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WHITE PAPER ON DEVELOPMENTS IN THE EUROPEAN COMMUNITY  
JANUARY-JUNE 1983

Note by the Secretary of State for Foreign and Commonwealth Affairs

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Members of the Defence and Overseas 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 1983.

2. The attached pre-publication version is circulated for the information of Cabinet. It will be published on 23 September.

Foreign and Commonwealth Office

22 September 1983

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Developments in the  
European Community  
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**DEVELOPMENTS IN THE EUROPEAN COMMUNITY  
JANUARY TO JUNE 1983**

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## SECTION I: INTRODUCTION

1.1 This White Paper covers the period of the German Presidency of the Council of Ministers from 1 January to 30 June 1983. This was a busy period, during which further progress was made in the development of the Community.

1.2 The European Council in Stuttgart on 17-19 June launched a major negotiation on the reform of the Community's financial system. Key issues which this negotiation will address are how to ensure better budgetary discipline and effective control of agricultural and other Community expenditure; how to ensure a more equitable sharing of the burden of financing the Community budget; and the Community's requirements in terms of own resources, taking into account the accession of Spain and Portugal and future Community action in other fields. The negotiation will be conducted at special meetings of the Council and the results are to be submitted to the Athens European Council on 6 December. The full text of the Stuttgart declaration on these subjects is at Annex E.

1.3 The European Council agreed on the British budget refund for 1983. This is to be some £437 million, and the agreement means that over the four years 1980-83 the United Kingdom will have received net refunds of more than £2,500 million—almost two-thirds of our net contributions. This was the intended proportion in the first refund agreement on 30 May 1980.

1.4 The Declaration on European Union was also signed at Stuttgart. The Government supports the Declaration as a reaffirmation of the Community's democratic and political objectives and of its longer term aims.

1.5 The six month period saw the completion of work and agreement on action by the Community in a number of other areas of importance to the United Kingdom.

1.6 In the *social and employment* sphere, agreement was reached on new rules for the European Social Fund, providing for at least 75 per cent of the Fund to be used specifically for schemes for young people. The United Kingdom should be a major beneficiary from these provisions, which will help combat youth unemployment. A Directive on the protection of workers from exposure to asbestos was also agreed, as was a Resolution on vocational training policies in the 1980s. In the *regional* field, the Community's recognition of the special economic and social problems of Northern Ireland was demonstrated by the adoption of a Regulation providing assistance for urban renewal projects in Belfast, which will bring welcome extra money to the Province.

1.7 On *fisheries*, after a long and difficult negotiation, agreement was reached on 25 January, on a revised common policy for the management of the Community's fishing resources which it is intended should apply for a period of at least twenty years. In the annual *agricultural price-fixing*, for the first time for many years, there was no increase in the agreed overall level of common prices as compared with the original Commission proposals.



The weighted average increase for prices on a Community basis was 4.1 per cent and for the United Kingdom 3.8 per cent. This was very much at the insistence of the United Kingdom.

1.8 On *environmental issues*, an important development was formal Community action to prevent trade in certain seal pup skins and products, which were already the subject of a voluntary ban in the United Kingdom and some other member states. This takes the form of a Directive providing for a two-year ban on imports from 1 October 1983 unless further studies or contacts with sealing countries render this unnecessary. The Government's approach in discussion of this question took into account the opinions expressed from both sides of the House of Commons during the Debate on seals on 16 February. Agreement was also reached during the period on a Directive to assist control of cadmium discharges on terms which safeguard the United Kingdom's practice in water pollution control.

1.9 On the *external* side, the Government welcomed a unilateral decision by Spain to reduce tariffs on some Community car imports. The Community concluded an agreement with Japan restraining exports to the Community in certain sensitive sectors in 1983; and formally sought the establishment of a working party under the General Agreement on Tariffs and Trade (GATT) to examine its complaint about access to the Japanese market. The Japanese Government announced a series of measures to ease testing and similar requirements for imports of various manufactures. The Community also held useful talks with the United States about the problems which have arisen over agricultural trade, and made strong representations to the United States Government about proposals to amend the US Export Administration Act which would involve applying extraterritorial jurisdiction in the field of export control. Voluntary restraint arrangements were concluded with 14 countries to cover trade in steel. Imports from countries which have not concluded voluntary restraint arrangements are subject to a system of basic import reference prices. The Government will work with the Commission in the operation of these measures so as to minimise damaging disruption to the Community's steel markets by imports from third countries.

1.10 There was considerable activity in *political co-operation* over the period, particularly in the Conference on Security and Co-operation in Europe (CSCE), where the Ten co-operated closely on tactics and strategy. The Community continued to harmonise policy on other major international problems, notably the Middle East.

1.11 The Community participated actively in the work of the Organisation for Economic Co-operation and Development (OECD) leading to the extension of the OECD Consensus on guidelines for officially supported export credits and the OECD Understanding on export credits for ships until 30 June 1983 and 31 July 1983 respectively. Within the Community, a Council Decision to amend the rules for provision of insurance cover and finance for sub-contracts in other member states became effective on 1 January 1983, bringing other countries into line with the United Kingdom.

1.12 In a number of other areas, work was set in hand or new initiatives were taken during the period.



1.13 The Government, jointly with the German and Dutch Governments, introduced a memorandum proposing a concerted Community approach towards the elimination of *lead in petrol*, and placed on record its own determination to move as rapidly as possible to unleaded petrol.

1.14 The Commission introduced detailed proposals for a *new solid fuels strategy* and a five year Community energy programme. The proposals on solid fuels were particularly welcomed by the Government, both as contributing to meeting the Community's energy objectives of reduced dependence on imported oil and efficient use of energy, and as helping to redress the present imbalance in the Community's budget.

1.15 There was considerable activity on *trade* questions during this period, reflecting the importance of the Community in this area. Intensive work began on a Commission proposal to strengthen the Community's ability to take defensive action against the unjustifiable trading practices of others. The period also saw the first four meetings of a Council of Ministers devoted exclusively to internal market issues. The Government welcomed this initiative towards speeding up the process of making the free movement of goods and services within the Community's very large internal market more complete. In the *services* sector, however, progress was disappointing, particularly on the proposed non-life insurance directive, which is still far from completion.

1.16 The Community began to prepare its position for the negotiations with the African, Caribbean and Pacific states on a successor agreement to the current (second) *Lomé Convention*. These negotiations are expected to begin later in 1983.

1.17 Other areas in which final decisions have yet to be taken include the *accession negotiations with Spain and Portugal*. These have continued to move more slowly than the Government had hoped, not least because the absence of agreement within the Community on the reform of the market regimes for certain Mediterranean agricultural products has held up progress on the agricultural aspect of the accession negotiations.

1.18 Work continued during the period on the drawing up of a new regulation to govern the operation of the Community's *Regional Development Fund* and on a new system of quota shares. The United Kingdom pressed strongly for the Fund to be concentrated more in future on areas of greatest need and on the less prosperous member states.

## SECTION II: POLITICAL CO-OPERATION

### Conference on Security and Co-operation in Europe (CSCE)

2.1 The Ten have continued to work closely together in the CSCE at Madrid to maintain Western unity and to bring the meeting to a satisfactory outcome. In response to the tabling of a revised draft final document by the Neutral and Non-Aligned Participants in the meeting, the Ten, with the other Western Allies, proposed a limited list of reasonable and essential



amendments. In June the European Council noted with interest the subsequent initiative taken by the Spanish Prime Minister and reiterated their view that the adoption of a substantial and balanced concluding document by the Madrid meeting would register progress on the human dimension, open the way to a Conference on Disarmament in Europe, give a fresh impetus to the CSCE process and make a useful contribution to the improvement of East-West relations as a whole.

### **Middle East**

2.2 In March the European Council reaffirmed their support for the sovereignty and independence of Lebanon, and called for the withdrawal of all foreign forces. The Council also noted that President Reagan's initiative had indicated a way to a comprehensive peace, and called on the various parties to the dispute to play their part in the region, in particular the Palestinian people and the Palestine Liberation Organisation by declaring themselves in favour of negotiations and Israel by refraining from enlarging existing settlements or creating new ones.

2.3 Following the signing of the Israel-Lebanon agreement, the European Council in June decided that the Community would resume financial co-operation with Israel. The Ten emphasised, however, that peace would not become a reality unless the security and legitimate interests of the other States and peoples of the region were taken into account, and stated their readiness to use all means at their disposal to support the efforts of the parties in question to find a broader area of agreement. The Council also expressed its serious concern at the distress of the Palestinian population in Lebanon. This concern had already been made known in contacts with the Israel and Lebanon Governments.

### **Poland**

2.4 The Ten continued to follow developments in Poland closely. In June the European Council reaffirmed their conviction that only a national reconciliation, taking into full account the aspirations of the Polish people, could lead the country out of its grave crisis.

### **Central America**

2.5 The Ten consulted closely on the crisis in Central America. They agreed that the problems of the region could not be solved by military means but required a political solution springing from the region itself. They therefore made clear their support for the initiative of the Contadora Group (which brings together Colombia, Venezuela, Mexico and Panama in work to solve Central American problems). They also expressed their readiness to continue contributing to further development in the area in order to promote progress towards stability.

### **Association of South East Asian Nations (ASEAN)**

2.6 The close relations between the European Community (EC) and ASEAN were further cemented by the EC/ASEAN ministerial meeting which took place in Bangkok in March. The two sides consulted on a range of major international problems and were able to record a close



similarity of view, in particular on the questions of Cambodia and Afghanistan.

### **South Africa**

2.7 The Ten discussed the results of the third round of reports by companies with subsidiaries in South Africa on the implementation of the EC Code of Conduct. They agreed that the Code was an important factor in the continuing improvement in the working and living conditions of black Africans employed by the South African subsidiaries of European companies. They emphasised the great importance they attached to improving the working and living conditions of black African workers and called for further progress towards achievement of the guidelines set out in the Code.

### **Co-operation in Third Countries**

2.8 The Ten agreed to review the state of co-operation among their diplomatic missions in third countries with a view to intensifying and extending it. Areas which will be examined include greater exchanges of information, shared infrastructure, and co-operation on consular, information, cultural and development matters.

## **SECTION III : ENLARGEMENT, EXTERNAL RELATIONS, TRADE AND AID**

### **Enlargement**

3.1 Agreement was reached with Spain on taxation. Further progress was made with Spain on technical aspects of the customs union, coal and steel and external relations chapters and with Portugal on harmonisation of laws and external relations.

