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Special Privilege to welcome - declare open.

Welcome to Greece

" " Carlson Thom.

Reunited hospitality.

20 years ago - former of Council
within Paris "Feb '61.

Since then 24 summit conferences or councils.

Europe's place different from 20 years ago.

—
Agenda.

Sov. & Ec. situation in Community
prospects.

Mutual relations with 1st countries U.S. Soviet.

North / South.

European Parliament.

—
From to Commission.

Hermann Schmitz - ? Passports? Do we have to let in?
? Poland? - we should discuss.

Something to Poland in conclusion

? Spain - role of king + need to pressure
democracy - in conclusion.

Austria - seat of institutions

2

Ortho:

Situation worse than last Dec.

Shultz' speech postponed + uncertain.

↓ Reduce in overall deficit this year.

Unempl. 7.2. $7\frac{1}{2}\%$ end of year.

Increase in unempl. - spectacular in some countries
B.N.P. higher than year than last.

U.S. B.N.P. in surplus - open parity

Interest rates going down worldwide to $10\frac{1}{2}\%$,
 $10\% \text{ or } 9\frac{1}{2}\%$.

These inflation figures too high.

Int. Rev. Sit. - reversal of dollar. Interest rates of
U.S. too high worldwide.

Investment important. Int. Rates too high,

Investment less in 70's in communities than in 1970.

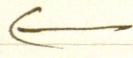
↳ towards greater deficits - (i) inflation worldwide as
(ii) deficits worldwide in
international community,

(iii) B.N.P. deficit.

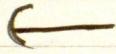
Adjustment - despite through structural means.



Lining - Nuclear Plants required
- savings of energy



Budget - Don't return to its red function.
Government costs must disappear for
reduction in赤字 or investment.



- serious effort at ~~devaluation~~ inflation.
U.S. + Japan can reallocate ~~costs~~ than Mr.
Sargent. - no real increase in wages

Room for manoeuvre limited.

L.M.S. - can control vis-a-vis the dollar

Can't ask U.S. not to fight inflation
Very own vigorous monetary policy required
- also backed up by budgetary policy

Show U.S. - certain distinctions & effects on our economies.

Community can help by presenting real problems.

President

- Rep of Lippman workers.



Need to fight against inflation
Relations with the aid countries

Level of unempl. → 10m.
lay down guidelines
to accelerate special
preps for joint council
meeting.

Lippman sit - include

Round 4 Table.

Germany - Werner - Public opinion demands that
we say something about unemployment.
Lipman - profound crisis.
Collapsed by end of year? Upward in
rest of this year.

Instruments in hands of national govt.
but community - convergence of policies
- particularly in investment and
restrictions.

Auerleider - bipartite meeting.

- in charge of ideas. Lippman reinforced?

Interest rates - increasingly monetarized.

- Fishing Problem - should be solved
- Agricultural Prices - - - fixed within deadline.
- Steel - Germany concerned. Restructuring.

Ruler of game - Non-discriminatory
market. Art St. running out.

Limited to in-depth restructuring - collapse
of steel market led to problems.

Red in manpower of $\frac{1}{3}$. Early return
investment aids - important. Subsidies linked
to reorganization.

4

Exposed to competition. Must avoid
producing countries which have
adapted protectionism.

Stagflation continues although inflation down.

Must avoid rebirth of protectionism.

Closure of markets as regards various markets.
Should give indications on guidelines.

Fiorini - Italian Measures. - Serious problems.

Policy for regional development.

Inflation - 20%.

Currency subject to sharp pressures - beyond EMS.
X change losses.

Answers to world - leakage of reserves. $\frac{1}{2} \text{ to } \frac{1}{2}$
~~in~~ in $2\frac{1}{2}$ months.

I.R. $16\frac{1}{2} \rightarrow 19\frac{1}{2}$.

Other rates $15.5 \rightarrow 20\%$.

E.C. programme 80-83. bank for action.

" to reduce inflation - aduan RT.

which is due to energy & food.

Reduce P.M.W. W.P. - Bruxelles, Parisian or other
social sectors - drastic but necessary.

1980 - Economics pursued divergent paths.

- causes?

- Concentric efforts on strengthening policies of
structural nature

Haughey. - Unemployment - principle problem

Over for reduction of problem to crisis.

- engaged on long-term investment

- expanded activity of social fund.

New job, technology & innovation.

Giscard. - Not talk about recession problem

- Fisheries - should have been solved by J. Dec.
Surchage which holds everything up.

Pensions with lands solved in no time
way.

- Industrialisation of main tasks in no way.

- Return in normal conditions -

But in uncertainty to new problem.

- New Unions in Europe.

Serious economic set-back in Community.

Drop in prod^{uct} except in Greece,
Increase in unemployment
No let-up in decline.

Concurrent monetary policy.

- without rules -

Approach does not meet to us.
Energy - investment.

Structural Change - Regulation.

Negative side. Positive side

Specific action about employment.
Early retirement.

European institutions. - Funds could be
systematically used.

Tensions caused by crisis

↓
Redistribution of Community Resources

Sectoral crisis which is not dealt with at
community level with the deal with at
sectoral level

Net contribution - Germany, France, G. Britain.

Market - reverse basic rules of markets.

PRICE, - 1982. G. Economy. Prices remained stable.
- Increase in savings - increase in reserve
BSP stability. Recovery - managed
investment law has encouraged new investments.
GDP - not yet forecast. - Weather

b

SUMMARY.

Inf. 5.

Unemp. %.

DPIP 6rd.

World economy - starting with recession
+ imbalance in Bop.

National economies can't move causes

← Oil Price explosion. - oil must be saved

Two single reason

Need for war or for stability

Monetary Committee - red of rates of interest

Not intention to use tough language.

Net Pay up position. - Gattmann's
agreements not respected.

Agreements must be honoured

~~FRA~~ does not intend to agree to any
decision which would lead to violation
of 1% VAT.

30 May 1980. - By 30th June that is

National Protectionism - must not slip into.

Did in 1971-2-3. tends to
for whole world.

National self-reliance

← Frisch - cannot understand why general agreement
by end 1980. Cannot understand why
there has not happened

- lack of debt of 10 years.

Sud - Not enthusiastic.

Quotas

- so long as not in reductions

If inflation - reduce exports - quickly

Inflation rate - keep real automatically
down.

Financial situation: EEC. Budget increased by
23%.
Over 1982 24,000 million E.C.U's

Farm Prices: → Normal rules must be
respected.

World Political sit. - Not only Tariff
Trade policy.

OPEC

Remark - L

Reduction in working hours.

Phases

OTS
Standardized
Investment.

Belgium Decentralization.
Wages moderation.

1970 ~2 %
1975 → 4.3
80-81 → 7-7.5%

Turbo Council → Market prepared.

- Stab -

- Budget. 17% VAT.
1980 budget 0.70.

1982 - 0.85%. - Remove credit from
0.71%.

1982 - 17% VAT. -
1 billion e.e.u. - ceiling rate

Criseau

Melbott & Smethills.

Plans - not anchored on
political links.

Turbo Council.

Mountain - ~~for~~ a mouse

Only one council - different agendas.

Councils - will be darterd

Prepare council seriously

Fish. - Incomprehensible.

1977

-1982