



Foreign and Commonwealth Office

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Cabinet Office

*Dear Private Secretary,*

TOPICAL POINTS ON EUROPEAN COMMUNITY MATTERS

I attach the latest set of non-confidential 'Topical Points'.

The purpose of 'Topical Points' is to help keep Ministers, some backbenchers and MEPs briefed periodically on points of current interest.

*Yours ever,*

*Brian Donaldson*

Brian Donaldson  
Assistant Private Secretary  
to Malcolm Rifkind



TOPICAL POINTS ON THE EUROPEAN COMMUNITY  
NOVEMBER 1984

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## TOPICAL POINTS

### 1. General

The Fontainebleau agreement, reached by Heads of Government in June put the Community's finances on a sound, equitable basis. In future the United Kingdom will contribute only its fair share of the Community budget- roughly half what we would have had to pay without an agreement.

Work is now in hand to implement the Fontainebleau agreement. Britain has received 90% of her 1983 refund (£528 m gross out of a total of £587 m gross - £440 m net). The Council has agreed a common position on the measures necessary to guarantee the effective application of budget discipline. Significant progress was made in October towards unblocking a number of related budget issues.

The agreement reached at Fontainebleau creates a real opportunity to embark on a programme of action for the future development of the Community. The UK's ideas were put forward in our paper Europe - the Future in June. The completion of the internal market is vital for industry and job creation in the Community (see section 5). But there is more to it than that. A summary of our ideas is at Annex A.



## 2. Community Budget

### (a) Budget Imbalances

At Fontainebleau the UK secured agreement to:

- an abatement of 1000 mecu (£590 million) in respect of 1984;
- for 1985 and subsequent years an abatement equivalent to 66% of its budgetary burden, measured on the basis of the gap between our VAT and our expenditure share of the Community's allocated budget.

Both the abatement for 1984 and the abatements for subsequent years will be made by reduction of the UK's VAT payments. This system will replace the refunds, taking the form of additional Community expenditure that have hitherto applied.

The agreement represents a lasting solution to the UK's budget problem. The budget mechanism will form part of, and last as long as, the revised own resources decision, also agreed at Fontainebleau, and can therefore only be changed with the agreement of the UK Government and Parliament.

### (b) Budget Discipline

The Council has fulfilled the mandate given to it by Heads of Government at Fontainebleau. On 12 November Finance Ministers agreed a common position on the measures necessary to guarantee the effective application of budget discipline. This text is the culmination of our efforts over a number of years. For the first time in the Community the Council will

- (i) fix each year the maximum level of expenditure for all Community policies;



(ii) so proceed that net expenditure relating to agricultural markets will increase less than the rate of growth of the own resources base.

These measures, which will be incorporated in the Community's budget procedures, powerfully reinforce the efforts we are making, and will make in the agricultural price fixing, to curb the growth of agricultural expenditure and to provide a sound financial basis for Community policies.

The text agreed by Finance Ministers and endorsed by the Foreign Affairs Council on 12 November will be discussed at a dialogue meeting with the European Parliament on 21 November. It is hoped that it will be formally adopted by the Council as soon as possible thereafter. This will constitute fulfilment of the conditions we attached to our willingness to contribute to the inter-governmental agreement in respect of 1984 and we would then put that agreement to the House.

(c) New Own Resources

It was agreed at Fontainebleau that the ceiling on own resources should be increased to 1.4% of VAT at the latest by 1 January 1986, provided that national Parliaments agreed. As a result of the budget agreement, while the VAT ceiling will be increased to 1.4% for the Community as a whole, the United Kingdom will be contributing substantially less than it is at present liable to contribute under the 1% limit. The Government will only be prepared to recommend the increase to Parliament when satisfactory arrangements for the control of Community expenditure are in place. There can be no further increase in the ceiling without the consent of all Member States and of national Parliaments.

