

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

8495/81 (Presse 96)

722nd meeting of the Council

- Budget -

Brussels, 22 and 23 July 1981

President: Mr Nigel LAWSON,  
Financial Secretary to the Treasury  
United Kingdom

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

Belgium:

Mr Charles-Ferdinand NOTHOMB                      Minister for Foreign Affairs

Denmark:

Mr Otto MØLLER                                      State Secretary,  
Ministry of Foreign Affairs

Germany:

Mr Rolf BÖHME                                      Parliamentary State Secretary  
Federal Ministry of Finance

Mr Horst SCHULMANN                              State Secretary  
Federal Ministry of Finance

Greece:

Mr Miltiadis EVERT                              Minister for Finance

France:

Mr André CHANDERNAGOR                      Minister responsible for  
European Affairs

Ireland:

Mr John SWIFT                                      Deputy Permanent Representative

Italy:

Mr Carlo FRACANZANI                              State Secretary,  
Treasury

Luxembourg:

Mr Jacques SANTER

Minister for Finance

Mr Ernest MUHLEN

State Secretary, Finance

Netherlands:

Mr D.F. van der MEI

State Secretary,  
Ministry for Foreign Affairs

United Kingdom:

Mr Nigel LAWSON

Financial Secretary to the  
Treasury

Mr Peter REES

Minister of State to the  
Treasury

Commission:

Mr Christopher TUGENDHAT

Vice President

Mr Michael O'KENNEDY

Member

o

o

o

MEETING BETWEEN A DELEGATION FROM THE EUROPEAN PARLIAMENT AND THE COUNCIL

During the afternoon of 22 July a meeting took place between the Council and a delegation from the European Parliament headed by Mr VANDEWIELE, Vice-President of the European Parliament. The other members of the delegation were Mr LANGE, Chairman of the Committee on Budgets, Mr SPINELLI, second Deputy Chairman of the Committee on Budgets, Mr ROSSI, third Deputy Chairman of the Committee on Budgets, Mr ANSQUER, Rapporteur on Sections I, II, IV and V of the 1982 Budget, Mr ADONNINO, Rapporteur, amending Budget N° 1 - 1981, Mr AIGNER, Chairman of the Committee on Budgetary Control, Mr DANKERT, Member of the Committee on Budgets and Vice-President of the European Parliament, Mr BALFOUR, Mr BONDE and Mr LANGES, Members of the Committee on Budgets.

This meeting afforded the opportunity for a wide-ranging and frank discussion on both preliminary draft amending budget n° 1 to the 1981 Budget and the preliminary draft Budget for 1982. Co-operation in general between the Council and the European Parliament on budgetary matters was also discussed.

On the subject of preliminary draft amending budget n° 1 for 1981, the Council briefed the Parliament delegation on the general approach being followed by the Council. Subsequent talks revealed a considerable consensus of opinion between the Council and the Parliament delegation on the substance of the amending Budget.

Discussions between the Parliament delegation and the Council on the preliminary draft Budget for 1982 gave members of Parliament an opportunity to underline the political options they wished to see reflected in the Budget. There should be a sustained effort to achieve a more rationally ordered Budget by developing or strengthening Community policies with an impact on the restructuring or re-casting of economic activities in the Community, or Community policies concerned with solidarity with developing countries.

Several members of the Council said that they appreciated the concern of members of Parliament but they felt it was necessary to underline the need to reconcile the development of Community policies with the constraints imposed by the economic situation in general, which dictated considerable restraint in public spending both nationally and at Community level.

Finally, on the subject of co-operation in general between the two branches of the Budgetary authority, Parliament and Council, the President of the Council informed the Parliament delegation of a number of practical measures designed to strengthen co-operation which the Council proposed to implement immediately. This was by way of an initial reaction on the part of the Council to the Parliament Resolution of 10 April 1981 concerning the inter-institutional dialogue on budgetary matters.

DRAFT AMENDING BUDGET No 1 FOR 1981

The Council established draft amending budget No 1 for 1981.

This draft provides for an overall reduction in expenditure of 197,658,000 ECU for 1981.

