

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

**PRESS RELEASE**

8562/84 (**Presse 123**)

945th meeting of the Council

- Budget -

Brussels, 18,19 and 20 July 1984

President: Mr Jim O'KEEFFE

Minister of State at the  
Department of Foreign Affairs

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 Johannes TIETMEYER  
State Secretary,  
Federal Ministry of Finance

Greece:

Mr Panayotis ROUMELIOTIS  
State Secretary,  
Ministry of the Economy

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 DONDELINGER  
Secretary-General,  
Ministry of Foreign Affairs

Netherlands:

Mr W.F. van EEKELEN  
State Secretary for Foreign  
Affairs

United Kingdom:

Mr Ian STEWART  
Economic Secretary to  
the Treasury

Commission:

Mr François-Xavier ORTOLI  
Vice-President

Mr Christopher TUGENDHAT  
Vice-President

Mr Poul DALSAGER  
Member

Mr Richard BURKE  
Member

MEETING BETWEEN A DELEGATION OF THE EUROPEAN PARLIAMENT  
AND THE COUNCIL

During the afternoon of 18 July a meeting took place between the Council and a delegation of the European Parliament led by Mr DANKERT, President, and composing 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, Mrs SCRIVENER, Rapporteur on Part III (Commission), Mr PFENNIG, Rapporteur on other parts, Mr AIGNER, Chairman of the Committee on Budgetary Control, Mr ANSQUER and Lord DOURO.

At this meeting the participants were able to make known their preoccupations concerning both the preliminary draft supplementary budget 1/84 and the preliminary draft budget for 1985. It was agreed that the drawing up of these budgets this year would be a particularly difficult task.

At the end of the meeting the President of the Council assured the members of the Parliamentary delegation that the views expressed by them would be taken fully into account during the Council's discussion of the two preliminary draft budgets.

DRAFT SUPPLEMENTARY AND AMENDING BUDGET N° 1/84 AND DRAFT  
GENERAL BUDGET FOR 1985

The Council carried out an intensive examination of the draft supplementary and amending budget n° 1/84 and draft general budget for 1985.

The Council made progress towards agreement on the many issues raised in these proposals, in particular as regards 1985 the breakdown between compulsory and non compulsory expenditure, and in clarifying possible solutions. It was, however, not in a position to establish the draft budgets. The points outstanding including the question of supplementary financing proposed by the Commission will be further discussed at the Foreign Affairs Council on 23/24 July, and the Budget Council holds itself ready to meet again at an early date.

OTHER DECISION

Commercial policy

The Council adopted in the official languages of the Communities the Regulation imposing a definitive anti-dumping duty on imports of certain ball bearings originating in Japan and Singapore.

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DE : C.C.E. BRUXELLES - GPP46 - G.P.P.  
A : C.E. WASHINGTON - WASHINGTON  
REF: 12:51 17-07-84 000081797 - 000083201

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TELEX NO 130870-BIO

NOTE BIO  
BERL 1/24 P 1 BRUXELLES LE 17 JUILLET 1984  
NOTE BIO (84) 276 AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE

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PREPARATION DU CONSEIL BUDGET DU 19 JUILLET 1984  
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H.D.	
D.H.D.	
INFO.	
TRADE	
AGRI.	70
LEGAL	
FIN & DEV.	ALL
SCI & ENE.	
SUP. AG.	
ADM.	
C.F.	

Western

LA COMMISSION A TRANSMIS AU CONSEIL UNE COMMUNICATION SUR 'LES BESOINS BUDGETAIRES DE LA COMMUNAUTE 84/85' (COM(84) 411 FINAL).

1. LE PRESIDENT THORN A ENVOYE POUR SA PART UNE LETTRE PERSONNELLE AUX CHEFS D ETAT ET DE GOUVERNEMENT. LES DECISIONS QUI SERONT PRISES PAR LES CONSEILS A PARTIR DE LA SESSION BUDGETAIRE DU 19 JUILLET, SOULIGNE LE PRESIDENT THORN, 'CONSTITUERONT LE TEST DE LA VOLONTE DE RELANCE COMMUNAUTAIRE MANIFESTEE A FONTAINEBLEAU', LA SIGNIFICATION DEPASSANT DE LOIN LE CONTENU TECHNIQUE DES DOSSIERS SPECIFIQUES SOUMIS AUX MINISTRES.

