

Annex

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## NOTE TO READER

Appearing at the same time as the English edition are editions in the five other official languages of the Communities : Danish, German, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken : *(DK)* for Danish, *(D)* for German, *(F)* for French, *(I)* for Italian and *(NL)* for Dutch.

The original texts of these interventions appear in the edition published in the language spoken.

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IN THE CHAIR: MRS VEIL

*President*

*(The sitting was opened at 10.05 a.m.)*

**President.** — The sitting is open.

1. *Resumption of the session*

**President.** — I declare resumed the session of the European Parliament which was adjourned on 20 June 1980.

2. *Membership of Parliament*

**President.** — The French authorities have informed me of the appointment on 20 June last of Mr Fanton as Member of the European Parliament to replace Mr Druon.

The Italian authorities have informed me of the appointment on 24 June 1980 of Mr Vitale as Member of the European Parliament to replace Mr Amendola.

I welcome these new colleagues, who, pursuant to Rule 3 (3) of the Rules of Procedure, will provisionally take their seats in Parliament and on its committees with the same rights as other Members.

3. *Documents received*

**President.** — Since the adjournment of the session I have received from the Council, the committees of Parliament, the political groups and Members of Parliament various documents, a list of which you will find in the minutes.

4. *Authorization of reports — Referral to committees*

**President.** — Pursuant to Rule 38 of the Rules of Procedure, I have authorized several committees to draw up reports. In the minutes you will find details of these authorizations, as well as a number of referrals to committees.

5. *Statement on motions for resolutions*

**President.** — In the minutes you will find a detailed statement on the decisions taken by the Committee on

Social Affairs and Employment with regard to motions for resolutions Docs. 1-836/79 and 1-8/80.

6. *Order of business*

**President.** — The next item is the order of business.

At its meetings of 3 and 19 June 1980 the enlarged Bureau drew up the draft agenda which has been distributed to you (PE 65.439/rev.).

Pursuant to Rule 12 of the Rules of Procedure, Mr Aigner, chairman of the Committee on Budgetary Control, has requested that his report on the implementation of the 1979 budget be placed on the agenda for this part-session (Doc. 1-275/80).

I propose that this report be put down for joint debate with the reports by Mr Dankert and Mr Jackson on the general budget of the European Communities for 1980.

I would remind the House that reports on the agenda for this part-session, which cannot be considered will automatically be placed on the agenda for the July part-session.

I call Mr Peters.

**Mr Peters.** — (D) Madam President, ladies and gentlemen. As rapporteur and on behalf of the Committee on Social Affairs and Employment I move that the debate on the Peters report on steel (Doc. 1-215/80) be held over at least until the July part-session as the political groups have not had time to prepare for it thoroughly and important political questions concerning the steel industry and the social measures must be discussed in detail before it is dealt with in the House.

**President.** — Are there any objections?

That is agreed.

I call Mr Blaney.

**Mr Blaney.** — Madam President, on behalf of my group I wish to protest against the non-availability of documents relating to this very important matter of the budget, and in doing so, I am sure that I echo the views of all the other Members of this House. Many of us were seeking this documentation last night and again this morning. We are supposed to consider seriously and ultimately decide by vote various items in regard to this very important subject, and yet an hour before we meet to consider the budget there is still no documentation available. We fully appreciate



**Blaney**

that we have to shorten procedures because of the situation, but nevertheless I want to protest most emphatically. It is just ludicrous: it is a farce.

*(Applause from various quarters)*

**President.** — The Committee on Budgets finished its deliberations yesterday at 1 p.m. Since then the Secretariat has been hard at work preparing, translating, printing and distributing all the documents.

When the enlarged Bureau drew up its agenda for this part-session, it pointed out to the chairmen of the political groups that time would be very short and that there would be no question of having the documents available 24 hours beforehand.

In the circumstances the chairmen of the groups accepted this arrangement. However, in each group there are Members who were present at the meeting of the Committee on Budgets and were thus in a position to brief their group rapidly and prepare for the debate on the budget even before the documents appeared.

I call Mr de Ferranti.

**Mr de Ferranti.** — Madam President, could I ask you please if you would give a ruling now on whether or not to retain on the agenda the five last items for debate — the non-budget items for debate. In asking you to give a ruling, Madam President, could I point out to you and through you to the House that the last three items all relate to technical barriers to trade and, from their titles, give the impression, perhaps, that they are technical and do not contain any important points of principle which Parliament should consider.

Might I just draw attention to the fact that the particular directive that relates to products originating in third countries raises a very important point of principle for Parliament and for Europe in that it concerns the extent to which we are going to be able to negotiate from a position of strength. With third countries, it raises the question of the possible protection of our motorcar industry or, on the other hand, opening up of world markets. The question of fork-lift trucks appears to be detail but that also raises the whole question of how we are going to truly open up the market for goods throughout the Community. This is a test case, a matter of the greatest importance for Parliament. The third one really is genuinely not important. If, Madam President, you decide today that these three items should be postponed, I would hope very much that you can give adequate rooms for a proper debate on these three important topics at the July session.

