

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

C(80) 54

30 September 1980

COPY NO 81

CABINET

WHITE PAPER: DEVELOPMENTS IN THE
EUROPEAN COMMUNITY - JANUARY TO JUNE 1980

Note by the Secretary of State for Foreign and
Commonwealth Affairs

Members of the Defence and Oversea Policy Committee, Sub-Committee on European Questions have already seen a draft of the White Paper on Developments in the European Community, January to June 1980.

2. The attached pre-publication version is circulated for the information of Cabinet. It will be published on 1 October.

C

Foreign and Commonwealth Office

30 September 1980



European Communities No. 42 (1980)

Developments in the European Community January–June 1980

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
September 1980*

LONDON
HER MAJESTY'S STATIONERY OFFICE

£3 net

Cmnd. 8042

Development in the
Eastern Community
January-June 1980

ISBN 0 10 180420 2

DEVELOPMENTS IN THE EUROPEAN COMMUNITY

JANUARY TO JUNE 1980

INDEX

	<i>Page</i>
I. Introduction	5
II. Political Co-operation	7
III. Enlargement, External Relations, Trade and Aid	9
IV. Agriculture and Fisheries	14
V. Economic, Monetary and Budgetary Questions	17
VI. Regional and Industrial Affairs	20
VII. Environment and Transport	23
VIII. Social Affairs	25
IX. Energy	27
X. Consumer Affairs	28
XI. The Institutions of the Community	28
XII. Parliament	30
ANNEX I. Meetings of the European Council and Council of Ministers	31
ANNEX II. Major proposals adopted by the Council during the period	35
ANNEX III. Conclusions of the 29-30 May Foreign Affairs Council of Ministers Meeting	38
ANNEX IV. Major Treaties and Agreements during the period	40
ANNEX V. Major speeches by Ministers on Community topics during the period	41
ANNEX VI. United Kingdom visible trade with the European Community	42

SECTION I: INTRODUCTION

1.1 In accordance with the undertaking given by the Lord Privy Seal in the foreword to the White Paper on Developments in the European Communities January–December 1979, this White Paper resumes the usual six monthly report; it covers the period of the Italian Presidency from January–June 1980.

1.2 The period under review was dominated by the search for and culminated in a solution to a pressing internal problem of far-reaching significance: the United Kingdom's excessive net contribution to the Community Budget.

1.3 A two part framework for an acceptable solution was established at the European Council in Dublin on 27/30 November last year. First, the 1975 Financial Mechanism, which had so far provided no relief whatsoever, would be amended so as to yield a refund sufficient to bring the United Kingdom's share of the Community's contributions into line with its share in Community GNP. Second, the Community would consider measures to increase its expenditure in the United Kingdom. The Commission developed this approach further in two documents, 4845/80 and COM(80) 147. These proposed that the Community should help to finance programmes of public expenditure in the United Kingdom designed to improve the country's economic infrastructure and thereby to forward the Community's aim of promoting a convergence of economic performance within its boundaries.

1.4 Community Finance Ministers agreed that this approach could form the basis for an acceptable solution when they met on 21 April although the amount and duration of the relief remained to be decided. At their meeting in Luxembourg on 27/28 April Heads of Government recognised, at least in respect of 1980 the scale of relief necessary. For the first time, the rest of the Community was prepared to discuss the problem in terms of the net contribution which it was reasonable to ask the United Kingdom to pay, rather than the size of the rebate which might be provided.

1.5 These were considerable steps forward and paved the way for the settlement reached at the Foreign Affairs Council on 30 May. In brief, the agreement provides a minimum rebate of £1,570⁽¹⁾ million in respect of the 1980 and 1981 Budgets. This reduces the United Kingdom's estimated net contribution to those Budgets by about two thirds. There is also a risk-sharing formula which protects the United Kingdom from a dramatic increase in its net payments to the Community if the Commission's estimates of its unadjusted net contributions are exceeded.

1.6 The settlement also provides for a far-reaching review of the whole operation of the Community Budget. If this review has not by 1982 produced a permanent solution to the problem the Community will apply for a further year arrangements on the lines of the 1980 and 1981 solution. The text of the agreement is given at Annex III. When the Lord Privy Seal gave details of it to the House of Commons on 2 June, he said—

(1) Converted at the rate of 1.65 eua = £1

"In the long term, the most important part of the package is the commitment of the Council to review the development of Community policies and the operation of the Budget. This, together with the restraints imposed by the 1 per cent ceiling will enable us to press for lasting reforms, which will, among other things, resolve the British budgetary problem. This review offers an opportunity that has never been available before, since we joined the Community, to work together with our partners for financial arrangements and Community policies that are to the advantage and interest of all the Member States as befits a Community of equals."

1.7 The 30 May agreement thus transforms the prospect facing the United Kingdom in its financial relations with the rest of the European Community. Britain's budgetary position is now safeguarded for at least three years, and the Community is pledged to undertake the longer term reforms required to avoid a recurrence of the problem. More generally, the agreement demonstrates that the Community is capable of acting to accommodate the grievances of one of its members and of adapting and developing its policies to changing needs; it is a striking example of the way in which, by persistent and diligent negotiation, the United Kingdom can help to make the Community an effective vehicle of the aspirations of Europe as a whole.

1.8 There is also a growing recognition that the rate of increase in expenditure on the Common Agricultural Policy (CAP) needs to be contained. The Community is now committed to restructure its Budget by 1982. France and Germany will also be contributing substantially more to the Community budget and therefore to the costs of the CAP. Together, these factors enhance the prospects for improving the operation of the CAP, particularly by restraining surplus production and thus cutting costs. This year's price fixing, even taking account of green rate changes, has led to an average increase in support levels below the average rate of inflation.

1.9 The Government remains committed to a satisfactory overall settlement of the revised Common Fisheries Policy at an early date. The Government accordingly welcomed the commitment by all Member States in a Council Declaration of 30 May 1980 to negotiate, in the appropriate forum a settlement by the end of 1980 at the latest, and the identification in the Declaration of all the aspects considered by the Government as essential elements of the overall final agreement.

1.10 The period also saw considerable activity in Political Co-operation largely because of events in Afghanistan and Iran, and growing tensions in the Middle East. During this period Foreign Ministers of the Nine met in the Political Co-operation framework on average more than once a month they were also in frequent touch with each other bilaterally and in other fora.

1.11 Negotiations on Spanish and Portuguese entry, which the Government firmly support, have made steady progress. The prospect of enlargement will need to be taken fully into account in consideration of the changes which will be necessary in the Community in the next few years.

1.12 The Government welcome the attention which the Community has paid in the current international climate to relations with Yugoslavia, Turkey, Romania and the Association of South-East Asian Nations (ASEAN). Negotiations on agreements with each of these were successfully completed. The Government also welcome the agreement in principle which has been reached on Zimbabwe's accession to the Lomé Convention, and the strengthening of ties with Latin America.

1.13 The Government welcome the coming into force on 1 January 1980 of the agreements reached in the Multilateral Trade Negotiations and are looking for a full and committed implementation of the new GATT Agreements by all the signatories. The Government will continue to support efforts to examine possible barriers to trade within and outside the Community.

1.14 Recent discussion of energy in the Community has recognised the need to develop policies aimed at a reduction in dependence on imported oil, the development of alternative sources of energy (in particular coal and nuclear) and the conservation and rational use of energy. The Commission has put forward ideas for a Community energy programme, aspects of which it is examining further with Member States.

1.15 In the field of transport, discussions have continued on proposals for a regulation enabling the Community to assist infrastructure projects of Community interest. The Government welcome further talks on this matter, although there are a number of important questions which remain to be resolved before agreement can be reached on the draft regulation.

SECTION II: POLITICAL CO-OPERATION

Afghanistan

2.1 The Nine voted together at the United Nations in support of the resolution calling for a withdrawal of foreign troops from Afghanistan. They set out their own position further in a statement on 15 January, which condemned the Soviet invasion, called for a withdrawal of Soviet troops, and expressed grave concern at the USSR's violation of the basic principles of international relations.

2.2 Foreign Ministers discussed the Afghan situation again on 19 February and, at a suggestion by the United Kingdom, launched the proposal that a solution could be found which would allow Afghanistan to return to its traditional neutrality and non-alignment. This proposal by the Nine has since received widespread international support.

2.3 The Nine Heads of Government discussed Afghanistan at both April and June European Councils. In their public statements they endorsed the Foreign Ministers' proposal for a neutral and non-aligned status for

Afghanistan and made clear their continuing condemnation of Soviet occupation. They drew attention to the genuinely national character of the resistance by the Afghan people and underlined the fact that the Soviet military occupation of Afghanistan threatens to jeopardise the climate of international relations for a long time.

