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7 October 1986

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Charles  
confirm?  
Yes  
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M Addison Esq  
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Dear Mr Addison

**WHITE PAPER: DEVELOPMENTS IN THE EUROPEAN COMMUNITY:  
JANUARY - JUNE 1986**

We propose to publish as a White Paper, during October, the above report.

I should be grateful if you, and those to whom I am copying this letter, would confirm that there is no objection to publication. I enclose a copy of the draft paper.

Yours Sincerely  
*J G Rice*

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DEVELOPMENTS IN THE EUROPEAN COMMUNITY  
JANUARY-JUNE 1986

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SECTION I: INTRODUCTION

1.1 This White Paper covers the period of the Netherlands Presidency of the Council of Ministers from 1 January to 30 June 1986. In this period there were several developments of importance to the future of the Community and to other nations with which it has links. There was also one major unexpected event - the Chernöbyl disaster - which presented the Community with new challenges.

1.2 On 1 January Spain and Portugal became members of the European Communities and the Ten became Twelve.

1.3 Several years of debate about institutional reform within the Community came to an end when the Single European Act was signed in Luxembourg by nine member states on 17 February and by the other three at The Hague on 28 February. The Single European Act represents the first significant overhaul of the Treaty of Rome since it was drafted nearly 30 years ago. It contains measures to complete the internal market by 1992, including an extension of majority voting in the Council for this purpose; steps to bring the Treaty of Rome up to date through new articles on technology, the environment, cohesion, monetary matters and social questions; new procedures to enable the European Parliament to play a more constructive role; and separate treaty provisions on co-operation in foreign policy, based on a draft originally put forward by the United Kingdom.

1.4 It is the Government's view that the Single European Act will enhance the Community's ability to respond to the challenges of the 1980s and 1990s, and will strengthen the ability of the twelve members states, acting together, to make their voice heard in international affairs. It advances the United Kingdom's interests by making it easier to break down the remaining barriers to trade and the provision of services (a long-standing United Kingdom objective); by helping the Community to



compete in the new technologies; and by making co-operation in foreign policy more effective. As the Prime Minister told the House of Commons on 5 December 1985, it will enable the United Kingdom "to realise more fully the benefits of our membership of the European Community".

1.5 The European Communities (Amendment) Bill, which gives effect to those provisions of the Single European Act which relate to the European Communities, received a second reading in the House of Commons by a majority of 319 to 160 on 23 April.

1.6 Fundamental issues were raised when in December 1985 the European Parliament adopted a disputed 1986 budget. In view of the importance of these issues the Council, supported by individual members states, commenced legal proceedings against the European Parliament before the European Court of Justice. The United Kingdom applied successfully to the Court for interim measures to defer application of the disputed additions made by the European Parliament, pending the Court's final judgment. That judgment, which found in favour of the Council, was received on 3 July (see paragraph 2.3).

1.7 In May, the Commission put forward proposals for a supplementary budget for 1986 increasing the provision for the structural funds, from which the United Kingdom is a major beneficiary, for the United Kingdom abatement and for agricultural expenditure largely arising from the decline in the value of the US dollar.

1.8 The Economic and Finance Council (ECOFIN) agreed on 28 April to the reference framework, i.e. for the overall ceiling for the 1987 budget, in accordance with the Council conclusions on budget discipline established in December 1984. On 13 June, the Commission put forward their preliminary draft budget for 1987.

1.9 The Own Resources Decision of 7 May 1985 came into force on 1 January 1986. This implemented the United Kingdom abatement system agreed at Fontainebleau in 1985. It also increased the ceiling on



members states' VAT own resources payments from 1 per cent to 1.4 per cent. From January 1986 the United Kingdom's monthly VAT payments were 117 million ecus (£72 million)\* lower than they would have been without the Fontainebleau abatement. As a result of the abatement system, the United Kingdom continues to contribute to the budget at considerably less than the old ceiling of 1 per cent.

1.10 To reach early agreement on agricultural prices was a major objective of the Dutch Presidency. This was done in April. The outcome showed that member states are increasingly aware of the need, long stressed by the United Kingdom, to contain the costs of the Common Agricultural Policy (CAP). The Commission estimated that the agreed package would produce savings in the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) of 118 million ecus (£73 million) over 1986 and 1987, compared with their original proposal.

1.11 The revised Common Fisheries Policy (CFP) agreed in January 1983, has continued to function smoothly.

1.12 The Internal Market Council is acting as the focal point for work towards the fulfilment of the Community's commitment to complete the internal market by 1992, based on the rolling programme of action, to cover three consecutive Presidencies, first developed by the Luxembourg, Netherlands and United Kingdom Presidencies at the end of 1985. The Council reviewed the 1986 rolling programme: and a new action programme for the period 1 July 1986 - 30 June 1987, prepared jointly by the Netherlands, the United Kingdom and Belgium, was submitted to the Council on 23 June.

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\* Converted at 1986 budget rate of £1=1.62 ecu.



1.13 The Commission also continued its work on deregulation following the initiative launched by the United Kingdom at the European Council in March 1985. The Commission have taken steps to ensure that the regulatory impact of all new proposals for Community action is thoroughly assessed.

1.14 At its meeting on 8 April and 10 June the Research Council held preliminary discussions on the Commission's informal proposals for a new Framework Programme for Community Research and Development for the period 1987 to 1991 prior to the Commission's presentation of its formal proposals in July. The Council agreed that the major emphasis should be on those programmes aimed at promoting Europe's industrial competitiveness. The Council also agreed that a thorough review of the activities of the Community's Joint Research Centre should be carried out by an independent panel of industrialists.

1.15 Outside the Community framework but strongly associated with it is the EUREKA initiative - a development in which 19 European countries and the Commission seek to encourage collaboration in market-related projects among high-technology European companies, in order to enable Europe to compete more effectively with the United States and Japan. On 30 June the United Kingdom's Chairmanship of EUREKA culminated in a Ministerial Conference in London. The Conference announced that a further 62 collaborative projects were under way between European firms, settled the way in which projects and project proposals would be considered within the EUREKA framework and agreed on establishing a small Secretariat in Brussels to provide an information network on projects.

1.16 The Environment Council during its two meetings reached agreement on directives concerning the discharge to water of DDT, pentachlorophenol and carbon tetrachloride, and the use of sewage sludge in agriculture. The main points arising from a proposal for a directive on animal experimentation were agreed.

1.17 Progress on transport was generally disappointing, with no agreement on the package of shipping measures under discussion in the Council and little movement on aviation. However, in a judgment



delivered in May in a case on French air tariffs the European Court of Justice did confirm that the competition rules of the Treaty applied to aviation. In the inland transport sector, furthermore, the Council adopted conclusions on the main lines of the transitional arrangements leading to the full liberalisation of international road haulage by 1992. The main feature of these arrangements will be 40 per cent annual increases in the Community quota of road haulage permits from 1987 onwards, leading to the abolition of quota limits by 1992.

1.18 In the social and employment field the United Kingdom, Italy and the Republic of Ireland took an important initiative in the fight against unemployment, when they tabled a joint paper at the Labour and Social Affairs Council on 5 June on "Employment growth into the 1990's - a strategy for the labour market". The Council welcomed the paper, which sets out proposals for enhancing the level of employment in the Community and agreed that it should continue its work on the proposals during the United Kingdom Presidency. Amongst other developments the Commission issued its decision on 1986 allocations from the European Social Fund; the United Kingdom received 16.4 per cent (£280 million) of the total sum.

1.19 The Energy Council on 3 June reached agreement on a new regime governing the payment of state aids to the coal industry. It again failed, however, to agree to continued support for the social costs of restructuring the coal industry. The Council on 20 March concluded that lower oil prices would have beneficial effects on the economic outlook for the Community and that there was no immediate need to adopt new specific Community energy policy measures.

1.20 The Community responded quickly to the unprecedented situation that arose from the disaster on 26 April at the Chernobyl nuclear power station in the Ukraine. Very shortly after the disaster, a temporary ban was imposed on the import of certain agricultural products from countries within 1000 kilometres from Chernobyl. The ban was replaced from 31 May



by a regulation requiring member states to check that imports of agricultural products from outside the Community do not contain more than a stated level of radiation. This regulation runs until 30 September. The Energy Council discussed the longer term implications of the disaster, and the lessons to be learnt from it.

1.21 On external trade, the Community, as the world's biggest trading bloc, reaffirmed its commitment to the new GATT Round and to its speedy and successful launching, and agreed a satisfactory negotiating mandate for the renewal of the Multi-Fibre Agreement. The Community's relations with the United States were marked by a number of trade disagreements. At the Foreign Affairs Council on 12 March, the Community set out a line of action with Japan designed to sustain pressure on Japan to open its markets.

1.22 Implementation of the Community's £67 million rehabilitation plan for the eight African countries worst affected by famine in 1985 went ahead rapidly with over 80 per cent of the total sum allocated to specific projects and programmes by June. Areas where assistance is being provided include agricultural tools, supply of seed and fertilizer, provision of livestock, rehabilitation of water supplies, grain storage, and assistance in establishing early warning systems.

1.23 In Political Co-operation, the signature of the Single European Act in February provided a sound basis for the long-term development of EPC in a Community of Twelve. The main subjects under discussion during the Netherlands Presidency were South Africa and international terrorism: on the former, the June European Council issued a statement of the Twelve's policy and asked Sir Geoffrey Howe to undertake a mission to South Africa during the British Presidency. On the latter, the Twelve took joint action against Libya for its support of terrorism and agreed to a range of policies designed to counter international terrorism. They



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also decided to establish a permanent working body within the EPC framework to give increased impetus to the Twelve's work in this field. The Twelve continued to play an active diplomatic role in support of peaceful solutions to the problems of Central America and the Middle East. The coordinated closely in the Conference on Security and Co-operation in Europe (CSCE) process. The Twelve issued declarations on the Iran/Iraq war, the Philippines and Sri Lanka.

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SECTION II: ECONOMIC, BUDGETARY AND MONETARY MATTERS

1986 Budget

2.1 On 18 December 1985 the President of the European Parliament adopted a Community budget for 1986 which included appropriations for non-obligatory expenditure in excess of the maximum rate of increase fixed by the Commission as well as other disputed elements. The Council of Ministers decided on 20 December to challenge the European Parliament's adoption of the 1986 budget before the European Court of Justice. The United Kingdom, France, Germany, Netherlands and Luxembourg also decided to bring separate actions against the European Parliament.

2.2 Pending substantive judgment by the Court in the budget dispute the United Kingdom Government also applied for interim measures suspending implementation by the Commission of the disputed elements in the budget. This application was granted by the Court on 17 March. Under the terms of its order, the Court ruled that, pending receipt of the Court's judgment in the case brought by the Council, the Commission should implement the 1986 budget substantially on the basis of the draft budget. The Court also ordered the Commission to refund to the United Kingdom the £18 million it had already contributed, on a without prejudice basis, towards the disputed part of the budget.

2.3 The Advocate General's opinion in the Council's case was given on 2 June. The Court's judgment was received on 3 July. The Court ruled that the European Parliament had exceeded its powers in adopting a 1986 budget which incorporated appropriations for non-obligatory expenditure in excess of the maximum rate of increase fixed by the Commission and ordered, in effect, that the 1986 budgetary procedure should be completed in accordance with the Treaty.



1986 Supplementary Budget

2.4 On 20 May the Commission presented a preliminary draft supplementary and amending budget (PDSAB) for 1986. This contained additional expenditure provision, compared with the budget adopted by the European Parliament, of some 1,800 million ecu (about £1,110 million)\*. 915 million ecu (£564 million)\* were proposed as additions to agricultural guarantee expenditure, 750 million ecu (£463 million)\* for the structural funds, in particular the social fund, and consequential adjustments to the Spanish and Portuguese transitional VAT refunds of some 145 million ecu (£89 million)\*. The proposals also included provision for an additional 500 million ecu (£310 million)\* (707 million ecu (£436 million)\* expenditure equivalent) for the United Kingdom abatement in 1986. This increase was in accordance with the conclusions of the Economic and Finance Council (ECOFIN) in October 1985 which stated that the Commission should bring forward a correction to the United Kingdom's 1986 abatement taking account of all the available information on the United Kingdom's net position.

1987 Budgetary Procedure

2.5 On 28 April, the ECOFIN Council agreed the reference framework for the 1987 budget, in accordance with the budget discipline conclusions of December 1984.

2.6 On 12 May, the Commission presented a document containing key figures for the 1987 budget. On 13 June, the Commission presented its formal proposals for the 1987 preliminary draft budget (PDB).

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\* Converted at 1986 budget rate of £1 = 1.62 ecus



Implementation of the Fontainebleau abatement system

2.7 The 1986 budget contained provision for the United Kingdom's abatement in respect of 1985 of 1400 million ecus (£860 million)\*. The Own Resources Decision of 7 May 1985, which provides the legal base for the abatement, came into force on 1 January 1986. The United Kingdom was thus able to reduce its monthly VAT contributions by 117 million ecus (£72 million)\* from January. The abatement provision was not affected by the European Court's Interim Judgment requiring the Commission to execute the Council's second reading budget rather than that adopted by the Parliament.

2.8 The 1986 draft supplementary budget contained a proposal to increase the abatement provision by 500 million ecus (£310 million)\* as a result of up-to-date information about the United Kingdom's VAT share and receipts.

