



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT .



PRESS RELEASE

7965/87 (Presse 137)

1188th meeting of the Council

- Budget -

Brussels, 23 July 1987

President: Mr Knud Erik TYGESEN

State Secretary
of the Kingdom of Denmark

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

Belgium:

Mr Marc LEPOIVRE Deputy Permanent Representative

Denmark:

Mr Knud Erik TYGESEN State Secretary,
Ministry of Foreign Affairs

Germany:

Mr Hans TIETMEYER State Secretary,
Federal Ministry of Finance

Greece:

Mr Yannis PAPANTONIOU State Secretary for Economic
Affairs

Spain:

Mr José BORRELL State Secretary for Finance

France:

Mr Alain JUPPE Minister attached to the Minister
for Economic Affairs, Finance and
Privatization, with responsibility
for the Budget

Ireland:

Mrs Maire GEORHEGAN-QUINN Minister of State for European
Affairs

Italy:

Mr Carlo FRACANZANI State Secretary,
Ministry of the Treasury

ECSC

The Council gave its assent pursuant to Article 56(2)(a) of the ECSC Treaty concerning:

- Nationale Investeringsbank (NIB) (Netherlands)
- Westfalenbank AG (Federal Republic of Germany)
- Algemene Bank Nederland (Netherlands).

Court of Auditors

On a proposal from the Belgian delegation and in accordance with Article 206(4) of the EEC Treaty the Council decided to consult the European Parliament on the appointment of Mr HEBETTE as member of the Court of Auditors.

Appointments

On a proposal from the Danish Government, the Council appointed Mrs Susanne EBERHARDT PEDERSEN a member of Advisory Committee on Safety, Hygiene and Health Protection at Work in place of Mr B. CHRISTENSEN, member, who has resigned, for the remainder of the latter's term of office, which runs until 16 December 1988.

On a proposal from the Spanish Government, the Council appointed:

- Francisco Javier SANCHO CUESTA
- M. Inaki LAKA
- M. Fernando GONCER COCA

as members of the (Administrative Board of the) European Foundation for the Improvement of Living and Working Conditions, until 17 February 1987.

On a proposal from the United Kingdom Government, the Council appointed Dr J.K. WRIGHT as a member of the Scientific and Technical Committee to replace Mr. J.G. COLLIER who is retiring, for the remainder of his term of office, which runs until 31 March 1988.

Textiles

The Council adopted in the official languages of the Communities the Decision concerning the provisional application of the Agreed Minute modifying the Agreement between the European Economic Community and the Kingdom of Thailand on trade in textile products.

Internal Market

The Council adopted in the official languages of the Communities the Decision amending Protocol No 18 to the Act concerning the conditions of accession of the United Kingdom of Spain and the Portuguese Republic to the Communities. This Protocol relates to the importation of motor vehicles into Portugal.

Austria: Cheeses

The Council adopted in the official languages of the Communities:

- the Decision on the conclusion of an Arrangement between Austria and the European Economic Community on reciprocal trade in cheese; and
- the Regulation amending Regulation (EEC) No 2915/79 as regards the application of the annual tariff quotas for certain cheeses from Austria.

- amending, as regards preventive withdrawals of apples and pears, Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables;
- amending Regulation (EEC) No 483/86 on the quantitative restrictions in Spain for certain fruit and vegetables coming from the Community as constituted on 31 December 1985.

Fisheries policy

The Council adopted in the official languages of the Communities the Regulations:

- establishing certain control measures for fishing activities;
- amending Regulation (EEC) No 1866/86 laying down certain technical measures for the conservation of fishery resources in the waters of the Baltic Sea, the Belts and the Sound;
- amending Regulation (EEC) No 2245/85 laying down certain technical measures for the conservation of fish stocks in the Antarctic.

Environment

The Council adopted in the official languages of the Communities the Regulation on action by the Community relating to the environment. (See Press Communication 6572/87 (Presse 77), 21/22 May 1987).

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Commercial policy

The Council adopted in the official languages of the Communities the following Regulations :

- imposing a definitive anti-dumping duty on mechanical wrist watches originating in the USSR;
- terminating a review proceeding and repealing the anti-dumping measures concerning imports of urea and ammonium nitrate in liquid solution originating in the United States of America.

Agricultural policy

The Council adopted in the official languages of the Communities the Decision on the granting of national aid in the form of a payment on account of the premium for ewes in the sheepmeat sector in France.

