

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

9910/85 (Presse 154)

1035th Council meeting  
- Economic and Financial Affairs -  
Luxembourg, 28 October 1985

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

28.X.85

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

Belgium:

Mr Louis WALTNIEL  
State Secretary  
Ministry of Finance

Denmark:

Mr Anders ANDERSEN  
Minister for Economic Affairs

Germany:

Mr Gerhard STOLTENBERG  
Federal Minister for Finance  
Mr Hans TIETMEYER  
State Secretary,  
Federal Ministry of Finance  
Mr Otto SCHLECHT  
State Secretary,  
Ministry of Economic Affairs

Greece:

Mr Constantin SIMITIS  
Minister for Economic Affairs and  
Finance

France:

Mr Pierre BEREGOVOY  
Minister for Economic Affairs,  
Finance and the Budget

Ireland:

Mr Alan DUKES  
Minister for Finance

Italy:

Mr Giovanni GORIA  
Minister for the Treasury

Luxembourg:

Mr Jacques SANTER  
Minister for Finance  
Mr Jacques F. POOS  
Minister for Economic Affairs  
Mr Jean-Claude JUNCKER  
Minister responsible to the  
Minister for Finance

Netherlands:

Mr H. RUDING Minister for Finance

United Kingdom:

Mr Ian GOW Minister of State to the Treasury

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Commission:

Lord COCKFIELD Vice-President

Mr Henning CHRISTOPHERSEN Vice-President

Mr Alois PFEIFFER Member

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The following were also present as observers:

Spain:

Mr José BORRELL State-Secretary,  
Ministry of Finance

Portugal:

Mr Luiz GOIS FIGUEIRA Ambassador,  
Permanent Representation

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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

1985-1986 ANNUAL ECONOMIC REPORT

After hearing a statement by Commissioner PFEIFFER presenting the Commission's annual economic report for 1985-1986, the Council held an initial discussion on the report.

It will now be forwarded to the European Parliament for its Opinion. The Council will continue its examination after it has received that Opinion.

SAFEGUARD MEASURES TAKEN BY THE GREEK GOVERNMENT

The Council heard

- a communication from Greece on the measures taken by its Government
- a report by the Chairman of the Monetary Committee on the first examination his Committee had made of the measures.

The Council noted that the Commission intended to submit its conclusions on the measures before the meeting of the Council on 18 November 1985.

The Council accordingly agreed to continue its examination of this matter on 18 November on the basis of any communications and proposals the Commission might submit to it and of a fresh report by the Monetary Committee.

28.X.85

ABOLITION OF TAX FRONTIERS WITH A VIEW TO THE GREATER MARKET

After a brief exchange of views, the Council agreed to hold a detailed discussion on the matter at its meeting on 18 November 1985.

UNDERTAKINGS FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES - UCITS

The Council reached almost complete agreement on the two Directives on undertakings for collective investment in transferable securities, viz., the Directive on co-ordination of legislation and the Directive on liberalization of transactions in UCITS shares.

When one specific aspect of the co-ordination Directive has been clarified for one Member State, the Council should be in a position to give its final agreement to the two Directives at its next meeting, which is scheduled for 18 November.

BUDGETARY DISCIPLINE

The United Kingdom delegation raised the question of application to the Community of Twelve of the agricultural guideline as described in the Council's conclusions on budgetary discipline of December 1984.

The Council noted that the Commission was planning to submit a communication on the matter.

1986 BUDGET - LETTER OF AMENDMENT

At the close of its discussion on the letter of amendment to the preliminary draft general budget of the European Communities for 1986, the Council approved the following conclusions:

On the basis of the calculation submitted by the Commission in the letter of amendment to the preliminary draft budget for 1986, the Council recognizes the need for a preliminary adjustment of 264 MECU for the benefit of the United Kingdom under the correction of budgetary imbalances, to be paid during the 1986 financial year.

It therefore requests the Commission, in accordance with the method for calculating the correction provided for in Article 3(3), (4) and (5) of the amended proposal for a Council Decision on the Communities' system of own resources, to submit to the budget authority a preliminary draft amending budget in September 1986 which takes account of this adjustment and of any other correction arising from the most recent budgetary information available. The Council undertakes to take the necessary decisions on the basis of this proposal.

In so doing, the Council in no way prejudices the procedures to be followed in this matter in future.

USE OF ECU BY "OTHER HOLDERS"

The Council adopted a Regulation amending Article 2 of Regulation No 3181/78 as regards the use of ECU by "other holders".

The aim of the proposal is to enable the Community's Central Banks to effect bilateral and temporary transfers of ECUs issued by the ECMF to the central banks of third countries and to international monetary institutions.

The decision is part of a package of measures designed to strengthen the European Monetary System, which was decided on by the Governors of the Central Banks in Basel on 12 March 1985 and approved by the Ministers for Financial Affairs at their informal meeting in Palermo on 13 and 14 April 1985.

The other measures - which have already been put into operation by means of agreements between Central Banks - involve

- the liberation of ECU balances in net credit to cope with a need for intervention currencies;
- increasing the interest rate on accounts in ECU;
- the acceptability limit for the ECU.

MISCELLANEOUS DECISIONS

Community support - Hydrocarbons

The Council adopted the Decision on the granting of support for Community projects in the hydrocarbons sector (1985) in the official languages of the Communities.

The purpose of the Decision is to grant 63 Community projects financial support totalling 42 551 525 ECU under the 1985 budget, in the form of subsidies repayable in the event of commercial exploitation of the results.

The projects involved are particularly likely to speed up the exploitation of resources and improve the conditions of storage and transport of hydrocarbons within the Community, and could not have been carried out, or would have had to be postponed, without Community support.