### **European Free Trade Association (EFTA)**

3.2 Alternative simplified Rules of Origin for EC/EFTA trade covering Chapter Headings 84-92 of the Customs Co-operation Council Nomenclature (CCCN) came into operation on 1 April for an initial three year period. The Community held meetings with Austria, Switzerland, Finland and Iceland on a wide range of trade issues under the terms of its free trade agreements with these countries.

### **General Agreement on Tariffs and Trade (GATT)**

3.3 The Community contributed to the establishment of a broadly based work programme to implement the decisions taken at the GATT Ministerial Meeting last November.

### **Sixth United Nations Conference on Trade and Development (UNCTAD VI)**

3.4 The Community played a full part both in the preparations for and at the Sixth Conference which considered a wide range of economic, financial, trade and commodity issues.



### **Euro-Arab Dialogue**

3.5 A symposium on relations between the two civilisations was held in Hamburg on 11-15 April.

### **Spain**

3.6 In March, Spain made a unilateral offer to the Community to open reduced duty tariff quotas of 19 per cent for 5,000 Community cars between 1300cc and 1600cc and of 25 per cent for 10,000 Community cars between 2000cc and 2600cc. These quotas, which are of particular interest to the United Kingdom motor industry, were formally announced on 24 June and will be renewed annually.

### **Poland**

3.7 Disbursement of the 9.5 million ecu (about £5.4 million)\* in humanitarian aid agreed last December continued throughout the six months. A further proposal is under consideration.

### **Argentina**

3.8 Two further rounds of talks between the Community and representatives of the Argentine Government took place on 13 and 31 May aimed at initiating discussion of the reciprocal lifting of the remaining restrictions on civil commercial relations. The Argentine authorities have not so far agreed to enter into formal discussions. Both sides have agreed to remain in contact.

### **Yugoslavia**

3.9 The first meeting of the EC/Yugoslavia Co-operation Council was held on 24 May. The meeting was chaired by Mr Mojsov, the Yugoslav Foreign Minister. The Council approved a decision to expand economic co-operation, and the two sides exchanged views on commercial and labour affairs.

3.10 European Economic Community (EEC) and European Coal and Steel Community (ECSC) Agreements with Yugoslavia containing preferential and co-operation provisions formally entered into force on 1 April, having been ratified by all Contracting Parties. The EEC/Yugoslavia Agreement replaces the Interim Agreement of 1980.

### **United States of America**

3.11 Proposals for the renewal of the United States Export Administration Act provided the Community with opportunities to renew its representations against the attempted exercise by the United States of extraterritorial jurisdiction in the field of export controls. There were also useful contacts with the United States on problems in agricultural trade.

### **Japan**

3.12 The Foreign Affairs Council endorsed an agreement negotiated between the Commission and the Japanese Government for restraint in 1983 in exports to the Community in certain sensitive sectors, notably colour televisions and tubes and video tape recorders.

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\* Converted at 1 June market rate of 1.77 ecu = £1.



3.13 Meanwhile, responding to pressure from the Community for further elimination of import barriers, the Japanese Government announced a series of measures to ease testing and similar requirements for various manufactures. The Community formally requested the establishment of a GATT working party to adjudicate on its claim over problems of access to the Japanese market.

### **Textiles**

3.14 The Community's new bilateral agreements with the supplying countries under the Multi-Fibre Arrangement and unilateral measures in respect of certain other countries came into force on 1 January. The Commission took action on 9 March to stem the very high flow of certain textile and clothing imports from Turkey. Discussions between the Commission and Turkey are continuing in an effort to seek to establish an acceptable voluntary regime for Turkish exports of textiles and clothing to the Community.

### **Internal Market**

3.15 The newly-convened Internal Market Council met four times, on 1 February, 1 March, 26 May and 21 June, to discuss the package of priority measures for completion of the internal market which was put forward by the European Council in December 1982. A Directive on technical regulations and standards (83/189) was adopted on 28 March. The Directive is designed to prevent member states erecting new technical barriers to trade by requiring them to declare at an early stage their intentions to draft standards or draw up technical regulations over the whole area of industrial products. Where a potential technical barrier to trade is detected, member states will be requested to suspend work for a limited period on the particular document in question to enable efforts to be made to alleviate the problem. Agreement was also reached on Directives on the taxation of temporarily imported vehicles and of permanent imports of personal property, in particular wedding gifts, as well as on other minor issues to ease frontier formalities. Community certification of products from third countries was a key issue which is still unresolved. Other issues discussed but not resolved include the new Common Commercial Policy Regulation designed to combat illicit trading practices by non-member countries, a single administrative document for customs formalities, duty relief for professional effects imported for temporary use in another member state, marketing of pharmaceuticals, textile labelling, product liability, insurance, industrial innovation and a postponed accounting system for import value added tax (VAT) of intra-Community goods.

### **Steel**

3.16 The Community concluded voluntary restraint arrangements on steel imports with Austria, Finland, Norway, Sweden, Australia, Japan, South Africa, South Korea, Spain, Bulgaria, Czechoslovakia, Hungary, Poland and Romania, and with Brazil on pig-iron.



### **Lomé Convention**

3.17 The Foreign Affairs Council gave preliminary consideration to the mandate for negotiations with the African, Caribbean and Pacific (ACP) states on the successor to the current (second) Lomé Convention. Negotiations with the ACP are due to begin later this year. On 19–20 May the annual ACP-European Community Council of Ministers met to review progress on aid and trade co-operation, and a special ACP-European Community Council to discuss the Stabex scheme was held on 19 May.

### **Food Aid**

3.18 The 14 June Development Council gave preliminary consideration to a Commission food aid policy paper which proposed measures to integrate Community food aid more closely with the development policies of recipient countries. The Community food aid programme for 1983 was agreed at the 21 June Foreign Affairs Council.

### **Regulation for a Special Programme to Combat Hunger in the World**

3.19 The 14 June Development Council considered a draft regulation to implement a special programme intended to combat hunger in the world (Article 958 of the Budget). On 9 May the House of Commons debated the draft and approved a motion welcoming the Government's efforts to secure improvements to it.

### **Lebanon**

3.20 The 14 March Foreign Affairs Council agreed on special reconstruction aid to Lebanon of 20 million ecus (£11.3 million)\* for a water supply project for Beirut.

## **SECTION IV: AGRICULTURE AND FISHERIES**

### **The Common Agricultural Policy price fixing**

4.1 The Commission's proposals for common prices in 1983–84 were published in December 1982 and a settlement reached at the Agriculture Council on 17 May. The settlement represents a net addition to the Community budget of 435 million ecus (£246 million)\* in 1983 and 745 million ecus (£421 million)\* in 1984. The weighted average increase for prices on a Community basis was 4.1 per cent and for the United Kingdom 3.8 per cent. The direct effect of the settlement over a full year will be to add about 0.1 per cent to the retail price index and about 0.5 per cent to the food price index.

4.2 The target price for milk was increased by 2.33 per cent reflecting a deduction from the "norm" to contribute towards the cost of disposing of deliveries to dairies in excess of the 1982 guarantee threshold. The 1983 threshold was fixed at 0.5 per cent above that for 1982 and it was agreed

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\* Converted at 1 June market rate of 1.77 ecu=£1.



that if this was exceeded the Commission should again propose appropriate measures to offset the additional expenditure. The basic co-responsibility levy was maintained at 2 per cent of the target price. 120 million ecus (about £68 million)\* was again made available for distribution among member states to support the incomes of small producers; the United Kingdom will receive 7 million ecus (about £4 million)\*. The consumer butter subsidy was increased from 450 ecus (£278 per tonne)† to 510 ecus per tonne (£315 per tonne)†, and in the United Kingdom continues to be wholly financed by the Community. The Council agreed certain improvements to the school milk arrangements, including the abolition of the requirement for a national contribution and a corresponding increase in the Community subsidies.

4.3 The guide and intervention prices for beef were increased by 5.5 per cent. The premium schemes were continued unaltered but the Commission will review all premiums in the beef sector and report to the Council by 1 August 1983 on their operation. No change was made to the system of price reporting but the Council ordered that work should continue on the Community carcase classification grid with a view to applying it to intervention buying from 1 January 1984.

4.4 For sheepmeat, the basic price and therefore the guide level used for calculating variable premiums paid to producers of fat sheep when market prices fall below the guide level rose by 5.5 per cent; the reference price used for calculating annual premium paid as a headage payment on ewes rose by 9.8 per cent, including a further transitional alignment step. A slaughter rule, requiring all sheep certified for variable premium to be slaughtered or exported within 21 days of the date of certification, was adopted at the Management Committee on 10 June, to come into force on 1 August.

4.5 The pigmeat basic price was increased by 5.5 per cent and a special aid of nearly £6 million was allocated to finance pigmeat processing projects in the United Kingdom submitted under the terms of Regulation 355/77. The basis for the calculation of monetary compensatory amounts (mcas) in the pigmeat sector will be altered with effect from 1 August; as a result mcas will be reduced by 10 per cent.

4.6 The support price for feed grains was increased by three per cent and for breadmaking wheat by 2.5 per cent, reflecting the operation of the guarantee threshold scheme introduced at the 1982-83 price fixing. Some 2-3 million tonnes of cereals from Intervention stocks will be made available for use in animal feed, of which 50,000 tonnes will be transferred to Northern Ireland.

4.7 The basic sugar beet price and the white sugar intervention price were increased by 4 per cent.

4.8 The production target price and intervention price for rapeseed were increased by 4 per cent, reflecting the operation of the guarantee threshold arrangements introduced in 1982-83.

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\* Converted at 1 June market rate of 1.77 ecu=£1.

† Converted at green rate of 1.62 ecu=£1.



4.9 In January following a fall in the market value of the drachma the Greek representative rate used for converting Community agricultural support prices into the national currency was devalued. In April the representative rates for Belgium and Luxembourg were valued at parity with the new central rates arising out of the March realignment of currencies in the European Monetary System (EMS). The price fixing settlement in May included revaluations of the representative rates for Germany and the Netherlands and devaluations for France, Ireland, Italy and Greece. In June the representative rates for Ireland, Belgium and Luxembourg were devalued to parity with the new central rates arising from the May EMS realignment and a two stage devaluation of the representative rate for wine for France was agreed.

