

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

493rd meeting of the Council

- Economics/Finance -

Brussels, 19 December 1977

President: Mr Gaston GEENS,  
Minister for Finance  
of the Kingdom of Belgium



19.XII.77

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

Belgium:

Mr Gaston GEENS Minister for Finance

Denmark:

Mr Jens KAMPMANN Minister for Fiscal Affairs

Mr Paul GERSMANN State Secretary,  
Ministry of Fiscal Affairs

Mr Kurt HANSEN State Secretary,  
Ministry of Economic Affairs

Germany:

Mr Hans APPEL Federal Minister for Finance

Mr Otto SCHLECHT State Secretary,  
Federal Ministry of Economic Affairs

France:

Mr Robert BOULIN Minister responsible for Economic  
and Financial Affairs

Ireland:

Mr George COLLEY Deputy Prime Minister  
Minister for Finance

Italy:

Mr Gaetano STAMMATTI Minister for the Treasury

Luxembourg:

Mr Jacques POOS Minister for Finance

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Netherlands:

Mr J.H. LUBBERS

Ambassador,  
Permanent Representative

United Kingdom:

Sir Donald MAITLAND

Ambassador,  
Permanent Representative

Commission:

Mr François-Xavier ORTOLI

Vice-President

Mr Christopher TUGENDHAT

Member

Mr Richard BURKE

Member

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ACTION TO BE TAKEN FOLLOWING THE MEETING OF THE EUROPEAN COUNCIL  
ON 5 AND 6 DECEMBER 1977

To prepare the ground for a detailed discussion of the Commission communication to the European Council on economic and monetary union, the Council asked the Permanent Representatives Committee and the specialized economic and financial committees (the Monetary Committee, the Committee of Governors of the Central Banks and the Economic Policy Committee) to conduct a prior examination of the communication.

The Council also pointed out that the European Council had spoken in favour of increased convergence of short-term economic policies by better co-ordination of national short-term economic policy instruments and their insertion into a Community framework and procedure.

The Council undertook to examine the problem at a forthcoming meeting on the basis of the reports which would be forwarded by the various working parties and specialized committees to which it had entrusted the study of the Commission communication on the matter.

The Council in conclusion requested the Commission to submit as soon as possible its proposal for the establishment of a new instrument for Community lending and borrowing in accordance with its instructions from the European Council.

STRENGTHENING OF THE MECHANISM FOR MEDIUM-TERM FINANCIAL ASSISTANCE

After examining the Commission proposal, the Council adopted, subject to a provisional reservation by the United Kingdom delegation, a Decision on the adjustment of medium-term financial assistance.

The purpose of this Decision is to double the commitment ceilings of the Member States and at the same time to adjust the rules governing conditions for assistance and surveillance of compliance with the conditions subscribed to. Henceforward, commitment ceilings and operations for granting assistance will be expressed in European units of account.

This Decision will be published in the Official Journal of the European Communities once the United Kingdom delegation has withdrawn its reservation.

19.XII.77

ADOPTION OF THE REGULATION ON VAT OWN RESOURCES AND THE NEW  
REGULATION No 2/71

The Council adopted, in the official languages of the Communities these two Regulations on which it had evolved common guidelines at its meeting on 21 November 1977 and the purpose of which is to ensure that the full system of own resources is implemented. Since the European Parliament had declined to initiate the conciliation procedure, it was possible to adopt both texts without amendments.

The former of these Regulations, which supplements the work already begun by the adoption in May this year of the sixth VAT Directive, contains specific elements for determining the basis for levying own resources accruing from VAT and provisions relating to the control of these resources.

The new Regulation No 2/71 lays down budgetary and financial provisions which are to govern the accounting, making available and use of the Communities' own resources from 1 January 1978.

EXCISE DUTIES ON MANUFACTURED TOBACCO

The Council adopted in the official languages of the Communities the Directive laying down special criteria to apply during the second stage of harmonization of structures to the excise duties which Member States apply to manufactured tobacco.

This Directive provides that during the second stage, which extends from 1 July 1978 (1 January 1979 for Ireland) to 31 December 1980, Member States shall apply a specific element of the excise duty on cigarettes which may not be less than 5% or more than 55% of the amount of the total tax burden (proportional component of the excise duty + specific component of the excise duty + VAT).



