

## PRESS RELEASE

11938/82 (Presse 195)

815th meeting of the Council

- Budget -

Strasbourg, 15 and 16 December 1982

President: Mr Otto MØLLER,  
State Secretary,  
Ministry of Foreign Affairs  
of the Kingdom of Denmark



The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Paul de KEERSMAEKER  
State Secretary for  
European Affairs and Agriculture

Denmark:

Mr Otto MØLLER  
State Secretary,  
Ministry of Foreign Affairs

Germany:

Mr Hans TIETMEYER  
State Secretary,  
Federal Ministry of Finance

Greece:

Mr Panayiotis ROUMELIOTIS  
State Secretary,  
Ministry of Finance

France:

Mr André CHANDERNAGOR  
Minister attached to the  
Foreign Secretary,  
responsible for European Affairs

Ireland:

Mr John SWIFT  
Deputy Permanent Representative

Italy:

Mr Carlo FRACANZANI  
State Secretary,  
Ministry of the Treasury

Luxembourg:

Mr Ernest MÜHLEN  
State Secretary,  
Ministry of Finance

Netherlands:

Mr W.F. van EEKELEN  
State Secretary,  
Ministry of Foreign Affairs,  
with responsibility for  
European Affairs

United Kingdom:

Mr Nicolas RIDLEY  
Financial Secretary to the  
Treasury

Commission:

Mr Christopher TUGENDHAT  
Vice-President

DRAFT GENERAL BUDGET FOR THE FINANCIAL YEAR 1983 AND DRAFT  
SUPPLEMENTARY AND AMENDING BUDGET No 1 FOR THE FINANCIAL YEAR 1982

The Council discussed the draft general budget for 1983 in the light of the second reading by the European Parliament's Committee on Budgets and also draft supplementary and amending budget No 1 for the financial year 1982 as it stood after the European Parliament's first reading and in the light inter alia of Parliament's Resolution ("Barbarella") adopted on 14 December.

The Council held several meetings on the matter with a European Parliament delegation led by Mr DANKERT, President of the European Parliament. The delegation also included the following persons: Mr LANGE, Chairman of the Committee on Budgets, Mr NOTENBOOM, 1st Vice-Chairman of the Committee on Budgets, Mrs BARBARELLA, 2nd Vice-Chairman of the Committee on Budgets and Rapporteur on supplementary and amending budget No 1/82, Mr Robert JACKSON, Rapporteur on Section III of the 1983 Budget, Mr SABY, Rapporteur on other sections of the 1983 Budget, Mr AIGNER, Chairman of the Committee on Budgetary Control, Mr ANSQUER, Mr BONDE and Mrs SCRIVENER, Members of the Committee on Budgets.

The problems raised by the European Parliament in the Barbarella Resolution were discussed in depth at these meetings.

At the last meeting the Council offered the Parliament delegation an overall compromise involving essentially the following:

With respect to the supplementary and amending budget for 1982:

- in reply to point 7 of the Barbarella Resolution, the Council would make the following statement:

"The Council shares the view of the European Parliament as to the importance and urgency of finding, in the context of the development of common policies, a lasting solution to the Community's internal imbalances, which will enable subsequent recourse to ad hoc budgetary measures to be avoided in line with the Parliament's wishes.

In this connection, the Commission has furthermore announced that it will be submitting proposals to the Council and to the European Parliament on a system of financing suited to an enlarged Community."

- With respect to the European Parliament's request for the special measures to be restored to the context of existing common policies, the Council stated its readiness, within the framework of an overall agreement, to accept the amendment (No 9) concerning Community energy development programmes (21 MECU).
- As regards Parliament's insistence on effective monitoring of expenditure under the special measures, the United Kingdom stated its willingness to provide Parliament with six-monthly reports on the utilization of the amounts received under the special measures and to arrange for on-the-spot checks by the European Parliament's Committee on Budgetary Control.
- The Council was unable to accept Parliament's other amendments concerning the draft supplementary and amending budget for 1982. The Council asked the European Parliament to give its Opinion at this part-session on the two Regulations needed to implement the special measures concerned.

As far as the 1983 budget was concerned, the Council was prepared to agree to 70% of the amounts resulting from the proposals for amendments submitted to Parliament by the Committee on Budgets for the final vote on the 1983 budget.

The European Parliament delegation reacted negatively to the Council's offer. The Council expressed its disappointment at the position adopted by the European Parliament delegation.

