty on the Non-proliferation of Nuclear Weapons (NPT). It was pleased at the progress towards reconciliation between the Bosnian Croats and Muslims and called on the parties concerned to approve the Memorandum of Understanding on the administration of Mostar, which would pave the way for its signature (→ points I.14, I.21 and I.22).

#### Financing of the CFSP

1.3.2. Council guidelines on the financing of the common foreign and security policy.

*Adopted on 13 June.* The Council approved arrangements for the various options available for financing CFSP activities. Article J.11 of the Treaty on European Union provided for administrative expenditure incurred by the institutions under the common foreign and security policy to be financed from the Community budget. The Council established a definition of the categories of administrative expenditure which could be considered eligible for financing from the Council section of the budget. Article J.11 of the Treaty on European Union provided for operational expenditure to be financed either from the Community budget or by the Member States. The Council agreed that a GNP scale would be used for funding operational expenditure by Member States. In the case of expenditure funded from the Community budget, the Council instructed its President to pursue talks with Parliament to find an arrangement which would

ensure that the Union's action was not hampered by budgetary problems.

#### The fight against drugs

1.3.3. Commission communication to the Council and Parliament on a European Union action plan to combat drugs (1995-99)(→ point 1.4.6).

#### Joint action by the European Union

##### *Stability pact*

1.3.4. Council Decision 94/367/CFSP on the continuation of the joint action adopted by the Council on the basis of Article J.3 of the Treaty on European Union on the inaugural conference on the stability pact.

##### **References:**

Conclusions of the Copenhagen European Council: Bull. 6-1993, point I.5

Conclusions of the Brussels European Council: Bull. 10-1993, point I.3.4

Conclusions of the Brussels European Council: Bull. 12-1993, points I.9 and I.16

Council Decision 93/728/CFSP concerning joint action on the inaugural conference for a pact on stability in Europe: OJ L 339, 31.12.1993; Bull. 12-1993, point 1.4.9

Inaugural conference on the stability pact: Bull. 5-1994, point 1.3.2

*Adopted on 14 June.* The Council decided to continue the joint action on the stability pact adopted by the Council in December 1993 on the basis of the guidelines laid down by the European Councils of June, October and December 1993. The aim of this joint action was to foster good neighbourly relations in Central and Eastern Europe through a process of bilateral negotiation and regional round table meetings. It would be conducted on the basis of the final documents adopted at the inaugural

conference held in Paris in May, its objective being to promote the pact's conclusion. The Council called on the Commission to take appropriate economic measures under Community programmes to contribute to the achievement of the joint action's objectives. It would review the progress made towards the achievement of the objectives in due course and at the latest in one year's time.

OJ L 165, 1.7.1994

## Common positions adopted by the European Union

### *Embargo against Serbia and Montenegro*

1.3.5. Council Decision 94/366/CFSP on the common position defined by the Council on the basis of Article J.2 of the Treaty on European Union concerning prohibition of the satisfaction of the claims referred to in paragraph 9 of United Nations Security Council Resolution No 757 (1992).

**Reference:** Proposal for a Council Regulation prohibiting the satisfying of claims with regard to contracts and transactions the performance of which was affected by the United Nations Security Council Resolution No 757 (1992) and related resolutions: Bull. 12-1993, point 1.3.40

*Adopted on 13 June.* This Decision implements paragraph 9 of United Nations Resolution No 757 (1992) preventing the Federal Republic of Yugoslavia (Serbia and Montenegro) from obtaining compensation for the negative effects of the embargo.

OJ L 165, 1.7.1994

1.3.6. Memorandum of Understanding on the administration of Mostar.

**References:**

Council conclusions on the administration of Mostar: Bull. 4-1994, point 1.3.30

Council Decision 94/308/CFSP adapting and extending the application of Decision 93/603/CFSP concerning the joint action decided on by the Council on the basis of Article J.3 of the Treaty on European Union on support for the conveying of humanitarian aid in Bosnia and Herzegovina: OJ L 134, 30.5.1994; Bull. 5-1994, point 1.3.3

Conclusions of the Corfu European Council: point 1.22 of this Bulletin

Presidency statement on Mostar: point 1.3.9 of this Bulletin

*Adopted on 13 June.* This Memorandum of Understanding is an international agreement which will be signed by, on the one hand, the presidencies of the European Union and the Western European Union respectively and, on the other, the authorities of the Republic and Federation of Bosnia-Herzegovina, the local authorities of eastern and western Mostar and representatives of the Bosnian Croats. It establishes the conditions for European Union administration of the town of Mostar.

## European Union statements and press statements on behalf of the presidency

1.3.7. The European Union statements and presidency press statements published in June are set out below.

### *Former Yugoslavia*

1.3.8. The following presidency press statement on behalf of the European Union concerning the recent agreement between the Croats and Muslims and the Serbs was published in Brussels and Athens on 10 June:

'The European Union welcomes the cease-fire agreement on 8 June in Geneva by the parties in Bosnia-Herzegovina and expresses the hope that it will lead to a comprehensive cessation of hostilities and pave the way for serious negotiations in view of a peace agreement.

The European Union also welcomes the opening of the second phase of negotiations between the government and the Serbs of Croatia. It looks forward to seeing concrete results and states its readiness to offer its assistance.'

1.3.9. The following presidency press statement on behalf of the European Union concerning Mostar was published in Brussels and Athens on 15 June:

**Reference:** Memorandum of Understanding on the administration of Mostar: point 1.3.6 of this Bulletin

'The Council approved the Memorandum of Understanding on the EU administration of Mostar which had been negotiated and initialled in Brussels on 8 and 9 June 1994 with Croat and Bosnian delegations from

Mostar. The Council welcomed the considerable efforts which the two parties from Mostar had made and which showed their willingness to make further progress towards mutual reconciliation. This Memorandum of Understanding, when signed by all parties, will be the decisive step towards the early establishment of the EU administration.

The Council calls on the parties from Bosnia-Herzegovina to approve the Memorandum of Understanding on their side as soon as possible, thus opening the way for signature. It hopes that this will take place very soon. In making this major contribution to the restoration of peace and stability in an important town which has been the centre of much fighting and misery, the European Union recalls that success will only be assured if all concerned in Mostar and the region cooperate fully. It hopes that the restoration of cooperation between the communities in Mostar will be a model for other parts of Bosnia-Herzegovina.'

## Angola

1.3.10. The following presidency press statement on behalf of the European Union was published in Brussels and Athens on 30 June:

'The European Union wishes to express its deep concern at the recent escalation of the fighting in Angola. This renewed violence, which has resulted in suspension of all humanitarian flights to all regions, is threatening the progress which has been achieved at the peace talks in Lusaka and is hindering the provision of humanitarian assistance to more than three million Angolans, thus putting their lives at risk.

The European Union acknowledges and commends the fact that the government of Angola has recently accepted the proposals of the mediation on national reconciliation and strongly calls upon UNITA to do likewise and to allow the negotiations to conclude in a comprehensive settlement.

The European Union opposes and strongly condemns all attempts to strengthen negotiating positions through gains on the battlefield. It calls upon both parties, and UNITA in particular, to stop military operations and to devote all their efforts to the successful conclusion of the present Lusaka negotiations undertaken under the auspices of the UN.

The European Union, which is a major donor to Angola, wishes to convey in the strongest possible terms its condemnation of recent attitudes on coercion and obstruction and attacks on international and Angolan humanitarian aid personnel, thus threatening their safety, and calls both on the Angolan government and UNITA to actively facilitate their humanitarian work.

The European Union, reiterating its conviction that the negotiations in Lusaka offer the best means of

achieving a lasting settlement in Angola, calls upon both sides to quickly settle the remaining issues in order to urgently reach a comprehensive peace accord.'

## Ethiopia

1.3.11. The following presidency press statement on behalf of the European Union was published in Brussels and Athens on 24 June:

'The European Union believes that the elections for a constituent assembly in Ethiopia were satisfactory from the technical point of view. These elections were thus an improvement on the 1992 regional elections and represent progress in the democratic development of the country. The conduct of the elections indicated that there are grounds for believing that the opinions of the Ethiopian people could be properly reflected at the planned election for a parliamentary government.

The European Union considers that there is still some way to go, particularly regarding the climate in which opposition parties are able to campaign. Although a substantial number of independent candidates stood in the election, the European Union regrets that, for whatever reasons, the main opposition parties did not participate and it was therefore, for the most part, an EPRDF-dominated election.

The European Union finally believes that in the forthcoming parliamentary elections not only the conduct of the electoral process must be satisfactory, but all political forces should participate.'

## Latvia

1.3.12. The following presidency press statement on behalf of the European Union concerning the Latvian citizenship bill was published in Brussels and Athens on 21 June:

'The European Union has expressed its understanding and support for the difficult task of the Latvian Government in finding fair solutions to the future status of the non-citizens in Latvia and acknowledged the efforts made by the Latvian Government towards this end.

Nevertheless, the European Union has expressed to the Latvian authorities its concern regarding the development of some aspects of the draft citizenship law. The European Union called upon the Latvian authorities to take into consideration the recommendations of the CSCE High Commissioner as well as of the Council of Europe, which are fully supported by the European Union, and encouraged Latvia to continue the dialogue with them.'

## Nigeria

1.3.13. The following presidency press statement on behalf of the European Union was published in Brussels and Athens on 30 June:

'The European Union has learned with concern of the recent arrest of Moshood Abiola by the Nigerian security services. It believes that in a democratic society everyone is entitled to express freely his views.

The European Union condemns the arrest of Chief Abiola and appeals forcibly to the Nigerian Government to respect the fundamental human rights of all its citizens.

The recent wave of arrests without charges of leading politicians casts doubts on the intention of the Nigerian Government to achieve progress towards democracy.'

## Enlargement

*1.3.14.* The European Council welcomed the signing of the Treaties for the accession of Austria, Sweden, Finland and Norway to the European Union, and the considerable progress made with the applications of Cyprus and Malta. The Council also welcomed the applications received from Hungary and Poland to join the Union, and the entry into force of the Europe Agreements concluded with the two countries (→ point I.11).

### EFTA countries

*1.3.15.* Accession of the Republic of Austria, the Kingdom of Sweden, the Republic of Finland and the Kingdom of Norway to the European Union.

**Austrian application:** Bull. 7/8-1989, point 2.2.14

**Commission opinion on Austria's application:** Bull. 7/8-1991, point 1.3.2; Bull. Supplement 4/92

**Swedish application:** Bull. 7/8-1991, point 1.3.3

**Commission opinion on Sweden's application:** Bull. 7/8-1992, point 1.4.1; Supplement 5/92 — Bull.

**Finnish application:** Bull. 3-1992, point 1.3.1

**Commission opinion on Finland's application:** Bull. 11-1992, point 1.4.1; Supplement 6/92 — Bull.

**Norwegian application:** Bull. 11-1992, point 1.4.3

**Commission opinion on Norway's application:** COM(93) 142; Bull. 3-1993, point 1.3.1; Bull. Supplement 2/93

**Completion of negotiations for the accession of Austria, Finland, Sweden and Norway to the European Union:** Bull. 3-1994, point 1.3.26

**Commission opinion on the applications for accession to the European Union by Austria, Sweden, Finland and Norway:** COM(94) 148; Bull. 4-1994, point 1.3.16

**Assent of Parliament:** Bull. 5-1994, point 1.3.20

**Council Decision on the admission of Norway, Austria, Finland and Sweden to the European Union:** Bull. 5-1994, point 1.3.20

*Treaties and Final Acts signed in Corfu on 24 June.* The documents were signed by the Heads of Government and Foreign Ministers of the 12 Member States and the four acceding countries. At the ceremony, speeches were given by Mr Andreas Papandreu, Prime Minister of Greece and President of the Council, Mr Jacques Delors, President of the Commission, Mr Egon Klepsch, President of Parliament, Mrs Gro Harlem Brundtland, Prime Minister of Norway, Mr Thomas Klestil, Federal President of Austria, Mr Martti Ahtisaari, President of Finland, and Mr Carl Bildt, Prime Minister of Sweden. The speakers stressed the positive impact of the enlargement of the European Union on political stability in Europe, and the contribution of the acceding countries in terms of respect for democratic principles and human rights, safeguarding of workers' rights and protection of the environment.

*1.3.16.* Result of the Austrian referendum.

On 12 June the people of Austria approved the accession of their country to the European Union by a majority of 66.6%. To mark this occasion, Mr Delors issued the following statement:

'That the people of Austria, with their strong attachment to their national identity, their pride in their history, in their country's intellectual heritage and the achievements of outstanding individuals such as Chancellor Kreisky, should choose, with a two-thirds majority, to join the European Union, constitutes a historic breakthrough that demonstrates the extent to which the Austrians have focused on the core issues. For we are building our European Union not only to spread peace and mutual recognition, but also to give new momentum to a continent threatened with decline in the wake of the great changes that have taken place in the world. All this the Austrians have understood.

There is, I believe, a great lesson for us all here.'



## European Economic Area (EEA), European Free Trade Association (EFTA)

### European Economic Area (EEA)

1.3.17. EEA Joint Committee Decision No 7/94 amending Protocol 47 and certain Annexes to the EEA Agreement.

**Commission proposal:** Bull. 1/2-1994, point 1.3.30

**Council agreement on a Decision of the EEA Joint Committee:** Bull. 3-1994, point 1.3.31

**Decision of the EEA Joint Committee on 21 March:** Bull. 3-1994, point 1.3.31

**Assent given by Parliament to the Decision of the EEA Joint Committee:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.23

*Decision of the EEA Joint Committee formally approved by the Council on 13 June. The Decision incorporates into the EEA Agreement the *acquis communautaire* adopted between 1 August 1991 and 1 January 1994, and is to enter into force on 1 July 1994.*

OJ L 160, 28.6.1994

### EFTA countries

#### Finland

1.3.18. Mr Esko Aho, Prime Minister of Finland, visited the Commission on 7 June.

**Reference:** Finland's application for membership of the European Union — point 1.3.15 of this Bulletin

Mr Aho met Mr Delors for talks on the political and economic situation in Finland in the run-up to the membership referendum scheduled for 16 October. Mr Aho gave particular emphasis to the national agricultural support measures which he is about to put before the Finnish parliament and which are intended to help prevent a deterioration in farmers' living conditions when Finland's agricultural prices are brought into line with the Community's.

1.3.19. Visit to Finland by Mr Christophersen on 21 June.

**Reference:** Commission White Paper entitled 'Growth, competitiveness, employment: The challenges and ways forward into the 21st century': COM(93) 700; Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

This visit took place in the context of the annual meeting of the Commission and ministers of the EFTA countries. Discussion focused mainly on the process of European integration and the follow-up to the Commission White Paper on growth, competitiveness and employment. Mr Christophersen, who also took part in the second meeting of the EEA Consultative Committee, went on to meet Mr Heikki Haavisto, Finnish Minister for Foreign Affairs, Mr Pertti Salolainen, Finnish Minister for Foreign Trade, Mr Seppo Kaariainen, Finnish Minister for Trade and Industry and Mr Iiro Viinanen, Finnish Minister for Finance. Their discussions centred mainly on political developments in Finland, the participation of Finland in the European decision-making process and the follow-up to the White Paper.

## Central and Eastern Europe and the independent States of the former Soviet Union

1.3.20. The European Council emphasized the significance of the Europe Agreements and the importance of their being implemented as a prelude to accession for those of the associated countries of Central and Eastern Europe which wished to join the European Union. It welcomed the signing of the Partnership and Cooperation Agreements with Russia and Ukraine, as they paved the way to greater cooperation with the Union. It called on the Council to continue working on the formulation of an overall policy for Ukraine, and expressed its concern over the nuclear safety situation there (→ points I.13 and I.18).

### Central and Eastern Europe

#### Assistance for Central and Eastern Europe

1.3.21. Commission report to the Council and Parliament on the implementation of macrofinancial assistance to third countries (→ point 1.2.14).

1.3.22. Commission Decision approving the 1994 PHARE democracy programme.

**Previous programme:** Bull. 12-1993, point 1.3.10

*Adopted on 16 June.* The programme, which helps to establish democratic institutions in Central and Eastern Europe, was allocated ECU 5 million.

### *Bilateral relations*

#### **Bulgaria**

1.3.23. Agreement in the form of an exchange of letters amending the interim Agreement on trade and trade-related matters between the European Economic Community and European Coal and Steel Community and Bulgaria, and the Europe Agreement establishing an association between the European Community and its Member States, of the one part, and Bulgaria, of the other part.

#### **Agreements amended:**

Interim Agreement on trade and trade-related matters between the EEC and the ECSC, of the one part, and Bulgaria, of the other part (OJ L 323, 23.12.1993; Bull. 12-1993, point 1.3.15) as amended by Council Decisions 94/48/EC and 94/54/EC (OJ L 25, 29.1.1994; Bull. 12-1993, point 1.3.18)

Draft Europe (Association) Agreement between the European Community and its Member States, of the one part, and Bulgaria, of the other part: Bull. 10-1993, point 1.3.12

**Commission recommendation:** Bull. 5-1994, point 1.3.31

**Commission proposal regarding conclusion of the Agreement:** Bull. 5-1994, point 1.3.31

*Negotiating directives adopted on 13 June.*

*Council Decision 94/391/EC approving the exchange of letters adopted on 27 June.*

OJ L 178, 12.7.1994

#### **Latvia**

1.3.24. Draft agreement on free trade and trade-related matters between the European Community and Latvia.

**Commission recommendation:** Bull. 12-1993, point 1.3.13

**Amended Commission recommendation:** Bull. 1/2-1994, point 1.3.39

**Negotiating directives:** Bull. 1/2-1994, point 1.3.39

*Agreement initialled in Brussels on 20 June.*

#### **Lithuania**

1.3.25. Draft agreement on free trade and trade-related matters between the European Community and Lithuania.

**Commission recommendation:** Bull. 12-1993, point 1.3.13

**Amended Commission recommendation:** Bull. 1/2-1994, point 1.3.39

**Negotiating directives:** Bull. 1/2-1994, point 1.3.39

*Agreement initialled in Brussels on 27 June.*

#### **Romania**

1.3.26. Council Decision 94/369/EC providing further macrofinancial assistance for Romania.

#### **References:**

Council Decision 91/384/EEC providing medium-term financial assistance for Romania: OJ L 208, 30.7.1991; Bull. 7/8-1991, point 1.3.18

Council Decision 92/551/EEC providing further medium-term financial assistance for Romania: OJ L 353, 3.12.1992; Bull. 11-1992, point 1.4.13

**Commission proposal:** OJ C 134, 17.5.1994; COM(94) 118; Bull. 4-1994, point 1.3.25

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.33

**Council agreement:** Bull. 5-1994, point 1.3.33

*Council conclusions adopted on 6 June.*

*Formally adopted on 20 June.* The Council granted Romania a seven-year loan of up to ECU 125 million (principal) to improve the country's balance-of-payments situation and bolster its international reserves. The main condition attached to the first instalment of the loan is the approval of the standby arrangement with the International Monetary Fund. The second instalment will be paid no earlier than the fourth quarter of 1994, subject to adherence to a series of conditions including satisfactory implementation of the standby arrangement.

OJ L 168, 2.7.1994

1.3.27. Agreement in the form of an exchange of letters amending the interim Agreement on

trade and trade-related matters between the European Economic Community and European Coal and Steel Community and Romania, and the Europe Agreement establishing an association between the European Community and its Member States, of the one part, and Romania, of the other part.

**Agreements amended:**

Interim Agreement on trade and trade-related matters between the EEC and the ECSC, of the one part, and Romania, of the other part (OJ L 81, 2.4.1993; Bull. 3-1993, point 1.3.10), as amended by Council Decisions 94/49/EC and 94/55/EC (OJ L 25, 29.1.1994; Bull. 12-1993, point 1.3.18)

Draft Europe (Association) Agreement between the European Community and its Member States, of the one part, and Romania, of the other part: Bull. 10-1993, point 1.3.16

**Commission recommendation:** Bull. 5-1994, point 1.3.34

**Commission proposal regarding conclusion of the Agreement:** Bull. 5-1994, point 1.3.34

*Negotiating directives adopted on 13 June.*

*Council Decision 94/392/EC approving the exchange of letters adopted on 27 June.*

OJ L 178, 12.7.1994

## **Independent States of the former Soviet Union**

*Assistance for the independent States of the former Soviet Union*

1.3.28. Commission Decision approving the 1994 TACIS democracy programme for the new independent States of the former Soviet Union and Mongolia.

*Adopted on 21 June.* The programme was allocated ECU 5 million for 1994 to promote pluralist democracy and the rule of law in the new independent States and Mongolia.

1.3.29. Commission Decision under the TACIS programme approving a technical assistance action programme for Belarus for 1994.

