

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

5699/88 (Presse 50)

1236th Council meeting

- Budget -

Luxembourg, 28 April 1988

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 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 Javier ELORZA Deputy Permanent Representative

France:

Mr Jean CADET Deputy Permanent Representative

Ireland:

Mrs Maire GEOGHEGAN-QUINN Minister of State for  
European Affairs

Italy:

Mr Tarcisio GITTI State Secretary,  
Ministry of the Treasury

Luxembourg:

Mr Jean-Claude JUNCKER Minister for the Budget

28.IV.88

Netherlands:

Mr Ch. R. VAN BEUGE

Deputy Permanent Representative

Portugal:

Mr Rui ALVAREZ CARP

State Secretary for the Budget

United Kingdom:

Mr Peter BROOKE

Paymaster General

o  
o            o

Commission:

Mr Henning CHRISTOPHERSEN

Vice-President

28.IV.88

RESUMPTION OF THE 1988 BUDGETARY PROCEDURE

Before examining the draft general budget of the European Communities for the financial year 1988, the Council met a delegation from the European Parliament, led by its Vice-President, Mr DANKERT, and comprising the following Members: Mr COT, Chairman of the Committee on Budgets, Ms BARBARELLA, Rapporteur for the Budget - Section III, Mr PASTY, 1st Deputy Chairman of the Committee on Budgets and Rapporteur on the Budget for Sections I, II, IV and V, Sir James SCOTT-HOPKINS, 2nd Deputy Chairman of the Committee on Budgets, Ms SCRIVENER, Mr COLOM I NAVAL, Mr CHRISTODOULOU, Mr LANGES and Mr PRICE, Members of the Committee on Budgets, and Mr SCHON, Chairman of the Committee on Budgetary Control.

o

o

o

The Council then gave a second reading to the draft budget, together with the European Parliament's amendments and proposed modifications.

The Council stated its position on all the draft modifications and amendments which the European Parliament had voted at the time of its first reading of the Budget, and instructed its Presidency to ensure that the results of its discussions at the second reading were forwarded to the European Parliament within the period stipulated by the Treaty.

The expenditure upon which the Council agreed was essentially as follows:

	(in MECU) <sup>(1)</sup>	
	C/A	P/A
EAGGF Guarantee Section	27 500	27 500
EAGGF Guidance Section	1 130	1 202
Depreciation of agricultural stocks	1 240	1 240
Monetary reserve	1 000	1 000
Regional Fund (ERDF)	3 684	2 980
Social Fund (ESF)	2 866	2 600
SPDPI (Prog. for development of Portuguese industry)	100	50
IMPs (Integrated Mediterranean Programmes)	134	86
Research, energy, industry	1 262	1 115
Other policies	1 708	1 409
- including		
= Food aid	375	320
and		
= Aid to non-associated developing countries	307	262
Administration:		
- Commission <sup>(2)</sup>	1 271	1 271
- Other Institutions	695	695
Refunds to Member States	2 486	2 486
	<hr/>	<hr/>
	45 076	43 634

<sup>(1)</sup> Provisional rounded-off figures.

<sup>(2)</sup> The difference between the Council's 1st and 2nd readings is, in respect of 53 MECU, due to a change in the nomenclature. The net difference is 6 MECU.

Rates of increase in respect of NCE were thus 10,48% for commitment appropriations and 8,06% for payment appropriations.

OTHER DECISIONS

Agricultural policy

The Council adopted the Regulation establishing Community supervision for imports of certain agricultural products originating in the Canary Islands (1988). The purpose of this Regulation is to specify the circumstances under which the Member States regularly notify the Commission of imports of avocados, melons and kiwis from the Canary Islands.

The Council then adopted the Regulations establishing:

- a surveillance mechanism for imports of sour cherries, fresh or chilled, originating in Yugoslavia,
- import mechanisms for certain processed products obtained from sour cherries and originating in Yugoslavia.

The purpose of these Regulations is to implement the Additional Protocol concluded with Yugoslavia and to ensure the correct application of the provisions stipulated therein.

Brussels, 24 April 1988.

NOTE BIO(88) 137 AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

433

-----  
PREPARATION OF THE BUDGET COUNCIL IN LUXEMBOURG  
THE 28/29 APRIL 1988 (S. SONDERGAARD).  
-----

Before the second Reading by the Council of the 1988 Budget the Spokesman briefly summarized the results of the discussions and the votes in the COREPER meeting of the 21 April.

The total figures resulting from this meeting and now on the table for the Budget ministers to approve in the Council's second Reading are nearly 45.1 billion ECU for commitments and 43.8 billion for payments.

The corresponding figures from the first Reading of the Budget in the Parliament are 45.3 billion ECU for commitments and 43.8 billion for payments.