Discussions are continuing in the Council on the incorporation of the budget mechanism agreed at Fontainebleau and the decision to increase the VAT ceiling to 1.4% in a revised own resources



decision. Most of the points in the text have now been agreed. The only major problem which remains to be resolved is how soon new own resources will be made available. At the Foreign Affairs Council on 2/3 October, nine Member States could agree to a transitional arrangement for 1985 with an interim VAT rate of 1.24% in order to finance the Community's inescapable financial obligations in 1985, including the UK's abatement of £590 million in respect of 1984. This solution would ensure that additional financing was kept within the own resources framework. The Germans blocked agreement. They want the increase in the VAT ceiling to take effect on 1 January 1986 to coincide with the date of enlargement. Despite the absence of agreement on additional financing for 1985 all Member States reaffirmed their commitment to pay the UK abatement of £590 million on the revenue side in 1985, as agreed at Fontainebleau.

"An increase (in the Community's own resources) is needed to finance sensible new policies that will be of potential benefit to Britain. An increase is needed as well to support a prudent expansion of the regional and social funds, of which we are among the largest beneficiaries. An increase is needed to bring Spain and Portugal into the Community. That is of major importance to the Alliance. It is also needed to allow other Member States to pay Britain's refund."

Sir G Howe, 10 July 1984  
House of Commons

(d) 1984 Supplementary Budget

It was agreed at Fontainebleau that steps would be taken to deal with the problem of the forecast 1984 budget overrun caused by market developments which meant that the Community's commitments to farmers outstripped the finance provided in the 1984 budget. The UK insisted that the first priority was to look for ways of reducing expenditure and that only when all possible savings had been found could the Community consider how to cope with the problem. Largely as a result of our efforts the size of the



overrun was reduced from the Commission's original estimate of 2.3 billion ecu (£1.3 billion) to less than half - 1 billion ecu (£590 million). At the Foreign Affairs Council on 2 October the Government agreed to contribute to the financing of this residual sum (thus enabling the draft 1984 supplementary budget to be established) provided that our 1983 refunds were released by the European Parliament and provided that a satisfactory agreement was reached on budget discipline, guaranteeing the effective application of the principles agreed at Fontainebleau. The first of these conditions has already been satisfied. The second condition is budgetary discipline and we hope that agreement will be reached on this in the Council soon. The UK's net contribution to the 1984 supplementary budget will be about 100 mecu (approx £60 million).

"The representatives of the Governments of the Member States note that the British Government will be in a position to complete its national procedures only when the United Kingdom has received its refunds for 1983 and the Council has reached agreement on the measures necessary to guarantee the principles of budget discipline approved by the European Council."

Text of undertaking made by the representatives of the Governments of Member States, meeting within the Council on 2/3 October in Luxembourg.

"We have broken the log-jam in a way that fully protects the position of the United Kingdom. We have created the conditions in which (the European) Parliament can release our 1983 refunds. It has been reaffirmed in a very clear fashion that we are entitled to receive our 1000 mecu abatement on the revenue side in 1985 and we have adopted the 1984 budget with very substantial economies in that budget."

Sir G Howe, 2 October  
Luxembourg



Sir G Howe, 2 October

Luxembourg

"We made it clear throughout that we were prepared to consider financing the inescapable obligations of the Community once all possible savings had been found and provided that all other issues were resolved."

Sir G Howe, 24 October following

Foreign Affairs Council

".... an increase in own resources was not proposed for two years, and that means that the Community will already be in difficulty over this year's expenditure and possible next year's. It is suggested that there should be a voluntary loan. That would also have to be unanimous. We made clear that we could not agree until other things are settled."

Prime Minister

House of Commons, 26 April 1984

(e) 1985 Draft Budget

The Foreign Affairs Council on 2/3 October established the 1985 draft budget within the 1% ceiling and sent it forward to the European Parliament accompanied by a Council declaration stating that funds will be provided to meet the Community's inescapable financial obligations and the UK's 1984 abatement. We believe that any form of additional financing in 1985 should be made available through own resources and for that reason it is important to consider advancing the implementation date into 1985.

