

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

10714/83 (Presse 195)

885th meeting of the Council

- Budget -

Brussels, 22 and 23 November 1983

President: Mr Antonios GEORGIADIS,

State Secretary
at the Ministry of the National Economy
of the Hellenic Republic

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 Knud Erik TYGESEN
State Secretary,
Ministry of Foreign Affairs

Germany:

Mr Hans TIETMEYER
State Secretary
Federal Ministry of Finance

Greece:

Mr Antonios GEORGIADIS,
State Secretary,
Ministry of the National Economy
Mr Constantinos PITSIORIS,
State Secretary,
Ministry of Finance

France:

Mr Jean VIDAL
Deputy Permanent Representative

Ireland:

Mr Jim O'KEEFFE
Minister of State at the
Department of Foreign Affairs

Italy:

Mr Carlo FRACANZANI
State Secretary,
Ministry of the Treasury

Luxembourg:

Mr Jean FEYDER
Deputy Permanent Representative

Netherlands:

Mr W.F. VAN EEKELEN
State Secretary,
Ministry of Foreign Affairs

United Kingdom:

Mr Ian STEWART
Economic Secretary
to the Treasury

Commission:

Mr Christopher TUGENDHAT
Vice-President

MEETING WITH A EUROPEAN PARLIAMENT DELEGATION

During its discussions on drawing up the Communities' general budget for 1984, the Council had a meeting with a European Parliament delegation led by Mr DANKERT, President of the Parliament. Other members of the delegation were: Mrs SCRIVENER, Rapporteur on the Budget (section III); Mr PFENNIG, Rapporteur on the Budget (Other sections); Mr LANGE, Chairman of the Committee on Budgets; Mr NOTENBOOM, First Vice-Chairman of the Committee on Budgets; Mrs BARBARELLA, Second Vice-Chairman of the Committee on Budgets; Mr ROSSI, Third Vice-Chairman of the Committee on Budgets; Mr AIGNER, Chairman of the Committee on Budgetary Control; Mr ARNDT, Rapporteur, Committee on Budgets (future financing); Mr BALFOUR, Member, Committee on Budgets; Mr ANSQUER, Member, Committee on Budgets; Mr BONDE, Member, Committee on Budgets; Mr OPITZ, Secretary-General of the European Parliament.

At the meeting, the European Parliament delegation explained the reasons for the amendments and proposed modifications it had made to the draft general budget for 1984, and Members of the Council gave the Parliament their views on the matter.

After the exchange of views, the President of the Council said the Council would hold discussions straightaway on the Parliament's amendments and proposed modifications to the draft budget, taking account of the points raised during the meeting with the Parliament delegation.

DRAFT GENERAL BUDGET FOR 1984

Following the meeting with the European Parliament, the Council examined the amendments and proposed modifications to the 1984 draft budget, taking particular account of the comments made by the European Parliament delegation.

The increases decided on by the Council in non-compulsory expenditure (NCE) totalled 466.8 MECU in commitment appropriations, including 67 MECU for the Esprit programme, and 377,1 MECU in payment appropriations (compared with the draft established by the Council in July 1983).

Regarding the most important NCE items in the draft budget, the Council agreed to the following increases in payment appropriations as compared with the draft it had established in July 1983:

European Social Fund:	+ 122,5	MECU
European Regional Development Fund:	+ 110	"
Special programme on hunger in the world:	+ 42	"
Restructuring of the coal industry:	+ 25	"
ECSC social aspects:	+ 12,5	"
Food aid:	+ 27	"
Research - direction action:	+ 14	"
Encouragement of energy investment:	+ 20	"

The Council agreed to enter 350 MECU of EAGGF (Guarantee Section) expenditure in Chapter 100. It also decided to create a new budget heading, with a token entry, for a Community measure on the development of a European industrial area.

The draft budget thus amended will be sent to the European Parliament for discussion at its next plenary sitting from 12 to 16 December in Strasbourg.

