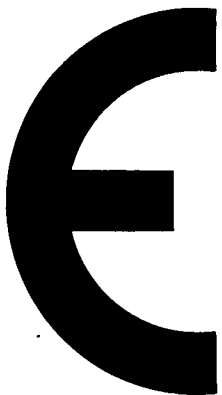


Bulletin

OF THE EUROPEAN
COMMUNITIES

Commission



No 2 1985

Volume 18

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

Reproduction is authorized provided the source is acknowledged.

The following reference system is used: the first digit indicates the part number, the second digit the chapter number and the subsequent digit or digits the point number. Citations should therefore read as follows: Bull. EC 1-1985, point 1.1.3 or 2.2.36.

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



Bulletin

OF THE EUROPEAN COMMUNITIES

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

Sent to press in April 1985

No 2
1985
Volume 18

contents

PART ONE **SPECIAL FEATURES**

1. Council agrees on control of wine sector and changes in milk quota system 7
2. Integrated Mediterranean programmes: Commission communication 9
3. Guidelines for a Community migration policy 14
4. Greenland leaves the Community 17

PART TWO **ACTIVITIES IN FEBRUARY 1985**

1. Building the Community 20
 - Economic and monetary policy 20
 - Internal market and industrial affairs 20
 - Industrial innovation and the information market 26
 - Customs union 27
 - Competition 29
 - Financial institutions and taxation 32
 - Employment, education and social policy 33
 - Regional policy 35
 - Environment and consumers 36
 - Agriculture 38
 - Fisheries 45
 - Transport 46
 - Energy 47
 - Research and development 49

2. Enlargement and external relations	54
— Enlargement and bilateral relations with applicant countries	54
— Commercial policy	54
— Relations with industrialized countries	57
— Relations with other countries and regions	59
• Mediterranean countries	59
• Countries of the Gulf and the Arabian peninsula	60
• State-trading countries	60
— Development	60
— International organizations and conferences	65
— Diplomatic relations	66
3. Financing Community activities	67
4. Political and institutional matters	68
— Political cooperation	68
— European policy and relations between the institutions	70
— Institutions and organs of the Communities	70
• Parliament	70
• Council	75
• Commission	76
• Court of Justice	78
• Economic and Social Committee	85
• ECSC Consultative Committee	87
• European Investment Bank	87

PART THREE DOCUMENTATION

1. ECU	92
2. Additional references in the Official Journal	93
3. Infringement procedures	95

Supplements 1985

- 1/85 The thrust of Commission policy: Statement by Jacques Delors, President of the Commission, to the European Parliament and extracts from his reply to the ensuing debate
- 2/85 Consumer redress
- 3/85 Cross-border mergers of public limited companies — Proposal for a tenth Directive
- 4/85 Programme of the Commission for 1985



PART ONE

SPECIAL FEATURES

Bulletin information service

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

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

M. Clairet
Mme Mescarello
Mme Teirlinck

References in text and footnotes

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

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

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

ECU = European currency unit

BFR = Belgische frank / Franc belge

DKR = Dansk krone

DM = Deutsche Mark

DR = Greek drachma

FF = Franc français

HFL = Nederlandse gulden (Hollandse florijn)

IRL = Irish pound / punt

LFR = Franc luxembourgeois

LIT = Lira italiana

UKL = Pound sterling

USD = United States dollar

1. Council agrees on control of wine sector and changes in milk quota system

1.1.1. At its meeting of 25-27 February (→ point 2.4.13) the Council reached agreement on the reform of the wine sector, in line with the conclusions of the European Council meeting in Dublin,¹ and on technical adjustments which should make possible full implementation of the milk quota system decided on last March following the Brussels European Council meeting.²

Wine

1.1.2. Following detailed discussion of the Commission's proposals,³ the Council reached agreement on all aspects of the reform of the wine sector (market and structures), without prejudice to the opinion which Parliament is to deliver on the specific measures relating to Greece. A decision on the delicate issue of the general arrangements to limit replanting rights was deferred.

Where the market was concerned, the Council agreed to strengthen the rules on compulsory distillation, so as to improve control over the market and the balance between supply and demand. From the next marketing year onwards, then, the Commission will have at its disposal an instrument whereby it can automatically introduce compulsory distillation of table wine at prices which are low and are differentiated so as to penalize high yields. The criteria for triggering such distillation are either the existence of end-of-year stocks exceeding four months' normal utilization (consumption plus net balance on foreign trade), or market prices lower than 82% of the guide price, or provisional data indicating that production will exceed normal utilization by more than 9%. Provision has been included, however, to exempt from distillation those regions where table-wine production is marginal, subject to a maximum of 60 000 hl per Member State.

As regards the structural measures designed to rationalize the market in table wine in the long term, agreement was reached on

the introduction of a new system of premiums for the permanent abandonment of vineyards, covering the marketing years from 1985/86 to 1989/90 and involving the granting of premiums ranging from 1 000 to 9 000 ECU per hectare depending on the productivity of the vineyard concerned; these arrangements would apply not only to wine grapes but also to table grapes and other grapes for special purposes.

At the same time it was decided that growers receiving the permanent abandonment premium would have their right to replant any remaining wine-growing areas curtailed by 40% in the case of category III vineyards (plains) and by 20% in the case of category II vineyards (hillsides). By way of compensation, the Member States will pay to the producer the sum of 900 ECU per hectare grubbed at the time of replanting, with the EAGGF covering 90% of the cost. Compensation will also be payable to cooperative wineries. These rules will apply from 1 September 1985, and the Council has agreed to decide on general arrangements to limit replanting rights by 1 January 1986, acting on a proposal from the Commission.

Agreement in principle, to be implemented once Parliament has delivered its opinion, was also reached on specific measures to assist Greece.⁴ These include the restructuring of Greek vineyards, subject to a maximum of 20 000 ha, and measures to facilitate restructuring, including the production of replanting materials, land improvement and technical assistance. Restructuring premiums will be granted to improve product quality without increasing the quantities produced; the cost to the

¹ Bull. EC 12-1984, point 1.2.15.

² Bull. EC 3-1984, points 1.1.1 and 1.2.4.

³ OJ C 259, 27.9.1984; Bull. EC 9-1984, point 2.1.80; OJ C 278, 18.10.1984, Bull. EC 9-1984, point 2.1.82; OJ C 23, 25.1.1985; Bull. EC 12-1984, points 2.1.142 and 2.1.143. For Parliament's and the Economic and Social Committee's opinions on these proposals, see point 2.4.9, OJ C 72, 18.3.1985 and Bull. EC 1-1985, points 2.4.30 and 2.4.31.

⁴ OJ C 76, 22.3.1985; COM(85) 46 final.

EAGGF Guidance Section will be 55 million ECU over 10 years.

Milk

1.1.3. The Council adopted¹ a number of Commission proposals for technical adjustments to the superlevy system in the milk sector,² given the difficulties encountered by most Member States in the practical application of the arrangements adopted on 31 March 1984.³ The Commission withdrew its proposal whereby 1980 would be taken as the reference year should any exceptional developments take place.

The measures adopted relate chiefly to:

- (i) the possibility, in certain circumstances, and solely for the current milk year, of offsetting deficits and surpluses between regions and within a region;
- (ii) the possibility for producers who deliver both direct to the consumer and to dairies to transfer quantities forming part of the 'direct sales' reserve to the 'deliveries to dairies' reserve;
- (iii) putting all or part of the reference quantity at the disposal of the departing tenant upon expiry of the lease;
- (iv) the possibility of admitting as purchasers, in certain areas where dairy undertakings are small, the groups of which such purchasers are members;

(v) reduction, in the case of Belgium, of 25 000 tonnes in the reference quantity for direct sales and an increase of the same amount in deliveries to dairies.

The first four measures represent amendments to Regulation (EEC) No 857/84 adopting general rules for the application of the additional levy in the milk sector.⁴ The fifth measure amends not only that Regulation but also Article 5c of Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products.⁵

In view of these adjustments made by the Council, the Commission decided, as a transitional measure, to authorize the Member States to derogate from the rule concerning provisional quarterly levies and to collect the levy only on completion of the first twelve-month period of the scheme's application or within 45 days of the end of the said period.

¹ OJ L 68, 8.3.1985.

² Bull. EC 1-1985, point 2.1.37.

³ Bull. EC 3-1984, point 1.2.4.

⁴ OJ L 90, 1.4.1984.

⁵ OJ L 148, 28.6.1968.

2. Integrated Mediterranean programmes: Commission communication

1.2.1. On 20 February the Commission adopted a communication intended to get discussion going again in the Council on the March 1983 proposal on integrated Mediterranean programmes.¹

Text of the communication

'1. At its 1984 meetings, both in Brussels and at Fontainebleau, the European Council stated that it firmly intended to carry out integrated programmes specially designed for Mediterranean regions.²

At its plenary sitting on 13 February 1984 the European Parliament repeated how strongly it felt about the importance of these programmes.

Budgetary reasons prevented the European Council's resolution from being given effect at the Dublin meeting, in spite of its being recognized that there was a close link between implementation of the programmes and Community enlargement.

The Commission must therefore redraft its original proposal as soon as possible, bearing all this in mind.

2. With a view to reconciling the stringency that the budget situation in all the countries of the Communities imposes and the necessary dynamism that informed the initial proposal, it would be helpful to have a look at the origins of the proposal.

From the time the proposal was first drafted in 1979, the Commission intended to provide here a comprehensive answer to the variety of development problems encountered by the Mediterranean regions.

This meant, and still means, taking into account the particular handicaps and advantages of these regions, having regard to the differences in their outlet prospects, demographic situations and economic, social and cultural traditions.

Though the agricultural and rural side of the question certainly has its importance, this is not the only aspect which must be taken into consideration. Building up communications, transport and training infrastructure, developing small and medium-sized industrial or commercial undertakings are also key factors, and they are to receive greater attention.

3. The Fontainebleau European Council session endorsed the method proposed by the Commission, in response to the mandate of 30 May 1980, for carrying out the programmes: they were to be integrated and implemented through close cooperation between the structural Funds.

The experience gained in carrying through Community regional development arrangements, with the results obtained in the IMP pilot projects of 1984 and 1985, make it possible to define more closely what is meant by integration, which will include the following:

(a) The projects to be supported by the Community must form part of regional development programmes which are worked out by the regions themselves and, in the geographical context in question, utilize all the schemes and available resources.

(b) The Community's contribution is to be horizontal in nature. It will draw, at the same time and interrelating them, on all the Community's financial instruments: the three existing structural Funds and the Community lending instruments will be used in combination and dovetailed as far as the existing regulations permit.

(c) Lastly, to make the Community's action both flexible and forceful, as it must be, additional budget resources, further to those of the existing Funds, will be made available for the purpose of the IMPs. This will make it possible to step up the projects normally covered by the structural Funds and to widen their scope, so that they correspond better to each individual region's potential. The extent to which these resources are drawn on will depend on the quality of the programmes, the effort the Member State is prepared to make to support them, the energy of those responsible locally for putting them into operation and the relevance of their aims in relation to Community IMP objectives.

4. The integrated Mediterranean programmes are to form a separate Community policy with three objectives: development, adaptation, support.

The context in which the Mediterranean regions are seeking their place in the Community today is not that of rapid urbanization, bent, as was the

¹ OJ C 251, 19.9.1983; Bull. EC 3-1983, points 1.3.1 *et seq.* and 3.4.1 to 3.4.3; Bull. EC 10-1983, point 2.1.163; OJ C 280, 19.10.1984; Bull. EC 9-1984, point 2.1.58.

² Bull. EC 3-1984, point 1.1.1; Bull. EC 6-1984, point 1.1.7.

case in the 1960s, on the swift growth of industrial employment.

Now they must play their part in a new economic and social scene, with the complete change it has undergone in modes of production, not only in agriculture but also in industry and the services. As far as they can, with all their own various difficulties, they must seize the opportunities offered by the development of new technologies, the new balance between urban and rural areas and the advent of new ways of life and new services.

Concern for development derives from a concern that the human potential in each region should be realized—more especially, that young people should have access to employment; the will to adapt corresponds to a need to modernize or reorientate antiquated structures disrupted by enlargement or confrontation with competitors having a solid industrial tradition. Direct employment and income support will, however, still be necessary, having regard to the limitations of conversion projects in some regions where the population is ageing and rural ties especially strong and deep-rooted.

If these objectives are given proper consideration, it should be possible for the Community's integrated Mediterranean programme policy to meet the development needs of these regions, the temporary difficulties enlargement will cause and the demands of the Greek memorandum.

5. The integrated Mediterranean programmes will be based on comprehensive programmes to be presented by the Member States Greece, Italy and France in 1985 and 1986.

These programmes will be examined by a Committee for the implementation of integrated Mediterranean programmes coming under the Commission and under the direct authority of the President.

The Committee's first task will be to determine what the Community's contribution towards the programmes should be. The contribution will come from the existing instruments (structural Funds, lending institutions) and the additional resources to be allocated to the IMPs under a special budget heading.

The amount of the contribution will be worked out separately for each regional programme in the relevant geographical context. It will be determined in the light of criteria to be laid down by the Commission concerning the general aims of IMPs, the support to be provided by the member country in question, the financial position of the region and the quality and vitality of the projects. Thus, the Community aid to be granted to IMPs

is not predetermined by conditions laid down in a detailed regulation, but is to be decided on after the programmes are to hand, on the basis of their internal cohesion.

For the purpose of the IMPs the Commission will be assisted by a group of itinerant experts who will help prepare the programmes in the Mediterranean regions and advise the local authorities concerning the instruments available; such advice is to be directed primarily towards regions with inadequate administrative facilities. The experts will also be responsible for assessing, on the spot, the economic and social impact of the projects.

6. The Commission will then request wide-ranging delegated powers from the Council for the management of the integrated Mediterranean programmes. To that end it will propose an outline regulation to the Council for adoption.

This regulation will aim at the greatest possible simplicity. Taking advantage of the talks already held between the Commission and Member States concerning the preparation of IMPs, its purpose will be to:

- (a) define what is meant by the relevant geographical area;
- (b) lay down criteria for deciding what the size of the Community's contribution should be;
- (c) describe the conditions governing the procurement of resources through the existing instruments, structural Funds and loans;
- (d) lay down rules for assessing programmes during the course of their execution, applying a method for accurately determining comparative costs and benefits.

Commitments to recipient member countries by the Community in respect of IMPs will take the form of a contract for each programme accepted, drawn up in a form compatible with the budget regulations. The duration of the contracts will allow for the particular characteristics of the region in question. It might be extended to up to seven years (1985-92), in line with the average length of the transitional phase of enlargement.

Once the integrated Mediterranean programmes have been launched, the Commission will send the Council an annual report on their implementation.

7. In accordance with the guidelines laid down by the Brussels Council, the Community's contribution to integrated Mediterranean programmes will involve participation by the existing structural Funds.¹

¹ 'In view of IMP requirements, the resources allocated for Fund operations are to be substantially increased in real terms so far as financing possibilities allow.' Bull. EC 3-1984, point 1.1.1.

In order not to delay the launching of the programmes, this participation will as far as possible be governed by the regulations currently in force.

(a) The ERDF will make an increased effort to mobilize resources for the Mediterranean regions, taking advantage of the margin of play afforded by the brackets applied in respect of the shares subject to the quota rule.

(b) Similarly, in the annual directive which lays down the scope of the EAGGF Guidance Section, account will be taken of the fact that an additional effort is to be made for the Mediterranean regions in the framework of the IMPs.

(c) Lastly, the recent reform of the European Social Fund, altering the trend of the Fund each year for a period of three years, will make it possible, from 1985, to allow for the emphasis to be placed on action to assist the Mediterranean regions.

8. Redistribution of sums available under the budget among the existing Funds would by itself be inadequate to meet minimum IMP needs.

In addition to this redistribution, a further budgetary effort for the Mediterranean regions in the form of IMPs is to be made which could amount to at least 2 000 million ECU over a period of seven years.

The tentative nature of this figure is a reflection of the fact that assistance for programmes presented by Mediterranean regions, to be determined by the Commission, is conditional. On the quality of the programmes, their relevance in relation to development, adaptation and support, will ultimately depend the amount of Community aid.

9. A small part of the budget resources thus made available for Mediterranean regions will serve to subsidize regions' loans from the specialized Community institutions.

Account will be taken of this in the proposals the Commission will be making in the course of 1985 for the renewal of the NCI. The conditions on which the European Investment Bank is generally to be involved in the implementation of IMPs will be worked out with the Bank, in accordance with the rules laid down in its Statute.

Such additional loans for Mediterranean regions might amount to some 2.5 million ECU in all over seven years, for infrastructure projects and projects to increase the vitality and innovative capacity of small and medium-sized undertakings.

10. The Commission feels that in this way the Mediterranean regions will receive substantial encouragement, backing up their own efforts. A

highroad will thus open before them which allows for their differences in situation, enables new departures to be made and genuine Community synergy to be achieved.

Lastly, with regard to the management of the structural Funds, in line with the approach the Stuttgart European Council wanted to see adopted, what is being proposed makes real coordination a precondition for success.'

Mr Delors addresses Parliament

1.2.2. On 13 February, before the communication was adopted by the Commission, Mr Delors, whose responsibilities include coordination of the structural Funds, presented its main features to Parliament, though without giving any figures:

'... I have been involved right from the outset in a search for appropriate courses of action in response to the short but sharp confrontation at the Dublin European Council which, if we are realistic, taught us two things. Firstly, it emerged that the Greek Prime Minister, Mr Papandreou, regarded the problem of the IMPs and of the response to the Greek memorandum as an integral part of the package adopted at Fontainebleau, and secondly, that several Member States had rejected the Commission's proposal on the IMPs outright on the grounds of its cost, which they considered excessive.

These, then, are the factors to which I must give realistic consideration and on which I must report to you before you take any action you consider appropriate.

I have therefore tried, in the light of the origin of the IMPs, to devise a solution capable of forestalling demands for new conditions at the next European Council meeting which would impede both enlargement and the use of own resources. Given the attitudes we are faced with, it seemed to me that this was where the Commission's duty lay.

Let me remind you briefly that the IMPs were devised in strict accordance with the mandate we received on 30 May 1980 with a view to alleviating certain obvious effects which, as we all know, enlargement could have on the Mediterranean regions. I think we are all in agreement on this point.

The Commission submitted a structured plan, complete with figures, and during the debate in this House I noted an amendment which seemed to me to be very important, since it called for a move away from exclusive concentration on

agriculture—in spite of the dominant role of agriculture in these regions—and proposed that the IMPs should take in all the various aspects of the economic development of these regions. This amendment by Parliament brought it home to me that the two key words in the phrase “integrated Mediterranean programmes” are “integrated programmes”. In other words, everyone is agreed, I think, that the regions concerned must work out for themselves development programmes which are geared to both enlargement and their own development, and which are realistic in the light of the growth obtainable, the potential outlets and possible technical developments. It is also agreed that such programmes must be seen as a whole. That is what we should understand by an integrated programme.

Thus my first idea—and one which I have had the opportunity of presenting to the Council in order to pave the way for the written proposal which the Commission is intending to submit—is that what we are aiming for are relevant and practicable integrated programmes devised by the regions themselves.

As regards objectives, these should, I believe, be broader than those which are commonly expressed. It seems to me that the reasoning behind much of the talk on IMPs is far too often that of the 1960s. In other words, people talk as if there were still scope for urban growth and the creation of jobs in industry and the services sector as afforded by the second industrial revolution. But this, ladies and gentlemen, is no longer the case. We have to adopt a fresh outlook when thinking of the development of these regions, in the light of the new international economic order and technological progress.

For this reason there are three key words in the plan which I have in mind at present: development, adaptation and support. By development I mean the development of these regions along lines which are in keeping with their history and peculiarities and which take account of the capacity and likelihood of these regions to aggravate the existing overproduction in many Mediterranean products.

... In this way, it seems to me, we shall be able to meet the general needs of the Mediterranean regions, enable the Greek economy to adapt before too long to the European economy and demonstrate our solidarity with regions which sometimes have no means to pick up on their own.

The procedure will remain in strict accordance with what was decided at the European Council meetings in Brussels and Fontainebleau, where the question of coordinating the programmes of the different Funds was discussed. Thus, what I intend to propose to you is a procedure which will allow

an overall review of the integrated development programmes submitted by these regions, enable the existing Funds—i.e. the Guidance Section of the EAGGF, the ERDF, the Social Fund—to be used and, in addition, prepare the ground in various ways for a manageable financial structure. In other words, there must be “additionality”, i.e. the various measures must be cumulative. However, it is important that through these new IMPs we should demonstrate the Community’s know-how, which must be used across the board; in other words, we must be able to assess the development of a region as a whole and act accordingly.

This will lend weight to a further feature of the new Commission proposal, namely “conditionality”. The various programmes will be adopted on their merits from the point of view of the development of these regions. And here you must allow me a digression which will, I think, find an echo amongst some of you here. Every time I present this programme I am asked: how much for Greece, how much for Italy, how much for France? This is a question which I am not prepared to answer, since I find it quite unacceptable... because it is a perverse extension of the idea of the “fair return” to apply to all facets of Community life.

For this reason a committee will be formed to examine these programmes. Each of the countries will be given fair treatment and account will be taken of the need to help Greece adapt its economy. However, I personally refuse to say what percentage of the programme will go to a particular country since were I to do so, how could we claim that the programmes were to be adopted on their individual merits? In any event, we cannot make such disclosures, and if attempts were made to force us, I think it would lead to serious disagreement between the Commission and the other authorities involved. We must re-establish the Community spirit and learn to understand the high principles underlying the marriage contract, as it were, enshrined in the Treaty of Rome.

We shall, therefore, examine all aspects of these programmes across the board and bring into play the various instruments at our disposal, supplementing them where necessary, not only by providing additional subsidies but also by using all the other financial instruments which the Commission possesses, such as loans, possibly with interest-rate subsidies, and European Investment Bank operations. All this is of the greatest importance because these regions are also faced with problems of infrastructure and of emergent small and medium-sized enterprises. Can we really remain indifferent to the fact that these small and medium-sized enterprises occupy a key position in that sector of the economy which has begun to show signs of recovery? These small and medium-

sized enterprises are not merely the subcontractors of larger firms: they are themselves innovators, filling in gaps in the market. We must encourage this by means of instruments already tried and tested in other areas.

Thus a proposal for a *modus operandi* will be put to you, a proposal for an overall sum, which will, of course, give rise to much debate.

In conclusion, let me say that the fate of our proposal will depend on the willingness of the member governments within the Council to bear in mind that the Community is based on three principles, which are usually evoked in connection with the CAP: a single market (but how can we enable the less-favoured regions to adapt to this market?), Community preference and sharing of costs...

1.2.3. Most of the members who spoke were extremely critical of two aspects of Mr Delors's statement, namely the cutback in the extra appropriations for the IMPs compared with the previous proposals and the use of the existing structural Funds. Only the European Democrats, consisting very largely of British Conservatives, did not share the general view expressed by the other groups (the Socialists, the European People's Party, the Communists, the Liberals and the European Democratic Alliance), namely that more Community financial assistance should be channelled to the south of Europe and that account must be taken of the effects of enlargement, which would have a negative impact on the Mediterranean regions.

Mr Sakellariou (*Soc/D*) wondered what had become of all the promises that had been made, and thought that the proposals were far removed from the ideas expressed at Fontainebleau in June 1984. Mr Alavanos (*Com/GR*) and Mr Almirante (*ER/I*) went so far as to describe the proposals as a swindle. Mr Bernard-Raymond (*EPP/F*) also argued for the opening-up of the Mediterranean regions to the current of world growth: there was a need to strengthen the Community's southern flank, so that it might one day become Europe's California.

A number of members from countries in the north of the Community also argued in favour of the Mediterranean regions: Mr

Poettering (*EPP/D*) referred to the report in which he had proposed the setting-up of a revolving fund for the south of Europe (as Chairman of the Working Party on Security set up by Parliament's Political Affairs Committee, he stressed the political and strategic importance of southern Europe), and Mr von der Vring (*Soc/D*) said that the IMPs were an acid test of whether the Community wanted to be a genuine Community. Mr Maher (*Lib/IRL*) suggested that what was done in the Mediterranean regions might be an example of what the Community could do for other less-prosperous countries such as his own.

By contrast, the spokesman for the Conservatives, Mr Hutton (*ED/UK*) said that his group took a more detached and practical view of IMPs than most of the other groups: the present budget, he argued, simply could not afford the cost of the IMPs as proposed. Mr Beazley (*UK*), also from the European Democratic Group, added his support for this point of view.

1.2.4. Mr Delors replied to members' criticisms in these terms:

'As to the underlying principles, the proposal which I described to you... includes extension of the field of application of the IMPs, extending the financial instruments, and it makes the notion of additionality an essential. Has the House appreciated that?

Extending the field of application. I said a moment ago that the integrated Mediterranean programmes were essentially agricultural in outlook. We have retained that, but agriculture is not everything. First of all there is what lies downstream of agriculture, and then there are all the other problems: small traders, small businesses, the shortage of infrastructure. The lack of an infrastructure for jobs and job training—that is a quite manifest need which the Greek authorities have mentioned to me. We shall, therefore, be extending the field of application.

Secondly, extending the financial instruments. I have reminded you that 45% of the structural Funds already go to the Mediterranean regions. This amount will be increased, naturally. The question is how. Not long ago you adopted a regulation on the Regional Fund. You have your own rules. Do you want to change all the rules of all three of our Funds in order to implement the integrated Mediterranean programmes? What we

are proposing is not to upset everything in order to go faster. There are a great many things I should like to say about the structural Funds and the way they are used... But if you want the IMPs to be implemented fast, then we must skirt around the rules of the structural Funds and approve new appropriations which take account of the fact that these regions simply cannot afford to foot the entire bill. That is a perfectly normal procedure in finance, to go around the table and add a little from here, a little from there. And these will not be the only measures, since I have already mentioned infrastructures, small and medium business, and so on.

Extending the financial instruments also covers the interest rebates which have been so successful in ECSC finance. That is the job of the European Investment Bank. The Bank is already engaged in the Mediterranean, I hear you say. Well, the Bank

will become further engaged in the Mediterranean. We shall be asking it to do so, particularly by means of the New Community Instrument, in such a way as to contribute to weaving the tissue of small and medium business which I mentioned, the third sector where there are men and women who have the will to start up a business but who lack the capital to get started. We shall be giving it to them under these general programmes.

Lastly, the essential nature of additionality. Did anybody doubt it? It is not with the present resources of the structural Funds that we can implement the project I have been describing to you. More money is needed, and if you also include the borrowing and loan operations, and think of the results, rather than the mere accountancy or arithmetic of the operation, you can see that we are making a great step forward. Mere accounting must never be allowed to hide the true results...'

3. Guidelines for a Community migration policy

1.3.1. On 20 February the Commission adopted, for transmittal to the Council, a communication together with a draft resolution on guidelines for a Community policy on migration.¹ The purpose of the paper is to review migration policy in the light of changes in the economic and social situation in the Community since the first Community programme was adopted in 1976.² The communication, which follows up President Delors's statement to Parliament in January,³ is also designed to reactivate discussion in the Council and Parliament on the best ways of achieving progress in this area, and to make a contribution towards bringing about a real 'people's Europe'.

Economic and social changes and migration policies

1.3.2. Economic and social conditions in the mid-1980s are totally different from

those obtaining in the previous decade. In the case of the Community, the main features of the situation are a shortage of jobs, the introduction of new technologies and structural changes in European society. These three factors have triggered high levels of unemployment affecting all the disadvantaged groups, including immigrant workers, combined with uncertainty as to future job creation possibilities. The character of the immigrant communities has also changed: the migration rate between Member States and from non-member countries has fallen off considerably, but at the same time the immigrant communities are settling down on a more permanent basis, in many cases for a second and third generation. This situation has produced an increase in

¹ COM(85)48 final.

² OJ C 34, 16.2.1976; Supplement 3/76 — Bull. EC; Bull. EC 12-1974.

³ Supplement 1/85 — Bull. EC.

cases of discrimination, expressions of racism and xenophobia against certain immigrant communities. The potential new wave of intra-Community migration following the accession of Spain and Portugal should be seen against this background.

1.3.3. These developments have led Member States to adopt new policies in an attempt to respond to immediate pressure. The Member States have made efforts to stabilize and integrate their immigrant populations, while at the same time they have to a varying extent sought to call a halt to the swelling numbers of immigrants from non-member countries; some have tried to adopt measures to encourage voluntary repatriation.

1.3.4. On the assumption that a European migration policy—which concerns 12 million immigrants in the present Community—may gradually take shape as an integral part of progress towards European citizenship,¹ the Commission believes it is vital that:

- (i) the free movement of persons should gradually become accepted in its widest sense, going beyond the concept of a Community employment market and opening up to the notion of European citizenship;
- (ii) the legal status of immigrants from non-member countries should be adapted with the aim of consolidating foreign communities which have acquired the characteristics of permanence by reason of their length of stay and above all through the existence of second and third generations;
- (iii) the action taken should aim, at one and the same time, at the removal of obstacles to equal treatment and initiatives to enable immigrants to catch up and reach a level of equality.

An overall approach to migratory phenomena

1.3.5. In its communication the Commission points to three main areas of

action: Community legislation and all related measures concerning immigrants who are nationals of Member States; concertation between Member States and with the Commission on national policy, particularly with regard to immigrants from non-member countries; better information of the population in host countries and immigrant communities.

