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II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 17 December 1982

adopting the annual report on the economic situation in the Community and laying down economic policy guidelines for 1983

(82/950/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 74/120/EEC of 18 February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States of the European Economic Community ⁽¹⁾, as amended by Decision 75/787/EEC ⁽²⁾, and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽³⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁴⁾,

HAS ADOPTED THIS DECISION :

Article 1

The Council hereby adopts the annual report on the economic situation in the Community, contained in Sections 1 and 2 of Part I of the Annex, and lays down the guidelines to be followed by the Member States in economic policy for 1983, as contained in Sections 3 and 4 of Part I and in Part II of the Annex.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 17 December 1982.

For the Council

The President

H. CHRISTOPHERSEN

⁽¹⁾ OJ No L 63, 5. 3. 1974, p. 16.

⁽²⁾ OJ No L 330, 24. 12. 1975, p. 52.

⁽³⁾ OJ No C 334, 20. 12. 1982, p. 123.

⁽⁴⁾ Opinion delivered on 15 December 1982 (not yet published in the Official Journal).

ANNEX

ANNUAL ECONOMIC REPORT 1982/83

PART I

THE COMMUNITY ECONOMY

1. SHORT-TERM TRENDS AND PROSPECTS

1.1. Disinflation and stagnation, 1982

The recovery which was forecast for the second half of 1982 last spring has not materialized. The positive factors in the last half of 1981, which appeared to be pointing to an upswing, were reversed in the first half of 1982. The likely outcome for 1982 is now approximate stagnation with a rise in the volume of output in the Community of only 0.3 %. This compares with a forecast of 2 % growth contained in last year's annual report (Table 1) as well as in most national and international forecasts.

However, more recent communications from the Commission to the Council and European Council have repeatedly warned that various factors, and in particular the extremely high level and volatility of world interest rates, heavily influenced by those of the United States, risked creating an economic environment in which the expected cyclical recovery in Europe could be aborted. This seems now to have occurred in the first half of 1982, both in Europe and other regions of the world — especially those which were in highly exposed international indebtedness situations. Real short-term interest rates remained in the United States and Euro-dollar markets at near to 5 % for much of the 12 months to the spring of 1982, in spite of the continuing recession in the OECD area as a whole. This and the general climate of uncertainty and pessimism may have dampened the normal dynamics of the business cycle. So many enterprises have been caught in unexpectedly difficult financial situations, that they now need a lot of convincing that lower interest rates are a durable prospect, before taking positive investment, stock-building and employment decisions on that basis.

Inflation has decelerated somewhat faster than expected. Despite the continued depreciation of the ECU against the dollar during the first half of 1982, the Community's import prices are likely to have decelerated by more than forecast a year ago; their rise in 1982 is now estimated at 9.2 % (14.7 %

in 1981). Dollar commodity prices, including oil prices, have reacted even more strongly over the past 12 months to the combined influence of exchange-rate movements, high real interest rates and weak demand conditions. The Community has thus profited from an appreciation in its terms of trade in 1982 (1.5 %), after the large deteriorations registered in 1980 and 1981.

Unit labour costs in the Community are likely to have decelerated quite significantly in 1982, increasing by 8.5 % (in national currencies) as against 10 % in 1981. Together with the slowdown in import prices, and despite a rise in indirect taxes per unit of output, this may have allowed a slight restoration of profit margins together with some reduction of inflation. At the level of consumer prices, the rate of inflation in 1982 is likely to be 10.5 % as against 11.8 % in 1981.

Some limited progress is being made in 1982 in the struggle against inflation, but unemployment has continued to increase sharply, and there is no sign that this rate of increase will slow down this year. On average for 1982 the number of unemployed could reach 11 million (9.4 % of the labour force) and will be higher than that by the end of the year. These developments result both from a fall in employment (probably by about 1.1 %) and a continued rise in the labour force (nearly 1 %).

The Community's current account deficit is likely to fall slightly from US\$ 20 800 million (0.8 % of GDP) in 1981 to just over US\$ 15 000 million in 1982. Thus the overall deficit is now quite small, but there are serious imbalances in individual countries.

As regards policy indicators it now seems likely that money supply in the Community as a whole will have grown by about 10.8 % through 1982, a rate rather higher than the 10 % forecast in last year's annual report. The likely 1982 rate of increase would thus be almost the same as the 1981 rate after three previous years of deceleration.

TABLE 1
The Community economy

	GDP value increase	GDP volume growth	GDP price increase	Consumer price increase	Compensation per employee	Current account of balance of payments	General government net lending or borrowing	Money supply growth	Unemployment rate
	% (*)	% (*)	% (*)	% (*)	% (*)	% GDP	% GDP	% (*) (5)	%
1961 to 1970	9.1	4.7	4.3	3.8	8.9	0.4	-0.4	10.4	2.1
1971 to 1980	13.0	2.9	9.8	9.7	13.3	-0.1	-2.8	13.8	4.2
1980	12.3	1.4	10.8	11.1	12.8	-1.4	-3.5	10.5	6.0
1981	9.9	-0.6	10.6	11.8	12.8	-0.8	-4.8	10.8	7.8
1982 (last report) (1)	12.7	2.0	10.5	11.2	11.2	-0.9	-4.2	9.9	8.5
1982 (this report) (2)	10.9	0.3	10.6	10.5	10.8	-0.7	-5.0	10.8	9.4
1983 (3)	10.0	1.1	8.8	8.8	9.8	-0.4	-4.9	10.0	10.3

(1) Of October 1981 (the figures from the last report carrying footnote (*) have been recalculated according to purchasing power parity weights).

(2) Estimates of the Commission services (October 1982).

(3) Forecast of the Commission services (October 1982) on the basis of present or anticipated policies.

(4) EC averages calculated with current GDP weights at purchasing power parities.

(5) End of period (annual growth rates).

As regards budget deficits, below trend growth in most Member States in 1982 led to a shortfall in tax revenues and an increase in unemployment benefits. In addition, debt service costs have been increasing rapidly. Offsetting measures have been taken in most Member States; for the Community as a whole the budget deficit as a percentage of the gross domestic product is likely to remain close to 5 % in 1982, as in 1981. The divergence among Member States in respect of budget deficits, after increasing sharply in 1981, will probably have been reduced somewhat in 1982.

Within the European monetary system there have been two realignments, in February and June of 1982, since the last annual report was published. As a result, variability of exchange rates among the countries participating in the exchange rate mechanism of the EMS will have increased in 1982 (Table 2).

Nonetheless, the realignments and the internal policy measures which were planned to accompany them, 'confirmed the ability of the system to make orderly adjustments in accordance with fundamental economic criteria, while preventing erratic or irrational exchange rate movements' (annual economic report, 1981/82, page 10).

These realignments reflected the insufficient fundamental convergence noted in the last annual report.

The policy measures taken or announced by Belgium, France and Italy in conjunction with the EMS realignments in 1982 should, if carried through, improve this situation. Indeed, one of the most positive developments in the Community's system of coordination in the past year has been the tendency for participants in the EMS to prepare more adequate accompanying measures to secure successful exchange rate adjustments.

1.2. Prospects for 1983

The forecast for 1983 suggests that the trend of output growth in the Community is likely to remain very weak.

Output in 1983 has been forecast by the Commission (in October of this year) to grow by 1.1 % in the Community as a whole. Although the most recent production data have been negative, and the annual average outcome for next year might turn out lower, an upswing in the course of 1983 could still be expected. This would depend on a certain number of fundamental conditions for resumed economic growth, for example lower real interest rates, declining inflation and a declining saving propensity on the part of consumers and a more positive climate for business investment.

TABLE 2
Indicators of convergence and divergence in the Community economy, 1961 to 1983

	GDP per head of total population; coefficient of variation ⁽¹⁾		Consumer prices % change; standard deviation ⁽²⁾	GDP deflator % change; standard deviation ⁽²⁾	Exchange rate % change; mean ⁽³⁾		Net borrowing of general government % GDP; standard deviation ⁽²⁾	Money supply % change; standard deviation ⁽²⁾
	EC 10 PPP ⁽⁴⁾	EC 10 EXCH ⁽⁵⁾	EC 9 ⁽⁸⁾	EC 9 ⁽⁸⁾	EC 10	EMS	EC 10	EC 9 ⁽⁸⁾
1961 to 1970	15.4	21.5	1.5	1.6	1.1	1.0	1.7	3.2
1971 to 1980	13.8	29.1	3.7	4.4	4.0	3.7	3.5	6.2
1980	14.2	26.2	5.2	5.8	4.6	2.4	3.9	5.9
1981	14.4	23.8	4.7	5.0	2.1	2.0	5.3	4.7
1982	14.5	24.1 ⁽⁷⁾	4.1	4.7	5.7 ⁽⁶⁾	5.4 ⁽⁶⁾	4.8	3.9
1983 (forecast)	14.9	23.7	3.4	3.7	:	:	4.8	3.6

(1) Coefficient of variation = standard deviation divided by mean.

(2) Standard deviation = root of the sum of the squares of the deviation of each country's figure from the EC average.

(3) Mean = simple average of the changes of all currencies against the ECU, taking the average level for the year over the corresponding figure for the previous year.

(4) PPP = purchasing power parity.

(5) EXCH = current market rate of exchange.

(6) First half of year.

(7) At mid-1982 exchange rates.

(8) Excluding Greece for technical reasons.

Source : Commission services.

The annual report last year expected domestic demand to rise in 1982 after the sharp increase in exports of 1981. Exports in fact held up well through 1981 but with increasing financial constraints on OPEC and the LDCs and further stagnation in OECD countries in 1982, world trade in volume terms declined. This decline was followed by a renewed weakening in domestic demand in the Community.

The low growth forecast for 1983 is based on the anticipation that both private consumption and investment will pick up the course of 1983 under the influence of lower inflation and falling interest rates. Investment is forecast to grow by 0.6 % in 1983. This growth rate assumes some reduction in European interest rates and an improvement in the profitability of the business sector. Demand is also likely to be supported by limited restocking activity after destocking of the second half of 1982.

With some gross domestic product growth in the USA (2 % in 1983), in spite of continuing low

import volumes in OPEC and LDCs, world trade should recover somewhat in 1983 (2.2 %) but it is unlikely that the foreign sector will make an important contribution to growth in the Community. However the terms of trade are likely to swing further to the advantage of the Community, with the current account being roughly in balance. At the national level, however, a very differentiated picture appears with current account surpluses in the Federal Republic of Germany and the Netherlands, and deficits in France, Italy and several smaller countries.

Inflation is expected to fall faster in 1983 than was anticipated earlier this year. The private consumption deflator is forecast to rise by only 8.8 % in 1983. This reflects some moderation in import prices and lower internal cost developments in some countries, notably Germany, the United Kingdom and the Netherlands. In France too, inflation is likely to be lower in 1983 than had been previously forecast.

The lower than expected gross domestic product growth in 1983 will tend to raise budget deficits. With measures being taken by several Member States to limit the rise, the outcome may on average be near stability as a percentage of the gross domestic product.

Unemployment is likely to rise through the second half of 1983 to reach well over 12 million. This results from a further slight fall in employment and a continuation in the increase in the labour supply which has characterized recent years.

These sharply revised estimates and forecasts for 1982 and 1983 mean that the European economy is

now (in autumn 1982) seen as having entered a second downward phase in a double-dip recession. The beginnings of a recovery phase which were in evidence towards the end of last year have now clearly been extinguished. The recession will in a few months time be moving into its fourth year. The proximate causes of these extremely grave results may be traced to the superimposition of the 1981 to 1982 interest rate problem on top of the 1979 to 1980 oil shock. But to this must be added a deeper assessment of the structural vulnerability of the European and world economy that has evidently been building up over the past years, and which forms the background to the outlook for the 1980s.

2. ASSESSMENT OF THE OUTLOOK FOR THE 1980s

The possibility that the European economy is entering a long period of slow growth, or even depression, may be founded on two broad lines of concern. One focuses on the occurrence of external accidents or system shocks, such as oil shocks, major disturbances in world financial markets, or geopolitical conflicts. A second focuses on the accumulated back-log of adjustments and on our growing incapacity to respond quickly to the recent changes in the economic environment. The increased structural rigidities in our economies and social behaviour have changed profoundly the long-term dynamics of the business cycle.

Both types of risks are present in the actual situation. In a highly interdependent world the impact of unexpected disturbances are communicated extremely rapidly, and translated into negative multiplier effects on national economies (this is particularly true of the Community economies, being more dependent on external trade and more open than the other major industrialized countries). It is the role of economic policy coordination in the industrialized world to minimize these risks in the management of national policies, but recent experience is not so reassuring in this regard.

The shocks and accidents are by their very nature unpredictable, but this is not a reason for neglecting opportunities to take out comprehensive long-run 'insurance policies' even and perhaps primarily at a European level.

The build up of energy independence — be it through nuclear programmes or price policy for energy products — to avoid the chances of a third oil shock is a first and most important example. Action along these lines proved in the event insufficient after the first oil shock, and the recent deferral of major energy projects in some parts of

the industrialized world invites the question whether the same mistake is being repeated.

Current difficulties in international debt situations show how great the need is for adequate prudential arrangements in the world banking system, bearing in mind the spectacular growth of sovereign risks. For Europe there are special concerns that arise from its location as host to much of the world's xeno-currency market, which it cannot fully control due to the very substantial fraction of the money and bonds banked or traded in Europe being denominated in non-European currencies.

There are several possible routes to long-run stagnation that do not rely on 'accidents'. Attention has been concentrated on the ebb and flow of tides of technological innovation and product development. At the world-wide level new waves of products and processes seem indeed to be constantly forthcoming. However Europe is lagging behind in several fields, due in part to the insufficient unity of the large European market, as well as the maintenance of protective devices and subsidies at the national level.

The risk of stagnation has in recent years been characterized by growing rigidities and greater difficulties in adapting sufficiently systems of aids to the economy and of social protection, and in halting the weakening of investment and profitability. Many countries have lost control of their financial policy, allowing public expenditure to rise, without showing adequate mastery of taxation, deficits and monetary expansion.

While there is recognition of the need to face these structural malaises, there is no undisputed preference for a particular strategy. At present one can

discern three mainstream positions in public debate :

- first, the view that provided rigorous financial and adjustment policies are persevered with, a spontaneous improvement in real economic performance will be forthcoming, although the time-lags are uncertain and probably quite long,
- secondly, the view that, while rigorous financial and adjustment policies are necessary to avoid re-exciting inflationary expectations, they risk being insufficient to induce a spontaneous recovery, and that therefore vigorous policy actions should support economic activity in the macro-economic and structural domains,

- and thirdly, the view that the economy has entered a period of prolonged quasi-stagnation in output, and that an essential policy task is now to adapt to this reality in order to reduce disruptions and inequalities deriving from it.

None of these approaches — reliance on spontaneous recovery, the support of activity by macro-economic and structural measures, and managed slow growth — will alone be sufficient to overcome the current difficulties. The policy framework that is suggested below is based on the idea that to bring about a lasting improvement of the economic situation in the Community, what is required is a diversified set of actions, that vary not only according to differences in country situations, but also draw on all the three approaches.

3. AN OUTLINE OF ECONOMIC POLICY FOR THE EUROPEAN ECONOMIC COMMUNITY

3.1. Medium-term policies to restructure the European economy and counter the unemployment problem

The following sections — on public finance, investment, labour costs and employment — concern the main components of a strategy to reallocate resources and finance to the ends of higher employment and production. The objective is to increase investment, and consequently to assure a transfer of finance and resources in favour of real activity. This requires a significant adaptation in public finances and cost trends, particularly wages. In this case, therefore, appropriate mechanisms should be devised to ensure a mobilization of productive resources for investment.

3.1.1. *Budgetary discipline and economic convergence*

With public expenditure now amounting on average in the Community to almost 50 % of the gross national product (with extremes of 60 % reached in Benelux, Denmark and Ireland), and public borrowing amounting also to half or more of credit expansion in the economy, governments have become responsible for a massive part of the economy's development. For these reasons public finance policies in much of the Community must lie at the heart of the process of improved convergence — even if this concept embraces many other aspects of economic performance.

In a significant number of Member States it has become evident that budgetary policies have

escaped effective control, as many spending programmes acquired powerful growth tendencies.

This summer the Commission addressed to the Council a detailed communication on the means by which a better control of budget policy priorities may be pursued : reduced current expenditures with a higher priority to expenditure aiding economic development, adjustment of tax structures with a view to favouring employment, more extensive user charges, reduced borrowing, aiming at equilibrium on current transactions, and several types of improvement in managerial and political control.

There is little disagreement over the direction of these policy recommendations, but they need to be implemented with a maximum of political consensus. Delicate issues are those of choosing the timing, speed and amplitude of policy corrections. One would wish to implement internal adjustment programmes in an international setting of rising economic activity. Some countries are clearly on unsustainable trajectories in terms of the present scale of their foreign borrowing, to a degree that many of them need now to adjust rapidly at the same time together with the economic upswing not yet assured.

The recommendation of rapid and substantial action must surely be addressed in the first place to countries which are now building up excessive external official debt, and in which large balance-of-payments deficits accompany large public sector deficits. These economies, and especially the rela-

tively small ones because of their economic openness, will derive relatively quickly some of the major benefits of making a clear break in past trends in achieving budget deficit cuts, notably in terms of improvements in the balance of payments and in economic expectations.

3.1.2. *Investment, technology and industrial performance*

Recent guidelines from the European Council on the promotion of investment show that the authorities in the Community favour an employment strategy that takes the high road of advanced technology, and productivity growth, rather than the low road of decreasing productivity growth. Some of the means that will determine the success of this strategy lie directly in the hands of government.

Analysis of public finance in recent years tend to show a weakening of public investment in total public expenditure. There are repeated examples of public expenditure cutting exercises that seem to have resulted in heavier cuts in public investment than in many current expenditure programmes with stronger in-built dynamics, and which are often supported by larger interest groups. These tendencies should be reversed. Within total public investment a different balance should be achieved: for example, in certain countries the effort made for 20 years in favour of infrastructure in some sectors (schools, universities, motorways) may permit some reduction in the public resources allocated to them. It is not obvious how these economies balance out against the cost of programmes that warrant increased spending, either those which contribute directly to economic activity (research and development, vocational training, new forms of communication, public transport), or indirectly (housing, urban renewal in old city centres, etc.). Economies in some branches of public capital spending should ease the financing of new priorities that undoubtedly exist.

