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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

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**PRESS RELEASE**  
10955/82 (Presse 168)

803rd Meeting of the Council  
- Economic and Financial Questions -  
Brussels, 15 November 1982

President: Mr Henning CHRISTOPHERSEN,  
Minister for Finance of  
the Kingdom of Denmark

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

Belgium:

Mr Willy de CLERCQ  
Deputy Prime Minister,  
Minister for Finance  
Mr Mark EYSKENS  
Minister for Economic Affairs

Denmark:

Mr Henning CHRISTOPHERSEN  
Minister for Finance  
Mr Anders ANDERSEN  
Minister for Economic Affairs

Germany:

Mr Otto SCHLECHT  
State Secretary,  
Federal Ministry of  
Economic Affairs  
Mr Hans TIETMEYER  
State Secretary,  
Federal Ministry of Finance

Greece:

Mr Yanis POTTAKIS  
Deputy Minister,  
Ministry of National Economic  
Affairs

France:

Mr Jacques DELORS  
Minister for Economic Affairs  
and Finance

Ireland:

Mr Sylvester BARRETT  
Minister of State  
Ministry of Finance

Italy:

Mr Nino ANDREATTA  
Minister of the Treasury

Luxembourg:

Mr Jacques SANTER  
Minister for Finance  
Mr Ernest MULLEN  
State Secretary,  
Minister of Finance

Netherlands:

Mr H. RUDING  
Minister for Finance

United Kingdom:

Sir Geoffrey HOWE  
Chancellor of the Exchequer

Commission:

Mr François-Xavier ORTOLI - Vice President  
Viscount Etienne DAVIGNON - Vice President  
Mr Ivor RICHARD - Member

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The meeting was also attended by:

Mr I.C.R. BYATT	Chairman of the Economic Policy Committee
Mr J. BØRGLUM-JENSEN	Chairman of the Economic and Financial Policy Co-ordination Group
Mr C. CIAMPI	Chairman of the Committee of the Governors of the Central Banks
Sir Kenneth COUZENS	Chairman of the Monetary Committee

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PREPARATION OF THE EUROPEAN COUNCIL

The Council prepared the items of an economic, financial and monetary nature likely to be discussed at the next meeting of the European Council on 3rd and 4th December in Copenhagen, particularly the economic and social situation in the Community and investment promotion.

With regard to the latter point, the Council approved the following conclusions:

1. The Council held a renewal exchange of views in depth on a Commission communication to the Council on investment promotion and two reports from the Economic Policy Committee to the Council, one on the problem of investment, the other on real labour costs, profitability and employment.
2. The Council noted that the policies being pursued by the Member States have helped to reduce inflation rates and to improve external balances. This has again made it possible to move towards lower interest rates, in nominal terms.

These gratifying developments may have further beneficial effects for the European economy in the medium term.

The Council reaffirms its belief that economic stabilization must remain a fundamental objective in order to secure permanent and stable growth in the longer run.

3. Despite the efforts being made to improve the economic climate, the outlook for growth and employment, however, remains bleak.

Any lasting rise in investment depends largely on an improvement in the situation and in the economic outlook and on an increase in firms' self-financing. Nevertheless, all existing possibilities for developing investment must be systematically exploited.

4. The Council has reviewed Member States' policies intended to promote investment. It feels that each Member State should, insofar as it is concerned, do its utmost to:
- increase the aftertax profitability of firms and the availability of finance;
  - improve specific incentives to investment: where they aim at correcting market imperfections, or encourage innovations and the activities of small and medium-sized firms, they can contribute to economic adjustments;
  - restructure public expenditure in favour of productive expenditure;
  - reduce the budgetary deficits in those countries where these deficits are large so as to reduce the interest burden and thus increase the means available on the capital markets in favour of productive investments.
5. The Council approved the procedures proposed in these areas by the Commission in its communication concerning investment promotion and accordingly agreed that:
- the Commission would continue to assess the tax and financial measures introduced to help investment in the Member States and would submit any conclusions for the attention of the Council at one of its meetings in the first half of 1983;
  - it was necessary to adopt the principle of an operation during the coming year to improve the existing aid arrangements while ensuring that they were compatible with the proper functioning of the common market, and in particular with the provisions of the Treaty on aid and competition;
  - between now and the end of 1982 a balance-sheet should be drawn up of the way in which the principle of increasing public expenditure to assist development was starting to be implemented in the budgets for 1983, and that it was necessary to embark as quickly as possible in the Member States on an examination of the procedure for medium-term readjustment of public finance to help investment expenditure.

6. Community policies could give important additional stimulus to productive investment. The Council notes that the Commission has put forward concerted proposals to strengthen the internal market, among others by abolishing frontier formalities, by establishing technical norms and standards at Community level, through further harmonization of company law and by more co-ordinated use of public contracts to ensure an adequate development potential for advanced technologies.

The Council wishes to emphasize the need for an early decision on these and other proposals to improve the functioning of the internal market.

7. The Council notes with interest that the Commission has proposed action in specific fields of strategic importance to the strengthening of the European economy such as industrial innovation, research and development, new technologies, energy and education. The Council believes that decisions should be taken at the earliest possible moment on concrete proposals in areas where Community measures can be more effective than national measures, or can assist national endeavours in these areas of common interest.