**Basic Regulation:** Council Regulation (Euratom, EEC) No 2053/93 on the provision of technical assistance to economic reform and recovery in the independent States of the former Soviet

Union and Mongolia (TACIS programme): OJ L 187, 29.7.1993; Bull. 7/8-1993, point 1.3.15

*Adopted on 10 June.* The Decision allocates ECU 7 million for Belarus.

## *Bilateral relations*

### **Russia**

1.3.30. Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part.

**References:**

Agreement between the EEC and EAEC and the Union of Soviet Socialist Republics on trade and commercial and economic cooperation: OJ L 68, 15.3.1990; Bull. 1/2-1990, points 1.2.23 and 1.2.24

Council Regulation (Euratom, EEC) No 2053/93 on the provision of technical assistance to economic reform and recovery in the independent States of the former Soviet Union and Mongolia (TACIS programme): OJ L 187, 29.7.1993; Bull. 7/8-1993, point 1.3.15

**Recommendation for a Decision:** Bull. 7/8-1992, point 1.4.3

**Negotiating directives:** Bull. EC 10-1992, point 1.4.19

**Council Decisions amending negotiating directives:** Bull. 4-1993, point 1.3.18; Bull. 11-1993, point 1.3.16

**Council conclusions:** Bull. 4-1994, point 1.3.27

*Proposal regarding the conclusion of the Agreement adopted by the Commission on 15 June.*

COM(94) 257

*Decision on the signing of the Agreement adopted by the Council on 22 June.*

*Agreement signed in Corfu on 24 June.* The Agreement was signed during the Corfu European Council by Mr Boris Yeltsin, President of the Russian Federation, Mr Andreas Papan-dreou, President of the Council, Mr Delors and the Heads of Government of the Member States. A 'mixed-type' Partnership and Cooperation Agreement (combining areas of Community and Member-State responsibility), it replaces the 1990 Agreement with the Soviet Union and is intended to provide a framework for political, economic and trade relations between Russia and the European Union, initially for 10 years.

It provides for the establishment of political dialogue through regular consultations at all levels, in the interests of forging closer links between Russia and the European Union, bringing a convergence of positions on international issues and promoting security, stability and adherence to the principles of democracy and human rights. It confirms the elimination of all quotas and quantitative restrictions on Russian exports to the European Union (except in the case of some textiles and steel products). Some provisions of the 1990 Agreement remain in force for trade in nuclear materials, pending a separate Agreement which is due before 1 January 1997. This Agreement paves the way for negotiation of a free-trade Agreement after 1998, lays the foundations for cooperation in business/welfare matters, finance, science, technology and cultural matters and promotes economic cooperation in a wide variety of fields with the aim of encouraging restructuring and economic and business/welfare reform and establishing a favourable climate for direct investment. Such cooperation will receive backing from the TACIS programme, which seeks to secure harmonious and fruitful economic links between the European Union and the new Independent States.

## Moldova

1.3.31. Draft Partnership and Cooperation Agreement with Moldova.

**Commission recommendation:** Bull. 7/8-1992, point 1.4.3

**Negotiating directives:** Bull. 10-1992, point 1.4.19

*Recommendation for a decision amending the negotiating directives adopted on 21 June.*

1.3.32. Council Decision 94/346/EC on macro-financial assistance for Moldova.

**Commission proposal:** OJ C 111, 21.4.1994; COM(94) 110; Bull. 3-1994, point 1.3.48

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.37

**Council agreement:** Bull. 5-1994, point 1.3.37

*Formally adopted on 13 June.* The Council granted Moldova a 10-year loan of up to ECU 45 million to improve the country's balance-of-payments situation and bolster its reserves. The first instalment of the loan will be paid if the first review under the standby arrangement with

the International Monetary Fund is satisfactory. The second instalment will be paid no earlier than the fourth quarter of 1994, subject to sufficient progress in the implementation of the standby arrangement.

OJ L 155, 22.6.1994

1.3.33. Commission Decision providing further financial assistance for Moldova.

**Reference:** Council Decision 91/658/EEC granting a medium-term loan to the Soviet Union and its constituent republics: OJ L 362, 31.12.1991; Bull. 12-1991, point 1.3.6

*Adopted on 16 June.* The Decision alters the breakdown of the ECU 1 250 loan to the Soviet Union and its constituent republics in order to use funds remaining unused by other republics to make an ECU 10 million loan to Moldova.

## Ukraine

1.3.34. Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and Ukraine, of the other part.

### References:

Agreement between the EEC and EAEC and the Union of Soviet Socialist Republics on trade and commercial and economic cooperation: OJ L 68, 15.3.1990; Bull. 1/2-1990, points 1.2.23 and 1.2.24

Council Regulation (Euratom, EEC) No 2053/93 on the provision of technical assistance to economic reform and recovery in the independent States of the former Soviet Union and Mongolia (TACIS programme): OJ L 187, 29.7.1993; Bull. 7/8-1993, point 1.3.15

**Commission recommendation:** Bull. 7/8-1992, point 1.4.3

**Negotiating directives:** Bull. 10-1992, point 1.4.19

**Proposal for a Council Decision amending the negotiating directives:** Bull. 1/2-1994, point 1.3.52

**Council Decision amending the negotiating directives:** Bull. 3-1994, point 1.3.51

**Initialling of the Agreement:** Bull. 3-1994, point 1.3.51

*Proposal regarding the conclusion of the Agreement adopted by the Commission on 1 June.*

COM(94) 226

*Decision on the initialling of the Agreement adopted by the Council on 13 June.*

*Agreement signed in Luxembourg on 14 June* by Mr Leonid Kravchuk, President of Ukraine, Mr Theodoros Pangalos, President of the Council, Mr Delors and the representatives of the Member States. It is intended to replace the 1990 agreement with the Soviet Union and will initially be valid for 10 years. A 'mixed-type' Partnership and Cooperation Agreement (combining areas of Community and Member-State responsibility), it seeks to provide a framework for political, economic and trade relations between Ukraine and the European Union and lays the foundations for cooperation in legislative, economic and business/welfare matters, finance, industry, science, technology and cultural affairs. It provides for the establishment of political dialogue at all levels, in the interests of forging closer links with the European Union and the community of democratic nations, bringing a convergence of positions on international issues and promoting security and stability in Europe. Also included is a clause subordinating implementation of the Agreement to adherence to the principles of democracy, human rights and the market economy. The Agreement furthermore stresses the need for Ukraine to maintain and develop regional cooperation with the independent States of the former Soviet Union.

It covers trade in goods, conditions of employment, the establishment and operation of companies, cross-border trade in services, payments and capital, competition, protection of intellectual, industrial and commercial property and cooperation in legislative, economic, cultural and financial matters. In that connection, Ukraine will receive assistance under the TACIS programme to speed up economic change, and a free-trade agreement may be negotiated after 1998 if enough progress is made with this reform.

Separate agreements will be negotiated for ECSC products and nuclear materials.

*1.3.35. Draft interim agreement between the European Community and Ukraine.*

*Recommendation for a decision regarding the negotiation of an interim Agreement adopted by the Commission on 1 June.*

*Negotiating directives adopted by the Council on 13 June.* The Commission received the Council's authorization to negotiate an interim

Agreement with Ukraine to bridge the gap until the Partnership and Cooperation Agreement enters into force and to allow the latter's trade provisions to be applied immediately.

## Mediterranean and Middle East

*1.3.36.* The European Council confirmed its attachment to developing close links with its Mediterranean partners and welcomed the progress made in negotiations with several countries. It also welcomed the Israel-Palestine Agreement signed on 4 May for establishing fair, lasting and general peace in the region (→ points I.10 to I.12).

### Northern Mediterranean

#### *Cyprus*

*1.3.37.* Council conclusions on the report by the European Union observer for Cyprus.

**Reference:** conclusions of the Corfu European Council: point I.11 of this Bulletin

*Adopted on 13 June.* The Council took note of the reports by the European Union observer and the UN Secretary-General on developments in Cyprus and expressed concern at the lack of political will on the part of the Turkish Cypriots which had prevented the adoption of confidence-building measures. It confirmed that it would continue to keep a close watch on the situation in Cyprus.

*1.3.38.* Draft fourth financial Protocol between the European Community and Cyprus.

**References:**

Council Regulation (EEC) No 1246/73 concluding the Agreement establishing an Association between the European Community and the Republic of Cyprus: OJ L 133, 21.5.1973, as last amended by Council Regulation (EEC) No 4165/87: OJ L 397, 31.12.1987

Protocol concerning the implementation of the second stage of the Agreement establishing an

Association between the Community and Cyprus: OJ L 393, 31.12.1987; Bull. 12-1987, point 2.2.24

Third Protocol on financial and technical cooperation between the Community and Cyprus: OJ L 82, 29.3.1990; Bull. 1/2-1990, point 1.2.35

**Commission recommendation:** Bull. 3-1994, point 1.3.55

*Negotiating directives adopted on 13 June.* This fourth financial Protocol, covering the period 1993-98, is to follow on from the third Protocol with Cyprus, which expired at the end of 1993.

## Malta

1.3.39. Draft fourth financial Protocol between the European Community and Malta.

**Reference:** Third Protocol concerning financial and technical cooperation between the Community and Malta: OJ L 180, 27.6.1989; Bull. 6-1989, point 2.2.21

**Commission recommendation:** Bull. 3-1994, point 1.3.56

*Negotiating directives adopted on 13 June.* This fourth financial Protocol, covering the period 1993-98, is to follow on from the third Protocol with Malta, which expired at the end of 1993.

## Slovenia

1.3.40. Visit to the Commission by Mr Golop, Slovenian Foreign Minister, on 20 June.

**Reference:** Draft Europe Agreement with Slovenia: Bull. 4-1994, point 1.3.33

At his meeting with Sir Leon Brittan, Mr Golop confirmed his country's commitment to Europe and expressed the hope that the Council would soon adopt negotiating directives for the conclusion of a Europe Agreement with Slovenia.

## Turkey

### References:

EEC-Turkey Association Agreement: OJ L 217, 29.12.1964

Additional Protocol: OJ L 293, 29.12.1972

Copenhagen European Council conclusions: Bull. 6-1993, point I.12

1.3.41. Visit to the Commission by Mr Dogan, Minister of the Economy, on 13 and 14 June.

Mr Dogan met Mr Christophersen, Mrs Scrivener and Sir Leon Brittan for talks which focused on the economic measures announced by Ms Tansu Ciller, the Turkish Prime Minister, in April and on the completion of the customs union between the Community and Turkey. Mr Dogan also expressed his government's wish for a resumption of economic and financial cooperation between the Community and his country.

1.3.42. Visit by Mr Van den Broek to Turkey on 15 and 17 June.

Mr Van den Broek met the Turkish President, Mr Süleyman Demirel, the Prime Minister, Ms Tansu Ciller, the Deputy Prime Minister, Mr Murat Karayalçin, the Foreign Minister, Mr Hikmet Cetin, and the Parliamentary Speaker, Mr Husamettin Cindoruk. The two sides reaffirmed their intention to conclude the customs union in 1995 and stressed the need to reactivate the political dialogue. Mr Van den Broek highlighted the importance of this dialogue on issues such as the Middle East peace process or economic cooperation in the Black Sea. For his part Mr Cetin expressed the hope that relations between the European Union and Turkey would be put on the same footing as those between the European Union and the Central and East European countries, for example at the 1996 Intergovernmental Conference. On the question of Cyprus, Mr Van den Broek stressed the need for the adoption of confidence-building measures (→ point 1.3.37). He also discussed democracy, terrorism and human rights with Mr Demirel.

## Former Yugoslavia

1.3.43. Financing Decision

*Adopted on 30 June.* A sum of ECU 2 417 500 was allocated to finance Community measures to help democracy and support the peace process for the republics formerly part of Yugoslavia.

## Maghreb

### Algeria

1.3.44. Visit to the Commission by the Algerian Prime Minister, Mr Mokdad Sifi, on 22 June.

Mr Sifi met Mr Delors and Mr Van den Broek for talks which focused on developments in Algeria's economic and political situation and on the international aid it received. Mr Sifi described the efforts made by his country in terms of economic reforms and social back-up measures.

## Morocco

1.3.45. Visit by Mr Van den Broek on 6 and 7 June.

**Reference:** New draft agreement with Morocco: Bull. 12-1993, point 1.3.33

Mr Van den Broek met H. M. King Hassan II and the Prime Minister, Mr Abdellatif Filali, for talks which centred on negotiation of the new agreement between the European Community and Morocco and political issues such as the Middle East peace process, the situation in the Maghreb and Central and Eastern Europe and human rights. Mr Van den Broek underlined Morocco's role in ensuring political stability both in the Maghreb and the Middle East.

## Mashreq

### Israel

1.3.46. European Union-Israel Cooperation Council.

**References:**

EEC-Israel Cooperation Agreement: OJ L 136, 28.5.1975

Draft Association Agreement with Israel: Bull. 12-1993, point 1.3.31

Israel-Palestine Agreement: Bull. 5-1994, point 1.3.46

**Previous meeting:** Bull. 1/2-1993, point 1.3.19

*Twelfth meeting, held in Luxembourg on 13 June.* Mr Karolos Papoulias, the Greek Foreign Minister and President of the Council, and Mr Van den Broek represented the European Union while Israel was represented by the Foreign Minister, Mr Shimon Peres. Discussions centred on the political situation in the Middle East and relations between Israel and the European Union.

Mr Van den Broek welcomed developments in relations between Israel and the Palestine Liber-

ation Organization, which had helped to speed up the process of negotiating new agreements with Israel and he also referred to the measures taken by the European Union to assist the Occupied Territories. On the question of negotiating an Association Agreement with Israel, Mr Peres stressed the need to step up cooperation between Israel and the European Union in several areas. Mr Van den Broek expressed the hope that negotiations would be concluded swiftly and mentioned the importance of areas such as scientific and technical cooperation and the award of public procurement contracts.

## Financial and technical cooperation

1.3.47. Project financing.

**References:**

Council Decision 92/208(EEC) on the conclusion of the fourth financial Protocol with Jordan: OJ L 94, 8.4.1992; Bull. 3-1992, point 1.3.20

Council Regulation (EEC) No 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries: OJ L 181, 1.7.1992; Bull. 6-1992, point 1.4.17

Commission financing decisions of 3 June granting aid to the following projects (See Table 4).

Table 4 — *Cooperation with Mediterranean countries*

<i>(ECU million)</i>		
Country	Purpose	Amount (grant)
<i>Financing: Mediterranean financial protocols</i>		
Jordan	Interest-rate subsidy for the Jordan Water Supply and Sewerage II project	2.01
<i>Financing: cooperation involving all Mediterranean third countries and Mediterranean financial protocols</i>		
Various countries	EU-Middle East partnership programme (Phase II)	1.40

## Support for the peace process

### 1.3.48. Financing decision.

**Commission approval:** Bull. 5-1994, point 1.3.47

*Formally adopted by the Commission on 1 June.* ECU 10 million is to be contributed towards the cost of setting up a Palestinian police force.

## United States, Japan and other industrialized countries

### Other industrialized countries

#### *South Africa*

1.3.49. The European Council welcomed the democratic transition in South Africa and confirmed its intention to establish contractual relations between the European Union and South Africa in order to promote economic development, trade relations and political dialogue with that country (→ point I.16).

#### *Canada*

1.3.50. European Union-Canada ministerial meeting under the commercial and economic cooperation Agreement.

**References:**

Framework Agreement for commercial and economic cooperation between the European Communities and Canada: OJ L 260, 24.9.1976

Joint declaration: Bull. 11-1990, point 1.5.4

Final Act of the Uruguay Round multilateral trade negotiations: COM(94) 143; Bull. 4-1994, point 1.3.61

**Previous meeting:** Bull. 12-1992, point 1.4.35

*Meeting held in Brussels on 6 June.* Mr Roy MacLaren, Canada's Minister for International Trade, met Sir Leon Brittan, Mr Paleokrassas and Mr Steichen. They discussed the enlargement of the European Union, the implementation of the North America Free Trade Agree-

ment, the application of the agreement resulting from the Uruguay Round negotiations, the situation in Russia, Ukraine, China and South Africa, and certain bilateral issues, particularly regarding fisheries.

The two sides also confirmed their common will to extend the cooperation launched in 1976 through the adoption by the European Union and Canada of new initiatives covering scientific and technological cooperation, the mutual recognition of standards and transatlantic cooperation in information technology and telecommunications.

## Asia

### Aid to refugees and displaced persons

1.3.51. Commission financing decision allocating ECU 250 000 to Afghanistan for the Maidan agricultural centre.

## Latin America

1.3.52. The European Council emphasized the importance it attaches to relations with the countries of Latin America and their regional groupings. The Council also welcomed progress with democracy, peace, economic reform and regional integration (→ point I.20).

### Bilateral relations

#### *Colombia*

1.3.53. Mr Marín visited Colombia, 14 to 17 June.

Mr Marín met the Colombian President, Mr Gaviria Trujillo, together with Ms Sanín de



Rubio, the Foreign Minister, and Mr Santos Calderón, Minister for Foreign Trade. Their talks focused on the reform of the GSP (-] point 1.3.91) and on cooperation between the European Union and the Andean Pact. Mr Marín confirmed the Union's support for the people of Colombia in their struggle to combat poverty and drugs, while reiterating his commitment to human rights and the promotion of economic growth in Colombia.

## Honduras

1.3.54. Mr Marín visited Honduras on 21 June.

Mr Marín met the President, Mr Roberto Reina, and Mr Paz Aguilar, the Foreign Minister. Their talks centred on international aid and the general framework for cooperation between the European Union and Honduras. They also discussed the Community's contribution to resolving the energy crisis, the social stabilization of Honduras, and the need to strengthen the country's democratic institutions and to achieve a better separation of powers.

## Nicaragua

1.3.55. Mr Marín visited Nicaragua on 20 June. Mr Marín met President Chamorro, Mr Leal, the Foreign Minister, and several other dignitaries. They discussed the general framework for cooperation between the European Union and Nicaragua, focusing particularly on the Union's contribution to consolidating the rule of law, the reintegration of refugees and demobilized troops, and food aid.

## Cooperation with Latin America

1.3.56. Project financing.

**Basic Regulation:** Council Regulation (EEC) No 443/92 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America: OJ L 52, 27.2.1992; Bull. 1/2-1992, point 1.4.40

**Commission financing decision** to grant ECU 995 222 to Ecuador for a project to use local plantlife resources.

## Aid to refugees and displaced people

1.3.57. Commission decisions: see Table 5.

Table 5 — *Aid for refugees and displaced persons*

<i>(million ECU)</i>		
Country	Number of programmes	Total
Guatemala	2	1.35
Nicaragua	3	3.58

## ACP countries and OCTs

1.3.58. The European Council reaffirmed the importance it attached to cooperation with the ACP countries and to the mid-term review of the fourth Lomé Convention. It undertook to support these countries in their efforts to secure economic and political reform. (→ point I.17).

## Relations with ACP countries

### *Implementation of the fourth Lomé Convention*

1.3.59. Proposal for a Council Regulation establishing a special system of assistance to traditional ACP suppliers of bananas.

#### **References:**

Fourth Lomé Convention: OJ L 229, 17.8.1991; Bull. 9-1991, point 1.3.38

Council Regulation (EEC) No 404/93 on the common organization of the market in bananas: OJ L 47, 25.2.1993; Bull. 1/2-1993, point 1.2.174

Proposal for a Council Regulation introducing a diversification and development programme for certain banana-producing countries of Latin America: Bull. 1/2-1993, point 1.3.39

**Commission proposal:** OJ C 344, 29.12.1992; COM(92) 465; Bull. 11-1992, point 1.4.44

**Economic and Social Committee opinion:** OJ C 108, 19.4.1993; Bull. 1/2-1993, point 1.3.44

**Parliament opinion:** OJ C 115, 26.4.1993; Bull. 3-1993, point 1.3.42

*Amended proposal adopted by the Commission on 20 June.* The Commission proposes that the legal basis of its initial proposal be amended following the entry into force of the Treaty on European Union. It is now based on Article 130w of the EC Treaty instead of Article 113. The Commission also sets out the detailed procedures for granting income support.

OJ C 206, 26.7.1994; COM(94) 429

*Common position agreed by the Council on 20 June.* Financial and technical assistance is to be granted to traditional ACP suppliers of bananas in order to help them adapt to the new market conditions created by the establishment of a common organization of the market in bananas. This assistance should help in implementing programmes for improving quality and the methods of producing, distributing or mar-

keting ACP bananas in order to meet Community market requirements. In addition, following the establishment of the common organization of the market in bananas, traditional ACP suppliers will receive support to maintain their earnings from banana exports to the Community. The financial commitments made under this Regulation would be over and above those made under the Lomé Convention and under the Stabex system and their cost is estimated at ECU 6 million a year.

## Financial and technical cooperation

### 1.3.60. Project financing.

Commission decisions allocating a total of ECU 170 631 000 under the 6th and 7th EDFs (see Table 6).