Community legislation

1.3.6. With respect to Community legislation, the Commission has three main goals: to improve existing legislation; to make Community instruments more readily accessible; to adopt special measures on immigrant populations:

- (i) The Commission proposes that the provisions in respect of freedom of movement of workers be improved in certain areas, in particular by ensuring the mutual recognition of qualifications in the context of freedom of establishment;² and that social security provisions be adapted and reinforced;³ and that steps be taken to intensify the monitoring of the application of Community law.
- (ii) The Commission proposes that Community instruments be made more accessible and readily comprehensible for those concerned and for the authorities responsible for enforcing them, notably for officials dealing with migrant workers.
- (iii) The Commission suggests that consideration be given to introducing special provisions to meet the problems of specific groups, such as frontier workers or cultural workers, not forgetting refugees who benefit from social security provisions under Community regulations.

1.3.7. The Commission again emphasizes the need to make progress on granting pol-

¹ Supplement 7/75 — Bull. EC (*Towards European citizenship*); Bull. EC 6-1984, point 1.1.9 (paragraph 6).

² OJ C 264, 4.10.1983.

³ OJ L 230, 22.8.1983; Bull. EC 7/8-1983, point 2.1.66.

itical rights to immigrants who are nationals of Member States,¹ in particular full participation in local elections.²

Concertation with the Member States

1.3.8. The Commission notes that the Member States have often remarked upon the need for concertation and cooperation with each other and the Commission in the area of migration policies with respect to non-member countries. Experience has shown that the results are inadequate and do not measure up to the immigrant population's ever-increasing need to integrate. The Commission proposes that concertation should focus on the main themes of national policies:

- (i) regulation of movements on the labour market, including illegal immigration and illegal employment; the question of voluntary repatriation; problems encountered by migrant workers of Community origin, especially voluntary development workers in non-member countries;
- (ii) social and educational integration measures, together with measures to maintain cultural links with the country of origin, including vocational and social advancement measures, particularly for the second generation;³
- (iii) various social security measures applicable to nationals of non-member countries, with a view to guaranteeing them the same social protection as Community nationals.

Concertation could also cover matters of health and housing for the immigrant population.

Information

1.3.9. Having stressed the need to integrate immigrants and limit — if not eliminate — expressions of racism and xenophobia by the indigenous population, the Commission believes priority should be given to the development at Community level and in the Member States of information campaigns to increase the awareness of the population as a whole or of the immigrants themselves. These measures should draw attention to the role played by immigrant workers in the European economy and make the host population aware of their problems.

The Commission also suggests setting up pilot projects to provide legal aid for migrant workers, and believes that the formation of immigrant associations at Community level should be encouraged. All Member States should take up the practice observed by some of organizing an annual immigrants' day. And a declaration against racism and xenophobia should be adopted — along the lines of the interinstitutional declaration on fundamental rights.⁴

¹ Supplement 7/75 — Bull. EC (*Towards European citizenship*).

² Supplement 3/76 — Bull. EC (*Action programme in favour of migrant workers and their families*), p. 22.

³ OJ L 199, 6.8.1977.

⁴ OJ C 103, 5.4.1977.

4. Greenland leaves the Community

1.4.1. Greenland left the Community on 1 February. The agreement on future relations between Greenland and the Community, signed on 13 March 1984,¹ has now been ratified by the Parliaments of the 10 Member States, so Greenland is no longer part of the Community—though it remains associated with it as an overseas territory.

This marks the end of a process which began with the introduction of home rule in Greenland on 1 May 1979, leading to the gradual transfer of certain legislative and administrative powers from the Kingdom of Denmark to Greenland's local government. In the consultative referendum held on 23 February 1982 a 52% majority voted for Greenland's withdrawal from the Community. Why the Greenlanders voted this way is difficult to explain clearly. It was not so much the irritations caused by Member States fishing in Greenland waters or the campaign conducted in the Community against the killing of baby seals: it had more to do with their traditions and their special cultural features. Leaving the Community was one way of affirming Greenland's political and cultural independence from Denmark. The Greenlanders also felt that their country's autonomy would develop more effectively outside full membership of the Community.

In May 1982 the Danish Government presented to the Council a memorandum on the future status which it wanted to see granted to the island.² In accordance with the Treaties, the Commission and Parliament expressed their opinions on the Danish Government's request in February³ and June 1983⁴ respectively. On the basis of these opinions, the Council examined the issues involved and on 20 February 1984 reached a final agreement which was signed the following month.¹

1.4.2. The relationship between Greenland and the Community will now be governed by a number of different instruments: a Treaty amending the ECSC, EEC and Euratom Treaties with regard to Greenland; a protocol on special arrangements for Greenland; a ten-year Agreement on fisheries (renewable for further six-year periods provided notice

of termination is not given at least nine months before expiry), together with a five-year protocol on the conditions relating to fishing; and a Regulation laying down certain specific measures in connection with the special arrangements on fisheries applicable to Greenland.⁵

Since Greenland became an overseas territory under Part Four of the EEC Treaty on 1 February, its agricultural trade is now covered by the Community rules on import levies and export refunds. The Council has accordingly adopted a number of regulations on the valuation of goods for customs purposes and on the customs territory of the Community (→ point 2.1.26).

The fishing arrangements between Greenland and the Community for 1985 were concluded at the end of January.⁶ As provided in the framework agreement, 26.5 million ECU was paid to Greenland for 1985 in return for the fishing rights which Greenland is to give the Community during the term of the fisheries protocol (up to 31 December 1989). This sum will be correspondingly adjusted if supplementary quotas are granted to and used by the Community. The quotas currently granted to the Community will serve as a point of reference in the negotiation of new quotas on expiry of the first five-year protocol.

However, the Council has made a statement to the effect that Greenland will not receive financial aid as an overseas territory during the term of the first five-year fisheries protocol. The protocol on special arrangements provides that fishery products originating in Greenland may be imported into the Community free of customs duties and charges having equivalent effect, subject to the mechanisms of the common market organization, if the Community has satisfactory access to Greenland fishing zones.

¹ Bull. EC 2-1984, point 1.4.1 *et seq.*

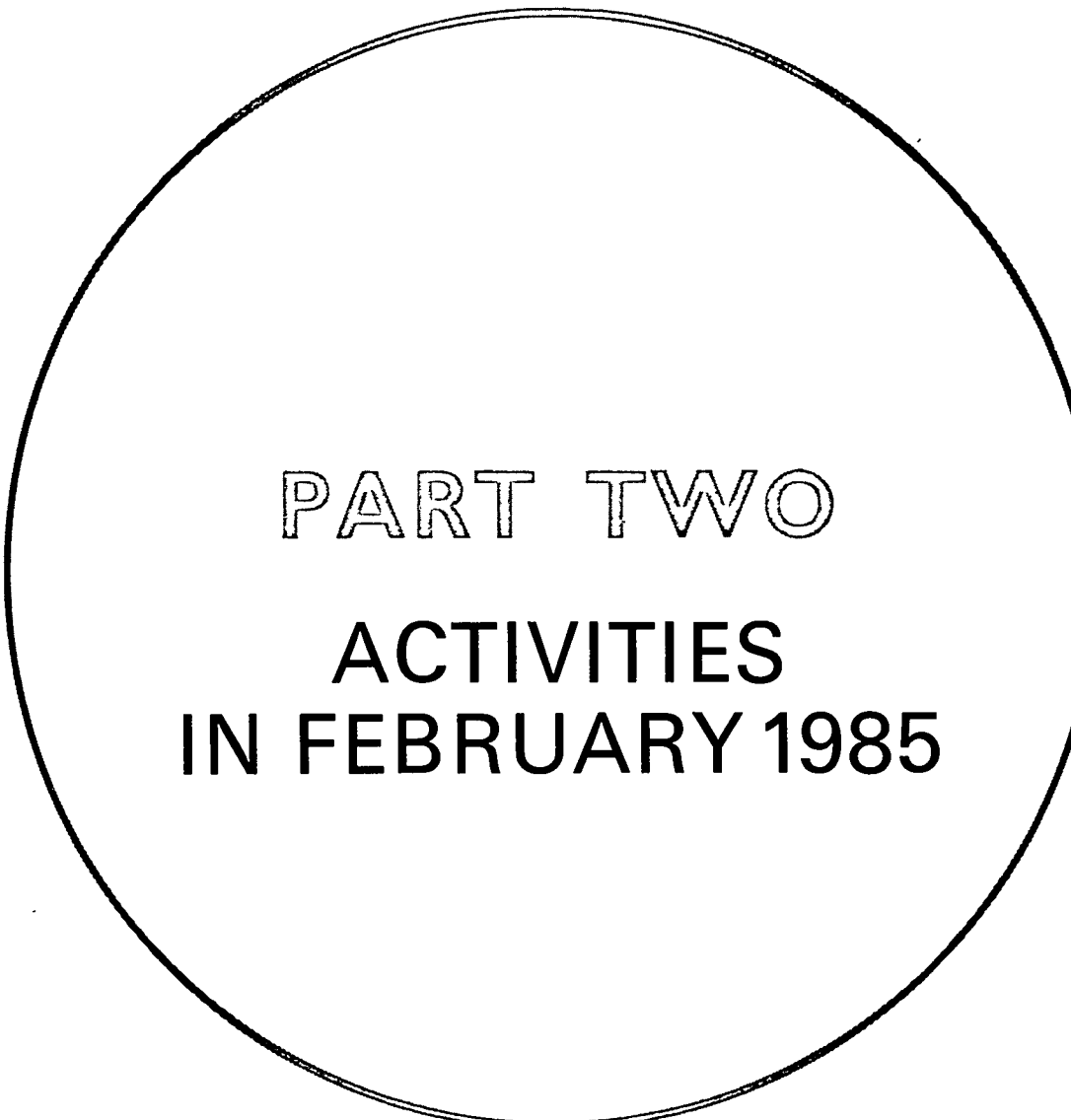
² Bull. EC 5-1982, point 2.4.1.

³ Supplement 1/83 — Bull. EC; Bull. EC 1-1983, point 1.3.1 *et seq.*

⁴ OJ C 184, 11.7.1983; Bull. EC 6-1983, point 2.4.7.

⁵ OJ L 29, 1.2.1985.

⁶ Bull. EC 1-1985, point 2.1.59.



PART TWO

ACTIVITIES
IN FEBRUARY 1985

1. Building the Community

Economic and monetary policy

Council

2.1.1. The Council meeting of Ministers of Economic and Financial Affairs on 11 February (→ point 2.4.13) considered the problem of financing the agricultural structures policy. In line with the spirit of its conclusions on the application of budgetary discipline,¹ the Council has to put to the Agriculture Ministers at their 11 March meeting its opinion on the amount chargeable to the EAGGF Guidance Section for financing the new agricultural structures policy over the period 1985-89.

The Council's deliberations, which are still continuing, centred on the total volume of expenditure, the nature of the financial framework, and the rates of Community participation.

Economic situation

2.1.2. In accordance with Article 2 of the Council Decision of 18 February 1974 on convergence, the Commission transmitted to the Council on 27 February a communication on the economic situation in the Community.²

With the international economic environment proving somewhat more favourable than was expected in the autumn of 1984,³ the Commission reckons that, as in 1984, real gross domestic product will grow by 2.4% in 1985. Inflation will decline further, and the current account will show a small surplus. Unemployment, however, is still at a worryingly high level and, taking the average for 1985, will rise slightly (from 10.9% in 1984 to an estimated 11.2%), although there are some signs of an improvement.

Against this background, the Commission is adhering to the main goals of its economic policy strategy as approved by the Council and set out in the annual economic report for 1984.⁴ These goals are:

- (i) to achieve a stronger expansion in productive potential and to make full use of available capacities (as long as this is compatible with the objective of price stability);
- (ii) to ensure that economic growth is more conducive to job creation (more jobs per percentage point of growth than in the past) and to set unemployment on a clear downward trend.

All concerned (the Community, national governments, employers and trade unions) have a contribution to make to the success of this strategy and should cooperate closely to that end.

Economic Policy Committee

2.1.3. With Mr Byatt in the chair, the Economic Policy Committee held its 152nd meeting on 5 February, when it discussed recent developments in the economic situation and economic policy and examined a draft report on profitability and the rate of return in the Community.

Monetary Committee

2.1.4. At its 309th meeting, held in Brussels on 21 February with Mr Tietmeyer in the chair, the Monetary Committee discussed the monetary policy being followed in Member States. It also looked at the status of work on international monetary relations.

Internal market and industrial affairs

Strengthening the internal market

Council

2.1.5. The first Council meeting of the year on the internal market, which was held

¹ Bull. EC 12-1984, point 1.3.1 *et seq.*

² COM(85) 52 final.

³ Bull. EC 10-1984, point 2.1.2.

⁴ OJ L 45, 14.2.1985; Bull. EC 12-1984, point 2.1.3.

on 11 February (→ point 2.4.13), was partly devoted to questions of consumer protection (→ point 2.1.68).

Lord Cockfield, Member of the Commission with special responsibility for the internal market, outlined the Commission's new approach on standardization,¹ which was favourably received by all the member States. He also presented the proposal for a Directive on the easing of checks and formalities for citizens of the Member States when crossing intra-Community frontiers,² of which the Council took note.

There was no significant progress on the other items of business: European Economic Interest Grouping;³ tax exemptions (travellers, small consignments and fuel);⁴ freedom of establishment for pharmacists and architects;⁵ self-employed commercial agents.⁶

The programme of tax measures designed to promote cooperation between companies in different Member States was also examined on 11 February — at the Council meeting on economic and financial affairs.⁷

Free movement of persons and freedom to provide services

Mutual recognition of diplomas and access to occupations

Veterinary surgeons

2.1.6. The Advisory Committee on Veterinary Training, meeting on 12 and 13 February, unanimously adopted a report containing recommendations designed to ensure the training of veterinary surgeons to comparable standards in the Community's veterinary schools.⁸ The Committee recommended a three-stage plan: a self-assessment report to be drawn up by a veterinary school; the school to be visited by a team of four members of the Advisory Committee, who make a report which is then sent to the school for its comments; the report to be discussed by the Advisory Committee.

This method will be applied experimentally over the period 1985-89 to one school in each Member State (except Luxembourg, which has no veterinary school). The report and recommendations will be reviewed in 1989 in the light of this experience with the aim of setting up a permanent system.

2.1.7. At its meeting on 14 February the *Ad hoc* Group of Senior Officials Responsible for the Free Movement of Veterinary Surgeons discussed at some length the problems arising from application of the Directives concerning veterinary surgeons. It also agreed on the final draft of a document looking at the situation in each Member State as regards the recognition of diplomas awarded by non-member countries to Community nationals for the purpose of exercising this profession.

Special rights of citizens and passport union

2.1.8. On 27 February the Commission discussed the introduction of the European passport. It was agreed that a letter should be sent to Member States stressing the problems encountered by holders of the passport and the need for speedy measures to resolve them.

Free movement of goods

Removal of technical and administrative barriers to trade

Industrial products

2.1.9. On 18 February the Commission adapted to technical progress the Council

¹ Bull. EC 1-1985, point 1.3.1 *et seq.*

² Bull. EC 12-1984, point 2.1.9.

³ OJ C 14, 15.2.1974; OJ C 103, 28.4.1978.

⁴ OJ C 114, 28.4.1983; Bull. EC 4-1983, point 2.1.60; OJ C 81, 22.3.1984; Bull. EC 2-1984, point 2.1.62; OJ C 3, 6.1.1984; Bull. EC 12-1983, point 2.1.58; OJ C 189, 17.7.1984; Bull. EC 7/8-1984, point 2.1.86; OJ C 95, 6.4.1984; Bull. EC 3-1984, point 2.1.58.

⁵ OJ C 35, 18.2.1981; OJ C 40, 15.2.1984; Bull. EC 1-1984, point 2.1.4; OJ C 239, 4.10.1967.

⁶ OJ C 13, 18.1.1977; OJ C 56, 2.3.1979.

⁷ OJ C 39, 22.3.1969; OJ C 301, 21.12.1976; OJ C 133, 16.6.1976.

⁸ Doc. III/D/1656/6/83.

Directive of 1 March 1971 on the approximation of the laws of the Member States relating to the rear-view mirrors of motor vehicles.¹

Foodstuffs

2.1.10. On 28 February the Council once more amended² the 1963 Directive concerning the preservatives authorized for use in foodstuffs intended for human consumption, extending the authorization of thiazobenzazol from 16 March 1985 to the end of the year.

2.1.11. The Economic and Social Committee delivered its opinion (→ point 2.4.25) on the proposal for a Directive relating to quick-frozen foodstuffs for human consumption which the Commission sent to the Council in September.³

Industry

Steel

Market situation

2.1.12. The 1984 results⁴ show that crude steel production in the OECD area rose to

368 million tonnes—9% up on 1983. While apparent consumption rose by 13%, net exports, at 5 million tonnes, fell to their lowest level since 1973.

According to market forecasts, apparent steel consumption will decline by 2% in the OECD countries in 1985, compared with an average annual reduction of 3.7% between 1973 and 1984.

2.1.13. The table below shows steel production in December (in thousands of tonnes) and percentage changes on December 1983 in the member countries of the International Iron and Steel Institute.

¹ OJ L 68, 22.3.1971.

² OJ L 65, 6.3.1985; Previous amendment: OJ L 256, 26.9.1984.

³ OJ C 267, 6.10.1984; Bull. EC 9-1984, point 2.1.14.

⁴ Bull. EC 1-1985, point 2.1.6.

Table 1

	December 1984	December 1983	% change	Full year		% change
				1984	1983	
Belgium	885	844	+ 4.9	11 299	10 155	+ 11.3
Denmark	35	46	- 23.9	548	493	+ 11.2
Germany	2 829	2 625	+ 7.8	39 386	35 729	+ 10.2
France	1 590	1 582	+ 0.5	19 006	17 607	+ 7.9
Italy	1 812	1 724	+ 5.1	23 928	21 674	+ 10.4
Luxembourg	289	294	- 1.7	3 988	3 295	+ 21.0
Netherlands	502	425	+ 18.1	5 738	4 478	+ 28.1
United Kingdom	1 091	1 078	+ 1.2	15 216	14 993	+ 1.5
EEC Total ¹	9 033	8 618	+ 4.8	119 109	108 424	+ 9.9
USA	5 625	6 342	- 11.3	82 883	75 377	+ 10.0
Japan	8 891	8 315	+ 6.9	105 580	97 169	+ 8.7
Other	10 527	10 052	+ 4.7	124 860	113 128	+ 10.4
Grand total	34 076	33 327	+ 2.2	432 432	394 098	+ 9.7

¹ Excluding Ireland and Greece.

2.1.14. The table below shows trends in world crude steel production over the period 1979-83.

Table 2

	1984 ¹	1983	1982	1981	1980	1979	1984/1983 ²
USSR	155.0	152.5	147.2	148.5	147.9	149.1	+ 16.0
Japan	105.6	97.2	99.5	101.7	111.4	111.7	+ 8.7
USA	84.5	76.8	67.7	109.6	101.5	123.7	+ 10.0
China	43.7	40.0	37.2	35.6	37.1	34.5	+ 9.2
Germany (FR)	39.4	35.7	35.9	41.6	43.8	46.0	+ 10.2
Italy	23.9	21.8	24.0	24.8	26.5	24.3	+ 9.7
France	19.0	17.6	18.4	21.3	23.2	23.4	+ 8.1
Brazil	18.4	14.7	13.0	13.2	15.3	13.9	+ 25.4
Poland	16.3	16.2	14.8	15.7	19.5	19.2	+ 0.4
UK	15.2	15.0	13.7	15.6	11.3	21.5	+ 1.5
Czechoslovakia	15.2	15.0	15.0	15.3	14.9	14.8	+ 0.9
Canada	14.7	12.8	11.9	14.8	15.9	16.1	+ 14.6
Romania	13.8	12.6	13.1	13.0	13.2	12.9	+ 9.2
Spain	13.5	13.0	13.2	12.9	12.6	12.2	+ 3.7
North Korea	13.0	11.9	11.8	10.8	8.6	7.6	+ 9.4
Belgium	11.3	10.2	10.0	12.4	12.4	13.5	+ 11.3
India	10.5	10.2	11.0	10.8	9.5	10.1	+ 2.7
South Africa	7.8	7.0	8.2	9.0	9.1	8.9	+ 11.7
Mexico	7.5	6.9	7.1	7.7	7.2	7.1	+ 8.4
GDR	7.2	7.2	7.2	7.5	7.3	7.0	0.0
South Korea	6.5	6.1	5.8	5.5	5.8	5.4	+ 6.6
Australia	6.2	5.6	6.4	7.6	7.6	8.1	+ 10.8
Netherlands	5.7	4.5	4.4	5.5	5.3	5.8	+ 28.0
Taiwan	5.0	5.0	4.2	3.2	3.4	3.2	- 0.6
Austria	4.9	4.4	4.3	4.7	4.6	4.9	+ 10.4
Sweden	4.7	4.2	3.9	3.8	4.2	4.7	+ 11.7
Turkey	4.3	3.8	3.2	2.4	2.5	2.4	+ 11.9
Yugoslavia	4.1	4.1	3.8	4.0	3.6	3.5	- 0.8
Luxembourg	4.0	3.3	3.5	3.8	4.6	4.9	+ 21.1
Hungary	3.7	3.6	3.7	3.6	3.8	3.9	+ 2.3
Bulgaria	2.8	2.8	2.6	2.5	2.6	2.5	- 0.9
Venezuela	2.7	2.3	2.2	2.0	2.0	1.5	+ 17.7
Argentina	2.6	2.9	2.9	2.5	2.7	3.2	- 10.6
Finland	2.6	2.4	2.4	2.4	2.5	2.5	+ 8.4
Others	14.7	13.7	12.4	12.5	12.8	12.6	+ 7.3
Total	710.0	663.0	645.6	707.8	716.2	746.6	+ 7.0

¹ Provisional.

² % change.

Crisis measures

Production quotas

2.1.15. On 6 February, in an effort to balance supply and demand, the Commission approved a slight reduction in the rates of abatement for the first quarter of 1985 in respect of hot-rolled sheet (Ia), cold-rolled sheet (Ib) and galvanized sheet (Ic) and the parts of the production quotas for beams (III) which may be delivered within the Community.¹ One of the reasons for changing the rates, which had been provisionally fixed on 20 November 1984,² was the need to honour certain export contracts; prospects for the disposal of several types of rolled product were thus improved.

The production quotas for hot-rolled sheet, cold-rolled coils and galvanized sheet were increased by 143 000 tonnes, 168 000 tonnes and 21 000 tonnes respectively.

Table 3 — *Definitive rates of abatement for the establishment of production quotas for the first quarter of 1985*

Product	Production quota (%)	Part of the quota that may be delivered in the common market (%)
Ia Hot-rolled wide strip, including hoop and sheet	43	—
Ib Cold-rolled sheet	36	—
Ic Galvanized sheet	15	—
III Heavy sections		57

2.1.16. On 20 February the Commission adopted provisional rates of abatement for the establishment of production quotas in respect of rolled steel for the second quarter of 1985 in the light of the reference periods and tonnages which form the basis of the production-quota system.³

These rates, which reflect the stagnation of the market, are the same as for the first

quarter in the case of both long and the principal flat products; the forecasts are therefore below the production levels for the same period of 1984.

Table 4 — *Rates of abatement for the establishment of production quotas for the second quarter of 1985*

Product	Production quota (%)	Part of the quota that may be delivered in the common market (%)
Ia Hot-rolled wide strip, including hoop and sheet	44	50
Ib Cold-rolled sheet	38	44
Ic Galvanized sheet	13	18
Id Other coated flat products	+ 43	+ 45
II Reversing-mill plate	43	50
III Heavy sections	45	56
IV Wire rod	35	39
V Reinforcing bars	45	48
VI Merchant bars	40	40

Table 5 — *Trends in production as a result of the quotas*

Product category	1 000 tonnes	
	Second quarter of 1985 Forecasts	Second quarter of 1984 Production
Ia Hot-rolled wide strip, including hoop and sheet	4 039	4 733
Ib Cold-rolled sheet	3 485	3 805
Ic Galvanized sheet	936	919
Id Other coated flat products	829	855
II Reversing-mill plate	1 300	1 312
III Heavy sections	1 122	1 268
IV Wire rod	2 570	2 197
V Reinforcing bars	1 768	1 954
VI Merchant bars	2 199	2 378

¹ OJ L 34, 7.2.1985.

² OJ L 305, 23.11.1984; Bull. EC 11-1984, point 2.1.14.

³ OJ L 52, 22.2.1985.

Coated sheet

2.1.17. Within the quota system, the structural development of consumption can be said to be favourable only in the case of the 'other coated flat products' of category Id, which are commonly referred to as 'coated sheet'. This is because their use is becoming increasingly important in several sectors, particularly in motor-vehicle manufacture, as a result of technical developments.

To enable producers of this coated sheet to meet increased customer demand, the Commission Decision of 25 February¹ provided for the allocation of additional quotas in response to a duly substantiated request, if this did not disturb the operation of the system.

While retaining that part of its Decision of 21 December 1984² which covered these additional quotas, the Commission withdrew the other provision whereby the coated sheet classified under Ic and Id was to be combined in a single category (IR: coated flat products).

Minimum prices

2.1.18. On 27 February the Commission approved at a first reading—for transmittal to the ECSC Consultative Committee—a draft third amendment to its Decision of 23 December 1983 relating to minimum prices.³

The amendment is to increase the minimum prices of certain steel products with effect from 1 April 1985. The planned increase amounts to 9 ECU per tonne in the case of coils, narrow strip and narrow strip obtained by splitting, sheet obtained from coils, reversing-mill plate and sections and beams in categories I and IIa; the increase is 7 ECU per tonne in the case of cold-rolled sheet. On the other hand, the minimum prices applicable to sections and beams in categories IIb, IIc, and III remain unchanged.

These new prices, set by the Commission in conjunction with the Member States, take

account of cost trends and the market situation.

Distribution

2.1.19. On 4 February the Commission amended for the third time⁴ its Recommendation 1835/81/ECSC of 3 July 1981 on the obligation to publish price lists and conditions of sale and on prohibited practices in the steel trade.⁵

The original Recommendation required Member States to impose rules on stockholders concerning the publication of prices and conditions of sale similar to those applying to producers. These provisions, however, did not apply to the smaller dealers (i.e. those whose annual sales totalled less than 3 000 tonnes of special steel or 6 000 tonnes of all steels) or to intermediate dealers (who buy exclusively from other Community dealers).

Henceforth, the Commission intends to subject all stockholders to these rules without exception, although small firms will be exempt from the obligation to publish price lists and conditions of sale.

Production certificate and accompanying document

2.1.20. On 28 February the Commission approved the draft fourth amendment⁶ of its Decision of 23 December 1983 introducing for steel undertakings and steel dealers a production certificate and an accompanying document for deliveries of certain products.⁷ The draft was transmitted to the Council for its assent and to the ECSC Consultative Committee for an opinion. This amendment was needed to bring the

¹ OJ L 58, 26.2.1985.

² Bull. EC 12-1984, point 2.1.29; this Decision was not published in the Official Journal so that account could be taken of the results of discussions with Eurofer.

³ OJ L 373, 31.12.1983; OJ L 260, 29.9.1984.

⁴ OJ L 46, 15.2.1985.

⁵ OJ L 184, 5.7.1981; OJ L 180, 7.7.1984.

⁶ COM(85)67 final.

⁷ OJ L 373, 31.12.1983; OJ L 332, 20.12.1984; OJ L 124, 11.5.1984.

definitions of the Nimexe nomenclature into line with those of the quota system and to take account of the experience gained.

The draft contains a consolidated version of Annex I (list of product codes for the two classification systems), including all the changes that have been made by the intervening amendments. Annexes III and IV have been amended to enable statistical analyses to be carried out in accordance with the product categories of the quota system.

Information technology and telecommunications

Esprit

2.1.21. On 11 February the Council adopted the 1985 Esprit work programme.¹

Industrial innovation and the information market

Transnational technological cooperation

Consultative Committee on Innovation and Technology Transfer

2.1.22. The Consultative Committee on Innovation and Technology Transfer held its sixth meeting in Luxembourg on 26 and 27 February. The main items on the agenda were the continuation of discussion aimed at establishing work priorities for 1985 — on which a wide-ranging consensus had already been reached — and the examination of a set of projects awaiting implementation. The Committee endorsed six specific projects, to which a total of some 3.8 million ECU should be committed. Funds were also earmarked for certain other activities. The six projects recommended cover the following areas:

(i) continued Community support for transnational cooperation between inno-

vation and technology transfer advisory centres (2.7 million ECU);

(ii) continued Community support for the Europeanization of conferences on innovation and technology that were previously organized on a purely national basis (0.8 million ECU);

(iii) the creation of a European service to provide information on the results of research conducted at national level (Euro-TechAlert) (0.2 million ECU);

(iv) improvement of the access to scientific and technical information originating in non-member countries (20 000 ECU to each of two projects);

(v) extension of the Telefax communications network to the European innovation and technology transfer advisory centres (50 000 ECU).

Agreement was also reached on the principle of allocating approximately 0.27 million ECU to the setting-up of a European data bank on the supply of and demand for licences. In the context of its consultation activities, the Committee is to investigate, with a view to promoting exchanges of information and experience, the use made of the results of R&D work financed from public funds.

Over a period of 12 months the Committee, which began its work in February 1984,² has thus taken decisions recommending commitments to specific projects that together represent more than 62% of the funds available under the plan for innovation.

Science parks and innovation centres

2.1.23. From 13 to 15 February the Commission held in Berlin, in conjunction with the Berlin Senate, a conference on 'Science parks and innovation centres: their economic and social impact', which was attended by some 300 participants belonging to a wide range of professions. All 10

¹ OJ L 55, 23.2.1985; Bull. EC 10-1984, point 2.1.27.

