

PRESS RELEASE

4568/88 (Presse 19)

1223rd Council meeting

- Budget -

Brussels, 23 and 24 February 1988

President:

Mr Hans TIETMEYER

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

23/24.II.88

Netherlands:

Mr P.R.H.M. VAN DER LINDEN

State Secretary,
Ministry of Foreign Affairs

Portugal:

Mr Rui ALVAREZ CARP

State Secretary for the Budget

United Kingdom:

Mr Peter BROOKE

Paymaster General

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Commission:

Mr Henning CHRISTOPHERSEN

Vice-President

RESUMPTION OF THE BUDGET PROCEDURE FOR 1988

Before resuming its discussions on the budget procedure for 1988, the Council met a delegation from the European Parliament, headed by its President the Lord PLUMB, and comprising the following Members of Parliament: Mr COT, Chairman of the Committee on Budgets, Mrs BARBARELLA, rapporteur for the Budget - Section III, Mr DANKERT, rapporteur on the inter-institutional agreement, Mr COLOM I NAVAL, Mr CHRISTODOULOU, Mr CORNELISSEN, Mr LANGES, Mr PRICE, members of the Committee on Budgets and Mr AIGNER, Chairman of the Committee on Budgetary Control.

At the meeting the President of the Council firstly highlighted the financial and budgetary effects of the conclusions of the European Council in Brussels and underlined the prospects they opened for the implementation of the Single Act on a secure financial and budgetary basis in line also with the objectives which the European Parliament had consistently and emphatically formulated.

The representatives of the European Parliament then commented on these results, indicating in particular their views on the steps to be taken both as regards the drawing up of the 1988 budget and the conduct of future budgetary policy, and especially the conclusion of an inter-institutional agreement. At the close of the meeting, the President of the Council noted that the procedures to be followed for the establishment of the 1988 budget and the definition of inter-institutional co-operation would take place in parallel.

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After the meeting with the European Parliament, the Council turned to the examination of the preliminary draft general budget of the Communities as it stood following letter of amendment No 2 dated 18 February 1988, which the Commission had submitted to it taking into account the conclusions of the European Council on 11, 12 and 13 February and of the latest corrections to the assessment of revenue.

In the course of the discussions the Council was able to resolve all the issues arising in connection with expenditure with the proviso, however, that further thought would have to be given to the financing of the 1988 budget through an inter-governmental agreement.

The Council accordingly broke off its proceedings and gave itself until 24 00 on 29 February to reflect on the matter and to enable delegations to state final positions on the possibility of agreeing to a formula proposed by the Presidency concerning the inter-governmental agreement in question.

Brussels, 24 February 1988

NOTE BIO(88) 61 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

BUDGET COUNCIL, 23.02.1988 (S. SONDERGAARD)

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NO DRAFT BUDGET FOR 1988 - YET

The Council was not able to agree on a draft Budget for 1988 when they met yesterday in the first Budget ministers meeting under the German Presidency.

This was the conclusion drawn by the German President when he suspended the meeting at 2 o'clock this morning after having tried in vain since Tuesday morning to make the Budget ministers agree on a draft Budget for 1988.

This was the 5. abortive try of the ministers to reach an agreement on the 1988-Budget.

The discussions in the Council were based on the Commission's proposals for a draft Budget as amended by the 2nd rectifying letter based on the conclusions from the European Council and it was the difference in the interpretation of the text of the conclusions of the Summit that became the stumbling block for an agreement.

The Italian delegation contested the figures in the calculations presented by the Presidency for the intergovernmental agreement necessary to cover the difference between the resources presently available to the Community and the total needs for 1988.

The Italian delegation presented figures based on another interpretation of the conclusions of the Summit, showing that Italy would be paying "too much".

The reading of the text and the calculations presented by the Commission was, however, supported by eleven Member States and the German President asked at the suspension of the meeting to have the final Italian answer before midnight next Monday. Until then further discussions on the draft Budget for 1988 is suspended.

It is to be recalled that an agreement on the intergovernmental agreement is to be unanimous.

If there is still no accord on the proportion and distribution of the revenue to be covered by the intergovernmental agreement, the ministers did manage to clear the other 3 points on the Agenda yesterday.

- 1) The amount of money for the FEOGA-Guaranty
- 2) The amount of non-obligatory expenses
- 3) The 15 MECUS for the management and administration of the structural Funds.

Ad 1)

The amount of the guideline for 1988 was increased by the Council from the 27,250 MECUS suggested by the Commission to the amount of 27,500 MECUS mentioned in the conclusion of the Summit.

When asked of the best way to use the extra 250 MECUS, Vice-President CHRISTOPHERSEN recommended to increase the amount of 585 MECUS for the depreciation of new stocks to 835 MECUS and thus save on financial costs later in the year.

Ad 2)

A qualified majority was obtained on the non-compulsory expenditure on the basis of a proposal from the Danish Presidency from July last year, even though Vice-President CHRISTOPHERSEN urged the ministers to increase the amounts for the RACE-programme, Aid for development and food-aid and environmental lines.

Ad 3)

The Council could not accept the wish of the Commission to have 15 MECUS of the 400 MECUS accorded to the structural Fund in 1988 for staff and technical assistance. Vice-President CHRISTOPHERSEN underlined the absolute necessity to reinforce staff resources at the same time as the means for the structural funds are considerably increased. Without adequate staff to plan, manage and control these programmes, we run a grave risk of not being able to spend all the money in an efficient and economic way in the regions and countries where it is needed, the Vice-President warned.

Finally, the Council agreed to accept 5 MECUS on line 560 (technical assistance for Community programmes) and to put a new line into the Budget with a pm for further resources for this purpose. The request will be re-considered by the Council upon presentation by the Commission of an exact plan for posts and need for technical assistance in the receiver Member States.

The Budget ministers received a delegation from the European Parliament on Tuesday morning to discuss the 1988 Budget and the procedures for future Budget co-operation. A joint declaration on Budgetary discipline and improving the Budgetary procedure was adopted by the three institutions.

Regards,



G. ANOUIL, comeur

Brussels, 24 February 1988

NOTE BIO(88) 61 (suite 1) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

RECTIFICATION

Please delete the last sentence starting:

"A joint declaration on Budgetary discipline and on Improving the Budgetary procedure was adopted by the three institutions" in the BIO note (88) 61 distributed to-day.

Regards,



G. ANOUIL, comeur