2.9 The 1987 preliminary draft budget contained an initial provision for the United Kingdom's abatement in respect of 1986 of 1633 million ecus (£1025 million).

2.10 The maximum rate for member states' VAT own resources contributions was increased from 1 per cent to 1.4 per cent from 1 January 1986.

The Court of Auditors

2.11 The Court of Auditors report on the Communities 1984 financial year, which was published in the Official Journal on 16 December 1985, was debated in the House of Commons on 5 March. The Court's report was subsequently considered at the ECOFIN Council on 10 March. For the first time M.Mart - the President of the Court of Auditors - was invited to present the Court's report to the Council. The Council recommended, in

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\* Converted at 1986 budget rate of £1 = 1.62 ecus



accordance with Article 206(b) of the Treaty, that the European Parliament should grant a discharge to the Commission in respect of its implementation of the 1984 Community Budget. The European Parliament - which has the ultimate responsibility for granting a discharge - adopted the discharge decision on 18 April.

Economic and Finance Council Business

2.12 The Council continued its discussions on approximation of indirect tax in the context of the internal market. Following its decision in December 1985 to set up an ad hoc group of senior officials, the group's report was considered by the Council in June. The Council asked the Commission to present, by April 1987, its more detailed proposals on rate structures and on the accompanying systems which in the Commission's view are necessary for the completion of the internal market. This was without prejudice to the Council's eventual position on this matter.

2.13 The Council continued its regular reviews of the economic situation. In the second quarterly review in March, the Council, taking account of the uncertainties created by the fall in oil prices, decided not to change the guidelines in the 1985-86 Annual Economic Report.

2.14 At its March meeting, the Council considered the Court of Auditors' report on the 1984 Community budget, and adopted the recommendation to the European Parliament that a discharge be given to the Commission in respect of the budget's implementation.

2.15 In accordance with the budgetary discipline procedure, the Council in April set the reference framework for the 1987 Community budget. The major element in this is the guideline for limiting expenditure relating to agricultural markets, which was set at 23 billion ecus (about £14 billion). The Council noted that the budgetary procedure would have to take account of the European Court's judgment on the disputed 1986 budget, the "cost of the past" as it affects the structural funds, and



enlargement. The Council discussed the general budgetary situation in the current year, and the pressures on agricultural spending. It was generally recognised that these, and other, pressures would have to be contained within the 1.4 per cent VAT ceiling.

2.16 In June, the Council considered two Commission papers on the liberalisation of capital movements: a draft directive designed to extend the range of transactions in the 1960 directive subject to unconditional liberalisation, and a communication setting out a programme for full liberalisation by 1992. The Council gave broad endorsement to both these proposals, and the work is being carried forward by the Monetary Committee, the Committee of Central Bank Governors and in a Council working group.

2.17 The Council's discussions also covered the problems of international debt; the Community's economic and financial relations with Japan; and tax measures to encourage cooperation between undertakings in different member states.

2.18 The Council adopted two Community mandates for Organisation for Economic Cooperation and Development (OECD) consensus discussions, both by qualified majority: in respect of the system of commercial interest reference rates and in respect of tied aid financing.

#### European Monetary System

2.19 European currency unit central rates within the European Monetary System were adjusted on 6 April. Compared with the previous central rates, the German deutschemark and the Dutch guilder were revalued by 3 per cent, the Danish krone and the Belgian and Luxembourg francs were revalued by 1 per cent, and the French franc was devalued by 3 per cent. Other central rates in the exchange rate mechanism were unchanged. The main result of these adjustments was an effective devaluation of the French franc against the deutschemark and the guilder of 5.8 per cent.



European Investment Bank (EIB): Loans

2.20 EIB Own Resources loans to the United Kingdom totalling £170 million were approved over the period. £126 million of this sum went to public sector bodies for infrastructure and communications projects. The remaining £44 million went to private industry in the aircraft, metal working, sewage treatment and tourism sectors.

European Investment Bank (EIB): Capital Increase

2.21 The 14.4 billion ecu (£9 billion) increase in the capital of the EIB agreed by the Board of Governors at its meeting on 11 June 1985 took effect on 1 January.



SECTION III: AGRICULTURE AND FISHERIES AND FOOD

Accession of Spain and Portugal to the European Community

3.1 On 1 March, Portugal and Spain made the first moves towards application of the Common Agricultural Policy (CAP) mechanisms and towards alignment of tariffs with Community levels.

3.2 For Spain, all agricultural products (except fruit and vegetables) are subject to a normal (or "classical") form of transition, and for these products the first move towards price alignment is taking place on the first day of the marketing year after 1 March 1986 for each product. This is also the situation for a certain number of Portuguese products subject to classical transition.

3.3 It was agreed during the enlargement negotiation that certain aspects of the transitional arrangement for certain products would be phased. Thus a form of staged (or "phased") transition applies to a range of products for Portugal and to fruit and vegetables for Spain. Under this form of transition, the new member state prepares during the first phase for application of the CAP; and normal transitional measures are deferred until a second phase, when they take place on the normal classical basis. The length of the first phase will be 5 years for Portugal (though it may in certain circumstances be shortened to three years); this should allow time for Portuguese agriculture to adjust itself to face competition from elsewhere in the Community in those sectors to which this form of transition applies. The four year first phase for Spanish fruit and vegetables will give time for Spain to introduce Community quality grading and price reporting for this sector.

3.4 During the period when trade is being liberalised (ie during the second phase for products subject to phased transition and throughout the transition period for other products), a supplementary trade mechanism



will operate to ensure a smooth opening up of markets for products where trade was identified during the accession negotiations as being particularly sensitive.

The Common Agricultural Policy Price Fixing for 1986

3.5 A settlement of common prices in 1986-87, based on the Commission's proposals, was reached at the Agriculture Council on 25 April for all commodities. The package is estimated to constitute a reduction in CAP support prices (expressed in real terms) of about 2.25 per cent across the Community. The Commission estimated that the agreed package would produce savings in the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) of 118 million ecus (£73 million) over 1986 and 1987, compared with their original proposal, which was itself made in accordance with the Council's conclusions on budgetary discipline. At the time of the agreement Agriculture and Finance Councils noted the Commission's forecast that extra expenditure would be incurred in 1986, but that this resulted almost entirely from the effects of the fall in the value of the US dollar. The Commission later proposed a supplementary budget of 915 million ecus for the EAGGF's Guarantee Section to cover this expenditure. The Commission have also stated that expenditure in 1986 and 1987 must be financed within the 1.4 per cent VAT ceiling. The Council also agreed at the time of the price fixing to a reduction in the rates of reimbursement from the EAGGF to member states to cover the cost of intervention operations, saving the Community budget 300 million ecu a year from 1986. The green currency changes agreed include a devaluation of the green pound in the livestock sector by 3 per cent and in the arable sector by 1.5 per cent.

3.6 All price changes for cereals are expressed as comparisons with the interim support prices for 1985/86 set by the Commission in 1985 after the Council had failed to agree prices. In the United Kingdom the Commission support prices were increased in sterling by 1.35 per cent as a result of the green currency changes. Target prices in ecu terms for



cereals were increased by 0.5 per cent, other than for rye which was reduced by 0.3 per cent and durum wheat which remained unchanged. The reference price for bread-making wheat was replaced with a single intervention price for bread-wheat meeting specific quality criteria. This price in ecu terms was frozen at the level of last year's common intervention price. For bread-wheat of high quality a 2 per cent premium would be payable. Wheat failing to meet the intervention quality standard would be subject to a discount of up to 7 per cent of the intervention price. The intervention price for barley and sorghum was reduced by 5 per cent, maize remained unchanged and durum wheat was reduced by 4 per cent. The maximum moisture content permitted for intervention purposes for all cereals was now to be between 14 and 15 per cent. The target price for husked rice, the intervention price for paddy rice and monthly increments remained unchanged. The beginning of the cereals market year changed from August to July, and the maize and sorghum threshold price for March would also be applied in July to September. Intervention buying for cereals would be available for only part of the marketing year, from 1 September to end of April.

3.7 A co-responsibility levy of 5.38 ecu per tonne would be collected from 1 July at the time of first processing, sale into intervention or export to non-Community countries on Community-grown cereals. Community-financed aid would be available for small cereal producers. For 1986/87 the sum for the latter has been set at 120 million ecus. The levy is to operate for five years with a review after two.

3.8 The target price for milk, the intervention prices for butter and skimmed milk powder prices and the co-responsibility levy were unchanged. The green currency changes, however, resulted in a 2.74 per cent increase in support prices in the United Kingdom. Wholesale and direct sales milk quotas were to be reduced by 2 per cent in 1987/88 (to 101,654 million tonnes) and a further 1 per cent in 1988/89 (to 100,617 million tonnes). The scheme would be voluntary, but if member states failed to reach their



national cutback figure a compulsory cut across the board would be applied and no compensation paid. As far as possible this reduction would be achieved through a Community Outgoers' Scheme; the EAGGF would provide up to 4 ecu/100kg (18.3 pence per litre) over 7 years in compensation. The Community quota reserve remained unchanged at 393,000 tonnes. Transfer of unused quota between or within regions will continue for a further year. Supplementary levy may now be collected six-monthly by member states. It was agreed to allow the purchase of part quotas under national outgoers' schemes, which may continue while the Community scheme is underway.

3.9 Intervention buying-in prices for beef completed the three year transitional process to harmonised prices across the Community based on the carcass classification grid, leading to additional increases of about 1 to 2 per cent in the United Kingdom. The beef variable premium scheme, the calf premium and suckler cow premium continued unchanged pending decisions on the Commission's proposals for reform of the beef regime which should be taken by 31 December 1986. The green currency changes resulted in a 2.74 per cent increase in United Kingdom support prices.

3.10 For sheepmeat the basic price was left unchanged for the 1987 marketing year, which starts in January 1987. The seasonal scale of guide prices was also unchanged. However, the green currency changes resulted in a 2.74 per cent increase in support prices in the United Kingdom.

3.11 For pigs and pigmeat the green currency changes resulted in an increase of 2.74 per cent in the basic price in the United Kingdom. From 1 August it would relate to a higher and more representative standard quality. In June, a further green currency devaluation for pigmeat was agreed, giving a combined institutional price increase of 5.72 per cent. The emergency measures available to support the market following any outbreak of animal disease were made more flexible.



3.12 The green currency changes resulted in an increase in minimum sugar beet prices and raw and white sugar prices in the United Kingdom by 1.35 per cent.

3.13 The green currency changes also resulted in a 1.35 per cent increase in the support prices for rape seed and sunflower seed in the United Kingdom. A system of maximum guaranteed quantities was introduced to make the guarantee threshold for these products more effective. The intervention price in ecu terms for olive oil was reduced by 5 per cent. Support prices for peas, beans and lupins were increased by up to 2.35 per cent in the United Kingdom.

3.14 In other sectors, buying-in prices for some fruit and vegetables were unchanged but there were reductions of 7.5 per cent for peaches and tomatoes, 4 per cent for apricots and 2.5 per cent for citrus; cauliflower and aubergine prices were increased by 1 per cent. Tobacco premia were reduced by up to 6 per cent.

#### Agrimonetary Arrangements

3.15 The Agriculture Council agreed to devalue the representative rates used to convert agricultural support prices to national currencies for all member states except Germany and the Netherlands. The Council also agreed to suspend temporarily, for products in the pigmeat and eggs and poultry sectors, part of the negative monetary compensatory amounts (MCAs), introduced following the currency realignment on 6 April 1986.

3.16 The Agriculture Council on 24-25 June agreed revised MCA arrangements in the pigmeat sector; for eggs and poultry products the suspension was extended by three months.



Structural Measures

3.17 The Agriculture Council on 21-22 April agreed a Commission proposal providing, in respect of Portugal, for a number of adjustments to and derogations from Council Regulation 797/85 of 12 March 1985 on improving the efficiency of agricultural structures. This enables Portugal to take advantage of certain beneficial arrangements under the structures regulation.

3.18 The Agriculture Council on 26-27 May agreed in principle to proposals for Spanish measures under Regulations 797/85, 355/77 and 1360/78, providing certain additional benefits and concessions comparable to measures provided for other disadvantaged areas of the Community.

3.19 The same Council agreed in principle to the following changes in the list of Less Favoured Areas (LFAs): an increase in Germany's LFAs to 6 million hectares, and establishment of LFAs in Spain and Portugal covering 17 million and 2.4 million hectares respectively.

Draft Commission Socio - Structural Proposals

3.20 At the Agriculture Council on 21-22 April the Commission proposed further structural measures intended to achieve a better orientation of agricultural production (the United Kingdom's primary aim in this area) and to alleviate the consequences of price restraint. They include measures to encourage older farmers to leave agriculture; measures to assist young farmers to extensify production or improve its quality; adjustments to the framework for determining Hill Livestock Compensatory Allowances; measures to encourage environmentally sensitive farming and a number of other supporting measures.

Sale of Intervention Butter

3.21 A Commission regulation was published on 15 March 1986 making arrangements for the sale by tender of intervention butter at least 18 months old to the USSR, India and Pakistan.