² Bull. EC 2-1984, point 2.1.32.

Member States were equally well represented.

The purpose of innovation centres is to help newly established small firms during the first few years through the provision of land and shared premises, telecommunications facilities and typing and accountancy services and by facilitating access to technical and management advice and to finance. They therefore perform what is essentially an 'incubator' function.

Science parks can be regarded as a means of promoting the development of high-technology firms in the vicinity of higher-education establishments and research centres, since they enable intensive and fruitful interaction to take place between such firms and centres in terms of both training and research.

Participants were repeatedly warned against excessive optimism regarding the job-creation potential of such schemes, whose effects would surely be felt only in the long term.

During their discussions in specialized working groups, the conference participants proposed that common guidelines be drawn up concerning, in particular, the training and advice offered to young entrepreneurs, the financing of science parks and innovation centres, the capital endowment of new firms and ways of solving the management problems created by such centres. It should be stressed in this connection that the Community recently allocated funds to the creation of business and innovation centres in regions severely affected by the decline of traditional industries. It is also supporting the European Business and Innovation Centre Network, an association whose principal aim is to promote transnational exchanges of information and experience between these centres.

Financing innovation

Venture capital

2.1.24. The Community has decided to carry out, in cooperation with the European

Venture Capital Association (EVCA),¹ a pilot experiment aimed at demonstrating that — despite the differences that exist between the Member States as regards financing methods, taxation and company law — both cooperation between small firms and transnational innovative projects can be financed at European level by consortia of venture capital companies located in different Member States.

Under a recent agreement, the Community is to provide venture capital amounting to 1.2 million ECU (i.e. approximately DM 2.6 million) in 1985. The capital is divided into shares of 50 000 to 100 000 ECU for the benefit of various innovative projects of a transnational nature; the latter are selected and submitted to the Commission by firms affiliated to EVCA, which join together to form European consortia for the purpose of carrying out the projects in question. Since venture capital companies which form consortia in this way have to finance their participation in the proposed projects chiefly from their own resources, they bear most of the risks inherent in such projects: the Community's contribution to each of the projects is limited to a maximum of 30% of the total holdings and must be refunded if the venture is a success.

In the context of this pilot experiment, EVCA is studying the possibility of preparing standard contracts governing the setting-up of transnational venture capital consortia and their financial contribution to innovative firms, and is thus paving the way for the establishment and development of a European venture capital industry.

Customs union

Simplification of customs formalities

2.1.25. On 18 February the Council formally adopted the single administrative

¹ Bull. EC 5-1984, point 2.1.35.

document,¹ on which it had already agreed in December.²

General legislation

Withdrawal of Greenland from the customs territory of the Community

2.1.26. The Council adopted on 6 February (→ points 1.4.1 and 1.4.2) two Regulations³ amending the Regulation of 23 July 1984 on the customs territory of the Community⁴ and that of 28 May 1980 on the valuation of goods for customs purposes.⁵ The effect of the amendments is to exclude Greenland from the customs territory of the Community, in accordance with the provisions of the Treaty signed in Brussels on 13 March 1984 amending, with regard to Greenland, the Treaties establishing the European Communities.⁶

Also on 6 February the Commission adopted a Regulation³ amending the Regulation of 5 December 1980 on air transport costs to be included in the value for customs purposes,⁷ in respect of goods imported from Greenland by air.

Reliefs from customs duty

2.1.27. On 15 February Parliament delivered its opinion⁸ on the Commission proposal concerning the tariff treatment applicable to goods contained in travellers' personal luggage or sent in small consignments to private individuals.⁹

It considered this proposal extremely weak. It wished the duty-free allowance for travellers coming from outside the Community to be increased to 150 ECU for those aged 15 and over and 50 ECU for those under 15, as had been proposed for exemption from VAT and excise duty;¹⁰ it also wished the limit up to which duty would be applied at a standard rate, on goods sent in small consignments to private individuals or contained in travellers' personal luggage, to be increased to 250 ECU.

Customs procedures with economic impact

Processing under customs control

2.1.28. On 1 February the Commission adopted a Regulation¹¹ extending provisionally to certain petroleum products, for the period from 1 February to 31 July 1985, the arrangements on processing under customs control introduced by the Council Regulation of 26 September 1983.¹² The processing of unmanufactured tobacco, tobacco refuse and miscellaneous tobacco products into tobacco powder, as well as the usual forms of handling which may be carried out in a customs warehouse or a free zone, were added to the list annexed to this Regulation.

Common Customs Tariff

Suspension of tariff concessions and raising of duties

2.1.29. On 26 February the Council extended (→ point 2.2.13), for the period from 1 March 1985 to 28 February 1986, the Regulation of 6 February 1984 suspending tariff concessions and increasing duties under the Common Customs Tariff with regard to certain products originating in the United States and establishing quantitative restrictions with regard to other products originating in that country. On the same day the Commission distributed among the Member States the import quotas for prod-

¹ OJ L 79, 21.3.1985.

² Bull. EC 12-1984, point 1.6.1.

³ OJ L 34, 7.2.1985.

⁴ OJ L 197, 27.7.1984.

⁵ OJ L 134, 31.5.1980.

⁶ OJ L 29, 1.2.1985.

⁷ OJ L 335, 12.12.1980.

⁸ OJ C 72, 18.3.1985.

⁹ OJ C 324, 5.12.1984; Bull. EC 11-1984, point 2.1.35.

¹⁰ OJ C 102, 14.4.1984; Bull. EC 3-1984, point 2.1.59. (Parliament's opinion on this proposal was delivered in January: OJ C 46, 18.2.1985).

¹¹ OJ L 30, 2.2.1985.

¹² OJ L 272, 5.10.1983.

ucts subject to quantitative restrictions (← point 2.2.13).

Nomenclature

2.1.30. On a proposal from the Commission,¹ the Council decided to conclude the International Convention on the Harmonized Commodity Description and Coding System, which will be signed in the course of the year.

2.1.31. For the purpose of ensuring uniform application, the Committee on Common Customs Tariff Nomenclature adopted a number of tariff measures, by means of either explanatory notes or agreements on the classification of goods, regarding subheadings 59.11 A and 43.03 B, 69.04 A, 69.05 A, 69.06 A, 69.07 B I, 69.08 B I, 69.13 B, 69.13 C, 85.12 E II.²

Economic tariff matters

Tariff quotas

2.1.32. In February the Council adopted two Regulations opening, allocating and providing for the administration of Community tariff quotas in respect of the following products:

(i) rum, arrack and tafia, falling within CCT subheading 22.09 C I, originating in the African, Caribbean and Pacific States (1985);³

(ii) rum, arrack and tafia, falling within CCT subheading 22.09 C I, originating in the overseas countries and territories associated with the European Economic Community (1985).³

Value for customs purposes

2.1.33. The Commission decided to take the steps necessary to implement two decisions adopted under the GATT Agreement on customs valuation. These concern the treatment, for the purposes of determining the customs value of imported goods,

of interest charges and of carrier-media bearing software for data-processing equipment.

With regard to interest charges, it adopted a Regulation, applicable from 1 March 1985, which sets out the particular circumstances in which interest may be excluded from the customs value.⁴ With regard to carrier-media bearing software, it sent to the Council on 11 February a proposal for a Regulation⁵ which envisages that the customs value of the products in question should not include the cost or value of data or instructions borne on the medium, provided that these are distinguished from the cost or value of the carrier-medium.

Competition

Restrictive practices, mergers and dominant positions: specific cases

Industrial and commercial property—Copyright

GEMA

2.1.34. Following intervention by the Commission, the German copyright protection society, Gesellschaft für musikalische Aufführungs- und Vervielfältigungsrechte (GEMA), abandoned its attempt to impose restrictions on the freedom of manufacturers of sound recordings to take advantage of custom pressing (manufacture of sound recordings from various sources including tapes). The Commission took the view that, within the Community, freedom to choose where to manufacture records and other sound recordings (pre-recorded cassettes, tapes and compact discs) should

¹ OJ C 120, 4.5.1984; Bull. EC 4-1984, point 2.1.31.

² OJ C 43, 15.2.1985; OJ C 50, 22.2.1985.

³ OJ L 61, 1.3.1985.

⁴ OJ L 25, 30.1.1985.

⁵ COM(85)25 final.

not be restricted by the application of national copyright laws.

The Commission had become concerned when, at the beginning of 1984, GEMA announced its intention, contrary to standard practice among European copyright protection societies, of charging royalties under German copyright law on all custom-pressing work carried out in Germany. 'Custom pressing' is the term used to describe the manufacture of sound recordings by independent pressing firms working to order and on account of sound-recording suppliers. As a rule, such suppliers obtain a licence from one of the copyright protection societies in the various Member States for the reproduction of the musical works concerned. However, the actual manufacture of the sound recordings does not necessarily take place in the territory in which the copyright protection society issuing the licence is situated but may, for commercial reasons, be entrusted from time to time to independent or affiliated pressing firms in other Member States.

In the Commission's opinion, a licence granted by a Community copyright protection society was valid throughout the Community and authorized manufacture, even by way of custom pressing, in any Member State. In that event, however, it was in principle for the supplier alone, and not for the pressing firm, to obtain a licence to manufacture sound recordings and pay royalties. A separate requirement to pay royalties to the national copyright protection society having 'jurisdiction' over the place of manufacture according to the rates applicable there would, in practice, mean the re-erection by contractual means of national barriers between Member States. The Court of Justice decided in 1981 that this was not permitted under Community law, even if the royalty fees differed from one Member State to another.¹

Furthermore, GEMA's planned course of action would have constituted discrimination as GEMA intended to charge the custom presser royalties only where the supplier obtained a licence from another copy-

right protection society, and not where it had obtained it from GEMA itself. In so doing, GEMA would have treated licences granted by other societies in the Community differently from licences it had granted and would thereby have undermined the principle of the Community-wide validity of a licence.

GEMA informed the Commission that it was abandoning its claim to payment under German copyright law of royalties in respect of custom-pressing work carried out in the Federal Republic of Germany even where the supplier's licence was granted by another copyright protection society in the Community.

As a result, the Commission decided to discontinue proceedings. It confirmed GEMA's right to carry out checks on custom pressers with a view to (i) verifying whether the supplier had a valid licence and, if not, bringing an action for infringement of copyright against the custom presser and (ii) taking measures to safeguard the copyright claims of the copyright protection society which granted the licence. The safeguard measures must not, however, have the effect of restricting the unhindered marketing of manufactured sound recordings throughout the Community.

In view of the economic importance of the record industry, the Commission regards the GEMA case as a major step towards a unified common market. Its action was part of its efforts to ensure complete freedom of competition and to eliminate national barriers in the industry.

Joint ventures

Carbomarl

2.1.35. On 18 February the Commission authorized Gewerkschaft Auguste Victoria, a colliery within the German BASF group, and Paul Roskothen, a German coal wholesaler, to set up the joint subsidiary Carbo-

¹ Joined Cases 55 and 57/80 *Membran and K-tel v GEMA* [1981] ECR 147.

marl Kohlenaufbereitungs und -Handels GmbH. The intention was that Carbomarl should process unsaleable low-grade coal produced as part of Auguste Victoria's mining operations into an upgraded product that would be sold to power stations and industrial electricity-generating plants. When operating at its planned capacity, the joint subsidiary would have a 6% share of the market compared with the 60% share held by its main competitor.

The operation was of limited significance and hence unlikely to have any adverse effects on competition in the relevant market. Accordingly, it satisfied the tests of Article 66(2) of the ECSC Treaty.

State aids

Regional aids

Denmark

2.1.36. The Commission decided not to raise any objection to a Regional Development Bill notified by the Danish Government which was intended to replace the existing Regional Development Act (No 219 of 7 June 1972). The main purpose of the bill was to substitute grants for the low-interest loans currently available to investors in development areas. Some of the State's financial guarantees and of the operating grants available under the existing Act would be discontinued.

Federal Republic of Germany

2.1.37. The Commission decided to initiate the procedure laid down in Article 93(2) of the ECSC Treaty in respect of regional aids granted under the Joint Federal Government/Länder Programme for improving economic structures (*Gemeinschaftsaufgabe*) in the employment areas of Kleve-Emmerich, Landsberg and Miesbach. In 1983 the Commission had agreed that those areas could remain provisionally within the scope of the Joint Programme, subject to a final decision to be taken by

the end of 1984.¹ It objected to the aids granted on the ground that the areas in question could not be regarded as particularly disadvantaged areas.

The procedure required that the Federal Republic of Germany, the other Member States and other interested parties be asked to submit their comments on the Commission's objection within eight weeks. The Commission would then take a final decision on the compatibility of the aids with the common market.

The Commission did, however, approve the aids for the employment areas of Alfeld, Holzminden-Höxter, Itzehoe and Heide-Meldorf because of their high structural unemployment.

Industry aids

Textiles

United Kingdom

2.1.38. In June 1984 the Commission had initiated the Article 93(2) procedure in respect of a proposed aid scheme for sections of the clothing, footwear, knitting and textile industries.² After scrutiny of the scheme and after hearing the comments of interested parties, the Commission concluded that the scheme could not be regarded as compatible with the common market. Accordingly, it decided on 13 February that the scheme did not qualify for any of the derogations in Article 92(3) and that the United Kingdom would have to refrain from introducing it.

Bearing in mind the restructuring undertaken by the industries concerned, which has led to a revival in investment, extensive rationalization and retooling, the application of new technologies, increased production and improved trading performance, the Commission took the view that the scheme would not promote a development

¹ Bull. EC 10-1983, point 2.1.48.

² Bull. EC 7/8-1984, point 2.1.75.

which, from the Community point of view, would be satisfactory because of the distortions it would engender in intra-Community trade. Furthermore, the Commission concluded that the scheme did not comply with certain principles relating to industry aids, and in particular with some of the conditions laid down in the Community textile aids code.¹

Synthetic fibres

Italy

2.1.39. On 9 January the Commission was notified pursuant to Article 93(3) of the EEC Treaty of a plan by the Italian Government to grant assistance to a State-owned manufacturer of synthetic fibres and yarn with production facilities in Pistici, Ottana and Porto Torres. The aid would be granted under Act No 675/77 and would consist partly of low-interest loans amounting to LIT 50 395 million, or 50% of the total projected investment. In addition, a direct grant of LIT 20 158 million, or 20% of the total investment, would be made under Section 169 of the Act to provide assistance for the Mezzogiorno.

After scrutiny of the plan, the Commission took the view that the aid would artificially lower the production costs of the firm in question, which was the leading Italian manufacturer in the industry and had previously benefited from very substantial financial assistance. In its opinion, the bulk of the projected investments represented no more than a normal adaptation to changing market demand aimed at modernizing and rationalizing production facilities rather than a genuine restructuring operation. Such investments, which were solely in the firm's own interests, should therefore be financed out of its own resources without recourse to State aid.

The Commission also considered that the proposed aid did not meet the conditions required by Act No 675/77 and that it disregarded some of the arrangements for moni-

toring aids to the synthetic fibres industry.¹ Bearing in mind too that the proposed aid would not contribute to a development that, from the Community point of view, would be satisfactory because of its trade-distorting effects and would not seem, therefore, to qualify for any of the derogations in Article 92(3) of the EEC Treaty, the Commission decided on 20 February to initiate the Article 93(2) procedure.

2.1.40. On 9 January the Commission was notified pursuant to Article 93(3) of the EEC Treaty of the Italian Government's intention to grant aid to a State-owned manufacturer of polyamide filament carpet yarn situated in Forlì. The aid would be granted under Act No 675/77 with a view to promoting modernization and retooling and would take the form of low-interest loans amounting to LIT 1 575 million, or 50% of total investment costs.

Following an initial scrutiny of the plan, the Commission concluded that the proposed aid did not seem to qualify for any of the derogations in Article 92(3) of the Treaty and, in particular, that it would not be consistent with the code on aid to the synthetic fibres industry¹ and would be at variance with the conditions laid down for giving effect to Act No 675/77. The Commission therefore decided on 20 February to initiate the Article 93(2) procedure.

Financial institutions and taxation

Taxation

Indirect taxes

Turnover taxes

2.1.41. On 1 March the Commission transmitted to the Council amendments²

¹ Bull. EC 7/8-1983, point 2.1.46.

² OJ C 68, 15.3.1985; COM (85) 58 final.

to its proposal for a 17th VAT Directive—exemption from value-added tax on the temporary importation of goods other than means of transport¹—to take account of two changes that Parliament had called for.²

The first amendment is designed to ensure that purely national firms are not disadvantaged under the proposed arrangements compared with multinational companies, while the aim of the second amendment is to emphasize that, if the benefit of the arrangements is transferred to a second person, then that person must fulfil all the obligations which were incumbent on the person to whom the benefit of the arrangements was originally granted.

Employment, education and social policy

Employment

Employment and the labour market

2.1.42. A seminar on 'Employment policy and the labour market', organized as part of Misep (Mutual information system on employment policies), which is playing an important role in coordinating Community policies, was held in Amsterdam from 27 February to 1 March. The topics discussed concerned the influence on labour market trends of unemployment insurance systems and the rules governing the registration of job-seekers, and the role of placement services in implementing employment policy.

2.1.43. A meeting of experts was held in Brussels on 26 and 27 February to look into possible sources of finance for local employment initiatives.³

Financial instruments

European Social Fund

2.1.44. On 12 February Parliament gave its opinion⁴ on the Commission communi-

cation to the Council on statistical machinery to establish the order of priority to be applied when granting European Social Fund assistance to regions.⁵ It called on the Commission to resume consultations—in accordance with the terms of the declaration on the outcome of the conciliation meeting between Parliament and the Council on the review of the texts relating to the reform of the Social Fund⁶—as soon as it had drawn up the list of priority regions on the basis of the proposed statistical machinery so that use could be made of it in assessing the indicators used.

Education and vocational training

Cooperation in education

2.1.45. The Education Committee met on 14 February and discussed the Commission's communication on the introduction of a European dimension into school curricula,⁷ with a view to putting it on the agenda of the next meeting of the Council and Ministers of Education.

The Council and the Ministers of Education meeting within the Council had reached agreement in principle in 1980,⁸ but it had never been given effect because of certain reservations as to how that might be done.

There was also an initial debate on the arrangements at national level for International Youth Year, with a view to drawing up proposals on the mobility of young people and students for examination by the Council and the Ministers of Education.

New technologies

2.1.46. The first meeting of national officials responsible for the introduction of

¹ OJ C 244, 13.9.1984; Bull. EC 7/8-1984, point 2.1.84.

² OJ C 12, 14.1.1985; Bull. EC 12-1984, point 2.1.79.

³ OJ C 161, 21.6.1984; Bull. EC 6-1984, point 2.1.45.

⁴ OJ C 72, 18.3.1985.

⁵ Bull. EC 7/8-1984, point 2.1.89.

⁶ Bull. EC 9-1983, point 2.1.40; Bull. EC 10-1983, point 2.1.57.

⁷ Bull. EC 6-1978, point 1.4.2.

⁸ Bull. EC 6-1980, point 2.1.148.

new information technology in education, organized by the Commission, was held on 11 and 12 February as part of the 1985-87 work programme for the implementation of the resolution adopted by the Council and the Ministers of Education on 19 September 1983.¹ The group discussed the measures already taken on the basis of this programme for 1985 and also examined the problem of setting up a network of national resource centres on education and new information technology.

Living and working conditions and social protection

Labour law and industrial relations

2.1.47. The Joint Committee on Inland Navigation held its second² plenary meeting on 22 February. The Committee set up a working party to start on the harmonization of vocational training, boatman's licences and other certificates and diplomas for crew members of inland waterway vessels, rules applying to physical aptitude and the minimum working age, special provisions for women and other requirements of crew members. A second working party has the task of studying problems relating to health and safety at work in inland navigation, accident prevention and accident insurance.

Equal rights for men and women

2.1.48. On 14 February Parliament adopted a resolution on the informal meeting of Ministers responsible for women's rights of 7 March 1985 on the occasion of International Women's Day (→ point 2.4.11).³

2.1.49. On 18 February, following the conference on equality of opportunity for girls and boys in education held in Brussels on 27 and 28 November 1984,⁴ the Commission convened a working party of experts and national officials concerned with equal opportunities to discuss the first draft of a practical guide for use by all

those involved in education who wish to implement an equal opportunities programme.

Social integration of the handicapped

2.1.50. To follow up the conclusions adopted by the Council and the Ministers of Education on 4 June 1984,⁵ the Commission convened the first meeting of a working party on 20 and 21 February. The meeting determined ways and means of working this into the various activities under the Community education programme and agreed on the structure of—and deadline for—the report on integration which the Education Committee proposes to lay before the Council in 1986.

Social integration of migrants

2.1.51. On 20 February the Commission approved, for transmittal to the Council, a communication together with a draft resolution on guidelines for a Community policy on migration (→ point 1.3.1 *et seq.*).

Social security for migrant workers

2.1.52. On 19 February the Commission sent the Council a proposal for a Regulation setting out the technical adaptations to Community social security legislation in respect of migrant workers consequent upon Greenland's withdrawal from the Community.⁶ The proposal is also designed to safeguard rights acquired by workers during the period when Greenland was part of the Community.

Health and safety

Public health

2.1.53. On 27 February the Economic and Social Committee gave its opinion (→ point

¹ OJ C 256, 24.9.1983; Bull. EC 9-1983, point 2.1.47.

² Bull. EC 6-1984, point 2.1.56.

³ OJ C 72, 18.3.1985.

⁴ Bull. EC 11-1984, point 2.1.65.

⁵ Bull. EC 6-1984, point 2.1.41.

⁶ COM(85) 28 final.

2.4.25) on the draft Council resolution concerning a Community action programme on toxicology for health protection.¹

Health and safety at work

2.1.54. On 14 February Parliament delivered its opinion² on the proposal for a Council Decision on the ratification of the Torremolinos International Convention for the Safety of Fishing Vessels and application of its provisions by the Member States pending its entry into force.³ In view of the high accident rate in the fishing industry, Parliament asked the Commission to intensify its action to promote safer design of fishing vessels and adequate safety training for fishermen.

2.1.55. On 15 February Parliament adopted an opinion,² on the proposal for a Council Directive on the protection of workers by the prescription of specified agents and/or work activities.⁴

The proposal was endorsed by the Economic and Social Committee on 27 February (→ point 2.4.25).

Regional policy

Coordination and programmes

Regional Policy Committee

2.1.56. The Regional Policy Committee met on 13 February with Mr Miedema in the chair. It discussed a draft opinion on the link between competition policy and regional policy in respect of national regional aids; exchanged views on its future programme of work; and examined a draft memo on a method of evaluating ERDF programmes and projects.

Financial instruments

European Regional Development Fund

Revision of the ERDF Regulation

2.1.57. On 13 February Parliament adopted a resolution (→ point 2.4.11)² on

the results of the conciliation procedure with the Council on the proposed recasting of the Regulation of 18 March 1975 establishing the European Regional Development Fund.⁵

Coordinated assistance provided by more than one financial instrument

Integrated Mediterranean programmes

2.1.58. On 20 February the Commission adopted a communication intended to get discussion moving again in the Council on the March 1983 proposal on integrated Mediterranean programmes (IMPs). Mr Delors had already presented its main features to Parliament, which adopted a resolution on the question (→ point 1.2.1 *et seq.*).

2.1.59. As part of the measures to be carried out in preparation for the IMPs, the Commission decided on 15 February to grant 275 830 ECU for a trial scheme in the French Pyrenees. The purpose of the scheme is to try out new financial and organizational methods for promoting the development of the region on the basis of local initiative.

Integrated operations

2.1.60. The Commission approved a grant of UKL 90 000 to the United Kingdom towards the cost of an integrated operations feasibility study in the counties of Gwynedd, Powys and Dyfed in West Wales. The purpose of the study is to examine the social and economic problems affecting the region and to draw up an integrated development programme.

¹ OJ C 156, 16.6.1984; Bull. EC 5-1984, point 2.1.86.

² OJ C 72, 18.3.1985.

³ OJ C 183, 10.7.1984; Bull. EC 6-1984, points 2.1.59 and 2.1.122.

⁴ OJ C 270, 10.10.1984; Bull. EC 9-1984, point 2.1.51.

⁵ OJ C 336, 23.12.1981; Bull. EC 10-1981, points 1.2.1 to 1.2.9; OJ C 360, 31.12.1983; Bull. EC 11-1983, points 1.1.1 to 1.1.8; OJ L 169, 28.6.1984; Bull. EC 6-1984, points 1.3.1 to 1.3.11.

Disaster relief

2.1.61. On 14 February Parliament adopted a series of resolutions on the damage caused by the severe spell of cold weather in Europe (→ point 2.4.11).¹

Environment and consumers

Environment

Prevention and reduction of pollution and nuisances

Air pollution

2.1.62. In response to Parliament's request,² on 15 February the Commission amended³ the proposal for a Directive on the limitation of emissions of pollutants into the air from large combustion plants, as put to the Council on 19 December 1983.⁴

Together, these amendments clarify Articles 2, 5 and 12, tighten up the provisions for adapting newly licensed plants to technical progress, set different emission limit values for units of different installed thermal capacity and tighten up the limit values for SO₂ emissions from solid-fuel-fired plants in the intermediate category, for NO_x emissions from all plants, whatever fuels they burn, with effect from 1995, and, to a lesser extent, for NO_x emissions from large plants burning solid fuels only, in this case with effect from 1985.

2.1.63. The Commission believes that more must be done to protect woodlands against the chief sources of damage to which they are exposed, especially fire.

It sent the Council a proposal for a Regulation on this subject in July 1983,⁵ which has since been endorsed by Parliament⁶ and by the Economic and Social Committee (→ point 2.4.22).⁷ It is now being considered by the Council.

In July 1984 the Commission sent the Council amendments to its proposal⁸ and decided to organize preparatory measures comprising two sets of operations—one to develop and install the requisite technical facilities; the other to coordinate operations.

One such measure to coordinate operations, a trial run to evaluate the effectiveness of combined operations from the air and on land to combat forest fires, was carried out between 7 and 15 February. The Community bore the full cost of the test, which was dubbed 'Florac 85', after the town in France (Lozère) close to the testing grounds.

The exercise capitalized on the controlled burning operation executed in Lozère at the request of the local authorities and with the approval of the government departments concerned and the support of the fire-fighting departments. It involved land and airborne forest fire-fighting personnel from Germany, Greece, Italy, Portugal, Spain and, of course, France.

2.1.64. Parliament adopted a resolution on measures which need to be taken in view of the air pollution which occurred in Europe in January (→ point 2.4.11).¹

*

2.1.65. The Economic and Social Committee gave its opinion (→ point 2.4.25) on the Commission proposal for a Directive on the permissible sound level and exhaust system of motorcycles.⁹

2.1.66. The Committee also delivered an opinion (→ point 2.4.25) on the proposal for a Council Directive relating to restrictions on the marketing and use of certain

¹ OJ C 72, 18.3.1985.

² OJ C 337, 17.12.1984.

³ OJ C 76, 22.3.1985; COM(85)47 final.

⁴ OJ C 49, 21.2.1984; Bull. EC 12-1983, point 2.1.118.

⁵ OJ C 187, 13.7.1983; Bull. EC 6-1983, point 2.1.123.

⁶ OJ C 172, 2.7.1984.

⁷ OJ C 358, 31.12.1983; OJ C 248, 17.9.1984.

⁸ OJ C 208, 8.8.1984; Bull. EC 7/8-1984, point 2.1.112.

⁹ OJ C 263, 2.10.1984; Bull. EC 9-1984, point 2.1.72.

dangerous substances and preparations (second PCB/PCT Directive).¹

International cooperation

2.1.67. On 25 and 26 February the Commission and a delegation from the United States met in Brussels for another meeting in the series of bilateral consultations and exchanges of information on environmental issues started by the exchange of letters in 1974.² To expedite matters, the two parties had agreed in advance to focus on four priority areas: control of chemicals, air pollution, waste management and certain activities organized by international organizations.

The exchanges on chemicals concentrated primarily on existing chemicals, formaldehyde, biotechnology and specific issues connected with the conclusion of the draft Global Framework Convention on the Protection of the Ozone Layer and of the Protocol on Chlorofluorocarbons, both of which come under the United Nations Environment Programme. The participants agreed that more should be done to strengthen international cooperation in general and their bilateral cooperation in particular, both within the relevant international organizations and on the specific issue of chemicals.

Consumers

Council

2.1.68. Part of the Council meeting on internal market issues on 11 February was devoted to consumer policy matters (→ point 2.4.13). Ministers resumed their examination, begun last year, of two proposals —one on liability for defective products,³ the other on contracts negotiated away from business premises.⁴

The Council asked its subordinate bodies to proceed on the basis of the four-point overall compromise on product liability worked out in 1982 with a view to reaching

agreement during Italy's term as President. Again, no agreement was reached on the Commission's proposal for a Directive on doorstep selling, transmitted in 1977, since one Member State was still unable to withdraw its reservation.

At the meeting, Mr Clinton Davis, the new Member of the Commission with special responsibility for consumer affairs, outlined Community thinking on the subject. He put particular emphasis on the new impetus the Commission intends giving to consumer protection and information policy, which is an essential complement to the completion of the internal market.

Consumer information, education and representation

Consumers Consultative Committee

2.1.69. The Consumers Consultative Committee met in Brussels on 27 and 28 February.

Mr Clinton Davis informed the Committee of his programme of work for 1985, stressing the need both to continue and conclude the second Community programme on consumer protection and information and to ensure that consumer interests were taken into account by and integrated into other Community policies. He also emphasized the importance of supplementing the measures already introduced with new initiatives, notably in the fields of product safety, labelling of foodstuffs, dangerous chemical substances used in the home, the toxicological dangers arising from products, the safety of electrical toys, measures to prevent accidents in the home, services (package tours, after-sales services) and unfair advertising.