8. The financial instruments of the Community are playing an important role in structural adjustment and development, and the Council believes that they should be used to their full extent and with a high degree of effectiveness. The Council notes with interest that the Commission has proposed a further increase in the borrowing possibilities of the New Community Instrument. The Council intends to reach a decision on this early in 1983.

9. The Council will follow closely the results of policies to promote productive investment and restructure public expenditure, and it wishes to review the situation at an early date on the basis of the further communications announced by the Commission.

NCI III

The Council heard a statement by Vice-President ORTOLI introducing the proposal for a Decision submitted by the Commission designed to empower that institution to contract loans under the New Community Instrument for the purpose of promoting investment within the Community (NCI III). The Council held a discussion on this subject.

The Council stated that it intended to take a decision on the Commission proposal early next year. It accordingly instructed the Permanent Representatives Committee to examine the Commission proposal and to report to it after it had received the Opinions of the European Parliament and the Economic and Social Committee.

PREPARATIONS FOR THE JOINT ECO/FIN-LABOUR/SOCIAL AFFAIRS COUNCIL

On the basis of a Commission communication and in the light of information provided by the President on the talks the Presidency had had with both sides of industry, the Council made preparations for the joint meeting of the Council of Ministers for Finance, Economic Affairs, Labour and Social Affairs on 16 November concerning the measures the Community might take in the economic and social spheres.





Bruxelles, le 12 novembre 1982  
NOTE BIO (82) 478 AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE

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Preparation CONSEIL ECO-FIN DU 15 NOVEMBRE 1982 (Boon)  
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Le Conseil ECO-FIN a lieu lundi a Bruxelles a 15.00 et sera suivi d'un diner. Trois points sont a l'ordre du jour :

1. Le Conseil doit avoir une discussion sur la communication de la Commission concernant LA PROMOTION DES INVESTISSEMENTS.

La Commission s'attend a ce que le Conseil approuve les orientations de fond et les propositions de procedure soumisees par elle en ce qui concerne :

- la necessite d'accroitre les marges d'autofinancement des entreprises et l'orientation de l'epargne vers l'investissement;

- le reexamen des mecanismes actuels d'incitation a l'investissement pour les simplifier et en accroitre l'efficacite;

- la necessite d'engager, des 1983, une reconversion a l'interieur des budgets au profit des depenses de soutien au developpement economique.

La Commission s'attend en outre a ce que le Conseil marque sa volonte de parvenir rapidement a des decisions concretes sur les actions communautaires de soutien a l'investissement (marche unique - energie - innovation - technologie) et sur la proposition NIC III.

2. Le conseil aura une discussion sur la SITUATION ECONOMIQUE. M. Ortoli presentera oralement les observations qu'appelle de sa part l'evolution economique, telle qu'elle est decrite dans le rapport annuel. Une decision sur ce rapport annuel ne pourra intervenir qu'au mois de decembre.

Ces deux points, Investissements et situation economique, seront traites par le Conseil sous le "chapeau" commun de la preparation du Conseil europeen.

3. Le Conseil ECO/FIN preparera enfin la reunion du Conseil JUMBO, qui doit avoir lieu le 16 novembre. La discussion aura pour base la communication que la Commission a transmise au Conseil pour la reunion conjointe.

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M.SANTARELLI COMEUR////



Bruxelles, le 16 novembre 1982  
NOTE BIO (82) 478 suite 1 et fin AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE

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CONSEIL ECO-FIN DU 15 NOVEMBRE 1982 (Helin)  
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"Sans economie vigoureuse sur le plan productif, la Communaute ne reglera pas le probleme de l'emploi". C'est ce qu'a declare le Vice-President F.X. Ortoli aux Ministres de l'Economie et des Finances reunis lundi a Bruxelles.

La Commission a largement recu l'appui du Conseil qui a souligne dans les conclusions adoptees hier soir que "toutes les possibilites existantes de developpement de l'investissement doivent etre experimentees systematiquement".

Notant que les "politiques communautaires peuvent, elles aussi, stimuler de maniere sensible les investissements productifs", les Dix soulignent qu'il est "necessaire de prendre rapidement une decision" sur les propositions concretes de la Commission visant, notamment au benefice des technologies de pointe, a faire jouer effectivement un marche interieur de dimension continentale.

Par ailleurs, le Vice-President Ortoli a convaincu les Dix qu'il fallait decider rapidement et concretement "dans des domaines ou des mesures communautaires peuvent etre plus efficaces que les mesures nationales ou peuvent soutenir les efforts nationaux dans des domaines d'interets commun."

N.B. Le texte integral des conclusions vous parviendra par expres.

Quant au debat de mardi (Conseil Jumbo) M. Ortoli a lance un appel aux Dix afin qu'ils ne "fassent pas de cette reunion, un tribunal sur le protectionnisme."

"Ne venez pas plaider ici en faveur du marche interieur quand vos experts nationaux et vos entreprises refusent systematiquement toute proposition que la Commission fait a ce sujet", a lance le Vice-President Ortoli.

Ce dernier a ajoute ironiquement :

"Chacun devrait plutot dire le mal que LUI fait; je pense que les dossiers qui nous parviendraient seraient reduits a la portion congrue, dans ce cas."

Amities,

N.G. van der Pas, COMEUR 16.20 ////  