**President.** — Mr de Ferranti, it is quite impossible for us to make any estimate today of how long the debate on the budget is likely to last. It is quite possible that

we will be unable to consider these items tomorrow, in which case they will automatically be given priority on the agenda for the July part-session. However, as it is also possible that the voting may take less time than we think, we cannot decide right now to withdraw these items from the agenda, unless a formal request is made that they be withdrawn.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Madam President, purely to support my honourable friend, I really do think that these are matters of substance which we really must not try and skip over quickly tomorrow. I think we are going to have a fair number of amendments to vote on tomorrow and we will have to vote on them in the normal old-fashioned way which will take time. I would hate to see this Parliament start to try to hold these important debates in five minutes, so I formally request you now to remove those last three items and to place them on the July agenda.

*(Applause from certain quarters on the right)*

**President.** — Do you wish these items to be withdrawn, Mr de Ferranti?

**Mr de Ferranti.** — I do so move, Madam President.

**President.** — Are there any objections?

That is agreed.

I call Mr Kellett-Bowman.

**Mr Kellett-Bowman.** — Madam President, I should like to support two people who have already spoken this morning — one who complained that we are meeting with a lack of documentation on which to make our decisions, and the other who commented on the pressure on the agenda. It seems odd to me that a report which was rushed before the Committee on Budgetary Control on Monday and passed by only seven Members should be beautifully printed and presented to us today! I refer, of course, to the Aigner report which is in front of us.

Is it really a necessary part of the 1980 budget, and have we not got a later bite at this particular cherry when we do consider the 1979 discharge report?

**President.** — It was Mr Aigner, chairman of the Committee on Budgetary Control, who asked in writing that his report should be taken jointly with the debate on the other matters. There have been no objections so far to this proposal.

**President**

I call Mr Colla.

**Mr Colla.** — (NL) Madam President, I should like to support Mr Kellet-Bowman's request concerning the Aigner report. I believe that it is very important for us in the Committee on Budgetary Control to be able to have an exchange of views since I am afraid that the official discharge procedure could be too easily bypassed. I think that we must look into the question of whether and how a debate on this problem can be held in the House, but I am of the opinion that it is best for Parliament not to consider the item yet.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) Madam President, I feel that since we are under so much pressure, we could hold over this item until the July part-session.

(Applause from various quarters)

**President.** — This report therefore is also held over.

Are there any further comments?  
This order of business is therefore agreed.<sup>1</sup>

#### 7. Speaking time

**President.** — In agreement with the enlarged Bureau I propose that for the budgetary reports speaking time be allocated as set out in the draft agenda.

This speaking time is to be used for the presentation of the reports and of the amendments. Apart from a statement by the rapporteur to indicate briefly the opinion of the Committee on Budgets, no other statement may be made during the vote.

For any debates that may follow the votes on Friday morning speaking time will be allocated according to the amount of business remaining.

I call Mrs Bonino.

**Mrs Bonino.** — (I) Madam President, the chairman of my group has already correctly drawn attention to Rule 13 of the Rules of Procedure. Although it is clearly necessary to accept a situation which conflicts with the provisions of the Rules of Procedure, I would ask you, Madam President, to give an assurance that this will not be taken as a precedent and that in future, particularly regarding the budgetary procedure, the provisions of Rule 13 will be adhered to.

<sup>1</sup> See minutes of the sitting.

**President.** — It goes without saying that everyone wants the debate on the budget to be held under optimal conditions, and this in itself presupposes the relevant documents being available in good time. However, the vast majority of the Members are also anxious that the budgetary part-session should be held at this time. After all, if we insisted on observing the timetable laid down in Rule 13, we could not meet before July, since the Committee on Budgets met only yesterday.

I must also pay tribute to the heroic work done by the Secretariat and the Committee on Budgets since Saturday last, the day on which we received the documents from the Council.

It is obviously preferable that when debates on the budget are being organized, the timetable laid down should be observed. This is particularly the case when the budget is adopted in the normal way. However, the special circumstances, of which you are all aware, and the proximity of the summer recess mean that we are working under exceptional conditions, which force us to bypass the provisions of the Rules of Procedure.

#### 8. Deadline for tabling amendments

**President.** — I would remind the House that for the new draft budget for 1980 the pre-report deadline for the tabling of draft amendments and proposed modifications expired on 23 June and that the post-report deadline has been fixed for today at 3 p.m.

For all other reports I propose that the deadline for tabling amendments be fixed as set out in the draft agenda.

Are there any objections?

That is agreed.

#### 9. Provisional twelfths for certain sectors of the EAGGF/ Guarantee Section

**President.** — The next item is the report (Doc. 1-278/80) drawn up by Mr Dankert on behalf of the Committee on Budgets, pursuant to Article 204 of the EEC Treaty and Article 8 of the Financial Regulation authorizing further twelfths for the EAGGF Guarantee Section (Doc. 1-241/80).