On the one hand, it entails an increase of 257,750,000 ECU in payment appropriations for non-compulsory expenditure, including, in particular, 200 MECU for the Regional Fund, 44 MECU for the non-associated developing countries and 11 MECU for control measures in the steel industry. In making these increases, the Council is proposing that the maximum rate for non-compulsory expenditure be set at 13.8% for payment appropriations for 1981.

On the other hand, payment appropriations for compulsory expenditure have been reduced by 455,408,000 ECU as the result of various reductions and increases, the most significant of which are: - reductions: 561 MECU - EAGGF, Guarantee Section, 27.082 MECU - measures in favour of the United Kingdom and compensation for Greece, 20 MECU - interest rate subsidies for the Mezzogiorno; - Increases: 50 MECU - EAGGF, Guidance Section, 100 MECU - food aid.

Draft amending budget No 1 for 1981 will be forwarded to the European Parliament, which will discuss it at its September part-session.

DRAFT GENERAL BUDGET FOR 1982

After a detailed examination of the preliminary draft general budget for 1982 submitted by the Commission, the Council reached agreement on the contents of the draft budget.

The budget comprises a total of 21,770 million ECU (\*) in payment appropriations and 22,850 million ECU in commitment appropriations; the percentage increases in relation to the amended 1981 budget are 13.79% for payment appropriations and 10.48% for commitment appropriations.

The Council centred its discussions on the operating appropriations to be retained for the Guarantee Section of the EAGGF and on those to be included for non-compulsory expenditure.

In the case of the Guarantee Section of the EAGGF, for which appropriations remain at the figure proposed by the Commission, the Council agreed to enter 433 million ECU operating appropriations in Chapter 100 by way of a reserve; this reserve breaks down as follows:

Article 100 (Refunds on cereals):	90
Item 1511 (Fruit and vegetables):	20
Chapter 17 (Tobacco):	30
Article 182 (Potatoes):	10
Article 200 (Refunds on milk and milk products):	110
Article 202 (Sales of surplus milk products):	35
Item 2033 (Other storage costs):	25
Item 2040 (Consumption aid):	113

The President stressed that in choosing this arrangement the Council had borne in mind, among other things, the initiative taken last year by the European Parliament (Adonnino reservation).

---

(\*) subject to final calculation.

With regard to non-compulsory expenditure, the Council decided on an overall increase of 4.4% in commitment appropriations (which now stand at 4,345 MECU, comprising 1,600 MECU for the Regional Fund, 1,000 MECU for the Social Fund and 1,745 MECU for other non-compulsory expenditure). Payment appropriations were increased overall by 14.5% and now stand at 3,325 MECU, comprising 950 MECU for the Regional Fund, approximately 735 MECU for the Social Fund and approximately 1,640 MECU for other non-compulsory expenditure.

In this connection, the President made the point that in adopting a 14.5% increase the Council had fully applied the maximum rate for non-compulsory expenditure. He felt that, in view of the constraints which both the national and Community budget authorities were feeling from the economic situation, it was impossible to go beyond that rate.

After the various texts have been finalized the draft 1982 budget that has emerged from the Council's discussions will, be formally drawn up as soon as possible by the written procedure.

---



OTHER DECISIONS

Economic situation

The Council adopted in the official languages of the Communities a Decision supplementing Decision 80/1265/EEC adopting the annual report on the economic situation in the Community (1980) and laying down the economic policy guidelines for 1981 (guidelines to be followed by Greece in 1981).

Commercial policy

The Council adopted in the official languages of the Communities a Decision authorizing the extension or tacit renewal of certain trade agreements concluded between the Member States and third countries.

It also adopted, in the official languages of the Communities, a Regulation concerning the conclusion of the Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade in textile products.

Finally, the Council adopted in the official languages of the Communities, a Regulation amending Regulation (EEC) No 316/77 on the application of an anti-dumping duty on chains for cycles and motorcycles, originating in Taiwan.

Consumer protection

The Council adopted in the official languages of the Communities a Decision introducing a Community system of information on accidents in which products are involved outside the spheres of occupational activities and road traffic.

Agriculture

The Council adopted in the official languages of the Communities a Regulation amending Regulation No 79/65/EEC setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Economic Community.