Sheepmeat and Beef

3.22 On 3 January the Commission adopted a regulation imposing a clawback charge on exports from Great Britain to other member states of those categories of sheep and sheepmeat not eligible to receive variable premium. The charges imposed were, for light lambs, 10 per cent of the rate applicable to certified lambs, and 50 per cent for rams and other non-certifiable sheep. On 4 March the United Kingdom lodged with the European Court of Justice a legal challenge to the validity both of this regulation and of the earlier one which similarly imposed a 50 per cent clawback charge on ewes and ewemeat from 9 December 1985.

3.23 The Commission adopted a regulation on 15 May, applicable from 2 June, revising arrangements for determining the average market prices for fresh or chilled lamb and other sheep carcasses in member states.

3.24 On 16 June the Commission adopted a regulation increasing from 23 June the maximum payable weight for sheep certified for variable slaughter premium from 24.5kg to 26.5kg.

3.25 The Agriculture Council on 20-21 January agreed to open four Community import quotas for 1986, covering 50,000 tonnes of frozen beef and veal; 25,000 tonnes of beef for manufacturing; 175,000 head of young male cattle for fattening and 6,000 tonnes of high quality cuts of beef.

3.26 The Agriculture Council on 26-27 May agreed to open two Community import quotas in 1986, covering 5,000 head of alpine cattle and 38,000 head of mountain cattle.

Animal Health and Meat Hygiene

3.27 The Commission is empowered by Article 6(1) of Directive 77/504/EEC to determine, among other things, performance monitoring methods and methods for assessing cattle's genetic value. Although the methods



already being applied in member states were broadly similar, it was desirable to bring them into line. The alignment was adopted in a Commission decision setting out detailed methods for performance testing of bulls; milk recording and assessment of the breeding value of females; and progeny testing.

3.28 The Agriculture Council on 24-25 March agreed minimum welfare standards for laying hens kept in battery cages. The United Kingdom voted against the measure on the grounds that, since the measure involved a degree of harmonisation, the legal base should have included Article 100 as well as Article 43 of the Treaty. For the same reason the United Kingdom lodged an application on 29 May with the European Court of Justice seeking annulment of this directive on legal grounds (Case 131/86). For similar reasons the United Kingdom's application seeking annulment of the directive prohibiting the use in livestock farming of certain substances having a hormonal action was lodged with the European Court on 10 March (Case 68/86).

#### Food Additives

3.29 The Agriculture Council on 24-25 March adopted an amending directive on emulsifiers, stabilisers, thickeners and gelling agents for use in foodstuffs, extending the deadline on the use of some temporarily permitted substances and requiring the re-evaluation of one permitted substance (Tragacanth gum E413).

#### Food Labelling

3.30 On 6 May the Council adopted two amending regulations laying down general rules for the description and presentation of wines and grape musts, sparkling wines and aerated sparkling wines. These regulations require that wines falling within these categories should be labelled to show their actual alcoholic strength by volume. At the same time the Council adopted a further regulation requiring alcoholic strength by volume to be indicated on the label of special wines.



3.31 On 26 May the Agriculture Council adopted an amending directive on the labelling of foodstuffs. This requires beverages containing more than 1.2 per cent by volume of alcohol to be labelled with the actual alcoholic strength by volume.

Sugar

3.32 The Agriculture Council on 24-25 March adopted proposals establishing general rules for a system of production refunds for sugar and isoglucose used in the manufacture of certain chemical products. These arrangements, which took effect from 1 July 1986, provide for production refunds to be fixed quarterly based broadly on the difference between Community and world prices of sugar. However, in order to avoid disruption of the starch industry the production refund will be adjusted so that in 1986/87 and 1987/88 the net supply price of sugar does not undercut the net supply price of glucose, while in 1988/89 and 1989/90 the supply price of sugar might be allowed to develop gradually towards the world prices. These arrangements will be reviewed in 1989/90.

Starch

3.33 The Agriculture Council on 24-25 March agreed regulations implementing new arrangements for the starch sector from 1 July 1986. The purpose of the changes is to concentrate support on those products most at risk from competition from third countries where raw material is available at world prices. The refund is designed broadly to bridge the gap between Community and world prices for starch. It will be paid at a single rate on the starch used (not the raw material) and paid to the manufacturer using starch for eligible products, mainly in the industrial and chemical sectors.



Processed fruit and vegetables

3.34 The Agriculture Council on 24-25 February agreed to consolidate the basic regulation for the sector into a single text, with a technical annex relegated to a Commission regulation. The Council on 12 June extended the system of import licences to cherry juice and frozen peas.

3.35 The Commission on 29 April acted under its safeguard powers to extend the minimum import price arrangements for imports of frozen and other processed sour (morello) cherries for a further year until 9 May 1987. On 15 January the Commission had used the same powers to set a temporary minimum import price for provisionally preserved raspberries, and on 26 June, in view of the continuing need to protect the Community market, extended the arrangement until 15 October.

Seeds

3.36 On 27 February the Commission adopted Directive 86/109 restricting the marketing of certain categories of seed of fodder plants and oil and fibre plants and Decision 86/110 concerning the re-labelling of seed.

3.37 The Agriculture Council on 24-25 March adopted, as part of the measures for Spanish and Portuguese accession, Regulation 1355/86 to include hybrid sorghum for sowing in the common organisation of the market in seeds and establishing a system of reference prices.

3.38 The Council on 21-22 April adopted Directive 86/155 amending various directives on seeds and prescribing, at Spain's request, standards for several additional species of seed.

3.39 The Agriculture Council on 24-25 June agreed to extend general rules fixing reference prices and determining free-at-frontier offer prices for hybrid sorghum.



Pesticides

3.40 The Council on 26-27 May agreed two directives setting maximum residue limits on pesticides in cereals and products of animal origin (meat and milk).

3.41 The Agriculture Council on 26-27 May adopted two directives amending Directive 79/117. The first removes the time limit on the period of application of the Standing Committee on Plant Health procedure. The second adds ethylene oxide to the list of substances prohibited subject to temporary derogations for certain uses.

European Agricultural Guidance and Guarantee Fund (EAGGF)

3.42 Under the Guarantee Section of the EAGGF, United Kingdom receipts during the period were £727 million, with the main areas of benefit being payments for export refunds on cereals, milk products and beef, oilseed production aids, skimmed milk feed aids, beef and sheepmeat premiums. United Kingdom receipts from the Guidance Section of the EAGGF amounted to £11 million during the period.

External Relations

3.43 The Council on 9 June adopted Council Regulation 1902/86 amending Regulation 758/86, setting the 1986 quota for imports of manioc from non-GATT supplying countries at 300,000 tonnes, the same level as the 1985 quota.

3.44 The Council on 28 April adopted Council Decision 86/222 providing for the renewal of the export restraint agreement with Thailand concerning trade in manioc. Thailand will receive a quota of 21 million tonnes over four years (1987/90) subject to an annual maximum of 5.5 million tonnes.



Fisheries

Internal Regime

3.45 The 1986 Total Allowable Catches (TACs) and quotas, agreed provisionally at the Council held on 16/17 December 1985, were extended until 31 December 1986. Regulations were also passed concerning Spanish and Portuguese fishing. These covered arrangements for the two countries to fish in each other's waters and for imports into Portugal and the incorporation of the two new member states into existing third country trade agreements. Marketing regulations also established Community tariffs, guide prices and import levels for certain fish and fish products. Regulation 137/79 was amended to allow for the institution of a special method for applying intra-Community treatment to the catches of member states' vessels.

External Regime

3.46 Arrangements with Norway for 1986, again agreed on a provisional basis at the December Council, were extended until 31 December 1986. Third country agreements were finalised with Guinea Bissau and Madagascar.



SECTION IV: REGIONAL POLICY, THE INTERNAL MARKET  
AND INDUSTRIAL AFFAIRS

Regional Policy

4.1 The European Regional Development Fund (ERDF) commitment budget for 1986 is £1,879 million. Of this £1,823 million is for allocation to member states in accordance with the quota ranges in the main regulation (1787/84) and £56 million is in respect of the specific Community (non-quota) measures. Less than one third of the 1986 provision for the main section (£593 million) had been allocated, in respect of infrastructure and industrial projects, between member states at the end of June and of that the United Kingdom received £21 million. Additional allocations will be made over the next six months. The United Kingdom has also continued to receive aid under the non-quota section of the Fund in respect of certain areas suffering from the decline in the steel, shipbuilding and textile industries and in respect of certain border areas of Northern Ireland.

4.2 The Commission on 13 March published a decision under Regulation 216/84 which made provision for the United Kingdom to receive from the ERDF additional non-quota aid of the kind already available in respect of certain areas suffering from the decline in the steel industry. In principle this further aid is to be made available in respect of the counties of Clwyd and Gwent in Wales, Cleveland, Humberside (together with that part of the old Travel-to-Work Area (TTWA) of Scunthorpe situated in the county of Lincolnshire, and South Yorkshire (including all the old TTWA of Sheffield) in England and the Scottish Region of Strathclyde. The Government intend to concentrate the aid available in respect of Humberside on the Scunthorpe TTWA, and that in respect of Strathclyde on the districts of Strathkelvin, Motherwell, Monklands and Hamilton. The United Kingdom should receive about £7.5 million over a period of five years as a result of this decision.



4.3 The Commission on 24 January submitted to the Council proposals for two regulations instituting Community Programmes within the meaning of Article 7 of the ERDF main Regulation 1787/84 which came into force on 1 January 1985. These were the first such proposals to be made. They both concern the development of certain less favoured regions of the Community: the first by improving access to advanced telecommunications services (STAR programme), and the second by exploiting indigenous energy potential (VALOREN programme). Northern Ireland is an eligible area under both proposals. Discussions have started on the proposals, but they have not yet been considered by the Council.

4.4 In January the balance (£4 million) of the first tranche of aid under Regulation 1739/83, which provides assistance for urban renewal in the Belfast area, was received (an initial payment of £15 million was received in January 1984). An £18 million advance on the third tranche, was received in March.

#### Internal Market

4.5 In its four meetings on 4 February, 18 March, 6 May and 23 June the Internal Market Council discussed measures included in the rolling Presidency action programme for 1986 aimed at removing physical and technical barriers to trade within the Community. A new action programme to cover the period 1 July 1986 to 1 July 1987, prepared by the Netherlands, United Kingdom and Belgium, was presented to the Council on 23 June.

4.6 On 4 February the Council adopted the proposal for the co-ordinated development of computerised administrative procedures (CD Project) which aims to create a framework for co-ordinating national customs computer developments and reducing clearance times at internal frontiers. On 18 March the Council adopted a proposal on the ranges of nominal quantities and nominal capacities permitted for certain prepackaged products and noted the Commission's first proposal under the new approach to technical harmonisation of standards on pressure vessels. Following progress at



the Council on 6 May proposals have been adopted on protective structures for certain construction plant and the abolition of postal charges for customs presentation. The Council on 23 June considered new Commission proposals on opening up public procurement within the Community. The Council agreed in principle a directive on common technical specifications for the MAC/packet family of transmission standards for direct broadcasting by satellite. This meets the United Kingdom's concern that there should be no restriction on Member States' ability to exploit future technical developments evolving from the MAC/packet family of standards and which are operationally compatible with it. The Council made good progress towards agreement on a directive on specific training in general medical practice. It took note of a report by the Netherlands Presidency indicating that 31 specific measures aimed at removing barriers to trade within the Community had been adopted during the previous 12 months.

#### Deregulation

4.7 There were three significant developments. First, in January a firm of legal consultants, the Belmont European Community Law Office, was appointed to undertake on behalf of the Commission a study of the burdens imposed by existing Community legislation. Secondly, the Commission agreed in February 1986 to adopt a system which will enable member states to assess the costs to business of compliance with Community regulations. Each proposal for a new regulation will be accompanied by a note or "fiche", containing estimates of its effect on business costs. Thirdly, in June a task force on deregulation and small firms was set up within the Commission. The Government will be giving keen support to these and other initiatives during the United Kingdom Presidency in 1986.

#### Information Technology Standards

4.8 The Senior Officials Group for Information Technology Standards met on 4 February and 29 April. The Commission programme to harmonise information technology standards for Open Systems Interconnection by defining functional standards has made considerable progress. Three



standards have currently been completed and approved, making use of the streamlined consultation and voting procedures with member states national standards bodies, for publication as European pre-Standards (ENVs). Eight member states have signed a collaborative agreement and contracts with the Commission to enable work to proceed on providing European conformance testing services. United Kingdom test centres are in the lead for two of the areas specified. The work began in March with a four month initial definition phase.

#### Steel

4.9 On accession to the Community on 1 January 1986, Spanish exports to the Ten were limited to 827,500 tonnes. Exports from the Ten to Spain were unrestricted. Following a substantial surge in exports from the Ten to Spain, particularly in flat products, Spain complained to the Commission. The Commission published a decision on 5 March authorising safeguard measures, and the Ten's exports in the most affected categories were restricted to 1984 levels. At an Industry Council on 3 March, Ministers from the member states agreed that the Spanish quota for deliveries (of steel products) should be limited to 850,000 tonnes. These restrictions remain in force until the end of 1986.

#### Shipbuilding

4.10 The Industry Council on 3 March exchanged views on the Community regime for state aids to shipbuilding to replace the Fifth Directive when it expires at the end of 1986 and on 9 June received a progress report from the Commission on its consultations on the new regime for state aids to shipbuilding.