Iran

2.4 Throughout the period the Nine emphasised their continuing concern at the detention of United States diplomats as hostages in Iran. On 10 April the Ministers met in the margins of a Council of Europe meeting in Lisbon and agreed that they should recall their Ambassadors from Tehran for consultations. Following these consultations the Ministers agreed at a meeting on 22 April on a series of measures against Iran to be taken in two phases, as a demonstration of solidarity with the United States and to maintain pressure on the Iranian authorities.

2.5 The first phase included a number of measures which could be implemented immediately, such as restrictions on sales of arms and related technology, reduction of staff in diplomatic missions in Iran, and the introduction of a visa requirement for Iranian nationals.

2.6 The second phase involved the implementation of economic sanctions, if no decisive progress towards the release of the hostages had been made before the informal meeting of Community Foreign Ministers on 17-18 May in Naples. At their meeting in Naples Ministers decided to apply sanctions. The United Kingdom Government applied sanctions under the Import, Export and Customs Powers (Defence) Act 1939 and the Iran (Temporary Powers) Act 1980.

2.7 Heads of Government and Foreign Ministers who discussed the hostage crisis at the European Councils in April and June have made clear that they have no quarrel with the Iranian people, but cannot condone this serious breach of international law.

Middle East

2.8 A major development in the Nine's position on the Middle East was registered at the Venice European Council at which the Heads of Government made a full statement of their position on the conflict in the Middle East. They underlined that any settlement must be founded on two principles: the right to existence and to security of all States in the region, including Israel; and the need for justice for all peoples of the region, which implies recognition of the legitimate rights of the Palestinian people. A comprehensive settlement requires that all the parties should respect these principles.

2.9 The European Council also decided to make contact with all the parties to explore the possibilities for practical progress towards a comprehensive settlement on the basis of the principles outlined above. In the light of these contacts the Nine will determine whether there is scope for a further initiative on their part.

South East Asia

2.10 The second European Community (EC)/ASEAN (Association of South East Asian Nations) Ministerial meeting took place in Kuala Lumpur on 6-7 March. Foreign Ministers of the ASEAN Member States and Foreign Ministers of Member States of the European Community exchanged views on regional and international problems and developments since the meeting in Brussels in November 1978. Their joint statement expressed concern at Vietnamese intervention in Cambodia and Soviet military intervention in Afghanistan and called for a complete withdrawal of foreign forces from Cambodia and Afghanistan.

Common Judicial Area

2.11 Ministers of Justice of the Nine have not yet reached agreement on the draft Convention on Co-operation in Criminal Matters dealing mainly with extradition arrangements among the Nine. The draft is being reconsidered to see if a way can be found to resolve the outstanding problems.

SECTION III: ENLARGEMENT, EXTERNAL RELATIONS, TRADE AND AID

Enlargement

3.1 Progress continued to be made in the negotiations on the terms of Spanish and Portuguese entry into the Community (a Treaty of Accession was signed with Greece in 1979 and Greece will join the Community on 1 January 1981). The first phase of the substantive negotiations with Spain and Portugal, aimed at identifying the points of difficulty which will need detailed negotiation in the next phase, was largely completed though discussions on agriculture, fisheries and Euratom are continuing.

General Agreement on Tariffs and Trade (GATT): Multilateral Trade Negotiations (MTNs)

3.2 The majority of the agreements, which the Community and other major developed country participants signed on 17 December 1979, came into force on 1 January. The Community is well advanced in implementation of them, and has adopted a vigorous role in the various Committees of Signatories set up to consult on any matters relating to the operation of the agreements. Discussions have continued, outside the framework of the MTNs, on the unresolved issue of a safeguards code, and are still going on. The Community has also been active in furthering the introduction of an agreement to discourage trade in counterfeit goods, which it is hoped will be signed later this year.

Textiles

3.3 Under the terms of the Multi-Fibre Arrangement bilateral agreements with low-cost supplying countries, a total of eight new quotas on

clothing products were made effective from 1 January. A further 3 quotas on clothing have been introduced up to 30 June, together with one on wool cloth from Uruguay. The voluntary restraint arrangement which the Community made with Greece in 1979 has been extended to cover 1980.

Synthetic Textiles

3.4 During 1979 there was a sharp rise in imports of certain man-made fibre products from the United States of America. The Commission initially set up a Working Group in which the United Kingdom played an active role and concluded that United States synthetic fibre producers gain a competitive advantage as a result of the United States Government controls on the price of oil and natural gas.

3.5 It was subsequently decided that the EC should engage in consultations with the United States under Articles XXIII and XXI of the GATT in order to establish a mutually agreed interpretation of the level of advantage and its trade effects. To date no agreed conclusions have proved possible and the discussions are continuing. In the meantime, the United Kingdom Government applied in February for controls on United Kingdom imports of those textile products. This request was acceded to in respect of two of the products and controls are now in operation. The Government are continuing to monitor the situation in other areas. The United States and Canada, who are most affected by the restrictions, have sought compensation under the GATT and a mutually agreed solution is expected very shortly.

Turkey

3.6 Negotiations on relaunching the Community's Association Agreement with Turkey were successfully completed on 30 June. Turkey will obtain agricultural concessions, certain improvements in the terms for Turkish migrant workers, and a financial package worth a total of 675 million European units of account (MEUA) (about £409 million)⁽¹⁾.

Japan

3.7 The six-monthly Commission-Japanese High Level Consultations took place in Tokyo from 19 to 21 May, when attention was drawn to the dangers created by the worsening trend in Japan's balance of payments surplus with the Community.

China/Generalised Scheme of Preferences (GSP)

3.8 China was admitted to the EC's scheme of generalised tariff preferences (GSP) on 1 January. Some industrial and agricultural products are, however, excluded from GSP benefit, and others are subject to special restrictions.

(1) Converted at the rate of 1.65 eua = £1

Yugoslavia

3.9 The Community signed an agreement with Yugoslavia on 2 April, which covers trade, migrant labour and financial co-operation. 200 MEUA (about £121 million)⁽¹⁾ will be available to Yugoslavia over 5 years in the form of low interest loans from the European Investment Bank.

Mediterranean

3.10 A protocol extending the existing agreement with Cyprus until the end of 1980 was signed on 7 February.

3.11 The first meetings of the Co-operation Councils set up under the Community's agreements with Egypt and Lebanon were held on 21 April and 6 June.

European Free Trade Area (EFTA)

3.12 Negotiations were concluded with most EFTA countries on protocols adapting the present agreements to take account of Greece's entry.

Romania

3.13 An EC/Romania Industrial Products Agreement (IPA) was concluded in June following an initialling of the main provisions in March. A Joint Commission Agreement (JCA) also was initialled in February. These two agreements represent the culmination of negotiations begun in February 1979 and will take effect from 1 January 1981.

3.14 The IPA is intended to develop trade and economic relations between the Community and Romania and recognises the importance of industrial products in the expansion of trade. The JCA establishes a Joint Committee which will meet, normally annually, to monitor and discuss the development of trade.

North/South Dialogue

3.15 Community co-ordination has been pursued on North/South matters, including the Common Fund, the new International Development Strategy and preparations for the forthcoming round of United Nations Global Negotiations. At the final session of the Common Fund Negotiating Conference, held in Geneva from 5 to 28 June, agreement was reached on the text of the Treaty which will bring the Fund into operation.

Latin America

3.16 The Foreign Ministers of Andean Pact countries (Venezuela, Colombia, Ecuador, Peru and Bolivia) met Community Ministers in Brussels on 5 May. This was followed by a first round of negotiations in Brussels

⁽¹⁾ Converted at the rate of 1.65 eua = £1.

on 16-17 June on a non-preferential agreement between the Community and the Andean Pact.

3.17 Negotiations on a non-preferential agreement between the Community and Brazil were concluded on 18 April and it is due to be signed in September.

India

3.18 A mandate for the Commission to negotiate a new commercial co-operation agreement was agreed in April. Negotiations with the Indians opened on 6 June.

ASEAN

3.19 At the EC/ASEAN Ministerial meeting in Kuala Lumpur on 6-7 March, an agreement on economic and commercial co-operation, the first such agreement between the Community and a group of developing countries, was signed. The first meeting of the Joint Commission, set up under the agreement, will be held in Manila in the Autumn.

Lomé Convention

3.20 The annual meeting of the Joint EC/African, Caribbean and Pacific Group of States (ACP) Council of Ministers was held in Nairobi on 8-9 May. It reviewed the working of the first Lomé Convention (which expired on 29 February) and looked forward to the entry into force later this year of the second Convention.

3.21 Zimbabwe's accession to the Lomé Convention was agreed in principle at the Nairobi Council. Negotiations on the terms of her accession opened on 26 June.

Agricultural Exports to the USSR

3.22 On 15 January, the Foreign Affairs Council agreed not to replace those agricultural products denied to the USSR by the US embargo, while allowing "traditional levels of trade" to continue. In line with this decision, the Commission has taken steps to restrict exports of certain products, in particular wheat, beef and butter. The Government have pressed consistently in the Community for an end to all subsidised food exports to the USSR.

