



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

11127/85 (Presse 190)

1049th Council meeting  
- Economic and Financial affairs -  
Brussels, 9 December 1985

President: Mr Jacques SANTER  
Minister for Finance  
of the Grand Duchy of Luxembourg

09.XII.85

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

Belgium:

Mr Mark EYSKENS Minister for Finance

Denmark:

Mr Anders ANDERSEN Minister for Economic Affairs

Germany:

Mr Rudolf SPRUNG Parliamentary State Secretary  
to the Federal Minister for Economic  
Affairs

Mr Hans TIETMEYER State Secretary,  
Federal Ministry of Finance

Greece:

Mr Constantin SIMITIS Minister for Economic Affairs and  
Finance

France:

Mr Luc de LA BARRE de NANTEUIL Ambassador,  
Permanent Representative

Ireland:

Mr Alan DUKES Minister for Finance

Italy:

Mr Domenico SUSI State Secretary,  
Ministry of Finance

Luxembourg:

Mr Jacques SANTER Minister for Finance

Mr Jacques F. POOS Minister for Economic Affairs

Netherlands:

Mr H. RUDING

Minister for Finance

United Kingdom:

Mr Peter BROOKE

Minister of State at the Treasury

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Commission:

Lord COCKFIELD

Vice-President

Mr Willy DE CLERCQ

Member

Mr Alois PFEIFFER

Member

Mr Peter SUTHERLAND

Member

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The following were also present as observers:

Spain:

Mr Miguel Angel FERNANDEZ ORDONEZ

State Secretary,  
Ministry of Economic Affairs

Portugal:

Mr José de OLIVEIRA COSTA

State Secretary to the  
Minister for Finance  
with special responsibility for  
taxation

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The following also took part in the meeting:

Mr R. WEIDES

Chairman of the Co-ordinating  
Group for Economic and  
Financial Policies

Mr Hans TIETMEYER

Chairman of the Monetary  
Committee

Mr I. BYATT

Chairman of the Economic Policy  
Committee

ANNUAL ECONOMIC REPORT FOR 1985/1986

The Council approved the annual economic report for 1985/1986 as amended further to the proceedings of the Co-ordinating Group for Economic and Financial Policies on 11 November; the Council's approval covered the policy guidelines to be followed by the Community and the general economic policy guidelines to be followed by each Member State in 1986.

The annual economic report will be formally adopted, after linguistic finalization of the text, before the end of the year.

LABOUR MARKETS AND EMPLOYMENT

The Council took note of an interim report by the Economic Policy Committee entitled "Labour Markets and Employment"; it invited the Committee to continue its proceedings on this matter in the light of the European Council's conclusions on the economic and social situation and of the annual economic report.

EXPORT CREDITS: COMMERCIAL INTEREST REFERENCE RATES (CIRR)

The Council examined the Commission proposal concerning the position the Community should adopt in the negotiations in progress at the OECD on revision of the commercial interest reference rate (CIRR) system.

To allow the Member States to consider the matter in greater detail, the Council agreed to decide on the Community position at its forthcoming meeting on 20 January 1986.

ABOLITION OF TAX BORDERS

Following the exchange of views which it had had at its last meeting, on 18 November, on the tax measures necessary to achieve the objective of a single market, the Council agreed to set up an ad hoc Working Party of heads of tax administrations or other personal representatives of the Ministers for Finance in order to prepare the Council's proceedings on these matters. It would lay down the Working Party's terms of reference at its forthcoming meeting on 20 January 1986.

APPLICATION OF THE COMPETITION RULES TO THE INSURANCE SECTOR

The Council noted statements by the Belgian and German delegations on the application of the Treaty rules on competition to the insurance sector and the Commission's reply on the subject.

COMMUNITY LOAN TO THE HELLENIC REPUBLIC

Further to the political agreement reached on 18 November 1985 (see Press Release 10429/85 (Presse 173)) the Council adopted the Decision on a Community loan to the Hellenic Republic in the official languages of the Communities.

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Brussels, 9 December 1985  
Note Bio(85)403 aux Bureaux Nationaux  
c.c. aux membres du Service du Porte Parole

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Rendez-vous de midi (Etienne Reuter)  
Preparation of ECO/FIN Council

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The Ministers will assemble for lunch. President Delors will attend and the discussion is expected to deal with the fall-out of the European Council. The agenda for the formal session lists the following items:

**THE ECONOMIC REPORT FOR 1985/86.** The Ministers are expected to conclude the discussion of the Commission's report which focusses on means of revitalising the Community's economy: wage restraint, reduction of budgetary deficits, tripartite social consensus etc.

**EMPLOYMENT.** The economic policy committee has just tabled an interim report on the situation of employment which discusses the necessity of introducing greater flexibility into the job market. It has not been possible to prepare this discussion and no conclusions are expected.

