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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

8090/89 (Presse 138)

1341st Council meeting

- Budget -

Brussels, 28 July 1989

President: Mr Michel CHARASSE  
Minister attached to the Ministre d'Etat,  
Minister for Economic Affairs,  
Finance and the Budget,  
with responsibility for the  
Budget of the French Republic

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

Belgium

Mrs Wiviana DE MEESTER                      State Secretary for Finance

Denmark

Mr Jørgen ØRSTRØM MØLLER                      State Secretary,  
Ministry of Foreign Affairs

Germany

Mr Hans TIETMEYER                              State Secretary,  
Federal Ministry of Finance

Greece

Mr Sotiris HATZIGAKIS                              Deputy Minister for Economic Affairs

Spain

Mr José BORRELL                                      State Secretary for Finance

France

Mr Michel CHARASSE                              Minister attached to the Ministre d'Etat,  
Ministry of Economic Affairs,  
Finance and the Budget, with responsibility  
for the Budget

Ireland

Mr Brendan DALY                                      Deputy Minister at the Department of Finance

Italy

Mr Enrico PIETROMARCHI

Deputy Permanent Representative

Luxembourg

Mr Jean-Claude JUNCKER

Minister for the Budget

NetherlandsB.J.M. Baron van VOORST  
tot VOORSTState Secretary, Ministry of  
Foreign AffairsPortugal

Mr Rui ALVAREZ CARP

State Secretary for the Budget

United Kingdom

The Earl of CAITHNESS

Paymaster General

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Commission

Mr Peter SCHMIDHUBER

Member

1990 BUDGET PROCEDURE

Before embarking on an examination of the preliminary draft general budget for 1990, the Council met a European Parliament delegation headed by its President Mr Enrique BARON CRESPO and comprising Mr von der VRING, Chairman of the Committee on Budgets, Mr PRICE, Chairman of the Committee on Budgetary Control, Mr CORNELISSEN, second Deputy Chairman of the Committee on Budgets, Mr TOMLINSON, Rapporteur on Section III of the Budget, Mr BLOT, Mr COLOM I NAVAL, Mr LAMASSOURE, Mr PASTY and Mr SAMLAND, Members of the Committee on Budgets.

At that meeting, participants were able to give their opinions on the main problems and the priorities to be adopted in drawing up the draft budget for 1990.

The Council and Parliament representatives confirmed that they very much supported the Inter-institutional Agreement and welcomed the improvement in the budget procedure which had resulted from the Agreement and compliance with it.

They also stressed the importance of continuing to fully observe budgetary restraint in the case both of agriculture and all areas of budget management.

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The Council then embarked on a first reading of the 1990 budget. Following its discussions, the Council established the draft budget for 1990 and this will be forwarded to the European Parliament in the course of the budget procedure; the President of the Council will be presenting this draft at the plenary session of the European Parliament on 12 September 1989.

The main elements in the draft are as follows:

OVERALL AMOUNT OF EXPENDITURE RESULTING FROM THE COUNCIL'S DISCUSSIONS (in MECU - provisional figures rounded off)

Commitment appropriations (CA)	48.194
Payment appropriations (PA)	46.138

including non-compulsory expenditure of:

CA	16.251
PA	14.222

The breakdown of appropriations is as follows (in MECU - provisional figures rounded off)

	CA	PA
EAGGF Guarantee	26.522,00	26.522,0
EAGGF Guidance	1.700,0	1.651,5
Set-aside and income aid	225,0	225,0
Depreciation of agricultural stocks	1.470,0	1.470,0
Monetary reserve	1.000,0	1.000,0
Regional Fund (ERDF)	5.408,0	4.704,5
Social Fund (ESF)	4.075,0	3.322,0
PEDIP (Specific industrial development programme for Portugal)	108,0	101,0
IMPs (Integrated Mediterranean programmes)	344,0	303,0
Research (Framework programme)	1.533,0	1.298,7
Other policies	2.500,0	2.241,0
comprising: Food aid	497,6	499,8
Aid to Latin America and Asia	375,6	245,2
Administration - Commission	1.492,0	1.492,0
- Other Institutions	815,8	815,8
Refunds to Member States	2.381,0	2.381,0