DUTY-FREE ALLOWANCES APPLICABLE IN INTERNATIONAL TRAVEL

The Council adopted, in the official languages of the Communities, the Directive granting Denmark a derogation for a five-year period beginning on 1 January 1978 from the application of the harmonized rules relating to exemption from turnover tax and excise duty on imports in international travel.

The Council considered that progress in the attainment of economic and monetary union and, in particular, in fiscal harmonization did not yet allow the full application of such rules in Denmark without the risk of serious economic consequences.

The derogation accorded by this Directive authorizes Denmark to restrict duty-free imports of tobacco products, alcoholic beverages (distilled beverages and spirits of an alcoholic strength exceeding 22°) and beer.

19.XII.77

MUTUAL ASSISTANCE IN THE FIELD OF DIRECT TAXATION

The Council adopted in the official languages of the Communities the Directive to which it had agreed in principle at its meeting on 21 November 1977 <sup>(1)</sup> concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation.

BUDGETARY ASPECTS OF THE 1978/1979 AGRICULTURAL PRICES

The Council noted a statement by Mr TUGENDHAT, Commissioner with responsibility for budgetary matters concerning the implications for the budget of the proposals on agricultural prices recently submitted to the Council by the Commission.

DATE OF THE NEXT MEETING

The Council decided to hold its next meeting on economic and financial matters on 20 February 1978 under the Danish Presidency.

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<sup>(1)</sup> See Presse Release 1359/77 (Presse 146) of the same date.

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NOTE BIO(77)447 AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE ET A M. LE DIRECTEUR GENERAL DE LA DG I  
ET A M OPITZ, DG VIII

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PREPARATION CONSEIL ECONOMIE/FINANCES

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## 1. UNION ECONOMIQUE ET MONETAIRE

A LA SUITE DE L'ACCUEIL FAVORABLE DU CONSEIL EUROPEEN DU 5/6 DECEMBRE RESERVE A LA COMMUNICATION DE LA COMMISSION PROPOSANT UN PROGRAMME D'ACTION DE 5 ANS, LA COMMISSION NE S'ATTEND PAS A UN DEBAT DE FOND DU CONSEIL, MAIS PLUTOT A UN DISPOSITIF D'ORGANISATION DES FUTURS TRAVAUX POUR PREPARER LES DECISIONS DU PROCHAIN CONSEIL. PARALLELEMENT, LA COMMISSION PREPARE LES INITIATIVES NECESSAIRES (PROPOSITIONS, ETC.) POUR LA PREMIERE ANNEE 1978 DE REALISATION DES OBJECTIFS FIXES DANS LE PLAN QUINQUENNAL.

## 2. DECISION CONCERNANT L'AUGMENTATION DU MECHANISME DE CONCOURS FINANCIER A MOYEN TERME

LA COMMISSION PROPOSE QUATRE AMENAGEMENTS A L'ANCIEN TEXTE :

A) RENFORCEMENT DU CONDITIONNELLEMENT PAR INTRODUCTION D'UN SYSTEME DE TRANCHE : LES FONDS SERONT VERSES A FUR ET A MESURE DES DECISIONS GOUVERNEMENTALES RESPECTANT LES CONDITIONS IMPOSEES.

### B) DEDOUBLEMENTS DE QUOTAS :

ALLEMAGNE	1.200 MUCE	22,02 %
BELGIQUE/LUXEMBOURG	400	7,34 %
DANEMARK	180	3,30 %
FRANCE	1.200	22,02 %
IRLANDE	70	1,28 %
ITALIE	800	14,68 %
PAYS-BAS	400	7,34 %
ROYAUME-UNI	1.200	22,02 %
TOTAL	5.450	100 %

### C) INTRODUCTION DE L'UCE BANNIERE (PANIER)

D) UN PAYS PEUT TIRER COMME MAXIMUM UN PRET JUSQU'A 50 % DU FONDS TOTAL.

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M. SANTARELLI

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3. POINTS FISCAUX

DIRECTIVE ASSISTANCE MUTUELLE IMPOTS DIRECTS

IL S'AGIT DE L'ADOPTION FORMELLE DE LA DIRECTIVE CONCERNANT LAQUELLE LE CONSEIL DE NOVEMBRE AVAIT MARQUE SON ACCORD DE PRINCIPE.

