

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

9479/84 (Presse 151)

952nd meeting of the Council

- Economic and Financial Affairs -

Luxembourg, 1 October 1984

President: Mr Alan DUKES
Minister for Finance
of Ireland

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

Belgium:

Mr Willy DE CLERCQ
Deputy Prime Minister,
Minister for Finance

Denmark:

Mr Anders ANDERSEN
Minister for Economic Affairs

Germany:

Mr Gerhard STOLTENBERG
Federal Minister for Finance

Greece:

Mr Gerassimos ARSENIS
Minister for Economic Affairs

Mr Hans TIETMEYER
State Secretary,
Federal Ministry of Finance

France:

Mr Pierre BEREGOVY
Minister for Economic Affairs,
Finance and the Budget

Ireland:

Mr Alan DUKES
Minister for Finance

Italy:

Mr Giovanni GORIA
Minister for the Treasury

Luxembourg:

Mr Jacques SANTER
President of the Government,
Minister for Finance

Mr Jean-Claude JUNCKER
Minister attached to the
Department of Finance, with
responsibility for the Budget

Netherlands:

Mr H. RUDING
Minister for Finance

United Kingdom:

Mr Nigel LAWSON
Chancellor of the Exchequer

Commission

Mr Gaston THORN
President

Mr François-Xavier ORTOLI
Vice-President

Mr Christopher TUGENDHAT
Vice-President

BUDGETARY DISCIPLINE

Following a very detailed discussion, the Council reached general agreement on the content of the provisions for implementing the principles of budgetary and financial discipline defined by the European Council at its meetings on 19 and 20 March and 25 and 26 June 1984. However, there remains a reservation on the part of two delegations and the question of the title of the act envisaged remained unresolved.

The outcome of the proceedings of the Council on Economic and Financial Affairs will be brought to the attention of the Ministers for Foreign Affairs at their meeting on 2 October. they will be asked to decide on the form of the act envisaged in the course of their discussions on the system of own resources and budgetary problems.



Bruxelles, le 28 septembre 1984

NOTE BIO (84)352 AUX BUREAUX NATIONAUX
c.c. aux membres du groupe du porte parole

433

PREPARATION DU CONSEIL ECO/FIN DU LUNDI 1er OCTOBRE A
LUXEMBOURG (C.Boon)

Discipline budgetaire :

La session du Conseil ECO/FIN de lundi (11h), sera consacree
a la discipline budgetaire. Les ministres reprendront leurs
discussions sur base des travaux du groupe a haut niveau et du
COREPER.

La Commission, quant a elle, rappelle qu'elle est en faveur
d'une stricte discipline budgetaire comme en temoignent ses
communications.

Elle s'apprete a adresser une lettre au Conseil dans
laquelle elle exprime ses preoccupations, a la lumiere des
travaux recents du Conseil.

N.B. Le texte de la lettre a ete remis a la presse ce
vendredi apres-midi a 16h30 et vous sera transmis par les voies
habituelles.

AMITIES
P. CERF. COMEUR////



Bruxelles le 1er octobre 1984
Note BIO (84) 352 suite 1 aux Bureaux Nationaux
cc aux Membres du Groupe