Anti-Dumping/Countervailing

3.23 A new Community Regulation came into force on 1 January reflecting the results of the 1979 GATT Agreements and the opportunity was also taken to clarify some of the existing rules and procedures. It ensures that Community legislation conforms with the new Agreement on the implementation of Articles VI, XVI and XXIII of the GATT which deal with subsidies and countervailing measures and the consequential amendments to the existing Agreement on the implementation of Article VI (the Anti-Dumping Code).

Community Trade – the Role of Standards and Certification Procedures

3.24 The Commission is continuing to maintain an active interest in the role of standards and certification procedures in intra-Community trade and the Working Party formed under the Chairmanship of the United Kingdom to examine the extent to which intra-Community trade is subject to distortion due to certification approval and testing procedures has now completed its work.

3.25 The report recommends that where immediate and pressing problems arise which in the first place only affect 2 or 3 Member States these problems should be dealt with initially on a bilateral or trilateral basis. To facilitate the creation of such arrangements the report recommends that a contact point should be set up in each Member State for this purpose. The report also emphasises the need for a greater output of harmonised standards from the European standards bodies and recommends that the Commission should keep continually under review its programme on directives and accord priority to those directives for products where it can be clearly confirmed that substantial technical barriers to trade presently exist. The report will be presented to the Directors General for Industry at their next meeting.

Food Aid

3.26 Discussion of the Commission's proposals for new management procedures for Community food aid which we strongly support, continues.

3.27 Agreement has been reached on the 1980 food aid programmes, comprising 1,287,000 tonnes of cereals, 150,000 tonnes of skimmed milk powder, 45,000 tonnes of butteroil and 6,200 tonnes of sugar. In these programmes it is increasingly necessary to provide assistance for (natural and man-made) emergencies; for example, to help ease the plight of refugees in East Africa alone, we have spent £4 million out of our total United Kingdom expenditure on national and Community food aid actions which amounts to some £40 million a year.

3.28 Agreement has also been reached on a new Food Aid Convention (1980) designed to ensure, perhaps with further members, a flow of 10 million tonnes of cereals food aid a year to developing countries even when world supplies are short and prices high. Under this new Convention the Community have agreed to raise their food aid in cereals to 1,650,000 tonnes of which for 1981, the United Kingdom will provide as national actions 117,000 tonnes in addition to paying a share of the Community's actions of 924,000 tonnes.

SECTION IV: AGRICULTURE AND FISHERIES

The Common Agricultural Policy Price Fixing

4.1 The Commission's proposals for common prices in 1980-81 and related measures were presented in February and a settlement was reached at the Agriculture Council on 28-30 May, subject at the time to agreement on the Budget problem and associated matters.

4.2 For milk a 4 per cent increase was partly offset by an increase in the co-responsibility levy, giving a net increase of 2.5 per cent; it was also agreed that a supplementary levy would be introduced in 1981-82 if production expands by more than 1.5 per cent this year. The United Kingdom secured a contribution of full Community financing for the butter subsidy which is worth £108 million to our consumers.

4.3 For beef the guide price was raised by 4 per cent; variable premiums in the United Kingdom were retained; and agreement was reached on a new suckler cow subsidy.

4.4 For sugar the beet price was increased by 4 per cent.

4.5 For the main cereals there were increases of 4.5 per cent in intervention prices. The Council agreed to bring rye within the intervention system for feed grains. In the past a higher intervention price has been payable for rye. Alignment of the prices will be spread over three years. The Council also agreed to reduce production refunds on starch by 16 per cent. These last two measures are designed to reduce CAP expenditure. The United Kingdom secured a commitment that the levy refunds on Community cereals used in exported whisky, including arrears back to 1973, will be paid.

4.6 The average increase in common prices which was agreed was about 5 per cent. Taking account of all changes in green rates since the last price-fixing, the overall average increase in the support level is less than the average rate of inflation in the Community. The impact of the agreement on food prices will be about 0.7 per cent when all the effects have worked through. This is equivalent to 0.15 per cent in the retail prices index.

4.7 Under the price fixing settlement, the Council also agreed to implement certain structural measures proposed by the Commission. New regulations were adopted in June amending Directive 75/268/EEC on assistance to less favoured areas (in particular increasing the maximum permissible rate for annual compensatory allowances) and introducing programmes for the development of agricultural areas in the west of the Irish Republic and for the development of sheep farming in Greenland. The Council also agreed to restrict aid to investment in the dairy and pigs sectors; but draft regulations amending Directive 72/159/EEC to implement these decisions had not been adopted by the end of June. The Council took note that the Commission would be putting forward additional structural proposals for Northern Ireland.

Monetary Arrangements

4.8 At its meeting on 21-24 April, the Agriculture Council prolonged the provisions prescribing the use of the European Currency Unit (ECU) for CAP purposes until 30 June. Subsequently they were further prolonged until 31 March 1981. At its April meeting the Council also agreed to amend the so-called "franchise" rules, which concern the deductions made from the percentage difference between the green rate and market rate of a currency for the purpose of calculating monetary compensatory amounts (MCAs). As a result the "franchise" rules are now the same for all Member States, which will help to avoid trade distortions.

4.9 At its meeting on 6-7 May, the Council agreed to devaluation of the green currencies of France (1.3 per cent) and Italy (3.5 per cent). At the meeting on 28-30 May, as part of the agreement on CAP prices for 1980-81, the German and Benelux green currencies were revalued by 1.1 per cent and 0.2 per cent respectively.

Mutton and Lamb and Potatoes

4.10 The Agriculture Council on 28-30 May reached agreement on the main provisions of a common organisation of the market for mutton and lamb. At the United Kingdom's insistence the agreement provided for Member States to operate a deficiency payment system of support to sheep producers as an alternative to intervention. There will thus be no intervention in the United Kingdom. Provision was also made for annual premium payments to producers to cushion producer incomes from the effect of the introduction of free trade; the reference prices against which these premiums will be calculated will be aligned to bring about a common level of support in four years. The Council agreed that the regime would only come into force when voluntary restraint agreements had been concluded with New Zealand and other third country suppliers. These would limit their exports to the Community to traditional levels in return for a reduction in the 20 per cent import duty.

4.11 The French Government refused to lift their controls on the import of sheepmeat from the United Kingdom until the coming into force of the new regime despite the ruling by the European Court of Justice of September 1979 that the controls were illegal under the Treaty of Rome. The Commission have instituted two further cases against France in the European Court.

4.12 Discussions continue on the Commission's proposals for a common market organisation for potatoes.

Sugar

4.13 No agreement was reached in negotiations on Commission proposals for a revised sugar regime. In June the Council agreed to extend the existing regime, largely unchanged, for another year.

European Agricultural Guidance and Guarantee Fund (EAGGF)

4.14 In the first six months of 1980 the United Kingdom received £33 million from the Guidance section of the EAGGF in respect of claims made in 1979. This includes £7.6 million for individual projects approved under Regulation 17/64 and projects under Regulation 355/77 on marketing and processing.

Animal Health and Welfare

4.15 The Agriculture Council on 22 January adopted a Directive which will bring the methods used throughout the Community for dealing with outbreaks of swine fever onto a uniform basis. The implementation date which is proposed at present is 1 January 1981. Derogations, which allow national controls to be applied to reduce the risk of introducing swine fever through the import of pigs and pigmeat from other Member States, were extended to the end of October 1980. In the meantime measures to eradicate the disease from the Community including financial support are being considered, together with work on the adaptation of existing Directives to provide better protection to those countries, including the United Kingdom, which have eradicated the disease.

4.16 Two other Directives were adopted. The first introduced standard animal health controls for intra-Community trade in meat products. The second further amends arrangements for the control of bovine tuberculosis and brucellosis.

4.17 The Council received the Commission's proposals for a regulation on zootechnical standards for breeding pure-bred and hybrid pigs. This matter was remitted for discussion at technical level where work also progressed on a draft directive on acceptance for breeding purposes of pure-bred cattle.

4.18 The Commission's proposals for developing the existing safeguards of Directive 77/489 EEC, which protects the welfare of animals during international transport, continue to be discussed at technical level within the Council. The Commission has been working on its remit from the Council to make proposals to bring to an end the system of keeping hens in battery cages as currently practised by the Community; to propose interim measures; and to report on systems of egg production which would be able to satisfy animal health requirements and those of hygiene and social ethics, and which would take economic considerations into account.

Fisheries

Internal Regime

4.19 At the Fisheries Council on 29 January agreement was reached on Total Allowable Catches (TACs) for 1980 for fish stocks existing wholly or partly within the waters of Member States, and on the amount available to Member States as a whole after taking account of the division of shared

stocks and of allocations to third countries. Agreement was also reached on a catch reporting regulation which the Government welcomed as an important first step in developing an effective common Community system of catch recording and reporting. These agreements were published on 26 March as Regulations 754/80 and 753/80 respectively. The interim measure adopted in December 1978, requiring Member States to exercise a measure of restraint over their catches in the light of scientific advice, was subsequently extended to 30 June.

