

PRESS RELEASE

8551/82 (Presse 108)

786th meeting of the Council
- Economic and Financial Questions -
Brussels, 12 July 1982

President: Mr Ivar NØRGAARD,
Minister for Economic Affairs
of the Kingdom of Denmark

12.VII.82

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

Denmark:

Mr Ivar NØRGAARD

Minister for Economic Affairs

Mr Knud HEINESEN

Minister for Finance

Germany:

Mr Horst SCHULMANN

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 M. DOYLE

Secretary-General
Ministry of Finance

Italy:

Mr Nino ANDREATTA

Minister of the Treasury

Luxembourg:

Mr Jacques SANTER

Minister for Finance

Mr Ernest MUHLEN

State Secretary,
Ministry of Finance

Netherlands:

Mr A.P.J.M.M. van der STEE

Minister for Finance

United Kingdom:

Sir Geoffrey HOWE

Chancellor of the Exchequer

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Commission:

Mr François-Xavier ORTOLI

Vice-President

Mr Karl-Heinz NARJES

Member

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The meeting was also attended by:

Mr I.C.R. BYATT

Chairman of the
Economic Policy Committee

Mr J. BERGLUN-JENSEN

Chairman of the
Economic and Financial
Policy Co-ordination Group

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SECOND QUARTERLY REVIEW OF THE ECONOMIC SITUATION IN THE COMMUNITY

The Council undertook the second quarterly review of the economic situation in the Community on the basis of two Commission communications. As regards the economic situation, it accepted the Commission's recommendation that the economic guidelines set out in March 1982 should be broadly maintained.

It also had an exchange of views on the Commission communication concerning budget discipline and economic convergence. The Council underlined the importance of containing budgetary deficits and noted with interest the ideas underlying the guidelines suggested by the Commission in order to improve the public finance situation (point III of the Commission communication). It also noted with interest the methods proposed for applying these guidelines to the individual Member States (point IV of the communication). The Council welcomed the Commission's intention of submitting a first report on developments in this field in time for consideration by the Council not later than at its meeting in December 1982.

The Council took note of the quantitative budgetary guidelines proposed by the Commission.

FIFTH MEDIUM-TERM ECONOMIC POLICY PROGRAMME

The Council signified its agreement to the fifth medium-term economic policy programme. Formal adoption and publication will follow shortly, after the relevant Decision has been finalized in the official languages of the Communities.

HARMONIZATION OF CONSOLIDATED ACCOUNTS

The Council continued its discussions on the amended proposal for a 7th Directive, based on Article 54(3)(g) of the EEC Treaty, concerning consolidated accounts and, in particular, on the scope of the Directive.

As the Member States' positions had drawn somewhat closer together, the Council asked the Permanent Representatives Committee to continue its search for solutions to the various outstanding problems, if necessary on the basis of an overall compromise, and to report back at the Council's next meeting in October.

INVESTMENT PROMOTION

The European Council meeting on 28 and 29 June 1982 confirmed the importance of a co-ordinated policy to promote productive investment in order to combat unemployment and noted with interest the guidelines proposed by the Commission further to the position adopted by the European Council in March 1982.

With a view to preparing the specific proposals requested by the European Council for its meeting in December, the Council held a wide-ranging policy debate on all the aspects to be taken into consideration in defining an overall strategy in this area.

At the close of the debate, the Council instructed the Economic Policy Committee and the Economic and Financial Policy Co-ordination Group to continue work on this point in close collaboration with the Commission with a view to submitting a report to the Council for consideration at its meeting in October. It also asked the Commission to submit proposals for Community action in this area at that meeting, and agreed to consider the final report to the European Council at its meeting in November.

MISCELLANEOUS DECISIONS

Trade questions and customs union

The Council adopted, in the official languages of the Communities,

- Decisions:

- = authorizing extension or tacit renewal of certain trade agreements concluded between Member States and third countries;
- = authorizing the automatic renewal of continuance in force of certain friendship, commerce and navigation treaties and similar agreements concluded between Member States and third countries,

- Regulations:

- = imposing a definitive anti-dumping duty on mechanical wrist-watches originating in the USSR;
- = amending Regulation (EEC) No 2603/69 establishing common rules for exports.