#### **Butter—New Zealand**

4.10 At the Agriculture Council on 14–15 March, France and the Irish Republic lifted their reserves on the implementation of the provisions for the import of 87,000 tonnes of butter from New Zealand in 1983. Regulations had previously been adopted for imports of New Zealand butter into the United Kingdom in January, February and March and the Council then adopted a Regulation authorising the United Kingdom to import 65,250 tonnes of butter for the remaining nine months of 1983.

#### **Animal Feedingstuffs**

4.11 The Agriculture Council on 18 April agreed a Directive (83/228) which lays down guidelines for compiling dossiers for applications for new products to be included in the Annex to the certain products (single cell proteins and yeasts) used in animal nutrition (Directive 82/471).

#### **Food Contaminants**

4.12 The Foreign Affairs Council agreed on 25–26 April a Directive specifying an agreed list of materials to be used for manufacturing regenerated cellulose film intended to come into contact with foodstuffs.

#### **Grants for Marketing and Processing**

4.13 The Agriculture Council agreed in May (as noted in paragraph 4.5) a special allocation of 10 million ecus (nearly £6 million)\* for the development of the United Kingdom's pig processing industry. The aid will be given in 1983 and 1984 under the grants for projects to improve the marketing and processing of agricultural and fisheries products.

#### **European Agricultural Guidance and Guarantee Fund (EAGGF)**

4.14 Under the Guarantee section of the EAGGF, United Kingdom receipts during the period were £483 million, the main areas of benefit being payments for export refunds on cereals, milk and beef, oilseed production aids, skimmed milk aids, butter subsidies and beef and sheepmeat premiums. United Kingdom receipts from the Guidance section of the EAGGF amounted to £11 million during the period with £6 million for direct (project type) measures, and £5 million for non marketing of milk.

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\* Converted at 1 June market rate of 1.77 ecu = £1.



### **Animal Health and Welfare**

4.15 Discussions continued on Commission proposals for a directive laying down minimum standards for the protection of laying hens kept in battery cages.

### **Meat Hygiene**

4.16 Council Directive 64/433 lays down rules for the hygienic production of fresh meat for intra-Community trade, and Directive 72/462 applies similar rules to imports from third countries. The Agriculture Council on 7 February adopted extensive amendments to both Directives, updating the hygiene requirements and allowing for greater freedom of trade by reducing the scope for importing countries to apply their own national rules.

### **Fisheries—Internal Regime**

4.17 Agreement was reached at the Fisheries Council on 25 January on a comprehensive Common Fisheries Policy (CFP). It provides for new arrangements of access to existing waters which will apply for a period of at least 20 years, and includes a system for the allocation of catch quotas among member states within each area's total allowable catch (TAC). It was agreed that fishing activity will be carried out in accordance with the TACs and quotas belatedly set for 1982 until the Council approves the 1983 levels. A permanent conservation Regulation was also adopted laying down certain technical conservation measures. It prescribes minimum mesh sizes, by-catch rates, minimum fish sizes and prohibits fishing within certain areas and periods and with certain gear, for the protection of fishing grounds and stocks. A Resolution was also adopted recording a Council Decision to make EC funding available for the next three years for a number of schemes designed to adjust the capacity of the fleet and to improve productivity, including grants for the building and modernizing of vessels, grants for removing vessels from the fleet and grants for temporarily laying them up. Community measures to bring the schemes into effect were to be agreed within six months.

4.18 At the Internal Market Council on 26 May a Regulation was adopted, as a matter of urgency, permitting fishing by, and fixing provisional quota allocations for, certain member states for herring stocks in the North Sea.

4.19 At the Fisheries Council on 20 June proposals for 1983 TACs and quotas and for amendments to the conservation Regulation were discussed but no agreement was reached.

4.20 At the Fisheries Council on 30 June, proposals for further interim allocations of North Sea herring for member states and for Norway were considered, pending a Council decision on 1983 herring quotas. No agreement was reached.

### **Fisheries—External Regime**

4.21 Reciprocal fishing agreements with Norway, the Faroes, Sweden and Spain for 1983 were concluded and implemented. A trilateral agreement on the regulation of fisheries in the Skagerrak and Kattegat was concluded between the Community, Norway and Sweden.



## SECTION V : ECONOMIC, MONETARY AND BUDGETARY QUESTIONS

### Finance Council Business

5.1 Finance Ministers continued their regular reviews of the economic situation in the Community. On 7 February the Finance Council discussed the Commission's proposal to raise further loans under the New Community Instrument with a view to promoting investment in the Community. Ministers agreed that there should be an overall ceiling of 3 billion ecus (about £1,691 million)\* and that the release of individual tranches should be decided by qualified majority voting in the Council. This proposal was adopted at the April Finance Council and the ceiling of 1.5 billion ecus (about £845 million)\* for the first tranche was agreed at the June Finance Council.

5.2 At the 18 April Finance Council, agreement was reached on an outline negotiating mandate for the Commission for the OECD negotiations on guidelines for export credit terms. Ministers also considered their approach to the Williamsburg economic summit.

5.3 The 16 May Finance Council agreed that a loan for France of 4 billion ecus (about £2,254 million)\* should be made, using the Community Loan Facility; and approved the seventh Directive on the consolidated accounts of groups of undertakings.

5.4 The 13 June Council had a substantial discussion on the draft non-life insurance services directive.

### European Monetary System (EMS)

5.5 Finance Ministers met on 26-28 March to agree an adjustment of the central rates within the EMS. The Deutschemark was revalued by 5.5 per cent, the Dutch florin by 3.5 per cent, the Danish krone by 2.5 per cent and the Belgian franc by 1.5 per cent; the French franc and the Italian lira were devalued by 2.5 per cent and the Irish punt was devalued by 3.5 per cent. A further adjustment to the notional central rate for sterling in the EMS was made on 17 May 1983, based on the market exchange rates of 13 May 1983.

5.6 Sub-Committee A (Finance, Economics and Regional Policy) of the House of Lords Select Committee on the European Communities have been investigating the European Monetary System. A report is in preparation.

### Community Loans

5.7 Sub-Committee A (Finance, Economics and Regional Policy) of the House of Lords Select Committee on the European Communities published their 21st Report on the borrowing and lending operations of the European Communities in October 1982. It was debated in the House of Lords on 14 April 1983.

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\* Converted at 1 June market rate of 1.77 ecu=£1.



## **Budget Questions**

### *Supplementary and amending budget No. 1 for 1983*

5.8 In January the Commission presented the preliminary draft supplementary and amending budget No. 1 for 1983. An early supplementary budget was needed this year because of the European Parliament's rejection in December 1982 of the draft supplementary budget which would have made provision for our basic refund for 1982 (see the previous White Paper in this series). The new supplementary budget, which the European Parliament adopted unchanged on 10 February, made provision for extra expenditure of 1,337 million ecus (about £773 million)\*. Its main purpose was to reinstate the United Kingdom's basic refund for 1982 of 1,092 million ecus gross (about £631 million)\*. This sum was now divided between supplementary measures in favour of the United Kingdom of 692 million ecus gross (£400 million)\* and special energy measures of 400 million ecus (£231 million)\*. The supplementary budget provided for a further 210 million ecus (£121 million)\* of special energy measures for West Germany. This reflected the Council's agreement that West Germany should contribute only half her normal financing share to the UK's refund.

### *Refunds for 1982*

5.9 The Commission published on 23 March its decisions on the detailed allocation between public expenditure programmes and projects in the United Kingdom of the basic refund of 1,092 million ecus (about £631 million)\*. These decisions brought the cumulative total of gross refund receipts since the conclusion of the first refunds agreement on 30 May 1980 to £2,441 million. The net value of these receipts, after allowing for the United Kingdom's contribution towards them under the own resources financing arrangements, amounts to some £1,990 million. Payment of 90 per cent of the £631 million was made at the end of March and the balance is being paid later in the year.

### *1984 Preliminary Draft Budget*

5.10 On 10 June the Commission presented the 1984 preliminary draft budget. The budget totalled some 25,528 million ecus (£15,766 million)† in payment appropriations and 28,620 million ecus (£17,675 million)† in commitment appropriations. This represents an increase over 1983 of 11.5 per cent in payment appropriations and 17.75 per cent in commitment appropriations. (Note: the 1984 draft budget was established by the Budget Council on 20 and 21 July and included full provision for the United Kingdom's 1983 refund.)

## **Future Financing and the 1983 Refunds**

5.11 The 21-22 March European Council called on the Commission to put forward specific proposals on the future financing of the Community as soon as possible and on the Foreign Affairs Council to report conclusions on them to the June European Council. It also called on the Council to

\* Converted at the 1 December 1982 rate of 1.73 ecu = £1.

† Converted at 5 April, 1983 rate of 1.62 ecu = £1 (used by the Commission in drawing up the 1984 preliminary draft budget).



include in its report conclusions on the immediate budgetary problem facing the United Kingdom and agreed that figures for United Kingdom compensation in respect of 1983 should be included in the 1984 draft budget.

5.12 The Commission produced proposals on future financing in May. They proposed that the 1 per cent limit on the value added tax (VAT) take from member states be increased initially to 1.4 per cent, with provision for raising the new limit subsequently by further tranches of 0.4 per cent, subject to unanimous agreement in the Council and a three-fifths majority of votes cast in the European Parliament, without the need for ratification by national Parliaments. Under the Commission's proposals, part of the VAT would be paid according to a new financing key, based on shares of agricultural production, economic profitability and relative prosperity. This "modulated VAT" would finance expenditure on the Common Agricultural Policy in excess of 33 per cent of the budget. The Foreign Ministers discussed these proposals as well as the question of the United Kingdom's 1983 refunds at meetings in May and June.

5.13 At the European Council on 17-19 June, it was agreed that the United Kingdom would receive a net refund of 750 million ecus (£437 million)\* in respect of its contribution to the 1983 budget. The European Council confirmed that these refunds would be entered in the 1984 draft budget. The European Council also reached agreement on a declaration on long term budgetary reform. This said that negotiations would be taken forward urgently at special meetings of the Council. The results would be submitted to the European Council on 6 December. The main issues for negotiation would be greater budgetary discipline and effective control of agricultural and other Community expenditure, measures to avoid the constantly recurring problems of certain member states and to assure a more equitable sharing of the burden of financing the budget, and the Community's revenue requirements, taking into account the accession of Spain and Portugal. Decisions were to be taken in common on all these issues. The full text of the Stuttgart declaration on these subjects is at Annex E.