The Council also adopted the following positions on certain specific points; accordingly:

- on measures to combat fraud, the Council entered MECU 70 in the budget comprising MECU 40 under heading B 382 (CE), MECU 21 under heading B 298 (CE) and MECU 9 under heading A 353 (NCE);
- on staff, the Council agreed to instruct the Permanent Representatives Committee to submit a draft joint text drawn up in agreement with the Commission and asking the Court of Auditors, pursuant to Article 206a(4) of the EEC Treaty, to carry out an audit in respect of staff of the Council and the Commission;
- on food aid, the Council in the main supported the Commission and agreed to almost all the commitment appropriations proposed in the preliminary draft budget; by way of a reserve, it entered in Chapter 100 MECU 26 in commitment appropriations and MECU 11 in payment appropriations.

The European Parliament will hold a first reading of the budget at its part-session from 23 to 27 October 1989.

MISCELLANEOUS DECISIONSContinuation of ACP-EEC negotiations for the renewal of the ACP-EEC Convention

The Council defined the Community position on five of the main chapters of negotiations in preparation for the forthcoming ACP-EEC Convention, namely: trade, STABEX, SYSMIN, commodities and the geographical scope of the future Convention. On these bases, the Commission will continue negotiations with the ACP partners in preparation for the fourth ministerial negotiating session planned for 10 and 12 October 1989.

Industrial policy

The Council adopted:

- the Resolution on the development of the Community mining industry,
- the Decision relating to the improvement of the business environment and the promotion of the development of enterprises, in particular of small and medium-sized enterprises, in the Community.

(See Press Release 7429/89 Presse 120 - Industry Council on 21 June 1989).

Good laboratory practice

The Council adopted the Decision on the acceptance by the EEC of an OECD Decision/Recommendation on compliance with principles of good laboratory practice.

Customs Union

The Council adopted the Regulation amending Regulation No 2763/83 as regards arrangements for processing under customs control.

Education

The Council adopted the Decision establishing an action programme to promote the knowledge of foreign languages in the European Community (see Press Release 6614/89 Presse 86 - Education Council of 22 May 1989).

Common agricultural policy

The Council adopted the Regulation amending Regulation No 1277/84 laying down general rules for the system for production aid for processed fruit and vegetables.

Fisheries policy

The Council adopted the Regulations:

- opening and providing for the administration of a Community tariff quota for herring, fresh or chilled, originating in Sweden (20.000 tonnes at zero duty for the period from 15 September 1989 to 14 February 1990)
- amending Regulation No 3951/88 reducing, in order to conserve stocks, the Community catch possibilities for cod stocks for 1989 from 84.000 tonnes to 58.000 tonnes in the Regulatory Area as defined in the NAFO Convention
- introducing an additional quota for 1989 of 8.000 tonnes of capelin for Denmark in Greenland waters.



The Council also adopted the Decisions on:

- the conclusion of the Fisheries Agreement in the form of an exchange of letters concerning the provisional application of the Protocol defining the fishing opportunities and the financial contribution provided for by the Agreement between the European Economic Community and the Democratic Republic of Madagascar on fishing off Madagascar for the period from 21 May 1989 to 20 May 1992. This Agreement provides for an increase from 40 to 45 licences for fishing for tuna as well as joint experimental campaigns for fishing for shellfish;
  
- the conclusion of the Fisheries Agreement in the form of an exchange of letters on the provisional application of the Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the European Economic Community and the Government of the People's Republic of Angola for the period from 3 May 1989 to 2 May 1990. This Agreement lays down a maximum for Community fishing of 5.000 tonnes of shrimps per annum, the activity of 28 ocean refrigerated tuna-fishing vessels and, by way of experiment, three demersal trawlers and two surface long-liners.