The first item of business was the election of Mr Hilkens (Netherlands) to the chair and of Mrs Federspiel (Denmark, the outgo-

¹ Bull. EC 10-1984, point 2.1.83.

² Bull. EC 7/8-1974, point 2231.

³ OJ C 241, 14.10.1976; OJ C 271, 26.10.1979.

⁴ OJ C 22, 29.1.1977; Bull. EC 1-1977, point 2.1.36; OJ C 127, 1.6.1978.

ing chairman), Mr Le Beller (France) and Mr Semler-Collery (France) as deputy chairmen. The Committee then gave its opinion on the Commission's farm price proposals for 1985/86: it supported the proposals but felt that the Commission should do more to hold down prices, especially where there were quotas. In an opinion delivered in December¹ the Committee had expressed its views on the CAP as a whole, but this latest opinion concentrates on the most important products for consumers—milk, beef and veal, cereals, sugar, fruit, vegetables and olive oil.

The Committee also announced its intention of taking an active part in the debate on the future of European agriculture which the Commission hopes to organize in mid-1985.

Agriculture

Council

2.1.70. At its meeting of 25 to 27 February (→ point 2.4.13) the Council reached agreement on the reform of the wine sector, in line with the conclusions of the European Council in Dublin, and on the changes proposed by the Commission in the system of milk quotas for the current marketing year (→ point 1.1.1 *et seq.*).

The Council also made progress on the definition of measures relating to the adjustment of the policy on structures; discussion of this matter will be resumed on 11 March, when the Ministers of Agriculture and of Financial Affairs will hold parallel meetings (→ point 2.1.1).

The Commission's proposals for agricultural prices and related measures for 1985/86 were considered briefly.

The Agricultural Situation in the Community — 1984 Report²

2.1.71. Introducing its annual report on *The Agricultural Situation in the Com-*

munity, the Commission states that a start was made in 1984 on implementing the detailed proposals put forward in 1983³ for the rationalization of the common agricultural policy. The main guidelines for the reform of the CAP, as reflected in the 1984/85 price decisions adopted on 31 March 1984, were as follows:⁴

- (i) a realistic policy on price levels;
- (ii) the restoration of a single market by dismantlement of the monetary compensatory amounts and introduction of a new system whereby no further positive compensatory amounts could be fixed;
- (iii) the introduction of milk quotas;
- (iv) the continued use of guarantee thresholds and their extension to other products;
- (v) the rationalization of certain aids and premiums;
- (vi) compliance with Community preference.

Later in the year the Council approved some of the measures which the Commission proposed for the adjustment of the Community policy on structures. The Council also adopted a resolution establishing a programme for the harmonization of national laws, particularly in the veterinary and plant health sectors, as a necessary step towards the consolidation of the common agricultural market.⁵

Now well under way, the programme for the rationalization of the common agricultural policy must not be allowed to lose momentum. The Council has before it at the present time proposals relating to several essential points of the programme, such as

¹ Bull. EC 12-1984, point 2.1.138.

² This report, published in conjunction with the *Eighth General Report on the Activities of the European Communities*, can be obtained from the Office for Official Publications, L-2985 Luxembourg. Detailed information concerning developments on the various agricultural markets may be found in 'The Situation of the Agricultural Markets — 1984 Report' (COM(84)767 final).

³ Supplement 4/83 — Bull. EC; Bull. EC 7/8-1983, points 1.1.1 to 1.1.20.

⁴ Bull. EC 3-1984, point 1.2.1 *et seq.*

⁵ OJ C 134, 22.5.1984; Bull. EC 5-1984, point 2.1.139.

the reform of the wine sector (→ point 1.1.2) and the new policy on structures.

A major development in 1984 was the exceptional increase in Community farm output, which reached record levels for several products: cereals production totalled almost 150 million tonnes; sugar beet production was 13% up on 1983, potatoes 19%, cereals 22%, oilseeds 34% and durum wheat 59%. Most of these increases are attributable to improved yields on much the same acreages. Generally speaking, weather conditions were ideally suited to the new high-yield varieties.

For livestock products, trends were more varied. Beef production, which is on the upward phase of its cycle, was boosted still further by the slaughter of cattle following the introduction of milk quotas and was about 5% up on 1983; the new arrangements to control milk production brought about a slight decrease in deliveries, which were about 2% down on 1983, and it is hoped that deliveries will fall into line with quotas in 1985. Production of pigmeat, poultrymeat and eggs showed little or no change.

Producer prices increased slightly less than the prices of inputs. Farm incomes themselves, however, improved thanks to the increase in production.

2.1.72. The 1984 report includes three special articles on topical subjects related to the common agricultural policy: income disparities in Community agriculture; the outlook for the supply of and demand for agricultural products in the Community to 1990; Community imports of food and other agricultural products.

Economic aspects of the common agricultural policy

Agricultural incomes in 1984

2.1.73. Towards the end of February the Commission published revised estimates of agricultural incomes in 1984 worked out on

the basis of methods harmonized at Community level (sectoral income index) and of forecasts sent in by the statistical offices in the various Member States.

The estimates point to a definite improvement in incomes in 1984 over 1983: the agricultural incomes of all persons working in agriculture (measured in terms of net value-added at factor cost per work unit, paid and unpaid) increased in 1984 by 4.3% in real terms for the Community taken as a whole, contrasting with an average reduction in 1983 of 6.1%. None the less, incomes deteriorated in real terms in 1984 in three Member States—Belgium (−6.5%), Italy (−1.1%) and Luxembourg (−0.5%). In all the other Member States there were increases—in some cases large ones: France 2.1%, Germany 5.7%, Netherlands 6.0%, Ireland 7.4%, United Kingdom 10.1%, Greece 11.6%, Denmark 35.5%.

Also, the Commission has published for the first time—but only for the eight Member States for which statistics were available—estimates on changes in the agricultural income of the farmer and his family (measured in terms of net value-added at factor cost, minus interest, rent and wages paid, per unpaid work unit). For 1984, the estimates indicated an average increase in incomes for the eight Member States of 4.3% in real terms.

Market organizations

2.1.74. At its meeting of 25 to 27 February the Council reached agreement on changes in the organization of the wine market and on adjustments to the milk quota arrangements (→ point 1.1.1 *et seq.*).

The situation of the agricultural markets — 1984 report

2.1.75. On 4 February the Commission transmitted its 1984 report on the situation of the agricultural markets to the Council.¹

¹ COM(84)767 final.

The report, which was summarized in *The Agricultural Situation in the Community — 1984 Report* (→ point 2.1.71), is in three parts: an introduction with a summary of the situation on the principal markets and the outlook for agricultural markets, an analysis by sector both for products subject to and for products not subject to common market organization, and surveys of certain groups of sectors.

Milk and milk products

Additional levy to control milk production

2.1.76. The measures implemented from 2 April 1984 onwards to bring milk production under control¹ have influenced the level of milk deliveries since that date. In the first nine months of the scheme's operation, the quantities of milk collected were 4% down on the corresponding nine months of 1983, while production of butter and milk powder fell by 12% and 20% respectively.

Because of teething problems with the new scheme, the Council approved, at its meeting of 25 to 27 February, a number of changes to make it more flexible, particularly during the first 12 months of operation (→ point 1.1.1 *et seq.*).

Intervention stocks (public and private)

	14.2.1985	16.2.1984
Butter	896 470	869 814
Skimmed-milk powder	578 878	967 127
Cheese	81 046	69 858

Special schemes for the sale of butter stocks

2.1.77. Under the special schemes adopted in October 1984 (Regulations (EEC) Nos 2268/84 and 2278/84),² whereby butter which has been in public storage for some

time may be sold outside the Community, contracts were concluded on 15 February for the sale of some 134 000 tonnes of butter, including about 130 000 tonnes for the USSR and about 3 200 tonnes in the form of pure butter ghee, a product consumed in the Middle East.

Because of the danger that these measures might discourage sales of butter held in private storage, the Commission decided on 22 February to grant aid of 27.50 ECU/100 kg for butter held under private storage contracts which is intended for export to non-member countries under Regulation (EEC) No 2268/84.³

As for sales within the Community, the operation of the 'Christmas butter' scheme (Regulation (EEC) No 2956/84)⁴ was satisfactory from the technical point of view. By 10 February contracts had been concluded for the sale of all the quantities from public (142 800 tonnes) and private (27 000 tonnes) storage.

2.1.78. On 25 February the Commission approved a special measure to promote butter consumption in West Berlin. Some 900 tonnes of butter from German intervention stocks has been made available free of charge for direct consumption. It will be marketed in twin packs containing 250 g of intervention butter and 250 g of market butter but selling for the price of the latter only. These packs will be in the shops from 15 April to 30 June.

2.1.79. On 15 February Parliament delivered an opinion⁵ on the Commission proposal of April 1984 on the designations used in the marketing of milk and milk products.⁶ While endorsing without reservation the principle that consumers should be fully and clearly informed of the nature

¹ Bull. EC 3-1984, point 1.2.4.

² OJ L 279, 23.10.1984; Bull. EC 10-1984, point 2.1.99; Bull. EC 11-1984, point 2.1.99; Bull. EC 12-1984, point 2.1.54.

³ OJ L 54, 23.2.1985.

⁴ OJ L 279, 23.10.1984; Bull. EC 10-1984, point 2.1.99.

⁵ OJ C 72, 18.3.1985.

⁶ OJ C 111, 26.4.1984; Bull. EC 4-1984, point 2.1.98.

of the products concerned, Parliament had several criticisms and suggestions to make concerning the Commission proposal.

*Cereals*¹

2.1.80. According to the provisional statistics available to the Commission, the quantities of usable common wheat from the 1984 harvest totalled 70.2 million tonnes, compared with 54.5 million tonnes in 1983. This increase in availabilities for 1984/85 has depressed market prices, which from August 1984 to February 1985 were 5 to 10% lower than those recorded during the corresponding period in 1983/84.

This state of affairs should encourage wider use of common wheat as feed; even so, it is unlikely that the quantities used in 1984/85 will exceed the 1983/84 level (about 13 million tonnes), since cereal substitutes, being highly flexible in price, exert considerable pressure on the market in feedingstuffs and tend to restrict sales of fodder cereals.

Export contracts for common wheat as at 28 February covered a total of 12.3 million tonnes (grain equivalent), including 713 000 tonnes for supply as food aid. The lack of information concerning the scope for exports between now and the end of the marketing year makes it difficult to forecast the volume of carryover stocks of common wheat on 31 July. They are expected, however, to exceed 15 million tonnes, most of which will be in intervention storage.

2.1.81. Durum wheat production in 1984, at 6.05 million tonnes, was also well up on previous years.

Since world market outlets are relatively limited and since utilization within the Community is steadily declining (by 3.5% per year), the Community should have a surplus (carryover stocks) of some 2 million tonnes by the end of 1984/85.

Processed fruit and vegetables

2.1.82. Storage agencies in Greece are still holding 19 000 tonnes of dried grapes from

the 1982 harvest² and thus qualify for storage aid including the financing costs entailed by the buying-in of the grapes. Since the grapes are now worth less and can only be sold as feed, the Commission decided on 12 February to grant partial financial compensation and to reduce the storage aid for such products.³ This will ease the financial burden on the Community.

*Eggs and poultry*⁴

2.1.83. In 1984 total Community egg production (including eggs for hatching) was 0.2% down on 1983 and stood at 4.18 million tonnes.

Although exports of eggs in shell to non-member countries are steadily declining (down by 20 000 tonnes or 17% compared with 1983), average Community market prices were 12.1% higher than in 1983; the increase in the individual Member States ranged from 3.3% in Ireland to 40.5% in Greece. In 1984 consumption increased in some Member States (France, Netherlands), while the price of compound feedingstuffs showed a substantial fall over the year.

At the beginning of 1984 high prices resulted in a temporary rise in poultry numbers. It is therefore expected that production in the first quarter of 1985 will be greater than in the first quarter of 1984. At the beginning of 1985, however, increased exports (particularly to the Middle East) were maintaining prices at satisfactory levels, account being taken of the low cost of feedingstuffs.

2.1.84. Poultrymeat production in 1984 totalled 4.72 million tonnes (0.9% down on 1983). It is expected that the 1985 figure will show a 0.4% increase.

In 1984 chicken production was 0.6% down on 1983 but is expected to rise again by the same percentage in 1985, thus returning to

¹ Bull. EC 10-1984, points 2.1.91 and 2.1.92.

² Bull. EC 12-1984, point 2.1.159.

³ OJ L 42, 13.2.1985.

⁴ Bull. EC 7/8-1984, points 2.1.126 and 2.1.127.

its 1983 level (2.88 million tonnes). Exports of chicken in 1984 were about 22.5% down on 1983, as the main importing countries became more self-sufficient. Although consumption was slightly greater overall, it declined somewhat in certain Member States (especially Italy). One general feature has been the relative stability of prices in the Community (on average, 4.2% up on 1983), partly because of the substantial drop in feed prices. Another positive factor is the increased demand, at this time of year, for boiling fowl and for poultry cuts and preparations.

In 1985 turkey production should increase by 1.3% as compared with 1984 and should total 716 000 tonnes. Turkey is now facing keener competition from other types of meat such as beef (minced forequarters).

Duck production continues to increase. In 1985 it is expected to total 137 200 tonnes, a 5% improvement on 1984, which in its turn was 8.4% up on 1983. Production is expanding particularly in France, where there is increasing consumer demand for cuts.

Beef/veal

2.1.85. In 1984 the market organization in beef/veal went through one of its most difficult periods, although by the end of the fourth quarter average Community prices were back at the level recorded 12 months previously. The peak of the production cycle coincided with the reduction in dairy herds which followed the introduction of milk quotas and caused prices to decline more rapidly, particularly in the second and third quarters.

At the end of July, when prices were the lowest ever recorded, the Commission took a number of special measures to support prices, including large-scale intervention and private storage aid. The market responded, with prices rising by about 6% over the last five months of the year. At the same time, sizeable stocks were building up in both public and private storage, despite unprecedented exports (about 850 000

tonnes) and fewer imports (about 400 000 tonnes). At the end of the year, intervention stocks stood at 665 000 tonnes while, of the 275 000 tonnes placed in private storage, some 170 000 tonnes were still in stock at the end of December.

The volume of production, estimated at 7.5 million tonnes in 1984, should fall in 1985, even if the effect of the milk quotas continues to be reflected in the number of cattle slaughtered for at least the first half of the year. Since consumption, which stood at 6.8 million tonnes in 1984, is expected to increase only very slightly this year, the outlook for the beef market in 1985 is scarcely encouraging, even assuming trade figures comparable to those of last year.

Structures

2.1.86. On 19 February the Council renewed¹—until 31 August and 31 December respectively—two Directives, one on the programme to accelerate the restructuring and the conversion of vineyards in certain Mediterranean regions in France, the other on the programme for the acceleration and guidance of collective irrigation works in Corsica.

Renewal of these two Directives—and of a Regulation concerning the improvement of infrastructure in certain rural areas and a Regulation on a 'common measure' for forestry in certain Mediterranean areas of the Community²—had been proposed by the Commission in November 1984,³ pending a Council decision on the integrated Mediterranean programmes (IMPs).

2.1.87. On 15 February Parliament endorsed⁴ the Commission proposals as a whole, deploring the Council's failure to act more quickly on the IMPs.

¹ OJ L 58, 26.2.1985.

² These two Regulations were adopted by the Council on 12 March: OJ L 86, 27.3.1985.

³ OJ C 302, 13.11.1984; Bull. EC 11-1984, point 2.1.107.

⁴ OJ C 72, 18.3.1985.

Forestry policy

2.1.88. An evaluation test on combined land and airborne operations to combat forest fires, entitled 'Florac 85', was organized in France from 7 to 15 February (→ point 2.1.63).

Agricultural legislation

Veterinary and animal husbandry legislation

2.1.89. Between November 1984 and February 1985 the Commission sent to the Council a number of proposals and communications on veterinary and animal husbandry matters.

2.1.90. In the veterinary context the Commission proposed on 29 November an amendment to Decision 7/97/EEC on the financing by the Community of certain emergency measures in the field of animal health.¹ The aim is to provide Community financial aid as an incentive to the Member States to take prompt action against outbreaks of non-exotic foot-and-mouth disease.

On 3 January the Commission transmitted to the Council a proposal for Community involvement in the campaign against foot-and-mouth disease in south-east Europe.² This would take the form of a financial contribution towards the FAO programme for 1985 and 1986.

The Commission's report on the implementation of earlier decisions to support the 1979-84 FAO programme was sent to the Council and to Parliament.³ According to the Commission, the establishment of buffer zones along the Bulgarian, Greek and Turkish borders as a barrier against the spread of FMD viruses has made it possible to protect cattle herds in the Community.

2.1.91. In the animal welfare context, the Commission recommended in February that the Council should authorize it to negotiate Community participation in the European

Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes.⁴ The Commission feels that it must be possible for the Community as such to become a Contracting Party to this Council of Europe Convention once it is open for signature. Following its recommendation, the Commission transmitted two reports to the Council, one concerning the scientific and economic aspects of the welfare of battery-managed layer hens and the other concerning current research into the protection of animals during international transport.⁵

2.1.92. On 26 February the Commission adopted,⁶ for transmittal to the Council, a proposal whereby special health requirements would apply to intra- and extra-Community trade in animal glands and organs, including blood, intended for use as raw materials for the European pharmaceutical industry.

2.1.93. On 7 November the Commission, which has responsibility for the administration of protective measures, acknowledged the eradication of foot-and-mouth disease in Greece by repealing the restrictions on trade.⁷ In Italy, on the other hand, late 1984 and early 1985 saw the Community's most serious outbreak of foot-and-mouth disease since 1974. The first cases were notified on 27 November 1984 in Modena province. The disease then spread into several other provinces, including Brescia and Cuneo. In view of these developments, the Commission imposed restrictions on trade in live animals, meat and meat products from certain parts of Italy.⁸

With classical swine fever persisting in Germany, the Commission suspended the swine-fever-free status of Schleswig-Hol-

¹ OJ C 327, 8.12.1984.

² OJ C 31, 1.2.1985.

³ COM(85) 35 final.

⁴ COM(85) 54 final.

⁵ COM(85) 70 final.

⁶ OJ C 68, 15.3.1985; COM(85) 57 final.

⁷ OJ L 297, 15.11.1984.

⁸ OJ L 16, 19.1.1985, OJ L 44, 14.2.1985, OJ L 46, 15.2.1985, OJ L 63, 2.3.1985.

stein and withdrew this status from the Regierungsbezirke of Detmold, Hannover and Lüneburg.²

The Commission adopted a number of implementing decisions. For example, the Community will make a financial contribution towards the eradication of contagious bovine pleuro-pneumonia in France³ and blue-tongue disease in Greece.⁴ The Commission also approved changes to the plans submitted by Italy,⁵ Germany and Greece for the accelerated eradication of classical swine fever, and on 30 January it laid down the codes to be used for the notification of livestock diseases in the Community.

2.1.94. As regards veterinary inspection, the Commission continued to extend the public health and animal health requirements applicable to imports of livestock or fresh meat from non-member countries. Following inspections carried out in several non-member countries, the relevant lists of establishments approved for the export of fresh meat to the Community were updated, as were the health requirements and health certificates applicable to Community imports of fresh meat from certain other non-member countries (masseters from Brazil, Paraguay and Uruguay; fresh meat from the USA).

The Commission also arranged for expert assessments of certain Community establishments producing fresh meat, in accordance with the procedure laid down for handling disputes between Member States.

Competition

2.1.95. Under Articles 92 to 94 of the EEC Treaty, the Commission decided to make no comment on the introduction of proposed schemes notified by:

Federal Republic of Germany

North Rhine Westphalia: aids for farmers to offset the effects of natural disasters.

Saarland: aid for the amalgamation of two dairy cooperatives.

Ireland

Investment aids to encourage energy-saving by the use of solid fuel.

Luxembourg

Aids to encourage farmers to leave agriculture.

2.1.96. The Commission decided to initiate the Article 93(2) procedure in respect of a French subsidy towards feed costs, an aid granted per head of cattle.

2.1.97. The Commission raised no objection to three other schemes in the same sector (aid to cover the balance outstanding on investment loans, aid in the form of short-term low-interest management loans, aid in connection with social security).

2.1.98. The Commission decided to terminate the Article 93(2) procedure in respect of a German aid involving support for small herds in Hessen, the scheme having been withdrawn by the authorities.

2.1.99. Under the same procedure the Commission reached a final decision finding against the supply of natural gas to Dutch horticulturists at preferential rates. The Commission took the view that the resulting subsidy was incompatible with the common market and asked that the preferential rates be discontinued.

European Agricultural Guidance and Guarantee Fund

2.1.100. In 1984 the EAGGF Guidance Section paid 438 476 116 ECU to the Member States either as reimbursement of expen-

¹ OJ L 16, 19.1.1985, OJ L 44, 14.2.1985.

² OJ L 63, 2.3.1985.

³ OJ L 312, 30.11.1984.

⁴ OJ L 16, 19.1.1985.

⁵ OJ L 46, 15.2.1985.

diture incurred in 1983 and earlier years or as advance payments for 1984 in respect of expenditure to be incurred under certain Regulations and Directives providing for specific programmes on behalf of less-favoured areas.

The sums reimbursed related to expenditure under the 1972 socio-structural Directives, the Directives and Regulations on less-favoured areas and the Regulations, Directives and Decisions relating to the market organizations.

2.1.101. On 27 February the Economic and Social Committee delivered an opinion (→ point 2.4.25) on the proposal for a Regulation amending the general rules for the financing of intervention by the EAGGF Guarantee Section.¹

2.1.102. On 14 February Parliament adopted two resolutions concerning fraud perpetrated by the Mafia against the Community (→ point 2.4.11).²

Fisheries

Resources

Internal aspects

Community measures

TACs and quotas for 1985

2.1.103. On 28 February the Commission transmitted to the Council a proposal³ whereby the Regulation of 19 December fixing the TACs and quotas for 1985⁴ would be amended to take account of the bilateral consultations with Norway and Sweden on reciprocal fishing rights for 1985 and the conditions governing the exercise of these rights in the Skagerrak and Kattegat.

Prohibition measures

2.1.104. On 18 February the Commission, acting on information received from the

national authorities concerning the exhaustion of certain quotas, prohibited Netherlands vessels from fishing for sole or plaice in divisions VII h, j and k and from fishing for cod in subareas VII (excluding VIIa) and VIII (EC zone).⁵

National measures

Protection of local stocks

2.1.105. Under Article 19 of Regulation (EEC) No 171/83,⁶ the Commission approved the following national measures on 4 February:

- (i) a draft United Kingdom by-law prohibiting the use of trawls by UK vessels exceeding 12 metres in length fishing for scallops in the Southern Sea Fisheries District;
- (ii) a draft United Kingdom by-law prohibiting any use of nets in fishing for migratory salmon or trout in the estuary of the River Wansbeck in North-East England.

Measures stricter than Community rules

2.1.106. On 14 February the Commission took note of the following national measures, stating that it might at any time review their compatibility with Community law and the common fisheries policy:

- (i) an Irish measure introducing compulsory licence arrangements for Irish vessels fishing for herring in the Celtic Sea; the Commission found this measure to be compatible with Article 5(2) of Regulation (EEC) No 170/83;⁶
- (ii) an Irish proposal for the reintroduction, with effect from 22 October, of a national measure approved by the Commission on 2 April, namely an order which applied from 29 February to 30 April and

¹ Bull. EC 11-1984, point 2.1.113.

² OJ C 72, 18.3.1985.

³ COM(85) 62 final.

⁴ OJ L 1, 1.1.1985; OJ L 13, 16.1.1985.

⁵ OJ L 49, 19.2.1985.

⁶ OJ L 24, 27.1.1983.

which prohibited Irish vessels exceeding 55 feet in length from fishing for mackerel unless duly licensed.

Measures to give effect to Community rules

2.1.107. The Commission took note of the following national measures, stating that it might at any time review their compatibility with Community law and the common fisheries policy:

(i) on 6 February, a 1984 Irish order to give effect to Regulation (EEC) No 320/84¹ in Irish waters from 7 November to 31 December 1984;

(ii) on 14 February, a United Kingdom measure to give effect to the successive amendments made to Regulation (EEC) No 171/83,² namely the Sea Fishing (Enforcement of Community Conservation Measures) (Amendment) Order 1984;

(iii) on 15 February, an Italian measure to give effect to Article 6(1) of Regulation (EEC) No 170/83² within the Italian 12-mile limit.

External aspects

Multilateral relations

2.1.108. The Commission represented the Community at a meeting of the North American Commission of the North Atlantic Salmon Conservation Organization which was held in Boston on 21 and 22 February.

Markets and structures

Structures

2.1.109. On 4 February the Commission approved³ draft French measures for a temporary reduction in the operations of certain fishing vessels, pursuant to Council Directive 83/515/EEC of 4 October 1983 concerning certain measures to adjust capacity in the fisheries sector.⁴

2.1.110. On 5 February the Commission approved, pursuant to Council Regulation (EEC) No 2909/83 of 4 October 1983⁴ on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector, five projects for exploratory fishing voyages outside Community waters. Four of these projects were submitted by Italy and provide for voyages to the fishing zones of Svalbard, India, Angola and Somalia; the fifth, submitted by Denmark, relates to North Atlantic waters.

2.1.111. The Commission decided to raise no objection to the continuation into 1985, subject to certain conditions, of a German scheme to encourage the conversion and adjustment of the fishing fleet. The aid amounts to DM 7.7 million.³

On the other hand, not having obtained sufficient information for a thorough examination, the Commission decided to initiate the scrutiny procedure provided in Article 93(2) of the Treaty in respect of the fishery provisions of a Sicilian bill concerning the budget for 1984 and the multiannual budget for 1984-86. The provisions in question relate to the financing of investment aids for sea-fishing and aquaculture and a special subsidy for fishermen's cooperatives.

*

2.1.112. During its February session the Economic and Social Committee adopted an own-initiative opinion on the current situation and medium-term prospects in the Community fishing sector (→ point 2.4.23).

Transport

Inland transport

Road haulage

Rate formation

2.1.113. As required, Belgium consulted the Commission on its draft Royal Decree

¹ OJ L 37, 8.2.1984.

² OJ L 24, 27.1.1983.

³ OJ L 59, 27.2.1985.

⁴ OJ L 290, 22.10.1983.

—and Luxembourg on its draft Grand Ducal Regulation—implementing the Council Regulation of 1 December 1983 on the formation of rates for the carriage of goods by road between Member States.¹

On 1 February the Commission delivered a formal opinion stating that the measures in question laid down the requisite provisions for giving effect to the Council Regulation.²

Technical aspects

Road safety

2.1.114. The national road safety experts held their first meeting in Brussels on 13 February to prepare the '1986—Road Safety Year in the Community' campaign.³

Social conditions

2.1.115. On 27 February the Economic and Social Committee gave its opinion (→ point 2.4.25) on the proposal to amend the Regulations of 25 March 1969 and of 20 July 1970 on certain social legislation relating to road transport and on the proposal for a Council recommendation to improve the arrangements for implementing these Regulations in the Member States.⁴

2.1.116. On 28 February the Commission decided⁵ to extend until 31 December 1985 the authorization granted to the United Kingdom in 1981 to exempt certain milk delivery services from the provisions of the Council Regulation of 25 March 1969 on the harmonization of certain social legislation relating to road transport.⁶

Multimodal transport

2.1.117. On 27 February the Commission sent the Council its report⁷ on the implementation of the Council Directive of 17 February 1975 on the establishment of common rules for certain types of combined transport of goods between Member States,⁸ as last amended on 28 July 1982.⁹

The report concludes that this Directive—which frees certain types of combined goods transport operations from all quota arrangements or authorization formalities in order to encourage the growth of combined transport—has had a largely beneficial impact and that combined transport is an adequate response to the call to rationalize and optimize long-distance goods transport services on a Community-wide scale. In addition, the report announces a package of new measures to be taken in this sector of the transport market.

Energy

Specific problems

Solid fuels

2.1.118. On 26 February the Representatives of the Governments of the Member States of the ECSC, meeting within the Council, adopted a Decision¹⁰ amending Decision 77/707/ECSC of 7 November 1977 concerning Community surveillance of imports of hard coal originating in third countries and intended for use in power stations.¹¹

Under the new rules, the governments concerned are required to send the Commission all the requisite data on their hard-coal imports, including details of the countries of origin and of the length of the contracts. By the end of the trial period, this should produce a clearer picture of the prices paid for imported coal.

¹ OJ L 359, 22.12.1983; Bull. EC 12-1983, point 2.1.200.

² OJ L 54, 23.2.1985 (Belgium).

³ OJ C 341, 21.12.1984; Bull. EC 12-1984, point 2.1.201.

⁴ OJ C 100, 12.4.1984; Bull. EC 3-1984, point 2.1.168.

⁵ OJ L 73, 14.3.1985.

⁶ OJ C 73, 17.3.1979 (consolidated version).

⁷ COM(85) 34 final.

⁸ OJ L 48, 22.2.1975.

⁹ OJ L 247, 23.8.1982.

¹⁰ OJ L 63, 2.3.1985.

¹¹ OJ L 292, 7.11.1977.

Alternative energy sources and energy saving

2.1.119. On 25 February the Commission sent the Council, Parliament and the Economic and Social Committee two evaluation reports—one on the energy demonstration programme, the other on the demonstration programme on the liquefaction and gasification of solid fuels. Both favoured continuing the programme started in 1978. Accordingly, the Commission also presented two proposals for Regulations to extend the programme for five more years when the current Council Regulations expire, at the end of 1985.

