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WHITE PAPERS ON DEVELOPMENTS IN THE EUROPEAN COMMUNITY, JULY-DECEMBER 1983

Note by the Secretary of State for Foreign and Commonwealth Affairs

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, July-December 1983.

2. The attached pre-publication version is circulated for the information of the Cabinet. It will be published on 30 March.

G H

Foreign and Commonwealth Office

29 March 1984

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**Developments in the
European Community
July–December 1983**

**DEVELOPMENTS IN THE EUROPEAN COMMUNITY
JULY TO DECEMBER 1983**

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Note: Where appropriate European currency units (ecu) have been converted using the 1 December 1983 market rate of 1.74 ecu = £1 sterling.

SECTION I: INTRODUCTION

1.1 This White Paper covers the period of the Greek Presidency of the Council of Ministers from 1 July–31 December 1983. This period was dominated by the major negotiation on the future of the Community launched at the Stuttgart European Council in June.

1.2 It was agreed at the Stuttgart European Council that the negotiation should cover 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 area and in other fields, and the need for greater budgetary discipline. The negotiation was conducted at a series of special Councils. Seven such Councils were held and the results submitted to the Athens European Council on 4–6 December. The European Council was however unable to make the necessary progress for decisions to be taken on the major issues.

1.3 The post-Stuttgart negotiation was launched as the Community, with agricultural spending moving 30 per cent ahead of 1982 levels, was rapidly coming up against the own resources ceiling. This ceiling can only be increased with the unanimous agreement of member states and with the consent of national Parliaments. The Government has made it clear in its approach to the negotiations following the Stuttgart summit that the United Kingdom would only be prepared to consider the case for an increase in own resources provided that agreement was reached on:

- a more equitable arrangement for the sharing of budgetary burdens between member states, and
- strict budgetary control of agricultural and other expenditure.

1.4 The United Kingdom put forward three specific proposals in the negotiation for:

- (i) a safety net scheme for limiting net contributions to the Community budget;
- (ii) a strict financial guideline for controlling the growth of agricultural expenditure; and
- (iii) the future development of the Community.

A summary of the three papers was published in the October Supplement of the Treasury's "Economic Progress Report" and distributed widely in the main Community languages.

1.5 On the question of *budgetary imbalances* the Government considers that the problem of unfair budgetary burdens must be solved once and for all on a lasting basis applicable in an enlarged Community so as to set the development of the Community off to a new start. The United Kingdom's safety net proposal would provide such a solution. It also has the advantage of enabling member states to consider new Community spending programmes on their merits rather than in terms of their budgetary impact. It would therefore make a major contribution to the relaunch of the Community.

1.6 On the question of *budgetary discipline*, the Government's proposal for a strict financial guideline would ensure that agricultural expenditure,

which is primarily responsible for the Community's financial difficulties, is strictly controlled. Shortly before the Athens European Council in December, the French Government put forward a proposal for the control of all Community expenditure, including agricultural spending. This, and a number of other ideas, will now be the object of further negotiation.

1.7 A strict financial guideline for agricultural expenditure would also help to achieve, and to sustain over time, changes in individual commodity régimes of the *Common Agricultural Policy* (CAP) to reduce excessive production without discriminating against the interests of British farmers. Surpluses are enormously expensive to dispose of and the cause of increasing tensions in the Community's relations with many of its major trading partners, as well as with some developing countries. It is necessary to weigh the advantages and disadvantages of exporting surplus agricultural products against the vastly greater importance to the United Kingdom and to the Community of industrial exports. One focus of reform must be to restrain common price levels which have, in many cases, been set at unsustainably high levels that impose unreasonable burdens on consumers. In addition, the United Kingdom is urging that agricultural support mechanisms should be related to sensible levels of production, with thresholds introduced wherever production exceeds or threatens to exceed the possibility of economic outlets or where production is increasing more rapidly than consumption.

1.8 The necessary changes will not be achieved painlessly. In the milk sector, for example, which is at once the most expensive part of the CAP and the one most seriously out of balance, there was extensive Community discussion in the special Councils and at Athens of a supplementary levy on surplus production together with price reductions or a sustained price freeze.

1.9 The Government also attaches considerable importance to the *development of new Community policies*. Accordingly, the United Kingdom tabled a paper setting out its ideas for policies which would have an important rôle in the future development of the Community. The paper placed emphasis on the need for cost effectiveness and economy, and sought to demonstrate that in many key areas such as completion of the internal market valuable results could be obtained through co-ordinating national efforts and facilitating development and growth in ways which cost little. The United Kingdom pressed for concrete decisions at the European Council on the liberalisation of transport, particularly air services and lorry traffic; on the elimination of barriers to trade, for example by more rapid harmonisation of standards and the simplification of frontier formalities; on the liberalisation of insurance services; on the introduction of unleaded petrol; on the establishment of a solid fuels policy to promote the economic production and use of coal; and on the European Strategic Programme for Research and Development in Information Technologies (ESPRIT).

1.10 Other member states and the Commission also tabled useful papers. Much discussion focused on a memorandum by the French Government which proposed a number of ways of creating an environment favourable to closer industrial co-operation between enterprises particularly

in high technology sectors, so as to help restore European international industrial competitiveness in these areas. The United Kingdom, which attaches high priority to this objective, welcomed a number of the ideas in this memorandum.

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

1.12 In the *social and employment field*, the guidelines for the revised European Social Fund, of which the United Kingdom is a major beneficiary, were agreed and a resolution on action to tackle youth unemployment was approved.

1.13 The revised *Common Fisheries Policy* agreed in January 1983 has developed considerably, with many initial difficulties being satisfactorily overcome. The main achievements have been agreement on 1983 catch quotas, the settlement of an allocation model for future North Sea herring catches, the appointment of the first Community Inspectors, the approval of fleet restructuring measures and the early submission of quota proposals for 1984.

1.14 On *steel*, agreement was reached on short-term measures designed to tackle the continuing crisis in the Community's steel industry. The Commission's negotiating mandate for renewal of the 1983 voluntary restraint arrangements with major overseas suppliers of steel was approved by the November Foreign Affairs Council. Access to the Community market is to remain at 1983 levels. Imports from countries which do not conclude voluntary restraint arrangements will again be subject to a system of basic import reference prices.

1.15 Agreement was reached by Agriculture Ministers on the reform of the CAP régimes for *Mediterranean products*. The Community was therefore able to begin internal work on the agricultural aspects of Spanish and Portuguese accession and further, if unspectacular, progress was made in the wider *accession negotiations with Spain and Portugal*.

1.16 On the *external trade* side the Government welcomed agreement at the Foreign Affairs Council on 19 December that, as its contribution to implementing the Williamsburg Declaration on halting protectionism, the Community should advance tariff cuts agreed under the Tokyo Round of multilateral trade negotiations and exempt least developed countries from quantitative restrictions on most goods. The Community expects its trading partners to take similar action. The Community welcomed assurances from Japan that she would moderate exports of sensitive products to the Community in 1984. The Japanese Government also announced certain measures to stimulate domestic demand and facilitate imports of manufactured goods. The Community has vigorously pursued its case under the General Agreement on Tariffs and Trade (GATT) against the United States' restrictions on imports of special steels and is pressing hard for full compensation from the United States. At the Foreign Affairs Council on 29 November the Community agreed to take action against the United

States if agreement were not reached by 15 January 1984. The Community also maintained pressure on the United States Government to remove the unitary system of taxation applied by some US States.

1.17 The United Kingdom welcomed the introduction of an automatic system for setting minimum interest rates applicable under the Organisation for Economic Co-operation and Development (OECD) arrangement on guidelines for officially supported export credits (the Consensus). This should offer a more satisfactory system of fixing export credit interest rates and, in the longer term, should contribute towards the multilateral phasing out of subsidies in line with Government policy.

1.18 There was considerable activity in *political co-operation* over the period. Through close collaboration and active participation, the Community was able to contribute substantially to the successful conclusion of the Conference on Security and Co-operation in Europe (CSCE) which met in Madrid. The Community also continued to harmonise policy on other major international problems, notably the Middle East.

1.19 October saw the opening of major negotiations with African, Caribbean and Pacific states on the successor to the Second *Lomé Convention*, the Community's major contractual relationship with the developing world.

1.20 The relaunch of the European Community, which was called for at Stuttgart in June 1983, will continue to be the Government's principal goal over the coming months. Despite the inability of the European Council in Athens to reach agreement on any of the issues on the Stuttgart agenda, the Government is determined to work for an early and successful outcome to the negotiation. The Government believes that the priorities which it has established for the negotiation, and which were set out by the Prime Minister at Stuttgart, are in accordance both with national interest of the United Kingdom and with the long term interest of the Community.

SECTION II: POLITICAL CO-OPERATION

United Nations (UN)

2.1 At the 38th UN General Assembly the Community has put great effort into achieving a joint approach on the various questions discussed. In September the Greek Foreign Minister, as President in office, delivered a speech expressing the shared views of the Community on the major questions on the current international agenda.

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

2.2 By working closely together the Community was able to contribute substantially to the successful outcome of the Madrid CSCE meeting. The closing session of this conference was attended by all the EC Foreign Ministers, and the Presidency, speaking on behalf of the Community, welcomed the adoption of a balanced concluding document which gave a fresh impetus to the CSCE process initiated at Helsinki and made a positive contribution to better understanding among the nations present. Throughout

the meeting the Community attached special importance to improvements in the human dimension and was particularly gratified to note that the concluding document contained several new commitments in this field based on Western proposals. The Community reiterated the importance it attaches to the Conference on Disarmament in Europe (CDE) to be convened shortly in Stockholm.