The fostering of increased private investment must rely in the first place on macro-economic and general trading conditions. Evidence of this is seen in trends towards more capital deepening investment and less capacity extension investment. High interest rates, due to developments in the United States and increasing budgetary expenditure, low self-financing ratios and profitability as the counterpart to excessive costs are fundamental deterrents to investment. Stability in economic conditions are also fundamental, as regards the rate of inflation, exchange rates and interest rates and the international trading environment.

Notwithstanding the limits to the support to investment that can be afforded by government, important measures should nonetheless be taken by national and Community authorities. As regards the Community in particular, there are responsibili-

ties in world trading policy and the internal market whose completion should be accelerated. These responsibilities extend also to industrial policy, notably for certain advanced technologies, and loan financing of investment projects in selected fields such as energy, industrial modernization and regional developments; the strengthening of these policies should be actively pursued.

In external trade policy there is an evident danger of conflict between increasing protectionist pressures and the objective of achieving an advanced and competitive industrial structure. Analysis of trade statistics shows that it is above all in the internal European market that the Community has lost ground in its market shares for technologically advanced products. In seeking to maximize the openness of the world trading system, all trading regions will have to share in import liberalization and adjustment processes. The old industrialized countries should require that their principal trading partners, notably Japan as well as some newly industrialized countries accept import regimes as open as their own.

3.1.3. *Employment and social policies and labour cost adjustment*

Europe's most pervasive economic problem is now the high level of unemployment. Since an increasing majority of the population of working age (increasing fast at a rate of 1 % per year) want to work, the problem is fundamentally one of insufficient employment creation. While this problem has worsened in most industrialized countries in the course of the past year, it is on the other hand a fact that employment has not increased at all in the Community during the past decade, while it has advanced by more than 20 % in North America (even 30 % in Canada), by 15 to 20 % in certain Scandinavian and other European countries, and by about 10 % in Japan. It is striking to observe that employment creation in, for example, the United States and Japan — countries whose economic weight is comparable to that of the Community — has been on a scale sufficient to more than solve Europe's present unemployment problem.

Admittedly these performances have been in fundamentally different settings: thus the Japanese economy has combined a high growth rate of employment, productivity, investment and real incomes, whereas in the United States the good employment performance has been achieved in the midst of a relatively slow growth of investment, productivity and real incomes. This points to the practicability of a range of employment strategies. Europe's own productivity growth performance has been between that of the United States and Japan.

It is also the case that the Community, in relation to the United States and Japan, has distinct characteristics: it is much more open to international trade and its social structure is significantly

different. Nonetheless, and even if it is difficult to draw from such comparisons models of general application, the performance of the Japanese and American economies in employment creation justifies reflection on its underlying causes, especially since it has been combined in these two countries with comparative success in controlling inflation and the external balance. It is in particular apparent that the Japanese and United States examples have in common a positive employment creation record, a more positive record of enterprise profitability, of labour cost adaptability to economic circumstances, and — for reasons linked to social structure — of less onerous labour regulations that place constraints on the use of production capacity. By comparison, enterprise profitability has fallen to much lower levels over the past decade in Europe (especially in the United Kingdom and Belgium, but elsewhere too in lesser degree). The adaptability of labour costs to macro-economic conditions and those of the enterprise is less in Europe.

In the wake of the second oil crisis, and drawing on the lessons of the general trend of real wages from 1974 to 1976 and more particularly of the manner in which indexation mechanisms had directly transmitted the effects of the first oil shock into wage increases, the Commission advocated in 1981 certain principles to guide income indexation practices in the Community. Thus indexation should exclude factors going outside corporate control such as terms of trade losses due to raw material prices, the inflationary impact for exchange rate depreciation and changes in indirect taxes; other limitations should be put on the speed, automaticity or fullness of wage-price indexation. In the recent past, there has been a certain convergence of practices in line with these principles. Thus in certain countries changes in certain regimes of full indexation have been implemented or announced. In other countries, there is increasing acceptance of the need for labour cost adjustments, and for a revision in indexation habits.

But much remains to be done to ensure in Europe a pattern of wage-profit relations capable of setting unemployment on a downward trend through the development of economic activity and the creation of new wealth. As in the case of budgetary policy corrections, there are undeniable difficulties in determining the best trajectory. Labour cost adjustment is a necessary but not sufficient condition for improving employment. Moreover a wage adjustment, especially if it is not appropriately phased in its timing, can carry a real risk of deflation; macro-economic policy should enable this risk to be averted in ways indicated herein (Table 3). This may have to depend on effective concertation bet-

ween government and the social partners, implying a much stronger need for a social consensus.

Other ways of helping the reallocation of resources towards employment and investment expansion may be found in arranging a greater flexibility of labour costs as a function of profits, allied in some circumstances to greater access to equity shares, or various cooperative systems. In addition there may be links to schemes, which aim at a worker participation in corporate planning. Although the general approach will surely have to be decentralized and varied, account must also be taken of the twin objectives of social justice and participation in the process of restructuring the economy.

There are important and lasting issues of social policy which are now raised as a result of high unemployment. They fall broadly into two categories :

- the present state of social security finances raises two distinct types of problem : that of keeping an appropriate financial equilibrium in the social security accounts, and that of correcting (or averting) excessive levels of both benefits and levies which may prejudice supply potential,
- measures designed to minimize the social hardship and damage inflicted by the high unemployment level, or to distribute the hardship in an equitable way.

Confronted with the present difficulties that result from the slowdown in government revenues and at the same time the strongly increasing trend in social transfers paid to the unemployed, it has become inevitable that the techniques and magnitude of these transfers and benefits — notably unemployment and redundancy benefits — be re-examined in Member States in relation to priority needs. This process has moreover already begun in Belgium, Denmark, France, Germany and the Netherlands.

Such a re-examination should take into account both the trend of incomes in general and the fact that unemployment strikes social categories very unequally — hitting in particular less qualified labour which is sometimes concentrated in certain sectors or regions or certain underprivileged social groups. The authorities have to be guided by the need to preserve in a period of recession the fundamentals of social justice, and to assure that, as a priority, income maintenance and other social programmes really reach families with the lowest incomes.

Since the total cost of social transfers will inevitably remain high for several years, the authorities should also be cautious in committing themselves to long-term expenditure, particularly on pensions, and ensure that they match the likely trend in the receipts which are designed to finance them.

As regards the distribution of unemployment, there have been important efforts in the past year to give priority to schemes to reduce the particularly high level of youth unemployment. The Council has accepted the principle that all school-leavers should be assured of either continuing education, or professional training or work experience. Programmes in implementation of this principle are being built up in several countries. But the next stage in the problem is that of ensuring real employment opportunities. This will require a continuing flow of initiatives to make the recruitment of young people an economic proposition for employers.

Measures to reorganize and reduce working time could make a contribution to the creation of employment opportunities in so far as they help to reduce the present rigidities in the labour market and structures of production and do not increase labour costs. In order to take due account of institutional, social or wage-determination differences between countries, as well as the special nature of various activities, these measures should be negotiated at an appropriate level between the two sides of industry. They should also aim at achieving a greater degree of flexibility and mobility so as to maintain or improve the competitiveness of enterprises. A wide range of reduced and flexible working hours in both the public and private sectors (part-time work, 'job sharing', training leave, lengthening and staggering of holidays, short-time working) should be made attractive through a better utilization of productive capacities and the reduction of legal and institutional obstacles. Flexible and voluntary retirement arrangements for older people may help youth recruitment.

3.2. Short-term issues of coordination and financial policy mix

3.2.1. *Evolution in systems of policy management and coordination*

The problems of managing structural change in economic performance are extremely difficult. To describe the objective is relatively easy. But there are major uncertainties surrounding the time-lags involved in key economic adjustments, such as those following budgetary reforms, changes in monetary policy or in the distribution of income.

These difficulties affect all countries. On the one hand, countries having managed to maintain a good price record or recover a much better one are at present uncertain when an improvement in the real economy will materialize. On the other hand, countries in serious financial disequilibrium find it difficult to judge the best mix and trajectory for their inevitable policy corrections.

A symptom of these difficulties has been seen over the past years in the progressive abandonment of target-setting for the individual objectives of economic policy : output, price stabilization, employment. The instruments of policy control were seen to be insufficient for the credible fixing of multiple objectives. Moreover the setting of unrealistically optimistic objectives could have harmful effects on the whole of the economy.

Meanwhile the importance of 'intermediate' policy objectives, such as budgetary, monetary and exchange rate targets, has increased. With this has come increased awareness of the importance of expectations of private economic agents. The credibility of governments' commitments to their financial targets has become an integral part of the task of policy management. Financial objectives whose credibility are suspect are heavily penalized in the market, notably through interest rates.

The relationship which has become most uncertain is the split of the nominal growth of the gross domestic product between output and inflation. The relationship between the growth of the financial aggregates and nominal gross domestic product has proved relatively robust. But there is little consensus over how far an act of financial policy restriction or expansion will affect real output versus prices.

In the light of recent experience it may be that the balance between 'final' and 'intermediate' objectives should be adjusted in the direction of a closer monitoring of aggregate nominal gross domestic products trends, as has been the case in a certain number of Member States for some time. This would avoid the pitfalls of over-specific targeting of inflation and output separately, where the policy instruments under the direct control of government were insufficient to assure success. It would provide a point of reference for the consistent setting and monitoring of monetary and budgetary policies, and aid in the discussion, between and with the social partners, of the trend of incomes compatible with economic and employment objectives. Financial (i.e. budgetary and monetary) policy would have to assure a certain trajectory for nominal gross domestic product and external equilibrium, while income developments (under free collective bargaining or incomes 'policies') and supply

side policies would be responsible for determining the rate of employment and productivity growth.

Existing coordination procedures should be combined with the review of economic performance in relation to the final objectives (for nominal gross domestic product) set to guide financial policies. In the case of economies with a good price stabilization performance and weak real activity, the management of financial policy adjustments could be less bedevilled by the 'expectations trap' (i.e. the danger that the need to support the credibility of financial policies leads to an over-rigid commitment to 'intermediate' financial targets). But adjustments of policy in the light of performance would still have to take into account the full range of constraints. The major constraints and indication of disequilibria in the Community in 1982 are summarized in Table 4.

3.2.2. *The policy mix in the immediate situation*

It had been forecast in 1981 that the business cycle would soon be on the upswing; this forecast was based on a series of developments and signs observed during the preceding 12 months. But the recovery process stopped at an early stage. The European economy will thus probably, in 1983, be entering into its fourth consecutive year of quasi-stagnation. The risk of a lasting deflationary situation cannot be excluded.

Policy making must take account of this new environment, which makes even more urgent the imple-

mentation in certain Member States of fundamental adjustment policies with respect to public finances, cost developments or the external balance; these being essential for the recreation of subsequent possibilities for satisfactory growth.

This same risk requires on the other hand that countries whose situation is sound ensure the maintenance of a level of activity compatible with general economic stability and balance, but sufficient to avoid the pitfall of a deflationary spiral.

There follows from this analysis a general stance for the two broad categories of policies to be effected in the Community :

- the rapid achievement of economic adjustments, which are necessary, although in different degrees, in the countries whose public deficits, balance-of-payments deficits or inflation are excessive,
- the maintenance of a sufficient level of economic activity in countries whose situations are better, but which, because of the prevailing environment internationally or in the Community, are unable to exploit all their potential for growth.

In general, policy in both situations should be implemented in ways such that the techniques used to reduce inflation and re-establish competitiveness result not in a reduction of aggregate performance, but in a reallocation of resources in favour of productive activity.

TABLE 3
Forecast evolution of gross domestic product in 1982 and 1983

(percentage change)

Member State	1982				1983			
	Nominal GDP	GDP output volume	GDP price deflator	Consumer price deflator	Nominal GDP	GDP output volume	GDP price deflator	Consumer price deflator
Belgium	6.8	-0.5	7.3	9.0	7.9	0.5	7.4	8.5
Denmark	12.8	2.0	10.6	9.9	8.6	1.6	6.9	7.0
Germany	4.3	-0.5	4.8	5.0	4.7	1.0	3.7	3.6
Greece	22.6	0.7	21.7	23.0	23.0	1.9	20.7	21.0
France	13.6	1.1	12.4	11.0	10.8	1.0	9.7	8.9
Ireland	21.5	2.0	19.2	18.5	15.5	2.4	12.8	13.0
Italy	18.4	0.8	17.5	16.6	16.9	1.0	15.7	15.0
Luxembourg	8.4	-0.3	8.7	11.0	8.8	1.0	7.7	9.0
Netherlands	5.7	-0.5	6.2	6.3	3.3	-0.3	3.6	4.5
United Kingdom	9.1	0.6	8.4	8.8	8.2	1.7	6.4	6.9
Community	10.9	0.3	10.6	10.5	10.0	1.1	8.8	8.8

Source : Commission services.

In all cases it must remain clear that the basic guidelines for structural adjustment and stabilization still hold good, and their implementation must be accelerated and intensified. In particular, countries in exposed financial situations must rapidly and convincingly show that they are taking the necessary steps to bring their public and external borrowing onto sustainable trajectories. The continued recession increases the dangers of inaction.

For countries in stronger financial situations the immediate constraints are obviously less, but the task of achieving more output and not more inflation through an easing of financial policy remains extremely delicate. The first reasonable step in current circumstances is to let money supply growth move to the top of its target range. This has been done by the Bundesbank, and short-term interest rates have been reduced from 10.5 % at the beginning of 1982 to 7.3 % in early December. This is helpful for real activity, and will in due course doubly help reduce the budget deficit, directly through official debt service costs and indirectly when activity strengthens and tax receipts increase faster. It is also helpful in the EMS exchange rate setting, in which other participating countries may relax their interest rates more or less in step with those of the Bundesbank. The United Kingdom is also reducing its interest rates steadily.

One should expect the process of interest-rate reduction to continue in circumstances of recession

and decelerating inflation, although an indicative limit could normally be seen in a real rate of interest close to the economy's underlying rate of growth — at least for long-term rates. Below this limit there would be risks of discouraging the formation of savings required to finance a stronger investment performance. If the likely rate of inflation and real activity continue to be revised downwards, there would be a stronger case still for the easing of financial policies.

If the economic situation worsened, countries with the soundest financial situation should avoid action to offset the increases in budget deficits that would result from the loss of activity. Interest-rate reductions should still in the present phase be the main agent of counter cyclical policy. But as and when the scope for interest-rate reductions is exhausted, and if nominal gross domestic product is still decelerating from a low rate, budget policy initiatives to support economic activity could in these circumstances be wholly compatible with monetary policy objectives. Such budgetary action could typically include tax cuts or changes in tax and expenditure structures designed to have maximum supply-side and employment benefits.

In other countries, until and unless interest rates have been brought down in conditions of sound policy management close to these lower limits,

TABLE 4
Indicators of macro-economic disequilibria and constraints in 1982

Member State	Unemployment rate	GDP deflator (% change)	Balance of payments current account (% of GDP)	Real rate of interest ⁽¹⁾	Public finance		Public debt (% of GDP) (1981) ⁽³⁾
					Budget balance (% of GDP)	Corrected balance ⁽²⁾ (% of GDP)	
Belgium	13.9	7.3	-4.0	3.7	-12.8	-5.8	88.6
Denmark	9.1	10.6	-4.1	12.0	-9.5	(-9.0)	16.3
Germany	6.9	4.8	0.0	4.6	-3.9	-3.1	35.1
Greece	(3.8)	21.7	-2.6	(-7.0)	-9.2	-1.4	40.4
France	8.3	12.4	-2.4	5.4	-3.0	-1.9	(17.3)
Ireland	12.1	19.2	-9.0	1.1	-14.7	-3.7	98.4
Italy	9.9	17.5	-1.3	6.0	-11.6	-1.1	64.9
Luxembourg	1.2	8.7	19.7	0.6	-0.9	1.2	22.1
Netherlands	10.4	6.2	4.0	5.7	-5.7	-2.5	(47.2)
United Kingdom	12.2	8.4	0.8	6.9	-0.9	2.4	58.8
Community	9.4	10.6	-0.7	4.8	-5.0	-1.6	42.2

(1) Long-term interest rate in July 1982 less the increase of consumer prices over six months (January to July) in annual rate.

(2) Budget balance corrected for the impact of inflation on the real value of domestic public debt (Chapter 6).

(3) Central government debt for Denmark, Greece, France, Ireland, Luxembourg and the Netherlands; general government debt for Germany; 'settore statale' for Italy; public sector for Belgium and the United Kingdom.

there is unlikely to be a case for budget policy relaxation. These interest-rate conditions are themselves related to the scale of current public borrowing, the outstanding public debt and other disequilibria (Table 4). Thus countries with chronic budget deficits should not expect to undertake any fiscal policy relaxation: the probability of 'perverse' (i.e. negative) effects on real activity would be high. In these countries which face severe financial constraints, and those whose inflation performance has not yet solidly improved, their stabilization efforts could be supported by more clearly marking out a decelerating, normative trajectory for nominal gross domestic product. In this way they would be signalling a ceiling to the flow of money transactions they were prepared to finance, and define the framework for pay negotiations between social partners.

The role of pay and income developments will also be crucial in pulling the economy out of recession.

A deceleration in nominal pay and inflation would itself be a major motor force of economic recovery to the extent that it permitted further nominal interest-rate reductions, improved profitability and better general conditions for investment. In the present situation of stagflation and weak profitability and investment, economic recovery will in many countries require a period in which pay must be directed towards both nominal deceleration of wages and their real adjustment. The point of satisfactory disinflation may be reached sooner in some countries, moreover the position of current account balances is particularly important in this respect. Meanwhile the risks of undue transitional deflation of real demand, understandably feared in the process of disinflation and labour cost adjustment, cannot be ruled out. In this case, financial policy instruments should be used to offset the negative effects and ensure that the trend of nominal gross domestic product conforms to its desired trajectory.