(f) 1983 Refunds

On 10 October, the European Parliament voted to release the UK's refunds for 1983 which had been agreed at Stuttgart amounting to £440 million net or £587 million gross. (The net refund is



grossed up to take account of the UK's contribution to its own refund.) Ninety per cent of the gross refund - £528 million - has now been paid to the UK. The remaining 10% will be paid by the end of the year, in accordance with normal practice.

This is the last of the special expenditure-side refunds (paid through the expenditure side of the budget) and negotiated by the Government in respect of the Community budgets 1980-83 and brings the total refunds received to some £2,500 million net. With effect from 1985 the UK VAT contribution will be abated in respect of any excess contribution in any one year.

The regulations implementing the 1983 refunds provide for Community contributions to UK public sector projects or schemes in the fields of employment, transport infrastructure and energy strategy. The money will be spent as follows:

Employment - £163 million for the Job Release Scheme to be operated by the Department of Employment and the Department of Economic Development for Northern Ireland;

Transport - £273 million for road and rail schemes designed to relieve bottlenecks on major roads in England. Scotland and Wales;

Energy - £151 million for projects in England, Scotland and Wales designed to reduce dependence on imported oil, to improve coal technology, to promote more rational use of energy and to increase power generation capacity.



"The British Government sees this as a debt of honour which has now been satisfied. The European Parliament was not justified in blocking the refund but now that the problem has been satisfactorily resolved, the Government looks forward to close relations with the European Parliament. One of the most important consequences of the vote is that it nails firmly the allegation that the Fontainebleau Agreement is falling apart."

Mr Rifkind, 10 October 1984  
Strasbourg



### 3. Enlargement

The enlargement of the Community to include Spain and Portugal is an important factor in strengthening their democracy and their commitment to the NATO alliance. The Community and the applicants are working hard to ensure that the 1 January 1986 target date for accession reaffirmed by the European Council at Fontainebleau on 25/26 June is met.

A number of difficult issues with both countries are still outstanding. These include agriculture, fisheries, social affairs, own resources and transitional arrangements for the reduction of Spanish industrial tariffs. On the last point, the Community has told Spain that it is prepared to accept an industrial tariff transition of 6 years with large cuts in the first year, accelerated dismantling for the very high tariffs and an additional mechanism in the form of a much improved reduced duty quota for cars.

".... It is important that we should conclude these negotiations. It is a matter of concern to the United Kingdom that the stability of democratic systems of government in the Iberian peninsula is helped and not diminished. It is also important to the British people that access to the highly protected industrial markets of Spain should become available to our industrial manufacturers."

The Foreign and Commonwealth  
Secretary, The House of Commons  
24 October 1984



#### 4. Agriculture

##### General

The UK is not against the CAP, but we are against abuses of it, above all the expensive and wasteful surpluses and the huge gaps that have been allowed to develop between Community and world food prices. Progress has been made in introducing reforms. Important first steps were taken at the Agriculture Council in March:

- prices of many agricultural products were cut;
- quotas were introduced to curb the dairy surplus;
- guaranteed thresholds were agreed for products in surplus or approaching surplus.

Guarantee threshold schemes already exist for milk, cereals and a number of other products. Agreement has now been reached to cover olive oil as well and discussion is continuing as regards wine.

"As we all know, (the CAP) has encouraged the creation of surpluses of wine, milk, beef and cereals which have no market and are appallingly expensive to dispose of. Ordinary people are increasingly offended by the comparisons drawn on our television screens between surplus at home, and scarcity and starvation abroad. They wonder too whether the all-out pursuit of higher yields, through intensified farming methods, takes account of the needs of our natural environment. If we want to preserve the CAP, we must make it work better. We must narrow the gap between Community and world prices. We must achieve a better balance between production and demand."