2.1.120. The first evaluation report—on the energy demonstration programme¹—was written by a team of independent experts. It stresses that the Community leads the industrialized world in its efforts to use innovatory technology to save energy, to find alternative sources of energy and to replace oil.

The second report was written by the Commission departments themselves, with the assistance of an independent expert, and evaluates the demonstration programme on the liquefaction and gasification of solid fuels.² Overall, after a 30-year interval, this programme has resuscitated all the research,

development and demonstration activities in this field, but only at the cost of heavy financial investment and human endeavour. The Commission therefore feels that it would be foolish not to continue with the action taken in the solid fuels conversion part of the energy strategy.

So far 804 of the 3 063 projects submitted have received support from the Community totalling 435.1 million ECU, and about 100 of them have already been completed. The programmes have contributed towards a total investment of 2 148 million ECU, Community support averaging approximately 20% of the cost of the projects.

Since 1978, when the Community demonstration programme was started,³ invitations to submit projects have been published every year. The latest one (for 1985) was issued on 10 December 1984.⁴ The table set out below sums up the results:

¹ COM(85) 29 final/2.

² COM(85) 29 final/3.

³ OJ L 158, 16.6.1978; Bull. EC 5-1978, points 2.1.101 and 2.1.102.

⁴ OJ C 330, 10.12.1984; Bull. EC 12-1984, point 2.1.214.

Community demonstration programmes (1978-84)

	Number of projects submitted	Total investment required in the projects submitted (million ECU)	Number of projects selected	Costs borne (million ECU)	Support paid by the Community (million ECU)	Average level of support (%)
Energy saving	1 562	5 299	352	632	149.1	24
Alternative sources	1 270	2 128	385	693	124.1	18
Substitution of hydrocarbons	145	1 314	36	429	38.1	9
Liquefaction and gasification	86	2 346	31	394	123.9	31
Total	3 063	11 079	804	2 148	435.1	20

2.1.121. The two proposals for Regulations put forward by the Commission are both designed to set up a five-year financial support programme beginning on 1 January 1986—one to promote demonstration projects relating to the exploitation of alternative energy sources, energy saving and the substitution of hydrocarbons (allocated 545 million ECU), the other to promote pilot industrial projects and demonstration projects relating to the liquefaction and gasification of solid fuels (allocated 155 million ECU).¹ Particular emphasis has been placed on circulating clear comparable data on the individual projects sponsored by the national and European authorities, with the help of the Sesame data base. To avoid penalizing success, the Commission has also proposed that the Community grants should in future be non-repayable, even if the project is a commercial success. These facilities should be enough to surmount industrialists' reluctance to apply innovative technologies due, above all, to the very long pay-back times for energy projects, ranging from three or four years for energy-saving projects (which, according to the Commission, could cut energy requirements by between 20% and 30% by the end of the century if developed) to 5 to 15 years for projects on alternative energy sources and the substitution of hydrocarbons (which could cover 10% of the Community's energy requirements by the year 2000) and, finally, to over 15 years (until the next century) for projects on the liquefaction and gasification of solid fuels.

The main aim of these two Regulations is to provide a basis for continuing with the Community demonstration programme started in 1978² and twice extended since—first in 1983 and again in 1984. In 1982,³ just before the original two Regulations setting up the system expired, the Commission wrote an evaluation report to help the Council decide whether to continue with the programme.⁴ In the end the Council failed to agree arrangements for funding a multiannual programme. Instead, in July 1983 it adopted two one-year Regulations, each expiring at the end of 1983.⁵ In July

1984⁶ the funding problem was finally settled⁷ and these two one-year Regulations were extended to cover the three years from 1983 to 1985. They allocated 215 million ECU to energy saving, alternative energy sources and the substitution of hydrocarbons and 50 million ECU to liquefaction and gasification.

Research and development

Community R&D policy

Structures and procedures

2.1.122. On 20 February the Commission appointed Sir John Kendrew, Nobel Prize winner in chemistry, to chair the recently established Board of Governors of the Joint Research Centre and Mr Leon Van Hove, Director-General of Research at CERN, Geneva, from 1975 to 1980, to chair the Scientific Council.

The Board of Governors, whose members represent the Governments of the Member States, is to be responsible for making the adjustments to the overall programme established by the Council which are needed to ensure flexibility in its management and execution.

The Scientific Council, composed of eminent European scientists and directors of research bodies, will advise on scientific and managerial matters.

Coordination of national policies

2.1.123. The Scientific and Technical Research Committee met in Brussels on 21

¹ COM(85) 29 final.

² OJ L 158, 16.6.1978; Bull. EC 5-1978, points 2.1.101 and 2.1.102.

³ Bull. EC 6-1982, point 2.1.159.

⁴ OJ C 227, 1.9.1982; Bull. EC 7/8-1982, point 2.1.174; Bull. EC 11-1982, point 2.1.130.

⁵ OJ L 195, 19.7.1983; Bull. EC 7/8-1983, points 2.1.191 and 2.1.192.

⁶ OJ L 196, 26.7.1984; Bull. EC 7/8-1984, point 2.1.176.

⁷ Bull. EC 3-1984, point 2.1.182.

February and adopted—after making a number of amendments—the annual report on statistics concerning public financing of R&D in the Member States.

The total estimated budgetary appropriations for R&D in 1984 in the 10 Member States amount to some 31 000 million ECU, i.e. an increase in real terms of 12.1% over 1983.

By way of comparison, the R&D appropriations for the Community in 1983 totalled 28 600 million ECU, whereas in the same year the total federal expenditure of the United States on research was USD 38 700 million, or about 43 500 million ECU.

It was in Italy that the estimated appropriations showed the greatest increase in 1984.

Effectiveness of the Community's scientific and technical potential

2.1.124. The Committee for the European Development of Science and Technology (Codest) met in Brussels on 1 February with Dr Colombo in the chair. Mr Karl-Heinz Narjes, Vice-President of the Commission, presented the broad outline of the policy which he intends to pursue as regards Community research.

Codest recommended that, pending a formal decision from the Council on the plan for stimulating scientific and technical exchanges (1985-89) and in order to give the plan the best possible start, the Commission should forthwith embark upon a major campaign for the provision of information to the scientific circles concerned. Advance notice of a call for proposals was therefore issued in February. It specifies the kinds of support to be provided (twinning of laboratories, research grants, traineeships) and describes the opportunities that will be open to prospective contractors to submit their proposals once the Council has formally adopted this project.

International cooperation

2.1.125. On 18 February the Council concluded two agreements, one between the

Community and Switzerland on research and development on wood as a renewable raw material, and the other between the Community and Sweden on three concerted-action projects in the field of hearing impairment, thrombosis and disabilities and that of nutrition.¹

Sectoral R&D activities

Energy

Nuclear fusion energy

2.1.126. On 18 February the Commission, having received Parliament's opinion,² amended³ its two proposals for Council Decisions concerning a research and training programme (1985-89) in the field of controlled thermonuclear fusion and the setting-up of a tritium-handling laboratory.⁴

Nuclear fission energy

2.1.127. On 12 February the Commission, having received Parliament's opinion,² amended⁵ its proposal for a Council Decision adopting a programme on the management and storage of radioactive waste.⁶

Joint Research Centre

2.1.128. On the occasion of his first visit to the Ispra Establishment on 19 February, Mr Karl-Heinz Narjes, Vice-President with special responsibility for research, inaugurated two installations, 'FARO' and 'LDTF', which were set up under the reactor safety programme. Since the trial operation and calibration period for both of these instal-

¹ OJ L 58, 26.2.1985.

² OJ C 46, 18.2.1985.

³ OJ C 73, 19.3.1985; COM(85) 40 final; COM(85) 31 final.

⁴ OJ C 198, 27.7.1984; Bull. EC 5-1984, points 2.1.195 and 2.1.196.

⁵ OJ C 73, 19.3.1985; COM(85) 23 final.

⁶ OJ C 166, 26.6.1984; Bull. EC 4-1984, point 2.1.129.

lations has come to an end, it is now possible to initiate the practical experimental and research phase, the purpose of which is summarized briefly below:¹

(i) FARO (fuel melting and release oven) is a multipurpose facility for studying the phenomena and consequences associated with accidents resulting in fuel meltdown in a fast reactor, in order to develop procedures for preventing releases of radioactivity;

(ii) LDTF (large dynamic test facility) is a machine which allows studies to be made of the behaviour of materials and structures subjected to dynamic loads of the same order of magnitude (up to 5 MN or 500 tonnes) as those likely to occur during a serious accident (for example, an earthquake or an aircraft crash).

2.1.129. On 14 February the Community's materials-testing reactor (HFR) at Petten in the Netherlands resumed routine operation at 45 MW with a new reactor vessel. The original vessel had been in service for over 20 years, and it was likely that the condition of the aluminium tank had deteriorated after such a long exposure to neutrons.

This complex operation, which took 14 months to complete and had never previously been attempted in a reactor of that size, was prepared over several years in order to take advantage of the latest design features to provide a much improved vessel.

The plant was shut down at the end of November 1983, and the old tank was then removed and dissected into pieces convenient for storage as radioactive waste.

After decontamination of the shielding-water tank, the new vessel and neutron-beam tubes were installed and the reactor was placed in service again. All stages of the operation were recorded on videotape so as to enable the experience acquired to be used as a basis for similar operations carried out elsewhere.

The refurbished installations provides better access to experimental positions, has

improved facilities and enables all critical zones to be inspected in service.

Non-nuclear energy sources

2.1.130. Among the most recent models developed by the Commission under the multiannual research programme in the field of non-nuclear energy² is 'EFOM 12 C', which simulates energy production and optimizes primary energy requirements and the amount of investment needed to satisfy a given level of final energy demand.

The constraints built into the model may be physical—such as operational-balance constraints (distribution coefficient), capacity constraints and flow-limitation constraints—or political—such as import controls.

The model covers each individual country in the Community, but is also multinational in character since potential imports and exports of the main varieties of fuel are also taken into account.

Both intra-Community trade and trade with non-Community countries are covered. Within the Community, a distinction is made according to the country concerned, whereas in the case of external trade a distinction is made according to groups of countries, i.e. the eastern bloc, OPEC and the west.

The model also contains information relating to costs (investment costs and operating costs per unit of capacity, the cost of purchasing imported products and of exports) and can provide overall results, for example as regards certain pollutants.

The publication describing EFOM 12 C comprises three volumes: the first contains a mathematical description of the model; the second, intended for users, describes the technical and economic information stored in the European Energy Data Base (EEDB); the third, for programmers, covers the two

¹ Further details of the two installations will be presented in a forthcoming issue of the Bulletin.

² OJ L 231, 13.9.1979.

alternative operating options, namely simulation and optimization.¹

2.1.131. On 11 February Parliament endorsed² the proposal for a Council Decision adopting a research and development programme for the optimization of the production and utilization of hydrocarbons (1984-87).³ However, it requested the Commission to ensure that the procedures for adopting the programme would not delay the adoption of the R&D programme on non-nuclear energy.

Raw materials

2.1.132. The setting-up of the new Management and Coordination Committee provided an opportunity to present its members with a necessarily non-exhaustive review of the current raw materials research programme (1981-85)⁴ by taking stock of the research topics of the principal results so far obtained in this field. A brief summary of these results is given below for each of the three subprogrammes: 'recycling of urban and industrial waste', 'wood as a raw material' and 'substitution and technical ceramics'.⁵

Recycling of urban and industrial waste

2.1.133. The sum of 9 million ECU was allocated to 81 contracts. The results are as follows:

(i) 38 contracts were placed in the field of sorting, analysis and material recovery. Patents were filed on: improvement of household refuse separation plants; recovery of plastics by methods which avoid separation of the various fraction (e.g. production of composites based on cellulose, ligno-cellulose materials and plastics, recovery and processing of heterogeneous plastics);

(ii) 12 contracts were placed in the area of energy production, covering: development of refuse-derived fuel (RDF) combustors; storage and conveyance of RDF; improvement of pelletizing process for RDF;

measurements and analysis of various kinds of RDF;

(iii) 31 contracts concerned the biological treatment of organic waste. In the field of biogas production, patents were filed for: reactor design, acclimatization and operation; digestion tank for town wastes; process for removing liquid from a mixture.

Wood as a raw material

2.1.134. The sum of 12 million ECU was allocated to 126 contracts. Results were obtained in the key sector of forestry and forest-based industries as regards the cutting-up of small timber and the production of paper pulp from indigenous wood; the conversion of timber without loss of raw material; development of a system which ensures a much more favourable finished product/raw material yield and could easily be applied to small and medium-sized sawmills. A larger-scale project has resulted in the design of a mechanical defibring process with a much lower energy consumption.

Substitution and technical ceramics (materials technologies)

Substitution

2.1.135. The sum of 10.5 million ECU was allocated to 49 contracts. The preliminary results concern: the development of new very-high-strength permanent magnets based on neodymium, iron and boron; applications for patents are being filed in the surface-treatment and cutting-tool fields.

¹ The three volumes of this publication (*Energy supply modelling package*) (EFOM 12 C (Mark I)) are available at BFR 1 260, BFR 2 000 and BFR 550, the first volume from Cabay in Louvain-la-Neuve and the other two from the Office for Official Publications of the European Communities in Luxembourg.

² OJ C 72, 18.3.1985.

³ OJ C 154, 14.6.1984; Bull. EC 5-1984, point 2.1.197.

⁴ OJ L 174, 21.6.1982.

⁵ Corresponding information on the 'metals and mineral substances' and 'recycling of non-ferrous metals' subprogrammes appeared in Bull. EC 1-1985, point 2.1.76 *et seq.*

Technical ceramics, clay-based materials for the ceramics industry

2.1.135a. 42 contracts were concluded.

Technical ceramics (30 contracts)

2.1.136. These contracts relate to research on powder-processing technology (optimization of powders, better reproducibility); the development of new ceramic products based on carbides, nitrides, silicides and oxides; improvement of the fabrication cycle for various ceramic materials (improvement of characteristics such as mechanical strength, thermal insulation properties, resistance to erosion and chemical corrosion).

Clay-based materials (12 contracts)

2.1.137. These relate to research on the identification and analysis of ceramic fabrication faults that entail losses for industry and to studies on the relation between material composition and product properties after drying and firing.

Industry

2.1.138. On 11 February the Council adopted the 1985 work programme for the Esprit programme.¹

Biotechnology

2.1.139. A preliminary notice was published in the Official Journal on 16 February concerning the multiannual research action programme in the field of biotechno-

logy,² to which the Council agreed last December.³ This notice sets out the various projects of the programme.

Environment

2.1.140. Pursuant to the Council Directive of 18 September 1979⁴ amending for the sixth time the Directive of 27 June 1967 relating to the classification, packaging and labelling of dangerous substances,⁵ the practicability of a series of 'recommended' test methods for improved determination of ecotoxicity was evaluated by eight research institutes and chemical industry laboratories.

For this evaluation, 25 chemical substances were used which are frequently placed on the market in quantities exceeding 100 tonnes a year.

It was thus possible to determine the applicability limits of these methods, means of interpreting the results, and the cost of the tests: proposals for improving the methods and for their descriptive texts were also presented, leading to increased harmonization in the conduct of the tests.

¹ OJ L 55, 23.2.1985.

² OJ C 45, 16.2.1985.

³ Bull. EC 12-1984, points 1.7.1 and 1.7.2.

⁴ OJ L 259, 15.10.1979.

⁵ OJ L 196, 16.8.1967.

2. Enlargement and external relations

Enlargement and bilateral relations with applicant countries

2.2.1. The ministerial meetings held with Portugal and Spain on 20 and 19 February respectively were confined to general exchanges of views, since the Council was still considering the Commission's proposals for a compromise package to settle points outstanding on agriculture, fisheries and social affairs.

Portugal

Accession negotiations

2.2.2. The 26th meeting at ministerial level of the Portuguese accession negotiations took place in Brussels on 20 February.¹ The Portuguese delegation gave the Community its initial reactions to the Commission's compromise proposals, noting that the two sides' positions on agriculture were still far apart and rejecting a number of the proposals on fisheries.

Pre-accession aid

2.2.3. In November 1984 the Community and Portugal signed an agreement on the implementation of specific financial aid for improving agricultural and fisheries structures in Portugal.²

On 26 February the Commission sent the Council a proposal for a Regulation to govern the management of that aid and the procedures for appraising and approving projects, programmes or other measures to be carried out.³

Spain

Accession negotiations

2.2.4. On 19 February the 28th ministerial meeting of the negotiations for Spain's

accession to the Communities was held in Brussels.⁴ The Spanish delegation made two statements—one on the state of negotiations on agriculture, fisheries and social affairs, the other on external relations (Latin America).

At the beginning of the month the Community sent statements to the Spanish authorities on: relations between Spain and Portugal in the context of enlargement; customs union (EEC industrial goods) and the regulation of basic quotas on copper, manufactured tobaccos, refined petroleum products and textiles; customs union (ECSC) and provisions on dumping; and external relations, with reference to basic quotas, Community contractual commercial policy (EFTA countries) and the Community's financial cooperation and social policy arrangements for countries receiving preferential treatment.

Commercial policy

Implementing the common commercial policy

Commercial policy instruments

Easing of restrictive measures

2.2.5. Under the Council Regulation of 14 November 1983 on import arrangements for products originating in State-trading countries, not liberalized at Community level,⁵ the Commission took the following measures:

¹ Bull. EC 1-1985, point 2.2.2.

² OJ L 333, 21.12.1984; Bull. EC 12-1984, point 2.2.2.

³ COM(85) 42 final.

⁴ Bull. EC 1-1985, point 2.2.4.

⁵ OJ L 346, 8.12.1983.

Opening of quotas:

Italy—Czechoslovakia: glazed wall tiles of kaolin and clay;¹

Italy—Poland: bulk, man-made, casein staple fibres;¹

United Kingdom—Hungary: tableware and other articles of a kind commonly used for domestic or toilet purposes of porcelain or china or of other kinds of pottery and statuettes and other ornaments and articles of personal adornment, articles of furniture;²

Italy—Poland: unwrought aluminium, alloyed;³

Italy—People's Republic of China: women's hand-embroidered silk woven dressing gowns;³ women's hand-embroidered silk woven nightdresses; women's hand-embroidered linen woven

nightdresses;³ hand-embroidered silk woven bed sheets.

Changes in quotas:

Benelux—German Democratic Republic: textiles;²

Denmark—Poland: textiles.⁴

Changes in import arrangements:

United Kingdom—Soviet Union: elimination of the quantitative restrictions on the release for free circulation of electronic valves and tubes.²

Trade protection

2.2.6. The trade protection measures taken in February are shown in Table 6.

¹ OJ C 45, 16.2.1985.

² OJ C 49, 21.2.1985.

³ OJ C 53, 27.2.1985.

⁴ OJ C 54, 28.2.1985.

Table 6

Council	Commission
<i>Anti-dumping proceedings</i>	<i>Anti-dumping proceedings</i>
Definitive collection of provisional anti-dumping duty imposed on imports of copper sulphate originating in Poland OJ L 41, 12.2.1985 (provisional duty OJ L 275, 18.10.1984)	(i) Rejection of request for reimbursement of definitive anti-dumping duties on: Certain glass textile fibres (rovings) originating in Czechoslovakia OJ L 63, 2.3.1985 (definitive duty OJ L 354, 16.12.1983)
	(ii) Provisional anti-dumping duty on imports of: Certain glass mirrors originating in South Africa OJ L 36, 8.2.1985 (notice of initiation: OJ C 167, 27.6.1984)
	(iii) Notice of initiation of anti-dumping proceedings concerning imports of: Hardboard originating in Argentina, Portugal, Switzerland and Yugoslavia OJ C 47, 19.2.1985 Clogs originating in Sweden OJ C 47, 19.2.1985

Table 6 (continued)

Council	Commission
	<p>Wire rod originating in Brazil, Portugal, Trinidad and Tobago, and Venezuela OJ C 48, 20.2.1985</p> <p>(iv) Acceptance of undertaking given in connection with anti-dumping proceeding concerning imports of: Copper sulphate originating in Poland OJ L 41, 12.2.1985 (provisional duty: OJ C 275, 18.10.1984)</p> <p>(v) Termination of anti-dumping proceedings concerning imports of: Copper sulphate originating in Poland OJ L 41, 12.2.1985</p> <p>Certain boots with fitted ice-skates originating in Czechoslovakia, Yugoslavia, Romania and Hungary OJ L 52, 22.2.1985 (notice of initiation: OJ C 55, 28.2.1984; OJ C 204, 3.8.1984)</p> <p>Certain ball-bearings originating in Thailand OJ L 59, 27.2.1985 (initiation of proceeding: OJ C 179, 7.7.1984)</p>

Treaties and trade agreements: extension or automatic renewal

2.2.7. On 11 February the Council authorized the extension or automatic renewal of a first batch of trade agreements concluded between Member States and non-member countries, due to expire between 1 April and 30 June 1985.¹

Export credits

2.2.8. Meetings were held at OECD in Paris from 18 to 22 February with the participants in the Arrangement on Guidelines for Officially Supported Export Credits ('Consensus').² The subjects discussed were the establishment of interest rates for certain currencies where the commercial interest rates are below the matrix,³ certain technical additions to the agreement on nuclear power stations,⁴ and a new sectoral agreement on aircraft.⁵

Sectoral commercial policy measures

Textiles

Agreements and arrangements with non-member countries

GATT Working Party

2.2.9. The sixth meeting of the GATT Working Party on Textiles and Clothing was held in Geneva on 21 February. The Working Party, which was set up in June 1984, continued its task of examining how trade could be liberalized, with a view to making a complete report to the Contract-

¹ OJ L 48, 16.2.1985.

² Bull. EC 10-1983, point 2.2.10.

³ Bull. EC 1-1985, point 2.2.8.

⁴ Bull. EC 7/8-1984, point 2.2.9.

⁵ Bull. EC 12-1984, point 2.2.9.

ing Parties as soon as possible, in accordance with its terms of reference.

MFA countries

2.2.10. Consultations with Hong Kong took place in Brussels on 11 and 12 February to examine certain management issues.

Relations with industrialized countries

Multilateral aspects

Quadripartite meeting

2.2.11. The first quadripartite meeting of the year was held on 10 and 11 February in Kyoto, Japan. It was attended by Mr Keijiro Murata, Japanese Minister for International Trade and Industry, Mr William Brock, United States Representative for Trade Negotiations, Mr James Kelleher, Canadian Minister for International Trade, and for the Community the new Member of the Commission with special responsibility for external relations and commercial policy, Mr Willy De Clercq.

Mr Brock reiterated his concern at the upsurge in protectionist pressure and stressed the urgent need for a new round of multilateral trade negotiations. All four participants agreed that a meeting of senior officials should be held as early as possible in 1985, so as to obtain a broad consensus among as many countries as possible, both developed and developing.

United States

Carbon steels

2.2.12. On 8 February the United States requested consultations under Article 10 of the Steel Arrangement of October 1982¹ for the products for which no quantitative limits exist under the Arrangement (semi-

finished, tin-free steel, black plate and mid and flat wire). This article takes effect when imports of the products in question increase substantially in such a manner that they disturb the American market.

Should these consultations demonstrate that there has indeed been diversion of trade such as to impair the attainment of the objectives of the Arrangement, then within 60 days of the request for consultations both sides are to take the necessary steps to prevent such diversion. The first consultations took place on 27 and 28 February.

Special steels

Retaliatory measures

2.2.13. To compensate for the restrictive measures taken by the United States in July 1983 against imports of special steels from the Community,² on 6 February 1984 the Council suspended certain tariff concessions, increased certain customs duties and imposed quantitative restrictions on certain products originating in the United States.³

As the US restrictive measures are to remain in force for another year, on 26 February 1985 the Council renewed the retaliatory measures,⁴ on a proposal from the Commission,⁵ for the period 1 March 1985 to 28 February 1986, having taken the amendments to the US measures into account. The customs duty to be applied to US exports of methanol is set at 18.5% from 1 March to 31 December 1985 and 18.3% from 1 January to 28 February 1986, for vinyl acetate at 17.7% from 1 March to 31 December 1985 and 17.2% from 1 January to 28 February 1986, for signalling apparatus such as burglar and fire alarms at 10.1% from 1

¹ OJ L 307, 1.11.1982; Bull. EC 10-1982, point 1.3.1 *et seq.*

² Bull. EC 7/8-1983, points 2.2.38 to 2.2.42.

³ OJ L 40, 11.2.1984.

⁴ OJ L 59, 27.2.1985.

⁵ Bull. EC 1-1985, point 2.2.15.

March to 31 December 1985 and 9.9% from 1 January to 28 February 1986.

Quotas for styrene, polyethylene, sporting and target shooting guns, rifles and carbines, gymnasium and athletic equipment and snow skis were increased in dollar terms by 5.1% on average and by 21.4% in ECU terms, to take account of the depreciation of the ECU against the US dollar.

The Commission allocated among the Member States the products subjected to quantitative restrictions.¹

Steel pipes and tubes

2.2.14. The arrangement concerning Community exports of steel pipes and tubes,² concluded in January, set the Community's share of the US market at 7.6% for 1985 and 1986. In addition, the American authorities agreed to accept, over and above the quota for 1985, 60 000 net tons (i.e. 54 000 tonnes) of pipes and tubes exported from the Community in December 1984 and put into storage before their clearance through customs, owing to the unilateral decision by the USA to close its frontiers from 29 November 1984.³ However, the uncleared quantities amount to a total of some 263 000 tonnes, and how the remaining 209 000 tonnes will be set against the quotas for 1985 and 1986 remains to be settled.

In order to facilitate consultation on this matter the Council adopted a decision (on 26 February) authorizing the Commission to draw up Community export certificates.⁴ This will enable the goods to enter the United States.

Canada

2.2.15. On 27 February, in accordance with Article XIX of the General Agreement, the Commission gave notice to GATT of a list of Canadian products likely to be subject to compensatory withdrawals following extension of the Canadian restrictions on

imports of footwear (for the period 1 December 1984 to 30 November 1985). This list, having been approved by the Council on 26 February, will enter into force on 1 April 1985 unless—within 30 days of its being reported to GATT—it proves possible to reach agreement with Canada on suitable compensation for the trade loss suffered by the Community on the Canadian footwear market for the period of the extension of import restrictions.

Japan

Visit by Mr De Clercq

2.2.16. Visiting Japan for the quadrilateral meeting in Kyoto, Mr De Clercq met the Japanese Prime Minister Mr Yasuhiro Nakasone, the Foreign Minister and other ministers, together with other figures from the Japanese political world and Japanese and European businessmen.

Mr De Clercq stressed the importance which the new Commission attaches to relations with Japan and its willingness to continue expanding cooperation in a number of fields. He also pointed out that the Commission was worried at the persistence of trade imbalances, despite export promotion by the Europeans and public declarations in favour of imports on the Japanese side. He also urged on Japan an active policy of importing manufactures, and asked for fair treatment of Community interests when a further series of measures to open the Japanese market was prepared.

Trade Expansion Committee

2.2.17. The first meeting of the Trade Expansion Committee took place in Tokyo on 26 and 27 February and 1 March. This committee took was set up jointly, for a one-year trial period, by the Commission

¹ OJ L 59, 27.2.1985.

² OJ L 9, 10.1.1985; Bull. EC 1-1985, point 2.2.13.

³ Bull. EC 11-1984, point 2.2.19.

⁴ OJ L 60, 28.2.1985.

and the Japanese authorities to examine and report on precise solutions to problems impeding the development of Community exports to Japan.

Discussions—conducted for the Community by a delegation of Commission officials, with representatives from the Member States—focused on developments affecting trade in goods and services and considered specific concrete issues. At the end of the meeting the Community side presented a detailed written summary of the requests put forward, concerning government procurement, forgery and misleading labelling, distribution, standards and certification, and import procedures.

In addition to the formal sessions of the Committee, the Commission delegation had a series of 'side meetings' with representatives of the Ministries of International Trade and Industry, Finance, Agriculture, Health and Welfare, and Justice.

Australia

2.2.18. Mr Bob Hawke, Prime Minister of Australia, accompanied by Mr John Kerin, Minister for Primary Industry, visited the Commission on 4 February. He was received by Mr Delors, and later took part in round-table discussions with Mr Natali, Mr Andriessen, Mr Narjes, Mr De Clercq, Mr Cheysson and Mr Mosar. Mr Kerin had further discussions with Mr Andriessen and Mr De Clercq on the following day.

The meeting provided an opportunity for a wide-ranging exchange of views, covering both the world situation and bilateral relations, particularly in the agricultural sector, and a clarification of respective positions on agriculture, industry, investment and raw materials. Both sides affirmed their commitment to seek solutions to outstanding problems in a spirit of cooperation and dialogue.

Austria

2.2.19. Mr Norbert Steger, the Austrian Vice-Chancellor and Minister of Trade and

Industry—and, as such, presiding the EFTA Council for Austria—visited Mr Delors and Mr De Clercq.

Mr Delors assured Mr Steger of the new Commission's political will to continue its efforts to ensure that concrete results flowed from the Luxembourg Declaration. With regard to bilateral questions, Mr Steger raised the problem of Community transit through Austrian territory, and also Austria's agricultural deficit with the Community.

Relations with other countries and regions

Mediterranean countries

Israel

2.2.20. Mr Chaim Herzog, President of Israel, visited the Commission and had talks with Mr Delors and Mr Cheysson, Member of the Commission with special responsibility for Mediterranean policy. There was an exchange of views about the political and economic situation in the Mediterranean area, Mr Herzog made particular mention of Israel's fears about the Community's forthcoming enlargement.