4.20 On 30 May the Foreign Affairs Council agreed a statement committing all Member States to agreement on all the main aspects of the Common Fisheries Policy to come into effect at the latest on 1 January 1981. All the essential elements identified by the Government were incorporated in the text in terms compatible with the Government's objectives and leaving substantive negotiations to be undertaken in the Fisheries Council on these issues in their own right.

4.21 On 16 June the Fisheries Council extended the interim Decision on internal fishing arrangements to 31 July and held a general discussion of the principles that would govern the allocation of catch quotas between Member States on the basis of a background document proposed by the Commission.

External Regime

4.22 On 27 February framework agreements were signed with Norway and Guinea Bissau; in April agreements were signed with Spain and (for 1980 only) Canada.

4.23 On 16 June the Council agreed to ratification of the framework agreements with the Faroe Islands, Norway, Sweden, Canada (for 1980 only), Senegal and Guinea Bissau. The Council also agreed ratification of an agreement with Sweden under which the Community would contribute to salmon rearing costs in exchange for quotas in the Baltic.

SECTION V : ECONOMIC, MONETARY AND BUDGETARY QUESTIONS

Economic and Monetary Co-operation

The United Kingdom's Net Contribution

5.1 The Finance Council played a subsidiary but important role in the negotiations for a reduction in the United Kingdom's net contribution to the Community Budget. In particular it examined the Commission's revised estimates of net transfers through the Community Budget in 1980 and 1981, and agreed that the reduction in the United Kingdom's net contribution could be made by amendments to the existing Financial Mechanism, and through Community financial support for public infrastructure programmes in the United Kingdom.

5.2 At its 11 February meeting, the Council adopted a resolution on agriculture emphasizing that a substantial reduction in the growth of agriculture spending was needed to ensure that the 1 per cent VAT ceiling was not exceeded. This required both a prudent price policy and further economy measures, which should be directed particularly at products in surplus. The Foreign Affairs Council reaffirmed this conclusion as part of its agreement on the United Kingdom's budget problem on 30 May.

Other Finance Council Business

5.3 Apart from regular exchanges of views on the economic situation in the Community, the Finance Council considered a number of reports from the specialist committees of the Community. On 17 March it endorsed a Commission communication on the need to improve the coordination of economic policies in the Community. On 21 April, the Council received a report by the Commission on the operation of the New Community Instrument (the Ortolí Facility) and the scheme of European Monetary System interest rate subsidies during 1979. The Commission has put forward a proposal for a second tranche of loans under the New Community Instrument, which, like the first tranche, would be for 500 MEUA (£303 million)⁽¹⁾ and cover energy and infrastructure projects. On 9 June, the Council endorsed the report from the Economic Policy Committee which considered the lessons to be drawn from the Community fourth medium term economic programme in drawing up the fifth programme which is due to be adopted in 1981.

5.4 The June Finance Council discussed the financial problems posed by the need to recycle the large oil producer surpluses that have arisen as a result of the large increase in oil prices between 1979 and 1980. It agreed on the importance of the role of international financial institutions in this field, but asked the Monetary Committee to investigate a number of possibilities to see whether there was any need for the Community to take specific action.

European Investment Bank (EIB)

5.5 The Governors of the EIB held their annual meeting on 9 June, and considered a report on the medium term outlook for the Bank. They agreed to raise the ceiling on the loans which the Bank can make outside the Community by the 1600 MEUA (£970 million)⁽¹⁾.

Budgetary Questions

The 1980 Community Budget

5.6 In the absence of an agreed Budget for 1980, Community expenditure in this period was financed under certain provisions of Article 204 of the Treaty of Rome, the Financial Regulation of 21 December 1977 and of Regulation 2891/77; for each chapter of the Budget they involve a limitation on monthly Community expenditure by reference to the lower of the provisions in the 1979 Budget or the 1980 Draft Budget and a limitation of the VAT

⁽¹⁾ Converted at the rate of 1.65 eua = £1.

element in monthly contributions by Member States. Levies and duties have continued to be paid over in full.

5.7 On 29 February the Commission forwarded to the Council new budget proposals for the 1980 Budget amounting to 14,391 MEUA (approximately £9,715 million)⁽¹⁾ for payment appropriations and 16,121 MEUA (approximately £10,883 million)⁽¹⁾ for commitment appropriations.

5.8 Following the decisions of the Council on agricultural prices and on arrangements to reduce the United Kingdom net contribution, and the latest available information on other areas of expenditure, the Commission forwarded a letter of Amendment in June providing for an increase in both payment and commitment appropriations of 1,552 MEUA (about £1,047 million)⁽¹⁾ raising the general budget to 15,944 MEUA (about £10,763 million)⁽¹⁾ for payments and 17,994 MEUA (about £12,147 million)⁽¹⁾ for commitments. The Letter of Amendment took account of revenue changes in the estimated yields of sugar and isoglucose levies and agricultural levies and provided for an increase in VAT own resources.

5.9 On 17 June the Budget Council discussed the new budget proposals and following further discussion with the European Parliament in Strasbourg on 18 June the Council established a 1980 Draft Budget on 20 June. This new Draft Budget was then considered by the European Parliament in Luxembourg when various amendments totalling 11 MEUA for commitments (approx £7 million)⁽¹⁾ and 2 MEUA for payments (approx £1.4 million)⁽¹⁾ and a modification which did not affect the budget total were approved on 27 June. The Council examined the Parliament's proposals and on 30 June decided to accept the Parliament's amendments but to reject the modification (in respect of refunds for milk and milk products).

The Customs Union

5.10 In May the Council adopted a Regulation which provided for the replacement of the previous Community Customs valuation system, based on the 1950 Brussels Convention on the Valuation of Goods for Customs Purposes, by the system of valuation drawn up during the latest round of GATT Multilateral Trade Negotiations. The new system is aimed at giving greater uniformity in the methods of arriving at the value on which ad valorem duties are based. The Valuation Agreement of the basic GATT Agreement comes into operation generally on 1 January 1981, but the European Community and the USA have agreed to implement the Valuation Agreement from 1 July 1980. The main advantages of the new system to United Kingdom exporters are that it will end the American Selling Price valuation system and that it will be operated by a greater number of industrialised countries than the system it replaces.

Export Credit

5.11 A proposal by the Community (which participates as a single entity in the Arrangement on Guidelines for Export Credit) to increase

⁽¹⁾ Converted at the rate of 1.4813 eua = £1 used by the Commission for 1980 Budget purposes.

minimum interest rates as set out in the Guidelines by 0.75 per cent for rich and intermediate countries and by 0.25 per cent for poorer countries was agreed by Participants (all members of the OECD except Turkey and Iceland) at the annual review of the Guidelines in May. The Guidelines govern the extension of officially supported credit on terms of two years or more in order to contain destructive competition on credit terms between credit giving countries.

Financial Control in the Community (Court of Auditors)

5.12 The European Court of Auditor's Annual Report, for the financial year 1978, was published in the Official Journal on 31 December 1979. Subsequently, the Council Recommendation on the Discharge to be given to the Commission in respect of the implementation of the 1978 Budget and Supplementary Budgets was approved by the European Parliament.

5.13 The Court of Auditors is the newest of the Community institutions. It was established by the 1975 Treaty amending certain financial provisions of the Treaty of Rome, and its members (one from each member state) were appointed in October 1977. The Annual Report is therefore the Court's second, but the first to be based entirely on their work.

SECTION VI: REGIONAL AND INDUSTRIAL AFFAIRS

European Coal and Steel Community (ECSC) : Loans

6.1 The Community made loans totalling £10.9 million under Article 56 of the Treaty of Paris following applications from United Kingdom companies in respect of projects creating employment opportunities for ex-steel and coal workers. Further loans are under negotiation. The United Kingdom Government provided guarantees against possible loss or currency fluctuations over the period of the loans for projects in the Assisted Areas.

European Regional Development Fund

6.2 The Council has not yet reached agreement on proposals considered in December 1979 concerning specific regional development measures making use of the provision for 5 per cent of the fund to be used outside national quotas.

6.3 In their original budget proposals for 1980, the Commission included provision for 1,200 MEUA (about £727 million)⁽¹⁾ but in December the European Parliament rejected the whole of the proposed budget. A revised budget includes provision for 1,165 MEUA (about £706 million)⁽¹⁾ for 1980.

(1) Converted at the July market rate of 1.65 eua = £1.

Review of Regional Aids by the Commission

6.4 The United Kingdom continued to supply the Commission with information on United Kingdom regional aids as part of the Commission's review of Member States' systems of regional aids. The review is expected to be completed in the latter half of 1980.