LE PRESIDENT CONSIDERE QUE LES ESPOIRS SUSCITES DANS L OPINION PUBLIQUE EUROPEENNE POUR LE REGLEMENT DU CONTENTIEUX COMMUNAUTAIRE ET LA RELANCE DE LA COMMUNAUTE 'SERAIENT CRUELLEMENT DECUS' SI TROIS SEMAINES A PEINE APRES FONTAINEBLEAU DEVAIT APPARAITRE UN DECALAGE AUSSI FLAGRANT ENTRE LES ENGAGEMENTS SOUSCRITS PAR LE CONSEIL EUROPEEN ET LES DECISIONS BUDGETAIRES DONT LES CONCLUSIONS DE LA PRESIDENCE PRECISAIENT QU ELLES DEVAIENT PERMETTRE 'D ASSURER LE FONCTIONNEMENT NORMAL DE LA COMMUNAUTE'.

2. COMPTE TENU DU DEROULEMENT DES TRAVAUX DE PREPARATION DU CONSEIL BUDGET DES 18 ET 19, LE PRESIDENT THORN CONSIDERE QU IL EXISTE 'UN RISQUE SERIEUX DE RUPTURE DU FONCTIONNEMENT NORMAL DE LA COMMUNAUTE A PARTIR DE L AUTOMNE PROCHAIN'. C EST POURQUOI IL SOULIGNE QU IL 'IMPORTE D ETABLIR LA COHERENCE NECESSAIRE' ENTRE LES ORIENTATIONS ARRETEES A FONTAINEBLEAU ET LES DECISIONS BUDGETAIRES.

LA PREMIERE PRIORITE EST EVIDEMMENT L ARRET D UN BUDGET RECTIFICATIF ET SUPPLEMENTAIRE 84 (2,07 MILLIARDS ECUS), ACCOMPAGNE D UN ACCORD SUR LE FINANCEMENT DU DEFICIT PREVU.

LA COMMISSION A DEMANDE QUE LE PARLEMENT DONNE SON AVIS SUR LE PROJET DE REGLEMENT CONCERNANT LE FINANCEMENT 84 ET QUE LE CONSEIL S ACCORDE AVANT LA FIN JUILLET SUR SON PROJET DE BUDGET RECTIFICATIF (AINSI QUE SUR SON FINANCEMENT). LA PROCEDURE BUDGETAIRE SE POURSUIVANT EN SEPTEMBRE, L ARRET DU BUDGET RECTIFICATIF DEVRAIT INTERVENIR LORS DE LA SESSION PARLEMENTAIRE D OCTOBRE.

3. SI LES PROPOSITIONS DE LA COMMISSION CONCERNANT LE BUDGET DE L ANNEE EN COURS NE SONT PAS ADOPTEES, LA COMMUNAUTE NE DISPOSERA PAS DES CREDITS SUFFISANTS POUR ASSURER LE FINANCEMENT DES BESOINS AGRICOLES FONDES SUR LES REGLEMENTS EXISTANTS ET LES DECISIONS DU CONSEIL AGRICULTURE DE FIN MARS 1984.

DANS CE CAS, LA COMMISSION SERA DONC OBLIGEE DE SUSPENDRE LES PAIEMENTS POUR LE FEOGA GARANTIE DES L EPUISEMENT DES CREDITS (PROBABLEMENT A PARTIR D OCTOBRE).

LE MONDE AGRICOLE QUI A PU ACCEPTER EN MARS DERNIER UNE REFORME NECESSAIRE, MAIS DIFFICILE (SA MISE EN OEUVRE EN TEMOIGNE), NE COMPRENDRAIT PAS QUE 'LE CONSEIL REFUSE A LA COMMUNAUTE LES MOYENS D HONORER LES ENGAGEMENTS QUI DECOULENT DE SA PROPRE LEGISLATION'.

JE VOUS RAPPELLE QUE LES ETATS MEMBRES SONT LES INTERLOCUTEURS DIRECTS DES AGRICULTEURS : CE SONT LES ORGANISMES D INTERVENTION DES ETATS MEMBRES QUI VERSENT AUX AGRICULTEURS LES SOMMES AUXQUELLES ILS ONT DROIT, SUR LA BASE DES REGLEMENTS EN VIGUEUR. CES VERSEMENTS SONT EFFECTUES GRACE AUX PAIEMENTS RECUS DE LA COMMISSION POUR LE COMPTE DE LA COMMUNAUTE. CE SONT CES PAIEMENTS QUE LA COMMISSION SE VERRAIT FAUTE D ACCORD, DANS L OBLIGATION D INTERROMPRE A L AUTOMNE.

JE VOUS RAPPELLE QUE LA COMMISSION RECOIT CHAQUE MOIS DES ETATS MEMBRES, LES DEUX COMPOSANTES DES RESSOURCES PROPRES DE LA COMMUNAUTE (VOIR BIO(84) 126 DU 22 MARS DERNIER).