#### **Court of Auditors and Financial Control**

5.14 The Court of Auditors published its annual report on the 1981 accounts in the Official Journal of 31 December 1982. In May the European Parliament granted a discharge to the Commission on the implementation of the 1981 budget. The House of Commons debated the Court Auditors' 1981 annual report on 21 March 1983.

5.15 At the European Council in June it was agreed that the Court of Auditors would be asked to review the sound financial management of Community activities and to submit a report by the end of 1983.

#### **Banking**

5.16 Swift progress was made on a Directive on consolidated supervision of banking which was adopted by the Finance Council of 13 June. This Directive requires the banking supervisory authorities in member states to supervise credit institutions (banks and other bodies which both take

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\* Converted at 17 June 1983 rate of 1.71 ecu = £1.



deposits and extend credit) on a consolidated basis, taking account of the business of subsidiaries as well as the parent institution. It is required to be implemented by the ten member states by 1 July 1985. The United Kingdom has long been a strong advocate of consolidated supervision and the Bank of England makes use of this technique in its supervision of banks in this country.

### **Customs Union**

5.17 Work on harmonisation of customs and VAT legislation continued. As noted in paragraph 3.15, a number of proposals were discussed in the Internal Market Council. One Regulation and three Directives, all dealing with relief from customs duty or VAT in various circumstances, were adopted. The Regulation provides for a Community system of duty reliefs for goods permanently imported from outside the Community; a parallel VAT Directive allows VAT relief in most cases. The two remaining Directives deal with VAT relief on goods imported into one member state from another; the first deals with temporarily imported means of transport; the second with permanently imported personal property. Other proposals discussed included the 14th VAT directive which would require member states to adopt a postponed accounting system for VAT on imports of intra-Community goods and the proposal for a single administrative document for controlling exports, transit and imports of Community goods.

5.18 Germany has still to agree to abolish the exemption from VAT and excise duties on goods sold on board the "butterships" sailing on non-landing cruises from North German ports despite a European Court judgment of July 1981. This has led the Commission to take infraction proceedings in a case now before the Court.

5.19 The Commission put forward two draft directives concerning duty and tax-free allowances for international travellers. One would put the continued supply of tax-free goods to intra-Community travellers on a firm legal basis, so resolving any doubts about the continuation of this trade stemming from cases before the European Court. The other would make various adjustments to the tax-free allowances for intra-Community travellers, increasing the value limit on goods not subject to a quantitative limit from its present 210 ecus to 400 ecus over a three-year period, and the wine limit from four litres to six litres. The value limit is currently £120, but the sterling equivalent of any future increase will depend on the conversion rate applied each year for customs purposes and on movements in the currencies of other member states.

### **Excise Duties**

5.20 Judgment was expected in July on the European Court proceedings against the United Kingdom in which the Commission has alleged that the United Kingdom's duty structure discriminates in favour of home-produced beer and against imported wine. The Court has been considering the case since 1978 and gave an interim judgment in February 1980. A second oral hearing took place on 15 March 1983 in Luxembourg, following which the Advocate General gave an opinion in favour of the Commission.



## **Export Credit**

5.21 The consolidated text of the OECD Consensus on guidelines for officially supported export credits was adopted into Community law by a Council Decision on 21 February. The Decision was amended on 16 May to extend its application to 30 June 1983. A Council Decision of 1 February extended the application of the OECD Understanding on export credit for ships until 31 July 1983. The amended rules for the provision of insurance cover and finance for sub-contracts let to other Community states came into effect from 1 January.

## **SECTION VI: REGIONAL AND INDUSTRIAL AFFAIRS**

### **European Coal and Steel Community (ECSC)**

6.1 The Commission set aside over £11 million for readaptation benefits to be paid to United Kingdom redundant steelworkers under Article 56(2) of the Treaty of Paris. The amount set aside will help to fund schemes for early retirement, retraining and income support administered by the Department of Trade and Industry.

### **European Investment Bank (EIB): Loans**

6.2 EIB foreign currency loans totalling £287 million were approved to the United Kingdom over the period. £107 million of this sum went to private industry, mainly in the Assisted Areas, and £180 million went to the public sector for telecommunications, water supply, sewerage and electricity projects.

### **Regional Policy**

6.3 The size of the European Regional Development Fund (ERDF) for 1983 is about £1,117 million, of which about £1,061 million was set aside for the quota section. Allocations to the United Kingdom from the quota section for 1983 grants to industry and infrastructure projects are £260 million. The United Kingdom also continues to benefit from the first round of non-quota measures for 1981-1985, from which the United Kingdom has been allocated about £32 million. By the end of May 1983 the United Kingdom had received over £1,050 million from the Fund since it began in 1975. Consideration was given during the period to Commission proposals for a second round of non-quota measures which would make a further £85 million or so available to the United Kingdom for a second five-year period but no agreement was reached. Proposals for a new main Regulation governing the operation of the ERDF are also being considered by member states.

6.4 At the end of March the Commission presented its ideas for programmes intended to raise income levels and improve employment opportunities in designated rural Mediterranean areas. If agreed these proposals would involve expenditure of an additional 6,628 million ecus (about £3,745 million)\* from the Community budget over 1985-1990, with Italy, Greece and France receiving 45 per cent, 38 per cent and 17 per cent

\* Converted at the 1 June market rate of 1.77 ecu = £1.



respectively. Countries benefiting under the scheme would have to provide matching funds. The Foreign Affairs Council has agreed to study formal proposals from the Commission as soon as these are submitted.

### **Urban Renewal**

6.5 On 21 June the Foreign Affairs Council adopted a Regulation to provide assistance for urban renewal in Northern Ireland. The Regulation enables assistance of 100 million ecus (about £56 million)\* to be granted to public infrastructure projects contributing to urban renewal in Belfast over the three years 1983 to 1985. Support will cover a maximum of 70 per cent of costs, and eligible projects include leisure and recreation facilities, roads and transport schemes, and environmental improvements. The support is additional to the volume of expenditure which would otherwise be allocated for urban renewal.

### **Steel**

6.6 Following the agreement at the Informal Meeting of Industry Ministers in November 1982 on the need to restore price stability, the Commission published non-mandatory guide prices for the main steel products with effect from 1 January. These guide prices were revised upwards in April and May to reflect a firming up of the market and the effects of the March currency realignments within the European Monetary System.

6.7 On 25 April the Steel Council reviewed progress on restructuring and the question of prolongation after 1 July of the mandatory quota arrangements under ECSC Article 58. On the latter, the Commission were asked to bring forward detailed proposals, taking account of restructuring already accomplished. The Steel Council reconvened on 21 June to consider the Commission proposals. The Council decided to prolong the quotas for one month to ensure market stability while detailed discussions continued at Government and industry level.

### **Science and Technology Research**

6.8 The Research Council met three times, on 8 February, 10 March and 28 June. Following consideration by the February Council of the activities of the Community's Joint Research Centre (JRC), the March Council agreed to cancel the JRC's Super Sara test programme on light-water nuclear reactor safety on the grounds that it was not cost effective and duplicated work already under way elsewhere. Following consideration at earlier Councils, the June Council reached agreement on the text of a Council Resolution to establish a framework programme for Community research and development (R and D) for 1984-87. The June Council also agreed on proposals for evaluating and stimulating R and D potential; on the inclusion of work on uranium exploration/extraction under the Raw Materials Programme agreed in 1982; and on a second programme on forecasting and assessment in science and technology for 1983-87 (FAST II). Ministers also had an initial exchange of views in June on the Commission's proposals for a European

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\* Converted at the 1 June market rate of 1.77 ecu = £1.



Strategic Programme of R and D in Information Technology (ESPRIT) for 1984-88, and on a new work programme for 1984-87 for the JRC following the cancellation of the Super Sara project.

6.9 On 18 April, the Finance Council approved the conclusion by the Community of agreements with Switzerland in the COST series (European Co-operation in the Field of Science and Technology). The agreements cover projects under the Community's sectoral R and D programme in the field of medical and public health, on cellular ageing and on the registration of congenital abnormalities.

6.10 On 14 June, the Agriculture Council approved the conclusion by the Community of a COST agreement with Sweden on a project on wood as a renewable raw material under the Community's sectoral R and D programme in the field of raw materials.

### **Company and Securities Law**

6.11 Negotiations continued on the draft directives on the prospectuses to be published when securities are offered for subscription or sale to the public, on the qualifications of auditors, on collective investment funds (unit trusts), and on the proposed regulation to establish the European Economic Interest Grouping (formerly European Co-operation Grouping) and the draft European Bankruptcy Convention. The Seventh Directive on consolidated accounts was adopted on 13 June. At the end of June the Commission had still to propose an amended text of the draft fifth directive (on the structure of public companies including worker participation) which it had announced last autumn. The Commission were revising the text in the light of the European Parliament's opinion.

### **Insurance**

6.12 Work continued on the draft directive to facilitate the provision of non-life insurance services throughout the Community. The Finance Council discussed the draft directive in June but fundamental disagreements remain.

### **Industrial Property**

6.13 Work continued on the litigation arrangements needed to implement the Community Patent Convention. In connection with the proposed regulation to establish a Community trade mark system and the Council directive to approximate trade mark law of member states, the Council Working Group on Intellectual Property (Trade Marks) continued its discussions on the technical content of the proposals.

### **Commercial Agency**

6.14 The third reading in the Council Working Group of the draft directive on self-employed commercial agents was concluded and the Chairman's report was presented for discussion in the Committee of Permanent Representatives (COREPER). The United Kingdom maintains a general reservation and several specific reservations on this proposal.



## **SECTION VII: ENVIRONMENT AND TRANSPORT**

### **Environmental Issues**

7.1 The Environment Council met on 28 February and 16 June. At the first session the Council agreed the terms of a directive providing for a two-year halt to imports of harp and hooded seal pup skins and products on conservation grounds. The Directive will come into force on 1 October 1983 unless the Council decides otherwise by qualified majority on the basis of a report and proposal due from the Commission by 1 September following further studies and contacts with Canada and Norway.