Aid Transparency

6.5 On 25 June, the Commission adopted a Directive, under Article 90 of the Treaty of Rome, designed to bring greater transparency in the transfer of public funds to public undertakings in Member States. The Directive will require Member States to provide information at the Commission's request about their financial transfers to their public undertakings, so that the Commission can evaluate whether the financing arrangements involved are compatible with the state aid provisions of the Treaty.

European Investment Bank (EIB) : Loans

6.6 Private sector manufacturing industry in the Assisted Areas continued to receive foreign-currency loans from EIB with the Government covering them against exchange risk. Loans totalling £32.5 million were made during the first half of 1980 to United Kingdom private sector investment projects in the Assisted Areas and further loans are under negotiation.

Science and Technology

6.7 On 13 March after more than a year of discussion Council agreement was given to the new multiannual programme of the Community's Joint Research Centre (JRC). Expenditure of almost 511 MEUA (about £310 million)⁽¹⁾ will be devoted to a four year programme, 1980-1983 covering research into the following areas—nuclear safety, the study and protection of the environment, new forms of energy, and preparation and implementation of reference measurements. Agreement was also reached on 13 March on a Community research programme on thermonuclear fusion which provides funds for fusion research in Member States and also includes the Joint European Torus (JET) Project currently under construction at Culham in Oxfordshire. Expenditure amounting to 335.5 MEUA (about £203 million)⁽¹⁾ of which 190.5 MEUA (about £115 million)⁽¹⁾ is for JET, will cover a 5 year period.

6.8 On 18 March the Foreign Affairs Council agreed to two more research projects. The first is a continuation of the research programme on radiation protection. The programme, covering a 5 year period and costing 59 MEUA (about £36 million)⁽¹⁾ aims to increase and improve knowledge of the effects of ionising radiation. The Council also adopted a second concerted action research programme on medical and public health. The programme has an overall cost of 2.32 MEUA (about £1.4 million)⁽¹⁾ and comprises 4 separate projects. They are—detection of the tendency to thrombosis (4 years duration), understanding evaluation and treatment of

⁽¹⁾ Converted at the July market rate of 1.65 eua = £1.

hearing impairment (3 years), criteria for perinatal monitoring (4 years), common standards for quantitative electrocardiography (4 years).

Steel

6.9 Although the United Kingdom steel industry has been seriously affected by the reduced demand for steel, both in the United Kingdom and elsewhere this year, it has been helped by the continuation in a modified form during 1980 of the Commission's anti-crisis measures. United Kingdom Ministers have kept the Commission informed of the industry's restructuring plans, and explored with them the scope for increased Community aid to help redundant steelworkers.

Shipbuilding

6.10 The Commission has consulted Member States about a successor to the 4th Directive on aids to shipbuilding which provides the framework for the provision and control of aids to the industry and which expires at the end of this year. Proposals for a 5th Directive are expected to be submitted to the Council in the near future.

New Information Technology (Telematics)

6.11 At the Dublin Summit in November 1979 the Council of Ministers were invited to study with the Commission a common strategy in this area. A number of discussions have taken place between the Commission, Member States, Telecommunications Administrations and industry. The United Kingdom Government continue to support this initiative.

Company Law

6.12 A Directive on prospectuses for listed securities was adopted in March. Discussions continued throughout the period on a number of draft instruments including: directives on qualification of auditors, collective investment funds (unit trusts), annual accounts of credit institutions, laws relating to guarantees and indemnities, interim reports by companies listed on a stock exchange, conditions of access to the profession of stockbroker, insider dealing and prospectuses for unlisted securities; conventions on bankruptcy and the mutual recognition of companies; and on the European Company Statute.

6.13 In addition negotiations are at an advanced stage on draft directives on group accounts and on "scissions" (the division of companies).

Insurance

6.14 The co-insurance Directive, the first major step towards increasing freedom of services in insurance in the EC, came into force on 2 June. Progress has been slow on work on the more general draft directive concerned with this freedom.

Industrial Property

6.15 Work continued on the steps necessary to implement the Community Patent Convention. Work has also been maintained on the consideration of the creation of a Community Trade Mark. The Government reaffirmed in Brussels its wish to see the Community Trade Mark Office established in London.

Films

6.16 Following the Commission's initiative in August 1979 discussions on aspects of our Film Acts were successfully concluded. As a result the Films Act 1980 provides for an extension of the labour-cost requirement for a film's registration as British to include payments to citizens of other Member States. This provision will come into effect when forthcoming amendments to the Levy Regulations have been approved by Parliament. These amendments will be designed to help preserve the infrastructure of the British film industry.

Commercial Agency

6.17 The Council Working Group continued its consideration of the proposed commercial agency directive. The main purposes of the proposal are to harmonise the laws of the Member States relating to commercial agents, differences in which the Commission considers to be detrimental to the functioning of the Community, and to strengthen the position of the commercial agent who is assumed to be the weaker party in negotiating with his principal. In view of conflicting reactions to the proposed commercial agency directive in the United Kingdom the Government has reserved its position and is working to achieve a directive that would prove more acceptable.

SECTION VII: ENVIRONMENT AND TRANSPORT

Environmental Issues

7.1 The Environment Council met on 30 June. Following an initiative by the United Kingdom last December, the Council agreed in principle the structure of a draft regulation banning the import into the Community of whale products. The Council also considered a draft directive aimed at reducing the danger to the public of major industrial accidents, the so-called 'Seveso' proposal; many of the outstanding issues were resolved, but full agreement was not reached and the proposal was referred back for further consideration.

7.2 There was also a general discussion at the Environment Council on future Community action on the environment. This marked the beginning of consideration by the Council of what should follow the present environment action programme, which expires at the end of 1981.

Inland Transport

7.3 At the Transport Council on 24 June, considerable progress was made towards agreeing a directive on the recognition and exchange of driving licences within the Community. Other Member States' licences for public service vehicles and heavy goods vehicles would be exchanged by the United Kingdom on the basis of certificates of adequate experience signed by a previous employer and validated in cases of serious doubt by the competent authorities of the Member State whose licence was being exchanged. The directive would also require licences in all Member States to be issued in a common format by 1 January 1986 and would include a declaration on further harmonisation of standards with a view to improving road safety throughout the Community. The Government are consulting interested bodies on the proposals, and will seek the views of Parliament before giving a decision in the Council of Ministers. A Directive on inland waterway statistics was also agreed, and other proposals considered on rail statistics, rail tariffs and combined transport.

7.4 The Council took note of the Commission's report on the implementation of the drivers' hours Regulation in 1975 and 1976, and asked the Commission to pursue with Member States the need for uniform application of the legislation. Among progress reports to the Council was one on the draft regulation on EC aid to transport infrastructure projects of Community interest. The Commission held a colloquium on the subject on 6 June; and on 25 June they submitted to the Council a Report on Bottlenecks and Possible Modes of Finance. The Government have consulted interested bodies in the United Kingdom on the Commission's Green Paper on transport infrastructure, which was published in November 1979.

Summer Time

7.5 The June Transport Council approved in principle a proposal for common starting dates for summer time in 1981 and 1982, which involve the United Kingdom and the Republic of Ireland postponing and other Member States advancing their previously proposed changeover dates by one week. There will be further discussion on starting dates after 1982 and on finishing dates although the United Kingdom has already made it clear that there is likely to be considerable difficulty with the latter, where four weeks and sometimes five weeks currently separate the United Kingdom and the Republic of Ireland from other Member States.

Shipping

7.6 The Commission continued discussions with European shippers and shipowners on the content of a draft regulation applying the competition rules in the Treaty of Rome to Shipping.

7.7 The Community institutions continued their examination of various proposals intended to promote marine safety and pollution prevention. The Commission presented a proposal for a directive concerning the enforcement, in respect of shipping using Community ports, of the relevant international standards.

Civil Aviation

7.8 The Commission has consulted Member States on the terms of a draft directive for the liberalisation of intra-Community regional air services prior to presenting a final draft to the Council.

7.9 On 24 June the Transport Council approved a recommendation that the Commission, in consultation with Member States, should examine scheduled air fares in the Community and should report on the results of its examination as soon as possible.

7.10 The Commission has consulted Member States on the terms of a draft regulation for the application of the Competition Articles of the Treaty of Rome to civil aviation. It is expected that a final draft will be presented to the Council by the end of the year.

SECTION VIII: SOCIAL AFFAIRS

Employment

8.1 The Standing Committee on Employment (representatives from employers and workers as well as Employment Ministers and the Commission) met on 26 February and exchanged views on a Commission communication on the problems posed for employment by the new phase in the technological development of *micro-electronics*. It was recognised that the introduction of the new technology raised major issues but if carefully introduced and having regard to the need for close consultation and prior agreement of the workforce also offered significant opportunities.

8.2 The Committee met again on 29 May to discuss the Commission communication on guidelines for a Community labour market policy. The Committee felt that more efficient operation of the labour market would be achieved by improved use of the Social Fund and closer integration of the Community labour market. It was also suggested that more attention could be given in future to employment aspects of economic policies.

