

SECRETARY OF STATE

Budget Timetable

The BBC reported this morning that people in Brussels were saying that according to the Treaty the draft Budget does not need to be adopted until 5 October. The French are probably putting this about. There is an excellent answer if President Mitterrand were to say this in the European Council.

It is indeed true that Article 203(4) says that the draft Budget must be adopted no later than 5 October, but: -

- a) In the early 1970's the Treaty timetable was found to be impossibly tight and in 1976 the Council, Parliament and the Commission agreed on "the pragmatic timetable" under which the Council undertook in future to adopt the draft Budget by 31 July. This has been the practice since 1976.
- b) Within the last few days the Council has agreed a reply to a letter from President Dankert ^{of Parliament} of 27 April, agreeing to a timetable which includes 21 July for the adoption of the draft Budget.
- c) When asked in the European Council in March what the last date for the inclusion of "the consequential figures" in the draft Budget would be, President Thorn said the July Budget Council. You said this to the Foreign Affairs Council in Luxembourg on 13 June in front of President Thorn and M. Cheysson, neither of whom contradicted you.

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(Michael Butler)

cc : Prime Minister