#### Intellectual Property

4.11 Informal negotiations with the object of finding a way to bring the Community Patent Convention into operation have continued. The Council Working Party on Intellectual Property (Trade Marks) met six times to consider the amended Commission proposal for a Council regulation for a Community Trade Mark. Another Council Working Party has been considering a Commission proposal for a Council directive on the legal protection of original topographies of semiconductor products.



SECTION V: RESEARCH AND DEVELOPMENT

Framework Programme

5.1 The Council held preliminary policy debates at its meetings in April and June on the Commission's informal proposals for the second Community Framework Programme for Research and Development. Once the Single European Act is ratified the new Framework Programme, unlike the first one, will have a legal basis in the Treaty as established in new agreed Articles. The Commission has identified seven broad areas as appropriate for Community research programmes. These cover energy (particularly nuclear fission and fusion); industrial technologies (particularly information and telecommunication technologies, technology for manufacturing industries and biotechnology); the management of resources (agriculture, materials); quality of life (health, safety and environment); science and technology for development and promoting European scientific and technical potential. The Commission have costed their informal proposals at some 10 billion ecus (£6 billion).

5.2 The Council's discussions concentrated on establishing firm selection criteria to be applied to individual programmes where evidence of the value added by the Community dimension is seen as important. Each member state also gave a clear indication of the relative priorities it attached to each proposed programme area. Ministers were agreed that the greatest emphasis should be placed on those areas aimed at promoting Europe's industrial competitiveness, with particular importance being attached to programmes such as ESPRIT (Information Technology), RACE (Telecommunications) and BRITE (Basic Technologies and Application of New Technologies). The high level of funding suggested by the Commission was criticised by some member states including the United Kingdom. The Commission's formal proposals were expected to be submitted to Council in July.



Joint Research Centre

5.3 The Council agreed that the work of the Community's own laboratories, the Joint Research Centre, should be more closely linked with the industrial objectives of the overall Framework Programme. The Council called for an independent review panel, composed mainly of European industrialists, to be set up to examine the activities of the Centre and its future role. The review panel will report before mid-November.

Environment and Materials Programmes

5.4 Research programmes in the environment and materials sectors had been agreed in principle by the Council at their meeting on 10 December 1985, but were still subject to the opinion of the European Parliament. The amendments proposed by the European Parliament resulted in conciliation discussions at the Council's meeting on 8 April. Several technical amendments were proposed by the European Parliament and agreed by Council, but the Council was unable to meet the European Parliament's request that the funding allocated to each programme be raised. The conciliation procedure was formally concluded on 9 June in time for Ministers to adopt the programmes at the 10 June Council.

ESPRIT

5.5 An independent review board studied the progress of ESPRIT (European Strategic Programme for Research and Development of Information Technologies) and submitted a mid term review to Council. At the April Council Ministers approved a resolution based on this review reaffirming their commitment to ESPRIT. However, the Council also noted its concern for the future development of management mechanisms and called for a further report on the technical results of ESPRIT I. This report will be produced by the Commission by October and is seen as a vital input to consideration of a second phase of ESPRIT.



SECTION VI: ENVIRONMENT AND TRANSPORT

Environmental Issues

6.1 The Environment Council agreed a directive extending the implementation of Directive 76/464/EEC on the discharge of dangerous substances to water. It includes a set of standard articles and an annex with details of emission limit values and environmental quality standards which will be required for DDT, pentachlorophenol and carbon tetrachloride. The Council asked that the Commission should, in bringing forward further proposals for substances for inclusion in the annex, respect the criteria set out in the parent directive - toxicity, persistence, bioaccumulation - and give priority to substances likely to be present in Community waters at levels which cause particularly important environmental problems. Agreement was also reached on a directive controlling the use of sewage sludge.

6.2 The Council agreed amendments to Directive 84/631/EEC on the transfrontier shipment of hazardous waste, to Directive 82/501/EEC on major accident hazards (the so-called "Seveso Directive") and to Decision 77/795/EEC establishing a Community water information system. The Council reached general agreement on all the main points arising from a proposal for a directive on animal experimentation. Other subjects discussed included the sulphur content of gas oil, waste oils and emissions from large combustion plants. The Council held a preliminary exchange of views on priorities for the fourth Environment Action Programme and took note of oral reports by the Commission on preparations for European Year of the Environment, which starts in March 1987.

6.3 Ministers also discussed the accident at the nuclear plant at Chernobyl, USSR, which occurred on 26 April and expressed their concern for all those affected. They concluded that there was a need for improved international communication and co-operation in relation to aspects of civil nuclear power.



Transport Issues

6.4 The Dutch Presidency held an informal meeting of Community Transport Ministers on 8-9 January in The Hague to discuss the main transport themes for their Presidency - aviation, shipping and road haulage. Formal meetings of the Transport Council were then held on 14 March, 18-19 June and 30 June.

6.5 On aviation, little progress was made. At the Council on 30 June, conclusions were agreed confirming the need for a coherent Community air transport system with greater competition on intra-Community air services, and setting a target date for the establishment of such a system by 1992 as part of the completion of the internal market. Outside the Council, the European Court of Justice delivered its judgment in May in the French air tariffs case which confirmed that the competition rules of the Treaty applied to aviation.

6.6 The package of four shipping instruments submitted to the Council as part of the Commission's memorandum on sea transport was considered by the Council on 14 March and 18 June. Despite good progress on three of the four instruments (dealing with competition, coordinated resistance, and unfair pricing) disagreement over the draft regulation on freedom to provide services, prevented the adoption of the package.

6.7 The Council's work on road haulage concentrated on two issues - the transitional arrangement leading to full liberalisation of road haulage by 1992 and lorry weights. On the former, the Council on 30 June concluded that there should be annual 40 per cent increases in the Community quota of road haulage permits from 1987 - 1992. It was agreed that bilateral quotas would be maintained in the transitional period and would be adjusted to meet traffic needs, including the full requirements of transit traffic. The conclusions also laid down the broad outline of the final arrangements for the organisation of the market after 1992. On lorry weights the Council on 30 June agreed a directive setting a



standard of 11.5 tonnes for the maximum drive axle weight for heavy lorries. The United Kingdom and the Republic of Ireland gained a derogation of unspecified duration to allow them to preserve their present limit of 10.5 tonnes. The 30 June Council also agreed a directive specifying the arrangements for proof of compliance with lorry weights legislation.

6.8 Other issues discussed included frontier facilitation, where a further directive on the arrangements for controlling goods crossing Community frontiers was agreed in principle at the 30 June Council: road safety, with the launch of European Road Safety Year at the informal meeting of Ministers on 8-9 January; and transport infrastructure and relations with Austria, which were both briefly discussed at the informal Ministerial meeting and at the 18-19 June Council.



SECTION VII: SOCIAL AFFAIRSEmployment

7.1 Employment Ministers met informally on 17 February and discussed the employment and labour market situation in the Community. They also considered the subject of women in the labour market. This was discussed further at an informal meeting of Employment Ministers on women's matters on 10 March. The Standing Employment Committee, composed of Employment Ministers, the Commission, and representatives of trade union and employer organisations, met on 24 April.

7.2 The Commission issued its decision on 1986 allocations from the European Social Fund on 7 May 1986. The United Kingdom obtained 16.4 per cent (£280 million) of the total sum - a reduction from 24 per cent (£306 million) in 1985. Part of the reduction in percentage terms was accounted for by a fall in the value of the £ against the ecu: another reason was the accession of Spain and Portugal. The Commission's guidelines for the management of the Social Fund for 1987 were published on 7 June. Although broadly similar to those in force for 1986 the Commission introduced some further limitations in the scope of the guidelines both as regards eligibility and geographical priority.

7.3 The Labour and Social Affairs Council on 5 June agreed a recommendation on the employment of disabled people and a resolution on a medium-term action programme (1986-1990) for the promotion of equal opportunities for women. The Council discussed, but did not reach agreement on, draft directives on equal treatment for self-employed women and the proscription of four specified carcinogens. The Commission announced at the Council that it would not be pursuing further discussions on the draft parental leave directive. Instead it stated



its intention of proposing a series of "actions" in the area of sharing family and occupational responsibilities. The Council also decided to postpone until 1989 at the earliest any further discussion on the draft directive on the informing and consulting of employees ("Vredeling"), recalling that the June 1985 Labour and Social Affairs Council had concluded that the implementation of the directive would pose fundamental problems for certain member states where the matters involved were governed by collective agreements and that a solution should be found to this problem of principle before continuing to examine the proposal.

7.4 A joint initiative on employment was launched by the United Kingdom, Italy and the Republic of Ireland by means of a paper on "Employment growth into the 1990's - a strategy for the labour market". The paper, which proposes measures in four main areas - promoting enterprise and self-employment; flexible patterns and conditions of work; training; and steps to help long-term unemployed people - was welcomed by the Council which agreed to continue its work on it during the United Kingdom Presidency. The Council also discussed a Presidency note on the long-term unemployed.

#### Health Matters

7.5 The Health Council and the Ministers of Health meeting within the Council met on 29 May, and agreed a framework for action programmes in cancer and toxicology. They also agreed on common standards for the protection of dialysis patients from exposure to aluminium, and on a common format for a Community emergency health card to be introduced by those member states who consider it desirable to do so. Other subjects discussed included Acquired Immune Deficiency Syndrome (AIDS), alcohol abuse and medical research.

#### Equal Treatment in Occupational Social Security Schemes

7.6 The Labour and Social Affairs Council on 5 June agreed a directive on the implementation of the principle of equal treatment of men and



women in occupational social security schemes. This prohibits discrimination between men and women in the conditions of membership of schemes, in the level of contributions and, subject to certain exceptions, in the level and type of benefit.

7.7 The directive requires that, with a few special exceptions, the necessary changes are implemented in six years. Deferment of compulsory application of the principle of equal treatment is allowed in relation to pensionable ages, the implications of differences in pension ages between the sexes on benefit structure and to provision of survivors benefits while differences remain in the State social security system.

Second Community Programme to Combat Poverty

7.8 In February 1986 the Commission chose 4 projects under the "marginals" theme, ie at-risk groups which did not feature in the initial selection of projects, submitted to them by member states. One of these projects is located in the United Kingdom.

7.9 In June 1986 the Commission submitted to the Council a proposal that the total budget be increased from 25 million ecus (£16 million) to 29 million ecus (£18 million). This is to enable the programme to be extended to Spain and Portugal following their accession to membership of the Community on 1 January 1986.

Consumer Affairs

7.10 Council Decision 86/138/EEC was adopted on 22 April 1986 concerning a demonstration project with a view to the introduction of a Community system of information on accidents involving consumer products. The system will be largely based on the United Kingdom home accident surveillance system. At the Consumer Affairs Council on 6 May, Ministers agreed a resolution concerning the future orientation of the policy of the Community for the protection and promotion of consumer interests; the resolution was formally adopted on 23 June.



Education

7.11 The Education Council on 9 June agreed that the COMETT programme of co-operation between higher education and industry in the field of advanced training should proceed at the level of 45 million ecus over the next three years. COMETT will provide Community assistance for development of a network of training partnerships between higher education institutions and industry: exchange of students and personnel between them; development and testing of joint training projects and multi-lateral initiatives for the development of multi-media training. The scheme will start in 1987 and applications will be invited towards the end of 1986. The Council discussed the ERASMUS proposals on student exchange and asked that they should be referred back for decision later in the year. The Council adopted a resolution on consumer education in schools and also agreed a programme of medium term activities to be pursued in education.



SECTION VIII: ENERGY

8.1 The Energy Council on 20 March discussed the substantial fall in oil prices. Ministers agreed that lower prices would have beneficial effects on the economic outlook for the Community, without detrimental effects on energy policy goals in the short term. There was therefore no reason to adopt new Community measures in response. The Energy Council on 3 June continued its discussion of the oil market. It invited the Commission to monitor developments in the market and to keep the Council informed. Work should also continue towards promoting the opening up of other major industrial markets so that exports of Middle East refined products are not unduly concentrated on the Community alone.

8.2 Ministers agreed in June to a new decision governing the payment of aids by member states to the coal industry. The new decision provides a stable Community framework for the industry for some years ahead, an essential condition to bringing it to economic viability. Both Councils continued discussion of the proposal to support the cost of social measures resulting from the restructuring of the coal industry. However Ministers were again unable to reach a conclusion. Ministers also discussed a second report by the Commission on the lignite and peat industries and confirmed that these fuels make a useful contribution to the attainment of the Community's energy objectives.

8.3 The June Council agreed a resolution to help to promote new and renewable energy sources. This seeks to develop the economic exploitation of those sources in the Community, avoiding duplication of effort and enabling all potential exploiters to benefit from the experience acquired by others. It also facilitates industrial co-operation and the extension of markets for new and renewable energy sources.



8.4 Discussion of the proposed new Community energy objectives for 1995 progressed to the point where, with only one or two points outstanding, the draft resolution was substantially agreed. Council also noted that the Commission had just forwarded to it a communication on the efficient use of energy in industrial firms.