Middle East

2.3 The Community has continued to follow closely developments in the Middle East and has made clear its concern over the deteriorating situation in Lebanon. In September, the EC Foreign Ministers called for an immediate ceasefire leading to the cessation of violence in Lebanon, and to national reconciliation. They emphasised the importance to any future settlement of the complete withdrawal of foreign forces from Lebanon except those whose presence was requested by the Lebanese Government. In November, the Community expressed its grave concern at the plight of the civilian population in the area, both Palestinian and Lebanese, and appealed once more for an immediate end to the fighting and the speedy pursuit of a negotiated settlement to the problems of the region. It was stressed that self-determination for the Palestinian people was an issue that would have to be taken into consideration in finding a just solution to the conflict.

East/West Relations

2.4 At the UN General Assembly in September, the Community made clear its concern at the growing strains in East/West relations in recent years caused by the Soviet invasion of Afghanistan and the situation in Poland, as well as the continued Soviet military build-up. It was noted that the situation had been further aggravated by the shooting down of the Korean airliner by a Soviet fighter shortly before, an act which the Community deeply deplored. In spite of this the Community reaffirmed its willingness to improve relations with the Eastern *bloc* on condition that the latter abided by internationally accepted standards of behaviour.

Poland

2.5 The Community's member states continued to take a close interest in the situation in Poland and in particular took note of the measures adopted by the Polish Government in July. They expressed concern that, whilst some of the measures went in the right direction, many of the repressive controls of martial law had been retained. They hoped that these initial steps would be followed by further measures leading to reconciliation and reform.

Afghanistan

2.6 To mark the fourth anniversary of the Soviet invasion of Afghanistan on 27 December, the Community issued a statement condemning the continued Soviet presence in Afghanistan and calling for the immediate and complete withdrawal of the occupying forces. This was seen as the key to any lasting settlement which would restore the right of the Afghan people to self-determination.

Central America

2.7 The Community continued to monitor the situation in Central America. At the UN General Assembly in September, the Community's willingness to contribute, in whatever way possible, to finding a peaceful solution to the problems of the area was made clear, but it was stressed that any lasting solution could only come from the region itself. The Community reaffirmed its support, already expressed at the European Council in Stuttgart, for the efforts of the Contadora group which brings together Colombia, Venezuela, Panama and Mexico in work to solve Central American problems. This was followed by a meeting in New York of the Foreign Ministers of the Troika (the present, preceding and succeeding Presidency) and the Contadora countries.

Chile

2.8 On 26 August the Community expressed its deep concern at the events of 11 and 12 August when repression of a popular demonstration in support of human rights and democracy resulted in the death or injury of numerous civilians. The Community also made its views known to the Chilean Government in connection with a number of specific abuses of human rights.

Cyprus

2.9 Within hours of its taking place, the Community rejected the purported declaration of independence by the Turkish community in Northern Cyprus on 15 November. The Community reaffirmed its support for the Government of President Kyprianou and called on other interested parties not to recognise the so-called independent state.

SECTION III: ENLARGEMENT, EXTERNAL RELATIONS, TRADE AND AID

Enlargement

3.1 The Community and Spain were able to reach agreement on the substance of the European Atomic Energy Community (EURATOM) chapter of the accession negotiations, and made further progress on outstanding points of the external relations and European Coal and Steel Community (ECSC) chapters. The Community and Spain agreed that application of Community obligations meant, from accession, the elimination of all obstacles to trade between Spain and Gibraltar, except as permitted by exceptions and derogations in accordance with Community law. In the case of Portugal, the Community agreed on 275 million ecu (£157.7 million) of pre-accession aid in the form of 150 million ecu (£86 million) in European Investment Bank (EIB) loans and 125 million ecu (£71.7 million) in grant aid. The Community was also able to present its negotiating position on agriculture to the Portuguese.

International Trade

3.2 The Community agreed at the December Foreign Affairs Council on its contribution to implementing the undertaking given in May 1983 at the Williamsburg Summit and OECD Ministerial meeting to "halt protectionism, and as the recovery proceeds to reverse it by dismantling trade barriers". Provided that forecasts of growth in the Community for 1985 are of the order of 2 per cent and provided the Community's principal OECD trading partners also participate, the Community will bring forward to 1 January 1985 the GATT Tokyo Round tariff reduction planned for 1986. The Community will also eliminate most of the quantitative restrictions which it imposes on imports from the least developed countries. The Community's initiative followed agreement by Japan to accelerate tariff cuts and signalled to its trading partners the seriousness which the Community attaches to efforts to roll back protectionism.

European Free Trade Association (EFTA)

3.3 The Community held meetings with Austria, Switzerland, Sweden, Norway, Finland and Iceland on a wide range of trade issues under the terms of its free trade agreements with these countries.

EC/Argentina

3.4 A further round of talks between the Community and representatives of the Argentine Government took place on 22 July, aimed at initiating discussion of the reciprocal lifting of the remaining restrictions on commercial and economic relations. The Argentine authorities have not so far agreed to enter into formal discussions. Both sides have however agreed to keep in touch and the return to democracy in Argentina offers some hope of progress.

EC/China

3.5 The President of the European Commission, M. Thorn, paid an official visit to China from 1-6 November during which he met Chairman Deng Xiaoping and Prime Minister Zhao Ziyang as well as the Ministers of Foreign Affairs and Foreign Trade. He had wide ranging discussions on internal developments in China and the European Community; the current state of bilateral relations between EC and China, with particular reference to commercial relations; and current international issues, including problems of relations between developed and developing countries. There was also some discussion about the possibility of widening the existing EC/China commercial agreement to include economic, scientific and technical co-operation. The Chinese side expressed their satisfaction with the Community's decision to allocate 6 million ecu (£3.4 million) of aid to China under its 1983 programme for technical assistance in the agricultural field.

EC/Andean Pact

3.6 On 17 December the Community signed a Co-operation Agreement with the Andean pact countries, Bolivia, Colombia, Ecuador, Peru and Venezuela. The Agreement is designed to increase commercial and economic co-operation between the two regions and to promote the development of the Andean pact countries. It follows the pattern of previous non-preferential

agreements between the Community and third countries in that the two sides agreed to accord each other most favoured nation status. The Agreement will enter into force after ratification by the member states of the Community and the Andean group.

EC/Cyprus

3.7 Following a decision of the Foreign Affairs Council on 28 November, Commission delegation led by Vice President Haferkamp visited Nicosia for discussions with the Cyprus Government about the operation of the EC/Cyprus Association Agreement in the wake of the purported declaration of independence by the Turkish Cypriot community in Cyprus. The Cypriot Foreign Minister, Mr Iacovou, subsequently visited Brussels on 7 December to continue discussions. At the Foreign Affairs Council on 19 December agreement was reached on the signature of the Second Financial Protocol to the Association Agreement under which Cyprus will receive 10 million ecu (£5.7 million) in grants, 6 million ecu (£3.4 million) in special (subsidised) loans from the Community budget and 28 million ecu (£16.1 million) in European Investment Bank loans.

United States of America

3.8 Following the imposition of measures against imports of special steels by the United States in July 1983, the Community has pursued its case within the General Agreement on Tariffs and Trade (GATT) for adequate compensation from the United States. The Foreign Affairs Council on 28-29 November decided that, if agreement had not been reached by 15 January 1984, retaliation would be taken against certain United States products.

3.9 The Community and member states have continued their representations in the United States against the unitary tax system adopted by some states. Most recently, the Community presented a note to the working party set up by President Reagan to report on the problem.

3.10 At the GATT Ministerial meeting in November 1982, the United States pressed hard for a fresh review of agricultural export subsidies. Instead, the meeting decided to set up a new Committee on Trade in Agriculture to study and make recommendations on all factors affecting agricultural trade. This Committee is due to report to the GATT Council later this year. Although it has made an encouraging start, major and difficult decisions have yet to be made.

Japan

3.11 The Foreign Affairs Council on 28-29 November welcomed the import liberalisation measures announced by the Japanese Government on 21 October which included certain tariff cuts, preferential finance for manufactured imports and recognition of the importance of upwards movement of the yen, but expressed profound concern at the continued deterioration in the balance of trade between Japan and the Community. The Council also noted that the Commission had been given further assurances of export moderation in 1984 by the Japanese Government in a number of sectors, including video tape recorders and colour television tubes.

Newsprint

3.12 In anticipation of the extension of duty free status to newsprint imports from the EFTA countries from January 1984, negotiations were held with Canada, the only other major supplier, in an attempt to reduce the GATT bound duty free quota of 1.5 million tonnes, which will no longer cover imports from Nordic EFTA countries.

Textiles

3.13 Discussions between the Commission and Turkey continued in an effort to establish a comprehensive voluntary restraint régime for Turkish exports of textiles and clothing. No agreement was reached and the Commission therefore took further action in July to stem the very high flow of certain textile and clothing imports from Turkey. Discussions took place towards the end of the year between the Commission and China about the renewal of the EC/China textile agreement, and these negotiations were to be renewed in 1984. In view of the delayed accession to the Community of Spain and Portugal, the voluntary restraint arrangements with these countries were renewed for 1984-85.