Table 6 — *Financing of operations under the sixth and seventh EDFs*

Country	Project	Amount	
		Grant	Special loan
	<i>Economic infrastructure</i>		
Cameroon and Chad	Road repairs	1.900	—
	<i>Rural production</i>		
Zambia	Livestock production	1.950	—
Comoros	Development of food crops	5.400	—
Guinea	Integrated projects, mainly agricultural	1.350	—
Congo	Integrated projects, mainly agricultural	3.400	—
	<i>Social development</i>		
All ACP	ACP-EC cultural cooperation	0.738	—
Niger	Programme for the development of small-scale irrigation	1.800	—
Ethiopia	Education	1.900	—
Mauritius	Vocational training	2.500	—
Niger	Vocational training	0.632	—
Cape Verde	Vocational training	0.980	—
Mauritius	Vocational training	1.205	—
Mauritania	Urban development	0.850	—
Senegal	Priority job-creation programme	1.990	—

(million ECU)

(million ECU)

Country	Project	Amount	
		Grant	Special loan
Senegal	<i>Industrialization</i> Support for the development of SMEs	1.990	—
All ACP	<i>Trade promotion</i> Development of trade	7.200	—
West Africa and Sahel region	<i>Special programmes</i> Desertification and drought	1.700	—
Madagascar	<i>Exceptional aid</i> Rehabilitation of infrastructure	17.500	—
Angola	Rehabilitation	16.000	—
Burkina Faso	AIDS	1.350	—
Malawi	Refugees	3.740	—
Lesotho	<i>Other</i> Structural adjustment support	8.000	—
Benin	Structural adjustment support	9.400	—
Côte d'Ivoire	General technical cooperation	0.756	—
Gabon	Structural adjustment support	13.200	—
Senegal	Structural adjustment support	16.000	—
Chad	Structural adjustment support	15.200	—
Zimbabwe	Structural adjustment support	32.000	—
	Total	170.631	—

## International organizations and conferences

1.3.61. The European Council welcomed the conclusion of the Uruguay Round and an international trading climate conducive to economic recovery and job creation. It impressed on the Community institutions and the Member States the need to complete ratification in time for the agreements to enter into force by 1 January 1995. (→ point I.4).

## Organization for Economic Cooperation and Development

1.3.62. Annual ministerial meeting.

**Reference:** Final Act of the Uruguay Round multilateral trade negotiations: COM(94) 143; Bull. 4-1994, point 1.3.61

**Previous meeting:** Bull. 6-1993, point 1.3.72

*Meeting held in Paris on 7 and 8 June.* The meeting was chaired by Ireland's Finance Minister, Mr Bertie Ahern; the Commission was

represented by Mr Christophersen and Sir Leon Brittan. The main themes were unemployment and jobs. The ministers examined a wide-ranging multi-disciplinary study by the OECD, which analyses the causes and nature of unemployment and a range of possible macroeconomic and structural solutions to the problem. They also discussed the multilateral trading system in the wake of the signing of the Uruguay Round Final Act in Marrakesh in April. Most of the ministers present underlined the importance of swift ratification and implementation of these agreements, if the World Trade Organization (WTO) were to become operative on 1 January 1995, as scheduled. They reiterated their wish to avoid any action that might be incompatible with the principles of free trade and the aims of the WTO. The future of the OECD and the accession of new countries was also discussed.

## **European Bank for Reconstruction and Development**

### *Financing*

#### **Hungary**

1.3.63. The Bank granted a loan of ECU 25.4 million, guaranteed by the Hungarian Government, to the Hungarian Credit Bank, one of four local banks chosen for an operation totalling USD 103 million (ECU 85 million). These loans will be used to provide financing for farms and SMEs in the food-processing sector.

#### **Poland**

1.3.64. The Bank granted a loan of LIT 135 billion to, and took a stake of LIT 64 billion in, Fiat Auto Poland, a majority-owned subsidiary of the Fiat group which specializes in the production of the Italian firm's Cinquecento model. In conjunction with the loan, this input of own resources will help finance the expansion of capacity at Fiat's Polish plants, the launch of a new model and the restyling of the Cinquecento in 1998.

1.3.65. The Bank granted a USD 30 million (ECU 25 million) line of credit to the Polish Development Bank. This credit line will enable it

to make medium- and long-term loans to firms in Poland's private sector.

#### **Romania**

1.3.66. The Bank granted a sovereign loan of USD 25 million to a Romanian public-sector enterprise recently set up to run a wholesale fruit and vegetable market in Bucharest. The Romanian authorities plan to privatize 40% of this firm. The project is receiving technical assistance financed by Germany. The Bank's loan will cover the infrastructure and equipment required for the market.

#### **Slovenia**

1.3.67. The Bank granted Slovenia a sovereign loan of USD 62 million (ECU 51 million) for motorway construction to relieve bottlenecks on the country's main East-West route. The project should receive further support in the form of technical assistance totalling ECU 700 000.

1.3.68. The Bank granted a loan of DM 9.1 million to Aquasava, a Slovenian cloth manufacturer recently privatized and bought by the Italian textiles group Bonazzi. The loan, which is cofinanced by the Mediocredito Italiano, will enable Aquasava to expand its output of cotton and polyester fabrics. The bulk of these products will be used in Bonazzi's ready-to-wear workshops.

#### **Ukraine**

1.3.69. The Bank granted the Ukrainian telecommunications company a loan of USD 53 million (ECU 44 million) to cover its connection to Mediterranean and Black Sea cable networks and so improve the country's international services. The loan is guaranteed by the Ukrainian Government.

## **Common commercial policy**

### **General matters**

#### *Operation of the customs union*

1.3.70. Proposal for a Parliament and Council Regulation laying down measures to prohibit the release for free circulation, export or transit of counterfeit and pirated goods.

**Commission proposal:** OJ C 238, 2.9.1993; COM(93) 329; Bull. 7/8-1993, point 1.3.64

**Economic and Social Committee opinion:** OJ C 52, 19.2.1994; Bull. 12-1993, point 1.3.71

**Parliament opinion:** OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.102

**Amended Commission proposal:** OJ C 86, 23.3.1994; COM(94) 43; Bull. 1/2-1994, point 1.3.102

**Council agreement:** Bull. 3-1994, point 1.3.82

*Council (internal market) agreement on a common position: 16 June.* Besides confirming its agreement, the Council also unanimously agreed to a dual legal basis (Articles 113 and 100a), bringing the proposal under the co-decision procedure, and to the entry into force of the Regulation on 1 July 1995, whereas the Commission had proposed using Article 113 alone and entry into force on 1 January 1995.

*1.3.71.* Proposal for a Council Regulation setting out the cases where relief from import duties or export duties shall be granted.

**Regulations to be repealed:**

Council Regulation (EEC) No 3301/74 on the duty-free importation of goods in small consignments of a non-commercial character within the Community: OJ L 356, 30.12.1974

Council Regulation (EEC) No 918/83 setting up a Community system of reliefs from customs duty: OJ L 105, 23.4.1983, as last amended by Regulation (EC) No 355/94: OJ L 46, 18.2.1994; Bull. 1/2-1994, point 1.2.33

*Adopted on 8 June.* The proposal aims to consolidate, update and simplify the Community rules on relief from customs duties.

OJ C 197, 19.7.1994; COM(94) 232

*1.3.72.* Commission Decision No 1478/94/ECSC on the introduction of transitional tariff measures for products covered by the Treaty establishing the ECSC for Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tadjikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, until 31 December 1994 to take account of German unification.

**Commission draft:** Bull. 5-1994, point 1.3.72

**Council assent:** OJ C 164, 16.6.1994; Bull. 5-1994, point 1.3.72

*Formally adopted on 27 June.*

OJ L 159, 28.6.1994

## *Commercial policy instruments*

### **Council anti-dumping measures**

*1.3.73.* Proposal for a Council Regulation extending the provisional anti-dumping duty on imports of calcium metal originating in the People's Republic of China and Russia.

**Reference:** Provisional duty: OJ L 104, 23.4.1994; Bull. 4-1994, point 1.3.80

*Adopted on 16 June.*

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*1.3.74.* Council Regulation (EC) No 1340/94 extending the provisional anti-dumping duty on imports of certain magnetic disks (3.5" microdisks) originating in Hong Kong and the Republic of Korea.

**Commission proposal:** COM(94) 193; Bull. 5-1994, point 1.3.73

*Adopted on 8 June.*

OJ L 146, 11.6.1994

*1.3.75.* Council Regulation (EC) No 1384/94 imposing a definitive anti-dumping duty on imports of large aluminium electrolytic capacitors originating in the Republic of Korea and Taiwan.

**Commission proposal:** COM(94) 205; Bull. 5-1994, point 1.3.74

*Adopted on 13 June.*

OJ L 152, 18.6.1994

*1.3.76.* Proposal for a Council Regulation amending Regulation (EEC) No 738/92 imposing a definitive anti-dumping duty on imports of cotton yarn, originating in Brazil and Turkey.

**References:**

Definitive duty: OJ L 82, 27.3.1992; Bull. 3-1992, point 1.3.56

Initiation of review: OJ C 131, 11.5.1993; Bull. 5-1993, point 1.3.61

*Adopted on 22 June.*

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*1.3.77.* Council Regulation (EC) No 1318/94 terminating the review of anti-dumping measures concerning imports of certain acrylic fibres originating in Mexico and repealing the measures applying to such imports.

**Commission proposal:** COM(94) 178; Bull. 5-1994, point 1.3.75

*Adopted on 6 June.*

OJ L 143, 8.6.1994

### **Commission anti-dumping measures**

*1.3.78.* Notice of initiation of an anti-dumping proceeding concerning imports of ammonium nitrate originating in Lithuania and Russia.

*Published on 9 June.*

OJ C 158, 9.6.1994

*1.3.79.* Commission Decision 94/389/EC terminating the anti-dumping proceeding regarding imports of refined antimony trioxide originating in the People's Republic of China.

**Reference:** Notice of initiation: OJ C 72, 21.3.1992; Bull. 3-1992, point 1.3.59

*Adopted on 6 June.*

OJ L 176, 9.7.1994

*1.3.80.* Commission Regulation (EC) No 1418/94 imposing a provisional anti-dumping duty on imports of artificial corundum originating in the People's Republic of China.

**Reference:** Undertakings: OJ L 275, 2.10.1991

*Adopted on 20 June.* The provisional duty is being imposed following the Commission's findings that the undertakings given by the firms concerned had been violated.

OJ L 155, 22.6.1994

*1.3.81.* Commission Regulation (EC) No 1506/94 imposing provisional duties on imports of urea ammonium nitrate solution originating in Bulgaria and Poland.

**Reference:** Notice of initiation of proceeding: OJ C 123, 5.5.1993; Bull. 5-1993, point 1.3.59

*Adopted on 27 June.*

OJ L 162, 30.6.1994

*1.3.82.* Notice of initiation of a review of Council Regulation (EEC) No 3905/88 imposing a definitive anti-dumping duty on imports of polyester yarn originating in Taiwan and Turkey.

**References:**

Definitive duty: OJ L 347, 16.12.1988; Bull. 12-1988, point 2.2.6a

Notice of intention to carry out a review: OJ C 340, 17.12.1993; Bull. 12-1993, point 1.3.85

*Published on 16 June.*

OJ C 164, 16.6.1994

*1.3.83.* Notice of initiation of a review of Regulation (EC) No 3359/93 imposing amended anti-dumping measures on imports of ferrosilicon originating in Brazil.

**Reference:** Definitive duty: OJ L 302, 9.12.1993; Bull. 12-1993, point 1.3.81

*Published on 17 June.*

OJ C 165, 17.6.1994

*1.3.84.* Notice of expiry of an anti-dumping measure concerning imports of polyester yarn originating in the Republic of Korea.

**Reference:** Definitive duty: OJ L 347, 16.12.1988; Bull. 12-1988, point 2.2.6a

*Published on 17 June.*

OJ C 165, 17.6.1994

*1.3.85.* Notice of impending expiry of an anti-dumping measure concerning imports of certain flat-rolled products of iron or non-alloy steel (cold-rolled) originating in the former Yugoslavia.

**Reference:** Definitive duty: OJ L 193, 8.7.1989

*Published on 30 June.*

OJ C 178, 30.6.1994

## **Individual sectors**

### *Steel*

*1.3.86.* Draft bilateral agreements between the Community and Russia, Ukraine and Kazakhstan concerning imports of certain steel products covered by the ECSC Treaty.

**Commission recommendation:** Bull. 12-1993, point 1.3.93

*The Council adopts negotiating directives on 13 June.*

*1.3.87.* Decision 94/345/ECSC of the representatives of the Governments of the Member States meeting within the Council extending

Decision 92/585/ECSC on certain measures applicable with regard to the 12 Republics of the former USSR concerning trade in certain steel products covered by the ECSC Treaty.

**Decision extended:** Decision 92/585/ECSC of the representatives of the Governments of the Member States meeting within the Council: OJ L 396, 31.12.1992, extended until 30 June 1994 by Decision 94/66/ECSC of the representatives of the Governments of the Member States meeting within the Council: OJ L 32, 5.2.1994; Bull. 1/2-1994, point 1.3.138

**Commission draft:** Bull. 12-1993, point 1.3.92

*Adopted by the representatives of the Governments of the Member States meeting within the Council on 13 June.* The Decision extends until 31 December 1994 the import arrangements provided for in Decision 92/585/ECSC for certain iron and steel products originating in the independent States of the former Soviet Union. The arrangements will be reviewed, where necessary, should specific arrangements be concluded with some of the countries concerned.

OJ L 155, 22.6.1994

## Textiles

1.3.88. Draft agreement between the Community and the United Arab Emirates on trade in textile products.

**Recommendation for a Decision:** Bull. 4-1994, point 1.3.85

*The Council adopts negotiating directives on 13 June.*

1.3.89. Commission Regulation (EC) No 1470/94 opening quantitative import quotas for textile products in category 160 from the People's Republic of China and amending Annexes IV and V of Council Regulation (EC) No 517/94.

**Regulation amended:** Council Regulation (EC) No 517/94 on common rules for imports of textile products from certain third countries: OJ L 67, 10.3.1994; Bull. 3-1994, point 1.3.104

*Adopted on 27 June.* The Regulation authorizes the import of certain textile products (silk) from the People's Republic of China, within annual quantitative limits.

OJ L 159, 28.6.1994

# Development policy

## General

### Population

1.3.90. Meeting between Mr Marín and Dr Nafis Sadik, Director of the UN Population and Development Fund, on 9 June.

**Reference:** Commission communication to the Council and Parliament entitled 'The European Community and the challenge of population growth: proposed position of the Community at the World Conference on Population and Development, Cairo, 5-13 September 1994': COM(94) 100; Bull. 5-1994, point 1.3.91

Mr Marín told Mrs Sadik of the Commission's desire to strengthen cooperation with the Population and Development Fund, particularly in the run-up to the Cairo conference. He stressed the need to approach population problems in an open and realistic manner, taking account of the needs of developing countries.

## Generalized preferences

1.3.91. Communication from the Commission to the Council and Parliament entitled 'Integration of developing countries in the international trading system. Role of the GSP 1995-2004'.

### References:

Commission communication on the guidelines for the Community's GSP scheme for the 1990s: COM(90) 329; Bull. 7/8-1990, point 1.4.59

Council Regulation (EEC) No 3917/92 extending into 1993 the application of Regulations (EEC) No 3831/90, (EEC) No 3832/90, (EEC) No 3833/90, (EEC) No 3834/90, (EEC) No 3835/90 and (EEC) No 3900/91 applying generalized tariff preferences for 1991 in respect of certain products originating in developing countries and adding to the list of beneficiaries of such preferences: OJ L 396, 31.12.1992; Bull. 12-1992, point 1.4.44

Decision 92/584/ECSC of the representatives of the governments of the ECSC Member States, meeting within the Council, extending into 1993 the application of generalized tariff preferences for 1991 in respect of certain steel products originating in developing countries: OJ L 396, 31.12.1992; Bull. 12-1992, point 1.4.44

Final Act of the Uruguay Round multilateral trade negotiations: COM(94) 143; Bull. 4-1994, point 1.3.61

*Adopted on 1 June.* The Commission sets out guidelines for revising and updating the principles underlying the generalized scheme of preferences (GSP) for the period 1995-2004. It suggests that the new scheme should be based on two elements: a standard part and an additional part in the form of special incentive arrangements.

The standard part would be based on the graduation of preferential duties and the gradual exclusion of certain sectors and/or countries benefiting from the GSP. Such graduation would reduce duties under the most-favoured-nation (MFN) clause according to the sensitivity of the relevant sectors or products on the Community market. For each sector or product a preferential duty would be set for all beneficiary countries. Such a system would be simpler than the previous one (preferential duties would not be zero-rated but quotas would be abolished) and would better reflect the concerns of the Community's commercial policy by basing the GSP not on the origin of products but on their impact on Community production. The mechanism would include a safeguard clause triggered in the same way as that in GATT. The communication also lays down the principle of gradual exclusion from the GSP of countries which no longer need it to support production in certain sectors, the aim being to encourage Community importers to obtain their supplies first and foremost from developing countries which have greater need of the GSP to export.

The special incentive arrangements would consist of measures to help establish more progressive practices in the social and environmental fields through additional duty reductions which could be aggregated with those granted under the standard GSP.

The new GSP schemes would no longer be annual but would cover a period of three years to make the system more stable. At the start of each period, the following basic components would be determined: classification of each product according to its sensitivity; the resulting preferential margin, i.e. the difference between the basic (MFN) and preferential (GSP) duties; the sectors to be gradually excluded for certain countries under the graduation mechanisms, and

the additional preferential margins offered to countries requesting them under the special incentive arrangements. The level of preferential duties and the application of MFN duties to certain products from certain countries for which the safeguard clause had been triggered, or to certain countries' products or sectors covered by a GSP suspension measure, would still be determined annually.

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## Commodities and world agreements

### *Coffee*

1.3.92. Draft International Coffee Agreement 1994.

#### **References:**

Council Decision 87/485/EEC approving the 1983 Coffee Agreement: OJ L 276, 29.9.1987; Bull. 9-1987, point 2.2.28

Meeting of the International Coffee Council: Bull. 3-1994, point 1.3.107

*Proposal for a Council Decision concerning the signing and conclusion adopted by the Commission on 22 June.* The new agreement, unlike its predecessors, is an administrative one, containing no measures for market regulation. Its general aim is to boost international cooperation in the coffee sector by gathering, analysing and disseminating figures, publishing indicators and other market prices, and promoting studies and surveys related to the sector.

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## Cooperation via non-governmental organizations

1.3.93. Projects in developing countries.

*Commission cofinancing:* commitment of ECU 10 695 425 for 45 operations.

1.3.94. Campaigns to raise public awareness

*Commission contribution:* ECU 1 508 995 for 17 operations.

## Food aid

### *Storage programmes and early warning systems*

1.3.95. Commission decisions to grant financing worth ECU 256 000, made up of ECU 72 000 for the Catholic Relief Services in Niger



and ECU 184 000 for Deutsche Welthungerhilfe German/Agro Action in Eritrea.

rehabilitation projects in Angola, Zaire, Lebanon and Eritrea.

## Rehabilitation aid

1.3.96. Financing for rehabilitation and conversion schemes in developing countries.

Adopted by the Commission on 23 June with the purpose of granting ECU 8 248 389 for seven

## Support for democratization and human rights

1.3.97. Financing for operations to support democratization and human rights (See Table 7).

Table 7 — Operations in support of democratization and human rights

(ECU)		
Date	Purpose	Amount
3 June	Fifteen projects to help torture victims back into society	804 000
21 June	Five training schemes on human rights and democracy	732 000
23 June	Twenty schemes to promote human rights and democracy	788 500

## Humanitarian aid

(ECU million)		
Country	Purpose	Amount

### Emergency aid

1.3.98. Commission decisions: see Table 8.

Table 8 — Emergency aid

(ECU million)		
Country	Purpose	Amount
<i>Financing: EDF (ACP countries)</i>		
Burundi, Uganda, Rwanda, Tanzania, Zaire	Aid for the Rwandan and Burundian people	19
Mozambique	Cyclone	0.320

### Financing: 1994 ECHO budget

Belarus	Medical aid	0.560
Cambodia	Aid for victims of anti- personnel mines	0.256
West Bank and Gaza	Health-care assistance for Palestinians	2.400
Colombia	Earthquake	0.700
Cuba	Medical food aid	9.994
Iraq	Aid for the Kurds in northern Iraq	4.690
Mexico	Domestic unrest	0.700
Peru	Displaced persons	0.110
Somalia	Civil war	2.287
Sri Lanka	Civil war	0.250
Yemen	Displaced persons and refugees	0.720

## Diplomatic relations

1.3.99. 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:

14 June

- HE Mr Arthur Alexander Foulkes, Head of Mission of the Commonwealth of the Bahamas to the European Communities;
- HE Mr Dato' M.M. Sathiah, Head of Mission of the Federation of Malaysia to the European Communities;

28 June

- HE Mr Jan Lisuch, Head of Mission of the Slovak Republic to the European Communities;

- HE Mr Khaled Madadha, Head of Mission of the Hashemite Kingdom of Jordan to the European Communities;

- HE Mr José Guerreiro Alves Primo, Head of Mission of the People's Republic of Angola to the European Communities;

- HE Mr Somkiati Ariyapruchya, Head of Mission of the Kingdom of Thailand to the European Communities;

- HE Mr Fawzi Salloukh, Head of Mission of the Republic of Lebanon to the European Communities;

- HE Mr Nasser Allassaf, Head of Mission of the Kingdom of Saudi Arabia to the European Communities;

- HE Mr Carlos Alzugaray Treto, Head of Mission of the Republic of Cuba to the European Communities.

