



*European Communities
Commission
Press Release*

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SESSION DU PARLEMENT EUROPEAN

TEXT OF PRESIDENT JENKINS' SPEECH IN WINDING UP ON 13 SEPTEMBER.

BUDGET DEBATE

I INTERVENE BRIEFLY AT THE END OF THIS DEBATE IN ORDER TO UNDERLINE THE IMPORTANCE WHICH THE COMMISSION ATTACHES TO WORKING WITH THE PARLIAMENT TO PERSUADE THE COUNCIL TO RESTORE THE DAMAGING, INDISCRIMATING, ILLOGICAL AND CONSEQUENTLY UNACCEPTABLE CUTS WHICH IT MADE IN JULY. NO-ONE IS, IN PRESENT CIRCUMSTANCES, OR INDEED ANY LIKELY FUTURE CIRCUMSTANCES AGAINST BUDGETARY RESPONSIBILITY WITH A CONSEQUENT DEGREE OF STRINGENCY. BUT THESE WERE NOT IN MY VIEW RESPONSIBLE CUTS. THEY PAID LITTLE OR NO REGARD TO ANY SENSE OF STRATEGY OR PRIORITIES, TO THE FUTURE DEVELOPMENT OF EUROPE, TO THE STATEMENTS OF PURPOSE IN THIS RESPECT DELIVERED EITHER BY THE EUROPEAN COUNCIL OR BY THIS PARLIAMENT, OR TO THE CAREFUL AND DETAILED WORK DONE BY THE COMMISSION ON MAKING THE BUDGET NOT JUST AN ACCOUNTANCY EXERCISE BUT AN EXPRESSION OF POLICY.

I CAN ASSURE THE HOUSE THERE HAS BEEN NO "OVER-BIDDING" BY THE COMMISSION IN THE BUDGET PROPOSES: BUT THIS COULD OCCUR IN THE FUTURE IF WE KNOW THAT INDISCRIMINATE CUTS ARE COMING.

TODAY'S DEBATE CANNOT HAVE BEEN ALTOGETHER INSPIRING EXPERIENCE FOR MR. EYSKENS REPRESENTING THE PRESIDENCY. ONE OR TWO MEMBERS GAVE HIM A WORD OF PERSONAL SYMPATHY. I TOO FEEL A LITTLE SYMPATHETIC TOWARDS HIM, ALTHOUGH NOT AT ALL TO THE POSITION HE HAS TO DEFEND. HE OUGHT, IN VIEW OF THE STRENGTH OF FEELING IN PARLIAMENT, TO HAVE HAD HIS EIGHT COLLEAGUES FROM THE COUNCIL SITTING ALONGSIDE HIM.

WHAT HAS BEEN MOST STRIKING AND RELEVANT ABOUT THIS DISCUSSION HAS BEEN ITS CONCERN WITH THE PRESSING ECONOMIC AND HUMAN PROBLEMS FACED BY THE COMMUNITY. WE ARE NOT TUCKED AWAY IN SOME REMOTE CORNER OF EUROPE DISCUSSING HOW TO ADJUST A SET OF ACCOUNTS TO TAKE ACCOUNT OF INFLATION. (THOUGH EVEN THAT, A NECESSARY TASK IN ITSELF, WOULD IN SOME BUDGETARY AREAS HAVE PRODUCED BETTER PROPOSALS THAN THE COUNCIL HAVE.) NO - WE ARE AT THE HEART OF EUROPE DEBATING PROPOSALS FOR EXPENDITURE WHICH COULD OFFER SUBSTANTIAL ASSISTANCE IN TACKLING THE MAJOR PROBLEMS WHICH CONFRONT ALL MEMBER GOVERNMENTS AT THE PRESENT TIME. HENCE, IN ITS BUDGETARY PROPOSALS THE COMMISSION HAS TAKEN ITS POLITICAL RESPONSIBILITY. IT HAS PROPOSED AN IMPORTANT AND REFORMING DEVELOPMENT OF THE REGIONAL FUND, A CONSOLIDATION AND STRENGTHENING OF THE SOCIAL FUND'S LABOUR MARKET MEASURES, AND A GROUP OF FORWARD LOOKING INDUSTRIAL AND ENERGY PROJECTS. WHAT HAS BEEN THE COUNCIL'S RESPONSE - TO CUT PRECISELY THOSE AREAS THAT

AFFECT EMPLOYMENT. INDUSTRIAL STRUCTURE, AND FUTURE WELL DIRECTED ENERGY INVESTMENT. THE MAIN BURDEN OF THE CUTS PROPOSED BY THE COUNCIL HAVE THEREFORE STRUCK AT THE AREA OF MOST PRESSING POLITICAL NEED, EMPLOYMENT AND THE FUTURE VITAL AREAS OF INDUSTRIAL STRUCTURE AND ENERGY INVESTMENT.