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Madam President, although the topic which is the first item on the agenda is of considerable importance, it seems to me

**Dankert**

that we require only a relatively short time to discuss it. It is in fact a question of granting the Commission authorization for the use of additional provisional twelfths within the framework of the EAGGF, Guarantee Section. The Commission tried at first to put off problems which it saw coming by using what the Committee on Budgets felt to be a wrong interpretation of the Financial Regulation, in particular Article 96 thereof. The problems obviously need to be tackled now.

Madam President, I hope that, as far as the Commission is concerned, by adopting the 1980 budget we shall be spared any further problems, but in the situation we now find ourselves in, it is necessary for us to make a number of observations on the Commission's request for additional provisional twelfths and for a number of transfers. The latter concerns an amount of some 100 million EUA.

The Committee on Budgets and the Council have — I think this was already clear in January — taken the line that in the absence of a budget transfers are not possible on the basis of the decisive principle that the amounts are calculated for each chapter. When calculations are made per chapter, then the system is completely undermined if transfers can be made from one chapter to another. That is what we saw in connection with Afghanistan and again in a number of other cases. I therefore believe that it is necessary, even if a budget has again to be rejected, to obtain more certainty about the interpretation of the application.

Madam President, there are also some obscurities in the Council's position. It is not clear to us why the Council came up with different figures from the Commission. It is said that the Council took for comparison different budgets from those used by the Commission and thus reached a different result; but it is noteworthy that no mention is made of this in the documents sent to Parliament by the Council. Apart from the problem of the twelfths, it is important to mention in this connection that — as it appeared last year on occasion of the third supplementary budget, which, as usual, was principally an agricultural budget — Parliament, certainly in comparison with the Council, but even in comparison with national parliaments, is inadequately informed by the Commission of developments in the agricultural sector, which is particularly essential for the budget. We are always a number of months — and when I say a number, I mean at least three — behind in receiving factual information. The Committee on Budgets has noted all too often that this can only lead to friction. I am pleased at the Commission's undertaking — and I should like to state this explicitly here — in future to provide us with information about advances at the moment they are made. We naturally do not wish to burden the Commission with even more unnecessary fuss and bother, but I believe that, given the volume of expenditure, it is very important for the Commission to seek a way of informing

Parliament as fully as possible, although, of course, without getting buried under a mountain of paper work. I am grateful to the Commission for that promise, which, I might add, comes in addition to the three-monthly reports which we already have. I should also like to urge that these three-monthly reports be improved somewhat and that before the official reports appear, the parliamentary committees concerned be supplied with the relevant figures, as the June figures do not land on our desks until September.

There is one other point which I consider important in this context, i.e. that under the system of provisional twelfths the Commission has been able to economize on refunds compared with the past. The Commission advanced as its motive for reducing the refunds the need to keep within the budget. That is a measure which must naturally be applauded. One sometimes wonders why such measures are not taken now and then during periods of greater economic prosperity on condition that they do not immediately lead to an increase in butter mountains and milk lakes. For then there is naturally no point to the measure, since some costs within the agricultural budget are going up while others are going down. It is a matter of total expenditure within the agricultural policy, of which refunds only represent a part. But it is important for there to be more consultation with the Commission on the content of those measures and the question of what appropriate measures could be taken in the future to make the excessively expensive system of refunds somewhat less costly. There are a number of suggestions, even publications, on the question of whether another system would not be better and whether the present system does not lead to too much waste to the benefit of the large exporters in the Community. I have for the moment, for lack of official reports, little of a practical nature to say about this but it is a fact that pressure in that direction is growing and I should like to recommend the Commission, before any measures are actually taken, to consult further with Parliament on this matter. Madam President, I am of the opinion that the whole problem of the twelfths, the application thereof and implementation of the budget so far should be looked at further by the Committee on Budgetary Control. This is however a matter which I hand over to Mr Aigner with no problem.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, we all of us hope of course that the 1980 budget will be passed in the near future and that once this happens the available funds will be there so that the problems which we are now discussing will fall into the past, in which case the present debate may therefore appear somewhat academic. Nonetheless, major differences have appeared in the way Parliament and the Commission read the ground rules, to say nothing of the Council's own interpretation. As this

**Tugendhat**

may have repercussions for the 1980 discharge, I feel bound to place on record the Commission's interpretation.

Three different matters are concerned. The first is the treatment of Guarantee Fund advances to Member States. These advances count as provisional global commitments under the terms of Article 96 of the Financial Regulation and it is the view of the Commission that they can be classed as commitment transactions, as provided in Article 8, thus allowing up to three-twelfths to be used in January, plus a further twelfth in each subsequent month. It is this interpretation which has enabled the Commission to meet Member States' declared financing needs for the first five months of the year, and in other words, in my view, to maintain the *acquis communautaire* despite the very difficult circumstances through which the whole Community has been living. Parliament's view, on the other hand, is that Guarantee Fund expenditure is governed by the provisions of Article 8 relating to payments, so that the Commission only has at its disposal one-twelfth for each calendar month.

The second issue concerns the starting-point for calculating the twelfths. The question is whether, as Parliament thinks, the sole base should be the 1979 budget, or whether, as is held by the Commission, one should take as a starting-point either the 1979 budget or the draft 1980 budget rejected by Parliament, whichever of the two is the lesser.