Steel

3.14 The Community approved the Commission's negotiating mandate for the renewal of voluntary restraint arrangements (VRAs) operating in 1983 and earlier years covering steel imports with 14 countries (Austria, Finland, Norway, Sweden, Australia, Japan, South Africa, South Korea, Spain, Bulgaria, Czechoslovakia, Hungary, Poland and Romania, and with Brazil on pig-iron) and a system of basic import reference prices to be applied to those countries that did not include VRAs. These measures are designed to minimise the disruption of unfairly-priced imports. For 1984 it is also proposed that there should be strict adherence to the undertaking by VRA partners to respect traditional patterns of trade by region, product and time.

Export Credit

3.15 Expanded arrangements for financing export credits in low interest rate currencies under the OECD arrangement on guidelines for officially supported export credits were adopted by written procedure on 9 August. A Council Decision of 26 October ratified the new matrix of minimum interest rates for officially supported export finance which had been introduced on 15 October 1983. The Decision also gave effect to a system which automatically adjusts the minimum interest rates every six months in line with international market (special drawing rights weighted) interest rates. On 18 July a Council Decision extended the application of the OECD understanding on export credit for ships until 31 January 1984.

Generalised Scheme of Preferences (GSP)

3.16 The Community's Generalised Scheme of Preferences for developing countries was reviewed and some adjustments were made to the 1983

Scheme. Regulations for the 1984 Scheme were adopted by the Foreign Affairs Council on 19-20 December and come into operation on 1 January 1984.

Lomé Convention

3.17 The 19 September Foreign Affairs Council approved the Community's mandate for negotiations with the African, Caribbean and Pacific (ACP) states on the successor to the current (second) Lomé Convention. Negotiations with the ACP states opened formally at Ministerial level on 6-7 October. A central negotiating group was subsequently established at official level; it met five times and discussed general objectives. Sectoral working groups for agricultural co-operation and cultural co-operation were also set up; each met once.

Food Aid

3.18 On 15 November the Development Council completed its consideration of the Commission's food aid policy paper and passed a resolution setting out future policy guidelines designed to optimise the development impact of food aid. The new guidelines provide inter alia for increasing the proportion of food aid purchased in the developing countries themselves; for tying the aid to adoption of policies designed to improve local agricultural production; and for the better use of the funds generated by the sale of food aid.

Regulation for a Special Programme to Combat Hunger in the World

3.19 On 11 July the Finance Council agreed the Regulation implementing this special programme intended to combat the underlying causes of hunger by offering aid for a range of projects in developing countries, including the establishment of strategic grain supplies, development of food strategies and afforestation schemes in normal areas.

SECTION IV : AGRICULTURE AND FISHERIES

The Common Agricultural Policy (CAP)

4.1 Following the decision at the European Council meeting in Stuttgart on 17-19 June to review all policies including the CAP, with a view to making them more effective, the Commission tabled its proposals. They were published on 28 July and took the form of general reflections on the operation of the CAP, together with a number of suggestions for the principal agricultural commodity sectors. These were later supplemented by more detailed proposals on milk, oils and fats, and monetary compensatory amounts (MCAs). Despite intensive discussions in a series of Special Council meetings prior to the European Council meeting in Athens on 4-6 December no agreement was reached.

Structural Measures

4.2 On 17 October the Commission presented its proposals for a new agricultural structures policy, broadly similar to the present one, to the Council of Agriculture Ministers. They included continuing provision for investment aid to agricultural holdings and specific assistance for the less favoured areas as well as investment aid for certain marketing and processing facilities. Entirely new, however, were measures to promote farm forestry. Discussion of the proposals has continued.

Mediterranean Acquis

4.3 The Agriculture Council on October 17-18 reached agreement after some two years of negotiations on changes in the fruit and vegetable régime in preparation for the enlargement of the Community. At the same time, the Council agreed a text which describes the broad objectives of an olive oil régime for an enlarged Community, and the principles for transition for olive oil and other vegetable oils and oilseeds to be put to Spain and Portugal.

New Zealand Butter

4.4 At the Agriculture Council on 12-13 December France and Ireland were unable to accept a Commission proposal for imports of New Zealand butter into the United Kingdom on special terms after 31 December 1983. The proposal provided for a five year arrangement from 1984 to 1988 with an import quantity of 83,000 tonnes in 1984 reduced by 2,000 tonnes a year to 75,000 tonnes in 1988. Instead a Regulation was adopted which provides an interim arrangement for the import of 13,833 tonnes of New Zealand butter during the period 1 January to 29 February 1984. The Regulation also adjusts the special levy payable on such imports and brings New Zealand butter within the scope of the normal financing arrangements for the consumer butter subsidy.

Sheepmeat

4.5 On 19 October the Council adopted a Regulation making arrangements for the import of sheep and sheepmeat during the first quarter of 1984 from third countries which have not concluded voluntary restraint agreements with the Community.

4.6 On 4 November the Commission submitted to the Agriculture Council its report on the functioning of the common organisation of the market in sheepmeat and goatmeat. The Commission concluded that the main features of the common organisation might remain but recommended a number of modifications in order to contain expenditure. The Council has set in hand an examination of these recommendations.

Animal Health

4.7 The arrangements for controlling imports of cattle and pigs into Great Britain and cattle, pigs and meat into Northern Ireland to protect livestock against foot and mouth disease under Directives 64/432 and 72/461 were due to expire on 31 December 1983. These arrangements have now been extended until 30 June 1984. Arrangements also exist under

Directive 64/432 which permit member states to accept certain categories of cattle representing less of a disease risk in respect of brucellosis from other member states without satisfying the full rigours of the Directive. These arrangements, which were due to expire on 31 December 1983, have now been extended until 31 December 1985.

Animal Feedingstuffs

4.8 On 28 July the Commission made a Directive (83/381) amending the annex to Council Directive 74/63 on the fixing of maximum permitted levels for undesirable substances and products in feedingstuffs. The Commission also made, on the same day, a Directive (83/466) amending the annexes to Council Directive 70/524 concerning additives in feedingstuffs.

Alcohol

4.9 In July the Commission amended its proposal for a regulation on the common organisation of the market in ethyl alcohol of agricultural origin, as a result of undertakings given to the European Parliament. The amended proposal envisaged the payment of aid on limited quantities of alcohol of specified agricultural origin in place of all existing national forms of production aid.

Wine

4.10 The Agriculture Council on 18-19 July agreed new general rules for wine distillations. These implemented the changes made to the basic wine Regulations in 1982.

Monetary Arrangements

4.11 In July the Council agreed, as an interim measure, to an immediate devaluation of the representative rate used for converting agricultural support prices into national currency for Greece. This devaluation applied only to pigmeat and wine and the new representative rate was superseded at the start of the marketing years in November and December by the representative rate agreed by the Council in May 1983.

European Agricultural Guidance and Guarantee Fund (EAGGF)

4.12 During 1983 United Kingdom receipts under the Guarantee Section of the EAGGF were £990 million, compared with £717 million in the previous year. Receipts during the last half of 1983 amounted to £528 million, with the main areas being payments for export refunds on cereals, milk and beef, oilseed production aids, skimmed milk aids, butter subsidies and beef and sheepmeat premiums.

4.13 United Kingdom receipts from the Guidance Section of the EAGGF amounted to £88 million in 1983 compared with £40 million in 1982. During the latter half of 1983 receipts were £77 million, with £4 million for direct (project type) measures, £3 million for non-marketing of milk and £70 million for indirect (structural) measures.

Fisheries—Internal

4.14 Progress was made on the creation of a Commission Inspectorate to ensure that control measures are applied equally fairly in each member state; the first Community Inspectors took up their posts in October. The detailed rules for the introduction of standard logbooks and landings declarations were set out in a Commission Regulation of 22 September, although for technical reasons they were not expected to be introduced before May 1984.

4.15 At the Fisheries Council on 3–4 October agreement was reached on a set of proposals to amend the Regulation on technical conservation measures which had been agreed as part of the revised Common Fisheries Policy on 25 January. Agreement was also reached on measures to make 250 million ecus (£143 million) available over the next three years to adjust the capacity of the fleet and to improve productivity; these included a Regulation providing for Community grants for the building and modernising of vessels and for development of aquaculture, and a Regulation and Directive providing Community reimbursement of 50 per cent of payments made by member states for removing vessels from the fleet, for laying up vessels temporarily, for exploratory voyages and for joint ventures.

4.16 At the Agriculture Council on 15 November *ad hoc* arrangements were agreed to permit further herring fishing in the northern and central North Sea.

4.17 At the Fisheries Council on 14 December agreement was finally reached on a model for the future percentage allocations of North Sea herring between member states at various levels of total allowable catch (TAC). TACs and quotas for 1983 were also agreed for all stocks except North Sea herring. It was decided that these 1983 levels would apply for the month of January 1984, taking account of the reciprocal fishing agreement with Norway, as an interim measure pending further Council discussion of the Commission's proposals for 1984. Pending an agreement with Norway on arrangements for fishing North Sea herring in 1985, it was agreed on 28 December by written procedure that the fishery in the northern and central North Sea should close from 1 January 1984. However it was agreed that the autumn to spring seasonal fishery in the southern North Sea could continue.

