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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

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PRESS RELEASE

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746th meeting of the Council
- Economic and Financial Questions -
Brussels, 14 December 1981
President: Sir Geoffrey HOWE,
Chancellor of the Exchequer
of the United Kingdom

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

Belgium:

Mr Willy CLAES, Deputy
Prime Minister and Minister
for Economic Affairs

Mr Robert VANDEPUTTE
Minister for Finance

Germany:

Mr Otto SCHLECHT
Secretary of State,
Federal Ministry of
Economic Affairs

France:

Mr Jean VIDAL
Deputy Permanent Representative

Italy:

Mr Nino ANDREATTA
Minister for the Treasury

Mr Francesco REBECCHINI
Secretary of State at the
Ministry of Industry

Netherlands:

Mr A.P.J.M.M. van der STEE
Minister for Finance

Denmark:

Mr Ivar NØRGAARD
Minister for Economic Affairs

Greece:

Mr Akis TSOCHATZOPOULOS
Minister for Construction

Ireland:

Mr Barry DESMOND
Minister of State at the Department
of Finance

Mr Michael BEGLEY
Minister of State at the Department
of Commerce and Tourism

Luxembourg:

Mr Ernest MUHLEN
Secretary of State at the
Ministry of Finance

United Kingdom:

Sir Geoffrey HOWE
Chancellor of the Exchequer

Commission:

Mr Francois-Xavier ORTOLI
Vice-President

Mr Christopher TUGENDHAT
Vice-President

ANNUAL REPORT ON THE ECONOMIC SITUATION IN THE COMMUNITY

Following an exchange of views on the economic situation in the Community the Council adopted the Decision adopting the Annual Report and laying down the economic policy guidelines for 1982 to be followed by the Member States, with the exception of Greece. The guidelines to be followed by Greece will be laid down by the Council as soon as possible.

FOLLOW UP TO THE EUROPEAN COUNCIL - EUROPEAN MONETARY SYSTEM

In view of the intention of the European Council to review the European Monetary System at its next meeting, the Council heard reports from the Monetary Committee and the Committee of Central Bank Governors on their work on the improvement of the operations of the European Monetary System.

The Council agreed to return to this question at its meetings to be held in February and March, on the basis of the reflections which the Commission, in close consultation with the Monetary Committee and the Committee of Central Bank Governors, undertook to present before then, in order to prepare the discussions which the European Council would have at its meeting at the end of March.

AID FOR THE REGIONS AFFECTED BY THE GREEK EARTHQUAKES

The Council adopted the decision on Community aid granted by way of exception for the reconstruction of the regions affected by the Greek earthquakes in February and March 1981.

Pursuant to this decision, loans of up to 80 million ECU will be granted to Greece to finance investments designed to reconstitute means of production and to rebuild economic and social infrastructures, including housing, in the areas affected.

The Commission is authorized on behalf of the Community to borrow the necessary funds in financial markets in the framework of the NCI, apart from those operations to be carried out by the EIB from its own resources for the same purposes.

Loans - both under the NCI and the EIB - will benefit from an interest rebate of 3% per annum for a maximum period of twelve years, to be financed out of the budget of the European Communities. The Commission will fix the interest rebates each year on the basis of the projects submitted by the Greek authorities.

IRON AND STEEL: SOCIAL ASPECTS

The Council again discussed the problem of Community financing of special aid measures for steel workers, in particular the proposal for a Decision with regard to a contribution to be granted to the ECSC out of the general budget of the European Communities.

As far as the budget is concerned, the Council signified its agreement on an increase for 1981 of the maximum rate of increase applicable to non-compulsory expenditure corresponding to 62 MECU in the case of the social aspects of the iron and steel industry.

DIRECT INSURANCE OTHER THAN LIFE ASSURANCE

The Council continued its discussions on the main problems arising in connection with the draft Directive on direct insurance other than life assurance. These problems concern in particular the way in which large risks are treated, checking and supervision procedures, the role of agencies and branches, the problems which might arise where services are provided by an undertaking in a Member State in which an establishment of that same undertaking is situated (so-called mixing of establishment and services business), and the question of the tax arrangements to be applied to insurance contracts.