## 4. Justice and home affairs cooperation

*1.4.1.* The European Council welcomed the Franco-German initiative against racism and xenophobia and approved a detailed timetable and work plan for its implementation with a view to the adoption of a Union-wide strategy (→ point I.23). It also noted with satisfaction the progress made in implementing the priority action plan drawn up in December 1993, especially with respect to the right of asylum, immigration and the fight against drugs. It requested the Council (justice and home affairs) to complete its work on preparing a convention setting up Europol by October, and agreed that its remit should include organized crime. With respect to computerized information systems, it hoped special attention would be focused on the question of data protection (→ point I.24).

### General

*1.4.2.* Council recommendations on the trade in human beings for the purposes of prostitution.

**Council approval:** Bull. 11-1993, point 1.5.3

*Adopted on 20 June.* These recommendations are geared towards stepping up cooperation between the Member States in combating the procuring of prostitutes and dismantling prostitution networks.

### Asylum, external borders, immigration

*1.4.3.* Council conclusions concerning the Commission communication on immigration and asylum policies.

#### References:

Action plan in the field of justice and home affairs: Bull. 12-1993, point I.8

Commission communication to the Council and Parliament on immigration and asylum policies: COM(94) 23; Bull. 1/2-1994, point 1.4.3

*Adopted on 20 June.* The Council expressed its appreciation of the Commission communication.

It recalled that it had given priority to the action plan and the priority work programme for 1994, adopted by the European Council in Brussels in December 1993. It hoped that when preparing a new work programme the competent bodies would examine the desirability of including the topics in the Commission communication which come under Title VI of the Treaty on European Union but were not in the 1994 programme.

*1.4.4.* Council conclusions on the possibility of applying Article K.9 of the Treaty on European Union to asylum policy.

**Reference:** Commission report to the Council on the possibility of applying Article K.9 of the Treaty on European Union to asylum policy: Bull. 11-1993, point 1.5.5

*Adopted on 20 June.*

'The Council noted the progress made in asylum policy cooperation in recent years on the basis, in particular, of the programme approved by the Maastricht European Council.

Aware of the need to intensify such cooperation, it agreed to implement as soon as possible the new instruments available to it under the Treaty on European Union. They will make it possible to improve the effectiveness of the measures adopted in the framework of the Union in implementation of the priority programmes to be drawn up.

The Council took cognizance of the Commission report on the application of Article K.9 to asylum policy, as provided for in paragraph 2 of the declaration contained in the Final Act of the Treaty on European Union.

The Council noted that, in the Commission's view, application of Article K.9 would offer certain advantages. It considers, however, like the Commission, that the time is not yet right to propose such application so soon after the entry into force of the Treaty on European Union. Nevertheless, it believes that it might be advisable to reconsider this matter at a later date in the light of experience and by the end of 1995 at the latest.'

*1.4.5.* Council resolution on limitations on admission of third-country nationals to the Member States for employment.

*Adopted on 20 June.* The Council acknowledged the contribution of migrant workers from non-member countries to the economic development of their respective host countries in the Community, but emphasized the need for an effective 'Community employment preference' policy, which calls for a restrictive approach to the admission of nationals of non-member countries for employment purposes. It stressed the economic and social constraints underlying the resolution, in particular the high levels of unemployment in all the Member States. It urged the Member States to bring their national legislation into line with the principles set out in the resolution by 1996. The Council defined the categories of persons to whom the restrictions do not apply, which include nationals of EFTA countries parties to the Agreement on the European Economic Area; third-country nationals admitted for the purpose of family reunification to join nationals of a Member State or of a third country resident in the Member State concerned; third-country nationals whose access to employment is covered by rights stemming from agreements governed by Community law concluded with those countries; persons undertaking casual work in the course of youth exchange or youth mobility schemes; persons entering Member States in order to pursue economic activities as self-employed persons or to set up and/or manage a business; refugees, asylum-seekers and third-country nationals admitted for asylum who are lawfully resident in a Member State; displaced persons who are temporarily admitted; and persons exceptionally allowed to stay on humanitarian grounds.

The Council also specified the cases in which third-country nationals may be admitted for employment purposes — notably intra-corporate transferees, frontier workers, trainees, seasonal workers, nationals of countries with close links to a Member State, posts which cannot be filled by Community citizens — and laid down the procedures for admission for employment and the restrictions applying to the scope and duration of employment.

## **Prevention of drug abuse**

*1.4.6.* Commission communication to the Council and Parliament on a European Union action plan to combat drugs (1995-99).

### **References:**

Decision by the Strasbourg European Council to set up the European Committee to Combat Drugs: Bull. 12-1989, point 1.1.9

Conclusions of the Rome European Council: Bull. 12-1990, point 1.17

Conclusions of the Lisbon European Council: Bull. 6-1992, point 1.11

Conclusions of the Edinburgh European Council: Bull. 12-1992, point 1.11

Council Regulation (EEC) No 302/93 establishing the European Monitoring Centre for Drugs and Drug Addiction: OJ L 36, 12.2.1993; Bull. 1/2-1993, point 1.2.207

Council report to the European Council — Action plan in the field of justice and home affairs: Bull. 11-1993, point 1.5.1

Conclusions of the Brussels European Council: Bull. 12-1993, point 1.8

*Approved on 8 June.*

*Adopted on 23 June.* Responding to the wishes of the Brussels European Council, in this communication the Commission outlines a comprehensive anti-drugs strategy which comes under the new powers provided by the Treaty on European Union in matters of public health, justice and home affairs cooperation, and the common foreign and security policy. In line with the approach adopted at international level and in previous European plans for the prevention of drug abuse, this action plan constitutes a comprehensive and integrated response to the drugs phenomenon and provides a framework for future action by the European Union in this area until 1999; it addresses the three main aspects: demand reduction, action against illicit trafficking and international action.

□ On the public health aspects, with particular reference to demand reduction, the Commission proposes a Community action programme to prevent drug dependence (→ point 1.2.206).

□ With regard to illicit drug trafficking, the Commission proposes consolidating Community action and using the new powers of the European Union in justice and home affairs cooperation.

At Community level, the measures proposed concern the implementation of existing legislative instruments, the promotion of cooperation with non-member countries, and assessing the implementation of these measures.

As regards implementation of Title VI of the Union Treaty, the Commission recalls the pri-

ority objectives adopted by the Council with respect to judicial, customs and police cooperation. It also suggests a number of possible lines of action to combat drug addiction (Article K.1(4) of the Treaty).

— With respect to judicial, customs and police cooperation, the Commission urges the Member States to implement the priorities set out in the European plan to combat drugs and the Action plan on drugs, Europol and money laundering, and in particular conclusion of the Europol convention; devising a strategy to combat the manufacture of and traffic in illicit drugs (for example, by surveillance within Community frontiers, tighter controls at external frontiers, measures against drugs tourism); promotion of customs and police cooperation, particularly in the field of money laundering; reinforcing legal and judicial systems; setting up a centralized system for collecting scientific data and statistics.

— On combating drug addiction, the Commission points out that Article K.1(4) of the Union Treaty opens up interesting possibilities for cooperation between Member States and approximating national practices, such as interdisciplinary exchanges on the drugs problem between professional and other agencies and persons concerned, setting up a European forum for exchanges and cooperation between towns, and cooperation in studying the links between drug-taking and crime.

□ The Commission also considers that international action by the European Union in the fight against drugs entails involving both Community instruments and the new possibilities under the common foreign and security policy.

— At Community level, the Commission proposes the following action: continued participation in international efforts to combat drug abuse; stepping up national and regional anti-drug strategies in conjunction with certain countries or regions where there is a particularly high risk because of their proximity to the Union; enhanced cooperation by including anti-drug clauses in agreements with non-member countries.

— Under the common foreign and security policy, external action could also be usefully supported by common positions that would allow the Union to pursue more effectively

its drug-control objectives in international forums, and by joint action to improve the capacity of certain non-member countries to commit themselves fully in the fight against drugs.

The Commission also highlights the importance of coordinating action at Member State and Union level, referring in particular to the role of the European Monitoring Centre for Drugs and Drug Addiction and to the multidisciplinary aspects of the drugs problem, such as information, research and training.

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1.4.7. Commission communication on Community action in the field of drug dependence, together with a proposal for a Parliament and Council Decision adopting a Community action programme on the prevention of drug dependence (→ point 1.2.206).

## Fraud

1.4.8. Proposal for a Council Act establishing a Convention for the protection of the Communities' financial interests.

**Reference:** Proposal for a Council Regulation (EC, Euratom) on protection of the Communities' financial interests: point 1.5.11 of this Bulletin

*Adopted by the Commission on 15 June.* This Commission proposal — made under Title VI of the Union Treaty (Articles K.1(5) and K.3(2)) — is for a Convention between the Member States that will increase protection of the Communities' financial interests, an instrument going beyond the proposed Community legislation and making it possible to address major issues of criminal law. The Convention will introduce into the criminal legislation of all Member States the specific offence of 'fraud against the Communities' financial interests', punishable by a custodial sentence or a financial penalty, or both, and confiscation of the proceeds and the means of transport used. Aggravated fraud will be punishable by harsher penalties. The Member State in which the essential factual elements constituting a fraud occurred will in the first instance have jurisdiction to commence proceedings under its own law. The Commission makes a number of suggestions to the Council concerning such areas as extradition, prosecution, periods of limitation and judicial cooperation where it does not have the right of initiative under Article K.3(2).

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## 5. Financing Community activities

### Budgets

#### General budget

##### *General matters*

1.5.1. Commission report to the Council and Parliament on arrangements and possibilities for budgetizing the European Development Fund (EDF).

**Commission approval:** Bull. 4-1994, point 1.5.1

*Adopted on 3 June.*

#### ECSC operating budget

1.5.2. Financial statements of the ECSC and execution of the ECSC operating budget for the 1993 financial year.

**Reference:** Special annual report of the Court of Auditors on the financial statements of the European Coal and Steel Community at 31 December 1993: point 1.7.42 of this Bulletin

*Adopted by the Commission on 21 June.*

#### Financial Regulation

1.5.3. Amended proposal for a Council Regulation (EC, Euratom) amending Council Regulation (EEC, Euratom) No 1552/89 of 29 May 1989 implementing Decision 88/376/EEC, Euratom on the system of the Communities' own resources.

**Reference:** Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure: OJ C 331, 7.12.1993; Bull. 10-1993, point 1.5.1

**Commission proposal:** OJ C 89, 26.3.1994; COM(93) 683; Bull. 12-1993, point 1.6.4

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.14

*Adopted by the Commission on 3 June.* The Commission amended its initial proposal incorporating Parliament's two amendments relating to the Interinstitutional Agreement of October 1993 and to the undertaking by Parliament and the Council to seek an appropriate solution for the problem of dealing with budgetary balances.

OJ C 171, 24.6.1994; COM(94) 190

1.5.4. Proposal for a Council Regulation establishing a Guarantee Fund for external action.

**Reference:** Conclusions of the Edinburgh European Council: Bull. 12-1992, point I.72

**Commission proposal:** OJ C 68, 11.3.1993; COM(93) 20; Bull. 1/2-1993, point 1.5.3

**Court of Auditors opinion:** OJ C 170, 21.6.1993; Bull. 4-1993, point 1.6.17

**Parliament opinion (first reading):** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.5.5

**Amended Commission proposal:** OJ C 68, 5.3.1994; COM(93) 706; Bull. 1/2-1994, point 1.5.2

*Common position adopted by the Council on 20 June.* The purpose of the Regulation is to implement the decision taken by the Edinburgh European Council to set up a Guarantee Fund in order to cover the risks relating to loans and guarantees covering loans granted to third countries or for projects executed in third countries.

### Financial operations

#### General matters

1.5.5. Commission decision on the adjustment of borrowing and lending policy with a view to the expiry of the ECSC Treaty (23 July 2002).

**References:**

Commission communication on the future of the ECSC Treaty: Borrowing/lending activity: COM(93) 512; Bull. 10-1993, point 1.5.10

Memorandum of the ECSC Consultative Committee on the future of the ECSC's financial activities: OJ C 116, 27.4.1994; Bull. 3-1994, point 1.5.13

Council conclusions on the future of the ECSC Treaty: Bull. 4-1994, point 1.5.16

Parliament resolution on the future of the ECSC Treaty: OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.17

*Adopted on 22 June.* The Commission has decided to adjust its ECSC borrowing and lending policy in order to ensure that there is a smooth transition to the period following expiry of the ECSC Treaty in 2002 and that the coal and steel industries can be treated the same as other industries. Loans under the first paragraph of Article 54 will continue to be granted where justified by the restructuring of the sectors. Applications received after 30 June 1994 for loans under the second paragraph of Article 54 will no longer be considered by the Commission with the exception of those concerning large infrastructure projects which present a particular Community interest and satisfy certain conditions. Applications for conversion loans under the second paragraph of Article 56 received after 31 December 1996 will no longer be considered by the Commission. Loans up to an overall maximum of ECU 1 billion may be granted under the financial arrangements provided for at point (a) of the first paragraph of Article 53 of the ECSC Treaty to cover expenditure connected with the definitive reduction of capacity in the iron and steel sector. The Commission will examine the future of workers' housing loans by the end of the 12th programme at the latest. The Commission adopted specific measures to maximize the gradual release of ECSC reserves up to 2002. Finally, it called on the European Investment Bank to contribute to the financing of projects which will no longer be taken on by the ECSC.

OJ C 175, 28.6.1994; COM(94) 269

**Financing***Loans raised*

*1.5.6.* In June the Commission contracted a private placing in pounds sterling on behalf of the ECSC for the equivalent of ECU 17.9 mil-

lion and a UKL 47 million public issue at 8.9375% with an issue price of 99.653%.

*Loans granted*

*1.5.7.* Acting under Articles 54 and 56 of the ECSC Treaty, the Commission granted loans totalling ECU 422.5 million.

**Industrial loans**

*1.5.8.* Industrial loans (Article 54) totalling ECU 280.2 million were made to Italy, the United Kingdom and Denmark.

**Conversion loans**

*1.5.9.* Conversion loans (Article 56) totalling ECU 140.5 million were made to Germany, Belgium, France, Italy, the United Kingdom and Spain.

**Workers' housing**

*1.5.10.* Loans totalling ECU 1.8 million were granted for steelworkers and mineworkers in Germany, France, Italy, the United Kingdom, Spain and Portugal.

**Measures to combat fraud**

*1.5.11.* Proposal for a Council Regulation (EC, Euratom) on protection of the Communities' financial interests.

**References:**

Commission communication to the Council, Parliament and the Court of Auditors on the Commission's anti-fraud strategy: Work programme for 1994: COM(94) 92; Bull. 3-1994, point 1.5.22

Parliament resolution on the independent power of investigation and inquiry which the Union may exercise for the purposes of legal protection of its financial interests: OJ C 91, 28.3.1994; Bull. 3-1994, point 1.5.24

Proposal for a Council Act establishing a Convention for the protection of the Communities' financial interests: point 1.4.8 of this Bulletin

*Adopted by the Commission on 15 June.* To enhance protection of the Communities' finan-

cial interests, the Commission proposes a common legal framework for measures to combat fraud. It classifies Community fraud by defining the concepts of fraud against the Communities' financial interests, abuse of Community law and any other failures to safeguard the Communities' financial interests. It suggests that the system of administrative penalties be extended to all budget sectors. To make the system of penalties more efficient, it proposes various types of measure depending on the seriousness of the case, ranging from recovery of unduly received amounts to administrative financial penalties, withdrawal of eligibility to receive Community finance and criminal penalties. Penalties will be imposed by the authority responsible for administering the appropriations involved in cases of fraud or irregularity. They will be applied uniformly in all the Member States in accordance with the same principles and methods.

In this connection, the Commission has decided to withdraw the proposal for a Regulation on checks and penalties applicable under the common agricultural and fisheries policies (→ point 1.2.149) and the draft for a Treaty adopting common rules on the protection under criminal law of the financial interests of the Communities

and the prosecution of infringements of the provisions of the Treaties (→ point 1.5.12).

To achieve a situation of full legal protection for the Communities' financial resources, the Commission is also proposing to approve a Decision based on Article 95 ECSC to extend the provisions of the proposed EC/Euratom Regulation to the area covered by the ECSC Treaty.

COM(94) 214

*1.5.12.* Draft for a Treaty amending the Treaties establishing the European Communities so as to permit the adoption of common rules on the protection under criminal law of the financial interests of the Communities and the prosecution of infringements of the provisions of those Treaties.

**Presentation by the Commission:** OJ C 222, 22.9.1976

*Draft withdrawn on 15 June* after the Commission adopted a proposal for a Regulation on the protection of the Communities' financial interests.

*1.5.13.* Proposal for a Council Act establishing a Convention for the protection of the Communities' financial interests (→ point 1.5.11).



## 6. Statistical system

### Policy aspects

#### *Agricultural statistics*

1.6.1. Proposal for a Council Decision on the continued application of remote sensing to agricultural statistics during the period 1994-98.

**Reference:** Council Decision 88/503/EEC setting up a pilot project on remote sensing applied to agricultural statistics — OJ L 273, 5.10.1988; Bull. 9-1988, point 2.1.109

*Adopted by the Commission on 6 June.* Objective: to continue during the period 1994-98 the actions which became operational during the first phase (1989-93) of the pilot project on remote sensing applied to agricultural statistics set up by Decision 88/503/EEC. These actions concern the use of remote sensing, on the one hand, to make pre-harvest estimates of the acreage and potential yield of the main crops at European level and, on the other, to improve national systems of agricultural statistics and in particular draw up regional inventories of acreages and yields.

OJ C 173, 25.6.1994; COM(94) 227

#### *Environmental statistics*

1.6.2. Proposal for a Council Decision adopting a four-year programme (1994-97) to develop regular official statistics on the environment.

**Commission proposal:** OJ C 209, 22.8.1990; COM(90) 319; Bull. 7/8-1990, point 1.7.1

**Economic and Social Committee opinion:** OJ C 332, 31.12.1990; Bull. 9-1990, point 1.6.2

**Parliament opinion:** OJ C 67, 16.3.1992; Bull. 1/2-1992, point 1.3.5

**Amended Commission proposal:** OJ C 328, 12.12.1992; COM(92) 483; Bull. 11-1992, point 1.3.10

**Council agreement on a common position:** Bull. 3-1994, point 1.6.2

*Common position formally adopted by the Council on 8 June.*

### Results

#### *Household consumption in the European Union in the 1980s*

##### Consumption by income group

1.6.3. A classification of households into four groups, ranging from the lowest to the highest income levels, reveals that, in general, consumption in the poorest quartile of households was about half the national average, ranging from 36% in Italy to 55% in France. The 25% of highest-income households consumed between 1.5 and 2 times as much as the national average, with the greatest difference in Italy (192% of the average), followed by Spain (175%) and the United Kingdom (173%). The Netherlands and Greece were the Member States where the wealthiest group of households was nearest to the national average, with a ratio of 1.5 to 1. The consumption of the third quartile was only slightly higher than the average, which indicates that the standard of living of the highest income households exerts a strong influence on the average level of consumption.

However, the differences between income groups were generally reduced in the 1980s. The gap diminished in Germany, Greece, France, Italy and the United Kingdom, the reduction being particularly significant in Greece, where the difference was very considerable to start with. Italy still had the greatest differences in standard of living in absolute terms, with a gap equivalent to more than four times the consumption of the poorest households. In Spain and the Netherlands the gap widened, but the Netherlands still had the smallest differences after France.

Consumption patterns varied according to income. Food and housing were much greater expenses for lower-income groups, accounting for between 40% and 67% of the budgets of the poorest households compared to 30% and 45%

of the budgets of higher-income households. A rise in household income therefore contributed to a fall in the relative share of food and housing in favour of other categories of consumption. This phenomenon was noticeable within Member States as well as between Member States with different standards of living, although in the latter case variations were sometimes produced by national characteristics. The consumption categories which expanded their share in family budgets as the household income increased were transport, which doubled in size in the budgets of the wealthier households, and, to a lesser extent, clothing and recreation.