MISCELLANEOUS DECISIONS

Commercial policy

The Council adopted in the official languages of the Communities:

- a Decision accepting undertakings offered by Japanese exporters of dicumyl peroxide and terminating the proceedings;
- a Regulation maintaining the export arrangements for aluminium waste and scrap;
- Regulations
 - = establishing ceilings and Community surveillance of imports of certain textile products originating in Cyprus (1984);
 - = on the arrangements applicable to imports of wines originating in Algeria;
 - = opening, allocating and providing for the administration of Community tariff quotas for certain textile products falling within headings Nos 55.05 and 55.09 and subheading ex 58.01 A of the Common Customs Tariff and originating in Turkey (1984);
- the Decisions authorizing the Commission to negotiate Agreements in the form of exchanges of letters with Israel, Algeria, Morocco and Tunisia respectively concerning fruit salads and with Algeria concerning tomato concentrates.

Relations with Israel

The Council adopted in the official languages of the Communities a Regulation concluding the second Financial Protocol between the EEC and the State of Israel.

It will thus be possible for this Protocol, which was signed on 24 June 1983, to come into force on 1 January 1984 (after the instruments of notification relating to it have been exchanged with the Israeli delegation; this should occur before the end of November).

Under the Protocol, the Community will participate, in the framework of financial co-operation, in the financing of projects designed to contribute to the economic development of Israel.

Consequently, for a period of five years with effect from the expiry of the first Protocol, i.e. until 31 October 1985, the Community will ask the European Investment Bank to make available to Israel 40 MECU in the form of loans granted out of its own resources, in accordance with the conditions, detailed rules and procedures laid down by the EIB Statute.

Energy

The Council adopted in the official languages of the Communities a Decision on the granting of support for Community projects in the hydrocarbons sector.

Bruxelles, le 21 novembre 1983

NOTE BIO (83) 487 AUX BUREAUX NATIONAUX
CC AUX MEMEBRES DU GROUPE

Preparation Conseil Budget 22 novembre 1983 (Elphick)

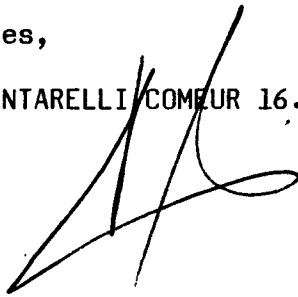
Le Conseil examinera demain, en deuxieme lecture, le projet de Budget 1983, tel qu'etabli par le Parlement lors de sa premiere lecture en octobre.

Rappelons que le Parlement propose d'utiliser presque la totalite des credits disponibles en laissant une marge de seulement quelque huit millions d'ECUs au dessous du plafond de nos ressources propres. Le Parlement a egalement mis en reserve la compensation de 1 200 millions d'ECUs destines a compenser le Royaume-Uni et la Republique Federale d'Allemagne, et 5% des ressources destinees au FEOGA Garantie. Le Conseil doit aussi prendre position sur l'amendement du Parlement engageant 1 200 Millions d'ECUs en faveur de la relance industrielle.

Le Conseil debutera a 10.00 le 22 en seance restreinte suivie d'une reunion avec une delegation parlementaire. Le Conseil continuera ses travaux au cours de l'apres-midi.

Amities,

M. SANTARELLI / COMEUR 16.00 ////



Brussels, 22 November 1983

BIO NOTE (83) 487 (suite 1) TO NATIONAL OFFICES
CC TO THE MEMBERS OF THE GROUP

BUDGET COUNCIL 22 NOVEMBER (Elphick)

The Budget Council began its second reading of the 1984 budget this morning in very restrictive mood. Ministers reiterated their belief that rigour had to remain the order of the day. The gap between the Parliament's desire to improve the draft budget by an additional 546 million ECU and Council's wish to accept an addition of 382 million ECU is not large but the Council seemed determined at the outset of the meeting to maintain some reasonable margin of safety below the 1% ceiling.