4. SUMMARY AND CONCLUSION FOR POLICY IN THE PERIOD AHEAD

The European business recovery has not materialized in the course of 1982 so far, and recent indicators show signs of a relapse of business confidence. About half of the Community economy remains afflicted by serious disequilibrium problems as regards inflation, the balance of payments and public finance; almost all Member States are experiencing gravely high levels of unemployment.

The prospects for next year are governed by conflicting influences. There has been an easing of world variables such as the price of oil and rate of interest, but steps must be taken to avoid these trends being reversed in the early stages of an upswing. The prospects are however far from being reassuring, and the risk of a deflationary spiral must not be excluded. All must be done to dissipate rapidly the present pessimism.

These problems must be countered by attacking the structural weaknesses of the European economy, and are reflected especially in a low propensity of the private sector to invest and increase employment. These weaknesses are also manifest in much of the Community in an imbalanced distribution of resources between the government and productive sectors, of income between wages and profits, and of expenditure between consumption and investment.

Reversal of these imbalances would seem to be the inescapable component of a strategy to return to

an economy with higher employment, investment and productivity; indeed these ends have to be the counterpart and justification of severe income and public finance adjustments. Policy and concertation between the social partners have to be concerned with assuring that the complete process materializes.

Management of the process of simultaneous cyclical and structural recovery is extremely difficult. Nothing can relieve each country from its own efforts, but taking into account the interdependence of economies and the present international situation, a second objective must be pursued with determination: improvement of economic policy coordination among the industrialized countries in order to increase the chances of success.

Internationally the Community should continue in its efforts of persuasion that policy in the main international reserve currency centres should be actively concerned to avoid excessive fluctuations of interest and exchange rates. To this end it is necessary to maintain efforts to organize a real international monetary cooperation between the principal monetary authorities. The stability of the world financial system requires that the international currencies be managed with this evidently in mind, and that agreements are now promptly reached between the industrialized countries on strengthening the financial capacity of the IMF and the World Bank.

For the present, interest rates are being reduced, and care should be taken to consolidate this trend in the United States and Europe. Monetary policy in Europe has in general avoided extremely sharp movements in financial conditions. With evidence of further deceleration in inflation and weak economic activity, a number of countries can afford to lead continuing interest-rate reductions in Europe. Other countries in the Community face substantial balance-of-payments constraints and most have commitments within the EMS. In these countries there may be scope for parallel interest-rate reductions. However, in some of the most inflationary countries where the real rate of interest is very low or negative, the objective must be to reduce inflation faster than nominal interest rates.

As regards budgetary policy countries experiencing both continuing recession and a satisfactory reduction in inflation, and which face slight disequilibria or constraints, should avoid a blocking of 'automatic stabilizers'. In several other countries large public sector deficits rule out any possibility of their admitting cyclical budgetary action for the foreseeable future and, on the contrary, impose a rapid reduction of budget and external deficits. Tax-cutting stimulation of the economy should only be envisaged once the process of interest-rate reduction has reached its limits, and only in countries whose public finances are in a sound condition.

In the functioning of the European monetary system a positive feature during the past year has been the undertaking of more thorough budget and income adjustment measures to accompany exchange-rate realignments. These tendencies should be further strengthened in the period ahead, so as gradually to restore a better convergence in fundamental economic performance.

However, even a successful management of a cyclical recovery in the year ahead will not solve the problem of unemployment. This requires profound changes to diminish in many countries excessive public expenditure, to increase profitable investment, and increase massively the propensity to

employ. On this latter point the role of a greater moderation and flexibility in real labour costs should be stressed. To the extent that this policy may risk contributing to a transitional deflation of demand, the weakness should be compensated through monetary and where possible budgetary measures to support demand, for example, according to circumstances, through a reduction in interest rates or taxation.

The aim of the foregoing strategy is basically to re-establish a better employment situation. It is evident that its success depends on achieving a consensus on the overall policy priorities. It is vital that the strategy covers, notably, the need not to relax in the struggle against inflation and to take into account the development of import price increases in deciding wage adjustments. Moreover it is clear that every effort should be made to encourage employment creation, in economically sound conditions and notably in a systematic favouring of investment, through removing obstacles to the setting up of new enterprises and through reinforcing flexibility in the organization of working time. It is equally necessary to have constantly in view the fact that the impact of unemployment differs among social groups: in this respect efforts should be made (for example, in the field of incomes or of the reorganization of working time) to ensure that the consequences of the present situation do not have an excessive impact on certain social groups.

The present low level of European exchange rates against the dollar, which seems to be persisting despite changing interest rate differentials, may be taken as a favourable starting point for a lasting adjustment of income, investment and employment fundamentals in Europe. The recent changes in world interest rates should also now facilitate a revaluation of the Japanese yen. The accompanying internal adjustment of incomes and public finances are as important in Europe's economic relation *vis-à-vis* the rest of the world, as they are for individual countries whose exchange rates are realigned within the EMS.

PART II

THE ECONOMIES OF MEMBER STATES

In *Belgium*, the stance of economic policy following the realignment of the franc has made it possible to start correcting the balance of payments on

current account and the public finances deficit, and improving the competitive position of Belgian firms. These measures have necessarily tempered

growth and employment in 1982, and the recovery of these variables in 1983 will still depend to a large extent on the international situation, in view of the inevitable domestic constraints. The rise in consumer prices, temporarily fuelled by the effective depreciation of the Belgian franc, should slow down considerably, and the balance-of-payments deficit on current account may be expected to contract once more.

The rehabilitation policy introduced in 1982, in accordance particularly with the recommendations of the Council and the Commission, will need to be followed by an effort in 1983, probably sustained until the mid-1980s, to establish more favourable and stable conditions for growth.

Progress has been achieved towards greater competitiveness, and the consumption demand of households has been kept within the limits required for an improvement in the balance of payments on current account; but to consolidate these achievements, the expansion of incomes must remain moderate for some time to come; the measures regarding the indexation of wages and other incomes applied in 1982 could be prolonged in an appropriate format in 1983, to contribute to this aim. After consulting both sides of industry the government envisages temporarily extending flat-rate indexation and to reconsider thereafter the detailed rules for the indexation mechanism, so that in 1983, the increase in salary costs do not exceed the weighted average of the seven major trading partners.

As to budgetary policy, the budget that has been presented limits the rate of expansion of expenditure to 7.5 % in 1983 : this means a real decline in aggregate, and a slight nominal increase in expenditure other than that relating to unemployment and the public debt. It further reduces the central government borrowing requirement to 10.5 % of the gross domestic product.

These adjustments are the very least that will be required both for 1983 and with a view to restoring the economy to health in the medium term; any departure from these objectives during the year will have to be rapidly corrected.

The success of the government's measures is a necessary condition for the recovery of private investment, which is essential to the restructuring of economic activity, and to a lasting improvement in employment; the 1982 tax measures should also

contribute to this. The new industrial policy stance, involving stricter conditions for aid and greater selectivity, should itself contribute to a greater rationalization of firms in difficulties and stimulate the formation of new firms.

The margin of manoeuvre for monetary policy will remain narrow, for the current balance-of-payments deficit and the Treasury's sizable financing needs will limit the scope for an autonomous reduction in interest rates.

In the medium term, the moderation of costs and industrial restructuring are still essential conditions for a lasting improvement in the employment situation. Similarly, it is important, as proposed by the authorities, to reduce by half the general government borrowing requirement as a percentage of gross domestic product by 1985, so as to break the spiral of deficit and interest payments that weighs so heavy on public budgets and the balance of payments on current account and thus hampers economic expansion.

In *Denmark*, economic activity in 1982 was more dynamic than in the other Community countries, with a growth rate for the gross domestic product of about 2 %. As in 1981, growth was stimulated by improved competitiveness due, in particular, to the depreciation of the effective exchange rate of the krone. The employment trend was supported by measures taken in June by the government to sustain investment, develop vocational training and create new jobs.

After improving considerably in 1981, the balance of payments on current account deteriorated once again in 1982, as the substantial increase in the cost of servicing the external debt more than offset the continuing improvement in the balance on goods and services. At the same time, the public finance situation has grown steadily worse. The net central government borrowing requirement for 1982 is put at Dkr 57 000 million, or about 12 % of the gross domestic product, much larger than the deficit provided for in the draft budget and in the guidelines adopted by the Council in December 1981, in spite of the increase in taxation in mid-1982. The main reasons for this are the specific measures in favour of employment, but especially the growing cost of servicing the public debt and the rapidly expanding trend of certain components of social security expenditure linked to activity levels. Recent trends have departed in several important ways from the strategic path mapped out at the beginning of 1980, which aimed *inter alia* at

a steady improvement in the balance-of-payments deficit.

One of the important objectives for economic policy in 1983 will thus be resolutely to undertake the re-establishment of macro-economic equilibrium.

To this end, a very strict budgetary policy will be required in 1983. Early in October, the new government announced a programme designed *inter alia* to hold back the expansion of social transfer payments, to limit the growth of public sector pay, to raise certain public service charges and to impose a tax on pension funds and insurance companies' reserves. These measures should lead to a reduction of about Dkr 11 000 million in the deficit originally expected for 1983 which would have reached almost 15.5 % of the gross national product.

The net central government borrowing requirement should thus be limited to some 13 % of the gross domestic product in 1983. This should be the first stage in a steady decline in the budget deficit after the very rapid expansion over recent years and will require a sustained effort in the coming years. It is also important that the central government initiative should be supported by similar action at local authority level. Strict management of public finance should contribute to a decline in interest rates and to creating financial conditions conducive to a durable recovery of investment and an improved budgetary position.

To ensure a more moderate trend of prices and incomes, a wage freeze has been introduced, in force until 1 March 1983. Bills now approved by Parliament provide that this freeze should be followed by the suspension of cost-of-living adjustment and a freeze on certain non-wage incomes over the next two years. If the results of negotiations between the two sides of industry next spring lead to sufficiently moderate wage developments, there will be some reduction in taxes on personal income. All in all, these measures will contribute to strengthening Danish competitiveness, on which the development of exports and economic activity in general depend.

In the *Federal Republic of Germany*, activity declined in 1982 particularly in the second half of the year. Unemployment rose sharply, both because of a fall in the numbers employed and because of demographic developments which are now bringing a large number of young people onto the labour market. However, inflationary trends eased, and

the external position improved markedly, with the current account expected to be in equilibrium for the year as a whole.

The present outlook is at best for a very modest rate of growth in 1983 (about 1 %) which should gather strength as the year proceeds as a result of a slight recovery of exports and fixed investment. According to the latest assessments a zero rate of growth in 1983, compared with 1982, cannot be ruled out. These aggregates will benefit from the favourable impact of falling inflation and interest rates, together with the various measures introduced by government in 1982 to stimulate capital spending.

The monetary authorities' room for manoeuvre increased substantially in 1982, partly because of an improving balance of payments and falling inflation and partly because of the decline in interest rates on dollar denominated assets. Accordingly, German interest rates eased and the Central Bank money stock was allowed to grow at a rate close to the upper limit of the target range. However, as a result of the lack of economic growth, the developments of public expenditure and borrowing were less favourable than the authorities had hoped, and the government was obliged to introduce supplementary budgets in the course of the year, to permit a higher level of borrowing by the Federation.

On the basis of present policies the underlying trends of output and employment are unsatisfactory in the period ahead; low rates of expansion could well persist into the medium term.

The Federal Republic's expected economic growth rates for 1982 and 1983 will be — in contrast to the sixties and seventies — lower than the Community average and supported to a lesser extent than in the past by export demand. A more buoyant economic recovery must therefore depend upon a significant strengthening of internal demand, especially in an environment of more rigorous economic policies in Germany's trading partners. Moreover, now that most of the adverse effects of the second oil price shock on inflation and the balance of payments have been overcome in Germany much quicker than elsewhere, the policy mix should contribute towards an improvement in investment and avoid deflationary effects which could arise from an excessively rapid reduction of the budget deficit or adjustments to the level of real wages.

Given the importance of both demand and profit expectations and financial conditions for encouraging investment, fiscal policy should principally

concentrate, in the immediate future, on restructuring public expenditures in favour of capital formation, research and development and professional training, rather than on a reduction in the deficit in a year of low or zero growth and, ensure a progressive reduction in the longer term. Therefore, the net borrowing of general government should be held stable in 1983 at some 4 % expressed as a percentage of the gross domestic product.

In view of the favourable outlook for inflation, monetary policy should be conducted in a manner such that economic expansion is facilitated notably by letting Central Bank money increase at a sufficiently high rate within the margin fixed by the Bundesbank (4 to 7 %). The room for manoeuvre generated by the improvements on the external side and the decline in the rate of inflation has already been used recently to facilitate falls in interest rates; this policy stance should be maintained.

Even with a rate of growth close to one which is presently forecast for 1983, it would not be possible, in the near future, to avoid a further deterioration on the labour market. On the whole, Germany's competitive position, its productivity record and the profitability of its firms, do not suggest that a major reduction in real wages in general is a necessary prerequisite for stronger growth. Greater attention should nevertheless be given to the appropriate structure of wage differentials, ensuring that they contribute to the mobility of labour, so fostering the necessary readjustments in the economy.

Greece is still confronted with the problem of the resumption of economic growth in an external context which has become, and is likely to remain, even more difficult than before. The short-term outlook for 1983 is a little better in that respect, and should, if the forecasts prove accurate, help the recovery to get under way. But the problem of adjusting the economy to its environment is mainly a structural matter : no durable improvement in production is possible without a long drawn-out systematic effort to increase the scope for domestic supply, which involves the relaxation of rigidities that are embedded in the system, and implies high investment ratios. Such an effort must be combined with vigorous measures to combat inflation, which currently distorts the allocation of production factors and so inevitably hampers desirable structural change.

Present policy has attempted to lay foundations for action on these two fronts, to be specified com-

prehensively in the five-year plan at present in preparation. By combining a large increase in the lowest incomes early in 1982 with price controls on necessities and a major selective increase in taxation, this policy has aimed to stimulate a cautious recovery in consumer demand while slowing down the rise in prices. An indexation system of adapting incomes and pensions has been introduced, and its effects should lead to spontaneous moderation of the nominal trend of incomes, as long as there is no immediate pressure to restore the differentials that have been eroded. Another aim of the policy is to reduce aggregate domestic credit as a proportion of the gross domestic product, by vigorously restraining the expanding trend of the public sector deficit. Lastly, the policy aims at encouraging the recovery of investment through a selective credit policy that has succeeded in keeping real interest rates at a very low level, and by completing the system of a very varied range of sectoral and regional aids.

These efforts are currently being made. However, exports have stagnated so far and investment has shown no signs of picking up. In the circumstances, the growth rate might approach 1 % in 1982. Moreover, it has proved impossible to compress liquidity because the public sector deficit could hitherto not be restrained as far as was hoped. As to the drachma, it has depreciated further, as the authorities were seeking to offset the effect of inflation differentials on Greece's competitiveness.

The current tight policy should nevertheless not be relaxed; for it is essential to control inflation if the financial conditions are to be established to allow the major investment drive required to transform economic structures.

Economic policy will thus have to make use of all the means available to ensure that nominal trends begin to slow down in 1983. In particular, efforts to restrain the rise in incomes will have to be pursued, while avoiding that the index-linking mechanism leads to an excessive narrowing of the overall range of wages and salaries. Price controls must also continue so as to prevent excessive increases. The liquidity ratio in the economy will have to be considerably reduced by bringing the net public sector borrowing requirement down to below 10 % of the gross domestic product via cuts in current expenditure and increases in public service charges, by tightening credit controls and by encouraging stable savings. To achieve the last aim, interest rates can no longer be kept at an artifi-

cially low real level : more account will have to be taken of market conditions when they are fixed.

In *France*, the recovery engendered by the upturn in demand in 1981 has resulted in a sharp deterioration of the trade balance. The external position as well as the financial equilibrium and competitive position of companies has been disturbed. The expansion of domestic credit resulting from a growing public deficit and financial problems among firms, has fuelled inflation when it was declining elsewhere. The exchange rate for the French franc was altered in October 1981 and in June 1982.

The realignment within the European monetary system in June 1982 was accompanied by a rigorous recovery programme. It was immediately followed by temporary measures to block, defer or limit rises in prices and incomes, in an attempt to break the inflationary spiral, and by the announcement of a vigorous effort to control the expanding trend of the public deficit. At the same time, the money supply growth targets for 1982 and 1983 have been modified downwards to take account of the expected contraction in nominal trends. This change of course should help to bring inflation down faster, for which the intra-annual rate should not exceed 8 % in 1983, and at the same time lead to some improvement in the current balance of payments. But this will entail a considerably lower rate of domestic demand, no higher than 1 % a year in 1982 and again in 1983. Specific budgetary and financial measures will, moreover, aim at shifting the balance of demand from consumption to investment.

This programme can succeed only with the active support of both sides of industry, for the main condition of success for the present adjustment policy is also the principal factor of uncertainty : a reduction in the rate of expansion of costs. It is important that the prices and incomes policy, following the freeze provisions terminating on 31 October 1982, endeavours to gradually restore as much freedom of decision as possible, and at the same time neutralize the determining factor in the inflationary spiral : the *de facto* index-linking of wages and salaries — and more generally incomes — to past price rises.

The policy adopted for financing the economy, moreover, will have to strike the appropriate balance between the restrictive stance required by the objective of disinflation and ensuring exchange rate stability, and the need for financing business on

conditions that will not hinder their investment effort. The control of the expansion of domestic credit is therefore essential. This assumes that the growth of the general government borrowing requirement is halted, at least in relative terms, and is stabilized in 1983 at the 1982 level of 3 % of the gross domestic product.

The 1983 Finance Act, and the provisions taken to counter the tendency to imbalance in the social systems should in principle permit this goal to be reached. In this context, it should be possible to create the margin of manoeuvre needed to finance priority research projects, reinforce industrial structure and promote employment, and ensure that, as inflation declines, real interest rates will be low enough to minimize the financial burden on business. The complete success of the new incentives to long-term savings, particularly in venture capital, are an important element in this strategy.