Receipts from the Community

8.5 The United Kingdom Atomic Energy Authority expects to receive sums in the full year in the order of £18 million in respect of the Joint European Torus (JET) and the Authority's own fusion research programme, and just over £1 million for its non-nuclear, radioactive waste management and safety research and development programmes. British Coal received from the EEC and the European Coal and Steel Community (ECSC) together £2 million in grants for research and development and £31 million for re-adaptation aid for miners. The European Regional Development Fund paid grants totalling £1 million to the electricity supply industry and £2 million to the gas industry for projects in the United Kingdom.



SECTION IX: EXTERNAL RELATIONS, TRADE AND AID

External Trade

9.1 The Community played an important role in the work of the GATT (General Agreement on Tariffs and Trade) Preparatory Committee, which has a mandate to submit recommendations for adoption at the GATT Ministerial Meeting in Uruguay in September on the objectives, subject matter and modalities for the participation in a new round of multilateral trade negotiations. The Foreign Affairs Council, on 17 June, reaffirmed the Community's commitment to the new Round, and to its successful and speedy launching. The Council also welcomed the overall approach proposed by the Commission.

EC/EFTA

9.2 The Community reached agreement with the European Free Trade Association (EFTA) countries on the adaptation protocols to the free trade agreements and the ECSC agreements to take account of Spanish and Portuguese accession. Additional agreements on agricultural, non-agricultural, processed agricultural and fishery products were also reached in the form of exchange of letters. Bilateral Community framework agreements on scientific and technical cooperation were signed with Finland, Sweden and Switzerland.

9.3 The EC Commissioner for External Relations met EFTA Ministers in Reykjavik in June and renewed the Community's determination to maintain the momentum of expert level work on the implementation of the objectives of the April 1984 Luxembourg Joint Declaration on further EC/EFTA cooperation. In this context, agreement was reached between the EFTA countries and the Community to open negotiations with the aim of concluding an agreement to introduce a single administrative document for customs purposes by 1 January 1988.



9.4 Joint Committee meetings were held with Austria, Finland and Switzerland on a variety of issues under the terms of the free trade agreements with these countries.

Mediterranean Policy of the Enlarged Community

9.5 The Community began negotiations with Mediterranean third countries on the adaptation of their co-operation/association agreements to take account of enlargement. These negotiations, which are continuing, are intended to ensure that their trade access is not adversely affected by Spanish and Portuguese accession.

EC/United States

9.6 The period has been marked by a number of trade disagreements. The United States, maintaining that the arrangements for the accession of Spain and Portugal damaged its grain and soya exports to those countries, imposed quantitative restrictions in May on a range of Community agricultural exports, but at a level higher than existing trade. Further measures were threatened if US requests for changes in the accession arrangements were not met. The Community responded by introducing monitoring of imports of certain US agricultural products and indicated that it would consider taking restrictive measures if Community exports were adversely affected by the US measures. Efforts are being made to resolve the dispute through GATT consultation. Following the introduction by the United States of unilateral restrictions on imports of Community semi-finished steel products in January, the Community responded by imposing quantitative restrictions on imports from the US of certain fertilisers, coated paper and bovine fats. The United States however did lift the restrictions imposed in 1983 on the import of certain special steels, and accordingly at the end of February, the Community terminated the retaliatory measures it had taken in that case. The Community also made it clear that it would retaliate if a renewed US law continued to exclude from the US market Community exports of certain printed material, in English. The progress is being carefully monitored of Congressional proposals for the reform of US trade law, many of which are protectionist in intent.



EC/Canada

9.7 The Commission and the Canadian Government discussed the continued operation by Provincial Liquor Boards of practices which discriminate against imported alcoholic beverages. The Community maintained its request that a GATT Panel should rule on the dispute. The Community and the Canadian Government concluded an agreement, effective from 1 April, compensating the Community for measures taken by Canada to extend the duration of its restrictions on footwear imports.

EC/Japan

9.8 On 10 March, the Foreign Affairs Council agreed a declaration recognising the commitment of the Japanese Government to open its domestic market. It noted Japan's efforts to increase the value of the Yen, instigate changes in the structure of the economy in order to increase import propensity, and stress the need for tangible results as soon as possible. The declaration indicates the line of action to be followed by the Commission, including the monitoring of progress on the implementation of the Japanese Action Programme, maintaining pressure for liberalisation in particular markets and sectors, and keeping under review the redress available in GATT to combat unfair trade. It also identifies areas in which relations between Japan and the Community might be expanded and intensified. During the period, regular contacts have been maintained between the Community and Japan at both senior and working level. The President of the Commission visited Tokyo from 20-24 January. Commission officials discussed the follow up to the Action Programme with their Japanese counterparts in March and had further talks in April to pursue the specific issue of discrimination against Community exports of alcoholic drinks.

EC/China

9.9 The EC/China Joint Commission met in Peking on 6-7 March. While reaffirming its wish to develop closer links with the Community through trade and other forms of co-operation, China attached particular importance to securing better access for her exports.



EC/Sri Lanka

9.10 A range of economic and trade issues were discussed with particular emphasis on the promotion of exports and investment.

EC/Turkey

9.11 Steps were taken to re-establish normal relations between Turkey and the Community in recognition of Turkey's progress in restoring democracy. At the Foreign Affairs Council on 17 February, the Community agreed that work should go ahead on a number of outstanding issues, including the unblocking of Community aid money already committed to Turkey, with the aim of holding an EC/Turkey Association Council in the early autumn. A date (16 September) for the Association Council was fixed at the Foreign Affairs Council on 16 June.

EC/Latin America

9.12 The European Council on 26/27 June asked the Commission to submit a document on the Community's relations with Latin America in accordance with the objectives set out in the declaration annexed to the Spanish and Portuguese Treaty of Accession.

EC/Association of South East Asian Nations (ASEAN)

9.13 An EC/ASEAN Joint Commission was held in Brussels on 20/21 March to review progress under the EC/ASEAN cooperation agreement. An ASEAN "dialogue partners" meeting was held in Manila on 26/27 June. The Community was represented by the Troika with Mr Renton representing the United Kingdom.

EC/Council For Mutual Economic Assistance (CMEA)

9.14 Exchanges continued between the Commission and the Secretariat of the CMEA, as well as with the Foreign Ministers of the European CMEA states, with a view to normalisation of relations.

Textiles

9.15 The Community agreed a negotiating mandate both for the renewal of the Multi-Fibre Arrangement (MFA) itself for a further 4-5 year period after the end of July 1986 and for the continuation of the Community's



bilateral agreements governing imports from the principal supplying countries for a similar period following December 1986. The mandate envisages the renewal of the MFA on terms which will provide continued effective protection for the most sensitive sectors of the textile and clothing industry. There will be some elements of liberalisation especially for the poorest countries and those with open markets and a small measure of liberalisation in respect of children's clothes.

9.16 The Community negotiated a Voluntary Restraint Arrangement (VRA) with Turkey on a number of clothing products. This was signed in June and its entry into force will replace the safeguard provisions established by the Community in late 1985. Together with the arrangement on certain textile products negotiated in 1985 this now provides for a comprehensive VRA regime in the textile and clothing sector in respect of Turkey.

#### Steel

9.17 The Community renewed for a further year the VRAs on steel imports from certain EFTA and Council for Mutual Economic Assistance (CMEA) countries and from Australia, South Africa, South Korea and Brazil. The Community has also agreed that the Commission should open negotiations on a possible VRA with Venezuela. Imports of steel from countries which have not concluded VRAs remain subject to a system of basic import reference prices.

#### Overseas Development

9.18 The Third Lome Convention came into force on 1 May. Relations with the African, Caribbean and Pacific (ACP) countries were dominated by arrangements for programming European Development Fund aid under the new Convention and by negotiations on the price to be paid for ACP raw sugar exports to the Community in 1985/86. A special meeting of the ACP/EEC Council of Ministers was held on 4 March to consider the latter issue. The regular annual meeting of the ACP/EEC Council was held in Barbados on 24/25 April. On 30 June the Council adopted two decisions governing



trade and aid relations with the overseas countries and territories of the member states for the period up to 1990. National indicative programmes establishing priorities and policies for aid from the European Development Fund were agreed with 25 ACP countries. By the end of the period programmes had been agreed with 56 of the 66 ACP states.

9.19 The Development Council on 17 April concentrated on the immediate and long term prospects for Africa. The Council reviewed the Community's programme of rehabilitation assistance to the countries worst affected by famine in 1985, endorsed a Commission initiative for a co-ordinated and systematic approach to the problems of environmental degradation in Africa, and discussed the Community approach to the Special Session of the United Nations general assembly on Africa held at New York in May. It also discussed the need for reforms in the Community's food aid programme to make it more responsive to emergencies and to increase its effectiveness as an instrument of development. Ministers reviewed recent progress in applying food strategies in four African countries, and in programming the resources available under the Third Lome Convention.

9.20 Negotiations were completed for a replacement to the Food Aid Convention 1980 which expired on 30 June 1986. The Community and the member states signed the new Convention, under which they undertake to provide a minimum of 1.67 million tonnes of cereals annually as food aid.

9.21 Under the European Development Fund 42 projects worth a total of £182 million were approved, including £64 million for the Community's rehabilitation programme. Food aid worth £190 million was allocated from the Community's regular food aid programme; 11 projects worth £78 million were approved under the Community's aid programme to Asian and Latin American developing countries; under the Community's agreements with Mediterranean partners, 13 projects to a value of £42 million were approved.



SECTION X: EUROPEAN POLITICAL CO-OPERATION

Introduction

10.1 The Ten became Twelve with the accession of Spain and Portugal on 1 January: a further significant step in the development of European Political Co-operation. The member states have continued to consult and co-operate on a wide range of international issues. The Single European Act, which was signed in February, and incorporates in Title III Treaty Provisions on European Co-operation in the sphere of Foreign Policy, was agreed in substance at the Luxembourg European Council in December 1985. The Treaty Provisions, which result from the United Kingdom initiative, will provide a sound basis for the future development of European Political Co-operation. The new European Political Co-operation Secretariat is expected to start work on 1 January 1987, subject to ratification of the Single European Act by all the member states.

South Africa

10.2 On 14 February the Presidency, on behalf of the Twelve, conveyed to the South African Foreign Minister their concern about the progressively deteriorating situation in South Africa.

10.3 On 25 February the Foreign Ministers noted the reforms announced in President Botha's speech on 31 January and urged the South African Government to implement them as soon as possible.



10.4 The Twelve called for a national dialogue with the genuine representatives of those South Africans excluded from the present Government structure. They also called for the unconditional release of Nelson Mandela and all political prisoners and detainees as well as for the lifting of the ban on the African National Congress and other political parties.

10.5 On 12-13 June the Twelve agreed on a common reporting format to improve the monitoring of the way the revised 'Code of Conduct' for firms from the member states operating in South Africa (itself agreed in November 1985) is to be implemented.

10.6 On 27 June the Heads of State and Government expressed their grave concern about the worsening situation in South Africa, in particular the reimposition of the State of Emergency, the indiscriminate arrest of thousands of South Africans and the extensive use of press censorship. They called for the start of a genuine national dialogue on South Africa's future as the only way to avoid increasing repression, polarisation and bloodshed. They reaffirmed that the total abolition of apartheid remained the main goal of the Twelve's policy towards South Africa. The European Council agreed that there should be an increase in financial and material assistance to the victims of apartheid, in particular those affected by the disturbances in Crossroads, and to political prisoners. They again called on the South African Government to release Nelson Mandela and other political prisoners unconditionally and to lift the ban on the African National Congress, the Pan Africanist Congress of Azania and other political parties. They agreed that the Twelve should consult with other industrialised countries on further measures which might be needed, covering in particular a ban on new investments, the import of coal, iron, steel and gold coins from South Africa. Finally, they asked Sir Geoffrey Howe to visit South Africa in his Presidency capacity, in an effort to establish conditions in which the necessary dialogue could commence.



International Terrorism

10.7 The question of international terrorism remained a major concern of the Twelve in political co-operation, following the terrorist attacks at Rome and Vienna airports in December 1985. The Foreign Ministers issued a statement on 27 January in which they again condemned all forms of international terrorism, expressed their concern about the tension which has developed in the Mediterranean and stated their readiness to co-operate with all states on the problem of international terrorism. They agreed to intensify and promote common action and decided to establish a permanent working body within the framework of political co-operation to give impetus to the work of the Twelve in this field. The Twelve agreed to improve security at air, rail and sea ports; to establish effective control of persons entering or leaving the Community and circulating within it; and to promote common visa policies with respect to the problem of terrorism. The Twelve further confirmed that they would not export arms or other military equipment to countries which are clearly implicated in supporting terrorism and would do everything within their power to ensure that their nationals and industry would not seek any commercial advantage from measures taken by other states in reaction to terrorist attacks and other terrorist activities.

10.8 Following the terrorist attack on the TWA aircraft on 2 April 1986 and on the 'La Belle' discotheque in Berlin on 5 April 1986 Ministers met three times in eight days. At an emergency meeting held on 14 April the Foreign Ministers agreed to act against those involved in state supported terrorism, in particular Libya. On 17 April, after the US bombing of Tripoli and Benghazi, again in emergency session, they agreed that their decision of 14 April remained valid and determined to act as quickly as possible on the recommendation which had been drawn up in the meantime by officials. On 21 April the Foreign Ministers agreed to reduce the size of Libyan Peoples' Bureaux and of other official Libyan bodies in the member states, to restrict the movements of Libyan



diplomats and to apply to Libyans a stricter visa regime. They reaffirmed that no arms or other military equipment would be exported to Libya and that in their efforts to eliminate international terrorism they would use their joint influence in contacts with Libya and with other states concerned. They also undertook to intensify action on combatting the abuse of diplomatic immunity.