Malta

2.2.21. Following an exchange of correspondence, a Commission delegation had talks with the Maltese authorities in Valletta on 8 and 9 February concerning all aspects of bilateral relations, and the renewal of the EEC-Malta Financial Protocol in particular. A first round of negotiations took place and the Commission was able to explain its negotiating brief and to take note of Malta's position.

Cyprus

2.2.22. Mr George Iacovou, the Minister for Foreign Affairs of Cyprus, visited the

Commission on 15 February for talks with Mr Cheysson. A wide-ranging exchange of views took place on the latest political developments with regard to the Cyprus problem and on EEC-Cyprus relations.

Yugoslavia

2.2.23. Under the EEC-Yugoslavia Cooperation Council's Decision 3/84 of 18 June 1984 on cooperation in industry, agriculture, science and technology,¹ the Commission organized a meeting between the Yugoslav and European non-ferrous scrap industry associations, in Trieste from 6 to 8 February, to discuss the market situation of the products concerned and to see what real possibilities there were for cooperation.

Countries of the Gulf and the Arabian Peninsula

2.2.24. In the course of a trip to Europe Mr Abdulla Bishara, Secretary-General of the Gulf Cooperation Council, visited the Commission on 11 and 12 February, meeting Mr Cheysson, the Member with special responsibility for Mediterranean policy. The purpose of the visit was to inform the Commission of reactions to the Community's reimposition of customs duties on imports of methanol from Saudi Arabia and to discuss preparations for the forthcoming exploratory talks—scheduled for the beginning of March in Bahrain—on the possibility of a cooperation agreement.

State-trading countries

China

2.2.25. On 5 February, at the opening of the Chinese trade promotion centre for Western Europe in Hamburg, Mr De Clercq, Member of the Commission with special responsibility for external relations, met Mrs Chen Muhua, the Chinese Minister for Foreign Economic Relations and Trade. Mr De Clercq and Mrs Chen expressed

their satisfaction at the excellent relations between China and the Community and confirmed both sides' wish to expand trade in the future.

They also decided that the new bilateral cooperation agreement² would be signed in Brussels in May, on the occasion of the 10th anniversary of the establishment of diplomatic relations between China and the Community. It was agreed that another EEC-China trade week would be held in Brussels towards the end of the year.

Development

North-South relations

2.2.26. On 27 and 28 February the OECD Group on North-South Economic Issues discussed the current state of North-South relations and the future outlook in the light of changes in the world economy since the beginning of the decade. The role of the developing countries' policies in the development process is becoming increasingly evident, as has been demonstrated by the success of a number of these countries in getting to grips with the economic recession, particularly as regards finance. However, the international environment, on which the developing countries are so dependent, is determined by the industrialized countries too, among which the feeling prevails that active cooperation policies and credible measures are essential and that the multilateral framework can play a very important part in this respect.

It is acknowledged that trade must continue to expand, as this brings tangible benefits to the developing countries. At the same time, external financing in its various forms, including investment, is essential, though it is recognized that the prospects in terms of flows of official development assistance are not very good. Transfer of resources—not-

¹ Bull. EC 6-1984, point 2.2.33.

² Bull. EC 9-1984, point 2.2.26.

ably profits—the other way is also causing concern. With regard to the problem of external debt, it is necessary to look beyond the short term and take account of the efforts of debtor countries to adapt.

The Community stressed the importance of the World Bank and International Monetary Fund meetings, due to be held in April in Washington, to examine the situations of greatest financial concern in terms of economic, trade and other factors. The Community sees this as an occasion which should open up prospects for the North-South Dialogue.

ACP-EEC Conventions

Transitional measures between Lomé II and Lomé III

2.2.27. Although 28 February 1985 is the date of expiry of the second Lomé Convention, the third Convention will not enter into force until it has been ratified by the Parliaments of the 10 Member States and by two thirds of the ACP countries. Accordingly, decisions were taken by the Council on 19 February and by the ACP-EEC Committee of Ambassadors on 22 February to adopt transitional measures (→ point 2.2.38).

2.2.27a. Parliament endorsed¹ the proposal for a Council Regulation on the arrangements applicable to the importation into the Community of agricultural products originating in the African, Caribbean and Pacific States or the overseas countries and territories.²

Programmed food aid

2.2.28. On 19 February the Council adopted a Regulation determining the quantities of food aid for 1985 and the countries and organizations eligible.³ The aim of this Regulation is to permit immediate implementation of the food aid programme for the year, even though there is no 1985

budget; the programme, however, will be an interim one, pending the adoption of the budget. The Council having amended the Commission⁴ as regards the quantities of aid to be provided, the Commission may decide on further changes in the quantities involved once the budgetary procedure is completed.

2.2.29. In an opinion delivered on 15 February¹ Parliament, 'anxious not to hold up the machinery of food aid', endorsed the proposal but called on the Commission to draw up new budgetary proposals for 1985 which would take account of what Parliament had decided at its first reading of the 1985 draft budget;⁵ to present a fresh proposal for an implementing Regulation on food aid management in 1985 as soon as the 1985 budget was adopted; and to present a fresh proposal for a basic Regulation on the management of food aid which would respect Parliament's budgetary powers.

2.2.30. Following the Council's adoption of the Regulation concerning the implementation of food aid for 1985, the Commission took an initial series of decisions on 20 February concerning food aid allocations, to be charged to the 1985 budget, totalling 175 000 tonnes of cereals for the following countries:

Mauritania 14 000 tonnes, Senegal 17 000 tonnes, Cape Verde 7 000 tonnes, Mali 14 000 tonnes, Burkina Faso 11 000 tonnes, Niger 26 000 tonnes, Chad 16 000 tonnes and Ethiopia 70 000 tonnes.

Emergency aid

Emergency plan for Ethiopia and the Sahel countries

2.2.31. At a press conference on 28 February Mr Natali reported on the measures

¹ OJ C 72, 18.3.1985.

² OJ C 36, 8.2.1985; Bull. EC 1-1985, point 2.2.25.

³ OJ L 54, 23.2.1985.

⁴ OJ C 264, 3.10.1984; Bull. EC 9-1984, point 2.2.30.

⁵ Bull. EC 11-1984, point 2.3.1.

taken by the Community to help tackle the famine in Africa.

The plan approved by the European Council in Dublin on 4 December 1984¹ set for 1985 an overall objective for food and emergency aid for the African countries most severely affected by famine: 1 200 000 tonnes of cereals or their equivalent, 800 000 tonnes to be provided by the Community and 400 000 tonnes by the Member States. The Commission was to supply 500 000 tonnes of cereals financed from emergency appropriations and 300 000 tonnes from the food aid programmed for 1985. Although the emergency appropriations (175 million ECU) were made available immediately and have already begun to be spent,² the absence of a budget for 1985 has raised doubts over the continued supply of aid through this channel.

In view of the seriousness of the situation, the Council, having regard to the opinion delivered by Parliament, adopted on 19 February an interim Regulation on the management of food aid in 1985 which enabled the Commission to take an initial series of decisions allocating 175 000 tonnes of cereals on 20 February (→ point 2.2.30).

The Member States also reacted with due speed, and the target of 1 200 000 tonnes set in Dublin has been achieved and indeed exceeded, as shown in Table 7.

On the basis of these facts and figures. Mr Natali went on to point out that the Community had not awaited the reaction of world public opinion to the disaster in Africa nor the full revelation of its extent before taking significant emergency action; the two emergency plans of April and October 1984 enabled some 3 million people to be fed up to the end of December.³ Although supplying and transporting food constituted the main thrust of the operation, this was not the sole form of aid provided and other assistance required in the circumstances had also been made available. The Commission had also taken a series of specific measures to speed up procedures and a

special effort had been made to coordinate the aid.

Mr Natali considered, however, that the main problem was how to tackle the causes—drought and desertification. Food production in Africa was still insufficient, and reserves could not be built up. In the ongoing dialogue which had just been reinforced by the signing of the third Lomé Convention, particular attention would be paid to the development of food strategies. New technology could also contribute to devising new ways of dealing with the problem of drought.

Emergency food aid

2.2.32. The Commission decided, on 13 and 21 February, on the following emergency food allocations, to be charged to the 1984 budget:

- (i) at the request of Unicef: 300 tonnes of skimmed-milk powder and 100 tonnes of dried fish for Vietnam;
- (ii) at the request of ICRC: 1 500 tonnes of cereals, 1 600 tonnes of beans and 160 tonnes of vegetable oil for Angola.

Trade promotion

Trade fairs and exhibitions

2.2.33. The Berlin Grüne Woche was the first trade event of 1985 to include participation, under the auspices of the Community, by a number of African fruit, vegetable and coffee-exporting countries. At the inaugural session, held in the International Congress Centre, Mr Andriessen spoke on the common agricultural policy.

¹ Bull. EC 12-1984, points 1.2.7 and 2.2.42.

² Bull. EC 12-1984, point 2.2.43.

³ Bull. EC 10-1984, point 2.2.41.

Table 7 — *Implementation of the Dublin plan — Commitments by the Community and the Member States*¹

(tonnes)

Main recipients	Community emergency aid: cereals, seeds, legumes, etc.	Community food aid ²	Total Community	Total Member States	Total Community + Member States
Ethiopia	106 180	91 503	197 683	82 781	280 464
of which:					
— RRC	85 570	70 000	155 570		
— ICRC	12 040	9 133	21 173		
— Unicef	8 570	—	8 570		
— NGOs	—	5 000	5 000		
— UNHCR	—	7 370	7 370		
Mali	19 360	15 400	34 760	43 935	78 695
Mauritania	4 290	21 080	25 370	30 475	55 845
Niger	18 520	26 100	44 620	35 000	79 620
Chad	15 900	16 000	31 900	37 680	69 580
Sudan	52 860	41 393	94 253	55 730	149 983
of which:					
— UNHCR	18 570	12 500			
Mozambique	5 000	52 200	57 200	45 504	102 704
Angola	—	20 000	20 000	12 250	32 250
Reserve	201 400	—	201 400	168 500	369 900
Subtotal	423 510	283 676 ³	707 186	511 855	1 219 041
Botswana	—	4 000	4 000	—	4 000
Burkina Faso	—	11 000	11 000	17 150	28 150
Burundi	—	—	—	7 250	7 250
Cape Verde	—	7 000	7 000	12 000	19 000
Cameroon	10 150	—	10 150	—	10 150
Kenya	—	12 721	12 721	13 548	26 269
Lesotho	—	3 000	3 000	—	3 000
Rwanda	—	3 000	3 000	3 000	6 000
Senegal	—	17 000	17 000	7 350	24 350
Somalia	—	18 000	18 000	12 700	30 700
Tanzania	—	10 000	10 000	17 000	27 000
Zambia	—	15 000	15 000	3 000	18 000
Reserve	—	—	—	31 740	31 740
Grand total	433 660	384 397 ³	818 057	636 593	1 454 650

¹ Community emergency aid: commitments end-1984; food aid by Community and Member States: commitments end-1984 and 1985.² Decisions already taken, in hand or to be taken before end-July.³ Plus quantities, not quantifiable at this stage, to be delivered via WFP.

At the Salon Mondial du Tourisme in Paris, 14 ACP States exhibited their tourist attractions from stands set up by the Commission.

Financial and technical cooperation

ACP States and OCTs

2.2.34. In February the Commission took decisions involving the allocation of fifth EDF resources totalling 25 857 101 ECU to finance projects, programmes and emergency aid operations administered by it in the following sectors:

	ECU
Industrialization	8 457 101
Rural production	11 000 000
Fisheries	1 830 000
Water engineering	750 000
Trade promotion	1 020 000
Education and training	1 300 000
Emergency aid (for Fiji following damage by 3 cyclones)	1 500 000
	25 857 101

Non-associated developing countries

2.2.35. On 1 February the Commission decided—with the endorsement of the Committee on Aid to Non-associated Developing Countries at its meeting on 15 January — to finance the following projects out of 1984 budget appropriations:

Costa Rica—programme of productive projects for refugees in Costa Rica (parallel cofinancing with UNHCR and NGOs): total cost 4.78 million ECU, Community contribution 3.6 million ECU;

Nicaragua—programme to improve marketing channels and to reduce losses following the harvesting of basic grains (cofinan-

cing with Italy): total cost 6 million ECU, Community contribution 2.5 million ECU.

Cooperation via non-governmental organizations

2.2.36. With regard to projects cofinanced in the developing countries for the period from 1 to 28 February, the Commission committed 2.8 million ECU for 22 projects submitted by 19 NGOs.

The Commission also contributed the sum of 319 540 ECU to 5 campaigns to increase European public awareness.

Regional cooperation

1985 SADCC review conference

2.2.37. The Commission participated in the Southern Africa Development Coordination Conference's annual review conference, which was held at Mbabane, Swaziland, on 31 January and 1 February.¹ The conference was also attended by representatives of the 9 SADCC States, 23 non-African countries (including 9 Community Member States) and 18 international development agencies (including the EIB). Project implementation discussions were pursued in groups concerned with agriculture and food security, energy, transport and communications, industry and mining, and manpower development.

The Commission delegation pointed out that over the period 1980-84 aid resources of approximately 1 000 million ECU were provided for the SADCC group of countries. Of this amount some 440 million ECU was for national programmes, 70 million ECU for regional cooperation, over 200 million ECU for food aid, 55 million ECU for Sysmin, 15 million ECU for Stabex, 20 million ECU for emergency aid and 42

¹ SADCC comprises Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

million ECU for cofinancing with non-governmental organizations and other programmes, in addition to EIB and related funding of 160 million ECU. With the launching of Lomé III and the extension of ACP membership in southern Africa, an enhanced flow of resources in real terms may be envisaged from the Community over the period 1985-89.

Institutional relations

ACP-EEC

Committee of Ambassadors

2.2.38. The ACP-EEC Committee of Ambassadors met on 22 February and took various decisions in addition to those adopted by the Council on 19 February¹ with regard to the introduction of a set of transitional measures for the period between the expiry of Lomé II (28 February) and the entry into force of Lomé III. These measures, which were the subject of a joint ACP-EEC decision, include an extension of the provisions of Lomé II and the application of the existing trade arrangements to the new ACP States; the advance implementation of certain provisions of Lomé III (institutions, procedures to be followed in relation to the enlargement of the Community, method of calculating Stabex transfers, procedures for derogating from the rules of origin and statements concerning human dignity and migrant workers); measures to ensure continuity in the activities of the Centre for the Development of Industry and the Technical Centre for Agricultural and Rural Cooperation; and the deferment of decisions on the allocation of any outstanding balances in respect of certain EDF instalments. In addition, the Community announced to the ACP States that it intended to take autonomous measures to ensure the advance application of the trade provisions of Lomé III (access of agricultural products, rum and bananas).

Lastly, the two sides declared their willingness to make immediate and rapid preparation for the implementation in all spheres of cooperation, following the ratification of Lomé III, of the provisions involving financial commitments.

The Community also extended the arrangements applicable to the OCTs.

The Committee of Ambassadors appointed Mr Akinrele and Mr Mosgard Director and Deputy Director respectively of the CDI with effect from 15 May 1985; it took a decision on the establishment of the Governing Board of the Technical Centre for Agricultural and Rural Cooperation and adopted the Centre's 1985 budget, this decision to take effect once a decision is taken on the EDF contributions.

It was agreed that the Stabex system would apply also for 1983, as for 1981 and 1982, to Kiribati's exports to all destinations.

The ACP States having voiced their concern at the reduction in refunds on Community exports of cereals to ACP countries, the issue was referred to the subcommittee responsible for trade matters.

International organizations and conferences

Council of Europe

2.2.39. The Council of Europe's Parliamentary Assembly met in Strasbourg from 28 January to 1 February. Following a lively debate on the situation in Latin America, the Assembly called for enhanced cooperation with the democratic countries of the region. It also discussed US-European relations and the various strains to which they are subject, and called for better coordination of economic policies on either side of the Atlantic.

¹ OJ L 61, 1.3.1985.

The Committee of Ministers held a special meeting at the same time, to discuss a number of political issues including East-West relations. The meeting was an indication of the desire on the part of members of the Council of Europe to make more use of the organization as a forum for political dialogue.

This was also the occasion of the first meeting of the Commission of Eminent European Statesmen, whose task is to look at the prospects for European cooperation beyond 1990.¹

2.2.40. The Council for Cultural Cooperation met in Strasbourg from 19 to 22 February, when it looked at the scope for cooperation with other international institutions, an idea favoured by the Commission.

Organization for Economic Cooperation and Development

2.2.41. The 33rd meeting of OECD's Education Committee took place in Paris on 12 and 13 February. Items on the agenda included the quality of teaching; education, training and the economy; adult education and training; and technology and education. A major topic was the need to expand both public and private-sector training; also discussed were basic curricula and core programmes, the preparation of young people for working life, in-house training and the funding of education and training.

2.2.42. The Group on North-South Economic Issues met on 27 and 28 February to examine the present and prospective state of North-South relations in the light of changes in the world economy in the 1980s (→ point 2.2.26).

Diplomatic relations

2.2.43. The President of the Council and the President of the Commission received the following ambassadors, who presented their letters of credence as Heads of Mission to the European Communities, to take effect of 5 February: HE Mr Fawzi Mohamed El Ibrachy (Arab Republic of Egypt), HE Mr Angelos M. Angelides, (Republic of Cyprus), HE Mr Mohamed Omar Giama (Somali Democratic Republic), HE Mr Ibrahim Sylla (Republic of Guinea); and to take effect on 18 February: HE Mr Bubacar Turé (Republic of Guinea-Bissau), HE Mr Mohamed Musthafa Hussain (Republic of Maldives) and HE Mr Mohammed Abdul Rehman Al-Robae (Arab Republic of Yemen).

All but one of the ambassadors are accredited to the three Communities. Mr Giama is accredited to the EEC only.

¹ Bull. EC 11-1984, point 2.2.57.

3. Financing Community activities

Budgets

General budget

1984 budget

2.3.1. On 13 February Parliament adopted a resolution on the 1984 budget expenditure (→ point 2.4.11).¹

Provisional budget

2.3.2. As there was no agreement in the Council on a new draft budget for 1985 following rejection of the previous draft,² Parliament adopted on 13 February—as part of the implementation of the provisional-twelfths arrangements—a resolution on the authorization of additional provisional-twelfths.¹

Financial operations

ECSC

Loans raised

2.3.3. In February the Commission made a number of private placings in French francs and marks for the equivalent of 50.34 million ECU.

Loans paid out

2.3.4. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission paid out loans in February for a total of 11.76 million ECU broken down as follows:

Industrial loans

2.3.5. Industrial loans (Article 54) totalling 7.24 million ECU were paid out to help finance the following projects:

United Kingdom

Investors in Industry: project to promote the consumption of Community coal.

Federal Republic of Germany

Westdeutsche Landesbank, Münster: project to promote the consumption of Community coal.

Subsidized housing

2.3.6. Loans for the building of subsidized housing amounted to 0.07 million ECU, of which 0.06 million ECU was for steelworkers and 0.01 million ECU for mineworkers.

Conversion loans

2.3.7. Conversion loans (Article 56) totalling 4.45 million ECU were paid out to the following companies:

United Kingdom

Multiregional loan for small businesses: Barclays Bank, London;

Northumberland: Bristol-Meyers Co. Ltd, Langbey, Slough (Cramlington factory).

Euratom

Loans raised

2.3.8. In February the Commission made private placings in marks and yen for the equivalent of 73.84 million ECU, and a public issue of 50 million ECU at par for 12 years at 10% interest.

EEC-NCI

Loans paid out

2.3.9. Loan contracts signed in February totalled 145.1 million ECU, of which 4.4

¹ OJ C 72, 18.3.1985.

² OJ C 12, 14.1.1985; Bull. EC 12-1984, point 1.4.1 *et seq.*

million ECU was under the first tranche of NCI III¹ and 140.7 million ECU under the second tranche of NCI III.² The loans were made for the following purposes:

Infrastructure loans

France

Caisse nationale des autoroutes: 73.2 million ECU loan for the partial financing of four sections of the A40 motorway between Mâcon and Châtillon; the A40 links the A6 Paris-Lyon motorway to the Mont Blanc tunnel;

Caisse nationale des télécommunications: 14.6 million ECU loan for installing two satellites and the corresponding earth stations to provide improved data transmission services, including links with France's overseas departments; initial loan of 43.7 million ECU for this same project had been included in November 1984.³

Italy

Lombardy region: 36.5 million ECU loan for measures to reduce pollution of the Po and some of its tributaries.

Global loans to small businesses

United Kingdom

Investors in Industry: 26.4 million ECU loan for financing investments in production by small businesses outside the assisted areas.

Greece

Small Business Organization (Eommex): 4.4 million ECU loan for financing small-scale industrial and service projects all over the country.

¹ OJ L 164, 23.6.1983.

² OJ L 208, 3.8.1984.

³ Bull. EC 11-1984, points 2.3.12 and 2.4.33.

4. Political and institutional matters

Political cooperation

2.4.1. On 12 February the Foreign Ministers held a political cooperation meeting in Rome at which they adopted statements on East-West relations and on Mozambique. They also released the texts of a *démarche* on Lebanon addressed to the parties concerned and of a message to the Contadora meeting to be held in Panama on 14 and 15 February. All these documents are reproduced below.

Ministers concurred with the Presidency's proposal for an informal meeting of Ministers of the Interior or Justice to discuss the issues of terrorism and drugs, and for an informal meeting of Ministers responsible for civil defence.

Statement on East-West relations

'The Ten reaffirm the importance which they continue to attach to the improvement of East-West relations.

The Ten have taken note with great satisfaction of the decision by the United States and the Soviet Union to begin negotiations on 12 March in order to work out effective agreements aimed at preventing an arms race in space and terminating it on earth, at limiting and reducing nuclear arms and strengthening strategic stability.

The Ten share these objectives and support these negotiations.

They express the hope that both sides in the negotiations will exploit every opportunity to obtain substantial results. They note that other arms control and limitation talks are in progress to which they equally attach great importance.

They emphasize that these negotiations fall within the more general framework of East-West relations. They are pleased that, for their part, they have contributed by their actions, either as the Ten or otherwise, to the resumption of dialogue, of which the negotiations clearly constitute an essential element. They intend to pursue their action in seeking to broaden the base of this dialogue both in a bilateral context and in all the forums which are available for this purpose, in particular that of the CSCE, either in terms of the process itself—the 10th anniversary of which will be celebrated this year—or in terms of the conferences related to it. Indeed, they attach great importance to the Conference on Security- and Confidence-building Measures and Disarmament in Europe, to the CSCE experts' meeting on human rights and fundamental freedoms in Ottawa and to the Cultural Forum in Budapest, which will serve to underline the cultural identity of Europe.'

Statement on Mozambique

'The Ministers for Foreign Affairs of the Ten, recalling the statement which they made in Paris on 27 February 1984 on the subject of southern Africa, have confirmed the need for the understandings reached between Mozambique and South Africa to be respected as part of the efforts which are being undertaken to bring about increased security and stability in the region. They have expressed considerable regret that, a year after these understandings were reached, the continued fighting in Mozambique and continuing external interference have prevented this country from reaping the economic, security and other benefits which should follow from implementation of the agreements reached. They have firmly emphasized the importance of the promotion of peace and reconciliation in Mozambique by all the governments and of the prevention by the latter of unauthorized arms deliveries. The Ministers have also reaffirmed their commitment to Mozambique's economic development and warmly welcomed the accession of this country to the Lomé Convention.'

Démarche on Lebanon

'The Ten welcome Israel's decision to withdraw its forces from Lebanon, thus bringing an end to its prolonged occupation of the Lebanese territory, in accordance with the resolutions of the Security Council. They consider that the parties concerned should do all that is in their power to promote an orderly, complete withdrawal.

The Ten urge the Lebanese and Israeli Governments to show flexibility in establishing reasonable security arrangements for the territory to be returned by Israel and to do everything possible to prevent new acts of violence in the whole of the area of Israeli withdrawal.

The Ten believe that an orderly, complete and coordinated withdrawal of Israeli forces, together with appropriate security arrangements for both Lebanon and Israel, is in the interests of all the countries in the region. The Ten also look to the Syrian Government to facilitate such a process that they view as a major step towards the restoration of stability in Lebanon and the recovery of its entire territory, which will lead to a reduction in tension in the area as a whole.

Leaders of the different communities in Lebanon should play their full part in the above process, taking into consideration the existing risk of renewed instability and suffering to all communities, particularly in the areas to be evacuated.

The Ten continue to support UN efforts to bring about the orderly withdrawal of Israeli forces. They also think that the United Nations, and in particular the Secretary-General, in accordance with Resolution 523 (1982), will be able to play a valuable role in the zones to be evacuated, especially as regards ensuring the safety of the inhabitants of the region, guaranteeing Lebanon's territorial integrity and re-establishing international peace and security.'

*

'On the occasion of the meeting in Panama on 14 and 15 February between the countries of the Contadora Group and those of Central America, the 10 Member States of the European Community, aware of the importance of this meeting, express their warm support for the action taken by the Contadora Group. They hope that during the meeting an agreement will be reached which will pave the way to the restoration of peace in the region and the solution of its numerous political, economic and social problems. This would also help to ensure a fruitful follow-up to the San José Conference, with the prospect of a further ministerial meeting as soon as possible. In the spirit of the San José Conference, the Ten renew their full support for the efforts to reach a comprehensive, peaceful settlement within a regional framework.'

*

2.4.2. During its February part-session Parliament passed resolutions on combating terrorism, the commemoration of 8 May 1945, violence and the situation of prisoners

in Chile, the treatment of a Community citizen by the Yugoslav authorities and the release of Nelson Mandela (→ point 2.4.12).¹

European policy and relations between the institutions

European policy

Greenland

2.4.3. Greenland left the Community on 1 February but is still associated with it as an overseas territory (→ point 1.4.1 *et seq.*).

Greek memorandum

2.4.4. The Commission sent a communication to the Council and Parliament in February with a view to reactivating the proposal it made in March 1983 on integrated Mediterranean programmes. The integrated Mediterranean programme for Greece is one of the suggested solutions to the structural difficulties referred to in the Greek memorandum (→ point 1.2.1 *et seq.*).

*

2.4.5. In a resolution adopted on 14 February Parliament drew the attention of the Governments of the Member States to the grave threat to freedom and peace that terrorism represents (→ point 2.4.12).¹

Relations between the institutions

2.4.6. On 13 February Parliament adopted a resolution (→ point 2.4.11) on the results of the conciliation with the Council on the Commission proposal for a new ERDF Regulation.² It expressed broad satisfaction with the results of the conciliation procedure and approved the Council's decision to adopt the Regulation.³

*

2.4.7. In a resolution passed on 14 February Parliament expressed the wish that the future representatives of Spain and Portugal in Parliament be democratically elected by direct universal suffrage at the latest one year after accession (→ point 2.4.11).¹

Institutions and organs of the Communities

Parliament⁴

Strasbourg: 11 to 15 February

2.4.8. Parliament's February part-session was marked by a mood of wait and see, as the House was already anticipating the March session and the programme-address by the President of the Commission. Serious consideration was nevertheless given to certain technical matters such as the organization of the wine market, the integrated Mediterranean programmes (→ point 1.2.1 *et seq.*) the criteria for allocating European Social Fund appropriations and the agricultural prices. During the latter three debates the Commission, from which Parliament is expecting a great deal of real action, came in for some strong criticism.

Mr Chaim Herzog, the President of Israel, was a guest of Parliament and addressed the House at a formal sitting.

Organization of the wine market

2.4.9. The debate on the report on the wine sector by Mr Natalino Gatti (*Com/I*)

¹ OJ C 72, 18.3.1985.

² OJ C 336, 23.12.1981; OJ C 360, 31.12.1983.

³ OJ L 169, 28.6.1984; Bull. EC 6-1984, point 1.3.1 *et seq.*

⁴ The complete texts of the resolutions adopted by Parliament are reproduced in OJ C 72, 18.3.1985, and the report of the proceedings is contained in OJ Annex 2-321. The political groups and nationalities of members speaking in the debates are shown in brackets after their names; the key to the abbreviations can be found in Bull. EC 7/8-1984, points 1.2.5 and 2.4.8 (footnote 1).

produced a fairly broad consensus between the majority of members and the Commission. Introducing his report for the Committee on Agriculture, Fisheries and Food, Mr Gatti pointed out that the Commission's proposals¹ constituted an indivisible package. He believed it was impossible to tighten the measures for grubbing and permanent abandonment without adopting the Regulation banning the addition of sugar and the measures concerning the use of rectified concentrated musts; nor did he think more compulsory distillation was the answer unless a wine register was introduced. Consequently, and with the dual aim of ensuring fair and balanced management of the wine market and safeguarding the incomes of producers of quality wines, he called for harmonization of the provisions covering quality wines by defining Community parameters and urged the Council to adopt the Commission's proposal that would prohibit the addition of sugar from the 1989/90 marketing year onwards with no territorial exceptions, and ban the use of sucrose in aqueous solution to raise the alcoholic strength. He argued against dropping the proposal to standardize the costs of enrichment for the various parts of the Community by means of a sucrose tax and called for a plan to bring supply and demand back into balance which would promote quality wines and those produced in regions suitable for wine growing and be backed up by a policy to encourage consumption and diversification of products of the vine. As regards the structural measures proposed by the Commission, he accepted the limitation of surface areas but warned against the dangers of abandonment and desertification in certain regions; he approved the limitation of replanting rights provided that hill areas were protected; and he endorsed the principle of granting premiums for permanent abandonment of vineyards subject to adoption of proposals that would allow the producers concerned to switch to other produce. Concerning the marketing measures proposed by the Commission, Mr Gatti was glad that it was now going to fix year by year the amount of wine to be withdrawn from the market.