#### Environment

The Council took note of a Commission communication concerning Community participation in the Conference on the revision of the Montreal Protocol on substances that deplete the ozone layer.

Commercial policy

The Council adopted Regulations opening and providing for the administration of:

- Community tariff quotas for Chinese cabbages and "Iceberg" lettuce originating in Morocco and Cyprus, as follows:

Chinese cabbages: - Morocco: 100 tonnes at a duty rate of 9.5% for the period 1 November to 31 December 1989

- Cyprus : 110 tonnes at a duty rate of 12.3% for the period 1 November to 31 December 1989

"Iceberg" lettuce: - Morocco: 100 tonnes at duty rates of 12.3% for the period 1 to 30 November 1989 and 7.8% from 1 to 31 December 1989

- Cyprus: 110 tonnes at duty rates of 12.3% for the period 1 to 30 November 1989 and 10.6% from 1 to 31 December 1989

- Community tariff quotas for cut flowers and flower buds, fresh, originating in Morocco, Jordan, Israel and Cyprus (Morocco: 300 tonnes, Jordan: 50 tonnes and Israel: 17.000 tonnes at duty rates of 8.5% for the period 1 November to 31 December 1989, 6.3% from 1 January to 31 May 1990 and 9% from 1 June to 31 October 1990; Cyprus: 57.5 tonnes at duty rates of 13.9% from 1 November to 31 December 1989, 12.4% from 1 January to 31 May 1990 and 17.5% from 1 June to 31 October 1990)

- a Community tariff quota for certain wines with a registered designation of origin originating in Tunisia (58.333 tonnes at a zero rate of duty for the period 1 November 1989 to 31 December 1990).

#### EEC-Cyprus relations

The Council approved, as regards the Community side, the Decision of the EEC-Cyprus Association Council derogating from the provisions concerning the definition of the concept of "originating products" laid down in the Agreement establishing an association between the European Economic Community and the Republic of Cyprus.

#### Tropical products

The Council adopted a Regulation relating to the implementation of the Community offer concerning manioc and similar products for the LLDCs. This Regulation supplements the undertakings given during the Mid-Term Review in the field of tropical products, and follows up the Regulations already adopted on the subject (implementation of tariff concessions and abolition of certain quantitative restrictions).

#### Japan - quantitative restrictions

The Council adopted a Regulation on the abolition of certain national quantitative restrictions following on the arrangement agreed with Japan in March 1989.

#### ECSC

The Council gave its assent, pursuant to Article 55(2)(c) of the ECSC Treaty, to the grant of financial aid for a joint research programme on safety in the coal and steel industries.

Appointments

The Council appointed members and alternate members of the Committee of the European Social Fund.

It also replaced a member of the ECSC Consultative Committee who had resigned.

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Bruxelles, le 27 Juillet 1989.

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NOTE BIO(89) 234 AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE  
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**Préparation du Conseil Budget du 28 Juillet 1989 (H. Lohan)**

Le Conseil procédera à la première lecture de l'avant-projet de budget pour 1990, adopté par la Commission le 26 avril.

Suite aux travaux du Comité budgétaire et du COREPER, une majorité qualifiée a pu être dégagée sur un grand nombre de points. Il en résulterait des réductions de crédits par rapport à l'avant-projet de l'ordre de 650 Mécus.

Quelques points politiques importants sont restés ouverts:

- L'imputation des 70 Mécus affectés à la lutte anti-fraude dans le secteur agricole pour lesquels la Commission a proposé la création d'un nouvel article au sein du FEOGA Garantie ("effect d'annonce"). Le montant total est accepté par les délégations.

- Le 4ème protocole financier avec la Turquie.  
En février, le Conseil avait donné son autorisation à la Commission pour parapher ce protocole. Même en l'absence de la signature du protocole, la Commission considère donc raisonnable d'inscrire un montant de 35 Mecu pour la première année du protocole au chapitre 100 du budget. (375 Mécus prévus pour la période 1990 - 94).