---

NOTE BIO(82) 539 AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE DU FORTE PAROLE  
-----

BUDGET COUNCIL; STRASBOURG; 15 DECEMBER 1982  
-----

THE BUDGET COUNCIL DULY MET UNDER ITS CHAIRMAN OTTO MOELLER FOR TWO HOURS THIS MORNING AFTER WHICH COUNCIL AND PARLIAMENT HELD A CONCILIATION MEETING LASTING ANOTHER TWO HOURS. LATER IN THE AFTERNOON COUNCIL CONTINUED ITS OWN SITTING TO CONSIDER WHAT IS TO BE DONE.

GULF BETWEEN THE TWO SIDES IS ONE OF PRINCIPLE WITH PARLIAMENT CLAIMING THE RIGHT TO BE FULLY CONSULTED ON COMMUNITY ARRANGEMENTS AND NOT TREATED TO FAIT ACCOMPLI. MUCH PLAY WAS MADE FROM THE COUNCIL'S SIDE WITH THE FACT THAT THE ARRANGEMENTS ON COMPENSATION FOR THE UNITED KINGDOM AND RELIEF FOR THE FEDERAL REPUBLIC OF GERMANY WERE ARRIVED AT ONLY AFTER LENGTHY AND DIFFICULT NEGOTIATION BETWEEN GOVERNMENTS. AS THE GERMAN DELEGATE PUT IT 'OACTA SUNT SERVANDE'. MR TUGENDHAT MADE THE POINT THAT EVERYBODY AGREED THAT THESE AD HOC ARRANGEMENTS WERE NOT THE MOST DESIRABLE. IT WOULD BE MUCH BETTER TO FIND A BROADER BASIS FOR A PERMANENT SOLUTION SO THE NEED FOR SPECIAL ARRANGEMENTS WOULD NOT EXIST.

THE COUNCIL NOW HAS TO SEE WHAT IF ANY DECLARATION IT CAN MAKE IN THIS DIRECTION AND WHETHER IT WILL BE ACCEPTABLE TO THE PARLIAMENT.

MORE LATER AS JUSTIFIED BY DEVELOPMENTS

REGARDS;  
ROBERT ELPHICK





21877 COMEU B

DE : RESEAU COMMUTE - COMEUR 890389F

A : C.E. WASHINGTON - WASHINGTON

REF: 12:45 16-12-82 000029768 - 000036770

N.222446-BIO / GPP

NOTE BIO (82) 539 (SUITE 1) AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE DU PORTE PAROLE

-----

BUDGET COUNCIL (THURSDAY EARLY MORNING)

=====

THE COUNCIL SAT MORE OR LESS CONTINUOUSLY FROM 11 WEDNESDAY MORNING  
UNTIL JUST BEFORE FOUR OCLOCK THIS (THURSDAY) MORNING SEEKING A  
COMPROMISE ACCEPTABLE TO THE PARLIAMENT. THE SESSION WAS FREQUENTLY  
BROKEN UP BY MEETINGS WITH A PARLIAMENTARY DELEGAATION LED BY  
PRESIDENT DANKERT BUT ALL WAS TO NO AVAIL.  
THE COUNCIL'S FINAL OFFER WAS OF A DECLARATION THAT COUNCIL SHARED  
PARLIAMENTS CONCERN FOR A LASTING SOLUTION TO THE BUDGET PROBLEM.  
THIS WAS REJECTED AS BEING INADEQUATE AND NOT THE 'POLITICAL

GUARANTEE' SOUGHT BY THE PARLIAMENT IN THEIR RESOLUTION ON THE 1982 SUPPLEMENTARY BUDGET. THIS IS THE VEHICLE BY WHICH THE COMMUNITY IS TRYING TO FULFIL THE AGREEMENT ARRIVED AT BY THE COUNCIL LAST OCTOBER GIVING EFFECT TO THE AGREEMENT ON THE THIRD TRANCHE OF REPAYMENTS TO THE UNITED KINGDOM AS WELL AS SPECIAL PAYMENTS TO THE FEDERAL REPUBLIC.

COUNCIL ALSO OFFERED TO AGREE TO 70 PERCENT OF WHAT THE PARLIAMENT WISHED TO ADD TO THE 1982 BUDGET - PARLIAMENTS SUMS ARE 177 ADDITIONAL ON COMMITMENTS AND 137 ADDITIONAL ON PAYMENTS, WITHIN THEIR MARGIN AS THEY CALCULATE IT. IN ADDITION COUNCIL OFFERED TO ACCEPT AN AMENDMENT TO THE 1982 SUPPLEMENTARY ADDING 21 MILLION ECUS FOR ENERGY DEMONSTRATION PROJECTS IN LESS PROSPEROUS MEMBER COUNTRIES. OTHER AMENDMENTS WERE ALL REJECTED HOWEVER THE UK DELEGATION OFFERED TO HELP PARLIAMENT ON THEIR DEMAND FOR GREATER POWERS OF CONTROL OF EXPENDITURE UNDER THE SPECIAL MEASURES. THEY SUGGESTED SIX MONTHLY REPORTS AND PERMISSION FOR CONTROL BODIES TO TRAVEL IN UK.