Compulsory distillation in the event of serious disruption must proceed only on certain conditions: foreseeable stock at the end of the marketing year must be higher than four months' normal utilization; production must be 9% higher than usual consumption. Mr Gatti also held that the Commission must manage this market in such a way as to ensure profitable prices for quality table wines; to maintain wine-growing in the areas suitable for it and in those where no alternatives are available; to protect small producers; and to enable the least-favoured holdings to modernize. Mr Gatti was therefore against winemaking with table grapes and against the proposal to freeze prices, which would unfairly penalize small growers and quality wines, which cost more to produce.

Taking the floor after the rapporteur, Mr Anselmo Guarraci (*Soc/I*) and Mr Ferruccio Pisoni (*EPP/I*) called for a structural policy that would eliminate the causes of overproduction and announced their intention of voting in favour of the resolution moved by Mr Gatti. Mr James Provan (*ED/UK*), announcing his group's support for the report, found the rapporteur's commendation of the Dublin agreement to be a positive point; though he also approved the ban on sugaring, he still favoured a price freeze. Mr Georges Sutra (*Soc/F*) was happy that the golden opportunity had been seized in Dublin² to ensure that, for the common wine market, the solution was to come from the market and not from aids or the budget. He would vote for this brave, honest and European report. Without wishing to question the Dublin compromise,² Mr Ernest Mühlen (*EPP/Lux*) made a case for sugaring, which, he contended, was justified by tradition and weather conditions. He attacked the substitution of rectified musts for sucrose, which he felt would be tantamount to shifting the surplus of wine from the south to the north. Endorsing the Gatti

¹ OJ C 259, 27.9.1984; Bull. EC 9-1984, point 2.1.80; OJ C 278, 18.10.1984; Bull. EC 9-1984, point 2.1.82; OJ C 23, 25.1.1985; Bull. EC 12-1984, points 2.1.142 and 2.1.143.

² Bull. EC 12-1984, point 1.2.15.

report in his turn, Mr Peter Beazley (*ED/UK*) believed that the northern counterparts of wine, such as butter, sugar and cereals, should be treated no less strictly than surplus Mediterranean products.

At the other extreme, Mr Emmanuel Mafre-Baugé (*Com/F*) regretted that the report matched the shadow cast by the Dublin European Council¹ and tried to demonstrate the absurdity of the principles adopted at that meeting: haphazard distillation unevenly distributed between the Member States and the winegrowers, limitations on entitlement to replant, three-year price freeze, and so on—all measures that would hit French producers of local wines (*vins du pays*). Also believing that the precondition of acceptance of enlargement was unacceptable, he said he would vote against the Gatti report. This was the intention of Mr Michel de Camaret (*ER/F*) too, on the grounds that quality wines that ranked as local wines would then be subject to compulsory distillation in the same way as other table wines, thus robbing those producers of their fair reward. He also deplored the fact that nothing was being done about fraudulently produced wines, which would have allowed some five million hectolitres a year to be withdrawn from the market.

Finally, the lack of any agricultural register and means of surveillance made it clearly impossible to work out the production/distillation ratio, and it would only be a matter of time before the accession of Spain called the Dublin compromise into question.¹

Mr Frans Andriessen, Commission Vice-President with special responsibility for agriculture, stressed that the Commission and Parliament, despite some differences on the practicalities, were agreed that a prices, market and structures policy should be introduced rapidly. The debate had taken place not in the shadow but under the lee of Dublin, and Parliament's report, on the question of sugaring, deviated from the compromise reached there. In his view the task of defining production systems ought to be left to the Commission rather than the Member States, and the Ministers of

Agriculture had agreed to promote grape juice and its derivatives but not the use of alcohol. But local wines were table wines and could not be excluded from distillation. Finally, with regard to Spain and Portugal, they would have to apply the *acquis communautaire* as it stood on the day of their accession.

At the end of the debate the resolution was adopted with no major amendments, the House considering that the agreement reached at the Dublin European Council was on balance positive.¹

2.4.10. Parliament gave opinions on a number of Commission proposals, including:

amendments to Regulations in respect of the tariff treatment applicable to goods contained in travellers' personal luggage or sent in small consignments to private individuals (→ point 2.1.27);

a Directive on the protection of workers by the proscription of specified agents and/or work activities (→ point 2.1.55);

a Decision on the ratification of the Torremolinos International Convention for the Safety of Fishing Vessels and the application of its provisions by the Member States pending its entry into force at international level (→ point 2.1.54);

a communication on the statistical machinery to establish the order of priority to be applied when granting European Social Fund assistance to regions (→ point 2.1.44);

a Regulation on the designations used in the marketing of milk and milk products (→ point 2.1.79);

several amendments to Regulations and Directives on farm structures (→ point 2.1.87);

¹ Bull. EC 12-1984, point 2.1.15.

several amendments to Regulations and a derogation relating to wine growing and the wine market (→ point 2.4.9);

a Decision adopting a research and development programme for the optimization of the production and utilization of hydrocarbons (1984-87) (→ point 2.1.13);

an interim Regulation laying down implementing rules for the Regulation on food aid policy and food aid management (→ point 2.2.29);

a Regulation on the arrangements applicable to agricultural products, processed or not, originating in the ACP States or the overseas countries and territories.

2.4.11. Resolutions were also passed concerning:

the unofficial meeting of the Ministers responsible for women's rights on 7 March on the occasion of International Women's Day: hoping that these meetings would now be converted into official annual Council meetings, Parliament called for the application of existing Directives—especially the one concerning equal treatment for men and women in matters of social security¹—and asked the Ministers to take concerted action to combat unemployment among girls; the House reserved the right to scrutinize implementation of all measures in this field;

integrated Mediterranean programmes:² stressing the increasing urgency of adopting these programmes because of the successive delays in implementing them since the Commission had compiled the report in 1981,³ Parliament called on the Council to fix a precise level of funding for these programmes, which did not diverge substantially from that proposed by the Commission; this amount would be over and above the normal allocation for the Community structural Funds;

the results of the conciliation with the Council on the proposal for a Regulation amending the Regulation establishing a European Regional Development Fund;⁴ while approving the revision of the Regu-

lation and expressing its satisfaction with the conciliation procedure, Parliament nevertheless regretted that some of its requests had been rejected, notably those which would make coordination of regional policies obligatory, strengthen the Commission's management powers and ensure that priority was specifically given to productive investment over infrastructure investment;

the damage caused by the exceptionally severe weather and cold spell in Europe: in three resolutions Parliament took note of the scale and general consequences of the harsh winter and asked the Commission to take appropriate steps to enable agricultural production to be resumed rapidly and assist the victims; in two resolutions on the damage incurred in the Mediterranean regions and in the upper Val di Taro, in Emilia, it urged the Commission and the Council to finance emergency aid for the stricken areas;

measures to be taken in view of the air pollution which occurred in Europe in January: considering the alarming proportions of smog in the Ruhr, Belgium and the Netherlands, the House urged the Member States to formulate emergency plans to deal with air pollution and asked the Commission to coordinate them;

the Mafia fraud at the Community's expense in Sicily: in two resolutions the Commission was requested to have its own officials conduct investigations, which it would finance directly itself, into the alleged misuse of EAGGF appropriations, and to report on the results of the investigations; the House also asked the Court of Auditors to draw up a special report on the case. In reply to these requests, Mr Frans Andriessen, Commission Vice-President with special responsibility for agriculture, promised to do all he could to make use of the existing instruments and, if need be, create new ones. He would press the Coun-

¹ OJ L 16, 10.1.1979.

² For the debate, see point 1.2.3.

³ Bull. EC 6-1981, points 1.2.10 and 1.2.16.

⁴ OJ L 169, 28.6.1984; Bull. EC 6-1984, point 1.3.1 *et seq.*

cil to accept proposals already made, which would give the Commission wider powers of surveillance, provided those powers were backed by the necessary funds adequately provided for in the budget. In conclusion, he said that the Commission intended to respond to the specific points raised in the resolutions by conducting appropriate investigations and, in consultation with the Italian authorities, applying such penalties as lay within its powers;

the 1984 budget expenditure: taking note of the Commission's statements on the state of implementation of the 1984 expenditure and the negative implications arising therefrom for 1985, Parliament urged the Commission to comply with the request it had made on 13 December 1984 to 'initiate the procedure' for drawing up the new draft 1985 budget;¹

the second decision to authorize additional provisional twelfths for the 1985 financial year (non-compulsory expenditure):² Parliament authorized these additional provisional twelfths but took the view that for appropriations for the remunerations and allowances of Members of the Commission there was no need to release all the provisional twelfths straight away at the beginning of the financial year;

the significance of a single system for the election of members of the European Parliament: it was Parliament's wish that the future representatives of Spain and Portugal in the European Parliament be democratically elected in general and direct elections at the latest one year after accession, the elections to be held on the basis of a proposal for a uniform electoral procedure submitted by Parliament.

2.4.12. In the fields of political cooperation and human rights, Parliament passed resolutions on:

the commemoration of the 40th anniversary of the Yalta Agreement: recalling that at Yalta the representatives of the western powers intended to create a Europe united in its resistance to oppression and the viola-

tion of human rights and the rights of peoples and stressing that the principles of liberty, democracy and justice and the respect for the legitimate security interests of each State were incorporated in the Final Act of Helsinki, Parliament hoped that the forthcoming elections in Poland would be a major step towards implementing those principles;

commemoration of the end of hostilities in Europe (8 May 1945): in two resolutions Parliament declared that the mistakes, crimes and omissions which led the nations of Europe towards the abyss must never be repeated; proclaiming its attachment to democratic principles, the rules of international law and respect for the individual, the House expressed the hope that the European Community was only a first step along the path towards the unification of the European continent; the President was asked to submit appropriate proposals for a formal celebration on 8 May 1985;

the treatment of Willem Maarten Andriese, a Community citizen, by the Yugoslav authorities: shocked by the four-year prison sentence imposed by a military court meeting *in camera* on Mr Andriese, arrested while 'plane spotting', a hobby widely practised all over the world, and indignant that the Netherlands Embassy had not received notification of the official indictment and had been denied access to Mr Andriese, the House stressed the need for Mr Andriese's appeal to be held in open court;

violence and the situation of prisoners in Chile; Parliament urged the military government to lift martial law in Chile, release Sergio Vuscovic immediately and ensure that Jorge Palma Donoso and his colleagues have a fair trial in which basic rights to a defence are respected;

the release of Nelson Mandela: condemning the system of apartheid in South Africa, Parliament repeated its call for the release

¹ OJ C 12, 14.1.1985; Bull. EC 12-1984, point 1.4.1 *et seq.*

² Bull. EC 1-1985, point 2.4.11.

of Mr Nelson Mandela and all political prisoners;¹

combating terrorism: in six resolutions Parliament urged the Member States to avoid misuse of asylum to justify harbouring foreign terrorists whose actions threatened the security of Community countries; it reiterated its call for the establishment as a matter of urgency of a European legal area, urged the Member States to ratify unreservedly the Council of Europe Convention on the Combating of Terrorism and called on the Council and the Commission to arrange without delay for coordinated anti-terrorist action to be taken at Community level.

Council

2.4.13. The Council held five meetings in February. The table below lists the number, place and date of each meeting, the names of the Council President and Commission representatives and the main items of business. A more detailed account of specific items can be found in the sections of the Bulletin referred to in the footnotes.

¹ OJ C 68, 14.3.1983; Bull. EC 2-1983, point 2.4.17.

Table 8 — *Council meetings in February 1985*

Number, place and date of meeting	Subject	President	Commission	Main items of business
985th Brussels 11 February	Internal market/ consumer protection	Mr Forte	Lord Cockfield, Mr Clinton Davis Mr Ripa di Meana	Standardization European Economic Interest Grouping Easing of checks and formalities at intra-Community frontiers Coordination of laws of Member States relating to (self-employed) commercial agents Pharmacy Architects Tax exemptions Consumer protection and infor- mation policy ¹ Product liability ¹ Doorstep selling ¹
986th Brussels 11 February	Economic and financial affairs	Mr Gorla	Mr Andriessen Lord Cockfield	Financing agricultural structures policy Encouraging cooperation between firms in different Member States
987th Brussels 18 and 19 February	Foreign affairs	Mr Andreotti	Mr Delors Mr Andriessen Mr Christo- phersen Mr Natali	Spanish/Portuguese accession ² Own resources Integrated Mediterranean pro- grammes Food aid ³

Table 8 (continued)

Number, place and date of meeting	Subject	President	Commission	Main items of business
988th Brussels 25 to 27 February	Agriculture	Mr Pandolfi	Mr Andriessen	Wine (→ point 1.1.1 <i>et seq.</i>) Milk superlevy (→ point 1.1.1 <i>et seq.</i>) Structures Agricultural prices and related measures Well-being of animals and protection of laying hens kept in battery cages Price of natural gas for heated greenhouses in the Netherlands Cherries in syrup
989th Brussels 28 February	Foreign affairs	Mr Andreotti	Mr Delors Mr Andriessen Mr Christophersen Mr Natali	Enlargement ² Integrated Mediterranean programmes Own resources

¹ Environment and consumers.² Enlargement and bilateral relations with applicant countries.³ Development.

Commission

Activities

2.4.14. At its February meetings the Commission studied and approved a communication to the Council on integrated Mediterranean programmes and drew up its work programme for 1985.

It expressed its satisfaction with the positive outcome of the Council meeting of Agriculture Ministers on 25 and 26 February, which settled the wine and milk issues in line with the Commission's proposals (→ point 1.1.1 *et seq.*).

Decisions, communications and proposals

2.4.15. The proposal on integrated Mediterranean programmes which the Commission presented to the Council in 1983 was rejected by most of the Heads of

Government at the Dublin European Council last December. The Commission has now adopted a communication outlining new measures to reactivate discussions in the Council and settle the matter, which Greece had made a precondition of its acceptance of Spain and Portugal's accession to the Community (→ point 1.2.1 *et seq.*).

To take account of developments in the situation of migrant workers and their families (from both Community and other countries), the Commission adopted a report setting out guidelines for a Community policy on migration, which contains a draft Council resolution (→ point 1.3.1 *et seq.*).

In view of the remarkable success of the programmes launched since 1978, the Commission proposed two Regulations to the Council to provide financial support for demonstration projects and pilot projects in alternative sources of energy and energy saving.

Lastly, the Commission decided to confer its patronage on the European Yacht Race, the first of which is to be held in August.

Discussions, policy debates and work in hand

2.4.16. The Commission considered the progress made in introducing the European passport¹ in certain Member States where administrative difficulties have been encountered.

It held an initial general discussion on the common commercial policy and future developments in GATT (such as the possibility of a new round of multilateral negotiations) and on the Community's external policy as a whole. In anticipation of a new round of negotiations, the Commission made internal arrangements regarding the preparatory work.

Appointment of Director-General

2.4.17. The Commission accepted the resignation of Mr Claude Villain, Director-General for Agriculture, who stepped down at the beginning of March. Mr Villain was thanked for the major contribution he had made to developing and reforming the common agricultural policy and for the sterling services he had rendered three successive Commissions.

The Commission appointed Mr Guy Legras to replace Mr Villain, and he took up his duties on 4 March.

Guy Legras

Born on 19 July 1938

Married, 2 children

Graduate in Public Law, University of Paris

Diploma of the Institute of Political Studies, Paris (Economics Section)

Graduate of the National School of Administration.

1967 Joined the Ministry of Foreign Affairs (United Nations Directorate).

1968-71 Member of the private office of the State Secretary for Foreign Affairs.

1971-73 Member of the Ministry's Secretariat-General for European Economic Questions (responsible for industrial matters, aid schemes, regional policy and export credit).

1973-May 1974 Deputy Director in the private office of the State Secretary for Foreign Affairs (with special responsibility for European affairs).

June 1974-February 1977 Member of the private office of the Secretary-General of OECD.

February 1977-February 1980 Counsellor, Office of the Permanent Representative of France to the European Communities (with special responsibility for enlargement questions).

February 1980-June 1982 Deputy Secretary-General, Secretariat-General for European Economic Questions, with responsibility for agriculture, budget matters, enlargement, institutional questions and the Lomé Convention.

June 1982-February 1985 Head, Economic Cooperation Department, Ministry of External Relations. This department is responsible for all multilateral economic questions (EEC, GATT, OECD etc.).

¹ Bull. EC 6-1984, point 3.5.1.

Court of Justice ¹

2.4.18. New cases

Case	Subject	Basis
ECSC — Steel		
25/85 and 25/85 R — Nuovo Campsider v Commission	Action against the Commission for failing to take the necessary measures to curb exports of ferrous scrap from the Community to non-member countries and increases in the price of such scrap. Application that the Commission be ordered to take provisional measures to that effect	Article 35 ECSC and Article 83 of the Rules of Procedure
32/85 — Alphasteel Ltd v Commission ¹	Individual Commission Decision of 24 December 1984 concerning a request for production quotas to be adjusted for the fourth quarter of 1984	Article 33 ECSC
33/85 — Alphasteel Ltd v Commission ¹	Individual Commission Decision of 31 December 1984 notifying the applicant of the production quotas for the first quarter of 1985	Article 33 ECSC
37/85 — Cockerill-Sambre SA v Commission ²	Individual Commission Decision of 31 December 1984 notifying production quotas for the first quarter of 1985	Article 33 ECSC
41/85 — Sideradria SpA v Commission ³	Individual Commission Decision of 19 December 1984 imposing a fine for exceeding the production quotas for the fourth quarter of 1981 and the first, second, third and fourth quarters of 1982	Articles 33 and 36 ECSC
42/85 — Cockerill-Sambre SA v Commission ⁴	Individual Commission Decision of 19 December 1984 imposing a fine for exceeding the production quotas for the first and second quarters of 1983	Articles 33 and 36 ECSC
46/85 — Manchester Steel Ltd v Commission	Individual Commission Decision of 19 December 1984 imposing a fine for exceeding the production quotas for the first, second and third quarters of 1982	Articles 33 and 36 ECSC
Free movement of goods		
6 and 7/85 — 1. Public Prosecutor, 2. Regional Director for Competition and Consumer Affairs v 1. M. Byrotheau, 2. Fontenay Distribution SA	Is national legislation imposing minimum prices on the sale of fuels to consumers contrary to Community law?	Article 177 EEC

¹ For more detailed information, see the material published by the Court of Justice in the *Official Journal* and the *European Court Reports*, and the publications of its Information Office (e.g. the annual synopsis of the work of the Court or the information quarterly).

Case	Subject	Basis
Industrial affairs		
35/85 — Public Prosecutor v Gérard Tissier	Is there any Community legislation on the concept and definition of 'medicament'?	Article 177 EEC
Competition		
31/85 — ETA Fabriques d'Ebauches SA v DK Investment SA and Others ⁵	Should Article 85 EEC be construed as meaning that an undertaking distributing its products in the Community through appointed agents in each of the Member States — while tolerating the distribution of its products via a network of parallel importers — may be permitted to restrict to the customers of its recognized agents alone the benefits of a guarantee which it gives on those products?	Article 177 EEC
43/85 — Associazione Nazionale Commercianti Internazionali Dentali e Sanitari (ANCIDES) v Commission ³	Annulment of the Commission Decision of 23 December 1984 relating to a proceeding under Article 85 EEC (renewing until 31 December 1993 Decision 75/498/EEC granting an exemption in respect of the <i>Unidi</i> decision laying down rules governing Expo Dental exhibitions), which would maintain <i>Unidi</i> 's dominant position as regards exhibitions and promotional activities in the dental sector in Italy	Article 173 EEC
45/85 — Verband der Sachversicherer eV v Commission ³	Annulment of the Commission Decision of 5 December 1984 relating to a proceeding under Article 85 EEC, which declared that the applicant's recommendation concerning premiums for insuring against fire and suspension of operations was incompatible with Article 85(1)	Article 173 EEC
49/85 — F. Grohe Armaturenfabrik GmbH & Co. v Commission	Annulment of the Commission Decision of 12 December 1984 relating to a proceeding under Article 85 EEC, which found that the applicant's current distribution system violated Article 85(1)	Article 173 EEC
53/85 — 1. Akzo Chemie BV, 2. Akzo Chemie UK v Commission	Annulment of the Commission Decision of 14 December 1984 contained in its letter of 18 December 1984 to the applicants concerning the passing on of confidential documents, and the recovery of those documents	Article 173 EEC
State aids		
40/85 — Belgium v Commission ⁶	Annulment of the Commission Decision of 24 October 1984 (aid granted in 1983 by the Belgian Government to a sanitary ware and crockery manufacturer) finding that the Walloon region's shareholding in the firm Boch was incompatible with Article 92 EEC	Article 173 EEC

Case	Subject	Basis
<p>Social policy</p> <p>30/85 — J. W. Teuling-Worms v Bedrijfsvereniging voor de chemische industrie¹</p>	<p>Interpretation of Directives 76/207/EEC and 79/7/EEC (equal treatment for men and women) with respect to Dutch legislation concerning insurance against incapacity for work, which takes account of marital status, the spouse's income and the existence of dependent children for the calculation of benefits</p>	<p>Article 177 EEC</p>
<p>Social security</p> <p>1/85 — H. Miethe v Bundesanstalt für Arbeit</p>	<p>Interpretation of Article 71(1)(a)(ii) of Regulation (EEC) No 1408/71 with respect to the competence of the institution of the place of residence as compared with that of the institution of the State of employment</p>	<p>Article 177 EEC</p>
<p>20/85 — M. Roviello v Landesversicherungsanstalt Schwaben</p>	<p>Interpretation of point 15 of Section C in Annex VI to Regulation (EEC) No 1408/71 (as amended by Regulations (EEC) No 2000/83 and No 2001/83) with respect to entitlement to an occupational invalidity pension in Germany</p>	<p>Article 177 EEC</p>
<p>28/85 — A. Deghillage v Caisse primaire d'assurance maladie</p>	<p>Interpretation of Article 86 of Regulation (EEC) No 1408/71 with respect to the consequences of the late submission of a claim by an institution in one Member State to the competent institution in another Member State</p>	<p>Article 177 EEC</p>
<p>Agriculture</p> <p>9/85 — Nordbutter GmbH & Co. v Federal Republic of Germany, represented by the Bundesamt für Ernährung und Forstwirtschaft</p>	<p>Interpretation of Regulations (EEC) No 2793/77 and No 188/83 (special aid for skimmed milk intended for feedingstuffs) with respect to the arrangements for calculating the cattle count and the validity of those arrangements as regards the sanctions arising from them in the event of late or false returns</p>	<p>Article 177 EEC</p>
<p>10/85 — Milac GmbH v HZA Lörrach</p>	<p>Was the Commission empowered to fix MCAs for whole-milk powder in the manner in which this was done in Regulation (EEC) No 1036/78? If so, was the Commission also empowered to take into account, in calculating the incidence on the price of whole-milk powder, the processing costs for skimmed-milk powder and butter?</p>	<p>Article 177 EEC</p>
<p>21/85 — A Maas & Co. v Bundesanstalt für landwirtschaftliche Marktordnung</p>	<p>Is Regulation (EEC) No 1974/80 compatible with the principle of proportionality, in so far as it provides for the security to be forfeited where cereals are transported in vessels which are more than 15 years old and where they are shipped some days after the expiry of the period laid down?</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
27/85 — Vandemoortele NV v Commission	Claim for compensation for the losses incurred by the applicant in its sales of fresh butter and margarine as a result of the marketing of cut-price Christmas butter	Article 215 EEC
267/80 TO — Birra Dreher SpA v 1. Council, 2. Commission	Revision of the judgment of 13 November 1984 in Case 267/80 so as to recognize the entitlement of the company Riseria Modenese to compensation for losses incurred as a result of the abolition of production refunds, to lay down the calculation criteria to be used and to order the defendants to pay interest	Article 97 of the Rules of Procedure
Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters		
22/85 — R. Anterist v Crédit Lyonnais	Is an agreement conferring jurisdiction to be regarded as 'concluded for the benefit of only one of the parties' even where all that is established is that the parties have effectively agreed that a court or the courts of the Contracting State in which that party is domiciled are to have international jurisdiction?	
Commercial policy		
56/85 — Brother Industries Ltd v Commission	Annulment of Regulation (EEC) No 3643/84 imposing a provisional anti-dumping duty on imports of electronic typewriters originating in Japan and Terminating the anti-dumping proceeding with regard to Nakajima All Co. Ltd, in so far as it applies to the applicant, and claim for damages	Articles 173 and 215 EEC
Infringements		
47/85 — Commission v Belgium ⁴	Council Directives 71/118/EEC and 77/99/EEC, Articles 30 and 36 EEC and Regulation (EEC) No 2777/75 — systematic inspection of imported poultrymeat	Article 169 EEC
48/85 — Commission v Federal Republic of Germany	Regulations (EEC) No 337/79 and No 338/79 — rectified concentrated must for enriching quality and local wines	Article 169 EEC

Disputes between the Community and its staff

v Commission: 26/85⁷ (Louis Vaysse v Commission) — appeal against the Commission's decision of May 1984 concerning the appointment of a head of division — 44/85, 51/85, 52/85

¹ OJ C 57, 5.3.1985.
² OJ C 59, 7.3.1985.
³ OJ C 75, 21.3.1985.
⁴ OJ C 66, 14.3.1985.
⁵ OJ C 63, 12.3.1985.
⁶ OJ C 56, 2.3.1985.
⁷ OJ C 54, 28.2.1985.

2.4.19. Judgments

Date and case	Held
<p>Free movement of goods</p> <p>7.2.1985, 240/83 — Procureur de la République v Association de Défense des Brûleurs d'huiles Usagées¹</p>	<p>1. Consideration of Articles 5, 6, 13 and 14 of Council Directive 75/439/EEC has disclosed no factor capable of casting doubt on their validity</p> <p>2. The prohibition on the combustion of waste oils in conditions other than those permitted under legislation such as the French legislation in question is not incompatible with Directive 75/439/EEC</p>
<p>Customs union</p> <p>14.2.1985, 40/84 — Casteels PVBA v Commission²</p>	<p>Application dismissed as inadmissible (annulment of Commission Regulation (EEC) No 3529/83 on the classification of goods under CCT subheading 85.01 B 1b))</p>
<p>Taxation</p> <p>13.2.1985, 5/84 — Direct Cosmetics Ltd v Commissioners of Customs and Excise¹</p>	<p>1. Where national legislation, notified under Article 27(5) of the Sixth VAT Directive (77/388/EEC), is amended by the deletion of a reference to the criterion of protection of national revenue, such an amendment constitutes a 'special measure' within the meaning of Article 27(1), requiring the Member State to inform the Commission under Article 27(2)</p> <p>2. A Member State which has failed to fulfil its obligation under Article 27(2) of the Sixth Directive by not informing the Commission of a special measure derogating from the provisions of Article 11A 1(a) of the Directive and thus requiring the authorization of the Council under Article 27(1) may not rely on that measure as against an individual seeking before the national courts the application of provisions of revenue law adopted in conformity with Article 11A 1(a) of the Directive</p>
<p>14.2.1985, 268/83 — D.A. Rompelman and E.A. Rompelman-Van Deelen v Minister van Financiën¹</p>	<p>The acquisition of a right to the future transfer of property rights in part of a building yet to be constructed with a view to letting the property in due course may be regarded as an economic activity within the meaning of Article 4(1) of the Sixth VAT Directive. However, that provision does not preclude the tax administration from requiring the declared intention to be supported by objective evidence such as the planned premises being specifically suited to commercial exploitation</p>
<p>Social policy</p> <p>7.2.1985, 19/83 — Knud Wendelboe and Others v L. J. Music ApS, in liquidation¹</p>	<p>Directive 77/187/EEC does not require the Member States to enact provisions in accordance with</p>

Date and case	Held
<p>7.2.1985, 135/85 — H.B. M. Abels v Administrative Board of the Bedrijfsvereniging voor de Metaalindustrie en de Electrotechnische Industrie³</p> <p>7.2.1985, 179/83 — 1. Industriebond FNV; 2. Federatie Nederlandse Vakbeweging (FNV) v The Netherlands State³</p> <p>7.2.1985, 186/83 — A. Botzen and Others v Rotterdamse Droogdok Maatschappij BV³</p> <p>12.2.1985, 284/83 — Dansk Metalarbejderforbund and Others v H. Nielsen & Søn, Maskinfabrik A/S, in liquidation²</p>	<p>which the transferee of an undertaking becomes liable in respect of obligations concerning holiday pay and compensation to employees who were not employed in the undertaking on the date of transfer</p> <p>Directive 77/187/EEC does not apply to the transfer of an undertaking where the transferor has been declared bankrupt; it does apply where an undertaking is transferred in the course of a procedure such as a <i>surséance van betaling</i> (suspension of payment of debts by judicial order)</p> <ol style="list-style-type: none"> 1. The termination by workers of their contract of employment following an announcement by the employer that it was suspending payment of its debts cannot be treated as a dismissal by the employer for the purposes of Directive 75/129/EEC 2. Directive 75/129/EEC applies only where the employer has in fact contemplated collective redundancies or has prepared projected collective redundancies
<p>Free movement of workers</p>	
<p>13.2.1985, 267/83 — Aissatou Diatta v Land Berlin²</p>	<p>The members of a migrant worker's family, as defined in Article 10 of Regulation (EEC) No 1612/68, are not necessarily required to live permanently with him in order to qualify for a right of residence under that provision, and Article 11 does not establish a right of residence independent of that provided for in Article 10</p>
<p>13.2.1985, 293/83 — F. G. Gravier v City of Liège²</p>	<ol style="list-style-type: none"> 1. The imposition, on students who are nationals of other Member States, of a registration fee, enrolment fee or <i>minerval</i> as a condition of access to vocational training, where the same fee is not imposed on students who are nationals of the host Member State, constitutes discrimination on grounds of nationality contrary to Article 7 EEC 2. The term 'vocational training' includes instruction in the art of strip cartoons provided by an institution of advanced artistic education where that institution prepares students for a qualification for a particular profession, trade or employment or provides them with skills necessary for such profession, trade or employment
<p>Agriculture</p>	
<p>27.2.1985, 55/83 and 56/83 — Italy v Commission⁴</p>	<p>Commission Decision No 83/37 (Case 55/83) and Decision No 83/48 (Case 56/83) is void in so far as it refuses to recognize as chargeable to the EAGGF aid for the distillation of table wine paid</p>

Date and case	Held
<p>27.2.1985, 112/83 — Société des Produits de Maïs v Directeur général des Douanes⁴</p>	<p>to Italian producers under distillation contracts which have been entirely performed and in respect of which a financial settlement has been made in accordance with the provisions of Article 2 of Regulation (EEC) No 567/76 and Article 2 of Regulation (EEC) No 1281/76 The remainder of the action is dismissed</p> <p>The provisions of Commission Regulation (EEC) No 562/76 are invalid in so far as they fix the MCAs applicable to exports of maize gluten (heading No 23.03) and products falling under subheadings 11.08 A I; 17.02 B I a); 17.02 B I b); 17.02 B II a); 17.02 B II b); 17.02-03; 17.02-28.0; 17.02-28.1; 35.05 A; 29.04-77.001</p> <p>The fact that the provisions of Commission Regulation (EEC) No 652/76 have been held invalid does not make it possible to challenge the collection or payment, by national authorities, of MCAs on the basis of those provisions prior to the date of the judgment declaring them invalid</p>
<p>Infringements</p>	
<p>7.2.1985, 173/83 — Commission v France⁵</p>	<p>By precluding the exportation of waste oils to other Member States under the system for the collection and disposal of such oils set up under Decree No 79-981 of 21 November 1979 and its two implementing regulations of the same date, France has failed to fulfil its obligations under Article 34 EEC</p>
<p>30.1.1985, 189/84 — Commission v France</p>	<p>Ordered removed from the Court Register (national provisions subjecting approval of pesticides to the condition that the application must be made by the holder of the trade mark resident in France)</p>

Disputes between the Community and its staff

v Commission

14.2.1985, 131/81 — (Mario Berti v Commission)² — Judgment for the applicant (non-contractual liability of the Commission)

v Parliament

15.1.1985, 168/83 — Application dismissed as inadmissible

¹ OJ C 56, 2.3.1985.
² OJ C 61, 9.3.1985.
³ OJ C 57, 5.3.1985.
⁴ OJ C 73, 19.3.1985.
⁵ OJ C 59, 7.3.1985.

