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FRAME ECONOMIC
FM UKREP BRUSSELS 212306Z MAR 85
TO IMMEDIATE FCC
TELEGRAM NUMBER 1077 OF 21 MARCH
INFO ALL E C POSTS (EXCEPT BRUSSELS)
INFO SAVING BRUSSELS LISBON MADRID.

M I P T : FOREIGN AFFAIRS COUNCIL : 21 MARCH.
OWN RESOURCES DECISION.

SUMMARY.

1. AGREEMENT ON THE REVISED PRESIDENCY COMPROMISE TEXT (IN MY I F T) SUBJECT TO A GREEK WAITING RESERVE.

DETAIL.

2. ANDREOTTI (PRESIDENCY) INTRODUCED THE REVISED COMPROMISE PACKAGE WHICH WE HAD WORKED OUT BEHIND THE SCENES IN BILATERAL CONSULTATIONS, EMPHASISING THE IMPORTANCE OF REACHING AGREEMENT BEFORE THE EUROPEAN COUNCIL.
3. RUMFUS (GERMANY) SAID THAT THE TEXT WAS ACCEPTABLE TO HIS DELEGATION SUBJECT TO THREE POINTS. THE PREAMBLE SHOULD CONTAIN A REFERENCE TO BUDGET DISCIPLINE ; THE AMOUNT TO BE COVERED BY THE IGA SHOULD BE THE MINIMUM NECESSARY AS ESTABLISHED IN THE NORMAL BUDGET PROCEDURE ; AND IF THE WHOLE PACKAGE WERE AGREED TONIGHT, THE GERMANS WOULD DROP THEIR DEMAND FOR RE-IMBURSABILITY.
4. CHRISTOPHERSEN (COMMISSION) SAID THAT HE WOULD RE-LAUNCH THE 1985 BUDGET WITH A RECTIFYING LETTER AS SOON AS THE PRESIDENCY PACKAGE WAS AGREED.
5. I THANKED THE PRESIDENCY FOR THEIR EFFORTS AND SAID THAT I HOPED THE PACKAGE WOULD BE AGREED TONIGHT. WE UNDERSTOOD THAT THE NEW TEXT OF ARTICLE 3.4 WOULD ENABLE THE 1,000 MECU TO BE DEDUCTED IN 1985. IT WOULD BE HELPFUL IF CHRISTOPHERSEN COULD CONFIRM, AND IF THE MINUTES COULD RECORD, THAT THE PROCEDURE TO BE ADOPTED FOR INCORPORATING THE 1,000 MECU IN THE BUDGET WOULD BE THAT SET OUT IN THE LEGAL SERVICES PAPER NUMBER 5479/85. CHRISTOPHERSEN ANSWERED THAT THE DETAIL WOULD HAVE TO BE LOOKED AT BUT THAT IN PRINCIPLE THE PROCEDURE I HAD OUTLINED COULD BE ADOPTED. IN VIEW OF THIS UNSATISFACTORY ASSURANCE, I TOLD STRASSER (COMMISSION SERVICES) THAT THE PROCEDURE WOULD HAVE TO BE AGREED IN COREPER BEFORE THE ORD WAS ADOPTED. STRASSER INDICATED AGREEMENT.
6. TYGESEN (DENMARK) SAID THAT HE WOULD DROP HIS PROPOSED AMENDMENT TO ARTICLE 3.4 PROVIDED WE WOULD CONFIRM THAT WE WOULD NOT MAKE PAYMENT OF OUR SHARE OF THE IGA CONDITIONAL ON PRIOR RATIFICATION OF THE ORD. I REPLIED THAT ON THE ASSUMPTION THAT THE

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/ 1,000 MECU

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1,000 MECU WAS ASSURED BY THE PRESENT TEXT, WE DID NOT INTEND TO WRITE INTO THE 1985 IGA ANY CONDITIONS OF THE KIND WE HAD PUT IN THE 1984 IGA.

7. AT THIS POINT, PANAGALOS (GREECE) WHO CLAIMED TO BE ANNOYED AT NOT BEING CONSULTED BILATERALLY ABOUT THE COMPROMISE PROPOSAL, THREW IN A WRECKING AMENDMENT WHICH WOULD HAVE HAD THE EFFECT OF MAKING PAYMENT OF THE 1,000 MECU DEPENDENT OF A FURTHER DECISION OF THE COUNCIL. GENSCHER (GERMANY) SAID THAT HIS AGREEMENT TO THE PACKAGE DEPENDED ON THE EXISTING WORDING. CHRISTOPHERSEN SAID THAT IF THE PROPOSAL WAS NOT ADOPTED TONIGHT HE COULD NOT PROPOSE THE NEW 1985 BUDGET. UNDER PRESSURE FROM THE PRESIDENCY AND AT MY SUGGESTION PANGALOS AGREED TO CONVERT HIS AMENDMENT INTO A WAITING RESERVE ON THE EXISTING TEXT WHICH HE HOPED TO LIFT BY NOON TOMORROW.

8. TINDEMANS (BELGIUM) SAID THAT HE WAS UNHAPPY AT LINKING THE NEW OWN RESOURCES WITH ENLARGEMENT BUT WOULD NOT OPPOSE THE PACKAGE IF ALL AGREED. AT THIS POINT DELORS BROKE IN WITH A DEMAND THAT THE PRESS SHOULD BE BRIEFED ABOUT IMPS AND THE DISCUSSION ENDED WITHOUT ANY SUMMING-UP BY THE PRESIDENCY.

9. NO DISCUSSION OF MINUTES ENTRIES IN PRESIDENCY COMPROMISE TEXT.

FCO ADVANCE TO:

FCO - RENWICK WALL BLOOMFIELD
CAS - WILLIAMSON JAY
TSY - UNWIN FITCHEW MORTIMER PS/ECON SEC

FCO PASS SAVING TO LISBON AND MADRID.

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