4. EN CE QUI CONCERNE LE BUDGET 1985, LE PRESIDENT A RAPPELE LA NECESSITE D ASSURER, COMME EN 1984, LA CONTINUITE DE L ACTION COMMUNAUTAIRE, NON SEULEMENT DANS LE DOMAINE AGRICOLE, MAIS AUSSI DANS TOUS LES AUTRES DOMAINES ET, NOTAMMENT, CEUX QUI CONCERNENT LES NOUVELLES ACTIONS TECHNOLOGIQUES ET SCIENTIFIQUES RETENUES PAR LE CONSEIL EUROPEEN LUI-MEME. CECI IMPLIQUE LA NECESSITE D ASSURER DES MOYENS DE FINANCEMENT COMPLEMENTAIRE PERMETTANT DE DEPASSER LE PLAFOND TVA EXISTANT PAR LA MISE EN OEUVRE ANTICIPEE DES NOUVELLES RESSOURCES PROPRES.

LA COMMISSION A PROPOSE UN NIVEAU GLOBAL DE DEPENSES EXIGEANT UN TAUX TVA DE 1,120/0. CECI EST NECESSAIRE SI L ON VEUT RESPECTER LES DECISIONS DU CONSEIL AGRICOLE DU 31 MARS 1984 ET ASSURER, EN 85 COMME EN 84, 'LE FONCTIONNEMENT NORMAL DE LA COMMUNAUTE' CONFIRME PAR FONTAINEBLEAU ET DONC GARANTIR LA MISE EN OEUVRE DE TOUTES LES POLITIQUES ET ACTIONS COMMUNES APPROUVEES PAR LES ETATS MEMBRES ET LEURS INSTITUTIONS.

JE VOUS RAPPELLE QU EN CAS DE MISE EN OEUVRE ANTICIPEE DES NOUVELLES RESSOURCES PROPRES, LES RECETTES TVA DE L AVANT PROJET DE BUDGET 85 SERONT AJUSTEES (LETTRE RECTIFICATIVE) POUR PERMETTRE UN ABATTEMENT FORFAITAIRE DE 1000 MECUS DE LA PART TVA DU ROYAUME UNI (AU TITRE DE L EXERCICE 84) DONT LA COUVERTURE SERA ASSUREE PAR UN ACCROISSEMENT DES TAUX TVA DES AUTRES ETATS MEMBRES, LA REPUBLIQUE FEDERALE D ALLEMAGNE, ASSURANT LES DEUX TIERS DE SA PART TVA. JE VOUS RAPPELLE EGALEMENT, QUE LE SYSTEME DE CORRECTION DECIDE A FONTAINEBLEAU ENTRE EN VIGUEUR POUR L EXERCICE 85 (VOIR CONCLUSIONS DE LA PRESIDENCE).

5. LA COMMISSION A PRESENTE A L AUTORITE BUDGETAIRE TOUTES LES PROPOSITIONS BUDGETAIRES ET LEGISLATIVES NECESSAIRES POUR LUI PERMETTRE DE RESPECTER LES OBLIGATIONS JURIDIQUES QUI LUI INCOMBENT : IL S AGIT DE L AVANT PROJET DE BUDGET RECTIFICATIF ET SUPPLEMENTAIRE 1/84 (COM (84) 382 ET P 52 ET DE L AVANT PROJET DE BUDGET 85 (COM(84) 180 ET P-41), DE LA PROPOSITION DE DECISION AMENDEE SUR LES NOUVELLES RESSOURCES PROPRES (COM(84) 384 DEF) ET DES PROPOSITIONS DE REGLEMENT VISANT LA COUVERTURE DES BUDGET 84 (COM(84) 399 FINAL) ET 85 (COM(84)383 FINAL).

AMITIES

MANUEL SANTARELLI COMEUR 10H45+

64215 EURCOM UW  
21877 COMEU B



Brussels, 18 July 1984  
NOTE BIO (84)276 (suite 1) TO NATIONAL OFFICES  
CC TO MEMBERS OF THE GROUP

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BUDGET COUNCIL (18/19 JULY 1984) (Elphick)

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The Community's budgetary requirements began to be examined this afternoon in a joint meeting of the two partners of the budgetary authority, the Council and the Parliament.

The Council President, Mr. Jim O'Keefe, in welcoming the Parliamentary delegation led by President Piet Dankert, admitted that the Council had so far been unable to come to any common position on either the 1984 Supplementary Budget or the 1985 Budget.

