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FM UKDEL STRASBOURG 241700Z JUL 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 94 OF 24 JULY

INFO IMMEDIATE UKREP BRUSSELS

INFO ROUTINE DUBLIN PARIS BONN

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FROM UKREP BRUSSELS

FCO TELEGRAM NUMBER 38 TO UKDEL STTRASBOURG

1984 BUDGET AND 1983 REFUNDS

SUMMARY

1. EUROPEAN PARLIAMENT'S INTERIM BUDGET COMMITTEE MET ON 24 JULY TO CONSIDER EUROPEAN PARLIAMENT REACTION TO COMMISSION PROPOSAL ON FINANCING THE 1984 SHORTFALL AND ON TRANSFER FOR UK'S 1983 REFUNDS VOTE IN PLENARY TOMORROW ON COMMISSION REQUEST FOR URGENCY ON 1984 SHORTFALL PROPOSAL. INTERIM BUDGET COMMITTEE HAS RECOMMENDED TO THE PRESIDENT OF THE PARLIAMENT THAT THE PLENARY SHOULD TAKE NOTE OF THE COMMITTEE'S AGREEMENT ON THE TRANSFER FOR THE REFUNDS.

DETAIL

2. THE AD HOC INTERIM BUDGET COMMITTEE OF THE PARLIAMENT MET TWICE ON 24 JULY UNDER THE CHAIRMANSHIP OF FICH (DANISH SOCIALIST). DOURO AND NEWTON DUNN REPRESENTED THE EDG. THE COMMITTEE CONCENTRATED ON,

- (A) COMMISSION PROPOSAL OF 9 JULY FOR A COUNCIL REGULATION IN RESPECT OF 1984 OVERRUN;
- (B) THE EUROPEAN PARLIAMENT'S HANDLING OF THE TRANSFER FOR THE UK'S 1983 REFUNDS.

DEBATE ON (A) CENTRED ON WHETHER URGENCY WAS JUSTIFIED. THE EDG, THE SOCIALISTS (APART FROM THE FRENCH SOCIALISTS), THE LIBERALS AND THE ITALIAN COMMUNISTS ARGUED AGAINST URGENCY, WHICH WOULD ENTAIL A VOTE BY THE PARLIAMENT THIS WEEK. THE CDS AND THE FRENCH SOCIALISTS ARGUED FOR URGENCY. THE COMMITTEE DECIDED THAT IT WAS NOT EMPOWERED TO TAKE A DECISION AND IT IS LIKELY THAT THERE WILL BE A VOTE ON THE QUESTION IN PLENARY TOMORROW, 25 JULY. THIS COULD BE A CLOSE-RUN THING.

3. DOURO ALSO SPOKE ON THE LINES OF YOUR PRESS BRIEFING IN BRUSSELS ON 23 JULY AND WAS ARMED WITH THE MATERIAL IN YOUR TUR. THERE WAS NO REACTION TO HIS STATEMENT BUT HIS EMPHASIS ON ADVANCING THE OWN RESOURCES DECISION AND FOLLOWING THE PROCEDURES IN THE TREATIES, IN WHICH THE PARLIAMENT IS PROPERLY INVOLVED, SEEM TO HAVE USEFUL COUNTER ARGUMENTS TO THE NEGATIVE VIEW OF THE UK POSITION WHICH MEPS HAVE FROM TODAY'S PRESS.

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4. ON THE UK 83 REFUNDS NO MEMBER OF THE COMMITTEE QUESTIONED THE EARLIER DECISION IN FAVOUR OF THE TRANSFER. THE CHAIRMAN CIRCULATED A COPY OF A LETTER SIGNED BY LANGE AND SCRIVENER TO DANKERT ON 18 JUNE WHICH CONCLUDES AS FOLLOWS:

" VU LE CARACTERE PARTICULIEREMENT IMPORTANT DE CE VIREMENT, LA COMMISSION DES BUDGETS A D'AUTRE PART ESTIME SOUHAITABLE QUE LE PARLEMENT PRENNE ACTE DE L'ACCORD SUR LA PROPOSITION DE VIREMENT ET SE PRONONCE EVENTUELLEMENT SUR LES PROBLEMES QUE SOULEVE L'ACCORD DE FONTAINEBLEAU DANS SA PARTIE RELATIVE AUX COMPENSATIONS BUDGETAIRES, ETANT DONNE QUE LE PARLEMENT EUROPEEN NE POURRA EN AUCUN CAS ADMETTRE QUE DES DECISIONS DANS LE DOMAINE BUDGETAIRE SOIENT PRISES SANS SON ACCORD".

5. A RESOLUTION ON THE FONTAINEBLEAU OUTCOME IS TO BE DRAFTED THIS EVENING BY REPRESENTATIVES OF POLITICAL GROUPS AND WILL BE DEBATED TOMORROW. THE INTERIM BUDGET COMMITTEE WILL PROBABLY MEET AGAIN TOMORROW AT 6.00 PM TO FINALISE THE TEXT OF A RESOLUTION, TAKING ACCOUNT OF ANY AMENDMENTS TABLED TOMORROW. THE VOTE WILL PROBABLY BE ON THURSDAY.

FCO PLS PASS ALL

(REPEATED AS REQUESTED)

FCO ADVANCE TO:

FCO: PS/S OF S, PS/MR RIFKIND, RENWICK, WALL

CAB: WILLIAMSON, LAMBERT

TSY: PS/ MR STEWART, PEET

(ADVANCED AS REQUESTED)

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