7.2 On 16 June the Council discussed a wide range of proposals. It agreed a Directive to assist the control of discharges of cadmium. The Council discussed proposals introduced by the United Kingdom, the Federal Republic of Germany, and the Netherlands for Community action towards the elimination of lead in petrol. It agreed that it was willing to seek the greatest possible reduction of the level of lead in petrol on the understanding that this might extend to the complete elimination of lead. The Commission was asked to report by next April. The Council also considered proposed directives on the environmental effects of certain public and private projects and on beverage containers and a proposed regulation providing for financial support for action on the environment. There was preliminary discussion of proposed directives to strengthen controls on the transfrontier shipment of hazardous wastes and to require member states to give prior authorisation to industrial plants likely to give rise to harmful emissions to the atmosphere.

### **Inland Transport**

7.3 The Transport Council met on 23 February and 7 June. At the first Council a Commission paper on "Progress Towards A Common Transport Policy For Inland Transport" was discussed. There was general endorsement of the need for a pragmatic "step by step" approach to transport in the Community taking into account the varying circumstances in member states. The Council now awaits specific proposals from the Commission.

7.4 On 7 June the Council discussed a number of inland transport issues. Agreement in principle was reached on a Decision encouraging the commercial independence of the Community's railways and progress was made on a regulation on road haulage tariffs. The Council also discussed vehicle weights and dimensions, transport infrastructure support, a draft resolution on the Common Transport Policy and negotiations with Austria on transport problems. Work will continue on all these subjects.

### **Shipping**

7.5 The activities of Eastern bloc carriers in the Central America, East Africa and Far East trades continue to be monitored by the Commission. Negotiations continued in the Council on a draft regulation applying the competition rules of the EEC Treaty of Rome to shipping. These were based on proposals put forward by the Commission and Denmark.



The Transport Council of 7 June considered a report from the Committee of Permanent Representatives on the main issues raised by the proposals.

7.6 Following adoption by the Transport Council of 10 June 1982 of a statement on ratification by the member states of the United Nations Convention on a Code of Conduct for Liner Conferences, the Federal Republic of Germany and the Kingdom of the Netherlands deposited their national instruments of ratification of this Convention on 6 April. The Code will therefore enter into effect on 6 October 1983.

7.7 The Transport Council on 7 June agreed the substance of a decision under which member states agree to consult each other and the Commission if they adopt, or intend to adopt, counter-measures in the field of international merchant shipping in relation to third countries. The member states would also endeavour to concert any counter-measures they may take. Adoption of the decision was delayed because, due to the general election, Parliament had not yet had an opportunity to consider the proposal.

7.8 A Council Decision was taken on 28 March 1983 concerning a concerted action project in the field of shore-based maritime navigation aid systems (Cost Project 301). It provides for Community funding of up to 2.1 million ecus (£1.2 million)\* to be made available over a period of three years. Non-member states will provide further funds under a concertation agreement. The funds are to be used to meet the co-ordination costs of the project, comprising administrative support and the collation of results.

### **Civil Aviation**

7.9 The Transport Council on 7 June agreed a Directive on the liberalisation of intra-Community regional air services. This Directive will make it easier for airlines to obtain approval to operate routes between regional airports in the Community. Discussion continued in the Council on a draft directive to liberalise the control of air fares. The Commission continued its consultation with member states' experts on a directive on the transparency of financial relations between Governments and undertakings in the air transport sector. The Commission began consultation with member states' experts on a directive on the mutual recognition of air transport personnel licences. The Commission also initiated action under Article 89 of the Treaty of Rome requiring states' Governments to provide it with copies of inter-airline commercial and pool agreements.

7.10 A revised Directive on aircraft noise was formally adopted on 21 April. This Directive supersedes the 1979 Directive and brings into effect the changes for subsonic jets and propeller-driven aeroplanes recommended by the sixth meeting of the International Civil Aviation Organisation's Committee on Aircraft Noise. In addition, the Directive introduces a ban from 1 January 1988 on foreign-registered non noise-certificated subsonic jets.

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\* Converted at the 1 June market rate of 1.77 ecu=£1.



## SECTION VIII : SOCIAL AFFAIRS

### Employment

8.1 Employment Ministers met informally on 21-22 February when they discussed action against youth unemployment and the possibilities of creating jobs by reducing working time: they reaffirmed the need to help the most badly affected among the young unemployed.

8.2 The Secretary of State for Employment took the opportunity at the meeting of presenting a discussion paper outlining United Kingdom thoughts on how EC Employment Ministers could most usefully direct their efforts, notably in the fight against unemployment. The paper stressed that priority should be given to the needs of young people entering the labour market and of the long term unemployed, especially through the Social Fund, and to the development of flexible patterns of working time consistent with the needs of industry and with national practice. At the same time the paper reflected United Kingdom concern at attempts by the Community to introduce binding legislation in areas which are best dealt with by individual member states according to their own practice and traditions.

8.3 The Standing Committee on Employment met on 20 May to consider a Commission Communication on the promotion of employment for young people and the measures needed to combat youth unemployment. The Committee considered the question of working hours on the basis of a Commission memorandum on the reduction and reorganisation of working time.

8.4 On 2 June the Labour and Social Affairs Council agreed the basic texts for a revised European Social Fund to apply from 1984 onwards. The main feature of the new Fund will be the high priority accorded to schemes for young people (with a minimum 75 per cent budgetary reserve). The regional provisions of the new Fund stipulate that a maximum of 40 per cent of the main part of the Fund may be allocated to special priority regions with the remainder being concentrated on other areas of high unemployment particularly where associated with industrial or sectoral restructuring. The Council also agreed, subject to a Parliamentary reserve by the United Kingdom, a Directive providing for the protection of workers from exposure to asbestos. A Directive restricting the marketing and use of asbestos was similarly agreed at the Internal Market Council on 21 June. The agreements reached are generally in line with the Report of the Health and Safety Commission's Advisory Committee on Asbestos. The Council also had an initial exchange of views on the Commission's proposals for promoting the employment of young people, and considered two proposals on social security (see paragraph 8.9).

8.5 The Joint Council of Education and Social Affairs Ministers met on 3 June and agreed a Resolution on vocational training which provides in particular for a guarantee of training or work experience to minimum age school leavers. The Resolution is closely in line with United Kingdom training policy and the United Kingdom is putting the guarantee into effect through the new Youth Training Scheme. In considering the Resolution and a report on a separate but related programme of education pilot projects on transition from school to work, the Joint Council was able to focus on the



needs of young people as they progress from education to adult life and on the necessary inter-relationships between the education and training systems. The Council also noted oral statements from the Commission about future policy in youth exchanges.

### European Social Fund Allocations

8.6 In January the Commission announced the fifth and final set of Social Fund allocations for 1982, bringing the total United Kingdom allocation for the year to £258 million (about 30 per cent of the total). The first two allocations for 1983—amounting to £53 million for schemes in the United Kingdom—were announced in May. The following table shows the distribution among the Fund's various "areas of intervention" of the United Kingdom's allocations for 1982 and for 1983 so far—

	1982 Total	1983 (first two allocations)
	£ <i>million</i>	£ <i>million</i>
Young People ... ..	151	19
Regions ... ..	65	22
Handicapped ... ..	23	5
Migrants ... ..	10	0·6
Technical Progress ... ..	4	2
Textiles ... ..	3	4
Women ... ..	0·8	0·6
Pilot Schemes ... ..	0·6	0·03
Total ... ..	258	53

### Right of Establishment

8.7 The Directive on measures to facilitate the effective exercise of freedom of establishment and freedom to provide services for auxiliary transport workers adopted by the Council on 29 June 1982 was implemented in the United Kingdom on 1 April.

### Education

8.8 Community Education Ministers met on 2 June. They adopted a Resolution on new technologies in education which will provide for an exchange of experience and information between member states. They also agreed a report on student mobility in the Community with suggestions for ways in which it could be increased, and a policy statement on European education co-operation. In addition they had a useful exchange of views on the problems of teacher unemployment in the Community.

### Social Security

8.9 The Labour and Social Affairs Council on 2 June agreed a Commission communication containing two proposals for amending and updating Regulations 1408/71 and No. 574/72 on the application of social



security schemes to employed persons, to self-employed persons and to members of their families moving within the Community. The first amendment provides for second or subsequent accidents at work or occupational diseases to be considered in the award of benefit and also takes account of changes arising from the United Kingdom's new legislation on non-contributory maternity grant. The second provides for the existing agreement for the reimbursement of the cost of medical treatment and unemployment benefit between member states to be extended to the self-employed.

### **The Anti-Poverty Programme**

8.10 The Commission is discussing outline proposals for a second Anti-Poverty Programme with research and government experts, voluntary organisations and other interested bodies including some from the United Kingdom. Any suggestions put forward at this stage do not commit the United Kingdom Government.

## **SECTION IX : ENERGY**

9.1 The Foreign Affairs Council on 14-15 March agreed to support energy demonstration projects in 1983 with 104 million ecus (78 million ecus plus 26 million ecus carry over—£59 million)\*.

9.2 The Commission announced on 28 March that part of the United Kingdom's refunds—400 million ecus (£231 million)†—would be in the form of support for capital expenditure in the public sector on 17 projects by the gas and electricity supply industries during the financial year 1982-83. These projects are wide ranging and reflect the broad spectrum of the Community's energy objectives: security of supply; reduction of dependence on imported oil; movement away from oil generated electricity; and the more rational use of energy.

9.3 The Energy Council on 21 April reviewed progress on Community coal policy and agreed that the Commission should bring forward specific proposals covering the use of solid fuels; research and demonstration projects; social measures; and security of supply, linked to support for economic production. Recommendations encouraging the use of coal in industry and public buildings were agreed in principle.

9.4 The Council also discussed recent changes in the oil market and the implications for energy strategy, concluding that policies designed to promote diversification and the more efficient use of energy should be reaffirmed. Council approval was given to a Recommendation concerning the need for gas tariffs to be based on economic pricing principles.

### **Receipts from the Community**

9.5 The United Kingdom received from the ECSC £2.1 million in grants for coal, research and development and £11.6 million for readaptation

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\* Converted at 1 June market rate of 1.77 ecus=£1.

† Converted at 1 December market rate of 1.73 ecus=£1.



aid for miners. The European Regional Development Fund paid grants totalling £3.2 million for electricity and gas projects in the United Kingdom. In addition £231 million was received from the Community in relation to electricity and gas investment programmes as part of the budget refund arrangements. The United Kingdom Atomic Energy Authority (UKAEA) expects to receive sums of the order of £10-15 million in a full year in respect of Joint European Torus (JET) and the Authority's own fusion research programme. Payments continued to United Kingdom researchers towards research, development and demonstration work on alternative energy sources and energy saving projects and for technical projects in the hydrocarbons sector being undertaken under contract to the Commission.