Sir Geoffrey Howe  
Speaking in Bonn on  
16 October 1984



(b) Milk

In March Agriculture Ministers agreed on a "super-levy", payable on milk production above the agreed Community quota level (1981 production plus 1%). In most countries quotas have now been allocated or soon will be. The French Government do not expect production to exceed their quota. Britain has cut production as required by the scheme (down nearly 9% so far this year). All Member States must apply the scheme promptly, uniformly and in full. In the long-term, however, a rigorous price policy will be the most effective way to control surplus production.

In the UK, the Government has announced a £50 million outgoers scheme to provide aid specifically for those farmers who now wish or need to move out of dairying. Several revisions have also been made to the rules implementing the scheme to help those most affected by the surper-levy.

(c) Butter Disposal Measures

The UK strongly opposed (but was outvoted) the latest Management Committee decision on low-price sales to third countries. The Soviet Union is likely to be the main or only purchaser. Such sales do nothing to solve the underlying problem of butter surpluses and exacerbate tensions with other producer countries.

It is far from clear that the discount-price Christmas butter scheme, voted through at the same time, will bring any overall increase in consumption. While attractive to consumers in the short term, it must add to costs which the taxpayer ultimately bears.

(d) Wine

The Community produces one-third more wine than it needs - equivalent to 16,000 Olympic size swimming pools. Demand is falling particularly for lower quality table wine, while production continues to increase. The Commission, France and the



UK are pressing for effective guarantee thresholds, with financial disincentives for surplus production.

"It just does not make sense to spent £600 million a year encouraging wine production when one third, soon perhaps to be one half, of the total output has to be destroyed by distillation."

Mr Jopling,  
Conservative Party Conference  
11 October, 1984

(e) Cereals

Cereals production is expected to be up this year by 14% to 140 million tonnes. If the dollar remains high, it will be possible to export surpluses at low cost given poor harvests elsewhere. But if the dollar falls, discrepancies between Community and world cereals prices will reappear, with extremely costly results. Guarantee thresholds must be used to discourage production beyond the needs of the Community plus a realistic expectation of export demand.

"The CAP like all other policies, must be considered in the light of the financial constraints. With a Community agricultural budget amounting to over two-thirds of total Community expenditure or £10 billion per annum, this is £30 million per day, we simply cannot go on piling on surpluses of food which can be neither eaten nor sold."

Minister of Agriculture  
Michael Jopling  
Farmers Club, 3 October 1984



## 5. Internal Market

A properly functioning internal market is a vital condition for growth and job creation in Europe. There are too many non-tariff barriers to trade, and new ones are springing up all the time.

Some progress has been made on problems caused by differing national standards for goods. Agreement on common technical and safety standards means that UK exports conforming to them will have the right of automatic access throughout the Community. Fifteen measure laying down agreed Community standards for industrial products were adopted in October 1984. In order to accelerate the process the UK has put forward an initiative designed to oblige Member States to accept in their domestic markets, goods which meet the required safety and technical standards of other Member States. Provisions have been built into the recommendation to ensure that there is no reduction in health and safety standards. The UK have also strongly backed the Community's efforts to reach common standards for linking up computers and telecommunications networks. The set of standards, known as Open System Interconnection, is now close to being adopted.

Other areas where we see a need for early progress include:

- (a) simplification of frontier controls for goods traffic: the single administrative document is an important priority here;
- (b) liberalisation of road haulage: here the first priority is to put an end to road haulage quotas;
- (c) a more liberal regime for air services in Europe: we and the Netherlands gave our partners a lead earlier this year when we signed a bilateral agreement which has resulted in cheaper excursion fares and a wider choice of routes for the traveller. For example, it is now possible to fly from London to Amsterdam and back from £49, £38 less than the lowest previous return fare;



(d) establishing a genuine common market in services. It is absurd that businesses in most other Member States cannot shop around in Europe for their insurance cover (British businesses can). The lack of competition which results from protected national markets simply means higher costs for European businesses as a whole - possibly as much as 1 billion ecu annually;

(e) creating a more competitive climate for European industry and business - a necessity if we are to compete on equal terms with the Americans and Japanese. Among the priorities here are greater vigilance in preventing protectionist use of state aids, and making sure that the requirements of Community law does not impose unreasonable burdens on smaller enterprises.