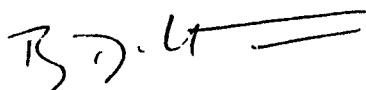
- Les effectifs de la Commission. Les demandes de nouveaux emplois sont centrées sur les domaines suivants : marché intérieur, nouvelles délégations extérieurs, inspecteurs nucléaires.

M. Schmidhuber, quant à lui, soulèvera le fait que le total des crédits pour les DNO de la rubrique "autres politiques", tel qu'il ressort des travaux du COREPER, est inférieur au budget de l'année 1989 (1821 Mecu contre 1864 Mecu en 1989). En particulier, la Commission souhaite le réexamen au Conseil des crédits pour les politiques relatives au monde rural, à l'environnement, à l'information statistique, à l'énergie et à la coopération avec les pays en voie de développement en Amérique latine et Asie.

En plus, la Commission juge nettement insuffisante la dotation amputée des lignes suivantes:

- actions vétérinaires et forêts
- programme ERASMUS
- publication des marchés publics
- promotion commerciale au Japon

Amitiés,  
B. DETHOMAS



Bruxelles, le 28 juillet 1989

NOTE BIO(89)234 (suite 1 et fin) AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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CONSEIL BUDGET DU 28 JUILLET 1989  
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Le Conseil vient d'arrêter un projet de budget pour 1990 d'un montant de 48 195 millions d'écus en crédits d'engagement (ce) et de 46 139 millions d'écus en crédits de paiement (cp).

Sur les points non encore traités au niveau du Coreper, le Conseil a pris les décisions suivantes :

- Lutte anti-fraude dans le domaine agricole. Un montant de 70 millions d'écus est prévu pour les actions de contrôle et de lutte contre la fraude agricole dont 21 millions d'écus sont imputés au FEOGA-Garantie, 40 millions d'écus à l'article "Mesures de contrôle en agriculture" dans la rubrique "Autres politiques" et 9 millions d'écus sont imputés aux "Dépenses administratives de la Commission".

- Effectifs de la Commission. Une augmentation de 50 nouveaux emplois est prévue contre une demande de la Commission pour 274 emplois. Le coût correspondant aux 50 emplois est de 4,2 millions d'écus. En outre, le Conseil et la Commission formuleront une demande conjointe adressée à la Cour des Comptes en vue d'obtenir un audit des services administratifs dans les deux institutions.

- Quatrième protocole financier avec la Turquie. Une inscription "pm" a été décidée. La Commission avait demandé 35 millions d'écus en engagement et 10 millions d'écus en paiement.

Le Conseil n'a pas donné suite au souhait de la Commission de réexaminer les résultats obtenus au niveau du Coreper sur les points suivants :

- Monde rural. La Commission avait demandé l'inscription de 200 millions d'écus au FEOGA-Garantie. Aucune ligne n'a été créée.

- Environnement. Réduction de 5,6 millions d'écus, crédit disponible 34,8 millions d'écus - cp.

- Programme THERMIE. Réduction de 20 millions d'écus, crédit prévu 30 millions d'écus - ce ("pm" en cp).

- Politique statistique. Réduction 11 millions d'écus, crédit prévu 15 millions d'écus - cp.

- Coopération avec les pays en voie de développement en Amérique latine et Asie. Réduction 20 millions d'écus, crédit prévu 190 millions d'écus - cp.

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Le Conseil n'est pas non plus revenu sur la dotation des lignes relatives aux actions vétérinaires et forêts, au programme ERASMUS, à la publication des marchés publics, et à la promotion commerciale au Japon.

Le Commissaire SCHMIDHUBER a souligné que la Commission maintient l'entière intégralité de ses propositions et les présentera au Parlement européen lors de la première lecture qui aura lieu en octobre.

Amitiés,

H. LOHAN

*Helenka Lohan*