10.9 Trevi Ministers (the Ministers who within each member state are responsible for counter terrorism) met in The Hague on 24 April. They agreed that Trevi would in future have regular contacts with the United States and other countries. Ministers agreed to intensify Community action against terrorism, and the United Kingdom gave notice of proposals to amend domestic legislation to modernise its extradition law.

#### Iran/Iraq

10.10 At their meeting on 25 February the Foreign Ministers expressed their grave concern at the renewed escalation of the conflict in the region. They called upon those involved in the conflict to respect the sovereignty and territorial integrity of neighbouring states and not to interfere with third countries' commercial navigation in international waters or with civil aviation in the area. They also condemned the use of chemical weapons and the violation of humanitarian law.

10.11 The Twelve expressed their support for the efforts being made by the Secretary General of the United Nations and urged both Iran and Iraq to co-operate with the Security Council.



The Middle East

10.12 The Venice Declaration remained the basis for policy on the Arab/Israel conflict. The Dutch Presidency remained in active contact with the parties concerned, including the Palestine Liberation Organisation (PLO), in an effort to establish how the Twelve could best contribute towards peace in the Middle East.

Central America

10.13 Under the Dutch Presidency the Twelve continued to play an active diplomatic role to support the efforts of the Contadora Group. In addition to normal diplomatic exchanges the Twelve sent five joint messages, the most recent on 23 May, to the Central American States aimed at encouraging them to engage in serious negotiations with a view to signing the Contadora Act.

Conference on Security and Co-operation in Europe (CSCE)

10.14 The Twelve achieved successful co-ordination of their policies at the meeting on human contacts in Berne in May and at the conference on Confidence-and-Security-Building Measures and Disarmament in Europe. They also made progress in preparing for the Autumn follow-up meeting in Vienna.

The Philippines

10.15 In their declaration of 14 February the Foreign Ministers welcomed President Marcos' decision to step down, congratulated the new President, Mrs Aquino, and commended her consistent stand in defence of democratic principles.



Sri Lanka

10.16 On 25 February Foreign Ministers appealed to all parties concerned to continue their dialogue in order to achieve a political solution in the interest of peace and reconciliation within the framework of a united Sri Lanka.



SECTION XI: CHERNOBYL

11.1 The accident at the Chernobyl nuclear power station in the Ukraine, USSR, on 26 April, which led to widespread radiation contamination in Europe, including the United Kingdom and much of the European Community, presented the Community with new and difficult challenges. In the aftermath of the disaster, Ministers discussed the implications for the Community in the Agriculture, Environment, Energy and Foreign Affairs Councils, and in the European Council at the Hague. These discussions concentrated on the steps that needed to be taken immediately to prevent the import into the Community of contaminated food, and for the longer term, on the lessons to be learnt, internationally and within the Community, from the disaster.

11.2 The immediate problem of preventing the import of contaminated food was met by a regulation which temporarily prohibited imports of certain agricultural products from countries within a radius of 1,000 kilometres of Chernobyl. The countries affected by this suspension of trade were Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the USSR and Yugoslavia. The regulation was in operation from 13 May to 31 May. The Foreign Affairs Council on 12 May agreed a statement laying down certain guidelines for intra-Community trade. This committed member states inter alia to limit contamination levels for exports to that acceptable to the recipient (EC) state, and recognise the controls imposed by other member states.

11.3 The initial regulation was replaced by a further regulation which operates from 1 June until 30 September 1986. The new regulation permits the resumption of previously prohibited imports and requires member states to check that imports of agricultural produce from all non-member states do not exceed the permitted maximum levels of radiation contamination specified. It also takes into account the level of



radiation contamination in the country of origin of the imports. The permitted maximum levels, agreed after detailed discussion was set at 370 becquerels/kg for milk and baby foods, and 600 becquerels/kg for all other products.

11.4 The Environment Council concluded that there was a need for improved international communication and co-operation in relation to all aspects of civil nuclear power. For the longer term, the Energy Council discussed and emphasised the importance of learning lessons from the disaster both internationally and within the Community. The Council agreed that the appropriate forum for such action was the International Atomic Energy Agency (IAEA), since this provided the best framework for co-ordination between the Community and IAEA member states.

11.5 These conclusions were endorsed by the European Council at the Hague on 26 and 27 June, The European Council also concluded that complementary action was possible and desirable within the European Community, and that the Community institutions and the member states, each within the limits of their powers, should concert their action, in particular on the protection of health and the environment, the safety of installations and their use, the procedures to be followed in the event of a crisis, and research. The European Council stressed the need to promote IAEA international conventions guaranteeing the essential exchange of information and governing mutual assistance in the event of accidents. Two such conventions have since been agreed.



SECTION XII: EUROPEAN PARLIAMENT

12.1 The European Parliament held six plenary sessions in Strasbourg. Sixty Spanish and twenty-four Portuguese members nominated by their respective national parliaments joined the European Parliament on 1 January on the accession of Spain and Portugal. There are now 518 MEPs.

12.2 During the period under review, the European Parliament concentrated on the results of the Intergovernmental Conference (which ended in December 1985), on environmental questions (including the repercussions of the Chernobyl accident) and on the major challenges for European Political Cooperation (especially the protection of human rights in the world). In April it adopted an important resolution supporting the Commission's proposals for an agricultural price freeze and for cuts in production for commodities in surplus.

12.3 The following members of the Government visited Strasbourg during European Parliament sessions to prepare for the British Presidency of the European Community: The Hon Peter Brooke, Minister of State at the Treasury in February and June; Mrs Lynda Chalker, Minister of State, Foreign and Commonwealth Office in April and June and Mr Timothy Raison, Minister for Overseas Development at the Foreign and Commonwealth Office in May.



SECTION XIII: THE EUROPEAN COURT OF JUSTICEMembership

13.1 On 1 January 1986 Mr Jose Carlos de Carvalho Moitinho de Almeida was appointed Judge of the Court from 1 January 1986 to 6 October 1988, and on 15 January 1986 Mr Gil Carlos Rodriguez Iglesias was appointed Judge of the Court from 15 January 1986 to 6 October 1991. On 1 January 1986 Mr Jose Luis da Cruz Vilaca was appointed Advocate General of the Court for the period 1 January 1986 to 6 October 1988.

Cases

13.2. References from United Kingdom courts or tribunals reached the Court in seven cases. The United Kingdom has submitted Observations in two of those cases and is likely to be submitting Observations in four of the other five. It has also submitted Observations in 12 references from courts in other member states. In addition, it has intervened as a party in one direct action.

13.3 A particular feature of the last six months has been the increase in the number of actions brought by the United Kingdom against Community institutions. Seven such actions have been brought. Three of these were actions against the Commission under Article 173 EC Treaty, namely the two 'Sheepmeat' cases and the 'Consultancy Quotas' case. The first Sheepmeat case challenges Commission regulations requiring 'clawback' to be charged in respect of animals and products for which variable premium cannot be granted. The second sheepmeat action is mutatis mutandis identical to the application in Case 305/85 which was mentioned in the last White Paper. Both cases challenge, for different marketing years, the Commission regulation concerning the calculation of annual



premium payable per ewe for Great Britain. The Consultancy Quotas case challenges the Commission decision to reintroduce the system whereby the Commission takes into account the nationality of firms in drawing up lists of candidates for service contracts concluded within the framework of the second Lome Convention.

13.4 The United Kingdom brought two actions, both in the agricultural area, against the Council. One involves a challenge to the vires of the Council to make instruments harmonising the law on the use of hormones for consumer protection under Article 43 EC Treaty alone. The other relates to battery hens and raises similar issues to those in the hormones case. Finally, but perhaps the most significant, was the action against the European Parliament, in which the United Kingdom sought partial annulment of the EC budget adopted by the European Parliament for 1986. Case 23/86, United Kingdom v European Parliament and the similar Case 34/86, Council v European Parliament (in which Germany, France and the United Kingdom intervened) are referred to in paragraphs 2.1-2.3.

13.5 The Commission has brought one action against the United Kingdom in which it alleges an infringement of the EC Treaty in that under United Kingdom legislation, after 1 April 1987 it will be forbidden to use on any road in the United Kingdom any vehicle manufactured after 1 October 1986 which is not fitted with a dim-dip headlight device.

#### Court judgments

13.6 In Case 152/84, Marshall v. Southampton and South West Hampshire Area Health Authority, the Court held that it was discriminatory and contrary to the Equal Treatment Directive to dismiss a woman at age 60 (the age at which she became entitled to a state pension) when a man was allowed to work until age 65 (the age at which a man becomes entitled to a state pension). The Court also held that an individual could rely upon the directive against the Authority in its capacity as employer since the relevant provisions of the directive had direct effect as against a state authority.



13.7 In Case 222/84, J v. Chief Constable of the Royal Ulster Constabulary (RUC) the Equal Treatment Directive was again considered by the Court. Mrs J was a member of the RUC full time reserve from 1974 to 1980 serving as an un-armed, uniformed police officer. It is the policy of the Chief Constable of the RUC that women members of the RUC and RUC Reserve should not carry firearms. As a result of this policy the Chief Constable was unable to offer Mrs J a further contract of full time employment when the contract under which she had been serving ended in 1980. The Court held that the nature of certain policing activities may be such that the sex of police officers constitutes a determining factor entitling a member state to restrict such work and the training leading thereto to men. Whether such discrimination is permissible is for the national court to decide. The Court also decided that a certificate issued by the Secretary of State to the effect that the Chief Constable's policy was in the interests of national security could not be treated as conclusive evidence so as to exclude the exercise of any power of review by the courts and thereby deprive an individual of asserting by judicial process the rights conferred by the directive.

13.8 Case 121/85, Conegate Limited v HM Customs and Excise, concerned the importation into the United Kingdom of inflatable dolls of an erotic nature from the Federal Republic of Germany. The Court held that it was not open to a member state to rely on grounds of public morality within the meaning of Article 36 of the Treaty to prohibit the importation of goods where the same goods may be manufactured freely in its territory and marketed in that territory subject only to certain national restrictions.

13.9 In Joined Cases 209-213/84, Ministere Public v Asjes and Others, the Court considered the compatibility of the competition rules of the EEC Treaty with the provisions of French law requiring the approval by the French authorities of air tariffs. This was a case of great importance for the United Kingdom which has been promoting the liberalisation of air transport in Europe. The Court decided that the



competition rules of the Treaty were applicable to transport matters and in particular air transport. In the absence of Council rules giving effect to the competition articles of the Treaty the obligation to rule on the admissibility of agreements, decisions and concerted practices and on the abuse of a dominant position in the market fell on the competent authorities within the member states.

13.10 Case 133/84, United Kingdom v Commission, involved a challenge by the United Kingdom to Commission decisions on the clearance of the United Kingdom's accounts in respect of the European Agricultural Guidance and Guarantee Fund (EAGGF) accounts for 1978 and 1979. The challenge failed in respect of seed production aid for peas and field beans. It succeeded, however, in respect of sales of skimmed-milk powder and butter.

13.11 In Case 150/85, Drake v The Adjudication Officer, the Court considered the principle of equal treatment for men and women in matters of social security. The Court held that it was discriminatory on grounds of sex and thus contrary to the Directive 79/7/EEC not to pay benefit to a married woman in respect of care given by her to her invalid mother where that woman lived with or was maintained by her husband, where such benefit would have been paid in corresponding circumstances to a married man.



SECTION XIV: ECONOMIC AND SOCIAL COMMITTEE (ESC)

14.1 The Economic and Social Committee held five plenary sessions in Brussels. These included an extraordinary and formal session on 13 March to instal the new Spanish members, the Portuguese authorities not having nominated their members in time. Some 45 opinions were adopted including one on the Common Agricultural Policy which called for "radical measures" to reform the CAP, employment of disabled people, ERASMUS (a scheme for student mobility and increased cooperation between Universities), maritime transport and asbestos.

SECTION XV: PARLIAMENTARY SCRUTINY OF EC LEGISLATION

15.1 The House of Commons Select Committee on European Legislation considered 484 documents and recommended 37 of those for further consideration by the House. 14 debates were held on the floor of the House covering a total of 37 documents. 4 debates were held in Standing Committee covering 5 documents.

15.2 The House of Lords Select Committee on the European Communities considered 509 documents and recommended 78 for further scrutiny. 9 reports covering 18 documents were presented to the House for debate. There were no reports presented to the House for information. 4 debates on the Committee's reports covering 9 documents were held in the House of Lords.