8.3 Employment Ministers met informally in Venice on 15 and 16 May. They discussed the problems of employment and the broad outlines of a Community labour market policy. They also discussed the Commission's intention to present a draft directive concerning the right to information and consultation of workers at European level by multinational companies and the problems of third country migrants, in particular Turkish migrants. Ministers also talked in general terms about the participation of salaried workers in asset formation and some problems of social security.

8.4 The Labour and Social Affairs Council met on 9 June. Against a background of rising unemployment the Council discussed the working of the labour market and agreed a Resolution on Guidelines for a Community

Labour Market Policy. This Resolution recognises that efficient operation of the labour market has an important, if supporting, role in efforts to increase employment and sets out some broad objectives and suggested actions in the areas of labour market information and manpower services. The Council reached agreement on a Directive to protect workers from harmful exposure to chemical, physical and biological agents at work and on a revised procedure for improving the working methods for tripartite conferences. The Council also agreed conclusions on the Community's action programme for the vocational rehabilitation of the handicapped and briefly discussed the relationship between health and safety at the work place and directives under the Commission's programme for removing barriers to trade in industrial products.

European Social Fund

8.5 In May the Commission published revised guidelines for the management of the Fund which set out the priorities which will be applied to applications for 1981-83. Allocations made so far this year for training and other schemes in the United Kingdom amount to some £64 million.

Social Security

8.6 The Labour and Social Affairs Council in June considered the Commission's proposals for the adaptation of the Council Regulation on the application of social security schemes to employed persons and their families moving within the Community to extend it to self-employed persons and their families and insured non-employed persons. The proposals which are largely the result of United Kingdom initiative were, as in previous Councils, acceptable to the majority. Reservations on the use of Article 235 of the Treaty to extend the Regulations to the non-employed and on the arrangements for payment of family benefits proved, however, to be intractable and agreement could not be reached. Discussion is to continue in a working group of the Council with a view to resolving the outstanding issues before the next Council meeting in November.

Anti-Poverty Programme

8.7 The present programme of pilot schemes and studies to combat poverty was set up in 1975 and is due to come to an end in November. The Commission has proposed an interim programme to cover the period (about two years) between November and the setting up of any further programme which might be based on an evaluation of the present one: the Commission is to produce a report on the present programme by June 1981. The Labour and Social Affairs Council discussed the proposal for an interim programme on 9 June, but a decision was deferred until November.

Education

8.8 On 27 June, the Community's Education Ministers accepted a report by the Education Committee on the implementation of the Resolution of 9 February 1976. It included proposals for action in modern languages,

the study of the European Community and Europe in schools, and the promotion of equal opportunities in education for girls. It also defined a common approach to the admission to institutions of higher education of students from other Community countries; United Kingdom Ministers had already announced in April that students from other Member States would be charged the same tuition fees as United Kingdom students from 1980/81 onwards. All these proposals have formed the subject of consultation in the United Kingdom over the past 3 years with interested bodies, and were generally supported by them. In the course of their discussion in the Education Committee, the proposals have been amended in ways that made them more appropriate and relevant to the United Kingdom education systems. It is expected that they will start to be implemented in 1981 and that action will continue until 1985.

8.9 A paper was also submitted to the Ministers about education in the context of employment policy, with particular reference to the transition from school to work, and to the implications for education of the new information technologies. Ministers also indicated their interest in a French initiative for the preparation of a guide for teachers on European civilisation.

Rights of Establishment

8.10 Discussion continued on proposals for the mutual recognition of professional qualifications in a number of fields, notably architects and accountants. Preliminary discussions were also held on engineers and other technical advisers and on hairdressers.

Free Movement within the Community

8.11 The Government hope that barriers to free movement within the Community can be reduced, although not at the expense of efficient controls on immigration and the movement of terrorists. As one small step, the Government lifted (with effect from 1 January) the requirement for nationals from other Member States to fill in landing and embarkation cards on entering and leaving the United Kingdom.

Common Format Passport

8.12 Further discussions were held on proposals for a common format for passports issued by Member States. The United Kingdom has argued that account should be taken of the recent International Civil Aviation Organisation recommendation on machine-readable passports.

SECTION IX: ENERGY

9.1 The 13 May Energy Council devoted particular attention to the current and prospective situation of the world oil market, and to the Community's energy strategy for the decade to 1990, in preparation for wider discussion of these matters at the subsequent meeting of IEA Energy

Ministers on 22 May. As part of the strategy for 1990 the Council adopted two Resolutions. The first established general Community energy policy guidelines for 1990 emphasising in particular the need to use energy more efficiently; to reduce oil's share of total primary energy consumption; and to develop alternative energy sources in particular coal and nuclear for electricity generation. The second Resolution set out more detailed guidelines for action in the field of energy saving. The Council agreed to consider what additional measures might be necessary to improve the Community's capacity to cope with oil market disturbances or supply shortage. The Council agreed to review at a future Council the case for additional support at Community level to Member States' energy investment programmes.

SECTION X: CONSUMER AFFAIRS

10.1 Discussion has continued on the Second Consumer Action Programme, and also on several draft directives foreshadowed in the first programme; discussion of the draft product liability directive has commenced.

Size Ranges for Pre-Packaged Goods

10.2 On 15 January the Foreign Affairs Council adopted a Directive under Article 100 aimed at reducing barriers to trade by specifying ranges of sizes for certain pre-packaged foodstuffs and common household products which must be accepted on Community markets. The Directive also contains an important consumer protection element in that the specified ranges generally consist of simply-related sizes so as to enable easy value-for-money comparisons to be made. Although these sizes are not mandatory, industry is encouraged to adopt them by virtue of the freedom of entry into Community markets that the Directive ensures for the specified sizes.

SECTION XI: THE INSTITUTIONS OF THE COMMUNITY

Committee of Three (Three Wise Men)

11.1 The Report of the Committee of Three on the Institutions of the Community which was commissioned by the European Council in December 1978, was submitted to the European Council on 12-13 June in Venice. No final decisions were taken; the Council of Ministers is pursuing consideration of the Report.

The European Parliament

11.2 The European Parliament held 6 plenary sittings each lasting a week in Strasbourg and an additional two days part session was held in Luxembourg at the end of June.

European Court of Justice

11.3 One of the chief concerns of the Court during recent years has been the steady increase in the number of cases brought before it. While

the first half of 1980 has continued to see an increase in the number of cases, the amendments to the Rules of Procedure made in September 1979, which among other things allow a greater number of cases to go to Chambers (Divisions) of the Court, are beginning to show their effects. The average duration of references for a preliminary ruling remains, as in 1979, just over 9 months, while the average duration of direct actions has been reduced from 16 to 13 months. The increasing number of cases has, however, put greater pressure on the Advocates-General, and a proposal to increase their number from 4 to 5 is at present before a Council Working Party.

11.4 In the period under review United Kingdom courts referred 3 cases to the Court for preliminary ruling; the Government submitted observations in all of those cases and in 7 other cases referred by courts of other Member States. In addition the Government intervened in two direct actions brought by the Commission.

11.5 The Court has given judgment in a series of cases brought by the Commission against the United Kingdom and 4 other Member States alleging breaches of Article 95 of the Treaty by the unequal imposition of duties on beer, wine and spirits. In the cases against France, Italy, Denmark and Ireland the Court found in favour of the Commission; in the case against the United Kingdom, however, the Court made no ruling but ordered the parties to re-examine the matter in the light of certain legal considerations and to report to the Court on the results of their re-examination before the end of the year. In a reference from a United Kingdom court, the Court declared that Article 119 of the Treaty (equal pay) was directly applicable, and that a woman employee was entitled to the same pay as her male predecessor although the two had not been employed contemporaneously.

Legal Co-operation

11.6 Since before our accession to the Community, experts from the Member States have been working on the harmonisation of the "choice of law" rules of the Member States. In 1978 it was decided to limit this work to contractual obligations, and in 1979 a draft Convention was circulated to Member States for their comments. Views on the draft were sought from interested persons and bodies in the second half of 1979, and in discussions resumed earlier this year the text was finalised taking account of these views. By common consent of all Member States the Convention was opened for signature at a meeting of Ministers of Justice in Rome on 19 June. The Convention has not yet been signed by the United Kingdom; it will require ratification, and implementation in the United Kingdom would require legislation.

Terrorism

11.7 As part of the Community's programme of co-operation against terrorism senior officials met in Rome in May to consider reports from Working Groups. A seminar for officials from the Community on the subject "Terrorism and the Media" was held in London on 30 April and 1 May.

SECTION XII: PARLIAMENT

Parliament was in session for 22 weeks during the period from 1 January to 30 June. During that time the House of Commons Scrutiny Committee considered 341 Community documents and recommended 38 of these for further consideration by the House. The House of Lords Scrutiny Committee considered 415 documents in this period, of which 16 were recommended for debate. Debates on 40 documents were held in the House of Commons and on 13 in the House of Lords.