### Consumption by socioeconomic category

1.6.4. In all Member States except Luxembourg and Portugal, the consumption level for manual workers was below the national average (between 70% and 96%). Farmers had a consumption level which varied between 64% and 100% of the average. In all Member States except Ireland, they had a consumption level below that of manual workers in industry. Therefore, in 1988 manual work was still associated with a low standard of living, particularly in the agricultural sector. Non-manual workers and the self-employed had a consumption level of between 5% and 30% above the average of all households, the difference being greatest in Ireland and least pronounced in the Netherlands and Germany. The consumption level of the self-employed was above that of non-manual workers in all Member States except Greece, the United Kingdom and Ireland.

Between 1980 and 1988, the real consumption of pensioners and other members of the economically inactive population increased significantly in all Member States, the highest growth rates being 91% in the United Kingdom, 86% in Italy and 83% in France. In all cases, the increase in consumption for this category was above the average, and there was an increase even in Member States where the average real consumption had fallen. This development can be explained by the increase in retirement benefits, by an improvement in the health of pensioners, and also by a cultural trend which increasingly views the elderly as potential consumers. However, in all Member States except Luxembourg, pensioners still fell short of the average consumption level, even if they moved considerably nearer this level during the 1980s.

### Consumption by type of household

1.6.5. Old age and the first child were the factors with the greatest impact on the level of household consumption. Households comprising one person of over 65 years of age had a consumption level equal to half or less of the national average in absolute terms. In all cases, people under the age of 65 living alone consumed more than those over 65, between 10% more in France and 69% more in Italy, while households comprising couples with two children consumed the most, with a consumption level in absolute terms double that of single-person households. With the exception of Germany, where the marginal effect of a second child is greater, the first child increased the consumption level the most, while subsequent children had decreasing effect on the level of consumption. This phenomenon was particularly evident in France, Italy, the Netherlands and the United Kingdom.

Between 1980 and 1988, consumption generally increased the most in households comprising one person, elderly or otherwise, and couples with no children. Single people over 65 years of age showed the most significant increase in consumption, except in Greece and Italy. Consumption by couples with children was more stable. Consequently, the gaps between types of households narrowed.

### Information

#### Publications

1.6.6. New publications available from sales offices:

- *Household consumption in the European Union in the 1980s*: this publication is summarized above.
- *SIGMA: the bulletin of European statistics*: issue No 1/94 deals with statistical information and trans-European networks.
- *Earnings — industry and services*.
- *National accounts: Aggregates 1970-92*.
- *Agricultural prices, price indices and absolute prices* (includes a glossary).

# 7. Community institutions

## Institutional affairs

*1.7.1.* The European Council set up a Reflection Group to prepare for the 1996 intergovernmental conference. This Group, whose terms of reference were clarified, will start work in June 1995. It will consist of representatives of the Foreign Ministers of the Member States and the President of the Commission, and will be chaired by a person designated by the Spanish Government. Two representatives of Parliament will also take part in its work. The institutions have been asked to prepare reports on the operation of the Union Treaty before the Group starts work (→ point I.25).

*1.7.2.* Commission response to the recommendations of the Federal Republic of Germany regarding application of the subsidiarity principle (→ point 1.1.1).

## Parliament

### Results of the 1994 elections

**Previous elections:** Bull. 6-1989, points 1.2.1 to 1.2.5

**Reference:** Council Directive 93/109/EC laying down detailed arrangements for the exercise of the right to vote and stand as a candidate in elections to the European Parliament for citizens of the Union residing in a Member State of which they are not nationals: OJ L 329, 30.12.1993; Bull. 12-1993, point 1.2.254

*1.7.3.* In the fourth direct European elections, 269 million voters went to the polls the fourth direct European elections to elect 567 members of the European Parliament for a period of five years. The elections were held on 9 June in the

United Kingdom, Ireland, the Netherlands and Denmark and on 12 June in the other Member States.

*1.7.4.* Turnout was the lowest since 1979, with sharp falls in the Netherlands (down by 11%), Portugal (down by 15%), Ireland (down by 24%) and Greece (down by 8.5%). There were many reasons for this, not necessarily connected with European issues (see Table 9).

Although for the first time Union citizens residing in a Member State of which they were not nationals had the right to vote there, very few of them exercised it, except in Ireland. This was due largely to unfamiliarity with the machinery involved, both on the part of the potential voters and on the part of the local authorities.

*1.7.5.* An analysis of the results of the elections reveals contradictory trends, largely because they were dominated by domestic issues. In some Member States (United Kingdom, Spain) they provided an opportunity to censure the government of the day while in others (Italy, in particular) the results were a measure of its popularity. In yet others, such as France and Belgium, the votes lost by the governing parties did not automatically benefit the main opposition parties because of the proliferation of a variety of minor lists. A further feature of these elections, particularly in Denmark and France, was the advance made by 'anti-Maastricht' parties, although they still obtained fewer votes than the lists which were generally in favour of the Union Treaty.

*1.7.6.* The change in the complexion of Parliament as a result of the elections is difficult to evaluate. Although the overall balance has changed very little, there has been a slight shift to the right but it is a right which is very fragmented by comparison with the left. A great many members belong to parties which are difficult to classify in terms of any one of the existing political groups. And several groups are

actually in danger of extinction if they fail to reach the threshold required by Parliament's Rules of Procedure, which stipulate that a group must have 26 members if they come from one Member State, 21 if they come from two Member

States, 16 from three Member States, and 13 from four or more Member States. Over 50% of those elected will be taking their seat in the European Parliament for the first time (see Table 10).

Table 9 — *Turnout*

Member State	1989		1994		Number of seats
	Registered voters (millions)	Turnout (%)	Registered voters (millions)	Turnout (%)	
Belgium <sup>1</sup>	7.09	90.7	7.21	90.6	25
Denmark	3.91	46.1	3.99	52.9	16
Germany	45.72 <sup>2</sup>	62.4 <sup>2</sup>	60.47	60.0	99
Greece <sup>1</sup>	7.30	79.8	9.48	71.2	25
Spain	29.16	54.8	31.55	59.1	64
France	38.34	48.7	39.04	52.7	87
Ireland	2.46	68.3	2.63	44.0	15
Italy	46.56	81.5	47.48	74.8	87
Luxembourg <sup>1</sup>	0.21	87.8	0.22	88.5	6
Netherlands	11.25	47.2	11.62	35.6	31
Portugal	7.81	51.3	8.56	35.5	25
United Kingdom	43.67	36.2	43.44	36.4	87
<b>Total</b>	<b>243.52</b>	<b>58.4</b>	<b>265.74</b>	<b>56.2</b>	<b>567</b>

<sup>1</sup> Voting compulsory.

<sup>2</sup> Before unification.

Table 10 — *Party strengths, by Member State, in 1989 and 1994*<sup>1</sup>

Political parties and groups	1989		1994	
	% of votes cast	Number of seats	% of votes cast	Number of seats
<i>Belgium</i> <sup>2</sup>				
SP (Dutch-speaking Socialists)	12.4	3	11.0	3
PS (French-speaking Socialists)	14.5	5	11.4	3
CVP (Dutch-speaking Christian Democrats)	21.5	5	16.8	4
PSC (French-speaking Christian Democrats)	8.1	2	7.0	2
CSP (German-speaking Christian Democrats)	—	—	0.2	1
VLD <sup>3</sup> (Flemish Liberal Democrats)	10.6	2	11.4	3
PRL (French-speaking Liberals)	7.2	2	—	—
FDF (Democratic Front of French-speakers)	1.5 <sup>4</sup>	—	—	—
PRL-FDF	—	—	9.0	3

Political parties and groups	1989		1994	
	% of votes cast	Number of seats	% of votes cast	Number of seats
Agalev (Dutch-speaking ecologists)	7.6	1	6.7	1
Écolo (French-speaking ecologists)	6.3	2	4.8	1
Volksunie (Flemish People's Union)	5.4	1	—	—
Volksunie-VVD (Flemish Free Democrats)	—	—	4.4	1
Vlaams Blok (Flemish Nationalist Party)	4.1	1	7.8	2
National Front	—	—	2.9	1
<i>Denmark</i> <sup>5</sup>				
Socialdemokratiet (Social Democrats)	23.3	4	15.8	3
Centrum-demokraterne (Centre Democrats)	8	2	0.9	—
Det Konservative Folkeparti (Conservative People's Party)	13.3	2	17.7	3
Socialistisk Folkeparti (Socialist People's Party)	9.1	1	8.6	1
Venstre (Liberals)	16.6	3	19.0	4
Det Radikale Venstre	—	—	8.5	1
Folkebevægelsen Mod EF (Anti-EC Movement)	18.9	4	10.3	2
Junibevægelsen	—	—	15.2	2
<i>Germany</i> <sup>6</sup>				
SPD (Social Democrats)	37.3	31	32.2	40
CDU (Christian Democrats)	29.5	25	32.0	39
CSU (Christian Social Union (Bavaria))	8.2	7	6.8	8
FDP (Liberals)	5.6	4	4.1	—
Die Grünen (Greens)	8.4	8	10.1	12
Die Republikaner	7.1	6	3.9	—
<i>Greece</i> <sup>7</sup>				
PASOK (Socialists)	36.0	9	37.6	10
ND (New Democracy, right-wing)	40.4	10	32.7	9
DI-ANA (Democratic Renewal, right-wing)	1.4	1	2.8	—
SYN <sup>8</sup> (Left and progressive coalition)	14.3	4	6.2	2
KKE (Communists)	—	—	6.3	2
POLA (Political Spring, national right)	—	—	8.7	2
<i>Spain</i> <sup>9</sup>				
PSOE (Spanish Socialist Workers' Party)	40.2	27	31.1	22
PP (People's Party)	21.7	15	40.5	28
CIU (Coalición electoral convergència i unió (Catalonia))	4.3	2	4.7	3
CN (Nationalist Coalition)	1.9	1	2.8	2
IU (United Left)	6.2	4 <sup>10</sup>	13.4	9
PEP (Peoples' Europe Party)	—	—	1.3	—
IP (Peoples' Left)	1.8	1	—	—
CDS (Democratic and Social Centre)	7.2	1	—	—
FORO-CDS (Coalition)	—	—	0.9	—
HB (Herri Batasuna) (Basque Nationalists)	1.7	1	0.9	—
PA (Andalusian Party)	1.9	1	—	—
Agrupación de Electores de José María Ruiz Mateos	3.9	2	0.4	—

Political parties and groups	1989		1994	
	% of votes cast	Number of seats	% of votes cast	Number of seats
<i>France</i> <sup>11</sup>				
PS (Socialists)	23.6	22	14.5	15
Centre pour l'Europe (CDS-LIB) (Centre for Europe)	8.4	7	—	—
UDF-RPR (United List) <sup>12</sup>	28.9	26	25.5	28
Les Verts (Greens)	10.6	9	2.9	—
PCF (Communists)	7.7	7	6.9	7
FN (National Front)	11.7	10	10.5	11
Energie radicale (Radical Energy)	—	—	12.0	13
Majorité pour l'autre Europe (Majority for the Alternative Europe)	—	—	12.3	13
<i>Ireland</i> <sup>13</sup>				
Labour Party	9.5	1	10.9	1
Fine Gael	21.6	4	24.2	4
Independents <sup>14</sup>	11.9	1	6.9	1
Fianna Fáil	31.5	6	35.0	7
Democratic Left <sup>15</sup>	7.5	1	3.5	—
Green Alliance	—	—	7.9	2
<i>Italy</i> <sup>16</sup>				
PDS (Democratic Left) <sup>17</sup>	27.6	22	19.1	16
Rifondazione comunista (Reconstructed Communists)	—	—	6.1	5
PSI (Socialists)	14.8	12	1.8	2
PSDI (Social Democrats)	2.7	2	0.7	1
PPI (Italian People's Party) <sup>18</sup>	32.9	26	10.0	8
SVP (South Tyrol People's Party)	0.5	1	0.6	1
PRI (Republicans)	4.4	3 <sup>19</sup>	0.7	1
Pannella — Riformaltori	—	—	2.1	2
Green Party <sup>20</sup>	—	—	3.2 <sup>20</sup>	3
Arcobaleno	2.4	2	—	—
Lista verde (Greens)	3.8	3	—	—
DP (Proletarian Democrats)	1.3	1	—	—
La Droga (Antiprohibitionists)	1.2	1	—	—
Lega Nord (Northern League) <sup>21</sup>	1.8	2	6.6	6
LF (Federal List)	0.6	1	0.4	—
MSI-DN (Italian Social Movement — National Right)	5.5	4	12.5	11
Forza Italia	—	—	30.6	27
Patto Segni	—	—	3.3	3
La Rete (The Network)	—	—	1.1	1
<i>Luxembourg</i> <sup>22</sup>				
POSL (Socialists)	25.4	2	24.8	2
PCS (Christian Democrats)	34.8	3	31.5	2
DP (Liberals)	20.0	1	18.8	1
Les Verts (Greens)	—	—	10.9	1

Political parties and groups	1989		1994	
	% of votes cast	Number of seats	% of votes cast	Number of seats
<i>Netherlands</i> <sup>5</sup>				
PvdA (Socialists)	30.7	8	22.9	8
CDA (Christian Democrats)	34.6	10	30.8	10
VVD (Liberals)	12.6	3	17.9	6
D'66 (Democraten 66, centre left)	5.6	1	11.7	4
Groen links (Green Left)	7.0	2	3.7	1
SGP (Religious right)	5.9	1	7.8	2
<i>Portugal</i> <sup>9</sup>				
PS (Socialists)	28.5	8	34.8	10
CDS (Social Democratic Centre Party)	14.1	3	12.4	3
PSD (Social Democrats)	32.7	9	34.3	9
CDU (United Democratic Coalition) <sup>23</sup>	14.4	4	11.2	3
<i>United Kingdom</i> <sup>24</sup>				
Labour Party	38.9	45	42.6	62
Social Democratic and Labour Party <sup>25</sup>	0.9	1	1.0	1
Conservatives	33.0	32	27.0	18
Ulster Unionist Party <sup>25</sup>	0.8	1	0.8	1
Scottish National Party	2.6	1	3.0	2
Democratic Unionist Party <sup>25</sup>	1.0	1	1.0	1
Liberal Democrats	6.2	—	16.1	2

<sup>1</sup> Only political parties and groups having representatives in the old or new Parliament are shown.

<sup>2</sup> Proportional representation; three electoral colleges (Dutch-speaking, French-speaking and German-speaking); three constituencies; preferential voting system; voting compulsory.

<sup>3</sup> Ex-PVV.

<sup>4</sup> ERE-FDF list.

<sup>5</sup> Proportional representation; national lists; preferential voting system.

<sup>6</sup> Proportional representation; national or regional lists; 5% threshold.

<sup>7</sup> 'Reinforced' proportional representation; national lists; voting compulsory.

<sup>8</sup> SAP.

<sup>9</sup> Proportional representation; national lists.

<sup>10</sup> IU and PEP-EA together.

<sup>11</sup> Proportional representation; national lists; 5% threshold.

<sup>12</sup> With the CDS-LIB.

<sup>13</sup> Proportional representation; five multimember constituencies; preferential voting system.

<sup>14</sup> Ex-Progressive Democrats.

<sup>15</sup> Ex-Workers' Party.

<sup>16</sup> Proportional representation; five constituencies; preferential voting system.

<sup>17</sup> Ex-PCI (Communists).

<sup>18</sup> Ex-DC (Christian Democrats).

<sup>19</sup> PLI-PRI-PR coalition (Liberals, Republicans and Radicals).

<sup>20</sup> Includes Arcobaleno, Lista verde, DP and La Droga.

<sup>21</sup> Ex-Lega Lombarda.

<sup>22</sup> Proportional representation; national lists; preferential voting system; voting compulsory.

<sup>23</sup> Includes Communists and other small left-wing parties.

<sup>24</sup> Simple majority (first past the post) system in 78 constituencies, except Northern Ireland, which has proportional representation (single transferable vote) and is one three-member constituency.

<sup>25</sup> Northern Ireland.

## Council

### 1762nd meeting

1.7.7. Health (Luxembourg, 2 June).

**Previous meeting:** Bull. 3-1994, point 1.7.16

**President:** Mr Kremastinos, Greek Minister for Health.

**Commission:** Mr Flynn.

#### *Main items*

- Extension of the 'Europe against AIDS' programme: common position on a proposal for a Directive adopted unanimously (→ point 1.2.203).
- Framework for Community action in the field of public health: resolution adopted (→ point 1.2.200).
- Cardiovascular diseases: resolution adopted (→ point 1.2.204).

#### *Other business*

- Tobacco advertising: progress report.
- Prevention of the risk of transmission of BSE to humans: exchange of views.
- Fight against cancer within the framework for action in the field of public health: exchange of views.
- Health promotion programme: communication noted.
- Public health dimension in the context of combating drugs and drug addiction: statement noted.
- Testing of proprietary medicinal products: statement noted.

### 1763rd meeting

1.7.8. Youth — First meeting since entry into force of the Treaty on European Union (Luxembourg, 6 June).

**President:** Mr Fatouros, Greek Minister for Education and Religious Affairs.

**Commission:** Mr Ruberti.

#### *Main item*

- Third phase of the 'Youth for Europe' programme: common position on a proposal for a Decision agreed (→ point 1.2.199).

#### *Other business*

- Prospects for cooperation on youth: information provided.

### 1764th meeting

1.7.9. Economic and financial affairs (Luxembourg, 6 June).

**Previous meeting:** Bull. 5-1994, point 1.6.6

**President:** Mr Papantoniou, Greek Minister for Economic Affairs.

**Commission:** Mr Delors, Mr Christophersen and Mrs Scrivener.

#### *Main items*

- Broad guidelines for the economic policies of the Member States and the Community: recommendation adopted (→ point 1.2.12).
- European Investment Fund: Decision adopted (→ point 1.2.13).
- Macro-financial assistance for Romania: conclusions adopted (→ point 1.3.26).

#### *Other business*

- White Paper on growth, competitiveness and employment: exchange of views.
- Macro-financial assistance for Albania: discussed.
- CO<sub>2</sub>/energy tax: progress report.
- Measures to combat fraud: exchange of views.

### 1765th meeting

1.7.10. Environment (Luxembourg, 8 and 9 June).

**Previous meeting:** Bull. 3-1994, point 1.7.13

**President:** Mrs Papozoi, Greek State Secretary for the Environment, Regional Planning and Public Works.

**Commission:** Mr Paleokrassas.

#### *Main items*

- Landfill of waste: common position on a proposal for a Directive agreed (→ point 1.2.176).



- Substances depleting the ozone layer: common position on a proposal for a Regulation agreed (→ point 1.2.187).
- White Paper on growth, competitiveness and employment — the environmental aspect: conclusions adopted (→ point 1.2.169).
- 1979 Convention on Long-range Transboundary Air Pollution — reduction of sulphur emissions: Decision adopted (→ point 1.2.175).
- Illegal trade in rhino and tiger products: statement adopted (→ point 1.2.185).

#### *Other business*

- Packaging and packaging waste: discussed.
- Climate change — CO<sub>2</sub>/energy tax — Council conclusions: discussed.
- Integrated pollution prevention and control: progress report.
- Committee on Sustainable Development: exchange of views.

#### **1766th meeting**

1.7.11. Fisheries (Luxembourg, 10 June).

**Previous meeting:** Bull. 4-1994, point 1.7.5

**President:** Mr Constantinou, Greek State Secretary for Agriculture.

**Commission:** Mr Paleokrassas.

#### *Main items*

- Harmonization of various technical measures in Mediterranean fisheries: Regulation agreed; Spanish delegation abstained (→ point 1.2.157).
- Special fishing permits: Regulation agreed (→ point 1.2.158).
- System of compensation for the additional costs incurred in the marketing of certain fisheries products: Regulation agreed by qualified majority; Netherlands delegation voted against and United Kingdom delegation abstained (→ point 1.2.167).
- Fisheries agreement with Greenland: negotiating directives adopted (→ point 1.2.163).

#### *Other business*

- Drift nets: proposal for a Regulation discussed.

- Situation on the fishery products market in the Community: statement adopted.
- Characteristics of fishing vessels: general discussion.
- Fisheries relations with Canada: examined in detail.