5EME DIRECTIVE IMPOTS TABACS MANUFACTURES

LE CONSEIL EST APPELE A APPROUVER LE CONTENU DE LA DEUXIEME ETAPE D'HARMONISATION DES ACCISES SUR LES CIGARETTES ALLANT JUSQU'AU 31 DECEMBRE 1980. JE VOUS RAPPELLE QUE LA PREMIERE ETAPE D'HARMONISATION DES ACCISES FRAPPANT LES CIGARETTES A ETE ARRETEE FIN 1972. CETTE PREMIERE ETAPE ETABLISSE UN TOUT PREMIER RAPPROCHEMENT DES DEUX SYSTEMES DE TAXATION DES CIGARETTES EXISTANTS A L'INTERIEUR DE LA COMMUNAUTE. LES PAYS CONSOMMATEURS DE TABAC BLOND ET RELATIVEMENT CHER (ALLEMAGNE, DANEMARK, ROYAUME-UNI, IRLANDE) APPLIQUAIENT UN IMPOT PRESQUE UNIQUEMENT SPECIFIQUE (MONTANT FIXE PAR CIGARETTE). LES AUTRES

ETATS MEMBRES IMPOSENT UNE TAXE PRESQUE UNIQUEMENT PROPORTIONNELLE

AU PRIX DE VENTE AU CONSOMMATEUR. LE RAPPROCHEMENT RETENU PAR LA PREMIERE ETAPE PREVOYAIT QUE L'ACCISE SPECIFIQUE PAR CIGARETTE

DEVAIT ETRE COMPRISE DANS UNE FOURCHETTE ALLANT DE 5 POUR CENT A 75 POUR CENT DE L'ACCISE TOTALE, HORS TVA. CEPENDANT

LE ROYAUME-UNI ET L'IRLANDE ONT RECU UNE DEROGATION, EN VERTU DU TRAITE D'ADHESION JUSQU'AU 31 DECEMBRE 1977, DATE A LAQUELLE LA COMMUNAUTE DOIT PASSER A LA DEUXIEME ETAPE D'HARMONISATION. POUR TOUT LE BACKGROUND VOIR L'EXPOSE DE MOTIFS DE LA PROPOSITION DE LA COMMISSION DE FEVRIER 1976, COM (76)22 FINAL ET LA NOTE P-13 DE FEVRIER 1976.

LA PROPOSITION QUE LE CONSEIL DEVRAIT APPROUVER PREVOIT:

- 1) ADOPTION D'UNE FOURCHETTE POUR L'ELEMENT SPECIFIQUE ENTRE 5 ET 55 POUR CENT DE L'IMPOT TOTAL, Y COMPRIS LA TVA (LA PROPOSITION DE LA COMMISSION DE FEVRIER 1976 PREVOYAIT UNE FOURCHETTE DE 15 A 50 POUR CENT).
- 2) OCTROI, AU SEUL ROYAUME-UNI, DE LA FACULTE D'APPLIQUER UN DROIT D'ACCISE SUPPLEMENTAIRE SUR LES CIGARETTES JUGEES LES PLUS NOCIVES POUR UNE PERIODE DE 30 MOIS A PARTIR DU 7/7/77

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1ER JUILLET 1978, DATE D'ENTREE EN VIGUEUR DE LA DEUXIEME ETAPE  
D'HARMONISATION.