At the close of the discussions the President noted that as a result of very intensive work over recent months substantial progress had been made on this matter. He hoped that under the Belgian Presidency the proceedings on this important Directive could make decisive progress.

INFORMATION TO BE PUBLISHED BY COMPANIES ADMITTED TO OFFICIAL
STOCK-EXCHANGE LISTING

The Council examined an unresolved problem concerning the draft Directive on the information to be published on a regular basis by companies, the securities of which have been admitted to official stock-exchange listing. It reached agreement on the preparation of half-yearly reports by the companies concerned.

In this context, it took note of the fact that the Commission intended to prepare a proposal for a Directive for the mutual recognition of these interim reports throughout the Community.

The progress made today should enable the Directive on information to be published on a regular basis to be adopted in the near future. This Directive could thus be applied at the same time as the Directives, one of which concerns the conditions for admission to official stock-exchange listing and the other the listing particulars to be published by the companies concerned at the time of that admission.

MISCELLANEOUS DECISIONS

Social Affairs

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

- derogating in favour of the Federal Republic of Germany from Directive 73/403/EEC on the synchronization of general population censuses
- derogating in favour of the Kingdom of the Netherlands from Directive 73/403/EEC on the synchronization of general population censuses

Right of establishment - Freedom to provide services

The Council adopted, in the official languages of the Communities, the Directive supplementing Directives 75/362/EEC, 77/452/EEC, 78/686/EEC and 78/1026/EEC concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications of doctors, nurses responsible for general care, dental practitioners and veterinary surgeons respectively, with regard to acquired Rights.

Customs Union

The Council adopted, in the official languages of the Communities, the Regulation temporarily suspending in full the autonomous Common Customs Tariff duties on reflecting self-adhesive sheeting made up of more than one layer of polyester, metallized, whether or not in rolls, falling within subheading ex 39.01 C III a).

Research

The Council adopted, in the official languages of the Communities, the Decision concerning the conclusion of a Co-operation Agreement between the European Economic Community and the Kingdom of Sweden on the interconnection of the Community network for data transmission (Euronet) and the Swedish data network for information retrieval purposes and concerning the conclusion of a trilateral protocol on the purport of the agreements for data network co-operation concluded by the European Economic Community with, on the one hand, the Swiss Confederation and, on the other hand, the Kingdom of Sweden.

Appointment

The Council appointed Mr Pierre WISELER a full member of the Advisory Committee on Vocational Training to replace Mr Gaston GLAESENER, a full member who has resigned, for the remainder of the latter's term of office, i.e. until 16 September 1983.

Bruxelles, le 11 decembre 1981
NOTE BIO (81) 493 AUX BUREAUX NATIONAUX
c.c. aux membres du groupe du porte parole

1. PREPARATION DU CONSEIL ECO/FIN DU LUNDI 14/12 (C.Boon)

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Quatre points figurent a l'ordre du jour de ce Conseil :

- Proposition de 2eme directive du Conseil sur la libre prestation de services d'assurances autres que sur la vie :
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Les discussions, apres travaux au sein du Coreper, vont se poursuivre sur les points suivants :

- a) procedure de controle des prestations par le pays hote
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un accord a ete atteint lors du dernier Conseil pour la notification prealable des prestations de service concernant les risques de masse. La discussion doit se poursuivre sur le controle des risques industriels et commerciaux.

- b) arrangements fiscaux
-

Il y a ete demande a la Commission d'etudier "sur le plan technique" les conditions et les consequences d'une derogation a la 6eme directive TVA au cas ou l'application optionnelle de la TVA aux services prestes dans le pays hote serait decidee.

- c) succursales et filiales
-

la question se pose dans les memes termes qu'expliquee dans la BIO 451 en preparation du precedent conseil ECO/FIN (17 novembre)

- d) clause anti-abus
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l'on discutera sur l'introduction dans la directive d'une telle clause pour eviter d'eventuels abus de la part d'une compagnie etablie dans un pays A et ayant un autre etablissement dans un pays B et faisant des prestations directes de A en B tout en se servant de l'etablissement situe en B. Ceci aurait pour but d'eviter la reglementation supposee plus contraignante du pays B.