## **SECTION X: THE INSTITUTIONS OF THE COMMUNITY**

### **The European Parliament**

10.1 Mr. Pieter Dankert, President of the European Parliament, paid an official visit to the United Kingdom from 22-24 June. He was received by Her Majesty The Queen and had meetings with the Prime Minister, the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and other Government Ministers. He also had meetings with CBI and TUC leaders, representatives of the political parties and the Speaker of the House of Commons.

### **Elections to the European Parliament**

10.2 The Foreign Affairs Council on 24-25 May agreed that the next elections to the European Parliament would be from 14 to 17 June 1984 (Council Decision of 2 June 1983). The Council also adopted a Resolution calling on member states "to make every effort as far as possible" to ensure that all Community nationals resident in the Community were able to vote in the 1984 elections.

### **Genscher/Colombo Solemn Declaration on European Union**

10.3 The Solemn Declaration on European Union, proposals for which were first presented by the German and Italian Foreign Ministers in November 1981, was signed by Heads of Government at the European Council on 19 June. The Solemn Declaration reaffirms the commitment to closer co-operation in all areas of Community activity and brings together in one document Community business under the Treaties and political co-operation. The Solemn Declaration is not a legal instrument and involves no Treaty amendments or increases in the powers of the Community institutions.

### **European Court of Justice**

10.4 Three cases were referred to the European Court of Justice from United Kingdom courts and the United Kingdom submitted written observations in one of these cases and five others. There were no new actions



brought against the United Kingdom by the Commission and the United Kingdom intervened in only one case brought by the Commission against member states.

10.5 The Court gave judgments of particular significance or interest for the United Kingdom on a number of cases. In *Commission v United Kingdom* on ultra heat treated (UHT) milk, the Court ruled that United Kingdom legislation requiring UHT milk to be treated and packed on registered premises effectively precluded imports and constituted a measure equivalent to a quantitative restriction contrary to Article 30 of the Treaty of Rome. The United Kingdom measures were held to exceed what would be justified on grounds of public health. Imports will now be permitted under Regulations to be made under the Importation of Milk Act 1983, which received the Royal Assent on 13 May 1983.

10.6 In *Commission v Italy*, the United Kingdom intervened in support of the Commission's contention that the application by Italy of a higher rate of taxation to spirits which had a designation of origin or provenance was contrary to Article 95 of the Treaty of Rome because it discriminated against imported spirits, including gin and whisky from the United Kingdom, and in favour of Italian spirits. The views of the United Kingdom and the Commission were upheld by the Court which held that Italy was in breach of Article 95.

10.7 *Rogers v Darthenay* concerned a reference from Plymouth Magistrates Court arising out of the prosecution of a French captain of a fishing boat. The European Court upheld the validity in Community law of the United Kingdom conservation measures prohibiting devices that obstructed fishing nets in such a way as to reduce the mesh sizes. The Court held that member states were entitled to fill the gap when the Community had not introduced detailed legislation in relation to such devices.

## SECTION XI: PARLIAMENT

11.1 Parliament was in session for 18 weeks during the period. The House of Commons Select Committee on European Legislation, etc. considered 281 Community documents and recommended 39 of these for further consideration by the House. Ten debates were held on the floor of the House of Commons covering a total of 30 documents. The House of Lords Select Committee on the European Communities considered 310 documents and recommended 78 for further scrutiny. Two reports covering six documents were presented to the House for debate and three reports covering five documents were presented to the House for information. Seven debates on the Committee's reports, covering 25 documents, were held in the House of Lords.



## ANNEX A

### MEETINGS OF THE EUROPEAN COUNCIL

<i>Date</i>	<i>Location</i>	<i>UK Ministers attending</i>
21-22 March	Brussels ... ..	Rt Hon Margaret Thatcher MP Prime Minister Rt Hon Francis Pym MC MP Secretary of State for Foreign and Commonwealth Affairs
17-19 June...	Stuttgart ... ..	Rt Hon Margaret Thatcher MP Prime Minister Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs

### MEETINGS OF THE COUNCIL OF MINISTERS

<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
17-18 January	Agriculture ... ..	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
24-25 January	Foreign Affairs ... ..	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office
25 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 Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
26 January ...	Budget ... ..	Hon Nicholas Ridley MP Financial Secretary to the Treasury
1 February ...	Internal Market ... ..	Peter Rees Esq QC MP Minister for Trade
7 February ...	Finance ... ..	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer



<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
7-8 February	Agriculture ... ..	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
8 February ...	Research ... ..	John MacGregor Esq MP Parliamentary Under-Secretary of State for Industry
21-22 February	Foreign Affairs ... ..	Rt Hon The Lord Cockfield Secretary of State for Trade Rt Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office
23 February	Transport ... ..	David Howell Esq MP Secretary of State for Transport
28 February	Environment ... ..	Giles Shaw Esq MP Parliamentary Under-Secretary of State, Department of the Environ- ment
1 March ...	Internal Market ... ..	Peter Rees Esq QC MP Minister for Trade
8-9 March ...	Agriculture ... ..	Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
10 March ...	Research ... ..	John MacGregor Esq MP Parliamentary Under-Secretary of State for Industry
15 March ...	Foreign Affairs ... ..	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Commonwealth Affairs Peter Rees Esq QC MP Minister for Trade Rt Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office
14-15 March	Agriculture ... ..	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food



<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
28 March ...	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
18 April ...	Finance ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
18-21 April	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
21 April ...	Energy ...	John Moore Esq MP Parliamentary Under-Secretary of State for Energy
25 April ...	Steel ...	Rt Hon Patrick Jenkin MP Secretary of State for Industry
25-26 April	Foreign Affairs ...	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Commonwealth Affairs
27 April ...	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
16 May ...	Finance ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer
16-18 May...	Agriculture ...	Rt Hon Peter Walker MBE MP Minister of Agriculture, Fisheries and Food Rt Hon Alick Buchanan-Smith MP Minister of State, Ministry of Agriculture, Fisheries and Food
19 May ...	ACP-European Community Special Council on Stabex	R A Browning Deputy Secretary, Overseas Development Administration represented the UK
19-20 May...	ACP-European Community Council	R A Browning Deputy Secretary, Overseas Development Administration represented the UK



<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
24-25 May ...	Foreign Affairs ...	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Commonwealth Affairs
25-26 May ...	Agriculture ...	Michael Franklin CB CMG Permanent Secretary, Ministry of Agriculture, Fisheries and Food represented the UK
26 May ...	Internal Market ...	D M Elliott UK Deputy Permanent Repre- sentative to the European Com- munities represented the UK
2 June ...	Education ...	Rt Hon Sir Keith Joseph Bt MP Secretary of State for Education and Science
2 June ...	Labour and Social Affairs	Rt Hon Norman Tebbit MP Secretary of State for Employment
3 June ...	Joint Council of Edu- cation and Employ- ment Ministers	Hon Peter Morrison MP Parliamentary Under-Secretary of State for Employment D J S Hancock Permanent Secretary, Department of Education and Science repre- sented the UK
7 June ...	Transport ...	Lord Lucas of Chilworth Lord in Waiting
13 June ...	Foreign Affairs ...	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs
13 June ...	Finance ...	D M Elliott UK Deputy Permanent Repre- sentative to the European Com- munities represented the UK
13-14 June ...	Agriculture ...	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food
14 June ...	Development ...	R A Browning Deputy Secretary, Overseas De- velopment Administration repre- sented the UK
16 June ...	Environment ...	William Waldegrave Esq MP Parliamentary Under-Secretary of State, Department of the Environ- ment



<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
20 June	Fisheries	<p>Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food</p> <p>John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food</p> <p>Rt Hon Hamish Gray Minister of State, Scottish Office</p>
21 June	Steel	<p>Rt Hon Cecil Parkinson MP Secretary of State for Trade and Industry</p> <p>Norman Lamont Esq MP Minister of State for Industry</p>
21 June	Internal Market	<p>Rt Hon Paul Channon MP Minister for Trade</p>
21-22 June	Foreign Affairs	<p>Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs</p> <p>Rt Hon Timothy Raison MP Minister for Overseas Development</p> <p>Malcolm Rifkind Esq MP Minister of State, Foreign and Commonwealth Office</p>
28 June	Research	<p>David Trippier Esq MP Parliamentary Under-Secretary of State for Industry</p>
30 June	Fisheries	<p>Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food</p> <p>John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food</p> <p>Rt Hon Hamish Gray Minister of State, Scottish Office</p>



## OTHER MEETINGS

<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
21-22 February	Informal Meeting of Employment Ministers	Rt Hon Norman Tebbit MP Secretary of State for Employment
3 March ...	Informal Meeting of Development Mini- sters	Rt Hon Timothy Raison MP Minister for Overseas Development
1 March ...	Political Co-operation Ministerial	Rt Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office
14-15 May ...	Informal Foreign Mini- sters Weekend	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Commonwealth Affairs
20 May ...	Standing Committee on Employment	John Gummer Esq MP Parliamentary Under-Secretary of State for Employment
30-31 May ...	Informal Meeting of Agriculture Ministers	Michael Franklin CB CMG Permanent Secretary, Ministry of Agriculture, Fisheries and Food represented the UK



## ANNEX B

### MAJOR PROPOSALS ADOPTED DURING THE PERIOD 1 JANUARY-30 JUNE 1983

#### **External Relations, Trade and Aid**

Council Regulation 3587/82—amending the import arrangements for certain products originating in Taiwan.

Council Regulation 3588/82—on import rules for certain Yugoslav textile products.

Council Regulation 3589/82—amending the common rules for certain textile imports originating in third countries.

Commission Regulation 539/83—introducing quantitative limits on imports of certain Turkish textiles and clothing.

Council Regulation 585/83—amending the list of liberalised products in respect of imports from Romania.

Council Regulation 586/83—amending the import arrangements in respect of certain products originating in Romania.

Council Directive 189/83—on technical regulations and standards.

Council Directive 83/265—amending Directive 77/728 on the approximation of laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of paints, varnishes, printing inks, adhesives and similar products.

#### **Agriculture and Fisheries**

Council Regulation 170/83—establishing a Community system for the conservation and management of fishery resources, including access to coastal waters.