#### **1767th meeting**

1.7.12. General affairs (Luxembourg, 13 and 14 June).

**Previous meeting:** Bull. 5-1994, point 1.6.7

**President:** Mr Pangalos, Greek Deputy Minister for Foreign Affairs.

**Commission:** Mr Delors, Sir Leon Brittan and Mr Van den Broek.

#### *Main items*

- Report by the European Union observer for Cyprus: conclusions adopted (→ point 1.3.37).
- New Financial Protocols with Cyprus and Malta: negotiating directives adopted (→ points 1.3.38 and 1.3.39).
- Partnership and Cooperation Agreement with Ukraine: decision adopted (→ point 1.3.34).
- Interim Agreement with Ukraine: negotiating directives adopted (→ point 1.3.35).
- Administration of Mostar: Memorandum of Understanding approved (→ point 1.3.6).
- Embargo against Serbia and Montenegro: common position on a proposal for a Decision adopted (→ point 1.3.5).
- Stability pact: Decision adopted (→ point 1.3.4).
- Financing of the common foreign and security policy: guidelines adopted (→ point 1.3.2).

#### *Other business*

- Evaluation of discussions on the White Paper: exchange of views.
- Relations with Israel: discussed.
- Russia — Partnership and Cooperation Agreement: discussed.
- Relations with Mercosur: discussed.
- Relations with Croatia: discussed.

- Control of exports of dual-use goods: discussed.
- Own resources: exchange of views.
- Textiles — outward-processing traffic: exchange of views.

### 1768th meeting

1.7.13. Transport (Luxembourg, 13 and 14 June).

**Previous meeting:** Bull. 4-1994, point 1.7.7

*President:* Mr Charalambous, Greek Minister for Transport and Communications, and Mr Katsifaras, Greek Minister for Merchant Shipping.

*Commission:* Mr Oreja Aguirre and Mr Van Miert.

#### *Main items*

- Minimal level of training for seafarers: common position on a proposal for a Directive agreed; Italian delegation abstained (→ point 1.2.116).
- Ship inspection and survey organizations: common position on a proposal for a Directive agreed (→ point 1.2.115).
- Measurement of ballast spaces in segregated ballast oil-tankers: common position on a proposal for a Regulation agreed (→ point 1.2.113).
- Transport of dangerous goods by road: common position on a proposal for a Directive agreed; Netherlands and Spanish delegations abstained and United Kingdom delegation entered a parliamentary scrutiny reservation (→ point 1.2.110).

#### *Other business*

- Report by Lord Donaldson on the Braer accident: exchange of views.
- Freedom to provide services to maritime transport: discussed.
- Shipping relations with West and Central Africa: exchange of views.
- Euros register: discussed.
- Application of the competition rules to shipping: exchange of views.
- Relations with Switzerland: exchange of views.

- Relations with Central and Eastern Europe: discussed.
- Rail transport: general discussion.
- Inland waterways: exchange of views.
- Transport infrastructures: exchange of views.
- Air transport: exchange of views.

### 1769th meeting

1.7.14. Internal market (Luxembourg, 16 June).

**Previous meeting:** Bull. 3-1994, point 1.7.9

*President:* Mr Baltas, Greek State Secretary for Trade.

*Commission:* Mr Bangemann, Mr Vanni d'Archirafi and Mrs Scrivener.

#### *Main items*

- Development of administrative cooperation: resolution adopted (→ point 1.2.16).
- Counterfeit and pirated goods: agreement reached unanimously with a view to the adoption of a common position on the proposal for a Regulation (→ point 1.3.70).
- Lifts: common position on a proposal for a Directive adopted by qualified majority (→ point 1.2.18).
- Dangerous substances: common position on a proposal for a Directive adopted by qualified majority; Danish, German and Netherlands delegations voted against (→ point 1.2.23).
- Sweeteners for use in foodstuffs: Directive adopted by qualified majority; French delegation abstained (→ point 1.2.28).
- Colours for use in foodstuffs: Directive adopted by qualified majority; Luxembourg delegation voted against and German delegation abstained (→ point 1.2.27).

#### *Other business*

- Strategic programme: progress report.
- Transposal of Community directives into national law: exchange of views.
- Information policy: exchange of views.
- New strategy to improve the procedures to be followed in the event of complaints/infringements: exchange of views.

- Mutual assistance and cooperation to ensure the correct application of the law on customs or agricultural matters: discussed.
- Data protection: general discussion.
- European cooperative society: progress report.
- Pension funds: discussed.
- Articles of precious metal: progress report.
- Novel foods and food ingredients: exchange of views.
- Harmonization Office: President appointed.

### 1770th meeting

1.7.15. Culture (Luxembourg, 17 June).

**Previous meeting:** Bull. 11-1993, point 1.7.8

*President:* Mr Mikroutsikos, Greek Minister for Culture.

*Commission:* Mr Pinheiro.

#### *Main items*

- Cultural heritage: conclusions adopted (→ point 1.2.210).
- Children and culture: conclusions adopted (→ point 1.2.215).
- European Cultural Month: decision adopted (→ point 1.2.213).
- Cooperation in the field of archives: conclusions adopted (→ point 1.2.211).

#### *Other business*

- Underwater cultural heritage: exchange of views.
- European City of Culture: conclusions confirmed.
- Audiovisual sector: discussed.

### 1771st meeting

1.7.16. Justice and home affairs (Luxembourg, 20 June).

**Previous meeting:** Bull. 3-1994, point 1.7.11

*President:* Mr Papatthemelis, Greek Minister for Public Order.

*Commission:* Mr Flynn and Mr Schmidhuber.

#### *Main items*

- Admission of third-country nationals for employment: resolution adopted (→ point 1.4.5).
- Immigration and asylum: conclusions adopted (→ point 1.4.3).

#### *Other business*

- Implementation of Eurodac: discussed.
- UDE/Europol: coordinator appointed.
- Establishment of Europol: progress report.
- Use of information technology for customs purposes: discussed.
- Draft Convention establishing a European Information System: examined.
- Combating drugs: discussed.
- Relations with third countries: general discussion.
- Combating fraud: discussed.
- Extension of the Brussels Convention to family and succession law: progress report.
- Extradition: discussed.

### 1772nd meeting

1.7.17. Agriculture (Luxembourg, 20 to 24 June).

**Previous meeting:** Bull. 5-1994, point 1.6.11

*President:* Mr Moraitis, Greek Minister for Agriculture.

*Commission:* Mr Steichen.

#### *Main items*

- Basic and buying-in prices for fruit and vegetables for the month of July: Regulation adopted (→ point 1.2.145).
- Community plant variety rights: proposal for a Regulation agreed unanimously (→ point 1.2.140).
- Plant protection products: Directive agreed by qualified majority; German and Netherlands delegations voted against (→ point 1.2.35).
- Expenditure in the veterinary field: Decision adopted (→ point 1.2.30).

*Other business*

- Agricultural prices and related measures (1994/95) — milk quotas: negotiated in depth.
- Beekeeping: exchange of views.
- Protection of animals during transport: exchange of views.
- Health conditions for the marketing of certain types of eggs: Decision adopted unanimously.
- BSE: discussed.
- Corn gluten feed: exchange of views.

**1773rd meeting**

1.7.18. Education (Luxembourg, 21 June).

**Previous meeting:** Bull. 11-1993, point 1.7.10

*President:* Mr Fatouros, Greek Minister for Education and Religious Affairs.

*Commission:* Mr Ruberti.

*Main items*

- Socrates programme: common position on a proposal for a Decision agreed (→ point 1.2.197).
- Cultural and artistic aspects of education: conclusions adopted (→ point 1.2.214).

*Other business*

- Education of migrant children in the European Union: exchange of views.
- Framework research programme: discussed.
- Convention on the Statute of the European Schools: signed.

**1774th meeting**

1.7.19. Industry (Luxembourg, 22 June).

**Previous meeting:** Bull. 4-1994, point 1.7.10

*President:* Mr Simitis, Greek Minister for Industry.

*Commission:* Mr Bangemann, Mr Van Miert and Mr Vanni d'Archirafi.

*Main items*

- Integrated programme for SMEs and the craft sector: conclusions adopted (→ point 1.2.79).

- Restructuring the steel industry: plan endorsed (→ point 1.2.74).

*Other business*

- The information society: exchange of views.
- State aid for the steel industry: discussed.
- Shipyards — OECD negotiations: progress report.

**1775th meeting**

1.7.20. Labour and social affairs (Luxembourg, 22 June).

**Previous meeting:** Bull. 4-1994, point 1.7.8

*President:* Mr Yiannopoulos, Greek Minister for Labour.

*Commission:* Mr Flynn and Mr Ruberti.

*Main items*

- Protection of young people at work: Directive adopted (→ point 1.2.192).
- European committees or procedures: common position on a proposal for a Directive agreed (→ point 1.2.190).
- European Agency for Safety and Health at Work: Regulation agreed (→ point 1.2.191).
- Vocational training programme: common position on a proposal for a Decision agreed (→ point 1.2.198).

*Other business*

- White Paper on growth, competitiveness and employment: exchange of views.
- Combating social exclusion: item deferred.
- Chemical agents: progress report.
- Immigration and asylum policies: exchange of views.
- Safety and health at work: discussed.

**1776th meeting**

1.7.21. Research (Luxembourg, 27 June).

**Previous meeting:** Bull. 3-1994, point 1.7.7

*President:* Mr Simitis, Greek Minister for Industry, Energy and Technology.

*Commission:* Mr Ruberti.

*Main items*

- Rules for the dissemination of the results of specific R & TD programmes: common position on a proposal for a Decision agreed (→ point 1.2.83).
- Rules for participation in specific R & TD programmes: common position on a proposal for a Decision agreed (→ point 1.2.84).
- Rules for the participation of undertakings, research centres and universities in specific Euratom research and training programmes: Decision agreed (→ point 1.2.85).
- Specific programme in the field of industrial and materials technologies: Decision agreed (→ point 1.2.88).
- Specific programme in the field of advanced communications technologies and services: Decision agreed (→ point 1.2.87).

*Other business*

- Scientific and technical cooperation agreement with Switzerland: draft negotiating directives presented.
- European Science and Technology Assembly: exchange of views.
- Scientific and technical cooperation with Israel: item deferred.

## Commission

### Monitoring the application of Community law

1.7.22. Eleventh annual report on monitoring the application of Community law (1993).

**Previous report:** COM(93) 320; Bull. 7/8-1993, point 1.6.7

*Published in the Official Journal on 6 June.* In its report, which was adopted on 30 March and contains a sector-by-sector analysis, lists of infringements of the Treaties and of regulations, and a survey on the implementation of direc-

tives, the Commission takes stock of the application of Community law by the Member States during 1993. The aggregate rate of implementation of directives for all sectors combined was 90%. By 31 December 1993 all applicable directives had been implemented by the Member States.

The Commission also reviews the infringement procedures initiated in 1993. The total number of letters of formal notice remained stable in 1993 compared with 1992. But the total number of reasoned opinions rose by some 100, notably in respect of failure to notify national implementing measures. The number of cases referred to the Court of Justice declined by over 30%, highlighting the fact that many cases are settled without the need for court proceedings, the final stage in infringement procedures.

OJ C 154, 6.6.1994; COM(94) 500

### Proposals adopted

1.7.23. The Commission adopted a proposal for a Directive on the ecological quality of water (→ point 1.2.179). In the field of health it adopted two proposals for Parliament and Council Decisions, one on health promotion, information, education and training within the framework for action in the field of public health (→ point 1.2.201), the other on Community action in the field of drug dependence (→ point 1.2.206). Lastly, it adopted a proposal for a Regulation (→ point 1.5.11) and a proposal for a Council Act establishing a Convention (→ point 1.5.13) relating to the protection of the Communities' financial interests.

### Communications, Green Papers and reports

1.7.24. The Commission adopted a communication on fresh impetus for restructuring the Community steel industry (→ point 1.2.74) and a communication on transfers of businesses (→ point 1.2.80). In the transport sector it adopted a communication on the way forward for civil aviation in Europe (→ point 1.2.108)

and in the health sector it adopted two communications, one on health promotion, information, education and training (→ point 1.2.201), the other on Community action in the field of drug dependence (→ point 1.2.206). It also adopted a communication on a European Union action plan to combat drugs (1995-99) (→ point 1.4.6). Lastly, it adopted a communication entitled 'Integration of developing countries in the international trading system. Role of the GSP 1995-2004' (→ point 1.3.91).

## Other decisions

1.7.25. The Commission issued a response to recommendations by the Federal Republic of Germany regarding application of the subsidiarity principle (→ point 1.1.1). It approved Community support frameworks for Spain, Luxembourg, Ireland, Greece, Germany and Italy (→ points 1.2.127 to 1.2.132) and adopted the Community initiatives (→ point 1.2.133). It also adopted new guidelines on the liability of suppliers of services (→ point 1.2.207).

1. The Commission's decision of 2 December 1992 confirming the German rules concerning the prohibition of pentachlorophenol is annulled.

2. The Commission is ordered to pay the costs.  
OJ C 174, 25.6.1994

## Agriculture

### Article 173 of the EC Treaty

□ 18.5.1994: Case C-309/89 *Codorniu v Council*

1. Article 1(2)(c) of Council Regulation (EEC) No 2045/89 of 19 June 1989 amending Regulation (EEC) No 3309/85 laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines is void in so far as it inserts paragraph 5a(b) into Article 6 of Council Regulation (EEC) No 3309/85 of 18 November 1985.

2. The Council of the European Union is ordered to pay the costs.

3. The Commission of the European Communities is ordered to bear its own costs.

OJ C 174, 25.6.1994

## Competition

### Article 177 of the EC Treaty

□ 27.4.1994: Case C-393/92 *Gemeente Almelo and Others v Energiebedrijf IJsselmij*

1. A national court which, in a case provided for by law, determines an appeal against an arbitration award must be regarded as a court or tribunal within the meaning of Article 177 of the Treaty, even if under the terms of the arbitration agreement made between the parties that court must give judgment according to what appears fair and reasonable.

2(a). Article 85 of the Treaty precludes the application, by a regional electricity distributor, of an exclusive purchasing clause contained in the general conditions of sale which prohibits a local distributor from importing electricity for public supply purposes and which, having regard to its economic and legal context, affects trade between Member States.

2(b). Article 86 of the Treaty precludes the application, by a regional electricity distributor where it belongs to a group of undertakings occupying a collective dominant position in a substantial part of the common market, of an exclusive purchasing clause contained in the general conditions of sale which prohibits a local distributor from importing electricity for

# Community lawcourts

## Court of Justice

1.7.26. Decisions given by the Courts are covered in the Bulletin for the month in which they are reported in the Official Journal. The operative part of the main decisions is reproduced; other decisions are simply listed by field and legal basis. Decisions in disputes between the Community and its staff are not reported.

### Main decisions

#### Free movement of goods

##### Article 173 of the EC Treaty

□ 17.5.1994: Case C-41/93 *France v Commission*

public supply purposes and which, in view of its economic and legal context, affects trade between Member States.

2(c). Article 90(2) of the Treaty is to be interpreted as meaning that the application by a regional electricity distributor of such an exclusive purchasing clause is not caught by the prohibitions contained in Articles 85 and 86 of the Treaty in so far as that restriction of competition is necessary in order to enable that undertaking to perform its task of general interest. It is for the national court to consider whether that condition is fulfilled.

OJ C 161, 11.6.1994

□ 17.5.1994: Case C-18/93 *Corsica Ferries Italia v Corpo dei piloti del porto di Genova*

1. Article 1(1) of Council Regulation (EEC) No 4055/86 of 22 December 1986 applying the principle of freedom to provide services to maritime transport between Member States and between Member States and third countries precludes the application in a Member State of different tariffs for identical piloting services, depending on whether or not the undertaking which provides maritime transport services between two Member States operates a vessel authorized to engage in maritime cabotage, which is reserved to vessels flying the flag of that State.

2. Article 90(1) and Article 86 of the EEC Treaty prohibit a national authority, by approving the tariffs adopted by an undertaking which has been granted the exclusive right of providing compulsory piloting services in a substantial part of the common market, from inducing it to apply different tariffs to maritime transport undertakings, depending on whether they operate transport services between Member States or between ports situated on national territory, in so far as trade between Member States is affected.

OJ C 174, 25.6.1994

## Public procurement

*Articles 185 and 186 of the EC Treaty*

□ 22.4.1994: Case C-87/94R *Commission v Belgium*

The application for interim measures is dismissed.

Application for interim measures seeking, on the one hand, the suspension of the legal effects of the decision taken on 6 October 1993 by the Société Régionale Wallonne du Transport to award to Espace Mobile International SA a public contract for the supply of buses and, on the other hand, the suspension of the legal effect of the contractual links established between those companies as a result of the decision.

OJ C 174, 25.6.1994

## External relations

*Article 177 of the EC Treaty*

□ 20.4.1994: Case C-58/93 *Zoubir Yousfi v Belgium*

Article 41(1) of the Cooperation Agreement between the European Economic Community and the Kingdom of Morocco, signed in Rabat on 27 April 1976 and approved on behalf of the Community in Council Regulation (EEC) No 2211/78 of 26 September 1978, must be interpreted as meaning that it precludes a Member State from refusing to grant a disability allowance provided for under its legislation in the case of nationals residing in that State for at least five years to a Moroccan national suffering permanent incapacity for work following an industrial accident occurring in that State who has resided on that State's territory for more than five years on the ground that the person concerned is of Moroccan nationality.

OJ C 161, 11.6.1994

## Other decisions

### Customs union

*Article 177 of the EC Treaty*

□ 19.5.1994: Case C-11/93 *Siemens Nixdorf Informationssysteme v HZA Augsburg*

OJ C 174, 25.6.1994

□ 19.5.1994: Case C-29/93 *Ospig Textil-Gesellschaft W. Ahlers v HZA Bremen-Freihafen*

OJ C 174, 25.6.1994

### Agriculture

*Article 177 of the EC Treaty*

□ 28.4.1994: Joined Cases C-433/92 and C-434/92 *BALM v Otto Frick and Vinzenz Murr*

OJ C 161, 11.6.1994

□ 5.5.1994: Case C-21/92 *Kamp v HZA Wuppertal*

OJ C 174, 25.6.1994

### Free movement of workers and social policy

*Article 177 of the EC Treaty*

□ 28.4.1994: Case C-305/92 *Hoorn v Landesversicherungsanstalt Westfalen*

OJ C 161, 11.6.1994

- 5.5.1994: Case C-421/92 *Habermann-Beltermann v Arbeiterwohlfahrt, Bezirksverband Ndb./Opf.*

OJ C 174, 25.6.1994

### Competition

#### *Article 49 of the Statute of the Court*

- 19.5.1994: Case C-36/92P *SEP v Commission*  
OJ C 174, 25.6.1994

#### *Article 177 of the EC Treaty*

- 16.5.1994: Case C-428/93 *Monin Automobiles — Maison du Deux-Roues*  
OJ C 174, 25.6.1994

### State aid

#### *Article 173 of the EC Treaty*

- 21.4.1994: Case C-312/90 *Spain v Commission*  
OJ C 174, 25.6.1994

### Taxation

#### *Article 177 of the EC Treaty*

- 5.5.1994: Case C-38/93 *H. J. Glawe Spiel- und Unterhaltungsgeräte Aufstellungsgesellschaft v Finanzamt Hamburg-Barmbek-Uhlenhorst*  
OJ C 174, 25.6.1994

### Institutional matters

#### *Article 173 of the EC Treaty*

- 17.5.1994: Case C-416/92 *Mrs H. v Court of Auditors*  
OJ C 174, 25.6.1994

### Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters

#### *Protocol of 3 June 1971 and Convention of 27 September 1968*

- 17.5.1994: Case C-294/92 *Webb v Webb*  
OJ C 174, 25.6.1994

### Infringements

#### *Article 169 of the EC Treaty*

- 24.3.1994: Case C-80/92 *Commission v United Kingdom*  
OJ C 161, 11.6.1994
- 3.5.1994: Case C-328/92 *Commission v Spain*  
OJ C 161, 11.6.1994
- 3.5.1994: Case C-47/93 *Commission v Belgium*  
OJ C 174, 25.6.1994
- 3.5.1994: Case C-260/93 *Commission v Belgium*  
OJ C 161, 11.6.1994
- 18.5.1994: Case C-118/92 *Commission v Luxembourg*  
OJ C 174, 25.6.1994
- 18.5.1994: Case C-303/93 *Commission v Italy*  
OJ C 174, 25.6.1994

### Court of First Instance

#### *Other decisions*

### Agriculture

#### *Articles 178 and 215 of the EC Treaty*

- 22.3.1994: Case T-25/94 *Ashölter v Council and Commission*  
OJ C 174, 25.6.1994
- 22.3.1994: Case T-42/94 *Gövert v Council and Commission*  
OJ C 174, 25.6.1994
- 25.4.1994: Case T-14/94 *RCL v Commission*  
OJ C 161, 11.6.1994

### Fisheries

#### *Article 173 of the EC Treaty*

- 28.4.1994: Joined Cases T-452/93 and T-453/93 *Pevasa and Inpesca v Commission*  
OJ C 174, 25.6.1994



## Competition

### *Article 173 of the EC Treaty*

□ 28.4.1994: Case T-38/92 *All Weather Sports Benelux v Commission*

OJ C 161, 11.6.1994

### *Article 175 of the EC Treaty*

□ 25.4.1994: Case T-574/93 *Le Nouveau Garage and Max Labat Automobiles 17 v Commission*

OJ C 161, 11.6.1994

## State aid

### *Article 175 of the EC Treaty*

□ 2.5.1994: Case T-467/93 *Ladbroke Racing and Others v Commission*

OJ C 161, 11.6.1994

## Structural Funds

### *Article 173 of the EC Treaty*

□ 19.5.1994: Case T-465/93 *Consorzio gruppo di azione locale 'Murgia Messapica' v Commission*

OJ C 174, 25.6.1994

## Analysis of judgments delivered between 1 April and 30 June 1994

### *Free movement of goods and customs union*

1.7.27. Judgment of 17 May, Case C-41/93 *France v Commission* — Internal market — Free movement of goods — Article 100a(4) — Pentachlorophenol (PCP).

