

RESTRICTED

R E S T R I C T E D

FRAME ECONOMIC

FM UKREP BRUSSELS 121956Z NOV 84

TO IMMEDIATE F C O

TELEGRAM NUMBER 3692 OF 12 NOVEMBER,

INFO IMMEDIATE STRASBOURG,

ROUTINE COPENHAGEN THE HAGUE ROME DUBLIN PARIS

BONN LUXEMBOURG ATHENS,

INFO SAVING BRUSSELS.

FOREIGN AFFAIRS COUNCIL: 12 NOVEMBER 1984.

BUDGET DISCIPLINE.

SUMMARY

1. THE GREEKS LIFTED THEIR RESERVES AND THE FOREIGN AFFAIRS COUNCIL ENDORSED THE PRESIDENCY TEXT AS REVISED BY THE ECOFIN COUNCIL.

DETAIL

2. DUKES (PRESIDENCY) REPORTED ON DISCUSSION IN THE ECOFIN COUNCIL. HE RECALLED THAT AGREEMENT HAD BEEN REACHED, EXCEPT THAT THE GREEKS STILL HAD A RESERVE ON ARTICLE 4(D), WHICH HE HOPED THEY MIGHT NOW DROP, AND ANOTHER RESERVE ON THE TITLE. HE SUGGESTED THAT THE TITLE COULD BE LEFT OPEN UNTIL AFTER THE DISCUSSION WITH THE PARLIAMENT ON 21 NOVEMBER.

3. PANGALOS (GREECE) MADE A LONG AND IRRELEVANT STATEMENT, THE GIST OF WHICH WAS THAT THE COMMUNITY SHOULD DROP THE 'GROCER'S SHOP MENTALITY' REFLECTED IN THE BUDGET DISCIPLINE TEXT AND SPEND MORE MONEY ON THE ECONOMIC CONVERGENCE OF GREECE WITH THE REST OF THE COMMUNITY. HE COULD DROP THE RESERVE ON ARTICLE 4(D), BUT THE TEXT SHOULD GO TO THE PARLIAMENT WITHOUT A TITLE.

4. BARRY (PRESIDENCY) SAID THAT AS A FORMER GROCER, HE OBJECTED TO PANGALOS' REMARKS. DUMAS (FRANCE) SAID THAT IT WAS UP TO THE PRESIDENT OF THE FOREIGN AFFAIRS COUNCIL TO TALK TO THE PARLIAMENT. IT SHOULD NOT BE LEFT TO ECOFIN. TYGESEN (DENMARK) SAID THAT THERE COULD BE NO TALKS WITH THE PARLIAMENT UNTIL AGREEMENT WAS REACHED ON ALL POINTS INCLUDING THE TITLE. PANGALOS SHOULD LIFT HIS RESERVE. MR RIFKIND AGREED. PANGALOS TRIED TO SUGGEST THAT THERE WAS ALREADY AGREEMENT AMONG NINE MEMBER STATES TO CALL THE TEXT A 'RESOLUTION'. HOWEVER, UNDER PRESSURE FROM THE PRESIDENCY, THE DANE AND THE ITALIAN HE FINALLY AGREED TO JOIN THE CONSENSUS IN FAVOUR OF 'CONCLUSIONS' ETC, SUBJECT TO THE INCLUSION OF A UNILATERAL STATEMENT IN THE MINUTES SAYING THAT THE TEXT WAS POLITICAL AND HAD NO BINDING FORCE. ITALY ASKED TO BE ASSOCIATED WITH THIS STATEMENT.

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5. THE SECRETARIAT EXPECT TO PRODUCE A CLEAN TEXT IN THE NEXT DAY OR TWO.

FCO ADVANCE TO:

FCO - P.S. P.S/MR RIFKIND, RENWICK, FAIRWEATHER, WALL, MARSDEN.

CAB - WILLIAMSON, LAMBERT.

TSY - P.S. P.S/MR STEWART, UNWIN, FITCHEW, HOPKINSON.

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