Fisheries—External

4.18 The remaining elements of the quota allocations for 1983 were approved by the Council on 4 October, including the allocation to Norway on an exceptional basis for 1983 only of 31,000 tonnes of North Sea herring. A reciprocal agreement with Finland was also concluded and agreement reached with Sao Tome and Principe and Equatorial Guinea on tuna fishing. The agreement with Senegal was extended on an interim basis for two months pending negotiation of a successor agreement. Reciprocal fishing agreements with Norway, excluding North Sea herring, and the Faroe Islands for 1984 were concluded in December. Amendments to the long-term fisheries agreement with Canada were agreed in order to facilitate its operation.

SECTION V: ECONOMIC, MONETARY AND BUDGETARY QUESTIONS

Finance Council Business

5.1 Finance Ministers met three times. At the 11 July Finance Council Ministers discussed the Community position on the Organisation for Economic Co-operation and Development (OECD) export credit consensus negotiations and prospects for the international monetary system.

5.2 At the 24 October Council, Ministers examined a number of economic and monetary issues, including non-life insurance, in preparation for the December European Council. They also discussed briefly the question of European Monetary System (EMS) interest rate subsidies and international monetary questions; and the Commission presented its proposal for an experimental scheme of European innovation loans.

5.3 Finance Ministers continued their regular reviews of the economic situation in the Community. The Finance Council on 12 December adopted the Annual Report on the economic situation and laid down economic guidelines for 1984. Ministers also discussed the operation of the Community loan mechanism.

Budget Questions

5.4 The 1984 Preliminary Draft Budget and 1983 Preliminary Draft Supplementary and Amending Budget No. 2 for 1983 were discussed by the Budget Council on 20-22 July.

Supplementary and Amending Budget No. 2 for 1983

5.5 The Budget Council also established a draft supplementary budget, which took account of a downward revision of the estimates for revenue in 1983, with increased payments of some 1,761 million ecu (£1,018 million)* for agricultural expenditure, 370 million ecu (£212 million) for "risk-sharing" compensation to the United Kingdom and Germany and some 64.5 million ecu (£37 million) for other expenditure, which included aid to Poland and urban renewal in Belfast. The United Kingdom considered that the risk-sharing payments due to them (307.5 million ecu or £176 million) were some £58 million gross, £42 million net, less than required under the provisions of the Council's 26 October 1982 agreement on 1982 refunds and subsequent regulations. The United Kingdom therefore voted against the Presidency compromise which included this provision; all other member states voted for it, except for Denmark who abstained.

5.6 The United Kingdom made it clear to the Council that it had failed to discharge in full its obligations to the United Kingdom and that the Community institutions must take the necessary action to ensure that the United Kingdom received its full entitlement.

*In this section, the actual sterling figures paid to the United Kingdom have been used where refunds have been received; all other reference to budgetary figures in this section are converted at the rate of 1.73 ecu=£1 sterling.

5.7 The European Parliament made some minor amendments to the Council's draft and the President of the Parliament adopted the supplementary budget on 24 October.

1984 Budget

5.8 The Council also established on 22 July the draft 1984 budget. This made provision of 1,202 million ecu (£695 million) for refunds to the United Kingdom and Germany in respect of 1983, including 991 million ecu (573 million) for the United Kingdom. The draft budget also provided for agricultural guarantee expenditure of 16.5 billion ecu (£9.5 billion), of which 250 million ecu (£144 million) was placed in the 'reserve' chapter of the budget. Other major elements of expenditure were the provision for the Social Fund, 1,100 million ecu (£636 million), and for the Regional Fund, 1,300 million ecu (£751 million).

5.9 The European Parliament considered the Council's draft budget in October and made amendments and modifications which taken together would have added about 546 million ecu (£316 million) in payment appropriations and 2,476 million ecu (£1,431 million) in commitment appropriations. The Council considered these amendment and modifications on 22 November and agreed to increases of 380 million ecu (£220 million) in payment appropriations and 470 million ecu (£272 million) in commitment appropriations.

5.10 The Parliament had its second reading of the 1984 budget on 15 December and voted further increases totalling 130 million ecu (£75 million) in payments and some 310 million ecu in commitments (179 million). The Parliament also voted to place the refunds for the United Kingdom and Germany in the reserve chapter 100 of the budget and to classify all the refunds as non-obligatory although the Council considered most of them to be obligatory. The vote had been preceded by a consultation meeting between the Budget Council and a delegation of the European Parliament. The Council considered the Parliament's actions on 19 December and decided to send the President of the Parliament a letter noting the Council's various disagreements with the Parliament over the 1984 budget. The President of the Parliament adopted the budget on 20 December. The adopted budget totalled some 25.4 billion ecu (£15 billion) for payment appropriations and 27.9 billion ecu (£16 billion) for commitment appropriations.

1982 Refunds

5.11 On 8 and 12 December the Commission published Decisions on the allocation of refund grants. These amended those of 23 March and increased the total provision for supplementary measures sub-programmes by 196 million ecu (about £112 million) to 888 million ecu (about £512 million) and that for energy strategy by 112 million ecu (about £64 million) to 512 million ecu (about £295 million), bringing the total 1982 refunds paid to 1,400 million ecu (about £807 million). Payment of the final portion of the 10 per cent outstanding balance on the basic refund, some £42 million, and £178 million for "risk-sharing" was made in December. This latter

payment reflected the budgetary provision made by the July Budget Council, which in the Government's view understated the United Kingdom's true entitlement by £58 million gross (£42 million net).

5.12 These Decisions brought the cumulative total of gross refund receipts since the conclusion of the first refund agreement on 30 May 1980 to £2,619 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 £2,124 million.

1983 Refunds

5.13 The European Council meeting in Stuttgart on 17-19 June 1983 agreed that provision should be made in the 1984 budget for a net refund for 1983 of 750 million ecu (about £434 million). As noted above, the Budget Council in July agreed that 991 million ecu gross provision should be entered in the 1984 budget (about £573 million). This allocated 255 million ecu (about £147 million) to energy measures, 275 million ecu (about £159 million) for employment measures, and 461 million ecu (about £267 million) for transport infrastructure measures. The necessary regulations are currently under discussion in the Council.

The Post-Stuttgart Negotiation

Budget Imbalances

5.14 In the context of the post-Stuttgart negotiation, the United Kingdom tabled a proposal for a safety net which would limit a member state's contribution to the budget in accordance with its relative prosperity and its ability to pay as measured by relative prosperity. Under a safety net, the limit on a member state's budgetary burden would be expressed as a small percentage of its gross domestic product (GDP), the percentage being related to its relative prosperity in the enlarged Community.

5.15 A number of other proposals were also discussed. These included a Danish proposal for correcting part of the imbalance between a member state's share of Community expenditure and its share of total Community GDP, the correction to be made on the expenditure side of the budget; a Commission proposal for redefining allocated Community expenditure and for combining their original modulated VAT proposal (see Developments in the European Community January-June 1983, Cmnd. 9043) with a system for measuring the difference between average *per capita* expenditure in each member state and average *per capita* expenditure in the Community as a whole; a German proposal for limits to be set on the gap between member states' VAT and expenditure shares, related to relative prosperity; and a Presidency proposal for establishing a minimum limit for each member state's share of Community expenditure also related to relative prosperity. It proved impossible to reach agreement on any of the proposals at Athens. In the United Kingdom view none of these other proposals measured the full extent of the budgetary burden or provided adequate compensation.

Budgetary Discipline

5.16 Negotiation on the major issue of budgetary discipline, centred both on reform of the operation of the Common Agricultural Policy (CAP) to control the cost of the policy, and on new procedures to provide an external constraint on the rate of growth of agricultural and other expenditure which would enable the necessary decisions to be sustained over time.

5.17 The Commission tabled proposals at the end of July on changes in the operation of the CAP (see paragraph 4.1) and the United Kingdom tabled a proposal for a financial guideline designed to ensure that, in future, agricultural expenditure was strictly controlled. The aim of the guideline would be to hold the rate of growth in EAGGF guarantee expenditure markedly below the rate of growth of the Community's own resources base. In November the Commission also tabled proposals for a financial guideline for agricultural expenditure and for improving the Community procedures for budget planning and control. Shortly before the European Council at Athens, the French tabled a paper suggesting an annual ceiling for Community expenditure as a whole. No agreement was reached at the European Council but discussions have continued.

5.18 These proposals and a number of others put forward by the Commission and other member states were discussed at seven meetings of the Special Council of Foreign and Finance Ministers between July and November. However the European Council at Athens on 4-6 December was unable to make the necessary progress for decisions to be taken on the major issues of the Stuttgart agenda.

The Court of Auditors and Financial Control

5.19 Three members of the Court of Auditors were reappointed and three new members were appointed to the Court on 17 October. In response to the conclusions of the Stuttgart Council in June, the Court produced a report on the sound financial management of Community activities, published in the Official Journal on 24 October.

5.20 The Court's annual report on the 1982 financial year was sent to the Council in December and will be considered by the Council before being sent to the European Parliament which is responsible for granting a discharge to the Commission for the implementation of the 1982 Community budget.

Customs Union

5.21 Work on harmonisation of customs and VAT legislation continued. As noted in paragraph 6.6, progress was made at two Internal Market Councils on a number of proposals. A Directive was adopted on the facilitation of physical inspections and administrative formalities relating to the carriage of goods between member states.