The eventual restoration of sustained growth will not depend only on the success of disinflation policy and on the foreseeable improvement in the international environment. It will also require a structural policy, the main instruments of which were created in 1981 and 1982, to ensure that the economy adapts efficiently to domestic and external demand. Among other things, industrial action by the authorities will have to guide the economy towards more competitive structures by modernizing the weaker sectors and encouraging the development of advanced technology industries, most of which are now in the public sector. It is also necessary that possible measures for work sharing are entirely compatible with the needs of enhancing productivity, and that they avoid any direct or indirect increase on firms' costs.

The growth of economic activity in *Ireland* in 1982 has been modest compared with rates achieved in the recent past. The rate of price inflation was far out of line with the Community average although it seems to have moderated recently. Both the balance of payments and the public sector accounts continued in serious deficit however, while foreign borrowing, a related problem, has reached high levels. These trends appear particularly worrying when viewed in the light of the rapidly rising unemployment rate which will exceed 12 % in 1982.

The outlook for 1983 is uncertain. Without new corrective measures, and notwithstanding a growth rate in the gross domestic product of about 2 %, the Exchequer borrowing requirement could well

approach this year's level of about 16 % of the gross domestic product while the rate of inflation, although falling, would still be running at the rate of at least 12 %. Under these conditions, the current policy stance must not only be maintained but must be vigorously pursued.

The problems in the Irish economy originate to a large degree in the failure to adjust after the two oil shocks. The openness of the Irish economy and its heavy dependence on external energy resources made adjustment imperative. Impressive rates of export growth, often achieved in difficult trading circumstances, could not offset the steady forward march of imports, which reflected the failure of domestic consumption to take account of the deterioration in the terms of trade. The real value of earnings was maintained in the face of rising import costs and tax increases, thus contributing to a very rapid rate of price inflation well above the levels experienced in Ireland's other EMS partners. This reduced the economy's ability to compete. Only by reversing these trends can competitiveness be strengthened, the rate of growth in output be increased and progress in reducing the level of unemployment be made.

In the past few years, public expenditure policies have tended to accommodate these developments by allowing a rapid advance in public sector pay levels, maintaining and improving the real value of social transfers and continuing the ambitious scale of the public capital programme, although, in 1982, overruns on expenditure were avoided through tight controls and adjustments to programmes. Although public borrowing for capital investment purposes had been accepted practice in Ireland, the growth of current expenditure resulted in large deficits on the current budget as well. There is a wide consensus that the current deficit must be eliminated since it adds to public debt, much of it foreign denominated, without generating a stream of income with which to meet the heavy servicing charges. To do this will require substantial real cuts in current expenditure programmes since large annual tax increases, such as those imposed in recent years, are unlikely to be prudent economically.

Moreover, the obligatory nature of all debt charges reduces the government's room for manoeuvre. Thus, while recognizing the need for further public capital investment in Ireland, the situation demands that each project's potential benefits to the economy must be severely scrutinized with a view to obtaining a better return from scarce resources.

To reverse the divergent performance of the Irish economy, stern action to reduce the public sector deficit is necessary. The consequent reduction in deficit financing through monetary means would assist in reducing inflation, bearing in mind that further tightening of the current Central Bank credit guidelines may not be appropriate in present circumstances. The package of expenditure cuts announced in early August is a welcome first step in the direction of bringing the public sector deficit under control. These efforts, however, will need to be carried through and amplified in 1983 if the public accounts are to be restored to a sound basis. In this respect, a reduction, as compared with 1982 in the Exchequer borrowing requirement equivalent to 3 % of the gross domestic product would be an appropriate target for 1983. At the same time, it is essential that, in particular, workers in the sheltered sectors of the economy take a more realistic view of the economic possibilities and moderate wage increase demands.

These measures will not automatically remove all the economy's difficulties, but, after a period, by strengthening competitiveness and restoring the Exchequer's scope for growth promoting policies, they will enable the problems of job creation and deficiencies on the supply side to be tackled effectively and the good progress made in industrialization to be consolidated and built upon. In this connection, the setting up by the authorities of a medium-term framework to tackle the problems of high unemployment and large external deficits while restoring balance to the public finances and bringing inflation under control is an indispensable element.

Italy has made progress towards adjusting its economy to external constraints. It has managed to do this by accepting a contraction in domestic demand — achieved in 1981 — and with the help of dynamic exports. These good results have been due *inter alia* to a more stringent monetary policy. Nevertheless the rate of inflation (17.5 % in 1982) is still far out of line with the Community average (10 % the same year) and other large industrialized countries. The current balance-of-payments deficit showed only a modest decline; this was due mainly to a lag in the cyclical evolution of the Italian economy compared to other countries.

Progress to date is not, however, sufficient to justify anything more than a limited expansion in domestic demand, and in particular consumption, in the short term. The restoration of a growth trend commensurate with medium-term potential

depends not only on an improvement in the international environment, but also on the progress made in reducing the government deficit, the control of costs and the adaptation of productive structures. Monetary policy can only be relaxed to the extent that progress is made in reducing the rate of inflation and the external disequilibrium. In the circumstances, growth will not reach 1 % in 1982, and will hardly exceed that figure in 1983. On the other hand, the balance-of-payments deficit on current account will continue to contract and disinflation will make slow but steady progress.

An important set of financial decisions was taken at the end of July 1982. A rapid acceptance by Parliament of all the measures proposed by the government would be an important step towards a return to balanced growth. The main measures involved a large increase in public revenue. They included increases in public service charges, increased rates for VAT and most excise duties, a higher rate of corporate taxation, a tax amnesty with immediate payments in discharge of liability, and increases in certain social security contributions. The extra burden of compulsory levies might be somewhat attenuated by new measures for personal income tax reductions subject to wage agreements that comply with government guidelines. The Finance Act should also extend the insured person's contribution to the cost of the health service. It is foreseen that the overall effect of these measures, combined with others still to be specified, should be to reduce the Treasury's net borrowing requirement from about 15 % of the gross domestic product in 1982 to about 12 % in 1983. Such an effort is indispensable to ensure that total domestic credit does not expand beyond reasonable limits, and that the liquidity ratio declines without imposing excessively high interest rates on the private sector.

It is now up to the two sides of industry, during the present round of negotiations for the renewal of working conditions, to commit themselves to voluntary restraints on the nominal trend of incomes. Only if this top priority aim can be achieved can the differential between inflation in Italy and that in its main trade partners be reduced; without such a reduction the economy would suffer for a long time from the adverse effects of a loss in competitiveness. At all events, in order to extract the economy from the inflationary spiral, it is important to gain definitive acceptance for the idea that in actual practice wages should be linked to expected future developments rather than following past price movements. As a first step towards gradual disinflation, a target rate for the rise in prices and unit labour costs of at most 13 %

should be set, for 1983, some four points lower than in 1982.

A strategy of gradual disinflation is the major condition for a more satisfactory development of the economy in the medium term. A persistently high inflation rate creates financial pressures and leads to uncertainty about profitability, thus distorting the allocation of the factors of production. It could, in particular, depress investment and research, on which depend the development of advanced technology sectors and the general dissemination of technological progress throughout the economy. Production structures will in fact have to be adapted in this way to compensate for the decline which threatens certain basic industries and in some consumer goods industries whose competitiveness would be rapidly eroded if present output conditions were to last.

Economic activity in *Luxembourg* improved only very slightly in 1982. The devaluation of the Luxembourg franc in February 1982 did not significantly stimulate exports because of the particular structure of Luxembourg's external trade. Prices, which were already rising fairly rapidly early in the year, have since gained momentum; at the same time, a slower rise in wages following the measures concerning the indexation arrangements led to a decline in private consumption. The public finance deficit remained moderate.

Economic activity could recover slightly in 1983 under the influence of expanding exports, but the effects on employment will be modest. The rate of consumer price increase will decline substantially now that the effects of the devaluation are gradually being dissipated, and owing to the slowdown in the rise of costs in 1982.

In principle, the indexation mechanism is to be restored in January 1983. It would nevertheless be desirable, to maintain competitiveness and consolidate disinflation, if the government and the two sides of industry could come to an agreement on neutralizing — at least partially or temporarily — the relationship between wages and other incomes on the one hand, and the price trend on the other. This would help to hold down costs, and thus make an essential contribution to the economic restructuring on which the eventual improvement of the employment situation depends. The measures taken in 1982 to increase geographical and sectoral mobility in the labour force should be reinforced so as to reduce the cost to the budget of the action to alleviate unemployment.

Fiscal policy as a whole should remain cautious to prevent any accentuation of the expanding tendency of the deficit that has emerged over the past few years, and to provide some margin for manoeuvre for specific measures in favour of employment should they prove necessary. This requirement could be met by keeping the central government borrowing requirement for 1983 to no more than 1.2 % of the gross domestic product.

In the *Netherlands*, after several years of sluggish activity, the outlook is limited for growth in 1983, with little likelihood of an improvement in the employment situation. Whilst this forecast is similar to that for a number of other Member States, the situation in the Netherlands appears much more favourable from the point of view of economic balance. Disinflation will continue, with the rate of increase of consumer prices falling to 3.5 % by the end of 1983; the balance-of-payments surplus, already very large in 1982, could once again be substantial, perhaps 5 % of the gross domestic product.

However, the outlook beyond 1983 gives cause for concern: economic growth will be lower than the Community average. Employment opportunities will be insufficient to absorb the strong growth of the labour force, and in foreign trade the favourable effects on the balance of payments of the export of natural gas will gradually run out of momentum.

Although the economy will be less unbalanced than that of the other Member States, government finance will still require strict control; for unless further measures are taken, the disparity will widen between revenue, affected by the low growth predicted for 1983, and expenditure, rising fast in aggregate as a result of the social legislation adopted during the period of full economic expansion. Despite the major efforts that have already been made to reduce the deficit, the borrowing requirement of central government and local authorities could well amount to more than 10 % of national income in 1982. The government has taken further measures to limit the borrowing requirement, while avoiding a new increase in the tax burden, already one of the heaviest in the Community. Savings on expenditure should be geared essentially to bringing down the rapid growth of social transfer payments, notably by reducing the number of beneficiaries for certain schemes, and to limiting the increase in civil service pay. On balance, it would be desirable that net general government borrowing should not exceed appreciably, in 1983, the 1982 level (9 % of the gross domestic product).

Stabilizing the deficit and reducing it in the medium term should also facilitate the recovery of investment. It is an essential condition to enable the monetary authorities to continue to reduce interest rates, after the substantial fall that occurred in 1982. This in turn is a key element in a medium-term strategy, whose aim must be to offset, by radical restructuring, based on a major investment drive, and by the development of advanced technological industries, the adverse effects of the de-industrialization process that has been going on for over 10 years now.

This strategy also involves continued efforts to keep wage costs down on the whole in the private sector; given slow economic growth and the necessary restoration of profitability. Following recommendations made in November by both sides of industry at national level in favour of decentralized wage bargaining, and of a reduction of working time in lieu of compensation for price increases, there seems to be scope for a better distribution of labour without increasing labour costs.

In the *United Kingdom* there was a small increase in the gross domestic product in 1982 in contrast to the falls in activity in the previous two years. A further marked fall in the rate of inflation has taken place with the annual increase in consumer prices approaching 6 % by the end of the year. Unemployment has however continued to grow while the surplus on the balance-of-payments position has declined considerably. Nevertheless a substantial surplus is still likely to be recorded for the year as a whole.

Despite some strengthening in the recovery in the coming year, the rate of growth is likely to remain very modest in 1983, perhaps 1.5 %, and unemployment is expected to continue rising albeit at a slower pace. Lower wage settlements could lead to a further reduction in the rate of inflation.

The UK, like all other Community countries, faces severe imbalances in the labour market. In many other respects however the UK economy's relative position has improved considerably, reflecting the combined effects of the development of oil resources and adherence to tight financial policies. The rate of inflation is now well below the Community average and declining, the public sector deficit both in absolute terms and as a percentage of the gross domestic product has fallen markedly whilst the balance-of-payments position, although it has weakened somewhat, is still very favourable. The depth of the recession has encouraged companies to shed a considerable amount of labour which has been reflected in very large productivity gains.

These in turn led to very low increases in unit labour costs in the UK, reversing some of the previous loss in competitiveness.

For the financial year 1982/83, there should apparently be no difficulty in keeping public sector borrowing below the levels set out in the most recent statement on financial policy (3.25 % of GDP). The monetary growth target range was adjusted upwards compared to the original intentions, and this range now applies to a number of measures of money supply. Overall the present stance of fiscal and monetary policy must be considered a cautious one, which should be conducive to a further decline in inflationary pressures and to falls in interest rates.

The outlook for growth and employment in 1983 is still unsatisfactory and in considering plans for economic policy for 1983/84 it is desirable to ensure that gains made in the public sector financial position, in reducing inflation and in raising productivity levels are translated into a more satisfactory overall economic performance. The rate of inflation has improved and is below that for the Community as a whole. The thrust of monetary and fiscal policy, whilst directed towards ensuring a reduction in inflation, should further contribute to the recovery in activity.

On the monetary side, the main emphasis should therefore be on a steady expansion of the monetary aggregates consistent with a pick-up in activity. There is a case for ensuring that the growth of the

monetary aggregates in 1983/84 remains at the top end of the range of 7 to 11 %. A degree of lending to the private sector sufficient to benefit significantly investment and stockbuilding, consistent with downward moving longer-term interest rates, can be achieved within this framework given the foreseeable trends in public finance.

Although the authorities have made it clear in the most recent MTFS that they wish to see a further reduction in the size of the public sector deficit, the present outlook for public sector borrowing in 1983/84 is now favourable so that there might be room for manoeuvre in fiscal policy in order to ensure that the financial framework, now that inflation has receded, further aids an upturn in activity. On the basis of the present outlook, a target for the public sector borrowing requirement for 1983/84, somewhat above the illustrative published figure of £ 8 billion (2.75 % of GDP) might be appropriate, subject to the need to maintain the conditions necessary to exert downward pressure on interest rates and to the evolution of the United Kingdom's external position. Account should be taken of the need to improve the employment and supply potential of the economy; in this connection emphasis should be put on increased public sector spending on construction activities. A reduction in the surcharge was announced in the budget and a further reduction was announced in November. In addition, in the near future, an extension of the specific policies already in place to deal with unemployment could be required, within the overall financial framework.

TABLE 5
Belgium — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	8.5	4.8	3.5	3.2	7.8	0.2	-1.3	8.6	2.2
1971 to 1980	10.4	3.2	7.0	7.0	11.9	0.4	-4.6	10.3	5.8
1980	6.9	2.5	4.3	6.5	8.9	-4.6	-9.4	2.7	9.4
1981	3.6	-1.7	5.4	9.1	7.5	-5.4	-13.4	6.6	11.6
1982 ⁽¹⁾	6.8	-0.5	7.3	9.0	7.1	-0.4	-12.8	6.5	13.9
1983 ⁽¹⁾	7.9	0.5	7.4	8.5	7.0	-3.2	-12.1	7.0	14.8

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 6
Denmark — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	11.2	4.9	6.0	5.2	10.5	-2.2	0.7	10.2	1.1
1971 to 1980	12.2	2.3	9.7	10.2	11.1	-2.9	0.0	11.8	3.8
1980	8.1	-0.2	8.4	11.5	8.1	-3.8	-5.9	8.1	6.1
1981	9.3	-0.2	9.5	10.7	10.5	-3.2	-7.1	9.6	8.3
1982 ⁽¹⁾	12.7	2.0	10.6	9.9	10.6	-4.1	-9.5	12.0	9.1
1983 ⁽¹⁾	8.6	1.6	6.9	7.0	6.9	-4.0	-9.6	11.0	9.2

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year. Until 1979, M2.

TABLE 7
Federal Republic of Germany — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	8.4	4.7	3.5	2.9	8.6	0.7	0.5	10.4	0.8
1971 to 1980	8.2	2.9	5.2	5.2	8.6	0.6	-2.2	9.8	2.8
1980	6.8	2.0	4.7	5.3	6.5	-1.8	-3.5	6.2	3.4
1981	4.2	0.1	4.2	6.0	5.3	-1.1	-4.0	5.0	4.8
1982 ⁽¹⁾	4.3	-0.5	4.8	5.0	4.6	0.0	-3.9	7.0	6.9
1983 ⁽¹⁾	4.7	1.0	3.7	3.6	4.6	0.2	-4.1	5.0	8.3

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 8
Greece — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	11.0	7.6	3.1	2.5	9.8	-3.1	..	17.6	..
1971 to 1980	19.1	4.7	13.8	13.6	18.3	-2.7	..	23.8	..
1980	20.3	1.7	18.4	23.7	16.2	-0.9	..	24.7	2.8
1981	18.9	-0.7	19.7	24.4	21.6	-2.2	-10.1	34.3	3.1
1982 ⁽¹⁾	21.7	0.7	20.9	22.0	27.7	-2.4	-9.2	29.1	3.8
1983 ⁽¹⁾	22.2	1.9	20.0	20.0	21.0	-2.3	-8.6	23.0	4.0

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 9
France — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	10.2	5.6	4.4	4.3	9.4	0.2	0.4	12.7	0.9
1971 to 1980	13.4	3.6	9.5	9.5	13.8	-0.4	-0.1	14.8	3.8
1980	12.9	1.3	11.5	13.2	14.6	-1.4	—	9.7	6.4
1981	12.0	0.3	11.7	12.5	14.8	-1.6	-1.5	11.5	7.8
1982 ⁽¹⁾	13.6	1.1	12.4	11.0	12.2	-2.6	-3.0	12.5	8.3
1983 ⁽¹⁾	11.0	1.0	9.7	8.9	9.5	-1.9	-3.0	12.0	9.3

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 10
Ireland — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	9.9	4.2	5.5	4.6	9.9	-2.3	-2.7	10.4	4.5
1971 to 1980	18.3	4.1	13.6	13.8	18.0	-4.6	-8.1	18.5	7.4
1980	16.3	1.9	14.1	18.3	19.3	-8.4	-12.8	16.9	8.3
1981	19.0	1.1	17.8	19.6	20.5	-13.2	-15.4	17.4	10.5
1982 ⁽¹⁾	21.5	2.0	19.2	18.5	14.1	-9.0	-14.7	16.8	12.1
1983 ⁽¹⁾	15.5	2.4	12.8	13.0	11.1	-7.6	-14.4	16.5	14.0

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 11
Italy — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	10.5	5.7	4.5	3.8	10.7	1.8	-2.3	13.3	5.2
1971 to 1980	18.3	3.1	14.7	14.6	18.4	-0.2	-8.0	19.5	6.0
1980	25.1	4.0	20.4	20.4	22.0	-2.5	-8.4	12.0	8.0
1981	17.4	-0.2	17.6	19.0	22.0	-2.3	-11.9	16.0	8.8
1982 ⁽¹⁾	18.4	0.8	17.5	16.6	18.2	-1.3	-11.6	15.8	9.9
1983 ⁽¹⁾	16.9	1.0	15.7	15.0	17.7	-0.5	-11.0	16.2	10.5

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 12
Luxembourg — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	7.6	3.6	3.9	2.5	6.7	7.1	1.6	:	0.1
1971 to 1980	9.5	3.0	6.3	6.7	10.5	18.5	2.0	:	0.3
1980	7.5	0.7	6.8	7.7	8.2	22.8	-1.8	:	0.7
1981	2.5	-2.4	5.0	8.1	7.7	20.3	-0.8	:	1.0
1982 ⁽¹⁾	8.4	-0.3	8.7	11.0	6.2	19.7	-0.9	:	1.2
1983 ⁽¹⁾	8.8	1.0	7.7	9.0	9.0	18.8	-1.0	:	1.3

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 13
Netherlands — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	10.6	5.2	5.2	4.1	10.6	0.0	-0.9	9.1	0.9
1971 to 1980	10.7	2.8	7.6	7.7	10.7	1.3	-1.4	10.8	3.4
1980	5.9	0.6	5.3	6.6	5.6	-1.4	-3.4	3.6	4.7
1981	4.4	-1.1	5.6	6.5	3.3	2.3	-4.5	5.2	7.2
1982 ⁽¹⁾	5.6	-0.5	6.1	6.3	5.6	4.0	-5.7	7.6	10.4
1983 ⁽¹⁾	3.3	-0.3	3.6	4.5	3.3	5.0	-5.5	7.0	13.1

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ End of year.