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ANNEX A

MEETING OF THE EUROPEAN COUNCIL

<u>DATE</u>	<u>LOCATION</u>	<u>UK MINISTERS ATTENDING</u>
26-27 June	The Hague	Rt Hon Margaret Thatcher MP Prime Minister  Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs

MEETINGS OF THE COUNCIL OF MINISTERS

<u>DATE</u>	<u>SESSION</u>	<u>UK MINISTERS ATTENDING</u>
20-21 January	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food
20 January	Economic and Finance	The Permanent Representative to the European Community represented the United Kingdom
27 - 28 January	Foreign Affairs	Mrs Lynda Chalker, MP Minister of State, Foreign and Commonwealth Office  John Butcher Esq MP Parliamentary Under-Secretary of State for Industry
4 February	Internal Market	Hon Alan Clark MP Minister for Trade
17 - 18 February	Foreign Affairs	Mrs Lynda Chalker MP Minister of State Foreign and Commonwealth Office  Hon Alan Clark MP Minister for Trade
24-25 February	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food

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<u>DATE</u>	<u>SESSION</u>	<u>UK MINISTERS ATTENDING</u>
3 March	Industry	John Butcher Esq, MP Parliamentary Under-Secretary of State for Industry
6 March	Environment	Hon William Waldegrave MP Minister of State for the Environment, Countryside and Local Government
10 March	Economic and Finance	Hon Peter Brooke MP Minister of State to the Treasury
10-11 March	Foreign Affairs	Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs  Mrs Lynda Chalker, MP Minister of State, Foreign and Commonwealth Office  Hon Alan Clark MP Minister for Trade
14 March	Transport	Rt Hon Nicholas Ridley MP Secretary of State for Transport
18 March	Internal Market	Hon Alan Clark MP Minister for Trade
20 March	Energy	Rt Hon Alick Buchanan-Smith MP Minister of State for Energy
24-25 March	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food
8 April	Research	Geoffrey Pattie Esq, MP Minister of State for Industry and Information Technology
17 April	Development	Rt Hon Timothy Raison MP Minister for Overseas Development

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<u>DATE</u>	<u>SESSION</u>	<u>UK MINISTERS ATTENDING</u>
21 - 22 April	Foreign Affairs	Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs  Mrs Lynda Chalker, MP Minister of State, Foreign and Commonwealth Office
21-25 April	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food
28 April	Economic and Finance	Rt Hon Nigel Lawson MP Chancellor of the Exchequer
6 May	Internal Market	Hon Alan Clark MP Minister for Trade
6 May	Consumer Affairs	Michael Howard Esq, QC, MP Parliamentary Under-Secretary of State for Corporate and Consumer Affairs
12-13 May	Foreign Affairs	Mrs Lynda Chalker, MP Minister of State, Foreign and Commonwealth Office
26-27 May	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food
29 May	Health	Rt Hon Barney Hayhoe MP Minister for Health
3 June	Energy	Rt Hon Peter Walker MP Secretary of State for Energy
5 June	Labour and Social Affairs	Rt Hon Kenneth Clarke QC, MP Paymaster General



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<u>DATE</u>	<u>SESSION</u>	<u>UK MINISTERS ATTENDING</u>
9 June	Industry	Hon Peter Morrison MP Minister of State for Industry
9 June	Education	Mr Christopher Patten MP Minister of State for Education and Science
10 June	Research	Geoffrey Pattie Esq, MP Minister of State for Industry and Information Technology
12 June	Environment	Hon William Waldegrave MP Minister of State for the Environment, Countryside and Local Government  Mrs Angela Rumbold MP Parliamentary Under Secretary of State for the Environment  David Mellor Esq, MP Parliamentary Under Secretary of State for Home Affairs
16 June	Economic and Finance	Rt Hon Nigel Lawson MP Chancellor of the Exchequer
16-17 June	Foreign Affairs	Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs  Hon Alan Clark MP Minister for Trade
18-19 and 30 June	Transport	Rt Hon John Moore MP Secretary of State for Transport
23 June	Internal Market	Hon Alan Clark MP Minister for Trade
24-25 June	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food

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<u>DATE</u>	<u>SESSION</u>	<u>UK MINISTERS ATTENDING</u>
25 June	Fish	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food

OTHER MEETINGS

<u>DATE</u>	<u>SESSION</u>	<u>UK MINISTERS ATTENDING</u>
8-9 January	Informal Meeting of Transport Ministers	The Earl of Caithness Parliamentary Under-Secretary of State, Department of Transport  Michael Spicer Esq, MP Parliamentary Under-Secretary of State, Department of Transport
17 February	Informal Meeting of Employment Ministers	Rt Hon Kenneth Clarke QC, MP Paymaster General
10 March	Informal Meeting of Ministers on Women's Employment Issues	Ian Lang Esq, MP Parliamentary Under-Secretary of State, Department of Employment
4-6 April	Informal Meeting of Economic and Finance Ministers	Rt Hon Nigel Lawson MP Chancellor of the Exchequer
17-18 April	OECD, Paris	Hon Alan Clark MP Minister for Trade
23 April	Informal Meeting on the European Social Fund	Rt Hon Kenneth Clarke QC, MP Paymaster General
23-24 April	The Trevi meeting, The Hague	Rt Hon Douglas Hurd MP Secretary of State for the Home Department



OTHER MEETINGS (cont'd)

<u>DATE</u>	<u>SESSION</u>	<u>UK MINISTERS ATTENDING</u>
9-10 June	Informal Meeting of Agriculture Ministers	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food  Rt Hon John Selwyn Gummer MP Minister of State, Ministry of Agriculture, Fisheries and Food
30 June	EUREKA Ministerial Conference, London	Rt Hon Paul Channon MP Secretary of State for Trade and Industry



ANNEX B

MAJOR PROPOSALS ADOPTED

Customs and Indirect Taxation

Council Directive /86 - Twenty-first Council Directive on the harmonisation of the laws of the member states relating to turnover taxes - permitting the Hellenic Republic to further defer the introduction of the common system of value added tax until 1 July 1987.

Council Regulation 1147/86 - amending Regulation 754/76 laying down the customs treatment to be applied to goods returned to the customs territory of the Community.

Agriculture and Fisheries

Council Regulation 114/86 - extending until 31 December 1986 the validity of Regulations (EEC) 3721/85, 3730/85, 3734/85 and 3777/85 concerning fisheries.

Council Regulation 193/86 - opening, allocating and providing for the administration of a Community tariff quota for frozen beef and veal.

Council Regulation 331/86 - introducing a temporary derogation from the Community reference price system for fishery products imported into Portugal.

Council Regulation 426/86 - on the common organisation of the market in products processed from fruit and vegetables.

Council Regulation 448/86 - establishing for the period from 3 March to 30 June, certain measures for the conservation and management of fishery resources applicable to vessels flying the Japanese flag in waters falling under the sovereignty or jurisdiction of Portugal.



Council Regulation 484/86 - on the Community financing of withdrawals of fruit and vegetables in Spain during the first phase.

Council Regulation 497/86 - fixing the initial quantitative restrictions on the import into Portugal of certain floricultural products from third countries.

Council Regulation 503/86 - fixing for the period 1 March to 31 December 1986, the guide prices for certain fishery products, listed in Annex 1A and E of Regulation (EEC) 3796/81, and amending Regulation (EEC) 3602/85 as regards the guide price for Atlantic sardines and anchovies.

Council Regulation 568/86 - concerning the application of Protocol No 4, annexed to the Act of Accession of Spain and Portugal, with regard to the mechanism for additional responsibilities within the framework of fisheries agreements concluded by the Community with third countries.

Council Regulation 654/86 - fixing for the 1986 fishing year, the overall foreseeable level of imports for the products subject to the supplementary trade mechanism in the fisheries sector.

Council Regulation 780/86 - concerning the conclusion of the Agreement between the European Economic Community and the Government of the Democratic Republic of Madagascar on fishing off the coast of Madagascar.

Council Regulation 804/86 - amending Regulation (EEC) 137/79 on the institution of a special method of administrative co-operation for applying intra-Community treatment to the fishery catches of vessels of member states.



Council Regulation 1006/86 - amending Regulation 2727/75 on the common organisation of the market in cereals with regard to arrangements for production refunds.

Council Regulation 1007/86 - amending Regulation 1418/76 on the common organisation of the market in rice in respect of the arrangements for production refunds.

Council Regulation 1008/86 - laying down detailed rules for production refunds applicable to potato starch.

Council Regulation 1009/86 - establishing general rules applying to production refunds in the cereals and rice sector.

Council Regulation 1010/86 - laying down general rules for the production refund on certain sugar products used in the chemical industry.

Council Regulation 1156/86 - establishing a system of surveillance applicable to imports into France of yellow-fin tuna intended for the industrial manufacture of products falling within heading No 16.04 of the Common Customs Tariff.

Council Regulation 1316/86 - adopting the application in Portugal of Regulation 797/85 on improving the efficiency of agricultural structures.

Council Regulation 1336/86 - fixing compensation for the definitive discontinuation of milk production.

Council Regulation 1343/86 - adopting general rules for the application of the levy referred to in Article 5c of Regulation (EEC) 804/68 in the milk and milk products sector.



Council Regulation 1351/86 - amending Regulation (EEC) 1035/72 on the common organisation of the market in fruit and vegetables.

Council Regulation 1352/86 - fixing for the 1986/87 marketing year certain prices and other amounts applicable in the fruit and vegetable sector.

Council Regulation 1355/86 - including hybrid sorghum for sowing in the common organisation of the market in seeds and introducing, for this species, a system of reference prices.

Council Regulation 1418/86 - fixing the number of vessels flying the flag of Portugal authorised to fish for albacore tuna in waters under the sovereignty or jurisdiction of Spain.

Council Regulation 1419/86 - fixing the number of vessels flying the flag of Spain authorised to fish for albacore tuna in waters under the sovereignty or jurisdiction of Portugal.

Council Regulation 1420/86 - amending Regulations (EEC) 3542/85, 3543/85 and 3544/85 on the opening, allocating and administration of Community tariff quotas for certain fish and fillets of fish.

Council Regulation 1450/86 - fixing rice prices for the 1986/87 marketing year.

Council Regulation 1451/86 - fixing the monthly price increases for paddy rice and husked rice for 1986/87 marketing year.



Council Regulation 1482/86 - amending Regulation 3717/85 laying down certain technical and control measures relating to the fishing activities in Spanish waters of vessels flying the flag of Portugal.

Council Regulation 1483/86 - amending Regulation 3718/85 laying down certain technical and control measures relating to the fishing activities in Portuguese waters of vessels flying the flag of Spain.

Council Regulation 1579/86 - amending Regulation 2727/75 on the common organisation of the market in cereals.

Council Regulation 1580/86 - amending Regulation 2731/75 fixing standard qualities for common wheat, rye, barley, maize, sorghum and durum wheat.

Council Regulation 1583/86 - amending Regulation 3103/76 on aid for durum wheat.

Council Regulation 1584/86 - fixing the prices applicable to cereals for the 1986/87 marketing year.

Council Regulation 1585/86 - fixing the monthly price increases for cereals, wheat and rye flour and wheat groats and meal for the 1986/87 marketing year.

Council Regulation 1586/86 - of 23 May 1986 fixing for the 1986/87 marketing year the amount of the aid for durum wheat.

Council Regulation 1625/86 - amending Regulation 355/79 laying down general rules for the description and presentation of wines and grape musts.

Council Regulation 1626/86 - amending Regulation 3309/85 laying down general rules for the description and presentation of sparkling wines and aeriatiion sparkling wines.



Council Regulation 1627/86 - laying down rules for the description of special wines with regard to the indication of alcoholic strength.

Council Regulation 1628/86 - amending Regulation 1533/85 on the opening, allocating and administration of a Community tariff quota for certain eels falling within the subheading ex 03.01A II of the Common Customs Tariff.

Council Regulation 1648/86 - opening, allocating and providing for the administration of a Community tariff quota for cod, dried not salted, falling within sub-heading ex 03.02 A1b of the Common Customs Tariff and originating in Norway.

Council Regulation 1653/86 - opening for 1986 a special import quota for high quality fresh, chilled or frozen beef and veal.

Council Regulation 1726/86 - opening, allocating and providing for the administration of a Community tariff quota of 38,000 head of heifers and cows, other than those intended for slaughter, of certain mountain breeds.

Council Regulation 1727/86 - opening, allocating and providing for the administration of a Community tariff quota of 5,000 head of bulls, cows and heifers, other than those intended for slaughter, of certain Alpine breeds.

Council Regulation 1838/86 - extending the system of import licences to cherry juice and frozen peas.

Council Regulation 1902/86 - amending Regulation 758/86 on the import system applicable to manioc originating in third countries which are not members of GATT.



Council Regulation 1983/86 - laying down general rules for the system of direct aid for small producers in the cereals sector.

Council Directive 86/102 - amending Directive 74/329 on the approximation of laws of the member states relating to emulsifiers, stabilisers, thickeners and gelling agents for use in foodstuffs.

Council Directive 86/113 - on the welfare of laying hens kept in battery cages.

Council Directive 86/155 - amending, on account of the accession of Spain and Portugal, certain directives concerning the marketing of seeds and plants.

Council Directive 86/197 - amending Directive 79/112 on the approximation of the laws of the member states relating to the labelling, presentation and advertising of foodstuffs for sale to the ultimate consumer.

Council Directive 86/214 - amending Article 6 of Directive 79/117 prohibiting the placing on the market and uses of plant production products containing certain active substances.

Council Directive 86/355 - adding ethylene oxide to the annex of Directive 79/117 prohibiting the placing on the market and uses of plant protection products containing certain active substances.

Council Directive 86/362 - on the fixing of maximum levels for pesticide residues in and on cereals.

Council Directive 86/363 - on the fixing of maximum levels for pesticide residues in and on foodstuffs of animal origin.