The third matter is the admissibility of transfers between chapters within the system of twelfths. The Commission thinks they are allowed. Parliament holds the contrary view. My view is that if those who made the rules had thought such transfers incompatible with the provisional twelfths regime, it was their duty to say so since no such provision exists, the Commission considers the twelfths system to be subject to the various provisions of the Financial Regulation, including in particular Article 21 dealing with transfers. Now, Madam President, this is not the time nor perhaps the occasion to try and resolve the issues I have just summarized, but I do commend to the House the suggestion made by the chairman of the Committee on Budgets, Mr Lange, that once we have put our present difficulties behind us, it would be useful if the institutions involved sought an agreed interpretation of the relevant regulations, based on the lessons of the experience we have now gained. I would only make one point at this stage: the rapporteur has expressed his position in very strong terms. I hope this does not mean that the European Parliament will approach the dialogue with a closed mind. Obviously, the fact that the regulations have been interpreted in different ways shows that they are not entirely clear. This enhances the need for the examination that Mr Lange has suggested, but it also shows that we are dealing with a problem which is really quite complex and where a number of interpretations appear at first sight all to have a certain validity.

Turning finally, Madam President, to the important issue of keeping Parliament informed about Guarantee Fund operations, I can say that the Commission is, of course, ready to give Parliament all the budgetary information which it needs to receive. During the operation of the twelfths system, we have, in fact, given data on the utilization of appropriations to the parliamentary committees concerned every month.

In future, in advance of the submission of the quarterly written reports, we will see that these committees are sent the relevant figures as quickly as possible in the most up-to-date form. The Commission is likewise prepared to give details of the global advances made each month. These arrangements will, I think, give ample satisfaction to the wishes of Parliament.

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) Madam President, ladies and gentlemen, I wish to make two remarks. First, I should like to endorse what Mr Tugendhat said concerning the need to draw the right conclusions from previous experience and to undertake a proper exchange of views. It is absolutely essential that we discuss together what we have learned from the new situation created by the system of provisional twelfths so as to avoid difficulties in the future in interpreting the Treaties and the Financial Regulation. We must reach agreement either by adding to or amending the Financial Regulation. My second point is that, even though it is impolite to say so, Mr Tugendhat's contention that this is the first time that Parliament has made its views known to the Commission concerning the admissibility of transfers within chapters, is wrong. These views were put forward as far back as last January in connection with the question of aid to Afghanistan which we resolved in line with the system of twelfths by saying that we felt that, in the absence of a budget, it was not possible to transfer funds.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur** — (NL) Madam President, Mr Lange has already spoken on the first point I wish to raise. There is no need for me to repeat what he has said; I can only support him.

On the first point, Mr Lange mentioned already what the feeling of Parliament since January concerning transfers has been and I have only to restate what he already said, so, Mr Tugendhat, I do not accept your point that you did not know. However, there are three other points which I would like to mention very briefly.

The Commissioner said that the differences of opinion show that the regulations are not clear. I think there is

**Dankert**

something to that. I think the Financial Regulation is a rather worthless instrument if it can be used by legal experts as it is used now. If there is no agreement on the fundamental principles of the Treaty as a basis for the interpretation of the Financial Regulation, then we are all lost, and I think that is the situation in the Community at the moment. As for my second point, the Commissioner said that he was willing to provide Parliament with the information it needs to receive. I think what the dispute is about is that Parliament wants to receive the information it deems necessary to receive.

My last point, Madam President, is that I am very satisfied that Commissioner Tugendhat has promised to procure for us more than I asked for, but what I would welcome very much are the details of global advances.

**President.** — I call Mr Aigner.

**Mr Aigner, Chairman of the Committee on Budgetary Control.** — (D) Madam President, as this has been put to me a number of times I wish to stress — in the knowledge that the Court of Auditors agrees with me on this — that the authors of the Financial Regulation clearly did not anticipate the situation in which there would be no budget for more than half a year. Consequently all interpretations are arbitrary and I am sure, Mr Tugendhat, that we will encounter a number of difficulties during the debate on the discharge.

Madam President, I simply wish to take the opportunity of asking the Council and the Commission to begin the revision of the Financial Regulation as soon as possible. It is necessary and it is something which the Court of Auditors will demand. I feel that this is a concrete case where conciliation must be reached between Council and Parliament. I therefore ask the Council and the Commission to begin the work as soon as possible.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, there may have been a difficulty in translation because Mr Lange clearly thought that I had made a point about Parliament which, quite honestly, did not feature in my speech at all. I was not addressing myself to that particular point. Perhaps we could discuss it afterwards, but the question about Parliament not making its views clear in time was not one which I raised during my intervention.

**President.** — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

**10. Membership of committees**

**President.** — I have received a request from the Group of European Progressive Democrats that Mr Israel be appointed a member of the Committee on Youth, Culture, Education, Information and Sport.

Are there any objections?

The appointment is ratified.

**11. Parliament's draft estimates for 1981**

**President.** — The next item is the report (Doc. 1-276/80) drawn up by Mr Ansquer on behalf of the Committee on Budgets on the draft estimates of revenue and expenditure for the European Parliament for the financial year 1981.