NONE OF THIS WAS SUFFICIENT HOWEVER AND AT 0345 PRESIDENT DANKERT CALLED OF FURTHER NEGOTIATIONS.

THE STAGE IS NOW SET FOR THE VOTING IN PARLIAMENT WHERE THE PROSPECTS ARE FOR PASSAGE OF THE 1983 BUDGET WITH ADDITIONS UP TO PARLIAMENTS OWN MARGIN AND FOR REJECTION OF THE 1982 SUPPLEMENTARY UNLESS THERE ARE LAST MINUTE CHANGES OF TACTICS.

MORE LATER

R. ELPHICK

NNNN /

COMEUR 890389F.

24073 EURCOM B

89033 EURCOM B

DE : C.C.E. BRUXELLES - GPP46 - G.P.P.

A : C.E. WASHINGTON - WASHINGTON

REF: 13:08 16-12-82 000037130 - 000037243

TLX NR. 222798-BIO

NOTE BIO (82) 539 - SUITE 2 AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE DU PORTE PAROLE

-----

SESSION DU P.E. - SEANCE DU JEUDI MATIN

-----

DEBATE ON BUDGET IN THE PARLIAMENT

=====

BEFORE THE VOTING BEGAN, MR MOELLER EXPLAINED THE COUNCIL'S POSITION  
AND MR TUGENDHAT MADE A STATEMENT AS FOLLOWS :

MR TUGENDHAT SAID HE UNDERSTOOD AND SYMPATHISED WITH PARLIAMENT'S  
FEELINGS OF FRUSTRATION AND DISCONTENT AT THE WAY IT HAD BEEN TREATED  
BY THE COUNCIL OVER THE UNITED KINGDOM SUPPLEMENTARY MEASURES AND  
THE GERMAN ENERGY MEASURES. THE PARLIAMENT HAD BEEN PLACED IN A  
DIFFICULT POSITION. THE COMMISSION ATTACHED THE GREATEST IMPORTANCE  
TO THE IMPLEMENTATION OF THE POLITICAL AGREEMENT AND TO WHICH THIS  
SUPPLEMENTARY BUDGET WAS DESIGNED TO GIVE EFFECT. IT WAS A MATTER FOR

REGRET AND DEEP DISAPPOINTMENT THAT THE POINT HAD BEEN REACHED W  
A RESOLUTION TO REJECT THIS AGREEMENT HAD BEEN TABLED BEFORE  
PARLIAMENT. ITS ADOPTION WOULD CAUSE A SERIOUS NEW CRISIS IN THE  
COMMUNITY OF A KIND WHICH WAS IN NOBODY'S INTEREST. IT WOULD NOT BE A  
VICTORY FOR COMMUNITY POLICY BUT A VICTORY FOR INTRANSIGENCE - FOR  
INTRANSIGENCE OF INSTITUTIONS WITHIN OUR COMMUNITY.

MR TUGENDHAT SAID THAT WHILE HE UNDERSTOOD THEIR FRUSTRATIONS HE  
HOPED MEMBERS WOULD LOOK INTO THEIR HEARTS TO SEE IF PARLIAMENT  
ITSELF HAD SHOWN ALL THE UNDERSTANDING, WHICH IT MIGHT HAVE,  
PARLIAMENT WOULD OF COURSE TAKE ITS OWN DECISIONS. BUT HE COULD ONLY  
HOPE THAT IF THE SUPPLEMENTARY BUDGET WERE TO BE REJECTED,  
NEGOTIATIONS COULD SOON BEGIN TO FIND SOME OTHER WAY OF SOLVING THE  
ROBLEM. THIS WOULD NOT BE EASY, BUT THE COMMISSION WOULD DO ITS BEST  
TO BRING ABOUT A SATISFACTORY SOLUTION.

A SUIVRE

AMITIES

R ELPHICK

NNNN

•  
*24073 EURCOM B*

21877 COMEU B

31823 COMEN B

DE : C.C.E. BRUXELLES - GPP46 - G.P.P.