Council Decision 86/222 - concerning the conclusion of a protocol renewing the Co-operation Agreement between the EEC and Thailand on manioc production, marketing and trade.

Council Estimate 86/15 - concerning young male bovine animals weighting 300 kgs, or less, and intended for fattening for the period 1 January to 31 December 1986.

Council Estimate 86/16 - concerning beef and veal intended for the processing industry for the period 1 January to 31 December 1986.

Commission Regulation 9/86 - amending the detailed rules for applying the variable slaughter premium for sheep by extending a clawback charge on export to all categories of sheep and sheepmeat not eligible to receive the premium.

Commission Regulation 67/86 - setting a temporary minimum import price for provisionally preserved raspberries.

Commission Regulation 635/86 - fixing certain quantitative restrictions on trade in fruit and vegetables between Spain and Portugal.

Commission Regulation 636/86 - fixing certain quantitative restrictions on imports into Spain of certain fruit and vegetables from third countries.

Commission Regulation 637/86 - fixing certain quantitative restrictions on imports into Portugal and certain fruits and vegetables from third countries.



Commission Regulation 638/86 - laying down detailed rules for the management of the quotas applicable in respect of imports into Portugal and Spain of certain fruits and vegetables from the Community as constituted at 31 December 1985.

Commission Regulation 643/86 - laying down detailed rules for the application of the Supplementary Trade Mechanism to the live plants and floriculture products listed in Annex XXII to the Act of Accession and imported into Portugal.

Commission Regulation 765/86 - laying down detailed rules for the sale of butter from intervention stock, for export to certain destinations.

Commission Regulation 984/86 - Supplementing Regulation (EEC) 1847/85 listing the representative producer markets for certain fruit and vegetables.

Commission Regulation 1257/86 - extending the temporary minimum import price arrangements for sour (morello) cherries from May 1986 to May 1987.

Commission Regulation 1481/86 - revising arrangements on the determination of prices of fresh or chilled lamb carcasses on representative Community markets and the survey of prices of certain other qualities of sheep carcasses in the Community.

Commission Regulation 1860/86 - amending Regulation 1633/84 by increasing the maximum payable weight for variable slaughter premium for sheep.



Commission Regulation 1994/86 - extending the temporary minimum import price arrangements for provisionally preserved raspberries.

Commission Directive 86/109 - limiting the marketing of seed of certain species of fodder plants and oil and fibre plants to seed which has been officially certified as 'basic seed' or 'certified seed'.

Commission Decision 86/110 - on the conditions under which derogations may be made from the prohibition on the use of EEC labels for the purpose of re-sealing and relabelling packages of seed produced in third countries.

Commission Decision 86/130 - laying down performance monitoring methods and methods for assessing genetic value of cattle for pure-bred breeding animals of the bovine species.

Science and Technological Research

Council Decision 86/234/EEC - concerning multiannual R&D programmes in the field of the environment (1986-1990).

Council Decision 86/235/EEC - concerning a research programme on materials (raw materials and advanced materials) (1986-1989).

Consumer Affairs

Council Decision 86/138/EEC - on a demonstration project with a view to the introduction of a Community system on information on accidents involving consumer products.

Council Resolution - on the future orientation of the policy of the Community for the protection and promotion of consumer interests.



Environment

Council Directive 86/94/EEC - amending for the second time Directive 73/404/EEC on the approximation of the laws of the member states relating to detergents.

Council Decision 86/85/EEC - amending Council Decision 81/971/EEC establishing a Community information system for the control and reduction of pollution caused by hydrocarbons discharged at sea.

Council Decision 86/277/EEC - on the conclusion of the Protocol to the 1979 Convention on long-range transboundary air pollution on long-term financing of the cooperative programme for monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP).

Council Directive 86/278/EEC - on the protection of the environment, and in particular of the soil, when sewage sludge is used in agriculture.

Council Directive 86/279/EEC - amending Directive 84/631/EEC on the supervision and control within the European Community of the transfrontier shipment of hazardous waste.

Council Directive 86/280/EEC - on limit values and quality objectives for discharges of certain dangerous substances included in List 1 of the Annex to Directive 76/464/EEC.



Energy

Commission Decision 86/24/ECSC - approving aids from the Federal Republic of Germany to the coal mining industry during 1985.

Commission Decision 86/25/ECSC - approving aids from the French Republic to the coal mining industry during 1985.

Commission Decision 86/26/ECSC - approving aids from the Kingdom of Belgium to the coal mining industry during 1985.

Commission Decision 86/27/ECSC - approving additional aids from the United Kingdom to the coal mining industry during the 1984/85 financial year.

Commission Decision 86/2064/ECSC - establishing Community rules for State aid to the coal industry.

Food Safety

Regulation EEC/1388/86 - on the suspension of the import of certain agricultural produce originating in certain third countries.

Commission Regulation EEC/1505/86 - laying down certain detailed rules for the application of Council Regulation EEC/1388/86 on the suspension of the import of certain agricultural products originating in certain third countries.

Council Regulation EEC/1707/86 - on the conditions governing imports of agricultural products originating in third countries following the accident at the Chernobyl nuclear power station.



Commission Regulation EEC/1762/86 - laying down detailed rules for the application of Council Regulation 1707/86 on the conditions governing imports of agricultural products originating in third countries following the accident at the Chernobyl nuclear power station.

Social Affairs and Health and Safety at Work

Council Directive 86/188/EEC -- on the protection of workers from the risks related to exposure to noise at work.

Council Directive 86/ /EEC on rear-mounted roll-over protection structures of narrow track wheeled agricultural and forestry tractors.

Council Directive 86/ /EEC relating to the power take-offs of wheeled agricultural and forestry tractors and their protection.

Council Directive /86 concerning implementation of the principle of equal treatment of men and women in matters of occupational social security.



ANNEX C

MAJOR MINISTERIAL SPEECHES ON COMMUNITY TOPICS

<u>Date</u>	<u>Speaker</u>	<u>Occasion</u>
30 January	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food	International Cereals Seminar, Berlin
30 January	Hon William Waldegrave MP Minister of State for the Environment, Countryside and Local Government	Centre for Environmental Management and Planning, Aberdeen
5 February	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food	Agra-Europe Conference, London
11 February	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food	NFU AGM, London
4 March	Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs	Institute of Directors, London
7 March	Lord Gray of Contin Minister of State Scottish Office	Scottish NFU, Aviemore
21 March	Rt Hon Malcolm Rifkind QC, MP Secretary of State for Scotland	EEC Fisheries Conference, Glasgow
9 April	Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs	Lord Mayor's Diplomatic Banquet, London
16 April	Speech delivered by Mrs Lynda Chalker MP Minister of State for Foreign and Commonwealth Affairs on behalf of Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs	Conservative Group for Europe, London



<u>Date</u>	<u>Speaker</u>	<u>Occasion</u>
17 April	Rt Hon Paul Channon MP Secretary of State for Trade and Industry	French Chamber of Commerce Gala Dinner, London
25 April	Rt Hon Paul Channon MP Secretary of State for Trade and Industry	EMF Foundation, London
25 April	Rt Hon Douglas Hurd MP Secretary of State for the Home Department	The Norwich Constituencies Dinner
4 May	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food	Commodity Club, Washington DC
8 May	Rt Hon Douglas Hurd MP Secretary of State for the Home Department	European Democratic Group, London
16 May	Lord Gray of Contin Minister of State Scottish Office	Scottish Conservative and Unionist Party Conference, Perth
21 May	Rt Hon Malcolm Rifkind QC, MP Secretary of State for Scotland	America-European Community Association, East Kilbride
23 May	Rt Hon Malcolm Rifkind QC, MP Secretary of State for Scotland	Wigtown Agricultural Society, Newton Stewart
23 May	Mrs Lynda Chalker MP Minister of State for Foreign and Commonwealth Affairs	Council of British Chambers of Commerce in Europe, Madrid
6 June	Rt Hon Sir Geoffrey Howe QC, MP Secretary of State for Foreign and Commonwealth Affairs	Dutch Chapter of The America-European Community Association, The Hague
9 June	Hon Alan Clark MP Minister for Trade	European Business Institute, London
11 June	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food	National Sheep Association/ ADAS Open Day, Darlington



<u>Date</u>	<u>Speaker</u>	<u>Occasion</u>
12 June	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food	European Atlantic Group, London
13 June	Rt Hon Lord Young of Graffham Secretary of State for Employment	British Chamber of Commerce, Brussels
13 June	Hon Alan Clark MP Minister for Trade	Union of Industries of the European Community (UNICE), Council of Presidents, Brussels
20 June	Geoffrey Pattie Esq, MP Minister of State for Industry and Information Technology	CBI-EUREKA Conference, London
20 June	Rt Hon Timothy Raison MP Minister for Overseas Development	Dyfed County Conference



MAJOR TREATIES AND AGREEMENTS SIGNED BY THE COMMUNITY

1. The Single European Act

Signed at Luxembourg on 17 February 1986 by nine member states and The Hague on 28 February 1986 by the remaining three.

2. A Protocol renewing the EC/Thailand Co-operation Agreement on Manioc Signed at Brussels on 23 May 1986.

3. Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Eastern African Region and the two Protocols amended thereto.

Signed in Kenya on 20 June 1986.

4. Food Aid Convention 1986 laying down minimum quantities of food aid to be provided annually by major food aid donors.

Signed at New York on 26 June 1986.

5. Protocol amending the Convention for the Prevention of Marine Pollution from land-based sources to include provisions on the prevention of pollution through the atmosphere.

Signed at Paris on 30 June 1986.



ANNEX E

LIST OF EUROPEAN COURT OF JUSTICE CASES IN WHICH  
THE UNITED KINGDOM HAS BEEN INVOLVED

i. Cases referred to the European Court under Article 177 of the EEC  
Treaty from United Kingdom Courts or Tribunals

Case 77/86: R -v- Commissioners of Customs and Excise ex parte The National Dried Fruit Trade Association (challenge to Community legislation on minimum import price systems)

Case 79/86: Hamilton -v- Whitelock (tachographs)

Case 102/86: Apple and Pear Development Council -v- Commissioners of Customs and Excise (consideration for VAT purposes)

Case 138/86: Direct Cosmetics Limited v HM Customs & Excise (validity of a derogation from the sixth VAT Directive.)

Case 139/86: Laughtons Photographs v HM Customs & Excise (validity of a derogation from the Sixth VAT Directive.)

Case 141/86: R v HM Customs & Excise ex parte Imperial Tobacco Limited (Challenge to validity and interpretation of Community legislation on classification of tobacco stem (Virginia flue-cured).)

Case 434/85: Allen and Hanburys Limited -v- Generics (UK) Limited (drug imports - this case supersedes Case 243/85 referred to in the previous White Paper).



ii. References under Article 177 of the EEC Treaty in which  
Observations have been submitted by the United Kingdom

1. Case 313/85: Iveco Fiat s.p.a. v. N V Van Hool (Judgments Convention)
2. Cases 331, 376 and 378/85: Bianco and Others v. Monsieur Le Directeur General Des Douanes et Droits Indirects (recovery of charges illegally levied)
3. Cases 379, 380 and 381/85: Giletti, Giardini and Tampan v. Caisse Regionale d'Assurance Maladie Rhone-Alpes and Others (social security benefits)
4. Case 384/85: Clarke v. Chief Adjudication Officer (disability allowance)
5. Case 433/85: Feldain v. Monsieur Le Directeur General Des Impots, Colmar (French excise tax)
6. Case 434/85: Allen and Hanburys Limited v. Generics (UK) Limited (drug imports)
7. Case 12/86: Demirel v. Stadt Sattwabish (Turkish immigrants)
8. Case 22/86: Rindone v. Allgemeine Ortskrankenkasse Bad Urach-Munsingen (sickness benefit)
9. Case 39/86: Sylvie Lair v Universitaet Hanover (educational grant)
10. Case 79/86: Hamilton v Whitelock (tachographs)



11. Case 80/86: Officer van Justitie v Kolpinghuis Nijmegen B V  
(direct effect of directive)

12. Case 93/86: Severini v Caisse Primaire Central d'Assurance  
Maladie (supplementary benefit)

iii. Actions under Article 173 of the EEC Treaty in which the United  
Kingdom is a primary party

Case 23/86: United Kingdom v European Parliament (EC budget)

Case 23/86R: United Kingdom v European Parliament (interim  
measures - EC budget)

Case 61/86: United Kingdom v Commission (sheepmeat)

Case 68/86: United Kingdom v Council (hormones)

Case 114/86: United Kingdom v Commission (EDF consultancy  
quotas)

Case 131/86: United Kingdom v Council (battery hens)

Case 142/86: United Kingdom v Commission (sheepmeat)

iv. Actions under Article 169 of the EEC Treaty against the United  
Kingdom

Case 60/86: Commission v United Kingdom (dim-dip facility)



v. Actions in which the United Kingdom has intervened and made written submissions under Article 37 of the Protocol on the Statute of the Court of Justice

Case 181/85: France v Commission (French alcohol)

Case 213/85: Commission v Netherlands (Dutch gas pricing).

Case 283/85: France v Commission (migration decision)

Case 315/85: Commission v Luxembourg (pensions)

Case 34/86: Council v European Parliament (EC budget)