6. Environment

"We are saying "yes" to further substantial SO<sub>2</sub> reductions in a reasonable timescale; "yes" to parallel NO<sub>x</sub> reductions; "yes" to a European-wide onslaught on pollutants from motor car exhausts; "yes" to further strengthening of scientific work and monitoring within the ECE Convention and in other contexts."

Statement by Mr William Waldegrave MP,  
Under Secretary of State  
Department of the Environment  
at the closing session of the  
Munich Conference, 27 June 1984

The UK is currently engaged in studying two draft Directives aimed at reducing those emissions believed to contribute to the problem of acid deposition:

(a) The Combustion Plants Directive would require 60% and 40% reductions in sulphur dioxide and nitrogen oxide emissions respectively from power stations by 1995. At a recent meeting of the UN/ECE Convention on Long Range Transboundary Air Pollution the UK announced that it would aim for reductions of 30% in both sulphur dioxide and nitrogen oxide emissions by the year 2000. We seriously question whether it is sensible to enter commitments for the much larger reductions required by the Directive. We believe that the Directive is technically deficient and does not take account of the most recent research on acid deposition. We are actively supporting further research effort into the problem. In the meantime we are proud of our record in fighting air pollution (UK sulphur dioxide emissions have fallen by over 30% since 1970 and 15% since 1980).



(b) The Vehicle Emissions Directive which seeks to impose reductions on emissions from cars of nitrogen oxide and hydrocarbons in line with current US standards by 1995. These standards would require cars to be fitted with costly and potentially inefficient catalytic converters, a technique incompatible with the much more cost effective lean burn engine, currently under development. We are resisting pressures to agree standards and a timetable which would effectively block development of "lean burn", and we are also considering the problem of unilateral German action to introduce such standards, which would have a serious impact on the Community's internal market in cars. We hope that it will be possible to reach a compromise acceptable both to the FRG and the rest of the Community.

Britain took the lead in advocating the introduction of unleaded petrol by 1989 at the latest. This was agreed in principle at the Environment Council on 28 June.



## 7. Future of the Community

The June European Council at Fontainebleau set up two ad hoc committees: one to look into the institutions of the Community and the other (known as the "People's Europe" Committee) to make proposals which could benefit the citizens of Europe.

### Ad Hoc Committee on Institutions

The Ad Hoc Committee on Institutions comprises personal representatives of Heads of Government. Its function is "to make suggestions for the improvement of the operation of European cooperation in both the Community field and that of political or any other cooperation". Mrs Thatcher's representative is Malcolm Rifkind, Minister of State at the Foreign and Commonwealth Office.

The Committee will deal with a whole range of suggestions for making the Community work better. It is too early to predict what conclusions it will come to. It is due to report back to the European Council in June 1985. Mr Rifkind is urging the Committee to produce a report containing proposals of practical value which can be implemented fairly rapidly. He has put forward ideas based on the ideas contained in the British paper circulated to Heads of Government at the European Council in June, "Europe - the Future"; in particular the acceleration of moves to create a genuine common market in goods and services; eg harmonisation of trade in services including banking, insurance and transport (particularly air transport); and improvement in the mutual recognition of professional qualifications.

On institutional issues we are advocating greater cooperation between incoming and outgoing Presidencies with a view to smoother management of Community business; a reversal of the European Council tendency to becoming involved in the day to day work of the Community; ie the European Council should give strategic guidance on future developments in the Community; an improvement in the consultation procedures between the Council, Commission and Parliament.