**MEETINGS OF THE HEADS OF STATE AND GOVERNMENT
OF THE NINE MEMBER STATES**

<i>Date</i>	<i>Location</i>	<i>UK Ministers Attending</i>
27-28 April	Luxembourg ...	Rt Hon Margaret Thatcher MP Prime Minister Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs
12-13 June ...	Venice ...	

MEETINGS OF THE COUNCIL

<i>Date</i>	<i>Session</i>	<i>UK Ministers Attending</i>
15 January ...	Foreign Affairs ...	Rt Hon Sir Ian Gilmour Bt MP Lord Privy Seal
21-22 January	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
29 January ...	Fisheries ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon George Younger TD MP Secretary of State for Scotland Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
5 February ...	Foreign Affairs ...	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs Rt Hon John Nott MP Secretary of State for Trade Cecil Parkinson Esq MP Minister for Trade
11 February	Finance ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
18 February	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food

<i>Date</i>	<i>Session</i>	<i>UK Ministers Attending</i>
3-4 March ...	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
17 March ...	Finance ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
18 March ...	Foreign Affairs ...	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs Cecil Parkinson Esq MP Minister for Trade
26-27 March	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
21 April ...	Finance ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
21-22 April	Foreign Affairs ...	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs
21-24 April	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
5-6 May ...	Foreign Affairs ...	Rt Hon Sir Ian Gilmour Bt MP Lord Privy Seal Cecil Parkinson Esq MP Minister for Trade
6-7 May ...	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
13 May ...	Energy ...	Rt Hon David Howell MP Secretary of State for Energy
27 May ...	Finance ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer

<i>Date</i>	<i>Session</i>	<i>UK Ministers Attending</i>
28-30 May...	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
29-30 May...	Foreign Affairs ...	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs Rt Hon Sir Ian Gilmour Bt MP Lord Privy Seal
9 June ...	Finance ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
9 June ...	Labour and Social Affairs	Rt Hon James Prior MP Secretary of State for Employment Mrs Lynda Chalker MP Parliamentary Under-Secretary of State, Department of Health and Social Security
16 June ...	Fisheries ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon George Younger TD MP Secretary of State for Scotland Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
17 June ...	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
17-18 June...	Budget ...	Nigel Lawson Esq MP Financial Secretary to the Treasury
24 June ...	Transport ...	Rt Hon Norman Fowler MP Minister of Transport Norman Tebbit Esq MP Parliamentary Under-Secretary of State, Department of Trade
30 June ...	Environment ...	Rt Hon Tom King MP Minister for Local Government and Environmental Services, Department of the Environment

OTHER MEETINGS

<i>Date</i>	<i>Session</i>	<i>UK Ministers Attending</i>
19 February	Political Co-operation	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs
26 February	Standing Employment Committee	Lord Gowrie Minister of State, Department of Employment
6-7 March ...	European Community/ ASEAN	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs
19-20 April	Informal Meeting of Finance Ministers	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
8-9 May ...	European Community/ ACP	Peter Blaker Esq MP Minister of State, Foreign and Commonwealth Office
15-16 May ...	Informal Meeting of Employment Ministers	Rt Hon James Prior MP Secretary of State for Employment
17-18 May ...	Informal Meeting of Foreign Ministers	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs
29 May ...	Standing Employment Committee	Rt Hon James Prior MP Secretary of State for Employment
2-5 June ...	Informal Meeting of Agriculture Ministers	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
9 June ...	European Investment Bank Board of Governors Meeting	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
10-11 June ...	Informal Meeting of Industry Ministers	Rt Hon Sir Keith Joseph Bt MP Secretary of State for Industry
19 June ...	Ministers of Justice ...	Rt Hon Sir Michael Havers QC MP Attorney-General Leon Brittan Esq QC MP Minister of State, Home Office
27 June ...	Meeting of Education Ministers	Rt Hon Mark Carlisle QC MP Secretary of State for Education and Science
30 June ...	European Community/ Turkey	Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office

MAJOR PROPOSALS ADOPTED DURING THE PERIOD**External Relations, Trade and Aid**

Council Directive 80/390—co-ordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing.

Agriculture and Fisheries

Council Regulation 541/80—laying down interim measures for the conservation and management of fisheries resources applicable to vessels flying the flag of Spain.

Council Regulation 579/80—implementing Articles XVIII and XXIII of the convention on future multilateral co-operation in the North-West Atlantic fisheries as regards the scheme of joint international enforcement.

Council Regulation 753/80—laying down detailed rules for the recording and transmission of information concerning catches taken by vessels of Member States.

Council Regulation 754/80—concerning the fixing for 1980 of the total allowable catches, the share available for the Community and the means of making catches, for certain fish stocks in the Community fishing zone.

Council Regulation 806/80—certain interim measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Islands.

Council Regulation 807/80—interim measures for the conservation and management measures applicable to vessels flying the flag of Norway.

Council Regulation 1135/80—laying down for 1980 certain interim measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden.

Council Regulation 1362/80—amending Council Regulation 1269/79 in respect of the conditions for marketing reduced price butter for direct consumption during the 1980/81 milk year.

Council Regulation 1364/80—amending Council Regulation 1079/77 as regards the amount of the co-responsibility levy in the milk and milk products sector.

Council Directive 80/213—amending Directive 72/461 on animal health problems affecting intra-Community trade in fresh meat.

Council Directive 80/215 animal health problems affecting intra-Community trade in meat products.

Council Directive 80/217—introducing Community measures for control of classical swine fever.

Council Directive 80/219—amending Directive 64/432 on animal health problems affecting intra-Community trade in bovine animals and swine as regards brucellosis and tuberculosis.

Council Directives 80/392 and 80/393—amending Directive 77/93 and annexes thereto, on protective measures against the introduction into Member States of organisms harmful to plants or plant products.

Council Directive 80/607—prolonging certain derogations granted to Denmark, the Republic of Ireland and the United Kingdom, in respect of swine fever.

Economic, Monetary and Budgetary Questions

Council Regulation 1224/80—on the valuation of goods for customs purposes.

Regional and Industrial Affairs

Council Decision 80/344—adoption of a concerted action research programme on medical and public health.

Social Affairs

Council Resolution of 27 June 1980—on guidelines for a labour market policy.

Energy

Council Decision (80/237/EURATOM)—setting up an 'ad hoc' Advisory Committee on the Reprocessing of Irradiated Nuclear Fuels.

Council Decision (80/317/EURATOM)—adopting a research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community and for the European Economic Community (1980 to 1983).

Council Decision (80/318/EURATOM)—adopting a research and training programme (1979-83) for the European Atomic Energy Community in the field of controlled thermonuclear fusion.

Council Decision (80/342/EURATOM)—adopting a research and training programme (1980 to 1984) for the European Atomic Energy community in the field of biology—health protection (Radiation Protection Programme).

Council Decision (80/343/EURATOM)—adopting a programme on the Management and Storage of radioactive waste (1981 to 1984).

Council Decision (80/565/EURATOM)—approving the conclusion by the Commission of the International Convention on the physical protection of nuclear material.

Council Regulation 1149/80—amending Council Regulation No 1893/79 introducing registration for crude oil and/or petroleum product imports in the Community.

Council Resolution of 9 June 1980—concerning Community energy objective for 1990 and convergence of the policies of the Member States.

Council Resolution of 9 June 1980—concerning new lines of action by the Community in the field of energy saving.

Consumer Affairs

Council Directive 80/232—on the approximation of the laws of the Member States relating to the ranges of nominal quantities and nominal capacities permitted for certain pre-packaged products.

**CONCLUSIONS OF THE 29/30 MAY
FOREIGN AFFAIRS COUNCIL**

1. The net United Kingdom contribution for 1980 will be calculated on the basis of the present Commission estimates (1,784 MEUA). 1,175 MEUA will be deducted from this figure. This leaves a United Kingdom contribution of 609 MEUA for 1980.

2. The net United Kingdom contribution for 1981 will be calculated on the basis of the Commission estimate of 2,140 MEUA. The United Kingdom's 1980 net contribution will be increased by a percentage equal to the difference between 1,784 and 2,140 MEUA namely 19.9 per cent or 121 MEUA. The net United Kingdom contribution for 1981 therefore becomes 730 MEUA.

3. The United Kingdom contribution, based on the above calculations, is reduced for 1980 and 1981 by 2,585 MEUA (1,175 plus 1,410).

4. If the United Kingdom's actual contributions for 1980 and 1981 are higher than 1,784 and 2,140 MEUA respectively, the difference will be split—for the first year 25 per cent will be borne by the United Kingdom and 75 per cent by the other 8 Member States. For the second year—increase from 730-750 to be borne in full by the United Kingdom: from 750 to 850, 50 per cent to be borne by the United Kingdom and 50 per cent by the other 8 Member States: above 850, 25 per cent to be borne by United Kingdom and 75 per cent by others.