THE SHAPE OF THE PRIORITIES THAT THEN EMERGES SEEMS AS INHERENTLY UNDESIRABLE AS IT IS POLITICALLY INDEFENSIBLE. WE ARE LEFT PRINCIPALLY WITH THE DECISIONS THAT THE COUNCIL HAVE BEEN MAKING IN THE AREA OF FARM PRICES ON THE ONE HAND AND FOOD AID ON THE OTHER. THE COST OF AGRICULTURAL PRICE SUPPORT THAT WE FACE IN THIS YEAR'S BUDGET IS HIGHER IN THE COMMISSION'S VIEW THAN IT OUGHT OR NEED BE. THE DECISIONS HERE WERE TAKEN BY THE COUNCIL AT THE ANNUAL PRICE FIXING IN THE SPRING. THESE DECISIONS ARE NOW AGGRAVATED BY THE COUNCIL IN INCOMPREHENSIBLY CUTTING THE FOOD AID PROPOSALS IN THE BUDGET BEFORE US, WHICH PROMISES TO BE A CONSPICUOUSLY FALSE ECONOMY IN VIEW OF THE FACT THAT THE COMMODITIES WILL HAVE TO BE DISPOSED OF IN ANY CASE.

WE SHOULD SOUND A CLEAR WARNING AGAINST THE TENDENCY FOR THESE EXCESSIVELY EXPENSIVE DECISIONS IN THE FARM COUNCIL TO BE FOLLOWED BY WEAK POLICY-MAKING IN THE OTHER SECTORS OF WHICH I HAVE REFERRED. WE NEED TO STRENGTHEN THE CENTRAL INDUSTRIAL AND EMPLOYMENT CREATING PARTS OF OUR ECONOMIES. IN PART TO FACILITATE STRUCTURAL CHANGE IN AGRICULTURE. INSTEAD WE SEE THE COUNCIL IN ITS BUDGET DECISIONS MORE INCLINED TO SET THE COMMUNITY ON THE REVERSE AND DANGEROUS COURSE OF NEGLECTING ITS CENTRAL MECHANISM BECAUSE OF PROFLIGACY IN ONE SECTOR. I APPEAL TO BOTH THE PARLIAMENT AND THE COUNCIL TO USE TO GOOD ADVANTAGE THE WEEKS AHEAD FROM NOW TO DECEMBER - WHEN THE 1978 BUDGET IS FINALLY ADOPTED - TO CORRECT THESE UNWISE AND DAMAGING TRENDS.

THE BUDGET CONCERNS OUR FUTURE PRIORITIES. IT SHOULD BE AN EXPRESSION OF POLICY NOT AN ACCOUNTING EXERCISE. THE COMMISSION MADE WHAT WE BELIEVE WERE RELEVANT AND BALANCED PROPOSALS, AND WHILE THE COMMUNITY, NO LESS THAN ANY MEMBER STATE CAN BE IMMUNE TO THE NEED FOR FINANCIAL DISCIPLINE, THAT DISCIPLINE MUST BE EXERCISED IN A CONSTRUCTIVE AND NOT A DESTRUCTIVE WAY. THERE IS SCOPE FOR ARGUING ABOUT PRIORITIES BUT NOT FOR REMOVING ALL SENSE OF THEM. I THEREFORE HOPE THAT TWO THINGS WILL ARISE FROM THE DEBATE. FIRST THAT IT WILL BE A SPUR TO DECISION. THERE ARE TOO MANY POINTS AT WHICH CUTS HAVE BEEN MADE BECAUSE AGREEMENT TO POLICY PROPOSALS IS YET TO COME. THE ADOPTION OF THE BUDGET IS ESSENTIAL TO THE ADOPTION OF THE COMMISSION'S POLICY PROPOSALS. SECOND, I HOPE THAT THE PARLIAMENT WILL FIRMLY INDICATE ITS POLITICAL VIEW AND RESTORE THE CUTS PROPOSED BY THE COUNCIL.

WITH THE ADVENT OF DIRECT ELECTIONS THIS WILL, I HOPE, BE THE LAST BUDGET THAT THIS PARLIAMENT WILL HANDLE. I HOPE IT WILL SIGNAL TO ITS DIRECTLY ELECTED SUCCESSOR THE IMPORTANCE OF INFLUENCE OVER BUDGETARY DECISIONS AND THE POLITICAL CHOICES WHICH THEY POSE.