On political cooperation our objective is the progressive attainment of a common approach to external policy. Cooperation should not just be a matter of making declarations but of having the political will to act together; concentration of effort should be where the leverage is greatest.

Committee on a "People's Europe"

The "People's Europe" Committee, also composed of representatives of Heads of State/Government, has the task of suggesting measures for the strengthening of Europe's identity. It will look mainly at areas which will have real meaning for ordinary people in Europe. This Committee is getting off to a slower start than the institutions committee. It met for the first time on 7 November 1984. The sort of proposal which we shall be asking this committee to consider is:

- a single document for the movement of goods across Community frontiers;
- methods of easing the passage of people and goods within the Community;
- a system for ensuring the equivalence of university diplomas.

within the terms of reference of this committee are also such matters as a European Voluntary Service scheme for young people, the formulation of European sports teams and other more symbolic ideas. We shall wish to ensure that the symbolic measures do not overshadow work on measures which have a practical value for ordinary people.



## 8. EC Spending in Britain

### European Coal and Steel Community ECSC

Over the last decade Britain has received ECSC loans of over £1400 million and grants of over £200 million. Readaptation grants worth £6.4 million have recently been announced for workers who have lost their jobs in the British steel industry.

### European Investment Bank (EIB)

since 1973, just over £3.2 billion has been channelled by the EIB into the UK by way of loans for industrial and infrastructure investment. Recent loans include £10 million for the development of North Sea gasfields.

### European Regional Development Fund (ERDF)

the second allocation for 1984 of £77.97 million, brings to £1413 million the total of ERDF grants to the UK since the fund was established in 1975. The latest grants are for infrastructure projects, telecommunications and tourist developments, and direct investment in industry and the service sector.

### European Social Fund (ESF)

Britain is due to receive £355 million for 1984 from the ESF compared with £320 million for 1983. This is a third of the total fund and means that we will receive almost as much as the combined allocation for Italy and France. About 75% of Britain's allocation will go to support Manpower Services Commission (MSC) projects to create employment opportunities for the unemployed young.

### Aid from the Agricultural Guidance and Guarantee Fund (FEOGA)

Aid totalling over £5 million has recently been awarded to 44 projects in Britain for improving marketing and processing facilities for agricultural and fisheries projects.



## 9. Transport

### Noise Reduction

Under a recent Community regulation, motor manufacturers have been ordered to reduce by almost half the noise levels of the cars and lorries they produce in the EC. The regulation will come into effect from 1 January 1985 and coincides with a Commission proposal to cut motor-cycle noise levels by the same average level from October 1986.

### Proposed Block Exemption for Motor Vehicle Distribution Agreements

the Government supports the main features of the Commission's proposals which allow the manufacturers' system of selling through franchised dealers only to continue, subject to safeguards against anti-competitive practices and the partitioning of the Common Market. Consumers, no less than manufacturers, have the right to benefit from the Common Market. Car prices in the UK are higher than in other Member States. Car manufacturers argue that this difference does not result from the operation of their distribution agreements but from other factors beyond their control. If so they have nothing to fear from the draft Regulation.



## 10. UK/EC Trade

Latest figures are attached at Annex B with some historical comparisons.

Trade with the EC is much more important to the UK today than it was before accession. The Nine now take 44% of our total visible exports, compared to only 30% in 1970. The Nine also take 60% of our oil exports. Our exports to the Community grew from £2.9 billion in 1972 to £26.5 billion in 1983. Over the same period, our exports to the rest of the world grew more slowly - from £6.6 billion in 1972 to £34.0 billion in 1983.

The trend in UK exports of manufactures is similar, though less marked. The Community now takes 38% of our manufactured exports, compared to only 29% in 1972. Over this period the value of these exports rose from £2.4 billion to £15.1 billion, while our exports to the rest of the world grew from £5.7 billion to £24.8 billion.