TABLE 14
United Kingdom — Main economic aggregates, 1961 to 1983

	GDP value growth	GDP volume growth	GDP price deflator	Rise in consumer prices	Compensation per employee	Current account of balance of payments	General government balance	Money supply growth, M2 ⁽³⁾	Unemployed in labour force
	%	%	%	% ⁽²⁾	% ⁽²⁾	% GDP	% GDP	%	%
1961 to 1970	7.2	2.8	4.2	4.0	7.1	-0.0	-0.7	5.9	1.9
1971 to 1980	16.0	1.9	13.9	13.3	16.2	-0.7	-3.2	14.5	4.4
1980	17.2	-1.4	18.9	15.5	20.9	1.2	-3.5	18.6	6.9
1981	9.9	-1.9	12.1	10.9	13.6	2.4	-2.1	14.6	10.6
1982 ⁽¹⁾	9.1	0.6	8.4	8.8	9.4	0.8	-0.9	10.2	12.2
1983 ⁽¹⁾	8.2	1.7	6.4	6.9	8.4	-0.2	-0.5	10.1	12.5

⁽¹⁾ Preliminary estimate of the Commission services on the basis of present or anticipated policies.

⁽²⁾ % change over previous period, annual rate.

⁽³⁾ Sterling M3.

In 1979 and 1980 the statistics concerning the money supply are distorted by the existence of the 'corset' controls and by their suppression in mid-1980. If these distortions are corrected the growth rate would be about 14.6 % in 1979 and in 1980.

NB : Figures up to 1980 are on an ESA basis unless otherwise stated.

COMMISSION

COMMISSION DECISION

of 20 October 1982

on the aid which the Belgian Government proposes to grant to the steel firm Laminoirs de Jemappes SA

(Only the French and Dutch texts are authentic)

(82/951/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community,

Having regard to Commission Decision No 2320/81/ECSC of 7 August 1981 establishing Community rules for aids to the steel industry ⁽¹⁾, and in particular Article 8 (3) thereof,

Having given notice, in accordance with Article 8 (3) of the abovementioned Decision, to the parties concerned to submit their comments ⁽²⁾, and having regard to those comments,

Whereas :

I

By letter dated 28 December 1981 the Belgian Government, in accordance with Article 8(1) of Decision No 2320/81/ECSC, notified the Commission of its intention to grant aid to the steel firm Laminoirs de Jemappes. The proposed aid to the firm comprises : (a) operating aid to cover the firm's trading losses between 1980 and 1984, of up to Bfrs 670 million in the form of capital increases and a contribution of conditional participating convertible bonds, and (b) pursuant to the Economic Expansion Law, aids for the firm's investment programme (a State guarantee on a loan of Bfrs 275 million, interest-rate subsidies of seven points over a five-year period on a loan of Bfrs 206.25 million and tax reliefs). This investment

programme is aimed at achieving various rationalization measures and improvements and involves expenditure of approximately Bfrs 275 million.

After an initial scrutiny of that aid, in the light of the criteria laid down in Articles 2, 3 and 5 of Decision No 2320/81/ECSC, the Commission reached the following conclusions on the basis of the information provided by the Belgian Government :

- the restructuring programme for which the aid would be given appears to consist of the ordinary investments which any firm must make as part of its normal activity, rather than investments which would change the structure of the firm in question and thus restore its competitiveness and viability,
- the effect of these investments on the firm's production capacity is not specified, but in any event they are not likely to result in any reduction in capacity,
- the aid in question is substantial in relation to the volume of investments and the size of the firm and could be justified only if a vigorous restructuring effort were made,
- the duration of the operating aid exceeds the maximum of two years laid down in Article 5 of the Decision.

For these reasons the Commission considered that the aid in question was not compatible with the orderly functioning of the common market and therefore initiated in respect of that aid the procedure provided for in Article 8(3) of Decision No 2320/81/ECSC. Accordingly, the Commission, on 26 February 1982, sent a letter constituting formal notice to the Belgian Government to submit its comments.

⁽¹⁾ OJ No L 228, 13. 8. 1981, p. 14.

⁽²⁾ OJ No C 109, 30. 4. 1982, p. 3.

II

In its reply, dated 31 March 1982, the Belgian Government informed the Commission that it was planned in due course to close down Laminoids de Jemappes' electric furnace, and that other rationalization measures were being examined. In its letter, of 14 June 1982, the Belgian Government stated that no solution had yet been found to the problem of supplying the firm with steel after that closure.

In their replies, two other Member States were in general agreement with the conclusions of the Commission.

The first indent of Article 2(1) of Decision No 2320/81/ECSC provides that the recipient undertaking must be engaged in the implementation of a systematic and specific restructuring programme covering the different aspects of restructuring, which is capable of restoring its competitiveness and of making it financially viable without aid under normal market conditions. In the case in point, on the basis of realistic assumptions concerning prices and sales volume, the financial position of the firm seems certain to deteriorate, while it has had a negative gross profit margin for a number of years, despite the aid it has received in the past. The criteria laid down in the first indent of Article 2(1) of the Decision are therefore not satisfied.

The second indent of Article 2(1) provides that the restructuring programme must result in an overall reduction in the production capacity of the recipient undertaking or group of undertakings. According to the statements made by the firm to the Commission, its capacity to produce hot-rolled products will increase by about 10 000 tonnes. The planned closure of its electric furnace, if and when it occurs, will have no effect on that increase and therefore cannot be construed as a reduction in capacity within the meaning of Decision No 2320/81/ECSC. The Belgian Government has not indicated any reduction in capacity in rolled products in another firm which could be attributed to Laminoids de Jemappes, so that the criteria laid down in the said indent are not satisfied. This conclusion applies also with regard to the criteria laid down in the third indent of Article 3(1), which provides that the investment programme must take account of the general criteria defined in Article 2 and of the general objectives for steel.

The second indent of Article 3(1) provides that the amount and intensity of aid must be justified by the extent of the restructuring effort involved. The

considerable amount of the aid in question is not justified by the restructuring effort involved, since there is no reduction in capacity, and the criteria laid down in the second indent of Article 3(1) are therefore not satisfied.

Lastly, the second indent of Article 5(1) provides that the duration of aid for continued operation must be limited to a maximum of two years and that derogations from the two-year period may be granted only in exceptional cases and on the basis of a duly reasoned request from the Member State concerned. The Belgian Government made no such request, but the planned duration of the aids for continued operation in question is five years, which is incompatible with the second indent of Article 5(1).

In view of the above considerations, the proposed Belgian aid does not fulfil the conditions necessary for it to be regarded as compatible with the orderly functioning of the common market, pursuant to the Community rules for aids to the steel industry established by Decision No 2320/81/ECSC,

HAS ADOPTED THIS DECISION :

Article 1

Belgium may not implement the proposal, notified to the Commission by letter dated 28 December 1981 from the Office of the Belgian Permanent Representative, to grant aid for continued operation and investment aid to the steel firm Laminoids de Jemappes SA.

Article 2

Belgium shall inform the Commission within one month of the date of this Decision of the measures it has taken to comply with it.

Article 3

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 20 October 1982.

For the Commission
Frans ANDRIESEN
Member of the Commission

COMMISSION DECISION**of 24 November 1982****on aid granted by the French Government to the equalization funds in the pigmeat sector****(Only the French text is authentic)****(82/952/EEC)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first subparagraph of Article 93 (2) thereof,

Having regard to Council Regulation (EEC) No 2759/75 of 29 October 1975 on the common organization of the market in pigmeat⁽¹⁾, as last amended by Regulation (EEC) No 2966/80⁽²⁾, and in particular Article 21 thereof,

Having given notice to the parties concerned to submit their comments in accordance with the first subparagraph of Article 93 (2), and having regard to those comments⁽³⁾,

I

Whereas, having been informed of a plan to grant aid to the equalization funds in the pigmeat sector, the Commission, on 8 May and 12 June 1981, requested the French Government, in accordance with Article 93 (3) of the Treaty, to notify it of the aid measure in question;

Whereas the planned aid consisted in the payment of FF 146 million to the equalization funds in order to improve their cash-flow situation;

Whereas, the abovementioned aid falls within the scope of Articles 92 to 94 of the Treaty by virtue of Article 21 of Regulation (EEC) No 2759/75;

Whereas the Commission received no reply from the French authorities and, having concluded a preliminary examination on the basis of the documents at its disposal and having been unable to find the aid measure in question compatible with Article 92 of the Treaty, it initiated the procedure

provided for in Article 93 (2) of the Treaty in respect of that aid measure and, under the same procedure, gave notice to the parties concerned to submit their comments;

II

Whereas the French Government, in its reply dated 7 August 1981 in response to the letter of notice, stated that the payment was an exceptional measure and that it was intended to help the funds overcome the major cash-flow problems they were experiencing as a result of the fall in market prices;

Whereas several Member States and other parties concerned forwarded their comments to the Commission; whereas they all took the view that the French measure was such as to distort competition and affect trade between Member States to an extent contrary to the common interest and that it contravened the rules of the common market organizations;

III

Whereas, although advances to equalization funds have been allowed in the past, the payment of a non-returnable aid constitutes a novation and produces, indirectly, the same result as a subsidy which ensures a guaranteed price only for farmers who are members of those funds;

Whereas, accordingly, the measure is likely to improve production and marketing facilities for the producers concerned as compared with producers in the other Member States who do not receive such aids;

Whereas, accordingly, the measure in question affects Community trade; whereas it therefore meets the criteria for the application of Article 92 (1) of the Treaty;

Whereas, moreover, there is a common organization of the market in the sector in question and

⁽¹⁾ OJ No L 282, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 307, 18. 11. 1980, p. 5.

⁽³⁾ OJ No C 187, 28. 7. 1981, p. 2.

Member States are no longer empowered to introduce national aid measures unilaterally;

Whereas, in view of the foregoing, the economic reasons put forward by the French Government cannot be accepted;

Whereas the prohibition laid down in Article 92 (1) cannot be lifted under paragraph 2 of that Article since the derogations it provides for are obviously not applicable in this case;

Whereas the derogations provided for in Article 92 (3) must, in the context of national or regional aids, be given a strict interpretation; whereas, in particular, there should be derogations only where the Commission can establish that the aid is necessary in order to attain one of the objectives specified in those provisions;

Whereas to authorize, under the said derogations, aids which do not feature such a compensating element would be tantamount to allowing trade between Member States to be undermined and to accepting distortions of competition which would not be in the Community interest and, by the same token, unjustified advantages for certain Member States;

Whereas it is not possible to establish that such a compensating element exists in the case of the planned aid in question;

Whereas the French Government has been unable to give, and the Commission to find, grounds for considering that the aid in question meets the requirements for a derogation under Article 92 (3) of the Treaty;

Whereas the measure is not intended to promote the economic development of an area where the standard of living is abnormally low or where there is serious under-employment and it is not an important project of common European interest or a measure to remedy a serious disturbance in France's economy; whereas, therefore, paragraphs (a) and (b) of Article 92 (3) of the Treaty are not applicable in this case;

Whereas, moreover, the measure constitutes an operating aid for the producers concerned which is purely of an interim protective nature; whereas the Commission has always opposed aids of this type which do not meet the conditions for a derogation under Article 92 (3) (c) of the Treaty since they are highly ineffective and therefore unlikely to promote development as laid down therein;

Whereas, in view of the foregoing, the abovementioned aid does not meet the requirements for application of a derogation under Article 92 (3) of the Treaty,

HAS ADOPTED THIS DECISION :

Article 1

The aid granted by France in the form of a payment of FF 146 million to the equalization funds in the pigmeat sector is incompatible with the provisions of Article 92 of the Treaty.

Article 2

France shall inform the Commission, within one month, of the measures taken to comply with the provisions referred to in Article 1.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 24 November 1982.

For the Commission
Poul DALSGER
Member of the Commission

COMMISSION DIRECTIVE

of 15 December 1982

adapting to technical progress Council Directive 79/622/EEC on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors (static testing)

(82/953/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

HAS ADOPTED THIS DIRECTIVE:

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 74/150/EEC of 4 March 1974 on the approximation of the laws of the Member States relating to the type-approval of wheeled agricultural or forestry tractors ⁽¹⁾, as last amended by Directive 79/694/EEC ⁽²⁾ and by the Act of Accession of Greece, and in particular Article 11 thereof,

Whereas, as a result of experience gained in this field, and bearing in mind the present state of the affairs, it is now possible to render certain provisions of Council Directive 79/622/EEC ⁽³⁾ more complete and bring them more into line with real testing conditions;

Whereas the provisions of this Directive shall be without prejudice to those of Council Directive 77/536/EEC of 28 June 1977 on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors ⁽⁴⁾; whereas, to this end, tractors may, until a date to be specified, be fitted with a roll-over protection structure which complies either with Directive 77/536/EEC or with this Directive;

Whereas the provisions of this Directive are in accordance with the opinion of the Committee on the Adaptation to Technical Progress of the Directives on the Removal of Technical Barriers to Trade in the Agricultural and Forestry Tractors Sector,

Article 1

Annexes II, III and IV to Directive 79/622/EEC are hereby amended in accordance with the Annex to this Directive.

Article 2

1. With effect from 1 October 1983, no Member State may :

- refuse to grant EEC type-approval, to issue the documents referred to in the last indent of Article 10(1) of Directive 74/150/EEC or to grant national type-approval, in respect of a type of tractor, or
- prohibit the entry into service of tractors,

if the roll-over protection structure for this type of tractor or these tractors complies with the provisions of this Directive.

2. With effect from 1 October 1984, a Member State :

- shall no longer issue the document referred to in the last indent of Article 10(1) of Directive 74/150/EEC in respect of a type of tractor on which the roll-over protection structure does not comply with the provisions of this Directive,
- may refuse to grant national type-approval in respect of a type of tractor on which the roll-over protection structure does not comply with the provisions of this Directive.

3. With effect from 1 October 1985, Member States may prohibit the entry into service of tractors on which the roll-over protection structure does not comply with the provisions of this Directive.

(1) OJ No L 84, 28. 3. 1974, p. 10.

(2) OJ No L 205, 13. 8. 1979, p. 17.

(3) OJ No L 179, 17. 7. 1979, p. 1.

(4) OJ No L 220, 29. 8. 1977, p. 1.

4. The provisions of paragraphs 1 to 3 shall be without prejudice to the provisions of Directive 77/536/EEC.

Article 3

Member States shall bring into force the provisions necessary to comply with this Directive by 30 September 1983 at the latest. They shall forthwith inform the Commission thereof.

Article 4

This Directive is addressed to the Member States.

Done at Brussels, 15 December 1982.

For the Commission

Karl-Heinz NARJES

Member of the Commission

ANNEX

Annex II to Directive 79/622/EEC is hereby amended as follows :

Item 4.1.1 shall be deleted.

Item 4.1.2 shall become Item 4.1.1 as follows :

- '4.1.1. No part of the zone of clearance as described in Item 3.2 of Annex III has been entered by, or has been outside the protection of, the protection structure during the tests specified in Items 1.2, 1.3, 1.5, 1.6 and, where appropriate, 1.7 of Annex III.

If an overload test has been carried out, the force applied when the specified energy is absorbed shall be greater than 0.8 of the maximum force occurring during both the main test and the overload test concerned (see figures 4b and 4c of Annex IV).'

Item 4.1.3 shall become Item 4.1.2.

After Item 4.1.3 (now 4.1.2) a new Item 4.1.3 shall be incorporated as follows :

- '4.1.3. At the point when the required energy level is attained in each of the specified horizontal loading tests, the force shall exceed 0.8 F_{max} .'

Section 6 'SYMBOLS' is hereby amended as follows :

The following symbol shall be added after the symbol D :

- 'D' = deflection (mm) of structure for the calculated energy required.'

The text of the symbol F' shall be replaced by the following :

- 'F' = force for the calculated energy required.'

The text of the symbol F-D shall be amended as follows :

- 'F-D = force/deflection curve.'

The text describing the symbol E_{ii2} shall be amended as follows :

- ' E_{ii2} = energy input to be absorbed during application of the second longitudinal load (J).'

The symbols E_i , E'_i , E_a and E''_i shall be deleted.