Conseil ECO/FIN du 1er octobre

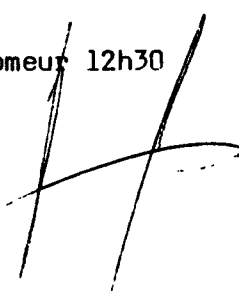
DISCIPLINE BUDGETAIRE

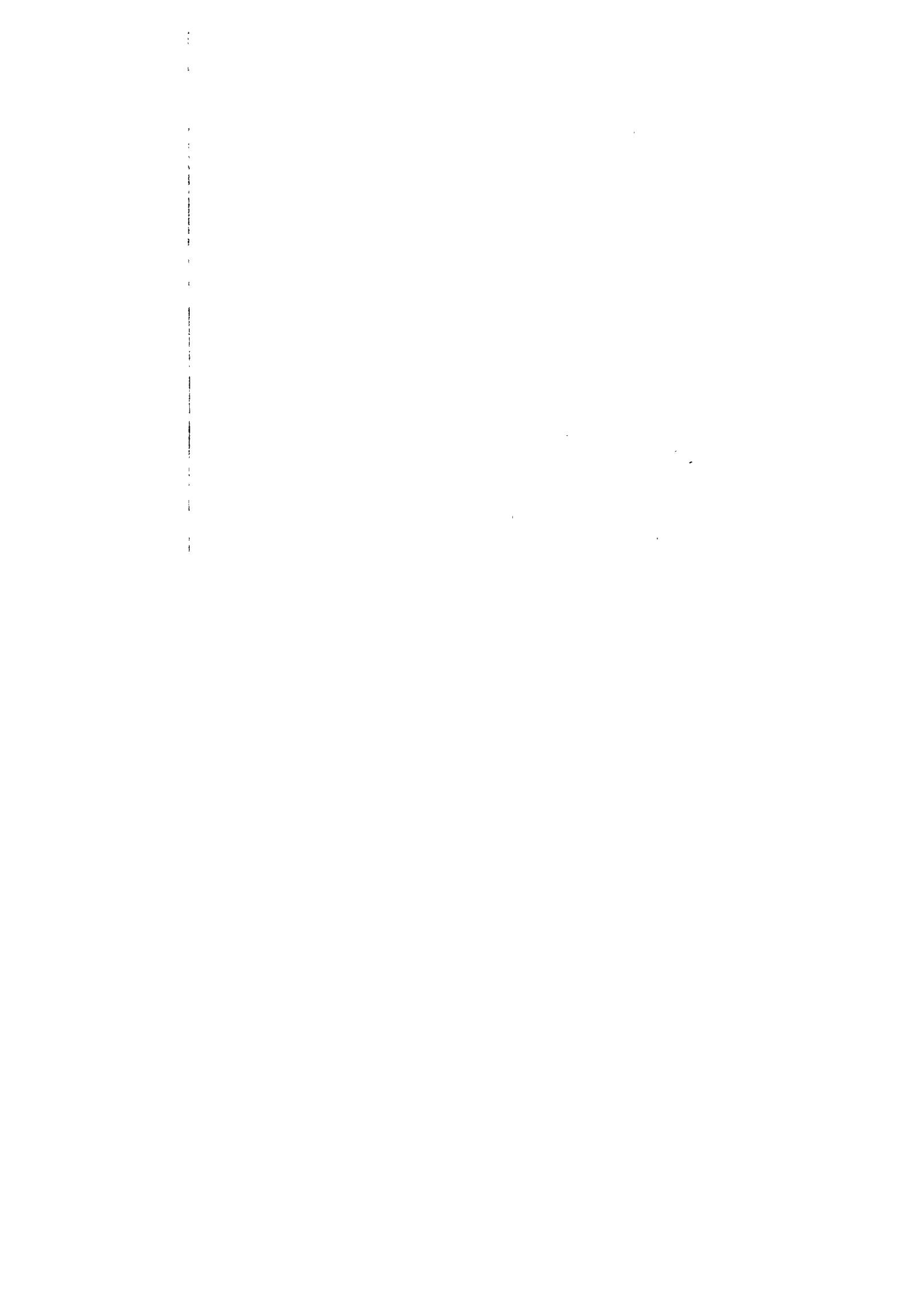
Le texte de la lettre du President Thorn qui vous a ete transmis par telecopieur (voir BIO 352 du 28/9) a reçu un accueil tres positif malgre 1 heure tardive de sa diffusion a Bruxelles (delai de courtoisie vis a vis du Conseil, mais aussi DEADLINE des journaux !...).

S agissant d une affaire d actualite qui sera au centre des travaux des Conseils d aujourd hui et de demain en particulier, je ne manquerai pas de vous preciser les conditions de publication de cette lettre a l issue des travaux des Conseils et de la Commission du 3 octobre.