Our deficit in manufactured trade with the Community (£8 billion in 1983) is a symptom of the more general problem from which all our overseas trade suffers - the poor competitiveness of UK manufacturing industry, which the Government is determined to see improved.



11. External Trade

The adoption of the new Common Commercial Policy Regulation has effectively ended two years of deadlocked discussions, strengthened the EC's trade policy in a way consistent with its international obligations and commitment to the open trading system. and given the Community a new Regulation to deal with illicit trade practices.



PROGRAMME OF ACTION FOR DEVELOPMENT OF THE COMMUNITYExternal Affairs

The Community must aim towards a common approach in external affairs:

- by making the fullest use of the available instruments on the Community side, including preferential agreements with certain third countries and groups of third countries (some involving association or having cooperation elements), and the Common Commercial Policy;
- by combining the use of Community instruments with greater political will to act together through political cooperation, concentrating efforts in such areas as the Middle East and Africa where our leverage is greatest, and ensuring better links between the Political Cooperation framework and the Council.

On aid and trade we should:

- liberalise our own trading practices;
- encourage our major trading partners to take their share of responsibility for the world economy and act jointly with them to promote the further liberalisation of international trade;
- work for the better coordination of Community aid with national development efforts and with those of other donors, to ensure maximum effectiveness.

Industry

The Community should give priority to the development of a vigorous, efficient and cost-effective industrial sector Urgent



consideration should be given to:

- whether more can be achieved or can be achieved more efficiently by action on a Community basis. The Commission's proposals for telecommunications and biotechnology programmes are relevant here;
- better cooperation on Research and Development;
- giving higher priority to inter-governmental cooperation along the lines of Airbus. In the enlarged Community it may sometimes be right for such ventures to go ahead without the participation of all Member States, though it should be open to others to come in later if they wish to do so;
- removing the impediments to risk-sharing and investment.

#### Environment

Decisions should be taken urgently:

- on a programme of research aimed at finding solutions to the problems caused by acid rain;
- to bring about the elimination of lead in petrol.

#### Culture

The Community should:

- examine whether governments can do more to encourage the learning of other Community languages;
- see whether the European Foundation could play a useful role in this and in developing professional exchanges;
- encourage access to each other's satellite broadcasting



systems.

We must make the Community more relevant to the lives of our people. This means a sustained effort:

- to simplify and speed up customs and other formalities;
- to allow European citizens to travel as freely and cheaply as the inhabitants of the United States, notably by increasing competition and liberalising air services.

Search for new areas of action

Member States should review their own policies and programmes in sectors covered by the Treaty to see whether greater progress could be made by a cooperative approach at the Community level.



TABLE: 1 UK TRADE WITH EUROPEAN COMMUNITY COUNTRIES

AUGUST, 1984

MILLION POUNDS  
NOT SEASONALLY  
ADJUSTED

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
		THIS	LAST	THREE	LAST	YEAR	YEAR	INDEX	
		MONTH	THREE	MONTHS	TWELVE	1983	1972	(4)/(6)	
			MONTHS	YEAR	MONTHS			%	
				AGO					
EXPORTS	WORLD	5746	17106	14691	66774	60534	9602	695	
=====									
- TOTAL	EC	2377	7478	6153	29583	26516	2934	1008	
	EC SHARE %	41.4	43.7	41.9	44.3	43.8	30.6	145	
- MFRS	WORLD	3704	11277	9901	43925	39919	8069	544	
	EC	1287	4218	3588	16760	15137	2353	712	
	EC SHARE %	34.8	37.4	36.2	38.2	37.9	29.2	131	
- OIL	WORLD	1303	3771	2965	14179	12525	219	6467	
	EC	783	2375	1783	8933	7752	113	7913	
	EC SHARE %	60.1	63.0	60.1	63.0	61.9	51.5	122	
IMPORTS	WORLD	6610	19365	16279	73395	65993	11073	663	
=====									
- TOTAL	EC	2842	8690	7463	33388	30098	3525	947	
	EC SHARE %	43.0	44.9	45.8	45.5	45.6	31.8	143	
- MFRS	WORLD	4298	13069	11054	50042	44905	5965	839	
	EC	2058	6504	5664	25384	23047	2331	1089	
	EC SHARE %	47.9	49.8	51.2	50.7	51.3	39.1	130	
EXPORT/IMPORT RATIO									
=====									
- TOTAL	WORLD	%	87	88	90	91	92	87	105
	EC	%	84	86	82	89	88	83	106
- MFRS	WORLD	%	86	86	90	88	89	135	65
	EC	%	63	65	63	66	66	101	65