Economic and Social Committee¹

224th plenary session

2.4.20. The 224th plenary session of the Economic and Social Committee was held in Brussels on 27 and 28 February. It was chaired by Mr Gerd Muhr, Chairman of the Committee. Mr Jacques Delors, President of the Commission, attended on 28 February.

Giving a report on the state of Europe, Mr Delors said that the 'family quarrels' which had begun in 1980 were disappearing. 1984 was marked by a number of improvements. 'I still think that we are on the brink of agreement about enlargement. There is no point in giving ourselves another six months or year'. It was to be regretted that the Community had so little influence in the outside world, and that the Member States rarely spoke with one voice. The Community economy was at a crossroads; it was essential to beware of fashionable trends and to avoid being too pessimistic about the Community. Institutional problems were at the heart of Community preoccupation. The Community was not taking any decisions.

In such a situation, Mr Delors said: 'Our task is to strengthen Community unity, on the basis of:

- (i) establishment of a fully fledged market which will enable us to benefit from the scale of the Community and give fresh momentum to the Community cause;
- (ii) closer industrial and scientific cooperation. This ... must include a better understanding of the potential of the small business sector.'

Mr Delors also stressed the importance of monetary cohesion (especially of strengthening the EMS) and emphasized the need for a medium and long-term blueprint for agriculture, new proposals on integrated Mediterranean programmes (→ point 1.2.1 *et seq.*) taking more account of the needs of the Mediterranean region, and renewed dialogue between the two sides of industry.

During the debate Mr Staratzke (employers — Germany) affirmed his support for European Union. Mr Bonety (workers — France) advocated greater economic convergence among the Ten and non-inflationary, selective and qualitative stimulation of the economy. Mr Strauss (various interests — United Kingdom) called for intensive negotiations in GATT on an international agricultural trade policy. Mr Flum (workers — Germany) stressed the significance of unemployment. Mr Emo Capodilista (various interests — Italy) deplored the reduction in farmers' incomes since 1975. Mr Zinkin (employers — United Kingdom), reflecting on the fact that people think in European terms in many fields, expressed regret that politics had not followed this consensus. Mr Pelletier (employers — France) was particularly concerned by the slow growth of the EMS. Mr Romoli (employers — Italy) spoke of budgetary difficulties if the accession negotiations were not brought to a successful conclusion; he also advocated a constructive policy towards the countries of Eastern Europe.

Mr van Rens (workers — Netherlands) spoke of the organization of working time; Mr Briganti (various interests — Italy) hoped that the Commission would give weight to the cooperative movement; and Mr Kamizolas (various interests — Greece) was concerned about the fate of the integrated Mediterranean programmes.

2.4.21. Following discussion, the Committee adopted own-initiative opinions on the protection of forests against acid rain and the medium-term prospects of the fisheries sector. It also considered a report on the EMS and delivered opinions on a number of Commission proposals.

Opinions

Protection of forests against acid rain

2.4.22. The Committee's own-initiative opinion (its second supplementary opinion

¹ See OJ C 60, 8.3.1985, for the membership of the various sections of the Economic and Social Committee.

on this question¹ calls for a set of specific measures to combat acid rain, under the headings of promotion of new non-polluting energy sources; general energy conservation; road traffic speed limits; air pollution by aircraft, ships and construction plant; wood conservation; taxation; promotion of public transport; incineration of household rubbish.

Fisheries

2.4.23. Established barely two years ago, the common fisheries policy already faces a major challenge: the accession of Spain and Portugal two leading fishing nations, comes at a time when numerous structural measures (the fleets of the Ten are still too large) and market measures, social and research policies need to be extended or revised. This was reflected in an own-initiative opinion which reviewed the measures which, in the Committee's view, would make for a more efficient Blue Europe. The opinion was based on an information report which takes stock of this new policy.

European Monetary System

2.4.24. In a period of considerable currency instability when the dollar continues to play a pivotal role, it is essential to strengthen the European Monetary System and take measures to ensure its stability and credibility not only in the EEC but throughout the world. This is the main recommendation of the Drago report, which the Committee decided to transmit to the Council and the Commission.

The report recommends greater use of credit facilities such as very short-term financing (VSTF), short-term monetary support (STMS) and medium-term financial assistance (MFTA), which are still very much under-used. It further recommends the removal of certain anomalies within the EMS and asks that the ECU no longer be considered solely as a unit of account but become a fully fledged currency replacing the dollar in most of the Community's financial operations.

In conclusion, the Committee considered that any reluctance to strengthen the EMS would hinder European integration and the basic objectives of the Community.

*

2.4.25. The Committee also adopted opinions on Commission proposals² concerning:

- (i) amendment of the Regulations of 25 March 1969 on the harmonization of certain social legislation relating to road transport³ and of 20 July 1970 on the introduction of recording equipment in road transport;⁴ and the draft Council recommendation to improve the implementation of these Regulations in the Member States:² this opinion, adopted by a large majority (one vote against and one abstention) concentrated on some of the Commission's crucial proposals—daily (9 hours maximum) and weekly (45 hours) driving periods, daily and weekly rest periods, exceptions, the banning of piecework in road haulage, the numbering and preservation of a sufficient number of record sheets for monitoring purposes, special rules for passenger transport;
- (ii) the protection of workers by the proscription of specified agents and/or work activities:⁵ the Committee endorsed the proposal in its present form, subject to a clear formulation of the title and methodology; it further stressed the need to include benzidine and its salts among the agents listed, and for appropriate forms of worker information and consultation when exemptions are applied for;
- (iii) a draft Council resolution on a programme of action of the European Communities on toxicology for health protec-

¹ OJ C 358, 31.12.1983; OJ C 248, 17.9.1984; Bull. EC 7/8-1984, point 2.4.42. The two own-initiative opinions follow on from the opinion given by the Committee on a Commission proposal of June 1983; see respectively OJ C 187, 13.7.1983; Bull. EC 6-1983, point 2.1.123, and OJ C 208, 8.8.1984; Bull. EC 7/8-1984, point 2.1.112.

² OJ C 100, 12.4.1984; Bull. EC 3-1984, point 2.1.168.

³ OJ L 77, 29.3.1969; OJ L 73, 17.3.1979.

⁴ OJ L 164, 27.7.1970; OJ L 181, 4.7.1973; OJ L 334, 24.12.1977.

⁵ OJ C 270, 10.10.1984; Bull. EC 9-1984, point 2.1.51.

tion (1985-89):¹ the opinion, adopted unanimously, approved the Commission proposal, while making a number of observations on the need for a more detailed definition of the evaluation and comparability of toxicological data, introduction of a toxico-vigilance system for poison control centres and exchanges of scientists between Member States;

(iv) general rules for the financing of intervention by the EAGGF Guarantee Section: the Committee endorsed the Commission proposal unanimously despite having serious misgivings; the measures will save the Community about 30 million ECU a year;²

(v) restrictions on the marketing and use of certain dangerous substances and preparations (second PCB/PCT Directive): the Committee endorsed the Commission proposal unanimously,³ but asked that: a time limit be set for the use of plant and equipment containing PCBs/PCTs, despite the burden on certain institutions such as hospitals; it be clearly stated in Article 2 that it is forbidden to trade in PCBs/PCTs and to transfer these substances from disused plant to plant in operation; arrangements be made to monitor export or import of products containing PCBs/PCTs to or from non-member countries; monitoring systems be set up in all Member States; provision be made to compensate victims of disasters caused by substances such as PCBs/PCTs;

(vi) quick-frozen foodstuffs for human consumption: the Committee unanimously endorsed the proposal that temperature norms based on the standard of -18°C (0°F) should be adopted throughout the Community;⁴

(vii) the permissible sound level and exhaust system of motorcycles:⁵ the Committee unanimously endorsed the Commission's proposed limit values for sound levels (dB(A)) which have been differentiated on the basis of engine capacity.

ECSC Consultative Committee

2.4.26. On 18 February the Council adopted a Decision appointing the members of the ECSC Consultative Committee.⁶

European Investment Bank

Operations in January and February

2.4.27. Loans announced by the European Investment Bank in January and February for investments within the Community totalled 668.8 million ECU,⁷ broken down as follows: 470 million ECU in Italy, 140.3 million ECU in France, 34.4 million ECU in Denmark, 19.7 million ECU in the United Kingdom and 4.4 million ECU in Greece. Of the total amount, 167 million ECU was provided from the resources of the new Community borrowing and lending instrument (NCI).⁸ Outside the Community, the Bank lent 6.1 million ECU for investments in the Congo under the second Lomé Convention.

Community

Italy

2.4.28. LIT 627 000 million was lent in Italy, including LIT 80 000 million from NCI resources, mainly for development projects in the Mezzogiorno.

LIT 150 000 million was granted to SIP (Società Italiana per l'Esercizio Telefonico) for improvements in Southern Italy's telephone network by adding to and improving existing installations; LIT 22 000 million was lent to extend two factories manufacturing sanitary absorbent products in Abruzzi and Latium.

LIT 20 000 million went towards upgrading product quality and increasing the productivity of three food factories located in Latium and the Marches.

¹ OJ C 156, 16.6.1984; Bull. EC 5-1984, point 2.1.86.

² Bull. EC 11-1984, point 2.1.113.

³ Bull. EC 10-1984, point 2.1.83.

⁴ OJ C 267, 6.10.1984; Bull. EC 9-1984, point 2.1.14.

⁵ OJ C 263, 2.10.1984; Bull. EC 9-1984, point 2.1.72.

⁶ OJ C 55, 1.3.1985.

⁷ The conversion rates at 31 December 1984 used by the EIB in statistics for the first quarter of 1985 were 1 ECU = BFR 44.72, DKR 7.99, DM 2.23, DR 91.04, FF 6.83, HFL 2.52, IRL 0.72, LIT 1 371, LFR 44.72, UKL 0.61, USD 0.71.

⁸ OJ L 298, 20.10.1978; Bull. EC 10-1978, point 2.1.10.

Still in the Mezzogiorno, LIT 20 000 million was granted to Apulia to finance a regional plan for drainage, sewerage and water supply improvements, in line with the Barcelona Convention for the Protection of the Mediterranean Sea against Pollution.

Two global loans for a total amount of LIT 70 000 million (50 000 million to Isveimer and 20 000 million to Irfis) were granted for the expansion of small and medium-sized ventures in the manufacturing and hotel and related service industries of the Mezzogiorno, and LIT 20 000 million to improve the Procter and Gamble factory at Pomezia in Latium through the automation of detergent and soap production, as well as plant expansion to include the manufacturing of babies' napkins.

In the energy sector, the EIB granted LIT 210 000 million to ENEL (Ente Nazionale per l'Energia Elettrica) for the purpose of developing Italy's indigenous sources of energy and reducing its dependence on imported oil. It lent LIT 150 000 million specifically towards the construction of the Upper Latium nuclear power station at Montalto di Castro, and 60 000 million for the construction of five geothermal power stations, with a combined generating power of 75 MW, in Tuscany.

In central-northern Italy, LIT 50 000 million was granted from NCI resources to Lombardy for waste water collection and treatment works to reduce pollution in the basins of the Po river and several of its tributaries. The Veneto received LIT 20 000 million for setting up collection and treatment facilities for domestic and industrial waste water from the Porto Marghera industrial estate and the surrounding urban areas near Venice. LIT 10 000 million went to the construction of an exchange for the direct marketing of agricultural products at Verona. Lastly, LIT 5 000 million went to finance the creation at Concorezzo in Lombardy of a pharmaceutical centre for the research and development of new therapeutic and diagnostic substances.

France

2.4.29. FF 960 million was lent in France, including FF 600 million from NCI

resources: FF 500 million from the NCI went to Mâcon-Châtillon section (96 km) of the A40 motorway, which will help improve one of the major intra-Community links between the A6 (Paris-Lyon) and Geneva and the Mont Blanc Tunnel to Italy. FF 200 million (half from the NCI) was granted for the construction of three satellites, two in geostationary orbit and the third held in reserve on the ground. The equipment, which is Eutelsat compatible, will in part be rented to the European Space Agency and the Deutsche Bundespost. This advanced technology calls for know-how and supplies from companies in 10 countries, including 7 from the Community. FF 160 million went towards financing the cross-Channel link between the British and French electricity supply grids, which will enable them to operate more flexibly and enhance the reliability of electricity supplies. The work is being carried out jointly by Électricité de France and the Central Electricity Generating Board and involves laying eight high-voltage cables with a normal combined capacity of 2 000 MW over a distance of 69 km, 45 km of this under the Channel, and the construction of converter stations, control centres and various ancillary installations. Lastly, a global loan of FF 100 million to the Caisse centrale de crédit coopératif will go towards small and medium-sized investment projects in sea fisheries in coastal regions receiving regional development subsidies. The EIB is contributing to the restructuring, modernization and development of sea fisheries in the context of the Community's fisheries policy.

Denmark

2.4.30. DKR 275 million was lent for a district heating transmission system in Copenhagen based on the use of waste heat from several power generation plants, reducing energy consumption by replacing individual or block oil-fired heating. This should lead to an estimated reduction of 620 000 toe per annum, by the time the system is fully operational in 1989. The replacement of individual heating should

also considerably reduce air pollution in Copenhagen and the surrounding area.

United Kingdom

2.4.31. UKL 12 million was lent in the United Kingdom: UKL 10 million went to the Investors in Industry group in the form of a global loan for small and medium-sized investment projects in industry, related services and tourism, and UKL 2 million went to the extension and dredging of the main sea approach to Harwich harbour, used for container traffic from or to other Community countries.

Greece

2.4.32. DR 400 million from NCI resources (global loan) will be onlent by the Greek Small Business Organization (Eom-

mex), mainly for firms employing fewer than 50 people and with an annual turnover of less than DR 120 million.

Outside the Community

2.4.33. The EIB granted a loan of 6.1 million ECU to the Congo, an ACP State, to help extend its international telephone service by the installation of electronic exchanges at Brazzaville, Pointe-Noire and Loubomo (10 000 extra lines), the reinstatement and expansion of existing networks in these communities and the uprating of the Mougoumi station and the existing international telephone exchange, the capacity of which will shortly be trebled. The loan carries a 3% interest subsidy from EDF resources.



PART THREE
DOCUMENTATION

1. ECU

Values in national currencies of one ECU

28 February ¹	
Belgian franc and Luxembourg franc (convertible)	44.7589
Belgian franc and Luxembourg franc (financial)	44.9826
German mark	2.22459
Dutch guilder	2.51736
Pound sterling	0.612799
Danish krone	7.96968
French franc	6.80163
Italian lira	1 384.03
Irish pound	0.715589
Greek drachma	92.7292
United States dollar	0.667645
Swiss franc	1.89411
Spanish peseta	123.014
Swedish krona	6.30924
Norwegian krone	6.40271
Canadian dollar	0.920349
Portuguese escudo	122.847
Austrian schilling	15.6296
Finnish mark	4.61610
Japanese yen	173.154
Australian dollar	0.933117
New Zealand dollar	1.49361

¹ OJ C 55, 1.3.1985

NB. Explanatory notes on the ECU and 'green' rates can be found in Bull. EC 7/8-1982, points 3.1.1 to 3.1.3, and Bull. EC 10-1984, point 3.1.1.

Representative rates ('green' rates)

Conversion rates into national currencies for the ECU used in connection with the common agricultural policy

February	
National currency	Value in national currency of one ECU
Belgian franc and Luxembourg franc	44.9008 ¹
	46.4118 ²
Danish krone	8.23400 ¹
	8.41499 ²
German mark	2.39792 ³
	2.41047 ⁴
	2.38516 ²
Greek drachma	77.2479 ¹
	90.5281 ²
French franc	6.93793 ⁴
	6.49211 ¹
	7.10590 ⁵
	6.86866 ²
Irish pound	0.725690 ¹
	0.750110 ²
Italian lira	1 341.00 ¹
	1 432.00 ²
Dutch guilder	2.70178 ³
	2.71620 ⁴
	2.68749 ²
Pound sterling	0.618655

¹ For seeds.

² For other products.

³ For cereals and durum wheat.

⁴ For milk and milk products.

⁵ For pigmeat and wine.

2. Additional references in the Official Journal

3.2.1. This section lists the titles of legal instruments and notices of Community institutions or organs which have appeared in the Official Journal since the last Bulletin was published but relating to items appearing in earlier issues of the Bulletin; the references were not available when the Bulletin went to press.

The number of the Bulletin and the point to which this additional information refers is followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

Bull. EC 10-1984

Point 2.1.48

Commission Decision of 24 October 1984 concerning aid which the Belgian Government granted in 1983 to a ceramic sanitary ware and crockery manufacturer

OJ L 59, 27.2.1985

Bull. EC 11-1984

Point 2.1.36

Commission Decision of 23 November 1984 relating to a proceeding under Article 85 of the EEC Treaty (IV/30.907 — Peroxygen products)

OJ L 35, 7.2.1985

Bull. EC 12-1984

Point 2.1.3

Council Decision of 19 December 1984 adopting the annual report on the economic situation in the Community

OJ L 45, 14.2.1985

Point 2.1.9

Proposal for a Council Directive on the easing of controls and formalities applicable to nationals of the Member States when crossing intra-Community borders

OJ C 47, 19.2.1985

Point 2.1.51

Commission Regulation (EEC) of 19 December 1984 on the application of Article 85 (3) of the

Treaty to categories of research and development agreements

OJ L 53, 22.2.1985

Point 2.1.52

Commission Regulation (EEC) of 19 December 1984 on the application of Article 85 (3) of the Treaty to categories of specialization agreements

OJ L 53, 22.2.1985

Point 2.1.55.

Commission Decision of 5 December 1984 relating to a proceeding under Article 85 of the EEC Treaty (IV/30.307 — Fire insurance (D))

OJ L 35, 7.2.1985

Point 2.1.56.

Commission Decision of 7 December 1984 relating to a proceeding under Article 85 of the EEC Treaty (IV/28.930 — Milchförderungsfonds)

OJ L 35, 7.2.1985

Point 2.1.57

Commission Decision of 12 December 1984 relating to a proceeding under Article 85 of the EEC Treaty (IV/30.666 — Mecaniver-PPG)

OJ L 35, 7.2.1985

Point 2.1.58

Commission Decision of 10 December 1984 relating to a proceeding under Article 85 of the EEC Treaty (IV/30.717 — Uniform Eurocheques)

OJ L 35, 7.2.1985

Point 2.1.59

Commission Decision of 14 December 1984 relating to a proceeding under Article 85 of the EEC Treaty (IV/30.809 — John Deere)

OJ L 35, 7.2.1985

Point 2.1.75

Proposal for a Council Directive on the freedom of establishment and the free supply of services in the field of mortgage credit

OJ C 42, 14.2.1985

Point 2.1.87

Commission Decision of 21 December 1984 on applications for assistance from the European Communities concerning exceptional financial support for Greece in the social field, submitted by Greece (1984)

OJ L 30, 2.2.1985

Point 2.1.108

Commission Decision of 14 December 1984 amending Commission Decisions of 21 December 1983, instituting pilot actions in preparation for the integrated Mediterranean programmes

OJ L 37, 8.2.1985

Point 2.1.30

Commission Decision of 21 December 1984 concerning the list of chemical substances notified pursuant to Council Directive 67/548/EEC on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances

OJ L 30, 2.2.1985

Point 2.1.195

Commission Decision of 21 December 1984 on the final payment of the Community financial participation for 1984 in inspection and surveillance operations in the maritime waters of Ireland

OJ L 38, 9.2.1985

Point 2.1.199

Commission Decision of 21 December 1984 granting financial support to implement the moderniza-

tion of the Mulhouse-Nord railway junction project

Commission Decision of 21 December 1984 granting financial support to implement the Wexford Bypass project

Commission Decision of 21 December 1984 granting financial support to implement the Evzoni-Volos road — section between Axios and Gallikos bridge project

Commission Decision of 21 December 1984 granting financial support to implement the construction of the Potaschberg — German border section of the Luxembourg-Trier motorway project

OJ L 30, 2.2.1985

Points 2.4.24 to 2.4.26

Opinions adopted by the Economic and Social Committee during its session on 12 and 13 December 1984

OJ C 44, 15.2.1985

Bull. EC 1-1985

Point 2.1.24

Proposal for a Council Regulation amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community and Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71

OJ C 47, 19.2.1985

3. Infringement procedures

Initiation of proceedings for failure to implement directives

3.3.1. In February the Commission sent letters of formal notice for failure to incorporate directives into national law (the Commission not having been informed of national implementing measures) in the following cases:

Customs union

Commission Directive of 23 May 1984¹ laying down provisions for the application of Articles 13 and 14 of the Council Directive of 4 March 1969 as regards release for free circulation of compensating products under inward processing² (Ireland, Luxembourg, Belgium, France).

Internal market and industrial affairs

Council Directive of 17 December 1982 amending the Directives on the approximation of the laws of the Member States relating to wheeled agricultural or forestry tractors³ (Belgium, France, Italy).

Commission Directive of 14 December 1983⁴ adapting to technical progress the Council Directive of 27 July 1976 on the approximation of the laws of the Member States relating to the installation of lighting and light-signalling devices on motor vehicles and their trailers⁵ (Belgium, France, Italy, Netherlands, United Kingdom).

Commission Directive of 3 July 1984⁶ adapting to technical progress the Council Directive of 6 February 1970 on the approximation of the laws of the Member States relating to the permissible sound level and the exhaust system of motor vehicles⁷ (Belgium, France, Italy, Luxembourg, Netherlands, United Kingdom).

Social affairs, education and training

Council Directive of 20 October 1980 on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer⁸ (Greece).

Environment, consumer protection and nuclear safety

Council Directive of 22 March 1982 on limit values and quality objectives for mercury discharges by the chloralkali electrolysis industry⁹ (Germany, Denmark, Italy, United Kingdom).

Council Directive of 17 May 1982¹⁰ amending for the second time the Council Directive of 27 July

1976 on the approximation of the laws of the Member States relating to cosmetic products⁵ (Italy, Luxembourg).

Council Directive of 24 June 1982 on the major-accident hazards of certain industrial activities¹¹ (Ireland, Italy, Luxembourg, United Kingdom).

Council Directive of 21 April 1983¹² amending the Council Directive of 20 December 1979 on the limitation of noise emissions from subsonic aircraft¹³ (Netherlands).

Taxation and financial institutions

First Council Directive of 24 July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance¹⁴ (Netherlands).

Second Council Directive of 18 December 1978 on taxes other than turnover taxes which affect the consumption of manufactured tobacco¹⁵ (Italy).

Reasoned opinions

3.3.2. In February the Commission delivered reasoned opinions in the following cases:

Customs union

Council Directive of 24 February 1981 on the harmonization of procedures for the export of Community goods¹⁶ (Italy).

Commission Directive of 23 April 1982¹⁷ laying down certain provisions for implementing the Council Directive of 24 February 1981 on the harmonization of procedures for the export of Community goods¹⁶ (Italy).

¹ OJ L 166, 26.6.1984.

² OJ L 58, 8.3.1969.

³ OJ L 378, 31.12.1982.

⁴ OJ L 9, 12.1.1984.

⁵ OJ L 262, 27.9.1976.

⁶ OJ L 196, 26.7.1984.

⁷ OJ L 42, 23.2.1970.

⁸ OJ L 283, 20.10.1980.

⁹ OJ L 81, 27.3.1982.

¹⁰ OJ L 167, 15.6.1982.

¹¹ OJ L 230, 5.8.1982.

¹² OJ L 117, 4.5.1983.

¹³ OJ L 18, 24.1.1980.

¹⁴ OJ L 228, 16.8.1973.

¹⁵ OJ L 10, 16.1.1979.

¹⁶ OJ L 83, 30.3.1981.

¹⁷ OJ L 156, 7.6.1982.

Council Directive of 24 July 1979 on the harmonization of procedures for the release of goods for free circulation¹ (Denmark).

Council Directive of 3 May 1983² amending the Commission Directive of 26 May 1975 regarding detailed rules on equivalent compensation and prior exportation under inward processing arrangements³ (Ireland).

Council Directive of 22 May 1978 on the harmonization of provisions laid down by law, regulation or administrative action concerning deferred payment of import duties or export duties⁴ (Denmark).

Transport

Council Directive of 12 November 1974 on admission to the occupation of road haulage operator in national and international transport operations⁵ (Italy).

Council Directive of 12 November 1974 on admission to the occupation of road passenger transport operator in national and international transport operations⁵ (Italy).

First Council Directive of 4 December 1980 on the introduction of a Community driving licence⁶ (Ireland, Italy).

Council Directive of 28 July 1982⁷ amending the Council Directive of 17 February 1975 on the establishment of common rules for certain types of combined road/rail carriage of goods between Member States⁸ (Italy).

Environment, consumer protection and nuclear safety

Council Directive of 17 December 1979 on the protection of groundwater against pollution caused by certain dangerous substances⁹ (Belgium).

Commission Directive of 23 October 1981¹⁰ adapting to technical progress for the third time the Council Directive of 27 June 1967 on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances¹¹ (Germany, Italy, Luxembourg).

Commission Directive of 25 March 1982¹² adapting to technical progress for the fourth time the Council Directive of 27 June 1967 on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances¹¹ (Germany, Italy, Luxembourg).

Council Directive of 15 July 1980 on air quality limit values and guide values for sulphur dioxide and suspended particulates¹³ (Ireland, Netherlands).

Commission Directive of 11 February 1982¹⁴ adapting to technical progress Annex II to the Council Directive of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products¹⁵ (Italy).

First Commission Directive of 22 December 1980 on the approximation of the laws of the Member States relating to methods of analysis necessary for checking the composition of cosmetic products¹⁶ (Italy).

Council Directive of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products¹⁵ (Italy).

Council Directive of 15 July 1980 relating to the quality of water intended for human consumption¹³ (Italy).

Council Directive of 28 March 1983 concerning the importation into Member States of skins of certain seal pups and products derived therefrom¹⁷ (Italy).

Council Directive of 2 April 1979 on the conservation of wild birds¹⁸ (Belgium, France).

¹ OJ L 205, 13.8.1979.

² OJ L 127, 17.5.1983.

³ OJ L 156, 18.6.1975.

⁴ OJ L 146, 2.6.1978.

⁵ OJ L 308, 19.11.1974.

⁶ OJ L 375, 31.12.1980.

⁷ OJ L 247, 23.8.1982.

⁸ OJ L 48, 22.2.1975.

⁹ OJ L 20, 26.1.1980.

¹⁰ OJ L 351, 7.12.1981.

¹¹ OJ 196, 16.8.1967.

¹² OJ L 106, 21.4.1982.

¹³ OJ L 229, 30.8.1980.

¹⁴ OJ L 63, 6.3.1982.

¹⁵ OJ L 262, 27.9.1976.

¹⁶ OJ L 383, 31.12.1980.

¹⁷ OJ L 91, 9.4.1983.

¹⁸ OJ L 103, 25.4.1979.