5.22 Initial discussion took place on two draft directives concerning duty and tax-free allowances for international travellers. One of these would make various adjustments to the tax-free allowances for intra-Community travellers, while the other is intended to 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 the trade stemming from cases before the European Court. The judgment in these cases is expected during the first quarter of 1984.

Excise duties

5.23 The European Court gave its judgment on 12 July in the case brought about by the United Kingdom's excise duties on table wine and beer. The Court ruled that the United Kingdom had failed to fulfil its obligations under Article 95 of the Treaty of Rome by taxing imported table wine more heavily, in relative terms, than domestically produced beer. The lengthy and complex judgment did not specify, however, the amount by which the Court considered the excise duty on table wine too high, nor did it indicate what action was required to remedy the situation. The full implications of the Court's decision are being examined and will be taken into account when the rates of excise duty on wine and beer are reviewed in the context of the United Kingdom's budget for the financial year 1984-85.

5.24 The Commission issued a Reasoned Opinion to the United Kingdom on 1 August, alleging that the structure of United Kingdom excise duties contravene Article 95 of the Treaty of Rome by discriminating against imported wine and in favour of home-produced made-wine and cider. The United Kingdom responded to the Reasoned Opinion in November and the Commission's reaction is now awaited.

SECTION VI: REGIONAL AND INDUSTRIAL AFFAIRS

European Investment Bank (EIB) : Loans

6.1 EIB foreign currency loans to the United Kingdom totalling £245 million were approved over the period. £6 million of this sum went to private industry, mainly in the Assisted Areas, and £239 million went to the public sector for telecommunications, water supply, sewerage and electricity projects.

Regional Policy

6.2 The size of the European Regional Development Fund (ERDF) for 1983 was 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 were £260 million. The United Kingdom also continued 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 December 1983 the United Kingdom had received over £1,222 million from the Fund since it began in 1975. In November the Commission amended its earlier proposals for a new main Regulation governing the operation of the ERDF, in pursuit of the request made to the Commission by the European Council at its meeting in Stuttgart in June 1983 to report on ways of increasing the effectiveness of the Community's structural funds, including the ERDF. Member states have begun their consideration of these new proposals. Consideration of the

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, was almost completed (the relevant Regulations were adopted in January 1984).

6.3 In July detailed examination of the Commission's proposals for Integrated Mediterranean Programmes (IMPs) began in an expert Working Group. The proposals envisage expenditure by the Community of 6,628 million ecu over the period 1985-1990 to promote the development of rural areas in Italy, Greece and France. The Working Group met on several occasions but agreement has yet to be reached on the principle of the proposals.

Urban Renewal

6.4 In December the Commission approved the first payment, £18.7 million, under Regulation 1739/83 providing assistance for urban renewal in Belfast. The money is being paid in respect of a number of infrastructure projects including leisure and Community facilities; hospital accommodation; and road, water and sewerage works.

New Policies

6.5 An important element of the discussions which have taken place since the Stuttgart Summit has been the contributions and proposals from member states for positive Community policies in sectors other than agriculture. The United Kingdom's paper set out the Government's views of the scope for positive development in new, or as yet unrealised, fields. In particular the United Kingdom's priorities encompass the need to complete the free internal market of the Community both for goods and for services such as insurance and transport to enable commerce and industry to reap the full benefits of Community membership. The United Kingdom also made clear its support, for industrial collaboration programmes where they enable the Community as a whole to make greater progress more cost-effectively than individual member states are able to achieve; and progress towards a common solid fuel policy. Some of these themes have already been taken forward in specialist Councils, such as those devoted to the internal market and industrial affairs.

Internal Market

6.6 The Internal Market Council met on 26 October and 25 November to continue discussion of the package of priority measures for completion of the internal market put forward by the European Council in December 1982. The November Council agreed the Temporary Use Regulation, which will enable professional effects, and in certain circumstances exhibition goods, to be imported temporarily into another member state without payment of taxes and without requiring any form of financial guarantee. This was adopted by the Foreign Affairs Council on 19 December. Agreement was also reached on the Frontier Facilitation Directive which was later adopted by the Transport Council on 1 December. In addition, agreement was reached in the Internal Market Council on a maximum list of data to be collected in intra-Community trade in connection with the proposed single

administrative document for customs purposes; on the level of funding for a three year Community programme to improve the infrastructure for innovation and technology transfer; and on a number of directives harmonising member states' rules on textile names and labelling, proprietary medicinal products, cosmetics and measuring instruments.

6.7 Agreement in principle was reached at the Council on 25 November on 15 directives relating to technical standards for industrial products (under Article 100 of the EEC Treaty) hitherto blocked by problems over Community certification of products from third countries. Adoption of these directives will proceed subject to parallel agreement on the Commission's proposal for a new common commercial policy regulation which is designed to combat illicit trading practices by non-member countries. The latter is still being debated. Also at the November Council, a large majority of member states were able to agree in principle on a series of guidelines for improving European standards-making to facilitate trade within the Community. Finally, following discussion in the November Council, the second motor insurance directive, which will improve the guarantees of payment of compensation due to third parties who suffer personal injury or damage to property in accidents involving motor vehicles, was adopted by written procedure on 30 December.

Industrial Policy

6.8 Following an informal meeting of Industry Ministers on 24 September the Industry Council met on 4 November. The Council agreed on the importance to European industry of developments in the field of biotechnology and telecommunications, placing particular emphasis on the need for action at the Community level in telecommunications. It accordingly established a Commission-chaired group to prepare specific proposals and report early in 1984. The Council also discussed, in the context of wider Community developments, the need to create a climate which would promote industrial co-operation and specific Community policy options which bore on industrial co-operation.

Science and Technology Research

6.9 The Research Council met twice, on 26 October (continued on 5 November) and 13 December. Commission proposals for a biotechnology programme and a telecommunications programme were discussed at the October Council. The Commission proposal for a European Strategic Research and Development Programme in Information Technologies (ESPRIT) was discussed at both Councils, though no decision was reached. A new work programme for the Community's Joint Research Centre (JRC) costing 700 million ecu (£401 million) over four years was discussed at the October Council and agreed at the December Council as was a new de-commissioning of nuclear installations programme for 1984-88 costing 12.1 million ecu (£6.9 million). The relevant decision was adopted in January. Discussions continued at both Councils on the JRC Board of Governors but without final agreement being reached. Commission proposals for a third non-nuclear energy research programme were discussed at each Council without agreement, as were proposals for nationalising Community

research structures and procedures. At the December Council there was an initial exchange of views on Commission proposals for an industrial technologies programme for 1984-87. An extension of the data processing programme until 1986 was also discussed.

6.10 On 25 November the Internal Market Council adopted a plan for developing the Community's supporting infrastructure for innovation and technology transfer for 1983-85 costing 10 million ecu (£5.7 million). Actions to be undertaken include support for the development of liaison mechanisms; European groupings of associations and venture capital companies; support for the dissemination of information between such organisations; technology exchange programmes between local authorities within the Community; training in innovation management; joint technology and market assessments; promotion of the use of industrial property rights; and the creation of an efficient common market for licensing technology.

Steel

6.11 On 25 July the Steel Council agreed to continue the mandatory quota arrangements under European Coal and Steel Community (ECSC) Article 58, formally prolonging them until the end of January 1984, with a political commitment to prolong the arrangements thereafter until the end of 1985.

6.12 During the autumn there was a sharp decline in prices for certain products on the EC steel market. Steel Ministers met to discuss this problem on 29 November, 14 December and 22 December. Agreement was reached at the last of these meetings on a series of short-term measures aimed at providing market stability. These comprised mandatory minimum prices for certain steel products, a deposit system for producers to ensure compliance with the price and quota rules, and monitoring of trade flows within the Community through the introduction of accompanying documents for all cross-border steel consignments.

6.13 These market arrangements were intended to provide a breathing space in which the EC industry carried out the essential process of reducing excess capacity. This followed a series of Commission Decisions addressed to member states, within the framework of the Steel Aids Decision (2320/81/ECSC, which required total cuts of 26.7 million tonnes in EC steel-making capacity.

Synthetic Fibres

6.14 In August the Commission asked member states to refrain for a further two years until mid-1985 from giving aids towards the creation of additional synthetic fibre production capacity and to notify in advance any aids proposed for existing capacity.

Company and Securities Law

6.15 The Commission published a revised draft of the fifth company law directive on the structure of public limited companies, including worker participation, in August and discussions began in the autumn. They are expected to take some considerable time, given the contentious and complicated issues involved. 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.

Industrial Property

6.16 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.

Information and Documentation

6.17 The Commission has put forward proposals for a Community programme for the development of the market for scientific, technical and commercial information in Europe, as a follow-up to the three plans of action in the field of information and documentation adopted by the Council in 1974, 1978 and 1981.

SECTION VII: ENVIRONMENT AND TRANSPORT

Environmental Issues

7.1 The Environment Council met on 28 November and 16 December to discuss a wide range of proposals. The United Kingdom continued to press for Community action to introduce unleaded petrol as soon as practicable and certainly no later than 1990. Agreement was reached on a Directive to control mercury discharges to water by sectors other than the chlor-alkali industry. This follows the model of other directives to regulate pollution of the aquatic environment. Other major subjects discussed, but without reaching agreement, included a proposed regulation on the transfrontier shipment of hazardous wastes; a proposed directive on combating air pollution from industrial plants; and a proposed regulation to permit Community financial support of environmental action in member states.