Annex III to Directive 79/622/EEC is hereby amended as follows :

Item 1.2 shall be replaced by the following :

- '1.2. Longitudinal loading (see Figure 2 of Annex IV)

Load application shall be horizontal and parallel to the vertical median plane of the tractor.

For tractors with at least 50 % of their mass, as defined in Item 1.3 of Annex II, on the rear wheels, the longitudinal rear load and the lateral load shall be applied on different sides of the median longitudinal plane of the protection structure. For tractors with at least 50 % of their mass on the front wheels, the longitudinal front load shall be on the same side of the median longitudinal plane of the protection structure as the lateral load.

It shall be applied to the uppermost transverse structural member of the protection structure (i.e. the part which would be likely to strike the ground first in an overturning incident).

The point of application of the load shall be located one-sixth of the width of the top of the protection structure inwards from the outside corner. The width of the protection structure shall be taken as the distance between two lines parallel to the vertical median plane of the tractor touching the outside extremities of the protection structure in the horizontal plane touching the top of the uppermost transverse structural members.

The length of the beam shall be not less than one-third of the width of the protection structure (as previously described) and not more than 49 mm greater than this minimum.

The longitudinal loading is applied from the rear or front, as defined in Item 3.1.1.1 of Annex II.

The test shall be stopped whenever :

- (a) the strain energy absorbed by the protection structure is equal to or greater than the required energy input E_{il1} (where $E_{il1} = 1.4 m_t$);
- (b) the structure infringes the zone of clearance or leaves the zone of clearance unprotected.'

Item 1.4 shall be replaced by the following :

1.4. Overload test

- 1.4.1. Where tearing, cracking or bending occurs during a horizontal loading test, an overload test may be required to determine the residual strength of the structure and to ensure that it is sufficient to withstand any successive roll-overs (see figures 4a, 4b and 4c).

An overload test shall be carried out in all cases where the force decreases by more than 3 % during the last 5 % of the deflection reached when the energy required is absorbed by the structure (see figure 4b).

- 1.4.2. The overload test involves the gradual increase of the horizontal load by increments of 5 % of the initial energy requirement up to a maximum of 20 % of energy added (see figure 4c).

- 1.4.2.1. The overload test is satisfactory if, after each increase by 5, 10 or 15 % in the energy required, the force decreases by less than 3 % for a 5 % increment and remains more than 0.8 F_{max} .

- 1.4.2.2. The overload test is satisfactory if, after the structure has absorbed 20 % of the added energy, the force exceeds 0.8 F_{max} .

- 1.4.2.3. Additional cracks or tears and/or entry into or lack of protection of the zone of clearance due to elastic deformation are permitted during the overload test. However, after the removal of the load, the structure shall not enter the zone of clearance, which shall be completely protected.'

Items 3.1 to 3.1.4 shall be deleted.

Items 3.2 and 3.3 shall become Items 3.1 and 3.2 respectively.

Annex IV to Directive 79/622/EEC is hereby amended as follows :

'FIGURES

Figure 1 : Point of application of lateral load

Figure 2 : Point of application of longitudinal rear load

Figure 3 : Example of an arrangement for crushing test

Figure 4a : Force/deflection curve — overload test not necessary

Figure 4b : Force/deflection curve — overload test necessary

Figure 4c : Force/deflection curve — overload test to be continued

Figure 5 : Illustration of the terms permanent, elastic and total deflection

Figure 6a : Side view of zone of clearance

Figure 6b : Front/rear view of zone of clearance

Figure 6c : Isometric view

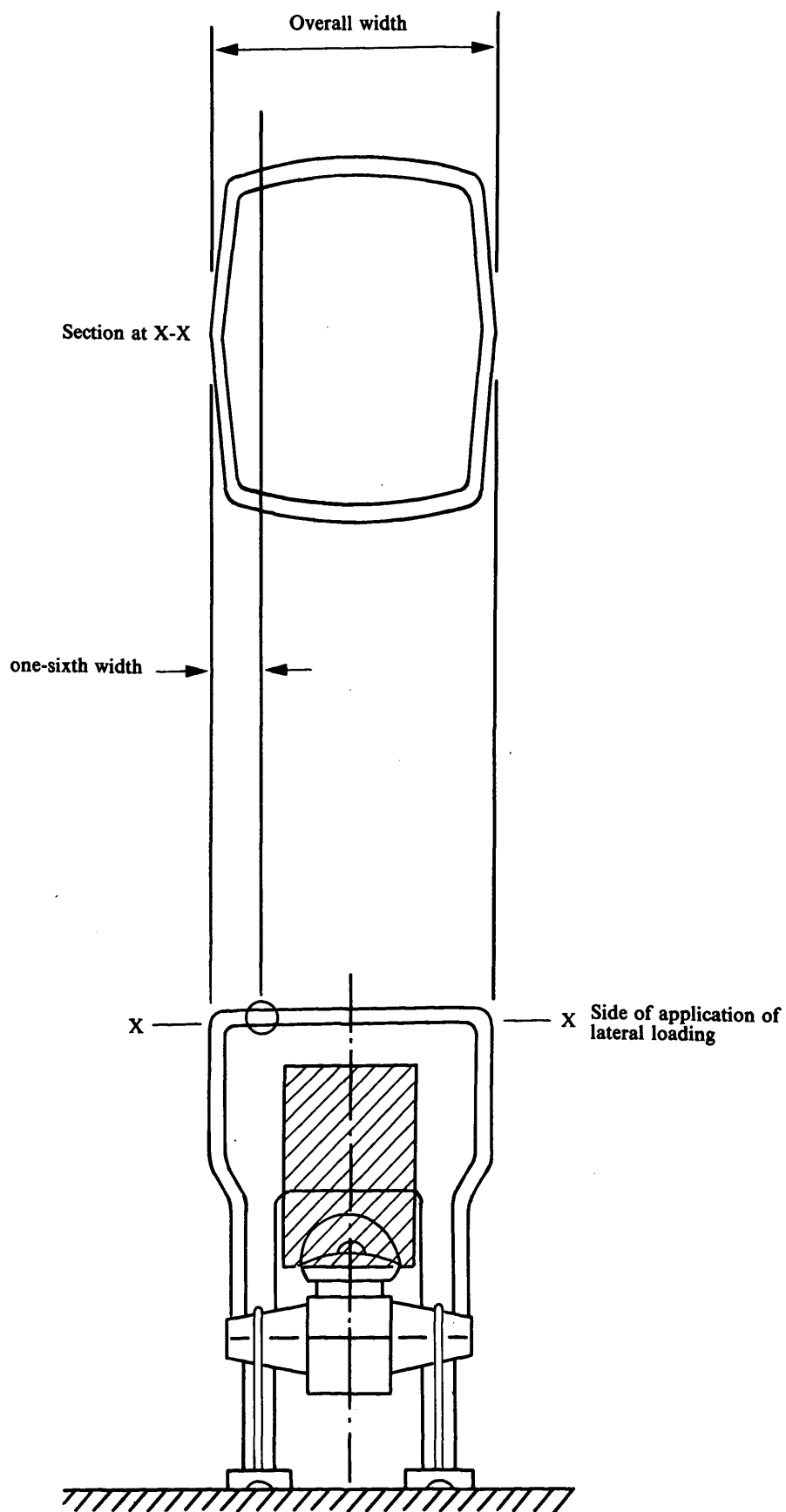
Figure 7 : Apparatus for determination of seat reference point

Figure 8 : Method of determining seat reference point'

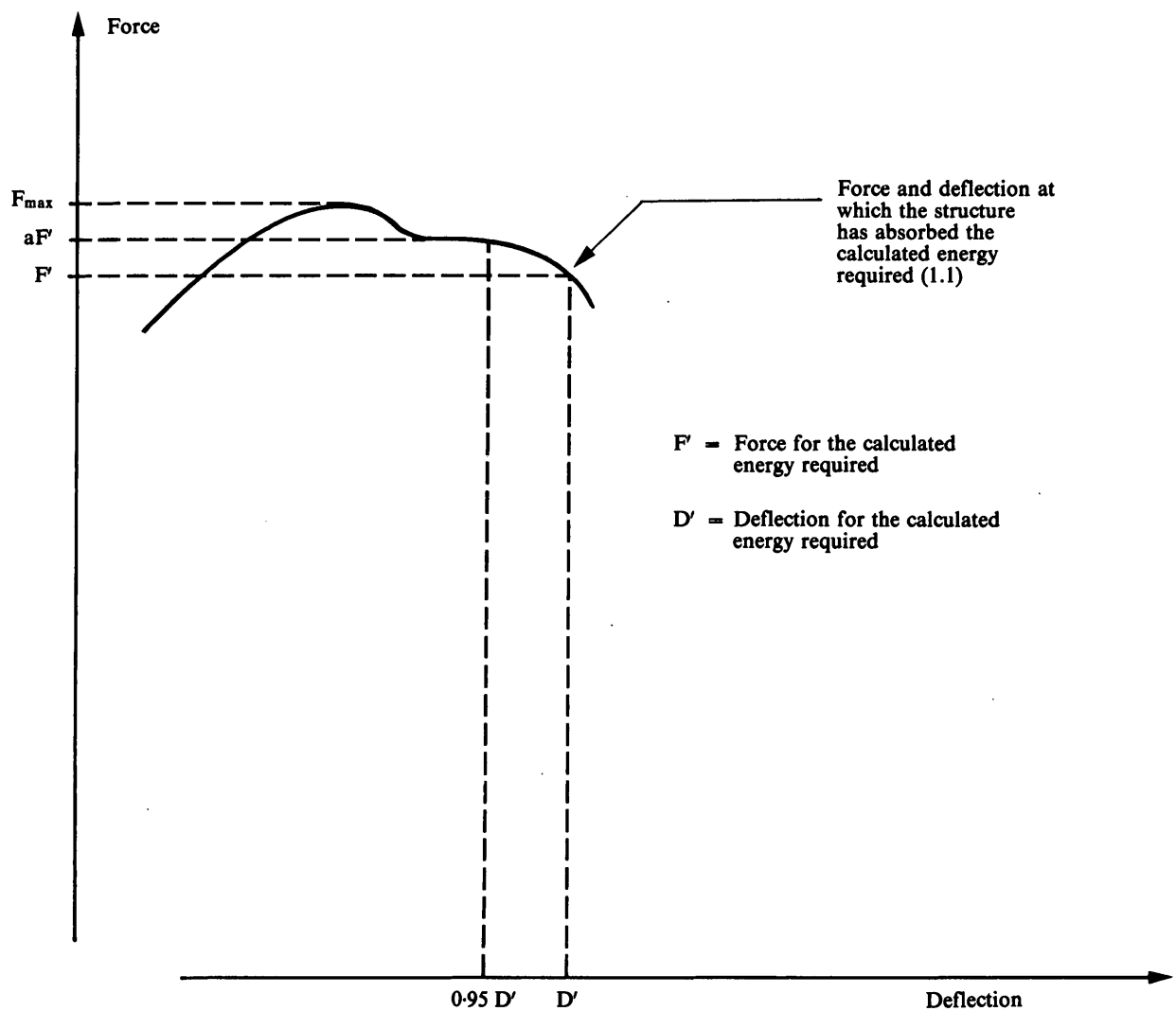
In the English version only, the title of Figure 1, shall be replaced by the following :

'Point of application of lateral loading.'

The diagrams in Figures 2, 4a, 4b and 4c, shall be replaced by the following :

*Figure 2*

Point of application of rear longitudinal loading (when at least 50 % of the tractor mass rests on the rear wheels)

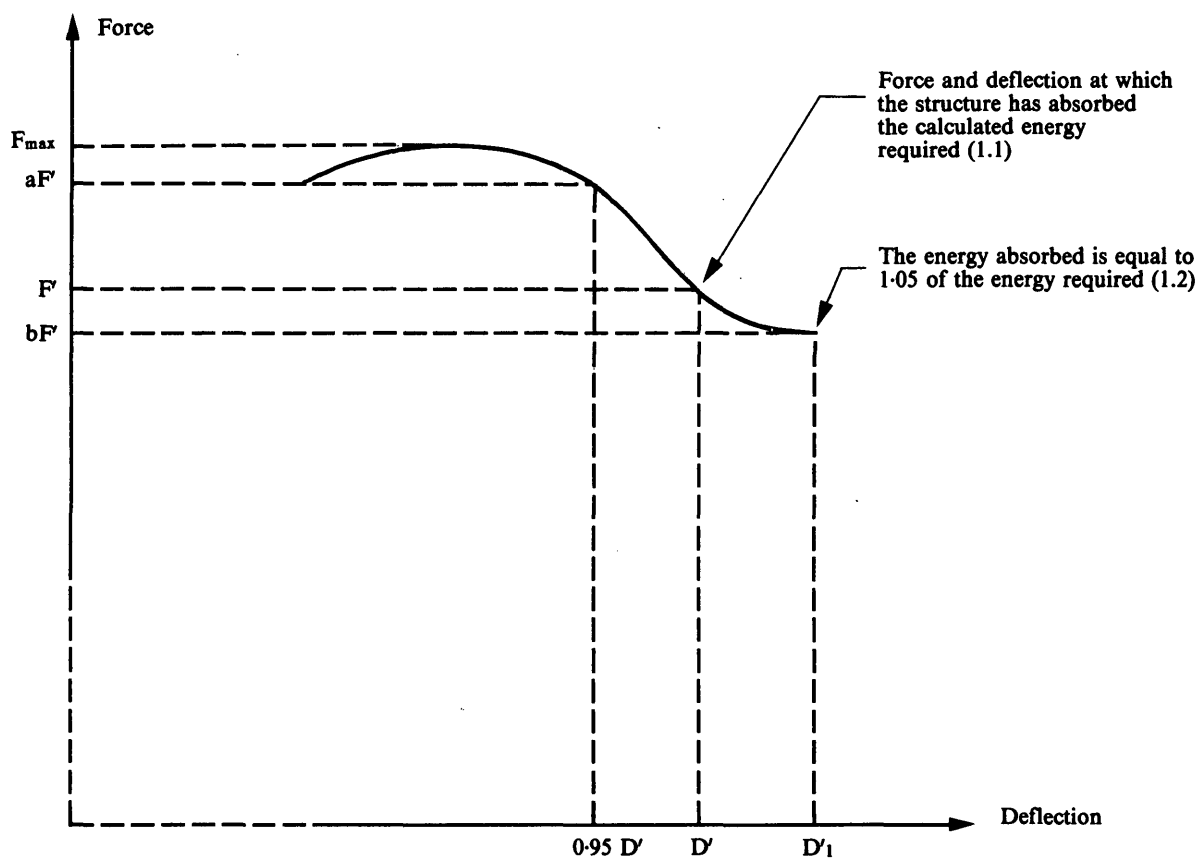


1. Point of reference $aF' = 0.95 D'$.

1.1. The overload test is not necessary since $aF' < 1.03 F'$.

Figure 4a

Force/deflection curve — overload test not necessary



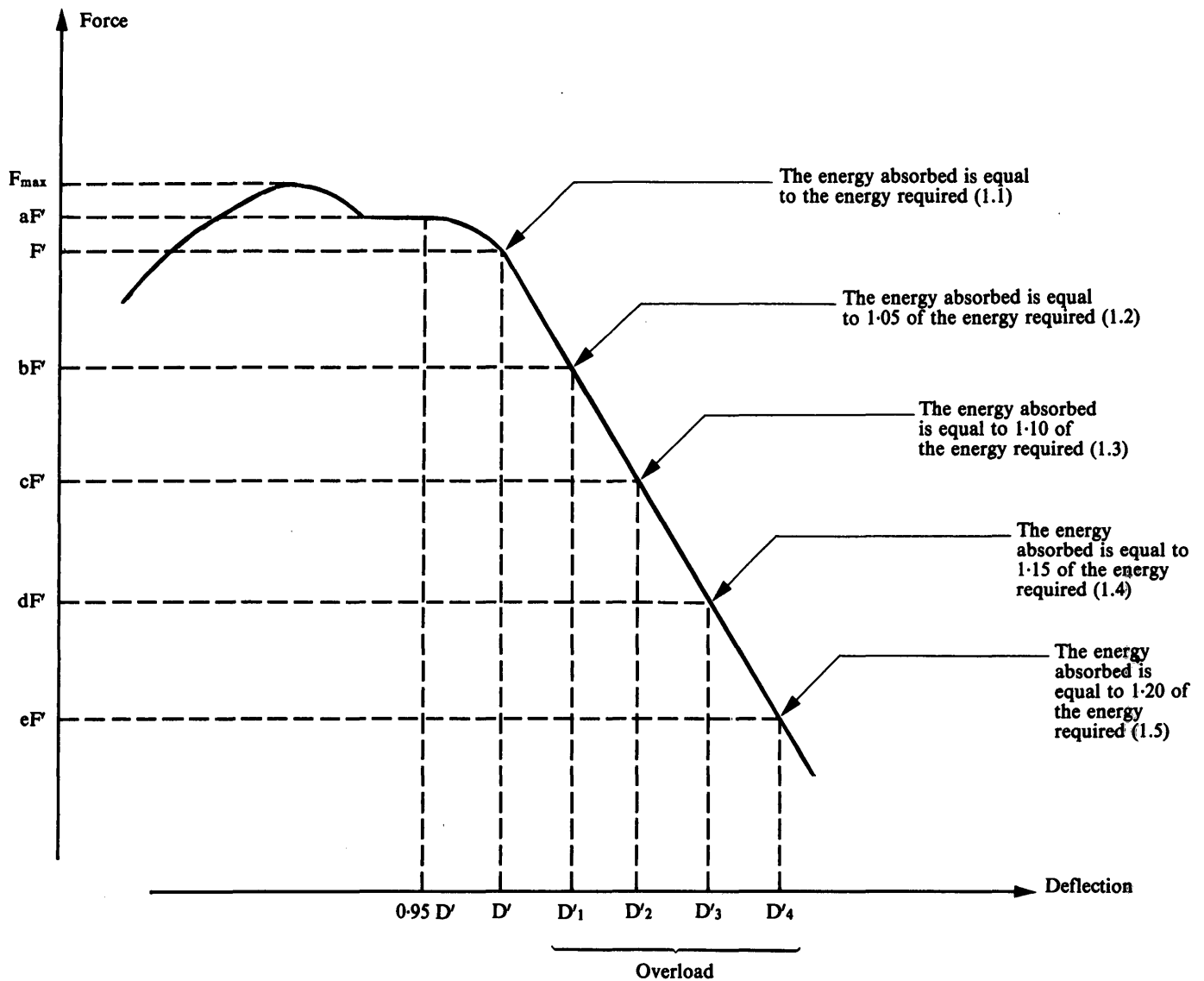
1. Reference point $aF' = 0.95 D'$.