5. Payments over the period 1980-82 should be made by means of the adapted financial mechanism and the supplementary measures proposed by the Commission. The financial mechanism will continue to function automatically until the end of 1982.

6. The credits are inscribed in the budget of the following year, following the precedent of the financial mechanism. At the request of the United Kingdom the Council can decide each year on a proposal by the Commission to make advances to permit the accelerated implementation of the supplementary measures.

7. For 1982, the Community is pledged to resolve the problem by means of structural changes (Commission mandate to be fulfilled by the end of June 1981). The examination should concern the development of Community policies without calling into question the common financial responsibility of these policies, which are financed from the Community's own resources, nor the basic principles of the common agricultural policy. Taking account of the situations and interests of all Member States, this examination will aim to prevent the recurrence of unacceptable situations for any of them). If this is not achieved, the Commission will make proposals along the lines of the 1980-81 solution and the Council will act accordingly.

8. The Council reaffirms the conclusions adopted by it (in its composition of Ministers of Economic Affairs and Finance) on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9), which included reference to the 1 per cent VAT own resources ceiling.

9. It is important for the future well-being of the Community that day to day decisions and policy making should function effectively and this particularly during the period when the review foreseen in paragraph 7 is under way. With this objective in mind all Member States undertake to do their best to ensure that Community decisions are taken expeditiously and in particular that decisions on agricultural price fixing are taken in time for the next marketing season.

10. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

11. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

12. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

13. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

14. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

15. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

16. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

17. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

18. The Council, in its composition of Ministers of Economic Affairs and Finance, reaffirms its conclusions on 11 February 1980 (cf. Annex to Doc. 5081/80 PV/CONS 5 ECO/FIN 9) and reiterates its commitment to the 1 per cent VAT own resources ceiling.

**MAJOR TREATIES AND AGREEMENTS BY THE COMMUNITY
DURING THE PERIOD**

<i>Date</i>	<i>Treaty or Agreement</i>
Signed on 7 February ...	Protocol to the Association Agreement with Cyprus
Signed on 7 March ...	Agreement on Economic and Commercial Co-operation with ASEAN
Signed on 2 April ...	Co-operation Agreement with Yugoslavia
Initialled on 18 April ...	Economic and Commercial Agreement with Brazil
Initialled on 30 June ...	Revision of the Association Agreement with Turkey

MAJOR MINISTERIAL SPEECHES DURING THE PERIOD

<i>Date</i>	<i>Speaker</i>	<i>Occasion</i>
7 January ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food	Oxford Farming Conference Dinner
23 January	Rt Hon Sir Ian Gilmour Bt MP Lord Privy Seal	French Institute of International Relations
22 March ...	Rt Hon Sir Ian Gilmour Bt MP Lord Privy Seal	Conservative Central Council
24 March ...	The Earl Ferrers Minister of State, Ministry of Agriculture, Fisheries and Food	UK Agricultural Supply Trade Association Dinner
28 March ...	Rt Hon Margaret Thatcher MP Prime Minister	Koenigswinter Conference, Cambridge
18 April ...	Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food	The Aberdeen Conference 'Farming in the 1980s—the Political and Economic Challenge'
9 May ...	Rt Hon The Lord Carrington KCMG MC Secretary of State for Foreign and Commonwealth Affairs (delivered by Sir Michael Palliser)	Congress of Europe, Paris
10 June ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer	Federal Chamber of Industry and Commerce, Bonn
10 June ...	Alick Buchanan-Smith Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food	London International Conference 'Technology and the Challenge of the World's New Fisheries Regime'
20 June ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food	Food and Drinks Industries Council Annual Luncheon

UNITED KINGDOM VISIBLE TRADE WITH THE EUROPEAN COMMUNITY

Importance of Trade with the European Community

1. Throughout the 1970s our trade with the European Community continued to expand more rapidly than our trade with the rest of the world, and the Community now accounts for over 40 per cent of our overseas trade, compared with less than 30 per cent in 1970. In 1979 the Federal Republic of Germany overtook the United States as our leading export market, while all the Community countries featured among our top ten export markets.

Trade Performance with the European Community (see Table 1)

2. Our visible trade with the European Community has been in deficit by £2-£2½ billion in each year since 1974. However the ratio of the volume of our exports to the Community to our imports from the Community, which makes allowance for the impact of inflation, was 86 per cent in 1979, a considerable improvement on the figures for our earlier years of membership, and the highest since 1971.

By Commodity (see Table 2)

3. The overall performance conceals some decline in our trading performance in manufactures, which has also been evident in our trade with the rest of the developed world. Manufactures account for nearly three-quarters of our trade with the Community, and a major feature in recent years has been a rapid increase in imports of road vehicles, which is largely the result of increased trading by multi-national companies. Nevertheless, the United Kingdom share of the European Community import market for manufactures has recently been increasing, and is likely to have reached 7-7½ per cent in 1979, compared with 6 per cent in the early years of membership. Elsewhere, there have been improvements in our trade with the Community in fuels particularly, and also in food.

4. Any apparent discrepancy in the statistics on balances given in Tables 1 and 2 is due to rounding.

TABLE 1

**UNITED KINGDOM TRADE WITH THE EUROPEAN
COMMUNITY⁽¹⁾**

£ billion

	Exports	Imports	Visible Balance	Export Import Ratio %
1970	2.4	2.3	+0.0	102
1971	2.5	2.7	-0.2	91
1972	2.8	3.4	-0.6	81
1973	3.7	5.1	-1.4	73
1974	5.4	7.6	-2.2	71
1975	6.1	8.7	-2.6	70
1976	8.8	11.1	-2.4	79
1977	11.4	13.5	-2.1	85
1978	13.1	15.8	-2.7	83
1979	17.0	19.8	-2.7	86

Source: Balance of Payments.

⁽¹⁾ The figures for total United Kingdom visible trade with the European Community on a Balance of Payments basis include adjustments to both exports and imports to bring them on to a basis consistent in terms of both coverage and valuation. Commodity breakdown of our trade with the Community is only available on an Overseas Trade Statistics basis, where, *inter alia*, there are valuation differences between exports (fob) and imports (cif).

UNITED KINGDOM TRADE WITH THE EUROPEAN COMMUNITY

BY COMMODITY

£ billion

	Total Trade				Food, Beverages and Tobacco				Basic Materials			
	Exports	Imports	Crude Balance	Export/Import Ratio	Exports	Imports	Crude Balance	Export/Import Ratio	Exports	Imports	Crude Balance	Export/Import Ratio
1970 ...	2.4	2.4	-0.1	97	0.1	0.6	-0.5	24	0.1	0.1	+0.0	101
1971 ...	2.7	2.9	-0.3	91	0.2	0.7	-0.5	22	0.1	0.1	+0.0	109
1972 ...	2.9	3.5	-0.6	84	0.2	0.8	-0.5	28	0.2	0.1	+0.0	111
1973 ...	4.0	5.2	-1.2	77	0.3	1.1	-0.8	29	0.2	0.2	-0.0	96
1974 ...	5.5	7.7	-2.2	72	0.3	1.7	-1.3	21	0.3	0.3	-0.0	93
1975 ...	6.5	8.9	-2.4	73	0.6	2.1	-1.5	27	0.3	0.3	-0.0	98
1976 ...	9.3	11.5	-2.2	81	0.7	2.2	-1.5	32	0.4	0.5	-0.1	90
1977 ...	12.2	14.2	-2.0	86	1.0	2.5	-1.5	40	0.5	0.6	-0.0	96
1978 ...	14.1	16.6	-2.5	85	1.4	2.8	-1.3	52	0.6	0.5	+0.0	104
1979 ...	17.9	20.9	-3.0	86	1.5	3.0	-1.5	49	0.7	0.7	+0.1	111
	Fuels				Manufactures							
	Exports	Imports	Crude Balance	Export/Import Ratio	Exports	Imports	Crude Balance	Export/Import Ratio				
1970 ...	0.1	0.2	-0.1	55	1.9	1.5	+0.4	128				
1971 ...	0.1	0.2	-0.1	61	2.2	1.9	+0.3	117				
1972 ...	0.1	0.2	-0.1	55	2.4	2.3	+0.0	101				
1973 ...	0.2	0.3	-0.1	65	3.2	3.5	-0.3	92				
1974 ...	0.4	0.7	-0.3	64	4.3	4.9	-0.6	87				
1975 ...	0.5	0.8	-0.3	60	5.0	5.5	-0.6	90				
1976 ...	0.8	1.0	-0.2	76	7.2	7.7	-0.5	94				
1977 ...	1.2	1.1	+0.1	111	9.2	9.3	-0.6	93				
1978 ...	1.4	1.0	+0.4	135	10.5	12.1	-1.6	87				
1979 ...	2.7	1.6	+1.1	170	12.7	15.4	-2.7	82				

Source: Overseas Trade Statistics.

Commodities categorised by Standard International Trade Classifications.