Commercial policy

The Council adopted, in the official languages of the Communities, a Regulation amending Regulation (EEC) No 1698/85 imposing a definitive anti-dumping duty on imports of electronic typewriters originating in Japan. (Exclusion of certain models not comparable to the electronic typewriters manufactured in the Community).

Relations with Israel

In accordance with the provisions of Article 3(1) of Protocol No 2 to the EEC-Israel Agreement, the Council agreed to the proposed Israeli measure of increasing the customs duties on offset plates for printing (heading No 37.01 of the CCT) from 8% to 20%.

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Bruxelles, le 25 octobre 1985.  
Note BIO (85)345 aux Bureaux Nationaux  
cc. aux membres du Service du Porte-Parole

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PREPARATION DU CONSEIL ECO/FIN DU 28 OCTOBRE  
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1. Echange de vues sur les mesures grecques (F. Colasanti)  
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Le Conseil procedera a un echange de vues sur les mesures d'assainissement economique prise par le gouvernement grec le 11 octobre dernier. Ces mesures font actuellement l'objet d'un examen de la part des instances communautaires sur la base de l'article 108.

Dans les prochaines semaines la Commission pourrait adresser au gouvernement grec la recommandation prevue au premier paragraphe de l'article 108.

2. Rapport Economique Annuel  
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M. Pfeiffer presentera aux ministres le Rapport Economique Annuel que la Commission a approuve le 16 octobre et dont l'adoption par le Conseil est prevue au mois de decembre

3. Problemes budgetaires (O. von Schwerin)  
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La lettre rectificative a l'avant-projet 86 (compensation britannique suite a une augmentation des ressources propres en TVA, voir IP(85)441 du 11 octobre) sera traitee en premiere lecture au Conseil.

Ensuite le probleme des depenses agricoles liees a l'elargissement dans le cadre de la discipline budgetaire sera evoque, certaines delegations souhaitant integrer l'elargissement dans le cadre de reference defini par la decision du Conseil du 4.12.84.

Amitiés  
H. PAEMEN

  
COMEUR////

Bruxelles, le 29 octobre 1985.

Note Bio (85) 345 suite 1 et fin aux Bureaux Nationaux  
cc. aux membres du Service du Porte-Parole

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CONSEIL ECO/FIN du 28 octobre a Luxembourg (F. Colasanti)  
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Le reunion du Conseil a ete precedee par un dejeuner au cours duquel le President Delors a presente aux ministres de l'Economie et des Finances ses propositions a la conference inter-gouvernementale en matiere monetaire (voir note Bio(85)347).

Les travaux du Conseil eux-memes n'ont pu debuter qu'a 16h. a cause de la duree plus longue que prevue de la rencontre du President Delors avec les ministres. Le premier point traite a ete le Rapport Economique Annuel (voir note Bio(85)332 du 16.10).

Sur la base d'un expose introductif de M. Pfeiffer, le Conseil a procede a un premier echange de vues sur le rapport dont l'adoption est prevue pour le mois de decembre.

Le Conseil a ensuite procede a un echange d'informations sur les mesures de sauvegarde prise recemment par le gouvernement hellenique. La delegation grecque a explique longuement les raisons qui ont amene le gouvernement grec a proceder a une devaluation de la drachme et a prendre toute une serie de mesures d'accompagnement. Le ministre grec a aussi donne quelques indications sur les objectifs que le gouvernement grec espere atteindre en 1986 : taux d'inflation a 16%, reduction de 4 points de PIB du deficit public, reduction a 1,8 milliards de dollars du deficit de la balance des paiements courants.

M. Tietmayer, president du Comite Monetaire a donne l'essentiel des reflexions de son comite sur les mesures grecques. Le Conseil a convenu de reprendre l'examen des mesures grecques le 18 novembre et de prendre une decision aux termes de l'article 108.

Le Conseil a ensuite marque son accord sur le fond de la correction au projet de budget pour 1986 contenu dans la lettre rectificative que la Commission vient de lui envoyer. Le Conseil a approuve le chiffre de 264 mio d'ECUS de majoration du remboursement a la Grande-Bretagne a inscrire dans le budget de 1986 et a payer dans la meme annee. A cette fin le Conseil a demande a la Commission de lui presenter un budget rectificatif au mois de septembre 1986.

En ce qui concerne la discipline budgetaire - adaptation de l'orientation agricole pour tenir compte de l'elargissement - , le Conseil a demande a la Commission de lui presenter une etude sur ce probleme au debut de l'annee prochaine.

La discussion sur le point "Abolition des frontieres fiscales dans la perspective du Grand Marche" a ete renvoyee a l'ECO/FIN de novembre, bien que la Commission ait rappele l'importance qu'elle attache a ce sujet.

Le Conseil a enfin pu marquer son accord (sauf une reserve d'attente de la delegation danoise) sur les deux propositions de directive concernant :

- la coordination des dispositions relatives aux organismes de placement collectif en valeurs mobilieres (O.P.C.V.M.);
- la liberation des transactions sur les parts d'O.P.C.V.M..

La directive "coordination", dont la proposition date de 1976, vise a rapprocher les obligations et controles auxquels sont soumis les O.P.C.V.M. dans les Etats membres afin de realiser une protection plus efficace et uniforme des investisseurs, d'assurer une meilleure concurrence entre les O.P.C.V.M. et de faciliter leur acces a l'activite dans les autres Etats membres.

La directive "liberation" dont la proposition date de 1979 vise a supprimer les restrictions de change a la libre circulation des titres des O.P.C.V.M. dans la mesure ou la coordination des dispositions concernant ces organismes serait intervenue.

Les deux directives entreront en vigueur le 1er octobre 1989.

Amitiés

H. PAEMEM

COMEUR///