The Council adopted in the official languages of the Communities the following Regulations:

- amending Regulation (EEC) No 866/84 laying down special measures concerning the exclusion of milk products from inward processing arrangements and from certain usual forms of handling;
- amending Regulation (EEC) No 2169/81 laying down the general rules for the system of aid for cotton;

	million ECU	
1. Quality of life		375
1.1. Health		80
1.2. Radiation protection		34
1.3. Environment		261
2. Towards a large market and an information and communications society		2 275
2.1. Information technologies		1 600
2.2. Telecommunications		550
2.3. New services of common interest (including transport)		125
3. Modernization of industrial sectors		845
3.1. Science and technology for manufacturing industry		400
3.2. Science and technology of advanced materials		220
3.3. Raw materials and recycling		45
3.4. Technical standards, measurement methods and reference materials		180
4. Exploitation and optimum use of biological resources		280
4.1. Biotechnology		120
4.2. Agro-industrial technologies		105
4.3. Competitiveness of agriculture and management of agricultural resources		55
5. Energy		1 173
5.1. Fission: nuclear safety		440
5.2. Controlled thermonuclear fusion		611
5.3. Non-nuclear energies and rational use of energy		122
6. Science and technology for development		80
		80
7. Exploitation of the seabed and use of marine resources		80
7.1. Marine science and technology		50
7.2. Fisheries		30
8. Improvement of European S/T co-operation		288
8.1. Stimulation, enhancement and use of human resources		180
8.2. Use of major installations		30
8.3. Forecasting and assessment and other back-up measures (including statistics)		23
8.4. Dissemination and utilisation of S/T research results		55
TOTAL		5 396

Without prejudice to the amount of 1084 MECU deemed necessary in respect of research programmes already decided or under way, the total amount deemed necessary for Community participation in the achievement of the scientific and technical objectives of the programme, and therefore the sum to be allocated to specific programmes to be decided on during that period, is 5396 MECU, of which no more than 4533 MECU are deemed necessary to be committed for the execution of specific programmes before the end of 1991.

Of the amount of 5396 MECU mentioned above, the amount deemed necessary for specific programmes to be decided on during 1987-1991 is provisionally, and pending the Council Decision referred to in the next paragraph, fixed at 4979 MECU.

The Council acting unanimously, will subsequently decide on the addition of the remaining amount of 417 MECU to the amount of 4979 MECU.

The breakdown of the amount deemed necessary to achieve the Communities' scientific and technological objectives is as follows:

OTHER DECISIONS

Customs Union

The Council adopted in the languages of the Community the regulation on the tariff and statistical nomenclature and on the common customs tariff. The "combined nomenclature" which replaces the common customs tariff and the Nimexe is based on the new worldwide customs and statistical nomenclature, the Harmonized System, which is due to be applied from 1 January 1988 by the Community and all of its major trading partners, and which along with the introduction of the Single Administrative Document represents a major reform for administrations and traders within the Community.

Community Framework Programme of Research and Technological Development (1987-1991)

The Council has established a common position in respect of the Community Framework Programme of Research and Technological Development (1987-1991). This common position will be transmitted to the European Parliament according to the provisions of the conciliation procedure.

The framework programme is intended to cover the period 1987-1991 and provides for the following eight activities:

- (1) Quality of Life
- (2) Towards a large Market and an Information and Communications Society
- (3) Modernization of Industrial Sectors
- (4) Exploitation and optimum use of biological resources
- (5) Energy
- (6) Science and Technology for Development
- (7) Exploitation of the seabed and use of marine resources
- (8) Improvement of European S/T Co-operation.

1988 BUDGETARY PROCEDURE

Before beginning its examination of the preliminary draft general budget for 1988, the Council met a delegation from the European Parliament. The delegation of the European Parliament was led by Lord PLUMB, President, and was composed as follows : Mr COT, President of the Committee on Budgets, Sir James SCOTT-HOPKINS, 1st Vice President of the Committee on Budgets, Mr CORNELISSEN, 3rd Vice President of the Committee on Budgets, Mrs BARBARELLA, Rapporteur for the 1988 budget, Mr CURRY, Mr COLOM I NAVAL, Mr CHRISTODOULOU, Mrs SCRIVENER, Mr BONDE and Mr d'ORMESSON, Members of the Committee on budgets, and Mr AIGNER, Chairman of the Committee on Budgetary Control.

This meeting allowed the participants to give their views on the main problems and priorities to be examined in the drawing up of the draft budget for 1988.

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The Council then proceeded to a first exchange of views on the questions raised by the 1988 Draft Preliminary Budget. At the close of its deliberations, it concluded that further reflection and bilateral consultations between the Presidency and the delegations were required, and it accordingly adjourned its work until 17/18 September 1987.

Luxembourg:

Mr Jean-Claude JUNCKER Minister for the Budget

Netherlands:

Mr R. van der LINDEN State Secretary,
Ministry of Foreign Affairs

Portugal:

Mr Rui ALVAREZ CARP State Secretary for the Budget

United Kingdom:

Mr PETER BROOKE Minister of State to the Treasury

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Commission:

Mr Henning CHRISTOPHERSEN Vice-President

Bruxelles, le 22 juillet 1987

Note BIO (87) 204 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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PREPARATION CONSEIL BUDGET - 23 juillet 1987 (O. von Schwerin)

1. Le Conseil budget se réunira demain 23. 7. pour la première lecture de L'Avant-Projet du Budget 1988 de la Commission (voir IP 190 du 14. 5. 1987).