Amities

Manuel Santarelli Comeur 12h30





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NOTE B I O (84) 352 (SUITE 2) AUX BUREAUX NATIONAUX
C.C. AUX MEMBRES DU GROUPE DU PORTE PAROLE

E C O / F I N C O U N C I L

ECONOMIC AND FINANCIE MINISTERS MET TODAY TO DISCUSS BUDGETARY DISCIPLINE FOLLOWING THE INFORMAL ACCORD REACHED AT DROMOLAND CASTLE TWO WEEKS AGO AND INTENSIVE SUBSEQUENT DISCUSSIONS IN BRUSSELS. THEY HAD A NEW TEXT BEFORE THEM, DRAWN UP BY THE PRESIDENCY WHICH AS VICE-PRESIDENT TUGENDHAT ACKNOWLEDGED WENT A LONG WAY TOWARDS MEETING THE PREOCCUPATIONS OF THE COMMISSION WHICH WERE EXPRESSED IN PRESIDENT THORN'S LETTER TO THE COUNCIL ON FRIDAY. HE ALSO DREW ATTENTION TO THE URGENT NEED FOR THE COUNCIL TO REACH A DECISION TODAY SO THAT THE WHOLE COMPLEX OF PROBLEMS CONNECTED WITH THE BUDGETARY SITUATION IN THE COMMUNITY CAN BEGIN TO BE SOLVED. THE PRESIDENCY DRAFT RAN INTO CRITICISMS FROM SEVERAL DELEGATIONS, ONE ISSUE BEING THE DATE BY WHICH GUIDELINES SHOULD BE DRAWN UP. SOME DELEGATIONS SAID IT HAD TO BE AFTER THE AGRICULTURAL MINISTERS HAD SET THE PRICES (I.E. AFTER 1 APRIL), OTHER SAID THIS WOULD NEGATE THE VERY IDEA OF BUDGETARY DISCIPLINE AND THE GUIDLINES SHOULD BE SET EARLIER. MARCH 15 IS THE DATE WRITTEN INTO THE PRESIDENCY TEXT. SOME DELEGATIONS ALSO MADE THE POINT THAT WITHOUT AGREEMENT ON BUDGETARY DISCIPLINE THERE WAS NO QUESTION OF ANY EXTRA RESOURCES BEING DEVOTED TO THE BUDGET THIS YEAR OR NEXT. THE DISCUSSION CONTINUES.
MORE LATER.

REGARDS,

ROBERT ELPHICK

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NOTE B 1 0 (84) 352 (SUITE 3) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GROUPE DU PORTE-PAROLE

ECO / FIN COUNCIL - SITUATION AT 18.00

THE MINISTERS SPENT ALL AFTERNOON WORKING THEIR WAY CLAUSE BY CLAUSE THROUGH THE PRESIDENCY'S DOCUMENT. SOME PROGRESS APPEARS TO BE IN PROSPECT AND A BREAK WAS CALLED AT 17.30 SO THAT THE PRESIDENCY COULD DRAW UP A NEW DOCUMENT WHICH WOULD INCORPORATE THE VARIOUS SUGGESTIONS MADE ROUND THE TABLE. A RESUMPTION OF THE MEETING IS CALLED FOR 18.30.

THE AGRICULTURAL MINISTERS; MEANWHILE; ARE CONTINUING THEIR MEETING WHICH LOOKS LIKE GOING ON LATE INTO THE NIGHT. AS FOR THE FOREIGN MINISTERS WHO ARE DUE TO DISCUSS THE BUDGET AS THEIR FIRST POINT

FOLLOWED BY ENLARGEMENT; THEIR MEETING HAS BEEN POSTPONED UNTIL 9.00 TOMORROW.

MORE LATER

REGARDS;

ROBERT ELPHICK

and end

NOTE B I O (84) 352 (SUITE 4) ALX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GROUPE DU PORTE-VOIX