I call Mr Ansquer.

**Mr Ansquer, rapporteur.** — (F) Madam President, ladies and gentlemen, the Committee on Budgets recently drew up the first preliminary draft estimates of revenue and expenditure of the directly elected European Parliament. It has instructed its rapporteur to stress, before Parliament adopts these estimates, the main items contained in them and I shall attempt to outline them briefly.

Even before the election of Parliament, it was clear that parliamentary activities would increase noticeably after the elections to take account, in particular, of the role which Parliament, as the people's representative, intends to play among the institutions and in the realization of the European Community. It seemed obvious that working conditions would deteriorate given the constraints under which Parliament works, which are mainly due to having three places of work and using six languages — soon seven, after Greece joins the Community.

In order to cope with this situation, the previous Parliament had attempted to draw up a budget which would make provision for accession of the new Member State and which would permit the solution, at least in the initial phase, of the difficulties I have mentioned, which are also the cause of an infinite number of problems which are, generally speaking, insoluble under present circumstances.

The anticipated increase in Parliament's activities has subsequently been exceeded by a wide margin. The Secretary-General has already described the ways in which the activities of the directly elected Parliament have increased. My report shows clearly that the number of written questions, oral questions without debate, oral questions with debate, topics handled

### Ansquer

during Question Time, reports considered by committees, committee meetings and parliamentary part-sessions has increased to an extent that we had not thought possible. You yourself, Madam, our President, the responsible bodies and the whole Parliament have never ceased to be concerned with the situation which has thus arisen as regards organization, the establishment plan, appropriations and, of course, the staff as a result of the work overload and difficult working conditions suffered by the staff as a whole during the year. As early as last November, when Parliament gave its views, on the basis of the report by my colleague, Mr Jackson, on the adjustments needed to the 1980 budget, it had emerged clearly that Parliament was faced with two sets of problems, which were sometimes contradictory — on the one hand, the need to enable Parliament to carry out normally its rapidly increasing activities and, on the other hand, the demands of budgetary rigour, which also affect the Secretariat's establishment plan and which have always been the basis for deliberations on the draft estimates.

It is the same requirements, Madam President, which inspired the decisions of the Bureau and the Committee on Budgets which Parliament is about to consider with a view to drawing up its draft estimates for 1981. I think I can state that we have tried to limit both expansion of the establishment plan and the increase in appropriations. Nevertheless, the number of posts requested may appear high. We are asking, in particular, for 320 permanent posts to be created. This figure must be seen within the context of the adjustments needed with a view to the introduction of the seventh Community language, which brings requirements in a geometrical progression. We must also bear in mind that 156 of the posts requested are needed to alleviate the difficulties caused by the increase in the rate of parliamentary activities at the three places of work.

Finally, I must stress that 76 of the newly created posts are the result of an initial partial structural adjustment, which involved not only an increase in the establishment plan but an effort at rationalization.

We should also bear in mind that there are now three extra parliamentary committees, that several committees have set up permanent sub-committees or temporary working parties, that the number of inter-parliamentary delegations has increased from 6 to 22, that meetings are far more frequent, that the resulting administrative tasks are heavier and more complex, that activities connected with information are increasing noticeably and that documentary research and the number of studies carried out increased by 60 % in 1980 over 1979.

Consequently, the first structural modification concerns, in particular, the administrative management of parliamentary files, the supplies and maintenance and buildings sections — as the number of buildings used in the three cities has increased considerably — legal and administrative questions and those concern-

ing disputes; finally, major technical services like typing and printing.

However, Madam President, ladies and gentlemen, the Committee on Budgets proposes to Parliament the freezing of the posts created to cover the increase in the rate of activities and structural adjustments — 232 posts out of 320 — and to provide for these posts only appropriations sufficient to cover three months expenditure so that it will be clear that the Committee on Budgets intends to recommend only gradual release of the new posts, mostly towards the end of the financial year, after the 1980 posts are fully taken up and in the light of the real needs of each sector. It seems to me that by taking these steps we can ensure a rigorous and prudent management of the establishment plan.

To improve the career prospects of officials and to meet their legitimate expectations, provision has been made for promotious or regarding in 92 permanent posts and 5 temporary posts. We consider that the regrading of these posts means that a start has been made to the restructuring of the various administrative sectors. These are problems which mainly concern the Staff Committee, of course, but which should — and do — also interest the Committee on Budgets and our Assembly as a whole.

As regards the appropriations, I proposed to the Committee on Budgets that a particular effort should be made which might give rise to certain financial difficulties during 1981. Estimated expenditure amounted to almost 218 EUA. By using greater budgetary rigour — but, perhaps, at the cost of sacrificing too many requirements which are already perfectly clear — we have reduced most budgetary items by 5 % on average. And we proposed an even bigger reduction on 19 items and articles. On these, we have been so rigorous that for the contingency reserve for example we have ended up, with an appropriation of only 2 million EUA, barely 1 % of the total appropriations required according to estimates for 1981.