Of amendments already agreed upon by COREPER, the Spokesman mentioned the sectors Education, Youth, Environment, Research and Food Aid.

The two problems that COREPER could not reach an agreement upon and therefore have submitted for discussion in the Budget Council are

- 1) The number of posts for the services of the Commission for 1988 and
- 2) Aid for developing countries in Asia and in Latinamerica.

On the first item, the Spokesman reminded of the opinion of the Commission that it does not make sense to double the structural funds, to create the Internal Market, to strengthen the politics like External Relations (anti-dumping), anti-fraud and Budgetary control, Research and Environments without realizing that these decisions also have implications on resources. Without the necessary posts and infrastructure, the Commission cannot carry out its work in all these areas in a satisfactory way.

The second point is to be discussed in the light of the decision taken by the Council Tuesday morning the 26 April (see BIO note (88) 133 suite 2 - "Répartition de l'assistance financière et technique - art. 930 du budget).

Regards,

  
C.-D. ÉHLERMANN, Comeur



Luxembourg, 29 April 1988

Note BIO (88) 137 SUITE 1 AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

---

Budget Council 28 April 1988 - Luxembourg. -(S. Sondergaard)

1988 budget second reading.

The budget Council started with a meeting with a delegation from the European Parliament, headed by Vice-President Pieter Dankert. The delegation of the Parliament expressed its optimism as to an agreement on the adoption of the 1988 budget, stressed, however, the necessity to maintain the parallelism between the 1988 budget procedure and the ongoing discussions on the inter-institutional agreement. The German President found the first reading of the Parliament a sound basis for the Council's second reading and laid out the time table for the discussions on the inter-institutional agreement.

An informal group is to meet already today, Friday, for the first time to draw up a draft, non binding text and the next formal dialogue will take place on 16 May 1988.

Vice-President Christophersen outlined the position of the Commission on the 1988 budget and the inter-institutional agreement.

"Our wish is of course that the final 1988 budget is as close as possible to the Commission's draft budget, including the two rectifying letters", he said.

The Vice-President also stressed the urgency of arriving at an inter-institutional agreement. "We need such an agreement", he said "and we do not have many weeks at our disposal."

Members of the Parliament's delegation strongly supported the Commission's proposal to increase the staff for 1988 and called the figures adopted by the Parliament in its first reading for an absolute minimum.

"It is foolish to vote for a substantial increase in funds and not have the political will to ensure the proper administration and control of these funds in the form of human resources," Mr Price said.

When the Council started its discussion on its second reading, Vice-President Christophersen presented the Commission's reasons for asking for additional staff resources this year and the Council adopted, after a detailed debate and close examination of the request of the Commission and the amendment adopted by the Parliament, the compromise proposal of the Presidency as presented in Coreper.

The Council did, however, also adopt the detachment of 50 national civil servants in the services of the Commission.

After this discussion, the Council arrived very quickly at an agreement on the expenditure side of the budget even if some delegations did suggest certain cuts (Transport, 4. Turkish protocol).

The provisional total figures after the second reading of the Council amount to 43.065,1 MECUS for commitments and 43.622,9 MECUS for payments.

Due to a reclassification of expenditure in the fishery sector, the DNO margin for the Parliament now amounts to around 23,8 MECU for commitments and 141,2 MECU for payments.

At the opening of the discussions on the revenue side, the Italian delegation repeated its position on the financing of the British compensation. The Italian delegation stated that it could agree neither to the amounts nor to the distribution among member States, and asked the Presidency to present a new formula.

Neither the German President, the Commission nor any delegation could support the Italian position. The Presidency reminded the budget Council that the Decision on the Intergovernmental Agreement was taken by the Eco-Fin Council on the 7 March. The Commission supported this opinion and said that any doubt on the existence of a true income side in the budget could lead to an extremely difficult situation also with respect to the legal validity of the first reading of the Parliament.

The German President and the Commission made it totally clear in the discussion that the final figures for the intergovernmental agreement would depend totally on the decision on own resources and the figures will then be adopted accordingly.

The German President accepted the political importance for the Italian delegation of this question, reminded however all delegations that the Council had to finish its second reading before the expire of the 15 days' delay laid down in the treaty, and transmit its decision before the 5 May.

After an interruption, the Council went into restricted session and after almost 3 hours of discussion, the German President concluded:

- the existence of a legally binding intergovernmental agreement,
- the inclusion in the minutes of a declaration stating that the final figures will be corrected and adapted after the decision on own resources and that the Commission will present the necessary proposals to this end,
- an agreement on a second reading of the 1988 budget in the Council with a waiting reserve from the Italian delegation until 5 May.

Regards,  
S. Sondergaard