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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

[redacted]

PRESS RELEASE

4512/83 (Presse 14)

822nd meeting of the Council

- budget -

Brussels, 26 January 1983

President: Mr Hans TIETMEYER,

State Secretary
Federal Ministry of Finance
of the Federal Republic of
Germany

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 Laurent FABIUS
Minister attached to the Minister
for Economic Affairs and Finance
responsible for the Budget

Ireland:

Mr John SWIFT
Deputy Permanent Representative

Italy:

Mr Carlo FRACANZANI
State Secretary,
Ministry of the Treasury

Luxembourg:

Mr Jacques SANTER
Minister for Finance

Netherlands:

Mr M.H.J.Ch. RUTTEN
Ambassador,
Permanent Representative

United Kingdom:

Mr Nicolas RIDLEY
Financial Secretary to
the Treasury

Commission:

Mr Etienne DAVIGNON - Vice-President
Mr Christopher TUGENDHAT - Vice-President
Mr F.J.J.J. ANDRIESSEN - Member

MEETING WITH A EUROPEAN PARLIAMENT DELEGATION

Before entering into discussions on preliminary draft supplementary and amending budget No 1/83, the Council held a meeting with a European Parliament delegaton led by the President and comprising the following members: Mr LANGE, Chairman of the Committee on Budgets, Mr NOTENBOOM, Vice-Chairman of the Committee on Budgets, Mr Robert JACKSON, Rapporteur on the 1983 budget (Commission), Mrs SCRIVENER, alternate to Mr ROSSI, Mr SABY, Rapporteur on the 1983 budget (other Institutions), Mr ANSQUER, Rapporteur on the 1983 budget (other Institutions) and Mr AIGNER, Chairman of the Budget Control Committee.

This meeting enabled both arms of the budgetary authority to clarify their respective positions on certain aspects of this preliminary draft.

PRELIMINARY DRAFT SUPPLEMENTARY AND AMENDING BUDGET No 1/83

The Council went on to discuss the preliminary draft submitted by the Commission and wound up the discussions by noting that it was not in a position at this point to take a final decision in the matter.

It decided, therefore, to continue discussions following subsequent consultations with the European Parliament.

AGRICULTURAL DECISION

Following the devaluation of the drachma on 9 January 1983, which resulted in the introduction in Greece of monetary compensatory amounts at a level of -23.3 with effect from 13 January 1983, the Council signified its agreement to a 7% devaluation of the green rate for the drachma (1 ECU = 71.5619 Greek drachmas) with effect from 31 January 1983 in all sectors except the olive oil sector, the new rate for which will be applicable from the beginning of the 1983/1984 marketing year, i.e. from 1 November 1983.

This decision involves increasing agricultural prices expressed in drachmas by 7.527% and will enable the Commission to reduce forthwith the level of the monetary compensatory amounts applicable in Greece.

Bruxelles, le 26 janvier 1982

NOTE BIO (83) 42 AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU GROUPE

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BUDGET COUNCIL (B. ELPHICK)

The Ministers responsible for the budget began their examination this morning of the first supplementary budget for 1983 as proposed by the Commission. This is the vehicle for implementation of the Council's decision to undertake special measures in favour of the United Kingdom and Germany, following rejection of the 1982 supplementary budget in December. The proposals suggest a major change in direction with 610 MECU of the allocations being intended for energy investments in UK (400 MECU) and Germany (210 MECU). 35 MECU in additional energy measures are intended for other countries. The Commission's proposals meet demands put forward in their December resolutions for a permanent solution to budget imbalances and an end to ad hoc solutions. During a short preliminary discussion before meeting a delegation from Parliament led by its President Mr. Dankert, it was clear that the Commission's proposal was reasonably well received although varying comments were made as to the prospects of early agreement with Parliament. The Council chairman, Mr. Titmaier, said he would like to see this quickly in February in one reading if possible, and at the latest in March.

During the meeting with Parliament however the MEP's expressed a good deal of scepticism as to the sincerity of the declaration adopted by the Council last Monday, which says that it shared the objectives of the Commission in seeking a permanent solution. It was also clear that the question of classification of the expenditure as obligatory or non obligatory will be a major problem. Commission proposes that the energy expenditure should be non-compulsory which meets part of Parliament's demand. The Council clearly sees this differently but did not want to reveal too much of their negotiating position at this stage. The Council intends to give its decisions on this first reading officially to the Parliament tomorrow.

Amities,

P. Cerf .15h45 COMEUR////

Bruxelles, le 27 janvier 1983

NOTE BIO (83) 42, suite 1 et fin, AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU GROUPE

BUDGET COUNCIL (B. ELPHICK)

The Council agreed quite quickly on the amounts in the amending budget as well as on the distribution of the monies, however they ran into a complete block when they came to discuss the question of classification. In spite of many hours of discussion including a late night restricted session the presidency was unable to construct a qualified majority either for classification of the expenditure as obligatory or non-obligatory. The Commission's proposal insisted on by Vice-President Tugendhat in the interests of coming to some rapid agreement with the Parliament was for classifying 610 MECUS which would go to energy projects in Germany and United Kingdom as non obligatory. However this ran into determined opposition from three Member States (DIS: Denmark, France, Germany) who feared that it would give Parliament too much control over too large a slice of the budget. Their insistence was for obligatory classification.

In the end the best the presidency could do was to get tacit agreement from the ministers to test out with the Parliament's budgetary committee today whether they would be prepared for compromise: the Council would call the expenditure non obligatory in return for a promise from the committee not repeat not to use this concession to increase the assiette for 1983 and 1984. This afternoon's session of the parliamentary budgetary committee will also be attended by Commissioner Andriessen who is expected to express regrets that the Council were unable to take a decision on the draft supplementary budget last night. In effect the failure means that no draft supplementary budget exists for the parliamentary committee to study and this must have an inevitably dire effect on the time table. It could well mean that the Council's own expressed intention to make sure that the budget should pass before the end of March will be frustrated.

Amities,
M. Santarelli