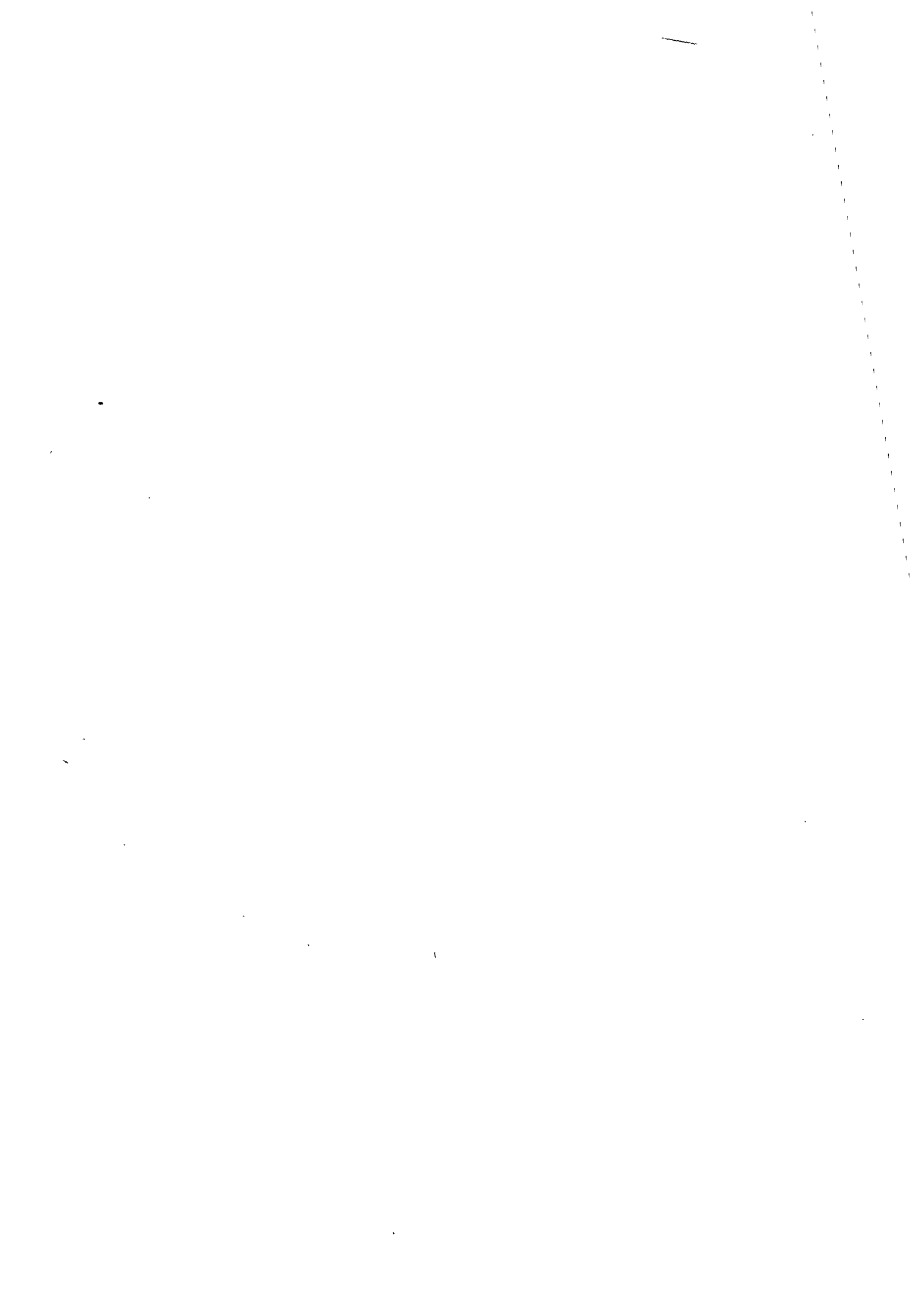
DANEMARK - DEROGATION CONCERNANT FRANCHISE FISCALES POUR VOYA-  
GEURS

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LE CONSEIL DOIT DECIDER ~~DE~~ DU REGIME DE DEROGATION A ACCORDER  
AU DANEMARK APRES LE 31 DECEMBRE 1977 LORSQUE LE REGIME ACTUEL  
VIENT A ECHEANCE. LA COMMISSION A PROPOSE, LA SEMAINE DERNIERE,  
QUE LE REGIME ACTUEL SOIT LIBERALISE PROGRESSIVEMENT ET PRENNE  
FIN DANS TROIS ANS (VOIR IP(77)301 DU 14 DECEMBRE).

AMITIES, M. SANTARELLI  
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NOTE BIO(77) 447 (SUITE 1) AUX BUREAUX NATIONAUX  
C.C. AUX MEMBRES DU GROUPE, A M. LE DIRECTEUR GENERAL DG I  
ET A M. OPTIZ DG VIII

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CONSEIL ECO-FINANCES

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COMPLEMENT A L'AGENDA:

BUDGET AGRICOLE: M. TUGENDHAT PRESENTERA AU MINISTRES LES  
CONSEQUENCES BUDGETAIRES DES RECENTES PROPOSITIONS AGRICOLES DE  
LA COMMISSION (VOIR P-119 et P-120).