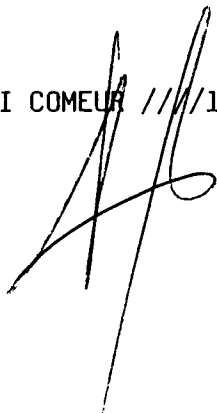
For the Commission, Mr. Tugendhat reminded Ministers that Parliament was an equal partner to Council in Budgetary matters. Parliament had stayed within the available margin of available own resources. He believed it would be in the interest of the Community to respond positively to Parliament's concerns. There was more than one possible and legally defensible interpretation of Parliament's margin. Unless there were clear indications that a budget had NOT been legally adopted at the of the year, it would be for the Commission to implement it. Mr. Tugendhat made clear that the Commission supported Parliameent in classifying all compensation expenditure for the U.K. and Germany as non-compulsory. He hoped the Council would draw appropriate conclusions from their experience concerning the first Supplementary Budget for 1983. A major element of the compromise then was Council's willingness to accept classification of the specific energy measures as non-compulsory while finding an understanding with Parliament on the use of these amounts for Parliament's margin of manoeuvre.

After a short opening debate, the Council embarked on its meeting with a Parliamentary delegation led by its President, Mr. Dankert.

a suivre

Amities,

M. SANTARELLI COMEUR ///12h45



Bruxelles, le 22 novembre 1983

Note Bio (83) 487 (suite 2) aux bureaux nationaux
cc/ aux membres du Groupe du Porte-Parole

Budget Council (R. Elphick)


The meeting with the Parliamentary delegation lasted nearly six hours with plain speaking on both sides. In summing up, Mr. Dankert placed the discussion firmly in the context of the Athens summit and the need for a durable solution to the Community's budget problems. If the Council wished to avoid difficulties at the end of the year, he said, the solution was relatively simple: the Council could accept the budget as presented by Parliament. It was within the one percent ceiling (eight MECUs below); the sums placed in reserve for FEOGA and for the UK and German budget repayments could be released into the line in 1984; acceptance of the Barbarella amendment committing 1.2 billion MECUs to development of an industrial policy was a signal of intent for the future. If, on the other hand, the Council clove to its immobile position the budget risked being rejected by the Parliament in its second reading in December.

When the Council resumed in session immediately afterwards none of this seemed to have made much impression on the ministers. Few expressed any possibility of flexibility; most worried more about upsetting the compromise reached in the Council itself last July. Mr. Tugendhat reminded the Council that the Commission supported the budget as it emerged from Parliament.

As the night drew on, the Greek presidency undertook to try to present a compromise solution. More later.

Amities,

M. Santarelli comur, //



Brussels, 23 November 1983
BIO NOTE (83) 487 suite 3 and end TO NATIONAL OFFICES,
CC TO MEMBERS OF THE GROUP

BUDGET COUNCIL 22 NOVEMBER 1983 (Elphick)

The Council finally reached agreement in a restricted session that lasted into the early hours of Wednesday morning (23/11).

Compared to the Draft Budget established by the Council last July, the Ministers agreed to add a total of 464.4 million ECUs (MECUs) to commitments and 377.1 MECUs in payments thus going a small way to meeting Parliament's priorities. Most important additions were in the following areas (in payments): Social Fund plus 122.5 MECUs; Regional Fund plus 110 MECUs; Special Programme Hunger in the World plus 42 MECUs, Coal Industry Restructuring plus 25 MECUs; Social volet ECSC plus 12.5 MECUs; Food Aid plus 27 MECUs, Research Direct Action plus 14 MECUs; encouragement to energy investment plus 20 MECUs.

The Council also increased the amount put into reserve under EAGGF Guarantee to 350 MECUs. As for the Parliament's proposal to add 1 200 MECUs to commitments for the creation of an industrial policy (the Barbarella amendment), Council accepted the additional line but with no mention of any specific amount (i.e. they put in a p.m.), and included 67 MECUs in commitments for ESPRIT.

Finally the Council returned to the line the amounts specified for compensating the United Kingdom and Germany which the Parliament wanted to put into reserve pending a successful outcome of the Athens Summit.

End

Amities,

M. SANTARELLI / COMEUR 9.45