The Council also adopted, in the official languages of the Communities, Regulations:

- amending Regulation (EEC) No 950/68 on the Common Customs Tariff;
- increasing the Community tariff quota opened for 1982 by Regulation (EEC) No 3276/81 for newsprint falling within subheading 48.01 A of the Common Customs Tariff;
- opening, allocating and administering a Community tariff quota for certain grades of ferro-chromium falling within subheading ex 73.02 E I of the Common Customs Tariff.

Food aid

The Council adopted Regulations granting 2,500 tonnes of skimmed-milk powder and 1,000 tonnes of butteroil to Zimbabwe as food aid, to be taken from the 1982 reserves.

Agriculture

The Council adopted, in the official languages of the Communities, a Directive amending Directive 78/663/EEC laying down specific criteria of purity for emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs.

Education

The Council and the Ministers for Education, meeting within the Council, adopted, in the official languages of the Communities, a Resolution concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life (see Press Release 7120/82 (Presse 66) of 24 May 1982, page 3 - Education and training in the context of the employment situation in the Community).

Transport

The Council adopted, in the official languages of the Communities, a Decision concluding the Agreement on the International Carriage of Passengers by Road by means of Occasional Coach and Bus Services (ASOR) (see Press Release 7559/82 (Presse 74) of 10 June 1982, page 13).

Social affairs

The Council adopted, in the official languages of the Communities, Resolutions:

- on the promotion of equal opportunities for women (see Press Release 7307/82 (Presse 69) of 27 May 1982, page 5 and Annex I)
- on Community action to combat unemployment (see Press Release 7307/82 (Presse 69) of 27 May 1982, page 5 and Annex II).

ECSC

The Council gave its assent, pursuant to the second paragraph of Article 54 of the ECSC Treaty, to the co-financing of a project for the exploitation of iron ore in Carajas by the Companhia Vale do Rio Doce (CVRD), Rio de Janeiro, Brazil.

Appointments

On a proposal from the German Government, the Council appointed Mr Otto SEMMLER, Abteilung Arbeitsmarktpolitik, Bundesvorstand des Deutschen Gewerkschaftsbundes, a full member of the European Social Fund Committee, in place of Dr Ursula ENGELEN-KEFER, full member who had resigned, for the remainder of the latter's term of office, which runs until 9 November 1982.

On a proposal from the Irish Government, the Council also appointed Mr Raymund BYRNE, Director, Training Advisory Services, Anco - The Industrial Training Authority, a member of the Advisory Committee on Vocational Training in place of Mr J.A. AGNEW, member who had resigned, for the remainder of the latter's term of office, which runs until 16 September 1983.

Lastly, on a proposal from the French Government, the Council appointed Mr SANGIUOLO, Directeur de l'U.E.R. d'Odontologie de l'Université d'Aix-Marseille II, an alternate member of the Advisory Committee on the Training of Dental Practitioners in place of Mr PENNE for the remainder of the latter's term of office, which runs until 25 March 1983.

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Bruxelles, le 12 juillet 1982
Note BIO(82)309 aux Bureaux Nationaux
cc. aux membres du Groupe du Porte Parole

PREPARATION DU CONSEIL ECO/FIN DU 12 JUILLET 1982 (W. Helin)

Le Conseil debute a 11h30 par un debat d orientation consacre a la promotion des investissements dans la Communaute europeenne. Nous vous renvoyons aux communications de la Commission ainsi qu aux conclusion des deux derniers Conseil Europeens a ce propos. L intention de la presidence du Conseil est de faire en sorte que le Conseil europeen de decembre prochain soit le premier horizon pour la prise de decisions concretes dans les cinq domaines suivantes:

- Investissements dans le cadre d'un contexte économique général amélioré
- volet social et marche du travail
- investissements pour encourager l innovation et la competitivite de l industrie europeenne
- investissements dans le secteur energetique
- investissements lies a la politique regionale.