For the Parliament, President Dankert, laid stress upon the need to respect fully the rules of the budgetary procedure. Parliament he said feared that the current budgetary situation might lead to an undermining of Parliament's rights. He felt it was important for the two budgets to be considered separately and warned that Parliament would want to know how the extra money for agriculture was arrived at. He added that Parliament would not agree for any additional agricultural finance to be taken from the structural funds. As for 1985, similar considerations prevailed.

Mr. Tugendhat, speaking for the Commission, said that the Commission was not prepared to massacre the structural policies for the sake of agriculture, and he reminded the meeting of President Thorn's assurance on the same point. On the need for extra financing above the 1% ceiling, Mr. Tugendhat referred to the two proposals before Council and Parliament. The preferred option was for the introduction of New Own Resources during the course of 1985.

The meeting of the Council proper continues tomorrow and is expected to last a considerable time. Everyone is referring to the record set by this Council at this time last year when the sitting lasted some 32 hours.

More to come later.

Regards,

ELPHICK COMEUR 17.35 ///

  
P. CERF



Bruxelles, le 19 juillet 1984  
Note BIO(84)276 (suite 2) aux Bureaux Nationaux  
c.c. aux membres du groupe du Porte-Parole

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CONSEIL BUDGET (M. Vasey)  
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Budget supplementaire 1984  
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M. Dalsager a rappele que les credits supplementaires dans le domaine agricole demandes par la Commission refletent les decisions prises par le Conseil et constituent le minimum requis pour pouvoir gerer convenablement les differentes organisations de marche.

Les depenses supplementaires resultent de quatre facteurs :

1. 675 millions d'Ecus pour des depenses reportees de 1983 ;
2. les consequences de l'evolution de la production et marches dans differents secteurs qui ne pouvaient pas etre prevues;
3. le fait que les decisions du Conseil agricole du 31 mars impliquent un niveau de depenses superieur de pres d'un milliard d'Ecus au niveau propose par la Commission (qui auraient entraine des economies estimees a 875 millions d'Ecus pour 1984), et enfin,
4. 150 millions d'Ecus pour le destockage, notamment des produits laitiers. Si le Conseil ne trouve pas les ressources supplementaires necessaires, il ne sera pas possible ni d'assurer le fonctionnement normal des marches comme le Conseil europeen en avait pris l'engagement a Fontainebleau, ni de reduire le niveau grandissant des stocks, qui pesent a la fois sur le budget (les frais de stockage pour 1 million de tonnes de beurre s'elevent a 400 mio Ecus par an) et sur les marches. Renoncer aux mesures de stockage entrainerait des economies apparentes en 1984, mais au prix d'un accroissement des depenses a plus long terme.

En conclusion, M. Dalsager souligne que dans l'absence d'un budget supplementaire, les Etats membres seront obliges d'assumer eux-memes le financement des aides et interventions pour les mois de novembre et de decembre. Ceci pourrait entrainer une differenciation au niveau national en fonction de la capacite financiere des differents Etats membres, avec le risque d'une renationalisation de la PAC.

Amities

M. SANTARELLI - COMEUR////





Brussels, 20 July 1984

BIO NOTE (84) 276 (suite 3 and end) TO NATIONAL OFFICES  
CC TO THE MEMBERS OF THE GROUP

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Budget Council 18/19/20 JULY 1984 (Elphick)  
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After 24 hours of continuous negotiation much of it in restricted session, the Council suspended its work on the 1984 Supplementary Budget and the 1985 Budget because it was unable to reach full agreement. Some progress was made however and the Council President, Mr. O'Keefe, said the Council would be ready to meet again even before the holiday if necessary.

Before they made the break the Council was able to agree provisional figures for the 1985 Budget which were kept within the 1% ceiling as it now stands. They were able to do this by admittedly arbitrary cuts in EAGGF guarantee and other reductions which would have left full scope for Parliament to use its margin of 239 million ECUs. The provisional figures were 18000 million ECUs for EAGGF Guarantee, 2087 MECUs for other Obligatory Expenditure, 5864 MECUs for Non-Obligatory Expenditure, which with Parliament's margin fitted neatly under the 1% ceiling of 26190 MECUs. There was also a consensus on a form of declaration for the method of dealing with the acknowledged short-fall in 1985. It was to be noted that the payments allocations for both the Regional and Social Funds were very close to the sums proposed by the Commission.

The real problem occurred when the Council turned to the 1984 Supplementary Budget when the Council was unable to secure agreement of the need for additional funds as opposed to savings on the amount of the funding, or on the method by which they should be made available.

The subject of the Budgets will be raised at the meeting of Foreign Ministers due to be held on Monday and Tuesday.