BUDGET 1978: ■■■■ COMME POINT A, LE CONSEIL ADOPTERA LE TAUX  
D'AUGMENTATION DES DEPENSES COMMUNAUTAIRES EN 1978, TEL QU'IL  
RESULTE DU VOTE PAR LE PARLEMENT DU 15 NOVEMBRE. APRES CETTE  
ADOPTION, LE PRESIDENT DU PARLEMENT PEUT DECLARER LE BUDGET 1978  
COMME DEFINITIVEMENT ADOPTE.

AMITIES,  
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NOTE BIO(77) 447, SUITE 2, AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE, A M. LE DIRECTEUR GENERAL DG I  
ET A M. OPITZ, DG VIII

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CONSEIL ECONOMIE/FINANCES :  
1. PERSPECTIVES D'UNE UEM

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LE CONSEIL A PRIS PLUSIEURS DECISIONS EN MATIERE DE PROCEDURE  
COMME IL A ETE PREVU: □

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□- LES COMITES MONETAIRE, DES GOUVERNEURS DES BANQUES CENTRALES,  
DE POLITIQUE ECONOMIQUE SONT DEMANDES D ETUDIER LES ELEMENTS QUI  
LES CONCERNENT DE LA COMMUNICATION DE LA COMMISSION SUR LE PLAN  
QUINQUENNAL UEM. LE COREPER EST CHARGE DE COORDONNER LES TRAVAUX.

□- LA MEME PROCEDURE EST ENVISAGEE POUR LA PROPOSITION DE LA  
COMMISSION SUR LE RENFORCEMENT DE LA CONVERGENCE DES POLITIQUES  
ECONOMIQUES NATIONALES.

□- EN CE QUI CONCERNE LE NOUVEL INSTRUMENT FINANCIER DE L EMPRUNT  
COMMUNAUTAIRE, M. ORTOLI A ANNONCE UNE PROPOSITION EN SENS JURI-  
DIQUE DU TERME DANS LES PROCHAINES SEMAINES.

C EST AINSI QUE LE CONSEIL A ORGANISE SON TRAVAIL EN DONNANT SUITE  
AUX DECISIONS DE PRINCIPE DU CONSEIL EUROPEEN.

2. AMENAGEMENT DU CONCOURS FINANCIER A MOYEN TERME

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SOUS UNE RESERVE D ATTENTE DE LA PART DES BRITANNIQUES, LE  
CONSEIL A ADOPTE LE NOUVEAU SYSTEME QUI SERA MIS EN VIGUEUR LE  
PREMIER JANVIER 1978.

3. LE CONSEIL A ADOPTE DEFINITIVEMENT PLUSIEURS ACTES AYANT DEJA  
ETE APPROUVE ULTERIEUREMENT :

□- REGLEMENT RESSOURCES PROPRES ■■■ TVA

□- NOUVEAU REGLEMENT 2/71

□- DIRECTIVE ASSISTANCE MUTUELLE IMPOT DIRECT (FRAUDE)

□- ADOPTION D UNE CINQUIEME DIRECTIVE SUR LES IMPOTS POUR LE TABAC

□- DIRECTIVE CONCERNANT UNE DEROGATION ACCORDEE AU DANEMARK POUR  
LE REGIME DES FRANCHISES FISCALES POUR VOYAGEURS. LE SYSTEME ACTUEL  
DOIT ETRE LIBERALISE PROGRESSIVEMENT JUSQU A FIN 1980.

4. SOUS DIVERS, M. TUGENDHAT A FAIT UNE COMMUNICATION AU CONSEIL  
SUR LES CONSEQUENCES BUDGETAIRES DES PRIX AGRICOLES. PRENANT COMME  
BASE DE CALCUL LA PROPOSITION DE LA COMMISSION D'AUGMENTER LES

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PRIX AGRICOLES D ENVIRON 2 0/0, CELA N ENTRAINERA PAS UNE  
AUGMENTATION DES PROPOSITIONS BUDGETAIRES PREVUES POUR 1978.

LA NOUVELLE PRESIDENCE DANOISE A CONVOQUE LE PROCHAIN CONSEIL  
ECONOMIE/FINANCES POUR LE 20 FEVRIER 1978.

AMITIES, M. SANTARELLI  
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