The Court annulled the Commission decision of 2 December 1992, based on Article 100a(4) of the EC Treaty, confirming the German rules prohibiting PCP, these rules being at odds with the provisions of Directive 91/173/EEC. The Court held that the Commission had confined

itself to describing in general terms the content and purpose of the German rules and to stating that they were compatible with Article 100a(4), without explaining the reasons of fact and law which persuaded the Commission that all the conditions contained in Article 100a(4) were to be regarded as fulfilled in the case in point. The decision was therefore annulled for infringement of an essential procedural requirement in that it did not meet the obligation laid down in Article 190 that instruments must state the reasons on which they are based.

The Court did not rule on whether, in this particular case, the basic conditions for applying Article 100a(4) were satisfied. It merely pointed out that the option available to Member States under that provision constituted a derogation from a common measure designed to achieve one of the fundamental objectives of the Treaty, namely the removal of all obstacles to the free movement of goods between Member States. It was therefore for the Commission, subject to review by the Court, to satisfy itself that all the conditions for a Member State to avail itself of that derogation were fulfilled and, in particular, to establish whether the national provisions in question were justified in the light of the basic conditions expressly laid down in the first and second subparagraphs of Article 100a(4).

As regards the procedure for giving effect to Article 100a(4), the judgment makes it very clear that Member States are not at liberty to apply national provisions derogating from the harmonized rules without first having them confirmed by the Commission nor to apply provisions notified by them until they have obtained from the Commission a decision confirming them.

In this matter the Court agreed with the opinion of the Advocate-General, who held that the primacy of Community law would be challenged if a Member State intending to avail itself of Article 100a(4) could apply its own national rules after harmonized Community measures had come into force but before a Commission decision had been taken; a Member State doing so would be in breach of the law.

1.7.28. Judgment of 18 May, Case C-309/89 *Codorniu v Council*, supported by the Commission — Action for annulment — Natural or legal person — Conditions of admissibility —

Description of sparkling wines — Conditions for the use of the term 'crémant'.

Codorniu SA is a Spanish company manufacturing and marketing quality sparkling wines produced in specified regions, including the Cava region. Since 1924 it has been the holder of the Spanish graphic trade mark 'Gran Cremant', which it uses to designate one of its Cava wines. Codorniu is the main Community producer of Cava, selling each year 11 million bottles of wine described as 'Gran Cremant'.

The company had brought before the Court an action for the annulment of the provision of Council Regulation (EEC) No 2045/89 which restricts the use of the term 'crémant' to quality sparkling wines produced in specified regions of France or Luxembourg.

As regards the admissibility of the action, the Court held that, despite the general, normative nature of the instrument challenged, Codorniu, having used the mark 'Gran Cremant de Codorniu' since 1924, was in a situation which in respect of the provision in issue differentiated it from all other traders.

On the substance, the Court declared the provision challenged void on the ground that it treated differently the comparable situations of quality sparkling wines produced in France or Luxembourg and those produced by Codorniu, with no objective justification for such treatment. In particular, the reservation of the term 'crémant' for wines manufactured in France and Luxembourg could not validly be justified on the basis of traditional use, since it disregarded the traditional use of the mark by Codorniu. Geographical criteria could not be taken into consideration since, according to the contested provision itself, the term 'crémant' referred primarily to the method of manufacture.

*1.7.29. Judgment of 2 June, Joined Cases C-69/93 Punto Casa v Sindaco del Comune di Capena and Others and C-258/93 PPV v Sindaco del Comune di Torri di Quartesolo and Others — Prohibition on certain kinds of Sunday trading — Free movement of goods.*

These cases raised the question whether the Italian legislation on the closure of retail outlets on Sundays and public holidays was compatible with the Community rules on the free movement of goods.

On the Court's traditional view (as in *Torfaen and Stoke-on-Trent*), Article 30 would in principle have been applicable to such legislation, even if in this particular case the legislation was justified by imperative needs. However, in line with the new approach reflected in *Keck and Mithouard*, the Court held that national legislation governing the arrangements whereby goods may be sold to consumers fell outside the scope of Article 30, provided that they applied to all concerned and were non-discriminatory.

*1.7.30. Judgment of 22 June, Case C-9/93, IHT v Ideal Standard — Splitting of a trade mark as a result of a voluntary assignment — Free movement of goods.*

The Court had to rule on whether the holder of a trade mark in one Member State could oppose the importation of products bearing the same mark in another Member State that were marketed by a company which had bought the trade mark from the original holder, i.e. by voluntary assignment.

The Court held, in line with its judgment in *HAG II* (where two trade marks shared a common origin but were owned by separate operators following sequestration by the government), that the assignor could obtain an injunction against the importation of the assignee's products into those territories where the assignor had retained the mark, since a contract of assignment did not give the assignor any means of controlling the quality of products marketed by the assignee (an essential function of a trade mark is to identify the origin of the goods). The Court took the view, as on previous occasions, that the assignment of a trade mark within the Community did not entail the exhaustion of the assignor's rights (the criterion being that the goods must be marketed by the holder or with his consent). The Court's decision is substantiated by the fact that trade-mark rights are independent national rights. It is for the Community legislature to remove, if it thinks fit, any obstacles arising from these rights.

### *Freedom of establishment and freedom to provide services*

*1.7.31. Order of 22 April, Case C-87/94R Commission v Belgium — Application for interim measures — Urgency — Balance of interests*

— Public safety — Public contracts — Transport industry — Directive 90/531/EEC.

The Commission's application for interim measures to suspend the legal consequences of the decision by the Société Régionale Wallonne du Transport to award the contract for the supply of buses to Espace Mobile International SA was dismissed.

The Court held that the conditions with regard to urgency and the balance of interests, which must be met by any application for interim measures, had not been satisfied.

As regards urgency, which must be assessed in terms of the need for interim measures to prevent serious and irreparable damage to the applicant, the Commission, by failing to inform the Member State concerned quickly and unambiguously (when sending the initial letter of formal notice) that it intended to seek suspension of the contract, had not displayed the diligence to be expected of a party which subsequently brought proceedings for interim measures. Only if so informed would the Member State proceed at its own risk with the award of the contract.

As regards the balance of interests, which must incline in favour of granting the interim measures requested, the Court took the view that, although Belgium had not done everything to ensure the safety of the passengers and staff of the SRWT and other road-users, it was not for the Court, given the circumstances of the case and the seriousness of the risk involved, to exacerbate that risk by ordering the suspension of the contract.

*1.7.32. Judgment of 17 May, Case C-18/93 Corsica Ferries Italia v Corpo dei piloti del porto di Genova* — Compulsory piloting service — Discriminatory tariffs — Freedom to provide services — Competition.

The Court held that it was contrary to the principle of non-discrimination in maritime transport, as laid down in Article 1(1) of Regulation (EEC) No 4055/86, that different tariffs should apply in a Member State to identical piloting services, depending on whether or not the undertaking providing services between two Member States was operating a vessel authorized to engage in maritime cabotage (which was reserved to vessels flying the flag of that State). Arrangements of this kind constituted indirect discrimination

between traders on grounds of nationality, since the vessels flying the national flag were usually operated by nationals of the same State, whereas undertakings from other Member States did not as a rule operate ships registered in the State applying the arrangements in question.

Some important lessons relating to transport services may be drawn from this judgment:

- the Court reaffirmed that the freedom to provide services should apply to transport in the same way as in the other areas covered by Article 59 (see Case 13/83 *Parliament v Council* [1985] ECR 1513);
- discrimination based on the flag flown by vessels constitutes indirect discrimination on grounds of nationality, even if nationals of other Member States may use the flag in the same way as nationals and even if certain national traders may operate vessels not registered in their State.

The Court also held that the rules of competition (Articles 90(1) and 86 of the EEC Treaty) prohibited a national authority from enabling an undertaking which has been granted the exclusive right to provide piloting services in a substantial part of the common market to apply different tariffs to maritime transport undertakings, depending on whether they operate services between Member States or between ports situated on national territory, in so far as trade between Member States is affected.

The Court ruled:

- that an undertaking which has a legal monopoly in a substantial part of the common market may be regarded as occupying a dominant position; and
- that the relevant market was that for piloting services in the port of Genoa (given the volume of traffic and the port's share of all Italian import and export business).

### *Competition — State aids*

*1.7.33. Judgment of 27 April, Case C-393/92 Gemeente Almelo and Others v Energiebedrijf IJsselmij* — Competition — Agreement restricting the importation of electricity — Service of general interest.

This judgment provides important guidance on how the rules of competition apply to the electricity industry.

In the original proceedings a number of local electricity distributors had appealed against an equalization supplement which they were being charged by a regional electricity company to offset the additional cost of supplying electricity to rural areas. The questions referred to the Court concerned the compatibility with Community law of the exclusive purchasing and selling clauses in supply contracts between the regional company and the local distributors.

The Court found:

- that, in the light of Article 85, the exclusive long-term purchasing clause had a restrictive effect on competition (compartmentalizing the national market) and a considerable impact on trade between Member States, given the cumulative effect of numerous such agreements covering the entire territory of a Member State;
- that the imposition of exclusive purchasing and selling clauses was also likely to be caught by Article 86 if the links between the companies belonging to the group in question were so strong that they adopted the same market conduct and in effect exercised joint dominance; this was a matter for the national court.

The Court's ruling was particularly interesting on the question of the application of Article 90(2) of the Treaty and possible exemption from the competition rules.

Recalling its judgment in *Corbeau* (Case C-320/91 [1993] ECR I-2563), in which it had held with regard to postal services that undertakings entrusted with services of general economic interest might be exempted from the Treaty's rules on competition provided that restrictions on competition, and even the exclusion of any competition from other economic operators, were necessary to enable the undertakings concerned to perform their particular task, the Court acknowledged that the public-service task of an electricity supply company, even if regional and with a non-exclusive concession, was essentially to ensure that all consumers, whether local distributors or end-users, received uninterrupted supplies of electricity in sufficient quantities to meet demand at any given time, at uniform rates and on terms which should not vary save in accordance with objective criteria applicable to all customers.

The Court pointed out that in this context the economic conditions in which the undertaking

operated had to be taken into consideration, in particular the costs which it had to bear and the environmental and other rules to which it was subject. It was for the national courts to determine whether these conditions were satisfied in this particular case.

*1.7.34. Judgment of 13 April, Joined Cases C-324/90 and C-342/90 Germany and Pleueger Worthington v Commission — State aid — Decision on aid granted by the City of Hamburg — Repayment.*

The contested Commission decision related to the repayment of aid granted by the City of Hamburg and held to be unlawful, since it was granted in breach of Article 93(3), and incompatible with the common market.

Defending the fragmentary evidence on which it had based its decision, the Commission drew attention to the failure to notify the aid scheme and to the conduct of the German Government, which had provided extremely incomplete information.

The Court rejected this argument, clearly restating the consequences which, in its view, should flow from any non-compliance by a Member State with its obligation to notify aid under Article 93(3) of the Treaty, as set forth in *Boussac* (Case C-301/87 *France v Commission* [1990] ECR I-307): if no notification has been received, the Commission may 'after giving the Member State in question an opportunity to submit its comments, issue an interim decision requiring it to suspend immediately the payment of such aid pending the outcome of the examination of the aid and to provide the Commission, within such period as the latter may specify, with all such documentation, information and data as are necessary in order that it may examine the compatibility of the aid with the common market ... . However, if the Member State, notwithstanding the Commission's order, fails to provide that information, the Commission is empowered to terminate the procedure and makes its decision, on the basis of the information available to it, on the question whether or not the aid is compatible with the common market.'

In this particular case no such order had been issued by the Commission, and, since it had not used all its available powers to obtain all the necessary information from the Member State,

the Commission could not conclude from the failure to notify the aid scheme that it was incompatible with the common market.

1.7.35. Judgment of 13 April, Case C-128/92, *H. J. Banks v British Coal Corporation* — ECSC Treaty — Licences for the extraction of unworked coal — Application of Articles 4(d), 65 and 66(7) of the Treaty — Direct effect — Exclusion — Compensation for damage resulting from the infringement of those provisions — Powers of the Commission and of the national court.

The Court held that Articles 4(d), 65 and 66 of the ECSC Treaty (restrictive agreements and mergers) did not confer rights directly enforceable by private parties in proceedings before national courts. These provisions give the Commission sole jurisdiction to decide, subject to review by the Court of Justice and the Court of First Instance, whether agreements between businesses or dominant positions are compatible with the common market.

Consequently, national courts may not entertain an action for damages in the absence of a Commission decision and are bound by such decisions, though they may still ask the Court of Justice to rule on their validity or interpretation.

1.7.36. Judgment of 15 June, Case C-137/92P *Commission v BASF and Others* — Appeal against the Court of First Instance's judgment of 27 February 1992 — Competition — Commission decision — Non-existence.

A Commission decision of 21 December 1988 had imposed fines on a number of companies manufacturing PVC for the infringement of Article 85. This decision had been challenged before the Court of First Instance, which found it vitiated by certain breaches of procedure and consequently non-existent in law. The Commission's appeal was partially upheld by the Court of Justice, which held that the irregularities in the procedure for the adoption of the decision did not appear to be sufficiently serious for it to be treated as non-existent in law. On this point the Court of Justice set aside the judgment under appeal.

However, the Court also annulled the Commission decision on the ground that it was in breach of an essential procedural requirement, namely non-compliance with Article 12 of the Rules of

Procedure then in effect (the procedure for the authentication of instruments). In the case at issue the Commission had authenticated only the minutes of the meeting at which it had adopted the instrument.

The Court also gave its views on the use of the delegation procedure, restating its position that powers may be delegated only for straightforward management measures and not, therefore, for decisions on a breach of Article 85. Observance of the principle of collective responsibility was essential to the exercise of the Commission's powers.

### *Common commercial policy — External relations*

1.7.37. Judgment of 20 April, Case C-58/93 *Zoubir Yousfi v Belgium* — EEC-Morocco Cooperation Agreement — Article 41(1) — Direct effect — Scope — Disability allowance.

Confirming its *Kziber* judgment (Case C-18/90 [1991] ECR I-199), the Court held that Article 41(1) of the EEC-Morocco Cooperation Agreement was directly applicable and that social security schemes were prohibited from discriminating, on grounds of nationality, against workers of Moroccan nationality or the members of their families living with them. This is particularly significant in that the Court had been asked by the German Government to reconsider its holding in *Kziber*.

The Court also defined the scope of the non-discrimination principle laid down in Article 41(1):

□ as regards the individuals covered: the concept of 'worker' encompasses both active workers and those who have left the labour market on reaching retirement age or on becoming the victims of the materialization of one of the risks conferring entitlement to allowances under other social security branches;

□ as regards the benefits covered: the term 'social security' must be deemed to be analogous to the identical term used in Regulation (EEC) No 1408/71, which has been broadly interpreted by the Court in the light of the changing nature and 'attractions' of social security benefits in the Member States.

1.7.38. Order of 29 June, Case C-120/94R *Commission v Greece* — Application for provisional measures — Commercial policy.

The Commission had made an application for provisional measures ordering Greece to suspend its trade embargo on the Former Yugoslav Republic of Macedonia pending the Court's judgment on the substance of the case.

The Court dismissed the application, chiefly on the ground that the stance which it was asked to adopt under the procedure for interim measures would prejudice its findings on the case itself. It acknowledged, however, that the legal arguments advanced by the Commission on the substance appeared *prima facie* to be sufficiently pertinent and serious.

### *Social policy*

1.7.39. Judgments of 8 June, Cases C-382/92 and C-383/92 *Commission v United Kingdom* — Safeguarding of employees' rights in the event of transfers of undertakings — Collective redundancies.

The main point at issue was the obligation placed on employers by the two Directives concerned to inform and consult workers' representatives. In the United Kingdom the representation of workers in a given company depends, as in the past, on voluntary recognition of the trade union by the employer, with the result that any employer who does not recognize a trade union is not subject to the requirement that he inform and consult his workers.

The Court upheld the Commission's application, finding that arrangements for the representation of workers, irrespective of the employer's attitude, were necessary for compliance with the two Directives (in the event of collective redundancies or transfers of undertakings). Otherwise the Directives would be rendered ineffective.

The Court also held that the United Kingdom legislation failed to conform to the Directives since it did not require employers to consult workers' representatives with a view to seeking agreement. Nor did it provide for effective sanctions in the event of an employer's failure to inform and consult workers' representatives.

### *Institutional matters*

1.7.40. Judgment of 28 June, Case C-187/93 *Parliament v Council* — Regulation on shipments of waste — Legal basis.

Parliament contested the Council's choice of Article 130s as the legal basis for Regulation (EEC) No 259/93 on the supervision and control of shipments of waste within, into and out of the European Community. Parliament asserted that, given the effects on conditions of competition within the common market and on trade with non-member countries, the Regulation should have been based on Articles 100a and 113.

The action was declared inadmissible as far as the exclusion of Article 113 from the legal basis was concerned, since at the material time Article 113 did not provide for Parliament's involvement in the drawing up of the instruments concerned, so that there was no prejudice to the prerogatives of Parliament. On the other hand, the action was admissible as regards Article 100a.

The Court nevertheless dismissed the action on the ground that the Regulation fell within the framework of the Community's environmental policy and could not be regarded as seeking to implement the free movement of waste within the Community. The Court added that where the instrument to be adopted had only the incidental effect of harmonizing market conditions within the Community, recourse to Article 100a was not justified. It thus confirmed the validity of Article 130s as the legal basis, following the line it had taken since its judgment in Case C-155/91 *Commission v Council*.

## Court of Auditors

1.7.41. Opinion No 2/94 of the Court of Auditors on a proposal to amend the Financial Regulation of the European Schools.

*Adopted on 2 June* at the Court's 474th meeting. Opinion No 2/94 was produced in response to a request from the Board of Governors of the European Schools.

1.7.42. Special annual report of the Court of Auditors on the financial statements of the European Coal and Steel Community at 31 December 1993.

**Reference:** Financial statements of the ECSC for the 1993 financial year: point 1.5.2 of this Bulletin

*Adopted on 30 June at the Court's 476th meeting. In accordance with Article 45c(5) of the ECSC Treaty the report has been transmitted to the Council and the Commission, which is responsible for forwarding it to Parliament and for having it published in the *Official Journal of the European Communities*.*

## European Investment Bank

### General

#### 1.7.43. European Investment Fund.

*Established by the EIB Board of Governors on 6 June. At its annual meeting the Board of Governors of the EIB formally set up the European Investment Fund (EIF). This is an independent financial institution under international law whose object is to provide long-term guarantees to support the raising of capital for the trans-European transport, telecommunications and energy networks and by small and medium-sized businesses. The original shareholders are the EIB, with 40% of the subscribed capital, the Community, with 30%, and financial institutions and banks in the Member States, with 30%. The EIF held its inaugural general meeting on 14 June.*

*1.7.44. ECU 1 billion lending facility for job creation by small business.*

On 14 June the EIB and the Commission signed the cooperation agreement implementing the new ECU 1 billion lending facility for small and medium-sized enterprises, which provides an interest subsidy of 2% for capital investments generating new jobs. The interest subsidy is financed by the Union budget. The facility is implemented through EIB global loans administered in cooperation with banks and financial institutions in the Member States.

### Financing

*1.7.45. In June the EIB granted loans totalling ECU 2 247.7 million, of which ECU 117 million went outside the European Union.*

## European Union

### Links with Community policies

*1.7.46. Loans were made for the following measures:*

- ECU 1 019.2 million for the economic development of disadvantaged regions;
- ECU 785.5 million for the improvement of transport and telecommunications infrastructure projects of benefit to the Community;
- ECU 622 million for the protection of the environment and improvement of the quality of life;
- ECU 170.9 million for the pursuit of Community objectives in the field of energy.

The Bank also continued its operations to support small businesses; a total of ECU 1 042.5 million has been granted in global loans since the beginning of the year.