Council Regulation 171/83—laying down certain technical conservation measures.

Council Regulation 172/83—fixing total allowable catches and quotas for 1982.

Council Regulation 173/83—allocating member states' fish quotas in the North Atlantic Fisheries Organisation Regulatory Area for 1982.

Council Regulation 174/83—allocating member states' fish quotas in Canadian waters for 1982.

Council Regulation 175/83—allocating member states' fish quotas in Norwegian waters for 1982.

Council Regulation 176/83—allocating member states' fish quotas in Swedish waters for 1982.

Council Regulation 177/83—allocating member states' fish quotas in Faroese waters for 1982.



Council Regulation 181/83—allocating member states' fish quotas in Canadian waters for 1938.

Council Regulation 642/83—determining the quantity of New Zealand butter allowed to be imported by the United Kingdom for 1 April–31 December 1983.

Council Regulation 709/83—providing for fishing by Spanish vessels in EC waters for 1983.

Council Regulation 1008/83—providing for fishing by Faroese vessels in EC waters for 1983.

Council Regulation 1009/83—providing for fishing by Norwegian vessels in EC waters for 1983.

Council Regulation 1010/83—providing for fishing by Swedish vessels in EC waters for 1983.

Council Regulation 1353/83—fixing provisional quota allocations for herring stocks in the Northern and Central North Sea.

Council Regulation 1548/83—allocating import quotas of 38,000 heifers and cows, other than those intended for slaughter, of certain mountain breeds.

Council Regulations 1549/83—allocating import quotas of 5,000 bulls, cows and heifers, other than those intended for slaughter, of certain Alpine breeds.

Council Directive 83/90—amending Council Directive 64/433 on health problems affecting intra-Community trade in fresh meat.

Council Directive 83/91—amending Council Directive 72/462 and 77/96 on health and veterinary problems upon importation of fresh meat from third countries.

Council Directive 83/229—relating to materials made of regenerated cellulose film intended to come into contact with foodstuffs.

Council Resolution of 25 January 1983—measures to adjust capacity and to improve productivity in the fisheries sector.

Council Regulations 1205/83, 1208/83, 1209/83, 1210/83, 1211/83—implementing the Council agreement on common prices for 1983–84.

### **Economic, Monetary and Budgetary**

Council Regulation 624/83—amending Council Regulation 2744/80 establishing supplementary measures in favour of the United Kingdom.

Council Regulation 625/83—establishing specific measures of Community interest relating to energy strategy.

Council Decision 83/200—empowering the Commission to contract loans under the New Community Instrument for the purpose of promoting investment within the Community.



Council Decision 83/308—implementing Decision 83/200 empowering the Commission to contract loans under the New Community Instrument for the purpose of promoting investment within the Community.

Council Directive 83/350—on the supervision of credit institutions on a consolidated basis.

### **Regional and Industrial**

Council Regulation 1739/83—introducing an exceptional measure to promote urban renewal in Belfast (Northern Ireland).

Council Decision 83/224—on the conclusion of the Agreement between the European Economic Community and the Swiss Confederation on a 4-year concerted action project in the field of cellular ageing.

Council Decision 83/225—on the conclusion of the Agreement between the European Economic Community and the Swiss Confederation on a 5-year concerted action project in the field of registration of congenital abnormalities.

Council Decision 83/329—on the conclusion of the Agreement between the European Economic Community and the Kingdom of Sweden on a 4-year programme on wood in the field of raw materials.

Council Resolution of 28 June 1983—on a 3-year plan of action for the evaluation of Community research and development.

Council Resolution of 25 July 1983—establishing a framework programme for Community research and development.

### **Environment and Transport**

Council Regulation 7284/83—the commercial independence of the railways in the management of their international passenger and luggage traffic.

Council Resolution of 7 February 1983—on the continuation and implementation of an action programme on the environment (1982 to 1986).

Council Directive 83/129—concerning the importation into member states of certain seal pups and products derived therefrom.

### **Social Affairs**

Council Resolution of 2 June 1983—on vocational training measures related to new information technologies.

### **Energy**

Council Recommendation 83/230—on the methods of forming natural gas prices and tariffs in the Community.

Council Recommendation 83/250—to the member states concerning the encouragement of investment in the use of solid fuel in industry.



Council Recommendation 83/251—to the member states concerning the encouragement of investment in the use of solid fuel in public buildings and in district heating systems.

Council Regulation 625/83—establishing specific measures of Community interest relating to energy strategy.

### **Customs and Indirect Taxation**

Council Regulation 918/83—setting up a Community system of reliefs from customs duty.

Council Directive 83/181—determining the scope of Article 14(1)(d) of Directive 77/388 as regards exemption from value added tax on the final importation of certain goods.

Council Directive 83/182—on tax exemptions within the Community for certain means of transport temporarily imported into one member state from another.

Council Directive 83/183—on tax exemptions applicable to permanent imports from a member state of the personal property of individuals.



## ANNEX C

## MAJOR MINISTERIAL SPEECHES ON COMMUNITY TOPICS

<i>Date</i>	<i>Speaker</i>	<i>Occasion</i>
12 January ...	Rt Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office	The Association of British Chambers of Commerce, Man- chester
7 February ...	Rt Hon Sir Geoffrey Howe QC MP Chancellor of the Exchequer	Press Conference in Brussels
9 February ...	Rt Hon Patrick Jenkin MP Secretary of State for Industry	CBI Southern Regional Con- ference, Maidenhead
24 February	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Common- wealth Affairs	European Luncheon Club, Lon- don
9 March ...	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Common- wealth Affairs	Diplomatic and Commonwealth Writers' Association, London
12 March ...	Rt Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office	Conservative Group for Europe Conference, Brandon Hall, Lon- don
26 March ...	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Common- wealth Affairs	Conservative Central Council, London
16 April ...	Rt Hon Francis Pym MC MP Secretary of State for Foreign and Common- wealth Affairs	South-East Cambridgeshire Conservative Association, Cam- bridge
21 April ...	John Gummer Esq MP Parliamentary Under- Secretary of State for Em- ment	European Study Conference, Brussels



<i>Date</i>	<i>Speaker</i>	<i>Occasion</i>
4 May ...	Rt Hon Douglas Hurd CBE MP Minister of State, Foreign and Commonwealth Office	East London Conservatives, London
25 May ...	Rt Hon David Howell MP Secretary of State for Transport	European Parliament Transport Committee, London
15 June ...	Rt Hon Peter Morrison MP Minister of State, Depart- ment of Employment	Federation of Personnel Ser- vices, London
17 June ...	Rt Hon Malcolm Rifkind MP Minister of State, Foreign and Commonwealth Office	Food and Drink Industries Council, London



## ANNEX D

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

<i>Date</i>	<i>Treaty or Agreement</i>
Signed ... 17 January ...	Quadrilateral Protocol on the purport of the Agreement for Data Network Cooperation. Concluded between the EC, the Swiss Confederation, the Kingdom of Sweden and Republic of Finland
Signed ... 17 January ...	Agreement in the form of an exchange of letters between the EC and the Portuguese Republic regarding prepared or preserved tomatoes falling within the sub-heading 20.02c of the Common Customs Tariff
Signed ... 25 January ...	Convention amending the convention between the EC and the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), concerning aid to refugees in the countries of the Near East
Signed ... 7 February ...	Agreement between the EC and the Government of the Revolutionary People's Republic of Guinea on fishing off the Guinean Coast with protocol defining the fishing rights and financial compensation provided for in the Agreement between the EC and the Revolutionary People's Republic of Guinea and an exchange of notes relating to the Agreement between the Revolutionary People's Republic of Guinea and the EC on fishing off the Guinean Coast
Signed ... 15 March ...	Agreement amending the Agreement between the EC and the Republic of Guinea-Bissau on fishing off the coast of Guinea-Bissau (incorporating protocol and annex)
Signed ... 24 March ...	Agreement of the Regulation of fisheries in the Skagerrak and the Kattegat in 1983 between the EC, Norway and Sweden
Signed ... 29 June ...	International Coffee Agreement 1983



## ANNEX E

### DECLARATION

#### **ADOPTED BY THE EUROPEAN COUNCIL IN STUTTGART ON 18 JUNE 1983**

At a time when the European Community is faced with enormous social and economic challenges and is in the process of negotiating a third enlargement ten years after the first accession, the European Council has decided to take broad action to ensure the relaunch of the European Community.

In the course of the coming six months a major negotiation will take place to tackle the most pressing problems facing the Community so as to provide a solid basis for the further dynamic development of the Community over the remainder of the present decade.

With regard to the importance, complexity and linkage of the problems, negotiations will be started under a special emergency procedure. For this purpose special Council sessions will take place at the level of Foreign Ministers and Finance Ministers; where necessary, other Ministers will also participate, especially Ministers of Agriculture. State Secretaries may assist the Ministers.

The result of the negotiation will be submitted to the European Council meeting in Athens on 6 December 1983.

The negotiation will cover the subjects mentioned in the conclusions of the European Council of 21-22 March 1983: the future financing of the Community, the development of Community policies, the issues relating to enlargement, particular problems of certain member states in the budget field and in other fields and the need for greater budgetary discipline.

Decisions will be taken in common on all these questions at the end.

The negotiation will aim at examining all the existing policies with particular attention to the Common Agricultural Policy.

The examination of policies will take place with the purpose on the one hand of modernizing and making more effective the existing policies and to determine the priority areas for new Community action, and on the other hand to ensure that policies are cost effective and that economies are made wherever possible.

The negotiation will in addition aim at a more balanced and equitable situation, also in financial terms from the point of view of the interests of the different member states and of the Community as a whole.

The negotiation will be based on the following guidelines :

#### **The Common Agricultural Policy**

The basic principles of the Common Agricultural Policy will be observed in keeping with the objectives set forth in Article 39 of the Treaty establishing



the EEC. The Common Agricultural Policy must be adapted to the situation facing the Community in the foreseeable future, in order that it can fulfil its aims in a more coherent manner.

The following questions will in particular be examined :

- price policy,
- thresholds for guarantees, in relation to objectives for production,
- co-responsibility of producers,
- intervention arrangements,
- arrangements on export refunds,
- substitutes and Community preferences,
- compensatory amounts,
- aids and premium arrangements,
- internal barriers to trade,
- type and size of farms, and particular situations of the various categories of farmers,
- the need for strict financial guidelines,
- external agricultural policy,
- special problems arising in certain regions, such as in the Mediterranean regions, in mountain areas or other regions at a disadvantage because of natural or economic features.

