

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

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8482/85 (Presse 122)

1025th Council meeting

- Industry/Steel -

Brussels, 25 July 1985

President: Mr Jacques F. POOS

Minister for Economic Affairs  
of the Grand Duchy of Luxembourg



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

Belgium:

Mr Mark EYSKENS  
Minister for Economic Affairs

Germany:

Mr Martin BANGEMANN  
Federal Minister for Economic  
Affairs

Mr Otto SCHLECHT  
State Secretary,  
Federal Ministry of Economic  
Affairs

France:

Mrs Edith CRESSON  
Minister for Industrial  
Redeployment and Foreign Trade

Italy:

Mr Bruno ORSINI  
State Secretary,  
Ministry for Industry

Netherlands:

Mr F. BOLKESTEIN  
Minister for Foreign Trade

Denmark:

Mr Ib STETTER  
Minister for Industry

Greece:

Mr Alexandre ZAFIRIOU  
Ambassador,  
Permanent Representative

Ireland:

Mr Andrew O'ROURKE  
Ambassador,  
Permanent Representative

Luxembourg:

Mr Jacques F. POOS  
Minister for Economic Affairs  
Mr Johny LAHURE  
State Secretary for Economic  
Affairs

United Kingdom:

Mr Norman LAMONT  
Minister of State,  
Department of Trade and Industry

Commission:

Mr Karl-Heinz NARJES  
Vice-President  
Mr Willy DE CLERCQ  
Member  
Mr Peter SUTHERLAND  
Member

The following also attended as observers:

Spain:

Mr Joan MAJO  
Minister for Industry  
and Energy

Portugal:

Mr CARVALHO-CARREIRA  
State Secretary,  
Ministry of Industry

STEEL POLICY AFTER 1985

The Council, taking as a basis the Commission communication of 16 July, held an initial detailed discussion on Community steel policy after 1985, covering both the organization of the steel market and the rules applying to financial aid and intervention by the Member States after 1985.

The Council approved the following conclusions regarding the organization of the steel market:

"The Council:

- having taken note of the Commission's views concerning the market surveillance arrangements proposed for the years after 1985;
- convinced of the need to return as swiftly as possible, in an orderly manner, to a market in which Community undertakings freely compete;
- being aware, however, that the process of restructuring is still in progress and that a transitional period limited to a maximum of three years is necessary;
- calls on the Commission to prepare, in line with the principles set out in the second and third indents, a specific document on which the Council will take a final decision on the basis of Article 58 of the ECSC Treaty, with the aim of continuing market surveillance arrangements."

As regards the rules applying to financial aid and transfers to the steel industry after 1985, the President of the Council, at the close of the discussion, asked the Commission to further elaborate the guidelines set out in its communication in the light of the substantive comments made at the present Council meeting.

The Council agreed to resume its discussions on the whole of this question at its meeting on 17 October with the aim of taking final decisions before the end of the year.

AMENDMENT OF THE QUOTA SYSTEM

The Council gave its assent under Article 58 of the ECSC Treaty to the Commission's proposed amendment to Decision No 234/84 concerning quota arrangements for Denmark's sole steel producer.

RELATIONS WITH THE UNITED STATES IN THE STEEL SECTOR

The Council took note of an interim report by Commissioner DE CLERCQ on the talks with the United States concerning "consultation" steel products. It invited the Commission to continue to take a firm line in its talks with the United States authorities, in close liaison with the Member States, in order to arrive swiftly at an equitable arrangement.

The Council noted that it should be ready to meet again at very short notice should the need arise.

TARIFF CONCESSIONS ON CERTAIN ELECTRONIC PRODUCTS

The Council authorized the Commission to notify GATT of the Community's intention to renegotiate the concession on video recorders (heading 92.11 B) and to invite contracting parties who considered they had negotiating rights with regard to this concession to notify the EEC accordingly (Article XXVIII of GATT).

The aim of the above measure is to replace the measures in the grey area in the sector by an appropriate tariff scheme.

CONCLUSIONS OF THE RESEARCH COUNCIL

Following the discussions of the Research Council on 4 June 1985 (<sup>1</sup>), the Council adopted, in the official languages of the Communities, decisions concerning:

- the realization of a tritium handling laboratory, complementing the Decision of 22 December 1983 adopting a research programme to be carried out by the Joint Research Centre (1984-1987);
- a definition phase for a Community action in the field of Telecommunications Technologies (RACE).