Regards,

M. SANTARELLI COMEUR 10.45////





[REDACTED]

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

[REDACTED]

PRESS RELEASE

9002/84 (Presse 137)

945th meeting of the Council  
- Budget -  
Brussels, 6 and 7 September 1984

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





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 Johannes TIETMEYER  
State Secretary,  
Federal Ministry of Finance

Greece:

Mr Panayotis ROUMELIOTIS  
State Secretary,  
Ministry of the Economy

France:

Mr Henri EMMANUELLI  
State Secretary for the Budget

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-Claude JUNCKER  
Minister in charge of the Budget,  
Department of Finance

Netherlands:

Mr W.F. van EEKELEN  
State Secretary for Foreign  
Affairs

United Kingdom:

Mr Ian STEWART  
Economic Secretary  
to the Treasury

Commission:

Mr Christopher TUGENDHAT  
Vice-President

DRAFT SUPPLEMENTARY AND AMENDING BUDGET No 1/84 AND DRAFT GENERAL BUDGET 1985

The Council continued the proceedings of its 945th meeting, which had been adjourned on 20 July 1984, with a view to establishing draft supplementary and amending budget No 1/84 and the draft general budget for 1985.

With regard to draft supplementary and amending budget No 1/84, the Council reached, on the basis of its previous discussions, a broad measure of agreement at the present meeting on the content of this draft and on the method of releasing the resources needed to finance it. As regards the method, the Council considered the use of refundable advances to be agreed on in the context of an inter-governmental agreement.

The Council confirmed the existence of a broad measure of agreement on the scope of the draft general budget for 1985 and discussed the coverage of requirements.

The Council wound up its discussions by noting that it was unable to establish draft supplementary and amending budget No 1/84 or the draft general budget for 1985 in the light of the concern voiced by certain delegations and without allowing itself the possibility of further study.

In conclusion, aware of the urgency of the matter, as emphasized in both the letter from the Commission and the statement by Vice-President TUGENDHAT within the Council, the Council decided that the relevant discussions would be resumed at the General Affairs Council meeting on 17 and 18 September on the basis of the conclusions proposed by the Presidency.

OTHER DECISIONS

Appointments

The Council appointed, on a proposal from the United Kingdom Government, Mr J. LAMBERT, Department of Employment, Overseas Division, as a member of the Committee of the European Social Fund in place of Mr M.W. SMART, member, who has resigned, for the remainder of the latter's term of office, which runs until 23 May 1985.

The Council also appointed, on a proposal from the United Kingdom Government, Miss M.E. GREEN, Department of Employment, Overseas Division, as a member of the Advisory Committee on Freedom of Movement for Workers, in place of Mr J.S. CHILD, member, who has resigned, for the remainder of the latter's term of office, which runs until 20 September 1984.

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Bruxelles, le 5 septembre 1984  
NOTE BIO(84)320 AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE

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Preparation CONSEIL BUDGET, 6 SEPTEMBRE 1984 (Elphick)

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Le Conseil Budget reprendra ses travaux demain a 11.00 afin d'examiner a nouveau les avant-projets proposes par la Commission. Il s'agit du Budget rectificatif et supplementaire No. 1/1984 et du Budget normal pour 1985.

Vous vous souviendrez que le Conseil de juillet n'avait trouve aucun accord global pour resoudre l'impasse budgetaire malgre les decisions de principe prises par le Conseil Europeen de Fontainebleau. Les problemes se situent autour des moyens a employer afin de combler les trous budgetaires qui existent dans les deux budgets, trous qui sont dus a l'epuisement des ressources propres de la Communaute.

Au cours des discussions de juillet le Conseil avait pu se mettre d'accord sur les chiffres pour l'annee 1985 en gardant le budget dans les limites du 1 %, avec, egalement un accord tacite sur une declaration pour combler le trou qui apparaitrait a la fin de l'annee prochaine, mais les discussions sur ce paquet ont echoue apres le refus d'un des partenaires d'accorder des fonds supplementaires pour l'exercice en cours. (Voir les BIOs 276 et 294 a ce sujet qui sont sorties en juillet).

Amities,

• N.G. van der Pas COMEUR ///1130





Brussels, 6 September 1984  
BIO(84)320 suite 1 TO NATIONAL OFFICES  
COPIED TO MEMBRES OF THE GROUP  
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BUDGET COUNCIL, 6 September 1984 (Elphick)

As promised in BIO COM 322 you will find below the Opening Statement to the Budget Council by Vice-president Christopher Tugendhat:

"At the previous meeting of this Budget Council on 18/19 July I drew the attention of delegations to the need for the timely adoption by the Budget Authority of a Supplementary budget for 1984 and hence the importance of the early establishment by the Council of a draft such budget on the basis of the proposal presented by the Commission on 6 July. I emphasized then that the additional resources which the Commission had requested were required in order to enable the Community to fulfill the obligations which it had entered into in the implementation of existing Community policies.