Transport Issues

7.2 An informal meeting of Transport Ministers took place on 6-7 October and considered in broad terms how future Transport Councils might best make progress with the draft resolutions on inland transport and on the Community road haulage quota.

7.3 The Transport Council met formally on 1 and 20 December. At the first session the Council formally adopted the Directive on Frontier Facilitation and the Regulation on Road Haulage Tariffs. The Council also discussed vehicle weights and dimensions; negotiations with Austria; air fares; infrastructure financing; Greek frontier traffic; the Community road haulage quota; and the resolution on inland transport.

7.4 On 20 December the Council continued discussions on all these inland transport issues, and considered a resolution on bilateral shipping relations. Progress reports were made on shipping competition rules, United States/consultative shipping group negotiations, the United Nations Liner Code and piracy off Lagos. Reference was also made to the ninth report by the Commission on terms of competition in inland transport. Agreement was reached on Council conclusions interpreting the Commission mandate for negotiations with Austria on transport issues.

SECTION VIII : SOCIAL AFFAIRS

Employment

8.1 Employment Ministers met informally on 29-30 September. Their discussions covered Commission proposals on youth employment, the re-organisation of working time and social measures for Greece. The Standing Employment Committee, a four sided group consisting of Employment Ministers, the Commission, and representatives of employers' organisations and trade unions, met on 22 November. They concentrated on a discussion of women's unemployment and on measures to combat it on the basis of a communication from the Commission.

8.2 On 8 December the Labour and Social Affairs Council approved a resolution on the promotion of employment for young people. This calls for increased efforts over the next five years to create additional job opportunities in order to reduce gradually and significantly the rate of unemployment among young people. The Council agreed in principle to a regulation on social measures for Greece, subject to resolution of the financial issues and overall consideration of the Greek memorandum (which seeks to improve Greece's financial benefits from Accession and to ease the application of EC competition rules to Greece). The Council also briefly discussed a revised draft directive ("the Vredeling Directive") on informing and consulting employees and the draft recommendation on the reduction and reorganisation of working time.

European Social Fund Allocation

8.3 The final Social Fund allocations for 1983 have now been announced by the Commission. The total United Kingdom allocation was £321 million. The following table shows the distribution among the Fund's various 'areas of intervention' for the United Kingdom's 1983 allocations:

						<i>£ million</i>
Young people	...	...	...	...	...	241
Regions	...	...	...	...	...	41
Handicapped	...	...	...	...	...	18
Migrants	...	...	...	...	...	8
Technical Progress	...	...	...	...	...	7
Textiles	...	...	...	...	...	4
Women	...	...	...	...	...	2
Pilot Schemes	...	...	...	...	...	(£235,000)
Total	...	...	...	...	...	321

European Social Fund Review

8.4 In October, the Commission published the new rules of the Social Fund which will cover schemes operating in 1984. The guidelines for the management of the Fund which establish its priorities were agreed by the Commission in December. The revised Fund gives greater emphasis to the training needs of young people under 25 years old. At least 75 per cent of the total Fund will be spent on schemes to assist them. In the United Kingdom the Youth Training Scheme is expected to be a substantial beneficiary.

Social Security

8.5 Social Security Ministers met informally in Athens on 7 November to exchange information on questions of common interest currently facing member states in matters of social security. The discussions centred on two main themes: how to control the growth of expenditure on social security; and methods of financing. The Commission agreed to produce a document setting out topics of mutual interest which could serve as a basis for further discussions.

8.6 The informal meeting also discussed the long standing problem of the standardisation of the system for paying family benefits where a worker was employed in one member state while his family resided in another. This followed a German request for standardisation on the basis of the legislation of the country of residence of the children rather than that of the country of employment of the worker, which is the current arrangement in most member states. No agreement was reached.

The Anti-Poverty Programme

8.7 Discussions have taken place between the Commission and representatives of the member states, voluntary organisations and other interested bodies on suggestions for the shape and content of a possible second Anti-Poverty Programme. The Commission is expected to submit proposals to the Council in 1984.

Consumer Affairs

8.8 The Consumer Affairs Council met for the first time on 12 December. The United Kingdom was represented by the Minister for Corporate and Consumer Affairs. At the Council it was agreed that there should be a Community system for the rapid exchange of information on dangers arising from the use of consumer products.

SECTION IX: ENERGY

9.1 At the Energy Council on 12 July there was general acceptance of a Commission document which analysed progress in energy in the Community since 1979. It was agreed that the paper, which set out a five-year programme for investment in energy, should be considered further by member states to identify priorities for action.

9.2 Discussion continued on the Commission's proposals for solid fuels, including coking coal, economic investment in solid fuels and coal use. No decisions were reached, but an informal meeting of Energy Ministers on 23 September re-affirmed the importance attached to the solid fuels proposals. It was also stressed by most member states that these should be looked at against a wider Community energy and budgetary background.

9.3 Multi-annual funding for energy demonstration projects was also discussed. At the 4 November Energy Council there was a consensus that this should be included in a single package together with investment in solid fuels, coking coal and social measures. However no decisions were reached.

9.4 Agreement was reached at the Energy Council of 4 November on the 1983 round of Community support for projects in the hydrocarbons sector.

Receipts from the Community

9.5 The United Kingdom received from the ECSC £2.1 million in grants for coal, research and development and £5.9 million for readaption aid for miners. The European Regional Development Fund paid grants totalling £1.8 million for electricity and gas projects in the United Kingdom. In addition £87 million was received from the Community in relation to electricity and gas investment programmes as part of the budget refund arrangements. Payments continued to United Kingdom researchers towards research, development and demonstration work on alternative energy sources and energy saving projects and for technological projects in the hydrocarbons sector being undertaken under contract to the Commission.

SECTION X : THE EUROPEAN PARLIAMENT

10.1 During this period the European Parliament was particularly concerned with the Community's 1984 budget. This is covered in Section V. The Parliament's debates also gave prominence to the questions covered by the European Council, including CAP reform and the effects of the CAP on world trade. Other main themes were the Community's institutional development, its rôle in stimulating economic recovery, and international political problems.

10.2 Mr Rifkind, Minister of State at the Foreign and Commonwealth Office, paid a visit to the Parliament during its October Session and Mr Stewart, Economic Secretary to the Treasury, did so during the December Session. Both Ministers had meetings with Mr Dankert, the President of the Parliament, and other leading members of the European Parliament. Mr MacGregor, Minister of State at the Ministry of Agriculture, Fisheries and Food, paid a similar visit to Strasbourg in September and Mr Ridley, then Financial Secretary to the Treasury, did so in July and October.

SECTION XI: EUROPEAN COURT OF JUSTICE

11.1 Two 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 nine others. Only one action was brought against the United Kingdom by the Commission and the United Kingdom intervened in one other case brought by the Commission against member states.

11.2 The Court gave judgments of particular significance or interest for the United Kingdom on a number of cases. In *Commission v United Kingdom*, the Court held that the United Kingdom was in breach of its EEC Treaty obligations by not fully implementing the Directive on Equal Treatment for men and women as regards employment. The Court accepted the Commission's arguments that the United Kingdom should have supplemented or amended the Sex Discrimination Act 1975 to provide that provisions contrary to the principle of equal treatment contained in collective agreements, the rules of undertakings and rules governing independent occupations and professions would or could be declared void or amended; and that the Directive did not allow the United Kingdom to except from the prohibition of discrimination in the 1975 Act employment in private households and in undertakings employing no more than five persons. However, the Court accepted that at present the United Kingdom remained entitled to restrict access for men to the profession of midwifery because of the personal sensitivities involved between midwife and patient.

11.3 Following an interlocutory judgment given on 27 February 1980 and reconsideration of the subject matter of the dispute by the parties, the Court delivered its final judgment in *Commission v United Kingdom* (the "Wine and Beer" case) on 12 July. This summarised in paragraph 5.23.

11.4 The Court gave judgment in *Apple and Pear Development Council v K & J Lewis and Others Ltd* on a reference from Tunbridge Wells County Court. The defendant growers challenged the lawfulness of a compulsory levy. The Court held that the levy was compatible with Community law to the extent that it financed activities which were themselves compatible with Community law. It would be contrary to Article 30 of the Treaty for such a body to advertise with the intention of discouraging the purchase of products from other member states or to disparage those products in the eyes of consumers or to advise consumers to buy domestic products solely by reason of their national origin. It was for the national court to decide whether the Apple and Pear Development Council engaged in such publicity and, if so, to what extent.