With regard to the tritium laboratory, the Council decided that the aim of the research project of European significance referred to in the Council Decision of 22 December 1983 on the multiannual research programme of the JRC, to which an amount of 12,5 MECU had been allocated, should be to realize a tritium handling laboratory at the Ispra Establishment of the JRC.

The construction and operation of the laboratory will be fully integrated into the JRC subprogramme on Fusion technology and safety and the laboratory will contribute to the JET fusion project. In general, the laboratory will be concerned with the problems involved in the operational safety of future fusion power stations.

The RACE Decision introducing a definition phase for a Community action in the field of telecommunications covers a period of 18 months and consist of two parts.

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(<sup>1</sup>) See Press release (7115/85 Presse 87) of 4 June 1985

The first part will comprise analytical work required for the formulation of a reference model for integrated broadband communication (IBC) to be carried out by organizations such as CEPT (European Conference of Postal and Telecommunications Administrations).

The second part will comprise evaluation projects carried out by means of contracts, as required to clarify technology options and establish techno-economic feasibility of the reference model.

The Decision provides for the possibility of financial contributions from the Community to both parts; the amount estimated to be necessary for the implementation of Part II is 14 MECU.

The main purpose of this definition phase is to carry out the initial work required for arriving at a precise definition of IBC operational requirements and the exploratory research and development work in key areas requiring immediate action.



PRODUCT LIABILITY

The Council adopted the Directive on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products.

By adopting this Directive, the Council has permitted an extremely important step forward to be made in the field of consumer protection, by offering to the victim specific recourse against the producer of a defective product. It will involve passing, in seven Member States, from a traditional liability system based on negligence to a system where liability is borne by the manufacturer regardless of any negligence, thus avoiding the grave inadequacies, in an age of increasing technicality, of systems whose overriding principle is fault. The adoption of this Directive will lead to limitation of costs and time involved in litigation and thus make it easier for the victims and their families to obtain compensation for injury or death caused by defective products in full accordance with the aims set out in the resolution for a policy programme on information and protection of consumers.

The Directive covers both compensation for death and personal injury and compensation for damage to property. The latter has however been limited to goods for private use or consumption and has been made subject to a deduction of an amount of 500 ECU in order to avoid litigation in an excessive number of cases.

In order to provide a fair apportionment of risk between the injured person and the producer, the Directive provides that the producer can free himself from liability if he furnishes proof as to the existence of certain exonerating circumstances. The producer is for example afforded the possibility of freeing himself from liability if he proves that the state of scientific and technological knowledge at the time when he put the product into circulation

was not such as to enable the existence of a defect to be discovered. As this possibility, in view of what is expected for the protection of consumers in certain States, might be felt to restrict unduly such protection, the Directive provides that a Member State may maintain in its legislation or provide by new legislation that this exonerating circumstance should not be admitted. This derogation possibility has however been made subject to a Community stand-still procedure, in order to raise, if possible, the level of protection in a uniform manner throughout the common market.

Taking into account the legal traditions in most Member States, the Directive does not set any financial ceiling on the strict liability of the producer. As there are however differing traditions in certain Member States, the Directive allows Member States to derogate from the principle of unlimited liability by providing a limit for the total liability of the producer for personal damage caused by identical items with the same defect. This limit should be of at least 70 MECU, a level sufficiently high to guarantee adequate protection of the consumer and the correct functioning of the common market.

In order to achieve greater harmonization, the Council will at regular intervals receive reports from the Commission on the application of the Directive, accompanied as the case may be by appropriate proposals. In particular, in 1995 the Commission will submit to the Council a report on the effect that rulings by the courts as to the application of the provisions of the Directive, in particular of those concerning "development risks" and the financial ceiling, have on consumer protection and the functioning of the common market, accompanied if necessary by proposals for amendment to the Directive, on which the Council will decide pursuant to the terms of Article 100 of the Treaty.

MISCELLANEOUS DECISIONS

EEIG

The Council adopted in the official languages of the Communities the Regulation on the European Economic Interest Grouping (EEIG), the decision on the substance of this Regulation having been taken on 27 June <sup>(1)</sup>.