1.1. The overload test is necessary since $aF' > 1.03 F'$.

1.2. The overload test is satisfactory since $bF' > 0.97 F'$ and $bF' > 0.8 F_{\max}$.

Figure 4b

Force/deflection curve — overload test necessary



1. Reference point $aF' = 0.95 D'$.

1.1. The overload test is necessary since $aF' > 1.03 F'$.

1.2. Since $bF' < 0.97 aF'$ the overload test must be continued.

1.3. Since $cF' < 0.97 bF'$ the overload test must be continued.

1.4. Since $dF' < 0.97 cF'$ the overload test must be continued.

1.5. The overload test is satisfactory since $eF' > 0.8 F_{\max}$.

NB: If at any time F drops below $0.8 F_{\max}$, the structure is rejected.

Figure 4c

Force/deflection curve — overload test to be continued

COMMISSION DECISION**of 17 December 1982****on the establishments in the Republic of Paraguay from which Member States may
authorize the importation of fresh meat****(82/954/EEC)****THE COMMISSION OF THE EUROPEAN
COMMUNITIES,****HAS ADOPTED THIS DECISION :**

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries ⁽¹⁾, and in particular Articles 4 (1) and 18 (1) (a) and (b) thereof,

Whereas establishments in third countries cannot be authorized to export fresh meat to the Community unless they satisfy the general and special conditions laid down in Directive 72/462/EEC;

Whereas Paraguay has forwarded, in accordance with Article 4 (3) of Directive 72/462/EEC, a list of establishments authorized to export to the Community;

Whereas Community on-the-spot visits have shown that the case of these establishment has to be re-examined on the basis of additional information regarding their hygiene standards and their ability to adapt quickly to the Community rules;

Whereas, in the meantime and so as to avoid any abrupt interruption of existing trade flows, these establishments may be authorized temporarily to continue their exports of fresh meat to those Member States prepared to accept them;

Whereas it will therefore be necessary to re-examine and, if necessary, amend this Decision in the light of measures taken to this end and improvements made;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Veterinary Committee,

Article 1

1. Subject to the provisions of paragraph 2, Member States shall prohibit the importation of fresh meat coming from establishments in Paraguay.

2. The Member States may continue to authorize, until 31 July 1983, imports of fresh meat coming from establishments which have been officially proposed by the Paraguayan authorities, as of 1 February 1982, pursuant to Article 4 (3) of Directive 72/462/EEC, unless a decision is taken to the contrary, in accordance with Article 4 (1) of the abovementioned Directive, before 1 August 1983.

The Commission shall forward the list of these establishments to the Member States.

Article 2

This Decision shall apply from 1 January 1983.

Article 3

This Decision shall be reviewed and if necessary amended before 1 May 1983.

Article 4

This Decision is addressed to the Member States.

Done at Brussels, 17 December 1982.

For the Commission

Poul DALSAGER

Member of the Commission

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28.

COMMISSION DECISION

of 17 December 1982

on the establishments in the Republic of Costa Rica from which Member States may authorize the importation of fresh meat

(82/955/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries ⁽¹⁾, and in particular Articles 4 (1) and 18 (1) (a) and (b) thereof,

Whereas establishments in third countries cannot be authorized to export fresh meat to the Community unless they satisfy the general and special conditions laid down in Directive 72/462/EEC;

Whereas Costa Rica has forwarded, in accordance with Article 4 (3) of Directive 72/462/EEC, a list of establishments authorized to export to the Community;

Whereas Community on-the-spot visits have shown that the case of these establishments has to be re-examined on the basis of additional information regarding their hygiene standards and their ability to adapt quickly to the Community rules;

Whereas, in the meantime and so as to avoid any abrupt interruption of existing trade flows, these establishments may be authorized temporarily to continue their exports of fresh meat to those Member States prepared to accept them;

Whereas it will therefore be necessary to re-examine and, if necessary, amend this Decision in the light of measures taken to this end and improvements made;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Veterinary Committee,

HAS ADOPTED THIS DECISION :

Article 1

1. Subject to the provisions of paragraph 2, Member States shall prohibit the importation of fresh meat coming from establishments in Costa Rica.

2. The Member States may continue to authorize, until 31 July 1983, imports of fresh meat coming from establishments which have been officially proposed by the Costa Rican authorities, as of 1 March 1981, pursuant to Article 4 (3) of Directive 72/462/EEC, unless a decision is taken to the contrary, in accordance with Article 4 (1) of the abovementioned Directive, before 1 August 1983.

The Commission shall forward the list of these establishments to the Member States.

Article 2

This Decision shall apply from 1 January 1983.

Article 3

This Decision shall be reviewed and if necessary amended before 1 May 1983.

Article 4

This Decision is addressed to the Member States.

Done at Brussels, 17 December 1982.

For the Commission

Poul DALSGER

Member of the Commission

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28.

COMMISSION DECISION**of 17 December 1982****on the establishments in the Kingdom of Norway from which Member States may
authorize the importation of fresh meat****(82/956/EEC)**

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries ⁽¹⁾, and in particular Articles 4 (1) and 18 (1) (a) and (b) thereof,

Whereas establishments in third countries cannot be authorized to export fresh meat to the Community unless they satisfy the general and special conditions laid down in Directive 72/462/EEC;

Whereas Norway has forwarded, in accordance with Article 4 (3) of Directive 72/462/EEC, a list of establishments authorized to export to the Community;

Whereas Community on-the-spot visits have shown that the case of these establishments has to be re-examined on the basis of additional information regarding their hygiene standards and their ability to adapt quickly to the Community rules;

Whereas, in the meantime and so as to avoid any abrupt interruption of existing trade flows, these establishments may be authorized temporarily to continue their exports of fresh meat to those Member States prepared to accept them;

Whereas it will therefore be necessary to re-examine and, if necessary, amend this Decision in the light of measures taken to this end and improvements made;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Veterinary Committee,

HAS ADOPTED THIS DECISION:

Article 1

1. Subject to the provisions of paragraph 2, Member States shall prohibit the importation of fresh meat coming from establishments in Norway.

2. The Member States may continue to authorize, until 31 July 1983, imports of fresh meat coming from establishments which have been officially proposed by the Norwegian authorities, as of 1 August 1981, pursuant to Article 4 (3) of Directive 72/462/EEC, unless a decision is taken to the contrary, in accordance with Article 4 (1) of the abovementioned Directive, before 1 August 1983.

The Commission shall forward the list of these establishments to the Member States.

Article 2

This Decision shall apply from 1 January 1983.

Article 3

This Decision shall be reviewed and if necessary amended before 1 May 1983.

Article 4

This Decision is addressed to the Member States.

Done at Brussels, 17 December 1982.

For the Commission

Poul DALSAER

Member of the Commission

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28.

THIRD COMMISSION DIRECTIVE**of 22 December 1982****amending the Annex to Council Directive 79/373/CEE on the marketing of compound feedingstuffs****(82/957/EEC)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 79/373/EEC of 2 April 1979 on the marketing of compound feedingstuffs ⁽¹⁾, as last amended by Commission Directive 80/695/EEC ⁽²⁾, and in particular Article 10 (a) thereof,

Whereas it is specified in Directive 79/373/EEC that the contents of the Annex thereto shall be adjusted in the light of advances in scientific and technical knowledge;

Whereas experience of the application of Directive 79/373/EEC has made it clear that certain provisions on the marketing of compound feedingstuffs require adjustment;

Whereas the measures provided for in this Directive are in accordance with the opinion of the Standing Committee for Feedingstuffs,

HAS ADOPTED THIS DIRECTIVE :

Article 1

The Annex to Directive 79/373/EEC is hereby amended as follows :

1. In Item 5.2, '— crude ash' is deleted.
2. In Item 6.1 :
 - (a) '— soluble protein' is deleted;

- (b) '— total sugar plus starch' is added.

3. In Items 6.2, 6.3 and 8.2 '— soluble protein' is deleted.

4. In Item 7, the following is added :

'7.3. Contents as regards analytical constituents of mineral feedingstuffs :
— crude ash.'

5. In Item 8.1, '— total sugar plus starch' is added.

6. In Item 9.1.3, 'and total sugar plus starch' is added after 'starch'.

Article 2

The Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with the Directive on 1 January 1985, and shall forthwith inform the Commission thereof.

Article 3

This Directive is addressed to the Member States.

Done at Brussels, 22 December 1982.

For the Commission

Paul DALSAGER

Member of the Commission

⁽¹⁾ OJ No L 86, 6. 4. 1979, p. 30.

⁽²⁾ OJ No L 188, 22. 7. 1980, p. 23.

COMMISSION DECISION**of 22 December 1982****laying down implementing provisions for the statistical surveys to be carried out by
Member States on sheep and goat stocks****(82/958/EEC)****THE COMMISSION OF THE EUROPEAN
COMMUNITIES,****HAS ADOPTED THIS DECISION :***Article 1*

Having regard to the Treaty establishing the European Economic Community,

The definitions of the categories of sheep and goats referred to in Articles 3 (1) and 7 (2) of Directive 82/177/EEC are given in Annex 1.

Article 2

Having regard to Council Directive 82/177/EEC of 22 March 1982 on the statistical surveys to be carried out by Member States on sheep and goat stocks ⁽¹⁾, and in particular Articles 3 (3) and 7 (3) thereof,

The definition of the carcass weight referred to in Article 7 (1) of Directive 82/177/EEC is given in Annex 2.

Article 3

Whereas, in order to conduct surveys, make forecasts and compile statistics on animals slaughtered, it is necessary to define the categories and carcass weight referred to in Directive 82/177/EEC;

This Decision is addressed to the Member States.

Done at Brussels, 22 December 1982.

Whereas the Standing Committee for Agricultural Statistics has been consulted,

For the Commission
Richard BURKE
Member of the Commission

⁽¹⁾ OJ No L 81, 27. 3. 1982, p. 35.

ANNEX 1**Definition of categories**

The *ewe lambs put to the ram and ewes* referred to in Article 3 (1) of Directive 82/177/EEC are all the females of the ovine species which have been put to the ram for the first time and those which at least once have already lambed.

The *nanny-goats and goatlings which have been mated or have already kidded* referred to in Article 3 (1) of the said Directive are all the females of the caprine species which have already been mated for the first time and those which have kidded at least once.

Member States which do not include cast ewes and cast nanny-goats in these categories may exclude them, on condition that mention is made of this when submitting the data.

The *lambs* referred to in Article 7 (2) of the said Directive are all male or female sheep under 12 months old.

ANNEX 2

The *carcase weight* referred to in Article 6 (1) of Directive 82/177/EEC is the weight of the slaughtered animal's cold body after having been bled, skinned and eviscerated, and after removal of the head (severed at the atlanto-occipital joint), of the feet (severed at the carpo-metacarpal or tarso-metatarsal joints), of the tail (severed between the sixth and seventh caudal vertebrae), of the udder and of the genitalia.

Kidneys and kidney fats are included in the carcase.

COMMISSION DECISION**of 22 December 1982****amending the list of establishments in the Federative Republic of Brazil approved for the purpose of importing fresh meat into the Community****(82/959/EEC)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries ⁽¹⁾, and in particular Articles 4(1) and 18(1)(a) and (b) thereof,

Whereas a list of establishments in Brazil, approved for the purposes of the importation of fresh meat into the Community, was drawn up initially by Commission Decision 81/713/EEC ⁽²⁾, as last amended by Decision 82/310/EEC ⁽³⁾;

Whereas further on-the-spot inspections have shown that the hygiene standards of most establishments proposed by Brazil for initial or routine inspection may be considered to be satisfactory; whereas these establishments may therefore be entered on the said list;

Whereas it is therefore necessary to amend the list of establishments;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Veterinary Committee,

HAS ADOPTED THIS DECISION:

Article 1

The Annex to Decision 81/713/EEC is hereby replaced by the Annex to this Decision.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 22 December 1982.

For the Commission

Poul DALSAER

Member of the Commission

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28.

⁽²⁾ OJ No L 257, 10. 9. 1981, p. 28.

⁽³⁾ OJ No L 137, 18. 5. 1982, p. 26.

ANNEX

LIST OF ESTABLISHMENTS

I. BOVINE MEAT

A. Slaughterhouses and cutting premises

Establishment No	Address
0005	Cooperativa Rural Serrana Ltda, Tupanciretã, Rio Grande do Sul
0006	Frigorífico Mouran Araçatuba SA, Araçatuba, São Paulo
0007	Swift Armour SA, Indústria e Comércio, Santana do Livramento, Rio Grande do Sul
0076	SA, Frigorífico Anglo, Barretos, São Paulo
0196	Frigorífico Bordon SA, Presidente Prudente, São Paulo
0226	Frigorífico Bordon SA, Bagé, Rio Grande do Sul
0232	Cooperativa Industrial Regional de Carnes e Derivados Ltda, Bagé, Rio Grande do Sul
0385	Frigorífico Mouran SA, Andradina, São Paulo
0449	Frigorífico Itapevi SA, Itapevi, São Paulo
0451	Frigorífico Vale de Tietê SA, José Bonifácio, São Paulo
0458	Frigorífico União SA, Presidente Epitácio, São Paulo
0506	Frisa, Frigorífico Rio Doce SA, Colatina, Espírito Santo
0592	Frigorífico Central Ltda, Paranavai, Paraná
0716	Frigobrás, Companhia Brasileira de Frigoríficos, Toledo, Paraná
0760	Cooperativa Regional Castilhense de Carnes e Derivados Ltda, Júlio de Castilhos, Rio Grande do Sul
0761	Frigorífico Vacariense SA, Indústria e Comércio, Vacaria, Rio Grande do Sul
0834	Frigorífico Kaiowa SA, Presidente Venceslau, São Paulo
0876	Cia Peteffi de Alimentos, Caxias do Sul, Rio Grande do Sul
0906	Frigorífico T. Maia SA, Governador Valadares, Minas Gerais
0954	Sola SA Frigorífico, Sete Lagoas, Minas Gerais
1602	Bon Beef Indústria e Comércio de Carnes SA, Vinhedo, São Paulo
1651	Frigorífico Extremo Sul SA, Pelotas, Rio Grande do Sul
1676	Frigorífico Caiapó SA, Uberlândia, Minas Gerais
1926	Frigorífico Anselmi SA, Indústria de Carnes, Derivados e Conservas, Pelotas, Rio Grande do Sul
2007	Cooperativa Rural Alegretense Ltda, Alegrete, Rio Grande do Sul
2023	Frigorífico Quatro Rios SA, Votuporanga, São Paulo
2051	Frinasa, Frigorífico Nanuque SA, Nanuque, Minas Gerais

B. Cutting premises

Establishment No	Address
0001	Comabra — Cia de Alimentos do Brasil SA, Osasco, São Paulo
0030	SA Frigorífico Anglo, Pelotas, Rio Grande do Sul

II. HORSE MEAT

Slaughterhouses and cutting premises

Establishment No	Address
0003	Frigorífico Yukijirushi do Paraná SA, Curitiba, Paraná
0055	Martini Meat SA — Comércio, Importação e Exportação de Carnes, Apucarana, Paraná
0396	Mafisa — Matadouro e Frigorífico Industrial SA, Senhor do Bonfim, Bahia
0733	Indústria e Comércio Sonva SA, Pelotas, Rio Grande do Sul
0924	Mafisa — Matadouro e Frigorífico Industrial SA, Belo Jardim, Pernambuco
1803	Fava — Industrial de Alimentos Ltda, Araguari, Minas Gerais
2168	Matadouro Itaobim SA — Maisa, Itaobim, Minas Gerais

III. COLD STORES

Establishment No	Address
0071	Frigorífico Rio Doce SA, Niteroi, Rio de Janeiro
0072	Cefri Centrais de Estocagem Frigorificada Ltd, Mairinque São Paulo
0078	Interfrio SA Comercial e Industrial, Pelotas, Rio Grande do Sul
0250	Cetrim, Uberlandia, Minas Gerais
0535	Matadouro e Frigorífico Industrial SA — Mafisa, Recife, Pernambuco
0785	Frigobras, Paranagua, Paraná
0933	Companhia Brasileira de Armazenamento — Cibrazem, Rio de Janeiro
0966	C. Sola, Comércio e Exportação SA, Três Rios, Rio de Janeiro
1075	Frigorífico de Cotia SA, Santos, São Paulo
1127	Companhia Brasileira de Armazenamento, Cibrazem, Curitiba Paraná
1599	Martini Meat SA — Comércio, Importação de Carnes, Paranaguá, Paraná
1660	Frigorífico Mouran Araçatuba SA, Santos, São Paulo
1945	Departamento Estadual de Portos Rios e Canais, Rio Grande, Rio Grande do Sul
1958	Avante SA Productos Alimenticios, Santos, São Paulo
2176	Frimorite Frigorífico Ltda, São Gonçalo, Rio de Janeiro
2427	Cesca, Itajai, Santa Catarina

COMMISSION DECISION

of 23 December 1982

amending Council Decision 82/734/EEC on the list of establishments in the Swiss Confederation approved for the purposes of exporting fresh meat into the Community

(82/960/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries ⁽¹⁾, and in particular Articles 4(1) and 18(1)(a) and (b) thereof,

Whereas a list of establishments in Switzerland, approved for the purposes of the export of fresh meat to the Community, was drawn up initially by Council Decision 82/734/EEC ⁽²⁾;

Whereas a routine inspection made in application of Article 5 of Directive 72/462/EEC and Article 3(1) of Commission Decision 80/15/EEC of 21 December 1979 concerning the on-the-spot inspections to be carried out in respect of the importation of bovine animals, swine and fresh meat from non-member countries ⁽³⁾, has revealed that the level of hygiene of certain establishments may be considered to be satisfactory; whereas these establishments may therefore be kept or entered on the Community list;

Whereas this inspection has, however, revealed in other establishments that in some cases insufficient effort has been made to improve hygiene standards, and in other cases those standards have fallen; whereas the condition of some of these plants does not necessitate immediate withdrawal of approval, but does justify limiting Community approval to a certain period at the end of which the said approval will expire unless, meanwhile, the necessary measures have been put into effect and verified by a further on-the-spot inspection, to be

requested by the Swiss authorities if they deem it necessary;

Whereas it is therefore necessary to amend the list of establishments;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Veterinary Committee,

HAS ADOPTED THIS DECISION:

Article 1

Decision 82/734/EEC is hereby amended as follows:

1. Article 4 is replaced by the following:

'Article 4

This Decision shall be reviewed and if necessary amended before 30 June 1983, particular account being taken of measures applied by the Swiss authorities in the fields of veterinary inspection and slaughter hygiene.'