ECOFIN - MONDAY EVENING

THE ECOFIN MINISTERS SUCCEEDED AFTER SOME ELEVEN HOURS OF NEGOTIATION IN PUTTING TOGETHER AN ELEVEN-POINT AGREEMENT ON BUDGETARY DISCIPLINE. THIS COMMITS THEM TO ENSURING THAT AGRICULTURAL EXPENDITURE DOES NOT EXPAND AT A GREATER RATE THAN THE INCREASE IN OWN RESOURCES BUT ALSO EXTENDS TO A RIGOROUS ATTITUDE TO OTHER POLICIES. THE AGREEMENT IS SUBJECT TO ONE OR TWO RESERVES, WHICH WILL PROBABLY BE LIFTED SHOULD THE FOREIGN MINISTERS ON TUESDAY (TODAY) BE ABLE TO REACH AGREEMENT ON THE BUDGETS FOR 1984 AND 85 AS WELL AS ON INCREASING OWN RESOURCES. THE TEXT, WHICH IS NOT YET FINALISED, AGREES THAT IF ANOTHER COUNCIL (I.E. AGRICULTURAL MINISTERS) LOOKS LIKE EXCEEDING A REFERENCE AMOUNT SET EACH YEAR, THEN PROCEEDINGS WOULD BE SUSPENDED SO THAT OTHER MINISTERS COULD BE BROUGHT IN TO SETTLE MATTERS; EXPENDITURE WOULD BE LOOKED AT OVER A THREE YEAR PERIOD. THE ECO FIN MINISTERS, HOWEVER, WERE UNABLE TO SETTLE FINALLY ON WHAT TO CALL THEIR DOCUMENT: SHOULD IT BE A COUNCIL DECISION OR RESOLUTION? THE POINT WAS THAT THE FORMER MIGHT HAVE THE FORCE OF A JUDICIAL INSTRUMENT AND BE LEGALLY ENFORCEABLE; THE OTHER SOMETHING LESS; ALTHOUGH SEVERAL MINISTERS PROTESTED THAT THEY COULD SEE LITTLE SENSE IN ARGUING OVER THE DIFFERENCE, MINISTERS ALSO SHOWED THEMSELVES SENSITIVE TO CHARGES THAT THEY WERE IMPOSING THEIR WILL ON OTHER PARTS OF THE BUDGET AUTHORITY; THE POINT HIGHLIGHTED IN PRESIDENT THORN'S LETTER LAST FRIDAY. SEVERAL MINISTERS PROTESTED THAT ALL THEY WERE DOING WAS TO IMPOSE RULES ON THEMSELVES AND THERE WAS NO INTENTION OF IMPINGING ON THE RIGHTS OF EITHER THE COMMISSION OR PARLIAMENT. THE STATEMENT BY CHAIRMAN OF PARLIAMENTS BUDGET COMMITTEE WAS ALSO REFERRED TO. THE FOREIGN MINISTERS TODAY WILL BE ASKED TO SETTLE THE MATTER OF THE TITLE TO THE ECO FIN COUNCIL 'S ACT.

AS THEIR FINAL CONTRIBUTION TO THE DAYS SUCCESS THE ECOFIN MINISTERS SENT THEIR STRONG RECOMMENDATION TO THE FOREIGN MINISTERS TO PRESENT THE 1985 BUDGET TO PARLIAMENT AS SOON AS POSSIBLE AND IN ANY CASE BEFORE 5 OCTOBRE; WHICH IS THE DATE INSCRIBED IN THE TREATY. FOR THE COMMISSION; AS THE ECO FIN PROCEEDINGS DREW TO A CLOSE; VICE-PRESIDENT TUGENHDHAT MADE THE FOLLOWING STATEMENT: " I HAVE MADE A NUMBER OF STATEMENTS IN RESPONSE TO SPECIFIC REQUESTS FROM THE COUNCIL. THESE SHOULD NOT BE TAKEN TO IMPLY ANY GENERAL ENDORSEMENT OF THE TEXT BY THE COMMISSION. THE COMMISSION; AS PRESIDENT THORN SAID IN HIS LETTER OF LAST WEEK; IS FULLY ALIVE TO THE NEED FOR BUDGET DISCIPLINE. IT ALSO REMAINS CONVINCED THAT THIS CAN BE ACHIEVED IN DUE COMPLIANCE WITH THE TREATY AND IN FULL CONSULTATION WITH THE EUROPEAN PARLIAMENT AS THE COUNCIL KNOWS; THE COMMISSION ATTACHES GREAT IMPORTANCE TO THE RESPECT OF THE RESPECTIVE RIGHTS OF BOTH ARMS OF THE BUDGET AUTHORITY".

FOREIGN MINISTERS ARE NOW TACKLING THE OTHERS PARTS OF THE BUDGET PACKAGE.
MORE LATER

REGARDS

ROBERT ELPHICK

2.10.84b

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