Research and atomic questions

The Council adopted in the official languages of the Communities the Decision concerning the conclusion of the co-operation agreement between the European Economic Community and the Kingdom of Norway on a research and development programme in the field of metals and mineral substances.

The Council took note of the Commission communications on two IEA Agreements between the EAEC represented by the Commission and the United States of America, Department of Energy,

- concerning a co-operative programme for the investigation of toroidal physics in, and plasma technologies of, Tokomaks with poloidal field divertors
  
- concerning co-operation in developing the Stellarator concept in the field of thermonuclear fusion research and development.

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<sup>(1)</sup> See Press release 7803/85 (Presse 108) of 27 June 1985.

Commercial policy and Customs Union

The Council adopted, in the official languages of the Communities, the Regulation imposing a definitive anti-dumping duty on imports of certain kinds of polystyrene sheet originating in Spain.

The Council also adopted, in the official languages of the Communities, the Regulation amending the list in the Annex to Regulation (EEC) No 2763/83 as regards the arrangements for processing under customs control.

In addition, the Council adopted, in the official languages of the Communities, the Regulation opening, allocating and providing for the administration of a Community tariff quota for deep-frozen fillets of Alaska pollack falling within subheading ex 03.01 B II b) 14 of the Common Customs Tariff.

EFTA

The Council adopted, in the official languages of the Communities, the Regulations on the application of Decisions No 1/85 of the EEC-Switzerland/EEC-Austria Joint Committees - Community transit - amending Appendix II to the Agreements between the European Economic Community and the Swiss Confederation/Republic of Austria on the application of the rules on Community transit.

The Council also adopted, in the official languages of the Communities, the Regulation concluding the agreement in the form of an exchange of letters with Portugal on tomato concentrates (1985).

Generalized scheme of preferences

The Council adopted, in the official languages of the Communities, the Regulation applying supplementary generalized preferences in respect of certain industrial products originating in developing countries and sold at the Berlin "Partners in Progress" Fair.

### Agricultural decisions

The Council adopted, in the official languages of the Communities, the Regulation adopting the general rules concerning the special measures for soya beans. This Regulation lays down in particular the conditions under which the aid will be granted to recipients (first purchaser or first processor).

The Council also adopted, in the official languages of the Communities, the Regulation amending Regulation (EEC) No 3247/81 on the financing by the European Agricultural Guidance and Guarantee Fund, Guarantee Section, of certain intervention measures, particularly those involving the buying-in, storage and sale of agricultural products by intervention agencies. The purpose of this Regulation is to make provision for national financing of supplementary expenditure resulting from the use of the option of shortening the period of payment for small producers from 90 to 60 days.

The Council adopted its position (in the form of a letter to the Commission) under Article 175 of the EEC Treaty following an invitation to act forwarded by the Commission on 20 June 1985 regarding the fixing of cereals prices for 1985/1986.

### EEC-Israel relations

The Council signified the Community's agreement to an increase in customs duties in Israel for certain products in application of the "emergent industries" clause in the EEC-Israel Agreement.

### EEC-Yugoslavia relations

The Council adopted the decision authorizing the Commission to negotiate the conclusion of a second EEC-Yugoslavia Financial Protocol.

Fisheries

The Council adopted, in the official languages of the Communities, the Regulation opening, allocating and providing for the administration of Community tariff quotas for certain fishery products, salted, falling within subheadings ex 03.02 A I b) and ex 03.02 A II a) of the Common Customs Tariff.

ECSC

The Council gave the following assents pursuant to Article 56(2)(a) of the ECSC Treaty:

- Cleveland Redpath Offshore Limited (United Kingdom)
- INTERBANCA, Milan (Italy)
- Royal Bank of Scotland plc (United Kingdom).

European Foundation

In connection with the implementation of provisions setting up the European Foundation:

- the Council adopted:
  - a Decision laying down the procedure for appointing those members of the Board of the European Foundation to be chosen by the Community. These members will be appointed by the Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament. The list proposed will include members of the European Parliament;
- the Council and the Representatives of the Governments of the Member States adopted:
  - a Resolution which, in order to ensure co-ordination with certain institutions and organizations active in the same area or in similar areas, stipulates that the membership of the Board of the Foundation should include a suitable number of representatives of the Council of Europe, the European Cultural Foundation in Amsterdam, the Cultural Centre in Delphi and other comparable institutions and organizations, by virtue of the activities being parallel to or convergent with the objectives of the Foundation.