SECTION XII: PARLIAMENT

12.1 Parliament was in session for 15 weeks during the period. The House of Commons Select Committee on European Legislation considered 391 Community documents and recommended 68 of these for further

consideration by the House. Eight debates were held on the floor of the House of Commons and one debate was held in Standing Committee, covering a total of 42 documents. The House of Lords Select Committee on the European Communities considered 428 documents and recommended 109 for further scrutiny. Ten reports covering 29 documents were presented to the House for debate and one report covering one document was presented to the House for information. Eight debates on the Committee's reports, covering 11 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>
4-6 December	Athens 	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>
1 July	Fisheries 	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food Lord Gray of Contin Minister of State, Scottish Office
8 July	Special 	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs
11 July	Finance 	Rt Hon Nigel Lawson MP Chancellor of the Exchequer
11-12 July	Fisheries 	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food Rt Hon George Younger TD MP Secretary of State for Scotland John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
12 July	Energy 	Rt Hon Peter Walker MBE MP Secretary of State for Energy
18 July	Foreign Affairs ...	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Timothy Raison MP Minister for Overseas Development

<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
18-19 July	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
19 July	Special	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Nicholas Ridley MP Financial Secretary to the Treasury
20-22 July	Budget	Rt Hon Nicholas Ridley MP Financial Secretary to the Treasury
25 July	Steel	Rt Hon Cecil Parkinson MP Secretary of State for Trade and Industry Norman Lamont Esq MP Minister of State for Industry
25-26 July	Fisheries	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food Lord Gray of Contin Minister of State, Scottish Office
30 August	Special	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Nigel Lawson MP Chancellor of the Exchequer Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food
19 September	Foreign Affairs	Malcolm Rifkind Esq MP Minister of State, Foreign and Commonwealth Office
20 September	Special	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Nicholas Ridley MP Financial Secretary to the Treasury

<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
26-27 September	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food
3-4 October	Fisheries	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food Lord Gray of Contin Minister of State, Scottish Office
10-12 October	Special	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food Rt Hon Nicholas Ridley MP Financial Secretary to the Treasury Lord Gray of Contin Minister of State, Scottish Office
17-18 October	Foreign Affairs	Malcolm Rifkind Esq MP Minister of State, Foreign and Commonwealth Office
17-18	Agriculture	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
19 October	Fisheries	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food Lord Gray of Contin Minister of State, Scottish Office
24 October	Finance	Rt Hon Nigel Lawson MP Chancellor of the Exchequer
26 October	Research	David Trippier Esq MP Parliamentary Under-Secretary of State for Industry

<i>Date</i>	<i>Session</i>			<i>UK Ministers attending</i>
26 October	Internal Market	...		Rt Hon Paul Channon MP Minister for Trade
4 November	Energy	...	...	Rt Hon Alick Buchanan-Smith MP Minister of State for Energy
4 November	Industry	...	...	Alex Fletcher Esq MP Parliamentary Under-Secretary of State for Corporate and Consumer Affairs
5 November	Research	...	...	D M Elliott UK Deputy Permanent Representative to the European Communities represented the UK
9-11 November	Special	...	...	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food Ian Stewart Esq RD MP Economic Secretary to the Treasury
14-15 November	Agriculture	...	...	John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
15 November	Development	...	...	The Rt Hon Timothy Raison MP Minister for Overseas Development
22-23 November	Budget	...	...	Ian Stewart Esq RD MP Economic Secretary to the Treasury
25 November	Internal Market	...		Rt Hon Paul Channon MP Minister for Trade
28 November	Environment	...	...	Hon William Waldegrave MP Parliamentary Under-Secretary of State, Department of the Environment
28-29 November	Special	...	...	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs Rt Hon Nigel Lawson MP Chancellor of the Exchequer
29 November	Steel	...	...	Rt Hon Norman Tebbit MP Secretary of State for Trade and Industry Norman Lamont Esq MP Minister of State for Industry

<i>Date</i>	<i>Session</i>			<i>UK Ministers attending</i>
29 November	Foreign Affairs	...		Rt Hon Paul Channon MP Minister for Trade
1 December	Transport	...	...	Rt Hon Nicholas Ridley MP Secretary of State for Transport
8 December	Labour and Social Affairs			Rt Hon Tom King MP Secretary of State for Employment
12 December	Consumer Protection			Alex Fletcher Esq MP Parliamentary Under-Secretary of State for Corporate and Consumer Affairs
12 December	Finance	...	...	Ian Stewart Esq RD MP Economic Secretary to the Treasury
12-13 December	Agriculture	...	...	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
13 December	Budget	...	...	Ian Stewart Esq RD MP Economic Secretary to the Treasury
13 December	Research	...	...	David Trippier Esq MP Parliamentary Under-Secretary of State for Industry
14 December	Fisheries	...	...	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food Lord Gray of Contin Minister of State, Scottish Office
14 December	Steel	...	...	Norman Lamont Esq MP Minister of State for Industry
16 December	Environment	...	...	Hon William Waldegrave MP Parliamentary Under-Secretary of State, Department of the Environment
19 December	Foreign Affairs	...		Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Commonwealth Affairs

<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
20 December	Transport	Rt Hon Nicholas Ridley MP Secretary of State for Transport
22 December	Steel	Norman Lamont Esq MP Minister of State for Industry

OTHER MEETINGS

<i>Date</i>	<i>Session</i>	<i>UK Ministers attending</i>
5-6 September	Informal Meeting of Agriculture Ministers	Rt Hon Michael Jopling MP Minister of Agriculture, Fisheries and Food John MacGregor Esq MP Minister of State, Ministry of Agriculture, Fisheries and Food
10-11 September	Informal Meeting of Finance Ministers	Rt Hon Nigel Lawson MP Chancellor of the Exchequer
23 September	Informal Meeting of Energy Ministers	Rt Hon Alick Buchanan-Smith MP Minister of State for Energy
24 September	Informal Meeting of Industry Ministers	David Trippier Esq MP Parliamentary Under-Secretary of State for Industry
29-30 September	Informal Meeting of Employment Ministers	Rt Hon Norman Tebbit MP Secretary of State for Employment
6-7 October	Informal Meeting of Transport Ministers	Rt Hon Tom King MP Secretary of State for Transport Mrs Lynda Chalker MP Minister of State, Department of Transport
7 November	Informal Meeting of Social Security Ministers	Dr Rhodes Boyson MP Minister of State for Social Security
22 November	Standing Employment Committee	Hon Alan Clark MP Parliamentary Under-Secretary of State for Employment

ANNEX B

MAJOR PROPOSALS ADOPTED DURING THE PERIOD

External Relations, Trade and Aid

Council Regulation 3419/83—on certain detailed rules for implementation of the Industrial Products Agreement between the Community and Romania.

Council Regulation 3420/83—on import arrangements for products originating in state-trading countries, not liberalised at Community level.

Council Decision 83/675—opening for 1984 import quotas for the state-trading countries.

Council Directive 83/570—amending Directives 65/65, 75/318 and 79/319 on the approximation of provisions laid down by law, regulation or administrative action relating to proprietary medicinal products.

Agriculture and Fisheries

Council Regulation 2977/83—concerning the import system applicable to certain non-member countries in the sheepmeat and goatmeat sector in the first quarter of 1984.

Council Directive 83/646—amending the provisions of Directives 65/432 and 72/461 relating to measures on foot and mouth disease and swine vesicular disease.

Council Regulation 3284/83—amending Regulation 1035/72 on the common organisation of the market in fruit and vegetables.

Council Regulation 1949/83—on the fisheries agreement with Finland.

Commission Regulation 2807/83—on the detailed rules for logbooks and landing declarations.

Council Regulation 2931/83—setting out amendments to the technical conservation Regulation.

Council Regulation 2908/83—on a common measure for restructuring, modernising and developing the fishing industry and for developing aquaculture.

Council Regulation 2909/83—on measures to encourage exploratory fishing and co-operation through joint ventures.

Council Directive 83/515—on measures to adjust capacity in the fisheries sector.

Council Regulation 2817/83—on quota allocations for Norway.

Council Regulation 3220/83—permitting temporary fishing for herring in the northern and central North Sea.

Council Regulation 3222/83—on the 1983 quota allocations for member states of the eastern saithe stock.

Council Regulation 3223/83—on the 1983 quota allocations for member states for Baltic Sea cod.

Council Regulation 3624/83—setting TACs and quotas for all internal and joint stocks, except North Sea herring, for 1983.

Council Regulation 3682/83—applying Regulation 3624/83 for the month of January 1984 as an interim measure.

Council Regulation 3702/83—laying down interim arrangements for North Sea herring from 1 January 1984.

Economic, Monetary and Budgetary

Council Decision 83/674—adopting the Annual Report on the economic situation in the Community (1983) and laying down economic policy guidelines for 1984.

Customs and Indirect Taxation

Council Directive 83/648—on the harmonisation of the laws of the member states relating to turnover taxes—deferment of the introduction of the common system of value added tax in the Hellenic Republic.

Council Regulation 3/84—introducing arrangements for movement within the Community of goods sent from one member state for temporary use in one or more other member state.

Regional and Industrial

Council Decision 84/1—adopting a 4-year research programme to be implemented by the Joint Research Centre for the EEC and EAEC.

Council Decision 83/624—adopting a 3-year plan for innovation and technology transfer.

Environment and Transport

Council Regulation 3568/83—fixing of rates for the carriage of goods by road between member states.

Council Directive 83/643—on the facilitation of formalities and inspections in respect of the carriage of goods between member states.

Council Decision 83/573—concerning counter measures in the field of international merchant shipping.

Council Directive 83/416—on the authorisation of scheduled inter-regional air services for the transport of passengers, mail and cargo between member states.

Second Council Directive 84/5—on the approximation of the laws of member states relating to insurance against civil liability in respect of the use of motor vehicles.

Council Directive 83/572—amending Directive 65/269 concerning the standardisation of certain rules relating to authorisations for the carriage of goods by road between member states and the First Council Directive of 23 July 1962 on the establishment of common rules for certain types of carriage of goods by road between member states.