2. The Annex is replaced by the Annex to this Decision.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 23 December 1982.

For the Commission

Poul DALSAER

Member of the Commission

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28.

⁽²⁾ OJ No L 311, 8. 11. 1982, p. 13.

⁽³⁾ OJ No L 8, 12. 1. 1980, p. 26.

ANNEX

LIST OF ESTABLISHMENTS

I. BOVINE MEAT

A. Slaughterhouses and cutting premises

Establishment No	Establishment	Address
115	Gustav Spiess	9442 Berneck
121	Gehrig AG	4710 Klus
124	Braunwalder AG	5610 Wohlen
145	Grieder AG	4702 Oensingen
155	FF Frischfleisch AG	6210 Sursee
156	E. Anderegg AG	4446 Buckten

B. Slaughterhouses

102	Städtischer Schlachthof	3014 Bern
103	Städtischer Schlachthof	4000 Basel 25
107	Städtischer Schlachthof	9015 St. Gallen

C. Cutting premises

228	Ernst Sutter, Fleischwaren	9202 Gossau
280	Reber AG, Fleischhandel	3550 Langnau
295	Transcarina AG	4123 Allschwil

II. PIGMEAT

A. Slaughterhouses and cutting premises

115	Gustav Spiess	9442 Berneck
121	Gehrig AG	4710 Klus
124	Braunwalder AG	5610 Wohlen
145	Grieder AG	4702 Oensingen
155	FF Frischfleisch AG	6210 Sursee
156	E. Anderegg AG	4446 Buckten

B. Slaughterhouses

Establishment No	Establishment	Address
102	Städtischer Schlachthof	3014 Bern
103	Städtischer Schlachthof	4000 Basel 25
107	Städtischer Schlachthof	9015 St. Gallen
110	Gebr. Kunz, Fleisch- und Wurstproduktion AG	8865 Bilten
136	Micarna AG	9602 Bazenhaid

C. Cutting premises

228	Ernst Sutter, Fleischwaren	9202 Gossau
280	Reber AG, Fleischhandel	3550 Langnau

COMMISSION DECISION**of 23 December 1982****amending the list of establishments in the Hungarian People's Republic approved for the purpose of importing fresh meat into the Community****(82/961/EEC)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries ⁽¹⁾, and in particular Articles 4(1) and 18(1)(a) and (b) thereof,

Whereas a list of establishments in Hungary, approved for the purposes of the importation of meat into the Community, was drawn up initially by the Council Decision 82/733/EEC ⁽²⁾;

Whereas further on-the-spot inspections have shown that the hygiene standards of other establishments proposed by Hungary may be considered to be satisfactory; whereas these establishments may therefore be entered on the said list;

Whereas it is therefore necessary to supplement the list of establishments;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Veterinary Committee,

HAS ADOPTED THIS DECISION:

Article 1

The Annex to Decision 82/733/EEC is hereby replaced by the Annex to this Decision.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 23 December 1982.

For the Commission

Poul DALSAGER

Member of the Commission

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28.

⁽²⁾ OJ No L 311, 8. 11. 1982, p. 10.

ANNEX

LIST OF ESTABLISHMENTS

I. BOVINE MEAT

A. Slaughterhouses and cutting premises

Establishment No	Establishment	Address
5	Gyulai Huskominát	Gyula
6	Pápai Huskominát	Pápa
11	Miskolci Huskominát	Miskolc
18	Vas megyei Allatforgalmi és Husipari Vállalat Szombathelyi Gyára	Szombathely
64	Szekszardi Huskominát	Szekszard

B. Slaughterhouses

35	Zala megyei Allatforgalmi és Husipari Vállalat, Zalaegerszegi Gyára	Zalaegerszeg
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II. SHEEPMPEAT

Slaughterhouses

49	Hortobagyi Juhvagohid	Hortobagy
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III. PIGMEAT

A. Slaughterhouses and cutting premises

5	Gyulai Huskominát	Gyula
6	Pápai Huskominát	Pápa
7	Szegedi Szalamigyár és Huskominát	Szeged
10	Győr-Sopron megyei Allatforgalmi és Husipari Vállalat Kapuvári Gyára	Kapuvár
61	Bacskai Husipari Közös Vállalat	Baja
62	Kaposvári Huskominát	Kaposvár
64	Szekszardi Huskominát	Szekszard

B. Slaughterhouses

18	Vas megyei Allatforgalmi és Husipari Vállalat Szombathelyi Gyára	Szombathely
46	Budapesti Husipari Vállalat V. sz. gyára, Kispesti Vágohid	Budapest

C. Cutting premises

Establishment No	Establishment	Address
56	Budapesti Husipari Vállalat V. sz. gyára, sonka-Konzervüzem	Budapest

IV. COLD STORES

13	Magyar Hűtoipari Vállalat Szekesfehervari Gyára	Szekesfehervár
26	Magyar Hűtoipari Vállalat Miskolci Gyára	Miskolc
55	Magyar Hűtoipari Vállalat Dunakeszi Gyára	Dunakeszi
63	Magyar Hűtoipari Vállalat Zalaegerszegi Gyára	Zalaegerszeg

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Hewlett Packard — Structural Dynamics Analyzer, model 5423A' may not be imported free of Common Customs Tariff duties

(82/962/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 28 June 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Hewlett Packard — Structural Dynamics Analyzer, model 5423A', ordered on 8 July 1981 and to be used for the determination of the dynamic behaviour of machine tools and in particular to convert, filter, process, display and store time-dependent measured results, should be considered as a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is an analyzer; whereas it does not have the requisite objective characteristics making it specifically suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for non-scientific activities; whereas its use in the case in question could not alone confer upon it the character of a scientific apparatus; whereas it therefore cannot be regarded as a scientific apparatus; whereas the duty-free admission of the apparatus in question is therefore not justified,

HAS ADOPTED THIS DECISION :

Article 1

The apparatus described as 'Hewlett Packard — Structural Dynamics Analyzer, model 5423A', which is the subject of an application by the Federal Republic of Germany of 28 June 1982, may not be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission

Karl-Heinz NARJES

Member of the Commission

(1) OJ No L 184, 15. 7. 1975, p. 1.

(2) OJ No L 74, 18. 3. 1982, p. 4.

(3) OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Canberra — Multichannel Analyzing Computer System, model Scorpio System 3204' may not be imported free of Common Customs Tariff duties

(82/963/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 15 June 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Canberra — Multichannel Analyzing Computer System, model Scorpio System 3204', ordered on 12 August 1977 and to be used for the investigation of Fermi surfaces in alloys, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is an analysis system; whereas its objective technical characteristics, such as the prec-

ision of the analysis and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, however, on the basis of information received from Member States, apparatus of scientific value equivalent to the said apparatus, capable of being used for the same purposes, are currently being manufactured in the Community; whereas this applies, in particular, to the apparatus 'IN 90' manufactured by Inter technique, F-78370 Plaisir,

HAS ADOPTED THIS DECISION :

Article 1

The apparatus described as 'Canberra — Multichannel Analyzing Computer System, model Scorpio System 3204', which is the subject of an application by the Federal Republic of Germany of 15 June 1982, may not be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission

Karl-Heinz NARJES

Member of the Commission

⁽¹⁾ OJ No L 184, 15. 7. 1975, p. 1.

⁽²⁾ OJ No L 74, 18. 3. 1982, p. 4.

⁽³⁾ OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Ortec — Gamma-X Coaxial HPGe Detector, model 2012-25200-S' may not be imported free of Common Customs Tariff duties

(82/964/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 16 June 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Ortec — Gamma-X Coaxial HPGe Detector, model 2012-25200-S', ordered on 18 September 1980 and to be used for the analysis of samples of building materials and in particular for high-efficiency determination of radioactive isotopes with low gamma energies in such samples, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is a detector; whereas its objective technical characteristics, such as the detection field and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, however, on the basis of information received from Member States, apparatus of scientific value equivalent to the said apparatus, capable of being used for the same purposes, are currently being manufactured in the Community; whereas this applies, in particular, to the apparatus 'Series Si(Li) X', manufactured by Laben, via Bassini 15, I-20133 Milan,

HAS ADOPTED THIS DECISION:

Article 1

The apparatus described as 'Ortec — Gamma-X Coaxial HPGe Detector, model 2012-25200-S', which is the subject of an application by the Federal Republic of Germany of 16 June 1982, may not be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission

Karl-Heinz NARJES

Member of the Commission

⁽¹⁾ OJ No L 184, 15. 7. 1975, p. 1.

⁽²⁾ OJ No L 74, 18. 3. 1982, p. 4.

⁽³⁾ OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Jeol — Scanning Electron Microscope, model JSM-35C' may not be imported free of Common Customs Tariff duties

(82/965/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials⁽¹⁾, as last amended by Regulation (EEC) No 608/82⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 16 July 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Jeol — Scanning Electron Microscope, model JSM-35C', ordered on 4 July 1979 and to be used in the framework of teaching programmes on structural materials, for research of the fire behaviour of structural members with reference to changes in microstructure, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is an electron microscope; whereas its objective technical characteristics, such as the

resolution power and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, however, on the basis of information received from Member States, apparatus of scientific value equivalent to the said apparatus, capable of being used for the same purposes, are currently being manufactured in the Community; whereas this applies, in particular, to the apparatus 'PSEM 500X' manufactured by Philips Nederland BV, Boschdijk 525, NL-Eindhoven, and to the apparatus '150' and '180' manufactured by Cambridge Scientific Instruments Ltd, Rustat Road, UK-Cambridge CB1 3QH,

HAS ADOPTED THIS DECISION:

Article 1

The apparatus described as 'Jeol — Scanning Electron Microscope, model JSM-35C, which is the subject of an application by the Federal Republic of Germany of 16 July 1982, may not be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.
Done at Brussels, 30 December 1982.

For the Commission
Karl-Heinz NARJES
Member of the Commission

(1) OJ No L 184, 15. 7. 1975, p. 1.

(2) OJ No L 74, 18. 3. 1982, p. 4.

(3) OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 10'
may be imported free of Common Customs Tariff duties

(82/966/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 19 May 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Dionex — Ion Chromatograph, model 10', ordered on 21 January 1982 and to be used for the study of the reaction kinetics in the heterogeneous degradation of sulphur dioxide in cloud and precipitation elements, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is a chromatograph; whereas its

objective technical characteristics, such as the sensibility of the analysis and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, on the basis of information received from Member States, apparatus of equivalent scientific value capable of use for the same purpose is not currently manufactured in the Community; whereas, therefore, duty-free admission of this apparatus is justified,

HAS ADOPTED THIS DECISION:

Article 1

The apparatus described as 'Dionex — Ion Chromatograph, model 10', which is the subject of an application by the Federal Republic of Germany of 19 May 1982, may be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission

Karl-Heinz NARJES

Member of the Commission

⁽¹⁾ OJ No L 184, 15. 7. 1975, p. 1.

⁽²⁾ OJ No L 74, 18. 3. 1982, p. 4.

⁽³⁾ OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 10'
may be imported free of Common Customs Tariff duties

(82/967/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 19 May 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Dionex — Ion Chromatograph, model 10', ordered on 31 July 1981 and to be used for the study of the effect of acidic precipitation on the vegetation and soil and in particular for quantitative analysis of rain water for a number of components, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is a chromatograph; whereas its

objective technical characteristics, such as the sensibility of the analysis and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, on the basis of information received from Member States, apparatus of equivalent scientific value capable of use for the same purpose is not currently manufactured in the Community; whereas, therefore, duty-free admission of this apparatus is justified,

HAS ADOPTED THIS DECISION:

Article 1

The apparatus described as 'Dionex — Ion Chromatograph, model 10', which is the subject of an application by the Federal Republic of Germany of 19 May 1982, may be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission

Karl-Heinz NARJES

Member of the Commission

⁽¹⁾ OJ No L 184, 15. 7. 1975, p. 1.

⁽²⁾ OJ No L 74, 18. 3. 1982, p. 4.

⁽³⁾ OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 12'
may be imported free of Common Customs Tariff duties

(82/968/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 19 May 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Dionex — Ion Chromatograph, model 12', ordered on 5 February 1979 and to be used for the matrix insulation of HO₂, C₁, NO₂ and other free radicals in connection with ESR spectroscopy, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is a chromatograph; whereas its

objective technical characteristics, such as the sensibility of the analysis and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, on the basis of information received from Member States, apparatus of equivalent scientific value capable of use for the same purpose is not currently manufactured in the Community; whereas, therefore, duty-free admission of this apparatus is justified,

HAS ADOPTED THIS DECISION:

Article 1

The apparatus described as 'Dionex — Ion Chromatograph, model 12', which is the subject of an application by the Federal Republic of Germany of 19 May 1982, may be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission
Karl-Heinz NARJES
Member of the Commission

⁽¹⁾ OJ No L 184, 15. 7. 1975, p. 1.

⁽²⁾ OJ No L 74, 18. 3. 1982, p. 4.

⁽³⁾ OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 14'
may be imported free of Common Customs Tariff duties

(82/969/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 19 May 1982, the Federal Republic of Germany has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Dionex — Ion Chromatograph, model 14', ordered on 30 January 1981 and to be used for the determination of the main components in leakage water samples, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is a chromatograph; whereas its

objective technical characteristics, such as the sensibility of the analysis and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, on the basis of information received from Member States, apparatus of equivalent scientific value capable of use for the same purpose is not currently manufactured in the Community; whereas, therefore, duty-free admission of this apparatus is justified,

HAS ADOPTED THIS DECISION:

Article 1

The apparatus described as 'Dionex — Ion Chromatograph, model 14', which is the subject of an application by the Federal Republic of Germany of 19 May 1982, may be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission
Karl-Heinz NARJES
Member of the Commission

⁽¹⁾ OJ No L 184, 15. 7. 1975, p. 1.

⁽²⁾ OJ No L 74, 18. 3. 1982, p. 4.

⁽³⁾ OJ No L 318, 13. 12. 1979, p. 32.

COMMISSION DECISION

of 30 December 1982

establishing that the apparatus described as 'Matec — Pulse Modulator and Receiver, model 6600' may be imported free of Common Customs Tariff duties

(82/970/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1798/75 of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials ⁽¹⁾, as last amended by Regulation (EEC) No 608/82 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2784/79 of 12 December 1979 laying down provisions for the implementation of Regulation (EEC) No 1798/75 ⁽³⁾, and in particular Article 7 thereof,

Whereas, by letter dated 27 May 1982, the United Kingdom has requested the Commission to invoke the procedure provided for in Article 7 of Regulation (EEC) No 2784/79 in order to determine whether or not the apparatus described as 'Matec — Pulse Modulator and Receiver, model 6600', ordered on 19 March 1982 and to be used to provide the ultrasonic driving pulse and timing circuitry required to make pulse echo measurements of the transit time of ultrasonic waves across single crystals in the vicinity of phase transitions, should be considered to be a scientific apparatus and, where the reply is in the affirmative, whether apparatus of equivalent scientific value is currently being manufactured in the Community;

Whereas, in accordance with the provisions of Article 7 (5) of Regulation (EEC) No 2784/79, a group of experts composed of representatives of all the Member States met, on 15 November 1982, within the framework of the Committee on Duty-Free Arrangements to examine the matter;

Whereas this examination showed that the apparatus in question is a pulse modulator; whereas its

objective technical characteristics, such as the generation field of the pulses and the use to which it is put, make it specially suited to scientific research; whereas, moreover, apparatus of the same kind are principally used for scientific activities; whereas it must therefore be considered to be a scientific apparatus;

Whereas, on the basis of information received from Member States, apparatus of equivalent scientific value capable of use for the same purpose is not currently manufactured in the Community; whereas, therefore, duty-free admission of this apparatus is justified,

HAS ADOPTED THIS DECISION :

Article 1

The apparatus described as 'Matec — Pulse Modulator and Receiver, model 6600', which is the subject of an application by the United Kingdom of 27 May 1982, may be imported free of Common Customs Tariff duties.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 30 December 1982.

For the Commission

Karl-Heinz NARJES

Member of the Commission

⁽¹⁾ OJ No L 184, 15. 7. 1975, p. 1.

⁽²⁾ OJ No L 74, 18. 3. 1982, p. 4.

⁽³⁾ OJ No L 318, 13. 12. 1979, p. 32.

82/965/EEC :

- ★ Commission Decision of 30 December 1982 establishing that the apparatus described as 'Jeol — Scanning Electron Microscope, model JSM-35C' may not be imported free of Common Customs Tariff duties 57

82/966/EEC :

- ★ Commission Decision of 30 December 1982 establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 10' may be imported free of Common Customs Tariff duties 58

82/967/EEC :

- ★ Commission Decision of 30 December 1982 establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 10' may be imported free of Common Customs Tariff duties 59

82/968/EEC :

- ★ Commission Decision of 30 December 1982 establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 12' may be imported free of Common Customs Tariff duties 60

82/969/EEC :

- ★ Commission Decision of 30 December 1982 establishing that the apparatus described as 'Dionex — Ion Chromatograph, model 14' may be imported free of Common Customs Tariff duties 61

82/970/EEC :

- ★ Commission Decision of 30 December 1982 establishing that the apparatus described as 'Matec — Pulse Modulator and Receiver, model 6600' may be imported free of Common Customs Tariff duties 62