Our budget thus remains slightly below 200 million EUA. The rate of increase will be about 12.2 %, which is the statistical rate of increase already noted by the European Commission for non-compulsory expenditure in 1981. I have dwelt at some length on the size of these reductions not only to explain their scope but also to stress that if any new elements should arise to generate extra expenditure, this would necessarily require additional appropriations which Parliament would then have to enter through amendments during the general consideration of the budget of the European Communities for 1981, next autumn.

Madam President, ladies and gentlemen, before concluding my presentation of the draft estimates for 1981, I wish to stress once more, as did Mr Jackson in his report last November, how vital it is to continue with the analyses which are already under way with a view to solving the institutions's management prob-

**Ansquer**

lems and rationalizing its structures. To be sure, the increase in the number of Members from 198 to 410 and the development of Parliament's activities require a strengthening of its structures and an increase in its resources. We must, in any case, continue in our efforts to solve these problems by rethinking present structures to make them, if possible, better suited to new requirements and therefore more rational. With this in view, the Committee on Budgets — in a spirit of cooperation, Madam President, — with all the bodies concerned with these problems, intends to make its contribution, at least as regards a series of initial short-term measures, which might lead to specific proposals on the first reading of the draft Community budget, in other words before the end of this year.

We shall also ask for studies on this scale to be carried out, at least for the medium and long term, with the help, if necessary, of experts in management.

For my part, I shall not fail — with the rapporteur on the 1980 budget and thanks to the collaboration of the Secretary-General, which I know to be forthcoming, and of his office — to go more thoroughly into these matters so that the deliberations which the whole Parliament will be holding on the organization of its work and of the Secretariat staff can truly amount to a genuine budgetary policy, a genuine staffing policy, a policy which Parliament must be able to implement in order to fulfil the role it intends to play, which seems to me vital in the Community context.

Madam President, ladies and gentlemen, the Committee on Budgets could have presented you with a motion for a resolution also setting out all these considerations and the objectives and guidelines which we must adopt this autumn in order to achieve the best possible organization of our activities. To make Parliament's work easier during this particularly busy part-session and also to respect the deadlines for adoption of our draft estimates, which are imposed on us by the Treaty, the Committee on Budgets preferred to put forward a fairly simple proposal which will enable Parliament to deliberate quickly but with a full knowledge of the facts.

**President.** — I call Mr Hord to speak on behalf of the European Democratic Group.

**Mr Hord.** — Madam President, if those people who have had a chance to look at Mr Ansquer's report are responsible parliamentarians, I think they will agree with me and my group that this is a bad document. It should be stressed that there is no reference to reining in expenditure, and the report could be described as a big spender's manifesto. How can we seriously consider this Parliament spending 12.4 % more than last year, when we were so hard on the farmers? In March, we spoke of 4 % or 5 % for the farmers. Some

were even talking about freezing agricultural prices; but two months later we come here and talk about adding 12½ % for the Parliament! It concerns my group that there is no thought for cutting back expenditure. Should every department see an increase? Is there no opportunity for reducing expenditure? I must say that there seems to be an almost total lack of responsibility in getting our own house in order. We have three places of work. Why should we be persevering with this idea and spending more money on these three places of work when we can determine where we operate? Parliament, as we have been told countless times — particularly by my colleague, Mr Tyrrell — is in a position to determine its own place of work and I believe it is incumbent upon us to do that now before we start a big spending operation on the three places of work. I suggest to this House that we should seriously consider this question before we decide on Mr Ansquer's document here today, as if it were not enough to have three hemicycles, the Bureau is now suggesting that there should be Members' offices in each of these three places of work: 500 new offices at Strasbourg, another 500 offices in Luxembourg and a further 500 in Brussels, all on top of the 410 offices which we Members are entitled to have in our constituencies! So we have 2 000 offices being made available for 410 Members. Are we serious in this sort of proposal? I suggest that this is a very serious matter, because there are a lot of people, both here and outside, who believe that the Parliament should increase its budgetary powers, but how can we be expected to be taken seriously on that point if we cannot put our own house in order? We must deal with our own situation, our place of work, and act responsibly on the costing of the Parliament's organization before we can start calling for more powers on the obligatory side. So I suggest to this House that this is an urgent and important matter.

Now, Madam President, I would like to draw your attention to certain amendments which my group regard as important in connection with staffing. We see that it is proposed to have 76 permanent posts to deal with structural adjustments, and the rapporteur was just telling us that these posts are required to make the institution more efficient. Well, that seems a rather strange approach to me, and I am afraid that he has not convinced me that we really need 76 permanent posts. I therefore give notice to this House that my group will be putting down an amendment for the deletion of the proposal.

Furthermore, we are called to approve 156 posts to deal with the three places of work — this great sin that all of us seem happy to go along with. Consequently, my group considers it more appropriate for those 156 posts to be temporary.

Again on the subject of staffing, we do not consider it appropriate to consider making permanent the 113 temporary posts in respect of the translation and interpreting services in Greek until we have been able to

**Hord**

formulate policy on the number of official languages. My group will therefore be proposing that that conversion from temporary to permanent status should not proceed.