Rappelons que l objectif fondamental, aux yeux de la Commission (voir notamment le Mandat du 30 mai), demeure l encouragement de l investissement productif. Les efforts nationaux et communautaires devront etre complementaires. En matiere de calendrier deux Conseils ECO/FIN, a la mi-octobre et a la mi-novembre, devront preparer les discussions. Le Conseil Affaires Generales du 22 novembre devant quand a lui finaliser le dossier en vue du Conseil europeen du 3 et 4 decembre. Le Conseil procedera ensuite a un tour de table sur la situation economique dans la Communaute. A ce sujet nous vous renvoyons a la fiche distribuee en salle de presse le 1er juillet dernier qui fait le point sur la discipline budgetaire et la convergence economique. Le Conseil doit en outre discuter l avis du Comite de politique economique sur le 5eme programme de politique economique a moyen terme.

Le point harmonisation des comptes consolides fait l objet d une ligne de la part d Otto von Schwerin.

Amities,
M. Santarelli COMEUR





Bruxelles, le 12 juillet 1982
NOTE BIO (82) 309, suite 1 et fin aux bureaux nationaux

REUNION DU CONSEIL ECONOMIE/FINANCES DU LUNDI 12/7 (W.Helin)

Les Dix veulent promouvoir l'investissement productif afin de restaurer la competitivite de l'industrie europeenne et de contribuer a resoudre le probleme de l'emploi.

Des propositions concretes en la matiere devront etre formulees et etre presentees au Conseil europeen des 3/4 decembre prochains. Telle est la conclusion du point essentiel des debats de ce lundi au conseil ECO/FIN.

Au nom de la Commission, le vice-president Ortoli y a fait part une nouvelle fois de sa preoccupation a l'egard du niveau peu eleve de l'investissement productif dans la Communaute, qui touche surtout le secteur des nouvelles technologies. Le niveau moyen des investissements atteint 20 % par rapport au PIB dans la Communaute europeenne, contre 30 % au Japon. Rappelant le recent debat au Conseil europeen, a ce sujet, le vice-president Ortoli a declare :

1. qu'une des raisons qui expliquent l'hesitation a investir tient au niveau des taux d'interets. Cela n'entraîne pas seulement une inhibition, a-t-il ajoute, mais se traduit par une realite : les investisseurs preferent placer leurs liquidites. Nous passons de l'economie aux finances, a commente M. Ortoli.

2. Il y a une sensibilite commune a l'egard du recul general de la competitivite en Europe, qui atteint surtout des secteurs industriels a la fois trditionnels (biens d'equipements) et les nouveaux creneaux (nouvelles technologies).

3. La conscience que l'investissement peut contribuer a regler le probleme de l'emploi.

4. L'importance accordee par tous a l'investissement public. Il est apparu clairement que l'idee de l'investissement servant notamment a la formation est une priorite commune.

M. Ortoli a rappele qu'au Conseil europeen, on avait estime necessaire de reorienter les budgets nationaux pour que les investissements y prennent une place plus grande.

Quant a l'analyse de la situation economique, M. Ortoli a estime que le Conseil parlait beaucoup de convergence mais qu'il importait de proceder a un vrai debat sur un certain nombre de points pour voir les vrais problemes et leur trouver des solutions.

Quant a l'application de procedures budgetaires strictes, il ne faut pas se contenter de declarations de principe, a-t-il dit, mais avoir le courage d'en debattre entre nous (voir COM 422).

Enfin, en ce qui concerne le 5e programme economique a moyen terme, M. Ortoli a deplore que le Conseil ait reussi "le tour de force" d'engager un debat de procedure et d'eviter les questions de fond (voir note P - 48 juillet 1981), alors que ces questions sont communes a tous nos Etats membres.

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M. Scapellato