**EXPORT CREDITS.** The Council will discuss the terms of the mandate for the renegotiation of interest rates in the "consensus". The rates were last updated in 1983 and owing to the decrease of commercial rates and several recent incidents of severe overbidding appear now pretty unworkable.

**FISCAL APPROXIMATION.** The Council will revert to Lord Cockfield's proposal that a committee of personal representatives of Finance Ministers or senior advisers will take stock of the difficulties that arise from the Commission's White Paper proposals concerning the elimination of fiscal barriers.

**PARENT/SUBSIDIARIES FISCAL TREATMENT.** The Council will take a fresh look at the issue which remains blocked by Germany and the Netherlands.

**APPLICATION OF COMPETITION RULES TO INSURANCE.** The Belgians have asked the Council to consider the possibility of a special regulation which would exempt part of the insurance sector from competition rules. As a matter of principle the Commission wishes to secure the fullest application of these rules to insurance with a view to creating a true community market. At this stage the Council is unlikely to come up with any conclusions.

**Materiel diffuse:**

IP 552 - Pret communautaire de 500 Mio de FF au Credit National  
IP 553 - Standardisation de la technologie de l'information  
IP 558 - Resume du discours de M. Narjes a Berlin devant  
"Deutsches Institut fur Wirtschaftsforschung  
2 Discours de M. de Clercq: devant l'association belgo-suedoise  
a Bruxelles et le Comite mixte CEE-Roumanie  
Curriculum vitae de M. Marin Gonzalez

Materiel diffuse vendredi 6.12.1985

Calendrier

IP 554 - Exemption par la Commission d'un contrat-type de distribution de produits dentaires dans la CE

IP 555 - Renouvellement de l'accord de cooperation CEE-Thailande sur le Manioc

IP 556 - Resume du discours de M. Clinton Davis a Turin

Memo 162 - Comite mixte CEE-Roumanie

Memo 163 - Reunion annuelle a haut niveau entre l'Organisation des pays arabes exportateurs de petrole et la Commission, 9-10 decembre a Bruxelles

Memo 164 - Comite mixte CEE-Finlande

Documents COM - 628: programme d'action des CE en matiere de prevention du cancer (voir P-89)

Documents COM - 610 et 611: ouverture des marches de transport (voir P-83)

Disc. Christophersen a Bonn

IP 557 Commission mixte CEE/Uruguay

Regards

M. Paemen





Bruxelles, le 10 decembre 1985  
NOTE BIO (85) 403 (suite 1 et fin) AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU GROUPE

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CONSEIL ECO/FIN (9 decembre 1985) (F. Colasanti/E. Reuter)  
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Le Conseil a commence ses travaux a 15.00 hrs. par la discussion du point "TAUX D'INTERETS COMMERCIAUX DE REFERENCE (CIRR)". Les divergences qui etaient apparues au cours des discussions techniques n'ont pas pu etre aplanies et la discussion sur ce point a ete reportee a la prochaine session du Conseil ECO-FIN du 20 janvier.

Le Conseil a ensuite examine le RAPPORT ECONOMIQUE ANNUEL pour 1985/86 presente par la Commission (voir Note P-80, octobre 1985). Les orientations de politique economique contenues dans le Rapport ont ete approuvees a l'unaninite et plusieurs delegations ont meme felicitees la Commission pour l'excellent travail d'elaboration de ce Rapport et pour l'equilibre qu'elle a reussi a etablir entre les differentes composantes de la strategie de politique economique qu'elle a propose.

Le Conseil a ensuite pris note du Rapport interimaire sur les MARCHE DU TRAVAIL ET EMPLOI qu'il lui a ete transmis par le Comite de politique economique. Le Conseil a aussi pris note d'une declaration de M. Pfeiffer sur les travaux que la Commission mene actuellement a ce sujet et a invite le Comite de politique economique et la Commission a poursuivre la reflexion dans ce domaine.

En ce qui concerne la mise en oeuvre de la partie FISCALE du LIVRE BLANC sur le MARCHE INTERIEUR, le Conseil a decide de creer un groupe de representants personnels/hauts fonctionnaires (proposition de Lord Cockfield de septembre) charge de faire rapport sur les problemes poses par les propositions de la Commission relatives a l'elimination des frontieres fiscales. Le mandat de ce groupe sera mis au point lors du prochain Conseil ECO/Fin et on s'attent a ce qu'il fasse rapport avant juin 1986.

La question relative au TRAITEMENT FISCAL DES ENTREPRISES MERES ET DE LEURS FILIALES a ete reportee.

Sous points DIVERS et suite a la demande de la Belgique de proceder a l'etude de la possibilite d'une reglementation speciale sur l'application des regles de CONCURRENCE au SECTEUR DE L'ASSURANCE, le Conseil a ecoute une declaration de M. Sutherland sur la position de principe de la Commission concernant cette question.

Amities,

  
H. PALMÉN COMEUR ////