SPECIAL ATTENTION WASHINGTON  
EC-US STEEL : THE TEN, READY TO HAVE AN EXTRA MEETING ON AUGUST 1  
(W. HELIN)

AFTER COMMISSIONER DE CLERCQ INFORMED THE COUNCIL ABOUT THE STATE  
OF PLAY OF TALKS WITH THE US ABOUT OUR EXPORTS OF SO-CALLED  
'CONSULTATION-PRODUCTS' (SEE PREVIOUS BIO) THE TEN ANNOUNCED THEIR  
READINESS TO MEET AGAIN ON AUGUST 1, NEXT, TO DISCUSS THE FOLLOW-UP  
OF ANNOUNCEMENTS LIKELY TO BE MADE AFTER THE (US) ECONOMIC POLICY  
COUNCIL MEETS ON TUESDAY JULY, 30.

IN THE MENATIME, THE TEN HAVE ASKED M. DE CLERCQ TO MAINTAIN A  
FIRM ATTITUDE VIS-A-VIS THE US PARTNER ON THE ISSUE.

SPECIAL ATTENTION TOKYO  
EC ANNOUNCES ITS DECISION TO NOTIFY GATT ABOUT DUTIES ON IMPORTS  
OF JAPANESE ELECTRONIC CONSUMER GOODS (W. HELIN)

THE MINISTERS OF INDUSTRY OF THE TEN HAVE TO-DAY ANNOUNCED THEIR  
FORMAL DECISION TO NOTIFY GATT, THE EC'S INTENTION TO RENEGOTIATE  
THE TARIFF CONCESSION ON VIDEOTAPE RECORDERS IMPORTED FROM JAPAN.

THE AIM OF THIS MOVE IS TO REPLACE THE EXISTING SELF-RESTRAINT  
ARRANGEMENT OF 1983 BY AN 'APPROPRIATE TARTFF REGIME'. THE  
INTENTION IS TO RAISE PRESENT DUTIES FROM 8 PER CENT TO 14 PER CENT  
AS OF JANUARY 1E 1986.

ONE OF THE COMPENSATION MEASURES (ACCORDING TO GATT RULES) IN FAVOUR  
OF JAPAN WILL BE A REDUCTION OF PRESENT DUTIES ON SEMI-CONDUCTORS  
FROM 17 PER CENT TO 14 PER CENT.

REGARDS

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## AMENDMENT OF DECISION 234/84/ECSC

THE COUNCIL OF THE 26 MARCH HAVING AGREED IN PRINCIPLE TO GRANT THE ONLY DANISH STEEL PLANT A SUPPLEMENTARY QUOTA OF 100.000 TONNES, THE COMMISSION HAD SUBMITTED A PROPOSAL FOR AN AMENDMENT OF DECISION 234/84/ECSC WITH A VIEW TO OBTAINING THE COUNCIL'S ASSENT. THE BELGIANS LIFTED THEIR RESERVATION ON THIS AMENDMENT FOLLOWING AN UNDERTAKING BY THE DANISH MINISTER TO PUT IT TO THE MANAGEMENT OF THE DANISH COMPANY IN QUESTION TO ENDEAVOUR TO SELL THIS EXTRA QUOTA ONLY ON THE DANISH MARKET OR THIRD COUNTRY MARKETS. THE U.K. DELEGATION REQUESTED A CONFIRMATION FROM THE COMMISSION THAT THE AMENDMENT WOULD ONLY APPLY TO DANEMARK WHICH WAS IN TURN GIVEN BY VICE-PRESIDENT NARJES.

UNDER THE A POINTS, THE CONCLUSIONS OF THE RESEARCH COUNCIL OF THE 4 JUNE 1985 ON THE DEFINITION PHASE OF THE RACE PROGRAMME AS WELL AS THE INSTALLATION OF TA TRITIUM HANDLING LABORATORY AT THE ISPRA RESEARCH CENTER WERE ADOPTED (cf. BIO(85) 191 SUITES 2 - 3, AND P - 22, MARCH 1985).

## SPECIAL ATTENTION WASHINGTON

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H. PAEMEN, COMEUR //// NNNN

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