Furthermore, with regard to this building operation, which seems to be going across the whole of northern Europe, my group feels it appropriate to put down an amendment reducing the commitment for rents of new buildings and transferring the rents for the proposed new buildings to Chapter 100 so that the Committee on Budgets may have a further opportunity of investigating the whole situation in respect of this European Parliament building empire.

This report highlights the problem of decision-making in this Parliament. I think most Members will feel that decisions of the Bureau are taken without due regard for the views of Members as a whole. We should seriously consider changing the system so that matters, including very important matters appertaining to Parliament, are put before this House instead of being presented almost as a *fait accompli*.

In this connection, therefore, my group is very worried about the proposals before us today, and if the various amendments which we are submitting are not approved, we shall seriously consider not giving the report our approval, because we believe that a very substantial amount of time is necessary to investigate all these matters. This House should be warned against going along with the views of the Bureau and this report, because I can see that we shall be subjected to a very substantial amount of criticism and our credibility will be at stake. Many people outside may well believe that we are intent on building a paradise conceived of only by the beloved Professor Parkinson.

## IN THE CHAIR: MR B. FRIEDRICH

*Vice-President*

**President.** — I call Mr De Goede.

**Mr De Goede.** — (NL) Mr President, when considering the final adoption of the 1980 budget we might almost lose sight of the fact that the year 1981 is already upon us. The Ansquer report is nevertheless before us and this report concerns the budget of our own Parliament.

Mr President, a good Parliament spends much of its time on control and critical assessment. In my view, that should also be the case when it is a matter of our own economic management, our own activities and our own budget. We should be as sharp and critical

when assessing our own performance as with the many other things we are called upon to pass judgment on.

Mr President, there are in my view a number of objections to our budget for 1981. Last year, in the 1980 draft the rapporteur, Mr Jackson, proposed that the newly elected Parliament should begin to put its house in order by calling in a reputable firm of management consultants to take a critical look at the efficiency of our establishment. The fact that this has not happened represents, in my view, a missed opportunity. The so-called Working Party on Structures, headed by Vice-President Vandewiele, has looked into our internal organization. However, in my view, unless we call in such an outside firm of management consultants and have before us a detailed report, it remains impossible for us to form a sound judgment on the question of whether massive expenditure is justified.

Mr President, our budget for next year amounts to nearly 200 million units of account, i.e. 12.4 % more than in 1980. My question is, when is there going to be a comparison with the cost of national parliaments as was promised last year? I am afraid that such a comparison would be to our disadvantage.

From a comparison with the Netherlands, where there are two Chambers with 225 Members, it appears that our Parliament, which is only twice as big, is ten times as costly and certainly does not work more efficiently. To be sure, there are explanations for our high costs. In the first place, the dispersal of our activities over three places of work. Concentration in one place of work would bring about a big reduction in our costs. It really is high time that, for reasons of efficiency, the travelling circus called the European Parliament should settle down in one place where its work is done. When will our Parliament give its opinion on the matter in plenary sitting? Our powerlessness must quickly be overcome as the unconscionable waste of time, money and manpower has assumed monstrous proportions. Strasbourg, Luxembourg and Brussels are vying with each other to provide evermore dazzling and expensive buildings and equipment, but all this cannot be efficient and justified.

The second problem, the language question, is also a factor in higher costs. Without wishing to touch the Treaty, or the Treaty rules which prescribe the use of all the languages spoken in the Community, some simplification might not be possible. Is it really necessary for each paper, each document at each phase to be presented in seven languages? Why, since the languages constitute a major cost factor, has no research been done in this direction?

Thirdly, at the present time the number of staff is also based on these factors. An increase of some 50 %, or one thousand, in two years means, in my view, that it is necessary, before this increase takes place, first to fix our place of work. Furthermore, I find that it is an omission in the Ansquer report that not a single



**De Goede**

mention is made of the savings in staff if one place of work is fixed. Such a big increase will certainly bring new major problems, since everything is going too fast and the increase is too large.

Firstly, our own travel, subsistence, secretarial and other allowances should remain modest. I concur with what the previous speaker, Mr Hord, said on this matter but I should like to point out that a proposal has also been submitted to the Bureau on behalf of this group for a 29 % increase in expenditure by the political groups.

Mr President, I sometimes have the impression that in our Parliament the thought is growing that the money will never amount. I have felt that these critical remarks were called for. A parliament that respects itself should also earn the respect of others, particularly those whom it represents. Let us see to it that we do not lose that respect by creating the impression that we are more concerned about ourselves than about the interests of those whom we represent.

*(Applause)*

**President.** — I call Mr Robert Jackson.

**Mr R. Jackson.** — Mr President, I will be brief. I am speaking personally, not for the Committee on Budgets or for the group of which I am a member. I want to say something based on my experience as rapporteur for the 1980 budget. Two main themes stand out in my mind from that experience. Firstly, as Mr Hord has said, there is the fundamental importance of a decision about a working place of places for the European Parliament. In that connection one must underline the irresponsibility of the Council in failing to fulfil its Treaty obligations to fix a permanent site for our Institutions.

