‘Efforts towards a budgetary compromise have dominated the Edinburgh Summit' from Le Monde (14 December 1992)

Caption: On 14 December 1992, commenting on the conclusions adopted two days earlier by the Twelve at the close of the Edinburgh European Council, the French daily newspaper Le Monde gives an account of the difficulties involved in reaching a compromise on the financing of the Community budget over the next seven years.

Source: Le Monde. dir. de publ. Lesourne, Jacques ; RRéd. Chef Colombani, Jean-Marie. 13.-14.12.1992, n° 14.892; 49e année. Paris: Le Monde. "La recherche d'un compromis budgétaire a dominé le sommet d'Edimbourg", auteur:Lemaitre, Philippe; Tréan, Claire , p. 1; 5.

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http://www.cvce.eu/obj/efforts_towards_a_budgetary_compromise_have_dominated_the_edinburgh_summit_from_le_monde_14_december_1992-en-dffcf051-5dd8-4202-b05a-b0a0ca20bc00.html

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The search for a budget compromise dominated the Edinburgh Summit

In Edinburgh, on Saturday 12 December, the Heads of State or Government of the Twelve tried to reach a compromise on the Community budget for the next seven years. This budget, which is to finance agriculture, research, industrial policy, social issues, aid to third countries, as well as support for the four ‘poor’ countries of the EEC (Spain, Portugal, Ireland and Greece), gave rise to fierce battles of figures. The Twelve were nevertheless able to make headway in resolving the Denmark issue. The text of the compromise should be sufficiently binding for the Danes to conclude that the Treaty of Maastricht does not pose a threat to their independence in terms of currency, defence and immigration. It should not call into question ratifications that have already been secured.

Get Maastricht out of its mess

Edinburgh
from our special correspondents

There are unmistakable signs: the emphatic compliments that the delegations lavished upon the British for the work performed during their Presidency of the Community indicated right from the opening of the European Summit on Friday 11 December that there had been a change of tone among the Twelve.

In Edinburgh, the invective register, into which intercommunity relations had plunged over the past weeks, would finally be dropped.

Everyone needs a positive outcome at the Edinburgh Summit, even if not at any price. Grappling with the resolute resistance of Felipe Gonzalez (*Le Monde* 12 December edition), the European Council still had quite a lot to do on Saturday concerning the most difficult item on the agenda: the Community budget for the next few years.

[…]

The ‘Delors II package’

On Friday, the debate on Community budget planning for the next few years, what is referred to as the ‘Delors II package’, was barely touched on. Following the Commission’s guidelines, the Twelve are now debating a seven-year period (1993–1999). In their opening statements, the Heads of State or Government merely repeated their usual mantra about the scale of the additional effort required, with each of them dwelling upon their own specific problems.

For example, François Mitterrand referred to the importance that he attached to full financing for the reformed common agricultural policy. The President of the French Republic also came down in favour of a substantial rise in the Community funds allocated to research, with a special reference to the needs of European high-definition television channels (HDTV). Concerning aid granted to the least developed regions, he urged his colleagues not to forget the difficult matter of the Community’s outermost regions, i.e. French Overseas Departments and Territories, which traditionally receive significant amounts from the Structural Funds.

However, over and above these *shopping lists*, as Carlos Solchaga, Spanish Finance Minister, pointed out, the positions remain very distant from one another. The latest proposals from the British Presidency, slightly improved, compared with the previous ones, were seen as an insult by the Community’s four least prosperous countries (Spain, Greece, Ireland and Portugal), which are calling for a significant increase in the financial support which they are receiving.

Creation of an investment fund

The British continue to suggest that the ceilings of EEC own resources in 1999 be set at 1.25 % of GDP, compared to 1.20 % in 1992. The Commission, whose initial, more generous, proposals were revised downwards, recommends a ceiling of 1.30 %, which is considered to be the strict minimum by the four least prosperous countries. They will no doubt have to resign themselves to less, however, if agreement is to be reached.

Without specifying an amount, Mr Mitterrand said that he was ready to take a middle position between the proposals of the Commission and those of the British Presidency. Several Heads of Government follow the same line. But is this the case of Helmut Kohl, who largely supported the British arguments yesterday? Jean Musitelli, spokesman for the Elysée, took it as agreed, but statements by Dieter Vogel, spokesman for the German Chancellor, did not confirm this and, on Friday, their tone remained reserved. As for John Major, he did not make the slightest attempt to move closer to his partners' positions.

Most observers, particularly in Jacques Delors' entourage, think that he will fight every inch of the way but then give in at the last moment so as not to condemn the European Council to failure, since that would have serious consequences, in particular for the early start of negotiations with a view to enlarging the Community to include the applicant countries of the European Free Trade Association (EFTA), to which both the British and the Germans are very attached.

On the other hand, the Heads of State or Government warmly welcomed the project for a 'European growth initiative'. The idea is to create a European Investment Fund of ECU 2 billion (14 billion French francs) that would provide a guarantee for investment, particularly for infrastructure projects implemented by private businesses. According to Philippe Maystadt, Belgian Finance Minister, experts hope to generate an additional investment flow of ECU 20 billion (140 billion French francs) as a knock-on effect.

Furthermore, it would be decided to allocate ECU 6 billion (42 billion French francs) — raised on the market either by the European Investment Bank (EIB) or through a Community loan (the Finance Ministers of the Twelve, who met on Friday, would prefer the EIB, while the Commission would prefer the loan) — to a development programme for major European transport and telecommunications infrastructure.

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