In many cases individual loans come under several Community policies; some are therefore counted more than once in the above amounts.

### Geographical breakdown

#### *Germany*

*1.7.47. ECU 15.54 million was granted in the form of global loans to finance small and medium-scale projects in a wide range of sectors.*

#### *Greece*

*1.7.48. ECU 14.06 million was granted for waste-water collection and treatment works in Heraklion (Crete), Larissa (Thessaly), Corfu and Khios and the expansion and improvement of drinking-water supply in Heraklion. ECU 20 million was provided for the conversion of two units of a gas-fired power plant at Lavrion, near Athens, for combined heat and electricity production. ECU 10.54 million went towards the construction of a small hydroelectric plant on the Arakthos, near Arta. ECU 9.38 million was granted for investments in the generation, supply and distribution of electricity in Greece.*

#### *Spain*

*1.7.49. ECU 49.30 million, including ECU 19.1 million under the Edinburgh lending facil-*

ity and ECU 19.1 million under the European Economic Area lending facility, was granted for the improvement of water supply and wastewater treatment infrastructures in the autonomous region of Extremadura. ECU 159.16 million, including ECU 84.6 million under the Edinburgh lending facility, was granted for the modernization of two oil refineries in Puertolano and La Coruña. ECU 6.37 million was provided for the extension of the port of Valencia and ECU 23.56 million for the extension of the city's rail network. ECU 19.10 million was granted in the form of global loans to finance small and medium-scale projects in a wide range of sectors.

#### *France*

1.7.50. ECU 31.85 million was granted for the establishment of an ice-cream production plant near Arras in the department of Pas-de-Calais. ECU 106.17 was provided for the construction of the northern high-speed train link between Paris and the Belgian frontier, with a spur to the Channel Tunnel. ECU 91.01 million was granted for the construction of a new motor vehicle paint shop at Poissy, west of Paris. ECU 151.68 million was granted in the form of global loans to finance small and medium-scale projects.

#### *Italy*

1.7.51. ECU 5.38 million was provided for waste-water collection and treatment works in the Mércure river basin (Basilicata), Tortora-Diamante (Calabria) and Taranto (Apulia) and solid waste collection and treatment at Matera (Basilicata). ECU 80.64 million went towards the modernization and extension of the interurban telecommunications network. ECU 6.99 million was granted for incineration, recycling and composting of solid waste in Milan, prevention of soil erosion and flooding in the Oltrepò Pavese area and improvement of drinking-water supplies in the Bergamo area (Lombardy). ECU 26.88 million was granted for the automation of the toll system on part of the motorway network. ECU 8.06 million went towards the expansion of a paper plant at Porcari (Lucca province). ECU 64.50 million was granted for the modernization of two refineries at Sannazzaro (Lombardy) and Taranto (Apulia) to reduce the production of fuel oil and the sulphur content of

diesel oil. ECU 359.84 million was granted in the form of global loans to finance small and medium-scale projects in a wide range of sectors.

#### *Portugal*

1.7.52. ECU 75.82 million was provided for the extension and expansion of the electricity supply and distribution network. ECU 15.16 million went towards the extension of the drinking water supply network in the central Tagus valley.

#### *United Kingdom*

1.7.53. ECU 119.48 million was granted for the Channel Tunnel. ECU 77.17 million was provided for road works, water supply and treatment and waste-water collection and treatment. ECU 3.86 million was granted for the construction of a fixed link (a 500-metre bridge) between the Scottish mainland and the Isle of Skye. ECU 385.94 million (including ECU 96.5 million under the Edinburgh lending facility) went towards the modernization of the national and international telecommunications network. ECU 115.75 million was provided for a project to manufacture newsprint from recycled fibres at Aylesford, Kent.

### *Cooperation and development policy*

#### **Mediterranean countries**

##### *Jordan*

1.7.54. ECU 10 million was granted in the form of global loans for the medium-term financing of projects by small and medium-sized firms in the manufacturing and tourist industries and ECU 2 million from risk capital to finance direct or indirect shareholdings in the capital of some of these firms. ECU 12 million was lent for the modernization and extension of a cottonseed oil mill and refinery.

##### *Tunisia*

1.7.55. ECU 25 million was granted to finance two sewerage plants at Tunis and Medenine and the expansion and extension of the sewerage



networks at Menzel Bourguiba, Kelikia, M'saken, Sousse, Monastir and Medenine.

### *Morocco*

1.7.56. ECU 80 million was granted to finance a 30-km electricity cable under the Straits of Gibraltar to connect the European Union and Morocco and the expansion of the Moroccan high- and very-high-tension grid to the main centres of use.

### *Relations with the EFTA countries*

#### **Austria**

1.7.57. ECU 15.53 million was granted in the form of global loans to finance small and medium-scale projects by small business and in the service sector.

#### **Finland**

1.7.58. ECU 60.19 million was granted to improve two sections of the E18 motorway in the south of the country.

## Economic and Social Committee

### **316th plenary session**

1.7.59. The Economic and Social Committee held its 316th plenary session on 1 and 2 June, chaired in turn by Mrs Tiemann and Mr Liverani.

1.7.60. The Economic and Social Committee debated and adopted:

- own-initiative opinions on the following:
  - industrial aspects of the White Paper on growth, competitiveness and employment (→ point 1.2.2);
  - economic aspects of the White Paper on growth, competitiveness and employment (→ point 1.2.3);

- social aspects of the White Paper on growth, competitiveness and employment (→ point 1.2.4);
- a resolution on the White Paper on growth, competitiveness and employment (→ point 1.2.5);
- opinions on the following proposals and reports on which it had been consulted:
  - informing and consulting employees (→ point 1.2.190);
  - Third Report on the Social Charter (→ point 1.2.189);
  - weights and dimensions for road vehicles (→ point 1.2.109);
  - Community initiatives (→ point 1.2.133);
  - the control of major accident hazards involving dangerous substances (→ point 1.2.172);
  - specific programme — non-nuclear energies (→ point 1.2.89);
  - specific programme — communications technologies (→ point 1.2.87);
  - specific programme — industrial and materials technologies (→ point 1.2.88).

1.7.61. The Economic and Social Committee adopted, without debate, opinions on the following:

- the competitiveness of the European textile industry (→ point 1.2.77);
- licences for satellite network services (→ point 1.2.121);
- ballast spaces (→ point 1.2.113);
- the setting-up of a vessel reporting system (→ point 1.2.114);
- admission to the occupation of road transport operator (→ point 1.2.111);
- participation in the specific R & TD programmes (→ points 1.2.83 to 1.2.85);
- Green Paper on access of consumers to justice and the settlement of consumer disputes in the single market (→ point 1.2.208);
- Green Paper on guarantees for consumer goods and after-sales services (→ point 1.2.209).

## ECSC Consultative Committee

### **313th meeting (opening meeting of the new business year)**

1.7.62. Luxembourg, 29 June.

*Chairmen:* Mr Pâquet, oldest member, and Mr Detaille, newly elected Chairman.

At this opening meeting Mr Detaille was elected Chairman of the Committee for 1994/95; Mr González and Mr Cimenti were elected Vice-Chairmen. The Committee also elected the members of its Bureau and Enlarged Bureau and appointed the members of the standing sub-committees.

### **314th meeting (ordinary)**

1.7.63. Luxembourg, 30 June.

*Chairman:* Mr Detaille.

#### *Items discussed*

□ Technical coal research programme for 1994: consultation (→ point 1.2.99).

□ Medium-term guidelines for technical coal research (1994-99): exchange of views.

□ Forward programme for steel for the second half of 1994: consultation (→ point 1.2.76).

□ Restructuring the Community steel industry: exchange of views.

□ The future of ECSC financial activities: exchange of views.

□ Draft ECSC operating budget for 1995: report.

□ Draft Decision amending Commission Decision No 1970/93/ECSC of 19 July 1993 opening and providing for the administration of tariff quotas in respect of certain ECSC steel products originating in the Czech Republic and Slovakia, imported into the Community: consultation.

□ Application of the Community rules for State aid to the steel industry in 1992: examination of a Commission report.

□ Introduction of transitional tariff measures for the countries of Central and Eastern Europe, the Republics of the former Soviet Union and former Yugoslavia (with the exception of Serbia and Montenegro) to take account of German unification: report on the written consultation.

**PART TWO**

**DOCUMENTATION**

# 1. The ecu

## Values in national currencies of ECU 1

June 1994 <sup>1</sup>		
BFR/ LFR	Belgian franc and Luxembourg franc	39.7402
DKR	Danish krone	7.55863
DM	German mark	1.93076
DR	Greek drachma	285.832
ESC	Portuguese escudo	199.416
FF	French franc	6.61117
HFL	Dutch guilder	2.16677
IRL	Irish pound	0.791644
LIT	Italian lira	1857.15
PTA	Spanish peseta	158.988
UKL	Pound sterling	0.774348
AUD	Australian dollar	1.60683
CAD	Canadian dollar	1.60727
FMK	Finnish markka	6.30027
ISK	Icelandic króna	82.6247
NKR	Norwegian krone	8.36832
NZD	New Zealand dollar	1.99471
OS	Austrian schilling	13.5796
SFR	Swiss franc	1.64574
SKR	Swedish krona	8.98922
USD	United States dollar	1.16441
YEN	Japanese yen	120.752
ZAR	South African rand	4.23506

<sup>1</sup> Average for the month: OJ C 179, 1.7.1994.

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 9-1989, point 2.1.3.

**Representative rates ('green' rates)**

*Conversion rates into national currencies for the ecu  
used in connection with the common agricultural policy*

June 1994

National currency/sector		Value in national currency of ECU 1	National currency/sector		Value in national currency of ECU 1
BFR/ LFR	Belgian franc and Luxembourg franc All products	49.3070	FF	French franc All products	7.98191
DKR	Danish krone All products	9.34812	HFL	Dutch guilder All products	2.65256
DM	German mark All products	2.35418	IRL	Irish pound All products	0.976426
DR	Greek drachma All products	342.048 346.789 on 21.6.1994	LIT	Italian lira All products	2274.93
ESC	Portuguese escudo All products	239.331	PTA	Spanish peseta All products	192.319
			UKL	Pound sterling All products	0.920969

## 2. Infringement proceedings

### Reasoned opinions

#### *Failure to communicate any measures incorporating Directives into national law*

2.2.1. In June the Commission delivered reasoned opinions in the following cases:

#### *Employment, industrial relations and social affairs*

Directive 89/391/EEC (OJ L 183, 29.6.1989)  
Improvements in the safety and health of workers  
Greece, Italy

Directive 89/655/EEC (OJ L 393, 30.12.1989)  
Use of work equipment by workers  
Greece

Directive 89/656/EEC (OJ L 393, 30.12.1989)  
Use of personal protective equipment by workers  
Belgium, Greece, Luxembourg

Directive 90/269/EEC (OJ L 156, 21.6.1990)  
Minimum health and safety requirements for the manual handling of loads  
Greece

Directive 90/270/EEC (OJ L 156, 21.6.1990)  
Minimum safety and health requirements for work with display screen equipment  
Greece

Directive 90/394/EEC (OJ L 196, 26.7.1990)  
Protection of workers from the risks related to exposure to carcinogens  
Greece, Spain, Italy

#### *Agriculture*

Directive 91/682/EEC (OJ L 376, 31.12.1991)  
Marketing of ornamental plant propagating material  
Greece, Ireland

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Directive 92/33/EEC (OJ L 157, 10.6.1992)  
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Directive 92/34/EEC (OJ L 157, 10.6.1992)  
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Directive 92/63/EEC (OJ L 221, 6.8.1992)  
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Directive 92/64/EEC (OJ L 221, 6.8.1992)  
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Directive 92/76/EEC (OJ L 305, 21.10.1992)  
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Directive 92/87/EEC (OJ L 319, 4.11.1992)  
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Directive 92/90/EEC (OJ L 344, 26.11.1992)  
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Directive 92/98/EEC (OJ L 352, 2.12.1992)  
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Directive 92/103/EEC (OJ L 363, 11.12.1992)  
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Directive 92/105/EEC (OJ L 4, 8.1.1993)  
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Directive 92/113/EEC (OJ L 16, 25.1.1993)  
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Directive 93/17/EEC (OJ L 106, 30.4.1993)  
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Directive 91/67/EEC (OJ L 46, 19.2.1991)  
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Directive 91/68/EEC (OJ L 46, 19.2.1991)  
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Directive 91/69/EEC (OJ L 46, 19.2.1991)  
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Directive 91/492/EEC (OJ L 268, 24.9.1991)  
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Directive 91/493/EEC (OJ L 268, 24.9.1991)  
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Directive 91/497/EEC (OJ L 268, 24.9.1991)  
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Directive 91/628/EEC (OJ L 340, 11.12.1991)  
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Directive 92/5/EEC (OJ L 57, 2.3.1992)  
Health problems affecting intra-Community trade in  
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Directive 92/40/EEC (OJ L 167, 22.6.1992)  
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Directive 92/48/EEC (OJ L 187, 7.7.1992)  
Minimum hygiene rules applicable to fishery products  
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### *Transport*

Directive 92/54/EEC (OJ L 225, 10.8.1992)  
Roadworthiness tests for motor vehicles and their  
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Directive 92/55/EEC (OJ L 225, 10.8.1992)  
Roadworthiness tests for motor vehicles and their  
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Directive 92/106/EEC (OJ L 368, 17.12.1992)  
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### *Environment, nuclear safety and civil protection*

Directive 90/517/EEC (OJ L 287, 19.10.1990)  
Classification, packaging and labelling of dangerous  
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Directive 91/156/EEC (OJ L 78, 26.3.1991)  
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Directive 91/157/EEC (OJ L 78, 26.3.1991)  
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Directive 91/271/EEC (OJ L 135, 30.5.1991)  
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Directive 91/325/EEC (OJ L 180, 8.7.1991)  
Classification, packaging and labelling of dangerous  
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Directive 91/326/EEC (OJ L 180, 8.7.1991)  
Classification, packaging and labelling of dangerous  
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Directive 91/410/EEC (OJ L 228, 17.8.1991)  
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Directive 89/618/EEC (OJ L 357, 7.12.1989)  
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### *Internal market and financial services*

Directive 91/477/EEC (OJ L 256, 13.9.1991)  
Control of the acquisition and possession of weapons  
Germany, Luxembourg

Directive 88/295/EEC (OJ L 127, 20.5.1988)  
Coordination of award procedures for public supply  
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Greece

Directive 90/232/EEC (OJ L 129, 19.5.1990)  
Motor vehicle liability insurance  
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Directive 90/619/EEC (OJ L 330, 29.11.1990)  
Direct life assurance  
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Directive 89/666/EEC (OJ L 395, 30.12.1989)  
Disclosure requirements in respect of branches  
Belgium

Directive 89/667/EEC (OJ L 395, 30.12.1989)  
Single-member private limited-liability companies  
Belgium, Ireland

Directive 90/605/EEC (OJ L 317, 16.11.1990)  
Annual accounts and consolidated accounts — scope  
Germany, Spain, France, Portugal

*Failure properly to incorporate  
Directives into national law*

2.2.2. In June the Commission delivered a reasoned opinion in the following case:

*Customs and indirect taxation*

Directive 92/77/EEC (OJ L 316, 31.10.1992)  
Increased rate of VAT  
Portugal

*Infringements of the Treaties or of  
Regulations; failure properly to apply  
Directives in practice*

2.2.3. In June the Commission delivered reasoned opinions in the following cases:

*Industry*

Directive 75/324/EEC (OJ L 147, 9.6.1975)  
Barriers to the sale of aerosol fire extinguishers  
Netherlands

*Environment, nuclear safety and civil  
protection*

Directive 76/160/EEC (OJ L 31, 5.2.1976)  
Quality of bathing water  
Germany

Directive 76/464/EEC (OJ L 129, 18.5.1976)  
Discharge of pollutants into water  
Germany

**Cases referred to the Court of Justice**

*Failure to communicate any measures  
incorporating Directives into national  
law*

2.2.4. In June the Commission referred the following case to the Court of Justice:

*Agriculture*

Directive 91/688/EEC (OJ L 377, 31.12.1991)  
Health inspection checks on importation of certain  
animals and meat  
Ireland

*Infringements of the Treaties or of  
Regulations; failure properly to apply  
Directives in practice*

2.2.5. In June the Commission referred the following case to the Court of Justice:

*Employment, industrial relations and social  
affairs*

Regulation (EEC) No 612/68 (OJ L 257, 19.10.1968)  
and Article 48 of the EC Treaty  
Income tax law — taxation of non-residents  
Luxembourg



### 3. Additional references in the Official Journal

2.3.1. This section lists the titles of legal instruments, communications and notices that have appeared recently in the Official Journal but relate to items appearing in earlier issues of the Bulletin; the references were not available when those issues went to press.

The number of the Bulletin and the point to which this additional information refers are followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

#### **Bull. 11-1993**

##### *Point 1.2.2*

Proposal for a European Parliament and Council Directive on certain components or characteristics of two- or three-wheel motor vehicles  
OJ C 177, 29.6.1994

##### *Point 1.2.81*

Proposal for a European Parliament and Council Directive adopting the Youth for Europe III programme designed to promote the development of exchanges among young people and of youth activities in the Community — Youth for Europe programme  
OJ C 160, 11.6.1994

#### **Bull. 12-1993**

##### *Point 1.2.67*

Commission Decision 94/359/EC of 21 December 1993 declaring a concentration to be compatible with the common market (Pilkington-Techint/SIV)  
OJ L 158, 25.6.199

#### **Bull. 1/2-1994**

##### *Point 1.2.132*

Council Decision 94/357/EC of 21 February 1994 on the conclusion of an Agreement in the form of an exchange of letters between the European Community

and the United States of America on the mutual recognition of certain distilled spirits/spirit drinks  
OJ L 157, 24.6.1994

##### *Point 1.3.83*

Joint Assembly of the Convention concluded between the African, Caribbean and Pacific States and the European Community (ACP-EC)  
OJ C 167, 20.6.1994

#### **Bull. 3-1994**

##### *Point 1.2.21*

Common position (EC) No 17/94 of 10 March 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive on food additives other than colours and sweeteners  
OJ C 172, 24.6.1994

##### *Point 1.2.22*

Common position (EC) No 16/94 of 10 March 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive on the approximation of the laws of the Member States on extraction solvents used in the production of foodstuffs and food ingredients amending for the second time Directive 88/344/EEC  
OJ C 172, 24.6.1994

#### **Bull. 4-1994**

##### *Point 1.5.3*

Final adoption 94/372/ECSC, EC, Euratom of amending and supplementary budget No 1 for the European Union for the financial year 1994  
OJ L 169, 4.7.1994

##### *Point 1.5.9*

Decision 94/351/EC of the European Parliament of 21 April 1994 giving discharge to the Commission in

respect of the financial management of the fifth European Development Fund for the financial year 1992

Decision 94/352/EC of the European Parliament of 21 April 1994 giving discharge to the Commission in respect of the financial management of the sixth European Development Fund for the financial year 1992

Decision 94/353/EC of the European Parliament of 21 April 1994 giving discharge to the Commission in respect of the financial management of the seventh European Development Fund for the financial year 1992  
OJ L 156, 23.6.1994

*Point 1.5.10*

Decision 94/355/EC of the European Parliament of 21 April 1994 giving discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the 1992 financial year  
OJ L 156, 23.6.1994

*Point 1.5.11*

Decision 94/354/EC of the European Parliament of 21 April 1994 giving discharge to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its budget for the 1992 financial year  
OJ L 156, 23.6.1994

*Point 1.5.12*

Decision 94/350/ECSC of the European Parliament of 21 April 1994 giving discharge to the Commission in respect of the management of the ECSC for the financial year 1992  
OJ L 156, 23.6.1994

*Points 1.7.41 and 1.7.42*

Opinions adopted by the Economic and Social Committee at its 315th meeting on 27 and 28 April 1994  
OJ C 195, 18.7.1994

**Bull. 5-1994**

*Point 1.2.9*

Act amending the Protocol on the Statute of the European Investment Bank empowering the Board of Governors to establish a European Investment Fund  
OJ L 173, 7.7.1994

*Point 1.2.47*

Commission Recommendation 94/390/EC of 25 May 1994 concerning the taxation of small and medium-sized enterprises  
OJ L 177, 9.7.1994

*Point 1.2.77*

Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons  
OJ L 164, 30.6.1994

*Point 1.2.80*

Seventh Directive 94/21/EC of the European Parliament and the Council of 30 May 1994 on summer-time arrangements  
OJ L 164, 30.6.1994

*Point 1.2.103*

Proposal for a Council Regulation (EC) on reform of the common organization of the market in wine  
OJ C 194, 16.7.1994

*Point 1.6.4*

Opinions and resolutions adopted by Parliament at its part-session from 2 to 6 May 1994  
OJ C 205, 25.7.1994

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