The examination will result *i.a.* in concrete steps compatible with market conditions being taken to ensure effective control of agricultural expenditure by making full use of available possibilities and examining all market organizations.

All member states must contribute to achieving the savings.

Proposals will be submitted by the Commission by 1st August 1983.

The European Council has taken note of the communications of the Commission on Integrated Mediterranean Programmes which aim in particular at modernizing Mediterranean Agriculture and its better integration into the general economy. It asks the Council to examine them as soon as the Commission's proposals are submitted.

## **Other policies**

### **Development of policies and new Community action**

The European Council is determined to develop and make more effective Community action in research, innovation and the new technologies with a view to facilitating co-operation between enterprises. On the basis of proposals by the Commission, decisions will be taken on new Community actions making use of the Community dimension to improve the international competitiveness of enterprises.

Negotiations on certain projects of an exemplary nature, *e.g.* the ESPRIT programme, should be concluded as soon as possible. Likewise concrete progress should be made toward uniform standards and norms.



The protection of the environment, employment policy, in particular concerning young people, and social policy will be given equally high priority.

### **Budgetary discipline**

Expenditure must also be controlled, in co-operation with the European Parliament, outside the agricultural sector. Policies are to be developed within the bounds of financial feasibility and supplemented through new actions which must be incorporated in a economically suitable way into Community policies.

By 1st August 1983 the Commission will present a report with proposals for increasing the effectiveness of the Community's structural funds (the Regional Fund, the Social Fund and the Guidance Sector of the EAGGF). It will concentrate on a more consistent co-ordination of policies to avoid duplication of effort and expenditure and to achieve greater budgetary discipline.

On the basis of this report, the policies in question will be reviewed and priorities determined on the basis of urgency and importance.

### **Own Resources and particular problems of certain member states**

The objective is:

—to secure the financing of Community policies and actions and their further development over a longer period of time taking into account the additional financial requirements which would flow from the accession of Spain and Portugal, while exhausting all possibilities for savings;

—to agree measures which, taken as a whole, will avoid the constantly recurrent problems between the member states over the financial consequences of the Community's budget and its financing. All appropriate ways and means will be examined to this end, in particular the proposals made by the Commission and the suggestions of certain member states with a view to ensuring equitable financial situations for all member states.

On the basis of the conclusions reached on development of policies, improving budgetary discipline and the examination of the Financial System, the extent and timing of the Community's requirements in terms of Own Resources will be determined.

### **Sound financial management**

The Court of Auditors of the European Community will be asked to review the sound financial management of Community activities and to submit a report by the end of 1983. This report will be followed up in the Court's Annual Reports.

### **Enlargement**

The accession negotiations with Spain and Portugal will be pursued with the objective of concluding them, so that the accession Treaties can be submitted for ratification when the result of the negotiation concerning the future financing of the Community is submitted.



## ANNEX F

### UNITED KINGDOM VISIBLE TRADE WITH THE EUROPEAN COMMUNITY

#### **Importance of trade with the European Community**

1. United Kingdom trade with other countries of the European Community now accounts for almost 45 per cent of our overseas trade compared with a share of about 30 per cent before accession. Six of our top seven export markets are members of the Community.

#### **Trade performance with the European Community (see Table 1)**

2. In the first six months of 1983 UK visible trade (exports plus imports) with other member countries of the European Community amounted to £27 billion (seasonally adjusted) compared with a total of almost £50 billion in the whole of 1982. There was a deficit on the balance of trade of £1.2 billion. The ratio of exports to imports was 92 per cent which although lower than in recent years remains significantly higher than the ratio at the time of accession.

#### **By commodity (see Table 2)**

3. On a crude basis the deficit on visible trade with other European Community countries amounted to £1.7 billion (not seasonally adjusted) in the first six months of 1983 compared with a deficit of £1.2 billion in the same period of last year. The ratio of exports to imports was 88 per cent, a slight fall from the figure of 91 per cent in the corresponding period of 1982. The increasing importance of North Sea Oil in the UK's trade with the rest of the Community is reflected in the increasing share of our exports (30 per cent in the first six months of 1983) accounted for by fuels. The corresponding trade surplus of £3.2 billion in this commodity was however outweighed by deficits in other areas of the trade account, particularly on manufactures, where the deficit amounted to £3.9 billion.

4. The figures in Tables 1 and 2 include trade with Greece for all years.



## ANNEX F

TABLE 1

UNITED KINGDOM TRADE WITH THE EUROPEAN  
COMMUNITY<sup>(1)</sup>

£ billion

	Exports	Imports	Visible Balance	Export/Import Ratio %
1970 ... ..	2.4	2.3	+0.1	104
1971 ... ..	2.5	2.7	-0.2	93
1972 ... ..	2.8	3.4	-0.6	83
1973 ... ..	3.9	5.2	-1.3	74
1974 ... ..	5.5	7.7	-2.1	72
1975 ... ..	6.2	8.7	-2.5	71
1976 ... ..	8.9	11.2	-2.3	80
1977 ... ..	11.7	13.6	-1.9	86
1978 ... ..	13.3	15.9	-2.5	84
1979 ... ..	17.3	19.9	-2.6	87
1980 ... ..	20.4	19.7	+0.7	104
1981 ... ..	20.9	20.9	-0.0	100
1982 ... ..	23.0	24.2	-1.3	95
1982 Jan-Jun <sup>(2)</sup>	11.4	12.1	-0.7	94
1983 Jan-Jun <sup>(2)</sup>	12.9	14.1	-1.2	92

Source: Department of Trade and Industry.

<sup>(1)</sup> 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. A full 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).

<sup>(2)</sup> Seasonally adjusted.



## ANNEX F

## UNITED KINGDOM TRADE WITH THE EUROPEAN COMMUNITY

TABLE 2  
£ billion

BY COMMODITY

	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	2.5	-0.0	98	0.1	0.6	-0.5	24	0.1	0.1	+0.0	103
1971 ...	2.6	2.8	-0.2	91	0.2	0.7	-0.5	23	0.1	0.1	+0.0	109
1972 ...	2.9	2.8	-0.9	93	0.3	0.8	-0.6	28	0.2	0.2	+0.0	112
1973 ...	3.9	5.3	-1.3	75	0.4	1.2	-0.8	29	0.3	0.2	-0.0	97
1974 ...	5.4	7.8	-2.3	70	0.6	1.7	-1.3	21	0.3	0.3	-0.0	95
1975 ...	6.4	8.9	-2.4	72	0.7	2.1	-1.5	27	0.5	0.3	-0.0	98
1976 ...	9.0	11.4	-2.3	79	1.0	2.2	-1.6	32	0.5	0.5	-0.0	96
1977 ...	11.8	14.2	-2.3	84	1.5	2.6	-1.6	39	0.5	0.5	-0.0	91
1978 ...	13.6	16.5	-2.9	82	1.5	2.8	-1.4	52	0.6	0.5	+0.0	103
1979 ...	17.5	20.9	-3.4	84	1.6	3.1	-1.6	49	0.7	0.7	+0.1	111
1980 ...	20.5	20.6	-0.0	100	1.6	3.0	-1.4	54	0.9	0.6	+0.2	131
1981 ...	21.1	21.7	-0.6	97	1.8	3.3	-1.5	51	0.7	0.8	-0.1	86
1982 ...	23.1	25.3	-2.1	92	1.9	3.7	-1.8	51	0.7	0.9	-0.2	81
1982 Jan- June(†)	11.5	12.7	-1.2	81	0.9	1.8	-0.9	48	0.4	0.5	-0.1	88
1983 Jan- June(†)	13.1	14.8	-1.7	88	0.9	2.0	-1.1	47	0.5	0.5	-0.0	96
	Fuels				Manufactures							
	Exports	Imports	Crude Balance	Export/Import Ratio %	Exports	Imports	Crude Balance	Export/Import Ratio %	Exports	Imports	Crude Balance	Export/Import Ratio %
1970 ...	0.1	0.2	-0.1	56	2.0	1.5	+0.5	131	0.5	0.5	-0.0	96
1971 ...	0.1	0.2	-0.1	61	2.1	1.8	+0.3	119	0.4	0.4	-0.0	96
1972 ...	0.1	0.2	-0.1	55	2.4	2.3	+0.0	101	0.5	0.5	-0.0	96
1973 ...	0.2	0.3	-0.1	62	3.1	3.5	-0.4	88	0.6	0.6	-0.0	96
1974 ...	0.4	0.7	-0.3	62	4.2	5.0	-0.7	85	0.7	0.7	-0.0	96
1975 ...	0.5	0.8	-0.3	58	4.8	5.5	-0.6	88	0.8	0.8	-0.0	96
1976 ...	0.8	1.0	-0.2	76	6.9	7.6	-0.7	91	0.9	0.9	-0.0	96
1977 ...	1.2	1.1	+0.1	111	8.9	9.8	-0.9	83	1.0	1.0	-0.0	96
1978 ...	1.4	1.0	+0.4	135	10.0	12.0	-2.0	80	1.1	1.1	-0.0	96
1979 ...	2.7	1.5	+1.1	169	12.2	15.3	-3.1	89	1.2	1.2	-0.0	96
1980 ...	4.3	1.5	+2.8	289	13.4	15.2	-1.7	81	1.3	1.3	-0.0	96
1981 ...	5.6	1.6	+4.0	350	12.8	15.8	-3.0	74	1.4	1.4	-0.0	96
1982 ...	6.3	1.6	+4.7	404	13.9	18.8	-5.0	66	1.5	1.5	-0.0	96
1982 Jan- June(†)	3.0	0.8	2.2	384	7.1	9.5	-2.4	75	1.6	1.6	-0.0	96
1983 Jan- June(†)	4.0	0.7	3.2	536	7.5	11.4	-3.9	66	1.7	1.7	-0.0	96

(†) Not seasonally adjusted.

Source: Overseas Trade Statistics, 1981 classification. Commodities categorised by Standard International Trade Classification.



№	Наименование	Единица измерения	Количество	Цена	Сумма
1	...	...	...	...	...
2	...	...	...	...	...
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 ИСЛАМСКАЯ РАЙОННАЯ АДМИНИСТРАЦИЯ  
 АДМИНИСТРАЦИЯ РАЙОНА ИСЛАМ