I should like today to reiterate, in a more formal manner, on the Commission's behalf the urgent need for the Council to act. If the additional budgetary provisions are not made in time, we shall no longer be able, during the last two months of this year, to honour in full the financial demands which will be made upon us as a result of obligations previously contracted, notably in the agricultural sector. These obligations are the result of the decisions which the Council itself has taken and of the Commission's responsibility for the prudent management of the common Agricultural policy. In order for the Budget Authority to adopt in good time the Supplementary Budget necessary to enable these obligations to be met, the Council itself needs to establish, and transmit to the European Parliament, the draft of such a budget immediately.

The Commission at its meeting yesterday reviewed the situation caused by the continued absence of a Supplementary Budget. We decided to renew in the most pressing terms our request to the Council to take the necessary decisions so as to enable the full discharge of the expenditure obligations which the Community has legally contracted. Our assessment of the gravity of the situation, and our awareness of our own particular institutional responsibilities is such that our request to the Council is being made within the framework of the invitation to act envisaged in paragraph 2 of article 175 of the Treaty of Rome. A letter from the President "en exercice" of the Commission to the President of the Council confirming the Commission's invitation to the Council under this paragraph of article 175 of the Treaty is being sent forward today.

I very much hope that this Council meeting will result in the taking by the Council of decisions concerning the establishment of a draft Supplementary Budget for 1984 which will constitute a satisfactory response to this invitation."

more later,

Amities,

N.G. van der Pas COMEUR 12.00





Brussels, 6 September 1984

BIO NOTE (84) 320 suite 2 TO NATIONAL OFFICES  
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BUDGET COUNCIL, 6 September 1984 (Elphick)

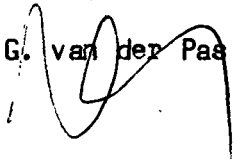
Mr. Tugendhat also reviewed for the benefit of the Members of the Council the state of affairs concerning agricultural guarantee advances. The amount disbursed in the first nine months of the year was 13,517 million ECUs. The October requests from Member States amounted to 1,640 million ECUs and the Commission estimated total requirements for the year would be 18,550 million ECUs. The budget gap therefore was still over two thousand million ECUs as stated in the draft Supplementary Budget.

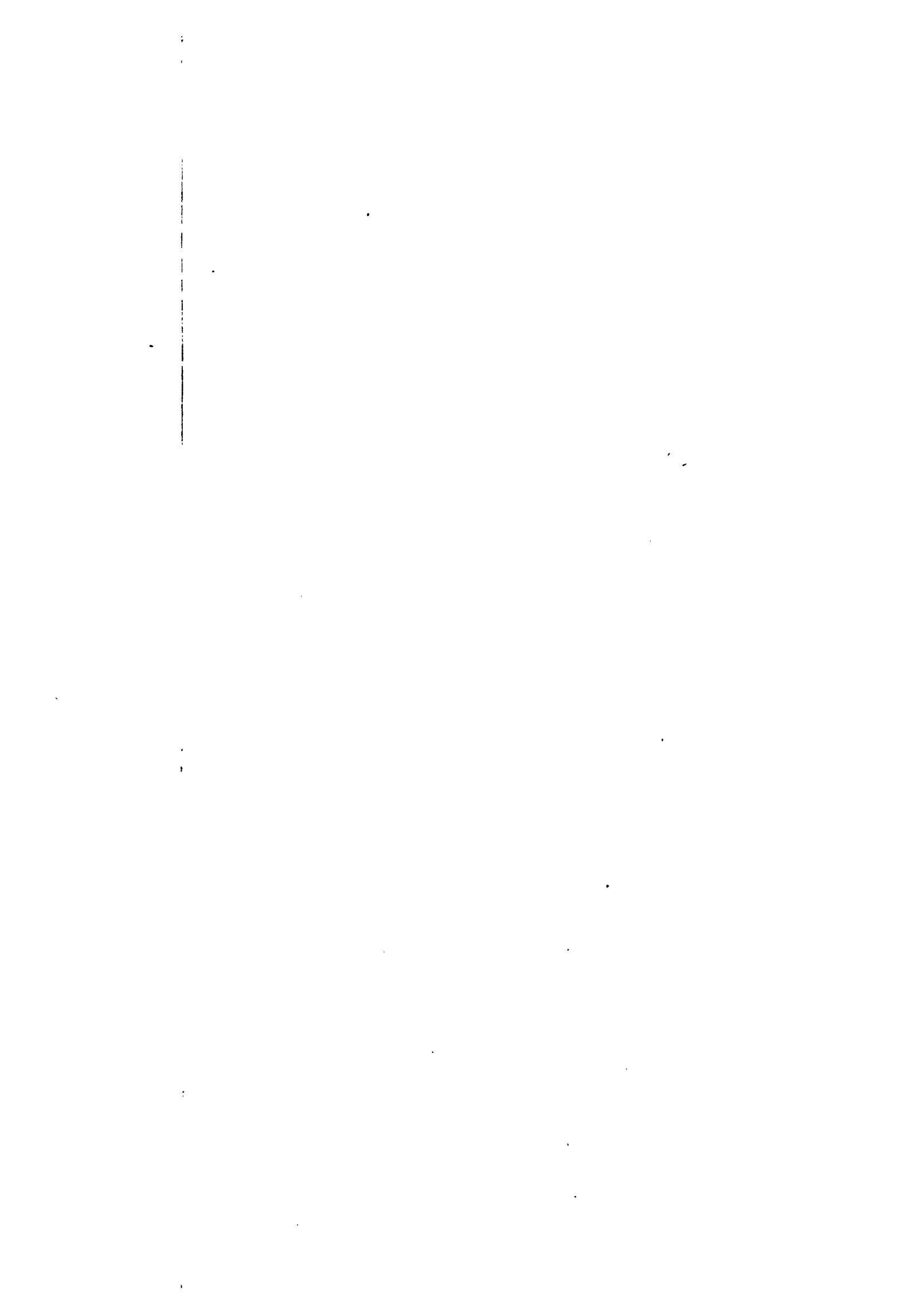
The Chairman of the Budget Council Mr. Jim O'Keefe said that the presidency was maintaining its compromise proposal for additional funds amounting to 1,350 million ECUs. After twenty minutes he suspended the session until this afternoon to enable delegations to conduct bilateral meetings.