Transport

The Council adopted in the official languages of the Communities a Resolution extending the trial period for observing these markets for the carriage of goods by rail, road and inland waterways between the Member States.

ECSC

The council gave its assent pursuant to Article 56(2)(a) of the ECSC Treaty in respect of the following:

- McCain Foods (GB) Ltd, United Kingdom
- Philips Electronic and Associated Industries Ltd/TMC Ltd, United Kingdom
- Titech Europe, S.A., Belgium.

Appointment

Acting on a proposal from the Commission, the Council appointed Mr Kjeld HOLM, Dansk Arbejdsgiverforening, as a member of the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions, in place of Mr Sven-Peter NYGAARD, alternate member, who has resigned, for the remainder of the latter's term of office, i.e. until 16 March 1983.

---



516225

■\*\*\*

NOTE BIO (81) 297 (SUITE 1) AUX BUREAUX NATIONAUX  
CC/ AUX MEMBRES DU GROUPE DU PORTE PAROLE

■\*\*\*

CONSEIL BUDGET DU 23.7.1981 (R. ELPHICK)

■-----

PROSPECTS FOR AGREEMENT ON THE 1981 RECTIFYING BUDGET AND THE PROVISIONAL DRAFT BUDGET FOR 1982 RECEIVED A BOOST LAST NIGHT DURING THE FIRST OF THE NEW STYLE CONCILIATION MEETINGS BETWEEN COUNCIL AND PARLIAMENT IN THE PRESENCE OF MR. TUGENDHAT. COUNCIL AND THE PARLIAMENTARY DELEGATION SEEMED TO REACH AT LEAST TACIT ACCORD ON ACHIEVING AGREEMENT ON THE 1981 RECTIFYING BUDGET IN ONE READING. THE BASIS WAS A COMPROMISE FROM THE BRITISH PRESIDENCY WHICH LOPS 50 MECU OFF THE COMMISSION'S SUGGESTED EXTRA EXPENDITURE OF 250 MECU FOR THE REGIONAL FUND, REDUCES THE COMMISSION'S ALLOCATION FOR FOOD AID BY 27 MECU AND THE 55 MECU PROPOSED FOR EAGGF GUIDANCE BY 5 MECU (SEE P-35).

AT THE SAME TIME THE COUNCIL PROPOSES TO WRITE INTO THE MINUTES DECLARATIONS THAT IF THE EXTRA MONEY REALLY IS NEEDED BEFORE THE END OF THE YEAR THEY WOULD LOOK ON A FURTHER REQUEST WITH FAVOUR. ON THE BASIS OF ALL THIS THE REPRESENTATIVES OF BELGIUM, GERMANY AND FRANCE WHO WERE DISPUTING THE 1980 AND 1981 BUDGETS AS ACCEPTED BY PARLIAMENT AT THE END OF LAST YEAR DECLARED THAT PROVIDED THE PARLIAMENT AGREED TO ACCEPT THIS RECTIFYING BUDGET IN A SINGLE READING, THEY WOULD WITHDRAW THEIR OBJECTIONS AND PAY THEIR SHARES. THERE WERE STRONG INDICATIONS FROM THE PARLIAMENTARIANS PRESENT THAT THIS STRATEGY MIGHT BE FOLLOWED IN ORDER TO CLEAR THE WAY FOR PROPER DEBATE ON THE 1982 BUDGET.

FOR THE COMMISSION MR. TUGENDHAT SAID THAT THE CHANGES SUGGESTED BY THE COUNCIL WERE ACCEPTABLE TO THE COMMISSION AND HE WOULD COMMEND THEM TO PARLIAMENT. THE CHANGES WOULD NOT UNDERMINE THE COMMISSION'S OBJECTIVES NOR HARM THE POLICY PRIORITIES OF THE COMMUNITY PROVIDED THE COUNCIL HONOURED THEIR UNDERTAKING. (A SUIVRE)

AMITIES,  
M. SANTARELLI COMEUR  
NNNN

NNNN

R.ELPHICK

GPP

B. 1/11

6802

23.7.81

X

X

M. SANTARELLI