A : C.E. WASHINGTON - WASHINGTON

REF: 12:51 16-12-82 000036550 - 000036841

REF NR 222735-B10

NOTE BIO (82) 539 - SUITE 3 AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE DU PORTE PAROLE

-----

SESSION DU P.E. - SEANCE DU JEUDI MATIN

SUITE DU DEBAT SUR LE VOTE DU BUDGET

=====

IN THE VOTING, PARLIAMENT ELECTED TO REJECT THE 1982 SUPPLEMENTARY  
BUDGET IN ITS ENTIRETY. VOTING WAS 258 IN FAVOUR OF REJECTION WITH 79  
AGAINST AND ZERO ABSTENTIONS.

IMMEDIATELY AFTERWARDS, PARLIAMENT VOTED THE FOLLOWING COMPLEMENTARY RESOLUTION BY 305 VOTES IN FAVOUR TO 24 AGAINST AND TWO ABSTENTIONS.

HERE IS THE TEXT OF THE COMPLEMENTARY RESOLUTION :

''LE PARLEMENT EUROPEEN, DEMANDE A LA COMMISSION ET AU CONSEIL DE PRESENTER AU PLUS VITE DE NOUVELLES PROPOSITIONS FINANCIERES ET BUDGETAIRES QUI DONNENT UNE SUITE CONCRTE AU MANDAT DU 30 MAI ET JETTENT LES BASES D UNE SOLUTION DURABLE ET COMMUNAUTAIRE A DES SITUATIONS ''INACCEPTABLES'' QUI SONT APPARUES POUR CERTAINS ETATS MEMBRES''.

COUNCIL PRESIDENT MR MOELLER SAID PARLIAMENT'S DECISION HAD CREATED A VERY DIFFICULT SITUATION FOR THE COMMUNITY. IT IMPLIED CONSEQUENCES THAT NOBODY COULD FULLY GRASP TODAY. IT HAD ENGINEERED A CRISES BETWEEN COUNTRIES AND INSTITUTIONS AT A TIME WHEN THE ECONOMIC SITUATION SHOWED HOW MUCH WE NEEDED COOPERATION.

PARLIAMENT THEN BEGAN THE LENGHY PROCESS OF VOTING ON THE 1982 DRAFT BUDGET.

MORE LATER

E ELPHICK

NNNN /

COMEUR 890389F.

•  
24073 EURCOM B

24073 EURCOM B

21877 COMEU B

DE : C.C.E. BRUXELLES - GPP46 - G.P.P.

A : C.E. WASHINGTON - WASHINGTON

REF: 17:12 16-12-82 000048800 - 000048935

REF NR 223236-BIO

/

COMEUR 890389F

PRIERE DE FAIRE DISTRIBUTION HABITUELLE A PARTIR DE BRUXELLES

M HOULISTON BER 3/101

M SOUBESTRE BER 2/63

M BRENNER BER 8/103

STRASBOURG LE 16.12.1982

REF NR 184-FAN

NOTE BIO (82) 539 - SUITE 4 AUX BUREAUX NATIONAUX  
C.C. AUX MEMBRES DU GROUPE DU PORTE PAROLE

-----

SESSION DU P.E. SEANCE DU JEUDI APRES-MIDI

---

BUDGET-PARLIAMENT

VOTING ON THE 1983 BUDGET RAN SWIFT AND SMOOTH ALL AMENDMENTS PUT FORWARD BY THE BUDGET COMMITTEE WERE ACCEPTED WITH THE RESULT THAT SOME 177 MECUS WERE ADDED TO THE DRAFT IN COMMITMENTS AND SOME 137 MECUS INPAYMENTS.

IMMEDIATELY AFTERWARDS MR. MOELLER, SPEAKING ON BEHALF OF THE COUNCIL, SAID HE DID NOT REPT NOT BELIEVE THE BUDGET PROCESS WAS YET COMPLETE AND THERE OUGHT TO BE FURTHER CONSULTATION. THIS PROVOKED NO IMMEDIATE RESPONSE FROM MR. DANKERT. HOWEVER THE PARLIAMENT'S PRESIDENT HAS MADE IT CLEAR OVER THE PAST FEW DAYS THAT PARLIAMENT HAD STAYED WITHIN ITS OWN CALCULATION OF ITS MARGIN AND IF THE BUDGET AS AMENDED WERE TO BE ACCEPTABLE TO THE PARLIAMENT, HE WOULD SIGN IT. TIMING FOR HIS SIGNATURE WAS NOT CLEAR AT TIME OF THIS WRITING.

ENDIT

ROBERT ELPHICK

NNNN

/

COMEUR 890389F.

SJ888 COMEN R

SX058 ENBCOM B

1377 \*