more later,

Amities,

N.G. van der Pas COMEUR ////12.30





Brussels, 7 September 1984

BIO (84) 320 suite 3 TO NATIONAL OFFICES  
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BUDGET COUNCIL 6/7 SEPTEMBER 1984 (Elphick)

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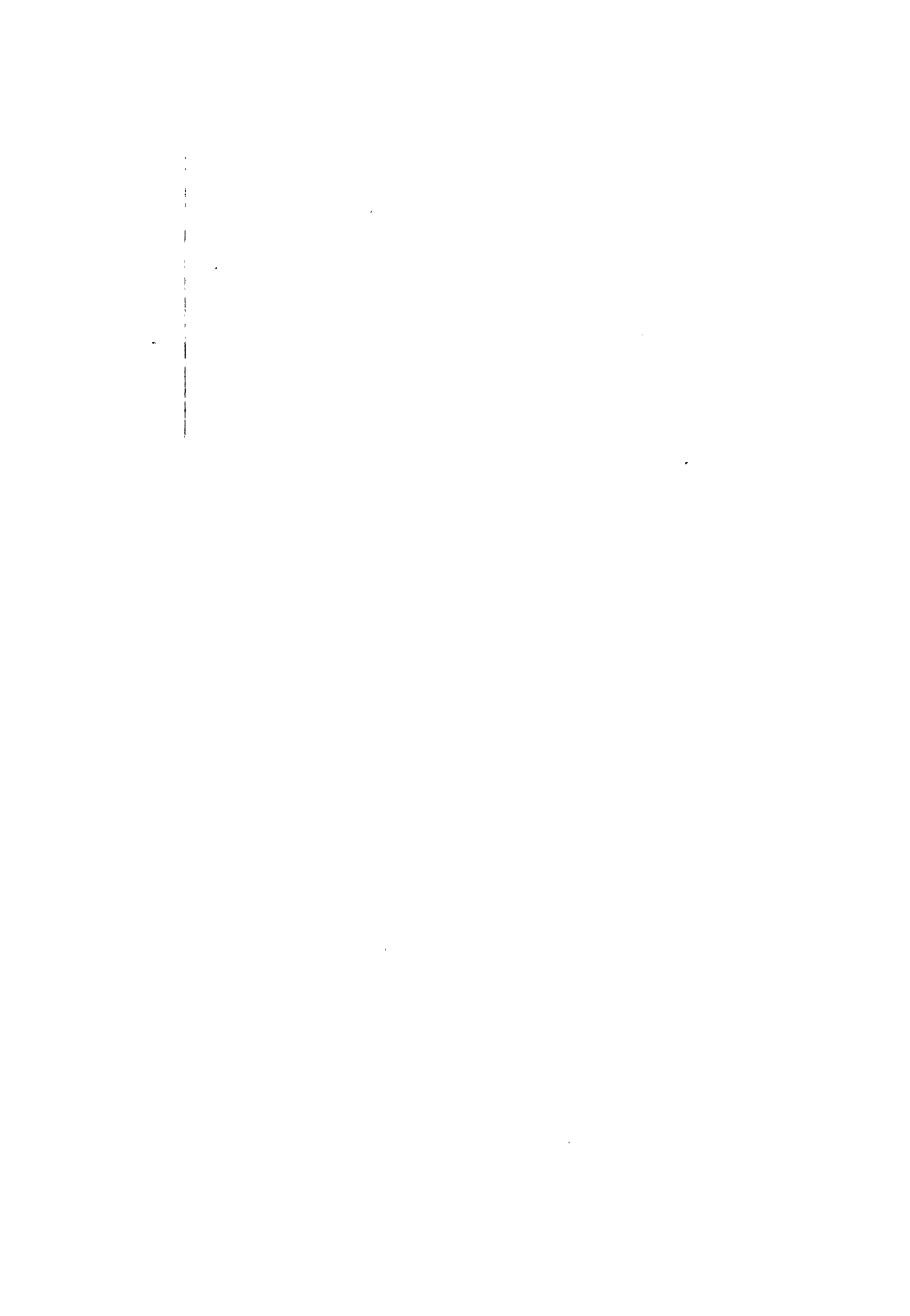
The Council spent much of the night (until 2 a.m) and all today (from 9 a.m. to 4 p.m) in restricted session but although they got near to agreement they were unable to reach any final decision on either the Supplementary Budget for 1984 or the draft Budget for 1985. The Council President Mr. Jim O'Keefe said afterwards that progress had been made and that efforts to reach agreement would continue. What appears to have frustrated the Ministers once again is the insistence by one Member State (UK) on a definite prior commitment on budgetary discipline and the introduction before the end of next year of the new system of own resources. Mr. O'Keefe said that efforts to unblock these problems will be made bilaterally and at the forthcoming meetings of ECO-FIN (15/9) and the General Affairs Council (17/9).