Council Directive 83/513—on limit values and quality objectives for cadmium discharges.

Social Affairs

Council Resolution of 11 July—on vocational training policies in the Community in the 1980s.

Council Directive 83/477—on the protection of workers from the risks related to exposure to asbestos at work (second individual directive within the meaning of Article 8 of Directive 80/1107).

Council Directive 83/478—amending for the fifth time (asbestos) Directive 76/769 relating to restrictions on the marketing and use of certain dangerous substances and preparations.

Council Decision 83/516—on the tasks of the European Social Fund.

Council Regulation 83/3149—on the organisation of surveys of labour costs in industry, wholesale and retail distribution, banking and insurance.

Council Regulations 2000/83 and 2001/83—amending and updating Regulations 1408/71 and 574/72 on the application of social security schemes to employed persons, self-employed persons and to members of their families moving within the Community.

ANNEX C

MAJOR MINISTERIAL SPEECHES ON COMMUNITY TOPICS

<i>Date</i>	<i>Speaker</i>	<i>Occasion</i>
12 July	Malcolm Rifkind Esq MP... Minister of State, Foreign and Commonwealth Office	The British-Hellenic Chamber of Commerce, Athens
7 September	Rt Hon The Baroness Young Minister of State, Foreign and Commonwealth Office	European Democratic Group, Biarritz
30 September	John Gummer Esq MP ... Minister of State for Em- ployment	European Study Conference, London
14 October	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Common- wealth Affairs	Conservative Party Conference, Blackpool
24 October	John Gummer Esq MP ... Minister of State for Em- ployment	Noise Control in Industry Con- ference, London
28 October	Rt Hon Paul Channon MP Minister for Trade	Swedish Chamber of Commerce, London
1 November	Alex Fletcher Esq MP ... Parliamentary Under- Secretary of State for Corporate and Consumer Affairs	Consumers in the European Community Group, London
3 November	Rt Hon Tom King MP ... Secretary of State for Employment	German Society for Foreign Policy/Anglo-German Society, Bonn
4 November	Rt Hon Sir Geoffrey Howe QC MP Secretary of State for Foreign and Common- wealth Affairs	Chatham House, London
12 November	The Earl of Avon OBE TD Parliamentary Under- Secretary of State for Energy	Anglo-German Conference on European Community Energy Matters, Wilton Park
14 November	Malcolm Rifkind Esq MP... Minister of State, Foreign and Commonwealth Office	British Chamber of Commerce of Belgium and Luxembourg, Luxembourg

<i>Date</i>	<i>Speaker</i>	<i>Occasion</i>
16 November	The Rt Hon Timothy Raison MP Minister of State for Foreign and Common- wealth Affairs and Minister for Overseas Development	The College of Europe, Bruges
23 November	Rt Hon Paul Channon MP Minister for Trade ...	Engineering Industries Association/Netherlands, British Chamber of Commerce, Amsterdam
26 November	Rt Hon the Lord Hailsham of St Marylebone Lord Chancellor	European Movement, London
9 December	Malcolm Rifkind Esq MP Minister of State, Foreign and Commonwealth Office	Scotland in Europe, Edinburgh

ANNEX D

MAJOR TREATIES AND AGREEMENTS BY THE COMMUNITY

	<i>Date</i>	...	<i>Treaty or Agreement</i>
Signed	6 July ...	...	Agreement on fisheries between the EEC and the Government of Finland
Signed	20 July	...	Protocol to the co-operation agreement between the EEC and the Republic of Tunisia consequent on the accession of the Hellenic Republic to the Community
Signed	20 July	...	Protocol to the Agreement between the member states of the European Coal and Steel Community and the Republic of Tunisia consequent on the accession of the Hellenic Republic to the Community
Signed	26 July	...	Agreement in the form of an exchange of letters establishing certain procedures for the use to the system of generalised tariff preferences following the entry into force of the agreement between the member states of the European Coal and Steel Community and the European Coal and Steel Community, of the one part, and the Socialist Federal Republic of Yugoslavia, of the other part
Signed	26 July	...	Protocol concerning the arrangements to be applied during 1983, in the framework of the decision adopted by the EEC-Cyprus Association Council on 24 November 1980 establishing the process into the second stage of the association agreement between the EEC and Republic of Cyprus
Signed	14 September ...		Agreement between the EEC and the Government of the Republic of Equatorial Guinea on fishing off the coast of Equatorial Guinea (with Annexe and Protocol with an exchange of letters applying provisionally the agreement)

ANNEX E

UNITED KINGDOM TRADE WITH THE EUROPEAN COMMUNITY

Note: All figures in the following text and accompanying table are on the Balance of Payments basis. Figures for 1983 are provisional. Figures for Greece are included in all years.

Importance of trade with the European Community

United Kingdom trade with other countries of the European Community now accounts for 43 per cent of our overseas trade compared with a share of about 30 per cent before accession. In recent years the Federal Republic of Germany has been the United Kingdom's top or second export market and all other member countries, apart from Greece, are among our top dozen export markets.

Trade performance with the European Community

In 1983 United Kingdom trade (exports plus imports) with other member countries of the European Community amounted to some £55 billion, with a deficit on the balance of visible trade of £2.5 billion. The ratio of exports to imports was 91 per cent. This represents a deterioration from the position in the peak years of 1980 and 1981 but is a marked improvement on earlier years.

By Commodity

The continued growth in importance of North Sea Oil in our overseas trade with other countries of the European Community is reflected in the increased share (31 per cent in 1983) of our exports accounted for by fuels. The trade surplus on that commodity, some £6.7 billion, was more than offset by deficits in such other areas of the account as manufactures and food, beverage and tobacco.

UNITED KINGDOM TRADE WITH THE EUROPEAN COMMUNITY

£ billion, BALANCE OF PAYMENTS BASIS

BY COMMODITY

	Total Trade				Food, Beverages and Tobacco				Basic Materials			
	Exports	Imports	Balance	Export/Import Ratio %	Exports	Imports	Balance	Export/Import Ratio %	Exports	Imports	Balance	Export/Import Ratio %
	1970 ...	2.4	2.3	+0.1	104	0.1	0.6	-0.4	24	0.1	+0.0	109
1971 ...	2.5	2.7	-0.2	93	0.1	0.7	-0.6	22	0.1	+0.0	117	
1972 ...	2.8	3.4	-0.6	83	0.2	0.7	-0.5	27	0.2	+0.0	117	
1973 ...	3.0	5.2	-1.3	74	0.3	1.1	-0.8	28	0.2	+0.0	101	
1974 ...	5.5	7.7	-2.1	72	0.3	1.7	-1.3	20	0.3	-0.0	99	
1975 ...	6.2	8.7	-2.5	71	0.5	2.1	-1.6	26	0.3	+0.0	103	
1976 ...	8.9	11.2	-2.3	80	0.7	2.2	-1.5	32	0.5	+0.0	103	
1977 ...	11.7	13.6	-1.9	86	1.0	2.4	-1.5	40	0.6	+0.1	103	
1978 ...	13.3	15.9	-2.5	84	1.4	2.7	-1.3	53	0.6	+0.1	119	
1979 ...	17.3	19.9	-2.6	87	1.5	3.0	-1.5	50	0.8	+0.1	119	
1980 ...	20.4	19.7	+0.7	104	1.6	2.9	-1.3	55	0.9	+0.3	141	
1981 ...	20.9	20.9	+0.0	100	1.7	3.1	-1.4	55	0.7	-0.1	91	
1982 ...	23.0	24.2	-1.3	95	1.9	3.5	-1.7	53	0.7	-0.1	89	
1983(p) ...	26.5	28.9	-2.5	91	2.0	4.0	-2.0	49	0.9	-0.1	90	
Manufactures												
	Total Trade				Food, Beverages and Tobacco				Basic Materials			
	Exports	Imports	Balance	Export/Import Ratio %	Exports	Imports	Balance	Export/Import Ratio %	Exports	Imports	Balance	Export/Import Ratio %
	1970 ...	0.1	0.1	-0.0	71	2.0	1.4	+0.5	137			
1971 ...	0.1	0.2	-0.1	75	2.1	1.7	+0.3	119				
1972 ...	0.2	0.2	-0.1	67	2.3	2.3	+0.0	98				
1973 ...	0.2	0.3	-0.1	71	3.0	3.5	-0.5	87				
1974 ...	0.5	0.6	-0.2	70	4.3	5.0	-0.6	87				
1975 ...	0.5	0.7	-0.3	65	4.7	5.4	-0.7	87				
1976 ...	0.8	0.9	-0.2	83	7.4	7.4	+0.0	91				
1977 ...	1.2	1.0	+0.2	120	8.7	9.4	-0.8	92				
1978 ...	1.4	0.9	+0.4	146	9.7	11.5	-1.8	84				
1979 ...	2.7	1.5	+1.2	181	12.0	14.6	-2.6	82				
1980 ...	4.3	1.4	+2.9	302	13.3	14.4	-1.2	92				
1981 ...	5.2	1.5	+4.0	364	12.5	15.1	-2.6	83				
1982 ...	6.3	1.5	+4.8	420	13.7	18.1	-4.3	76				
1983(p) ...	8.1	1.5	+6.7	555	15.0	22.1	-7.0	68				

(p) provisional

Source: Department of Trade and Industry.