SOURCE: UK OVERSEAS TRADE STATISTICS  
 EXPORTS FOB; IMPORTS CIF  
 MFRS = MANUFACTURES; SITC 5 TO 8

COMPILED 02/10/84



TABLE 2 UK TRADE WITH MAJOR GEOGRAPHICAL AREAS

AUGUST, 1984

MILLION POUNDS  
NOT SEASONALLY  
ADJUSTED

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		THIS	LAST	THREE	LAST	YEAR	YEAR	INDEX
		MONTH	THREE	MONTHS	TWELVE	1983	1972	(4)/(6)
			MONTHS	YEAR	MONTHS			%
				AGD				
EXPORTS	NON-EC DECID	1960	5531	4711	21327	18847	3804	561
=====	- SHARE %	34.1	32.3	32.1	31.9	31.1	39.6	81
- TOTAL	USA	936	2487	2235	9441	8337	1209	781
	- SHARE %	16.3	14.5	15.2	14.1	13.8	12.6	112
	JAPAN	97	251	232	897	798	173	520
	- SHARE %	1.7	1.5	1.6	1.3	1.3	1.8	75
- MFPS	NON-EC DECID	1249	3645	3059	14015	12122	3216	436
	- SHARE %	33.7	32.3	30.9	31.9	30.4	39.9	80
	USA	539	1580	1270	5833	4879	1012	576
	- SHARE %	14.6	14.0	12.8	13.3	12.2	12.5	106
	JAPAN	84	210	178	703	597	143	491
	- SHARE %	2.3	1.9	1.8	1.6	1.5	1.8	90
IMPORTS	NON-EC DECID	2436	7070	5768	27002	23817	4450	607
=====	- SHARE %	36.9	36.5	35.4	36.8	36.1	40.2	92
- TOTAL	USA	742	2245	1797	8264	7443	1188	695
	- SHARE %	11.2	11.6	11.0	11.3	11.3	10.7	105
	JAPAN	371	972	922	3637	3355	315	1154
	- SHARE %	5.6	5.0	5.7	5.0	5.1	2.8	174
- MFPS	NON-EC DECID	1705	5072	4104	19004	16748	2753	690
	- SHARE %	39.7	38.8	37.1	38.0	37.3	46.1	82
	USA	609	1876	1454	6806	5980	829	821
	- SHARE %	14.2	14.4	13.2	13.6	13.3	13.9	98
	JAPAN	361	946	894	3522	3250	284	1241
	- SHARE %	8.4	7.2	8.1	7.0	7.2	4.8	148
EXPORT/IMPORT RATIO								
=====								
- TOTAL	NON-EC DECID %	80	78	82	79	79	85	92
	USA %	126	111	124	114	112	102	112
	JAPAN %	26	26	25	25	24	55	45
- MFPS	NON-EC DECID %	73	72	75	74	72	117	63
	USA %	89	84	87	86	82	122	70
	JAPAN %	23	22	20	20	18	50	40

SOURCE: UK OVERSEAS TRADE STATISTICS  
EXPORTS FOB; IMPORTS CIF  
MFPS = MANUFACTURES, SITS 5 TO 8

COMPILED 02/10/84