Outlining the shape of a possible compromise on the 1984 Supplementary Budget around which the negotiations centred, Mr. O'Keefe said that expenditure amounting to 1 839.2 million ECUs could be envisaged. On the revenue side this could be covered by finding savings of 500 million ECUs; 200 million ECUs would come from the bringing forward of sugar levies, which with sundry other revenue sources, left a gap of 1 003.4 million ECUs which would be covered by advances from Member States.

more later,

Amities,

N.G. van der Ras COMEUR ////17.45



Brussels, 7 September 1984  
BIO(84)320 suite 4 and end TO NATIONAL OFFICES  
COPIED TO THE MEMBERS OF THE GROUP

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BUDGET COUNCIL (6/7 SEPTEMBER)  
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The Commission met immediately after the end of the unsuccessful Council meeting and fully endorsed the final statement which Vice-President Tugendhat had made to the Ministers. In this statement he formally expressed disagreement with the possibility of savings of 500 million ECUs mentioned by the Council's President Mr. O'Keefe (see suite 3 of this Bio). Following is the complete text of Vice President Tugendhat's statement:

TEXT BEGINS

"The Commission will meet later today to consider the situation created by the outcome of this meeting and will make its position known thereafter, notably before the European Parliament next week. I will not therefore make any general statement now on the Commission's behalf, though I cannot conceal my deep personal disappointment at the way things have turned out.

I must also make one specific point. Had the Council established a draft supplementary budget for 1984 on the lines proposed I would have asked for a statement along the following lines to be recorded in the Council minutes:

"The Commission stated that it could not in any way endorse the figure of 500 million ECUs forecast in the Council's draft supplementary budget as a surplus available from the current financial year. The Commission confirmed the estimate in its preliminary draft that receipts from agricultural and sugar levies and customs duties would be 560 million ECUs less than previously envisaged, together with its statement that management economies of 350 million ECUs could be found in certain areas. The amendments to the Commission's preliminary draft made by the Council will lead to the carrying over of a substantial deficit as a charge on the 1985 budget, for which no provision has been made".

I should be grateful if the Commission's position on this point could be recorded by the Presidency, in its report on this meeting.

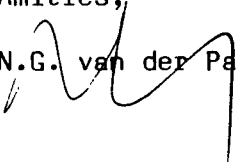
I conclude as I began by emphasizing my disappointment on the outcome."

TEXT ENDS

The Commission will come back to the Budget problems in its meetings in Strasbourg next week.

end

Amities,

  
N.G. van der Pas COMEUR //// 18h30