- Rapport annuel sur la situation economique de la Communaute :
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le Conseil doit arreter lundi le rapport annuel adopte par la Commission le 15 octobre dernier et fixer les orientations economiques pour 1982.

- suites du Conseil europeen des 26/27 novembre 1981 :
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Sous ce point le president du comite des gouverneurs et le

president du comite monetaire feront rapport des travaux entrepris par ces deux comites au sujet du developpement du SME. Les travaux proprement techniques sont maintenant en voie d'achevement; ils concernent les themes suivants : acceptabilite/convertibilite/negociabilite du l'ECU ; liquidite du fonds monetaire europeen; modalites d'apport de reserves au FME; consolidation des credits communautaires dans le FME; role exterieur de l'ECU. Les differents travaux contiennent une analyse des problemes techniques que souleve un developpement du SME et definissent des options possibles entre lesquelles les autorites politiques auront a faire un choix, le moment venu.

Comme l'a propose la Commission lors du dernier Conseil europeen, la Conseil devrait avoir, sur la base de ces rapports, une discussion d'ensemble pour definir la meilleure maniere de poursuivre les travaux et preparer les discussions du prochain Conseil europeen qui fera le bilan du SME et en tracera les perspectives.

- tremblement de terre en Grece :

le Conseil sera appele a se prononcer sur une proposition de reglement relatif a l'octroi a la Grece de prets pour un montant de 80 Mio UCE au titre du NIC, bonifies a 3% l'an pour remedier au consequences sur l'economie grecque du tremblement de terre de mars dernier.

amities

M. SANTARELLI COMEUK

FLF

Bruxelles, le 14 decembre 1981.

Note BIO (81) 493 (suite 1) aux Bureaux Nationaux
cc. aux Membres du Groupe du Porte-Parole

Conseil ECO/FIN du 14 decembre 1981 (C. Boon)

Suite du Conseil europeen des 26 et 27 novembre 1981:

Developpement du systeme monetaire europeen.

Le President du Comite monetaire et le representant du Comite des gouverneurs des Banques Centrales ont fait rapport sur les travaux techniques entrepris depuis deux ans. Le Vice-President Ortoli a pris ensuite la parole pour dire en substance ce qui suit :

S'il est clair que la phase institutionnelle du systeme telle que decrite dans les textes de base de 1978 ne peut actuellement etre mise en place, il est necessaire et possible de franchir une seconde etape et de faire des progres significatifs sur un certain nombre de points.

Le Conseil Europeen de Londres, en demandant que soit fait le bilan du systeme et qu'en soient tracees les perspectives, a donne trois directions de travail a savoir

- coordination plus forte des politiques monetaires internes
- cooperation monetaire organisee a l'egard des monnaies tierces
- developpement de l'ECU.

La Commission va tout a fait dans le sens preconise par le Conseil Europeen ainsi qu'elle l'a expose aux termes de son avant-propos au Veme programme de politique economique a moyen terme.

Le vice-president Ortoli a precise que le SME a ete, des ses origines, vu comme une construction evolutive et dynamique et qu'il fallait donc, en tirant les conclusions de l'experience et des resultats lui permettre de faire les progres qui s'imposaient. Il a ete d'une importance extreme pour le maintien du marche unique et a apporte sa contribution a la preservation de l'acquis communautaire par les engagements monetaires reciproques qu'il implique. Il a ete d'un apport reel a la convergence, par les disciplines communes qu'il impose, premier pas qui, meme modeste, est un element important pour l'avenir du systeme.

L'on pourrait donc continuer les travaux pour apporter des ameliorations significatives dans les domaines suivants :

- amelioration des mecanismes eux-memes,
- accroissement du role de l'ECU aux plans interne et externe, et etude de la facon dont on pourrait supprimer des obstacles a son utilisation privree,

rendre la coordination des politiques économiques plus stricte et plus étroite, la coordination des politiques monétaires,
- parvenir à une coopération monétaire organisée à l'égard des grandes autres entités monétaires.