Début des travaux: 10h00, rencontre avec la délégation du P.E.: 11h00, poursuite à 15h00 avec risque d'une séance nuit.

2. Cette première lecture s'annonce plus difficile que jamais, en raison notamment du problème du financement qui est toujours loin d'être résolu.

A rappeler que la Commission avait proposé un avant-projet qui, tout en étant extrêmement restrictif, conduit à un déficit, sur base du système actuel des ressources propres (1,4 % plafond TVA), de 5,75 Mrd ECU, (soit déjà au début de l'exercice un "trou" du même ordre de grandeur que celui du budget 87 en cours, qui vient d'être rempli par des mesures multiples d'expédients budgétaires; à signaler en effet, que le Président Plumb vient de signer le budget supplémentaire 87).

En effet, la Commission a proposé des augmentations très modestes d'environ 5 % pour l'enveloppe globale ainsi que pour les dépenses agricoles en respectant les principes de la discipline budgétaire sur base de ses propositions pour le système futur de ressources propres.

Néanmoins, le déficit qui en résulte conduirait à un taux de TVA de 1,69 % (sous l'hypothèse qu'il n'y aura aucun report de l'année 87), c'est-à-dire près de 0,30 % au-dessus du taux actuel formel.

La question essentielle est donc comment le Conseil envisagera-t-il de faire face à ce déséquilibre programmé déjà à ce stade, et surtout comment le P.E. réagira.

3. Le deuxième problème essentiel concerne la dotation des dépenses agricoles: à rappeler que l'ECO/FIN mai/juin dernier a arrêté le cadre de référence de la discipline budgétaire à un niveau de 22.750 Mrd ECU, soit sensiblement en-dessous du niveau 87 et, selon les évaluations prudentes de la Commission, au moins 4 Mrd ECU trop bas (proposition minimum de la Commission: 27.045).

4. En vue de ces problèmes fondamentaux il ne paraît pas clair du tout que le Conseil aboutisse, comme c'est normalement le cas, à l'adoption d'un projet de budget 88 un première lecture déjà à ce stade. En effet, il n'est pas exclu que la controverse traditionnelle entre les deux branches de l'autorité se prépare déjà en première lecture.

Amitiés,
G. ANOUIL



Bruxelles, le 24 Juillet 1987

Note BIO(87) 204 (suite 1) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

CONSEIL BUDGET le 23 Juillet 1987(O. von Schwerin)

1. Le Conseil budget (première lecture de l'APB 88) s'est terminé jeudi soir vers 20h00 sans arriver à des résultats concrets comme on devait s'y attendre (voir BIO préparatoire no 204 du 22.7.)

En effet, le problème essentiel de ce projet, a.s. l'écart entre recettes disponibles (35,2 Mrd ECU dans le cadre actuel des ressources propres), et des dépenses estimées par la Commission comme minimum indispensable (41 Mrd ECU), soit un déficit d'environ 6 Mrd ECU s'est révélé comme obstacle fondamental.

2. La concertation avec la délégation du P.E. qui précédait les négociations s'est déroulée dans un climat constructif, mais a démontré clairement que le Parlement n'est pas disposé à adopter un budget déficitaire de cette nature. De plus, le rapporteur, Mme Barbarella a souligné que "l'opération vérité promise par la Commission n'est pas totale", notamment en ce qui concerne l'assainissement du poids du passé et le démarrage de l'Acte Unique.

3. Les négociations du Conseil même ont presque exclusivement porté sur le problème du financement du déficit, sans qu'une solution soit approuvée.

En effet, la plupart des délégations ne sont, à ce stade, pas disposées à considérer un dépassement du plafond TVA actuel (1,4%) tout en admettant qu'il se pose un problème qui risque de conduire à une nouvelle crise majeure.

Il s'agit notamment des délégations traditionnellement restrictives, comme R-U, Fr., RFA, NI ainsi que, d'une façon plus modérée, B et Lux, qui insistent sur le respect absolu de la situation juridique actuelle, quant au financement d'une part, et qui considèrent, d'autre part, le volume des dépenses proposé par la Commission comme trop élevé, sans pour autant indiquer où des économies pourraient être appliquées.

En effet, comme M. Christophersen a souligné il s'agit d'un APB plus restrictif que jamais.

Les autres délégations, notamment les pays méditerranéens, ont clairement soutenu l'Avant-Projet de la Commission comme minimum indispensable, et ont déploré notamment l'expansion des dépenses agricoles aux frais des dépenses structurelles.

Du reste, la dotation des différents chapitres et lignes budgétaires n'a pas du tout fait objet de négociations réelles comme c'est normalement le cas en première lecture. En effet, un projet de compromis de la présidence qui ne s'écartait guère de la proposition de la Commission a démontré que le dossier n'est pas considéré comme mûr au stade actuel. Le Conseil s'est donc ajourné jusqu'au 17.9 prochain.

On rappelle que la date limite pour la transmission du projet de budget au P.E. est le 5 octobre.

Amitiés,
G. ANOUIL