Le vice-président Ortoli a apporté la conclusion opérationnelle suivante à son exposé : il faut faire un bilan des résultats et la synthèse des travaux techniques. Il faut choisir un certain nombre de points (par exemple ceux énumérés ci-dessus) qui contiennent une réserve de progrès, chercher un accord sur ceux-ci et consolider les éléments existants. Les travaux devraient être menés, avec les deux comités et participation active de la Commission, de façon sélective et dynamique. Les résultats de cette phase de réflexion pourraient être portés devant le Conseil en février prochain et des propositions pourraient être envisagées ultérieurement.

Après accord du Conseil, la présidence a conclu dans le sens préconisé par M. Ortoli en précisant que la Commission aurait un rôle dominant et dirigeant pour mener les travaux sus-décrits.

Proposition de décision du Conseil arrêtant le rapport annuel sur la situation économique de la Communauté et fixant les orientations de politique économique pour l'année 1982

Le Conseil a arrêté sa décision.

La délégation grecque, tout en acceptant le rapport proprement dit, a demandé que les orientations de politique économique concernant la Grèce soient différées pour une brève période de temps, afin de permettre aux autorités grecques de l'étudier plus à fond. Ceci a été accepté par le Conseil.

Plusieurs délégations ont fait part de leurs remarques sur des points les concernant plus directement, mais sans remettre en cause le rapport lui-même. Ces remarques concernent pour la plupart la relation entre les investissements et la demande et la nécessité de résorber les déficits budgétaires publics.

Sur ces deux points, le vice-président Ortoli a constaté que les textes proposés devraient retenir l'accord de toutes les délégations, moyennant des modifications de rédaction mineures. Il a demandé que l'on ait un débat de fond lors d'une prochaine session.

A TIES
P CERF COMEUR

A SUIVRE

Bruxelles, le 15 decembre 1981
NOTE BIO (81) 493 ~~suite 2~~ AUX BUREAUX NATIONAUX
c.c. aux membres du groupe du porte parole

CONSEIL ECO/FIN SUIITE ET FIN (R. Elphick)

suite a des difficultes techniques, la note BIO precedente concernant le Conseil ECO/FIN n'a pu vous etre envoyee que ce matin. Veuillez nous en excuser.

INSURANCE

Ministers spent nearly two hours having further discussions on the draft Directive ensuring freedom to provide services in non-life insurance. Progress was made in furthering narrowing differences on what kind of notification and supervision member states will operate and other technical problems. The dossier will now go back to an expert group for further refining with a view to its being discussed again before next april.

Speaking at a press conference afterwards both the President of the Council, Sir Geoffrey Howe, and Vice-president of the Commission, Christopher Tugendhat, expressed a certain disappointment that more had not come out of a year of discussions. But both acknowledged that this was a complicated and technical problem. Mr Tugendhat expressed some satisfaction that the subject had been taken very seriously and that the point had now been reached where he believed an agreement during the Belgian presidency was within touching distance.

SOCIAL VOLET FOR SILEL

The Council marked up one success in agreeing by qualified majority on the budgetary problem of the transfer of 62 MECU from the EEC budget to the ECSC budget. Mr. Tugendhat had stressed the supreme importance of this action in order to avoid a possible conflict with Parliament over the rectifying budget for 1981 and the budget for 1982 which Parliament will vote on Thursday. The Council left over for discussion early in the new year the problem of how exactly to spend the money. The decision is important because it raises the maximum rate for the budget and therefore gives Parliament some extra room to increase expenditure.

STOCK EXCHANGE HARMONISATION OF INFORMATION

Council scored another plus by agreeing in principle a draft directive, the final one of three, which makes it easier for investors to place risk capital. The directive provides for the publication of half-yearly reports to be published by listed companies in all Member States the contents of which have been coordinated. Coreper has been asked to finalise the remaining problems.

TREMBLEMENT DE TERRE EN GRECE :

Le Conseil a adopte le reglement relatif a l'octroi a la Grece de prets pour un montant de 80 MEcus au titre du NIC, bonifies a 3 % l'an, pour remedier aux consequences du tremblement de terre de mars dernier.

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