*(Applause)*

There is the enormous cost to this Parliament of our failure to be concentrated in one place. Our dispersal gives rise to a material cost of probably about 15 % of the whole of our costs, not to mention the increasing burden of rents and establishments to support the three places of work. Then there are the psychological costs of our dispersal — the inefficiency, the dispersal of effort, the lack of concentration, the lack of ability to develop the kind of life that occurs in a parliament which has its own place where everybody knows it is established. I think we must underline the hypocrisy of the Council in its concern about costs and austerity in the Institutions so long as it allows this situation to continue. We must also draw attention to the fact that the European Parliament must, out of self-respect, quite apart from any consideration of reduction in costs, take a decision about this matter if the Council fails to do so.

A second theme stands out in my mind from my experience as rapporteur, and this relates to the European Parliament's own internal budgetary process. I want to say some rather controversial things about this, not from the point of view of any particular national preoccupation but from the standpoint of someone who is deeply concerned about the future of this Parliament and its role in the Community. Parliament's budgetary process is governed by the gentlemen's agreement with the Council which gives us autonomy in respect of our own budget. It is an agreement for mutual non-interference. We won't interfere in their budget. They won't interfere in ours. But the condition of this agreement is a sense of responsibility in the way in which we manage our own budget in the Parliament and, of course, a sense of responsibility on the part of the Council in respect of its own budget.

Now I do not have any doubts about the quality of the Council's budget. I was rapporteur in 1980 for the Council's budget. It is a good sound budget. It is prudently managed and it is restrained. But what about the Parliament? In order to assure responsibility, there is embodied in the rules, Rule 49 and 50, a division of functions. A complex dialogue is instituted for conciliation between the Bureau and the Parliament's Committee on Budgets, with the plenary Assembly being sovereign in the event of a disagreement. It is a system that can work only if both organs of the Parliament cooperate and take their responsibilities seriously.

I will say no more than this, Mr President, having taken part in two conciliation procedures between the Bureau and the Committee of Budgets, that it is my view, based on my experience as rapporteur for 1980, that this condition is not being fulfilled by one of the two organs concerned in this Parliament. I saw some echoes of that view in what Mr de Goede said and I noticed that he was at the Bureau meeting the last time. I went there representing the Committee on Budgets. The proof of this lies in the runaway growth of the European Parliament's spending, most easily measured by the growth in the number of posts. 500 new posts will be filled in 1980, 320 are proposed and have been approved for 1981, a growth which, in my view, is out of all proportion to our needs, even operating on three sites. I stress the fact that there has been no serious examination of the possibilities of redeployment of staff in order to fulfil existing needs. All of this is happening in a Parliament which is currently operating reasonably successfully with more than 400 unfilled vacancies. What we are seeing is a virtual doubling of our establishment plan over three years and a runaway growth in the cost of the Parliament, in an institution which is increasingly visible to public opinion and which, I think we can all be assured, will be increasingly criticized if this continues.

I will conclude, Mr President, simply by saying three things. Firstly, in these circumstances I do not believe that the Council will continue to respect the gentle-

Jackson

man's agreement. Secondly, if the Council does decide to interfere in our own budget, I for one could not condemn them for doing so. Thirdly and finally, Mr President, if the Council does interfere in our own budget, then they will have removed a most significant barrier to any decision by this Parliament to take action on one of the two things which is making us so expensive, i.e. the absence of a decision on a working place for this Parliament.

President. — I call Mr Notenboom.

Mr Notenboom. — (NL) Speaking personally, I feel I must make one or two comments, having followed the budgetary procedure of our Parliament for a number of years. I am very concerned, Mr President, — although I shall vote in favour — about the way in which we draw up our budget. The Secretary-General bears a great responsibility: he draws up the first document in which he has to set out Parliament's existing needs. He is not a political authority but Parliament's top official. He draws up a list of requirements, calculating what they will cost and how many staff are required. The most important question in all this is, who takes on the role of management? The Committee on Budgets, of which I am a member, only has an advisory role. The Bureau, which is almost entirely inexperienced ought really to be the management body. If there is a specific body to stipulate: 'These requirements are approved, but we have no funds for those, or none at the moment', then the Secretary-General can reduce the list. If however there is no single body to say: 'This is what is feasible and we can go no further' then expenditure will go on increasing. I raise this matter because, apart from the problem raised by Mr Jackson, concerning the three places of work and the six — soon to become seven — official languages, it is a trend which I find disturbing.

I will not go into detail, but I would just like to urge you, Mr President, to ensure that in the course of this year, and especially for next year's budget, our Parliament has a real management authority which will lay down our requirements. Otherwise it could well happen that the number of officials, who I know are only doing their best, will have risen so much in a year or two that Members of Parliament will exist only on sufferance — and that is something we do not wish to see come about. It seems to me difficult to call in some efficiency bureau from outside, since an international Parliament is unique: we are the only international parliament in the world. There are no precedents for an outside bureau to build on. I have great confidence in my two colleagues, Mr Ansquer and Mr Jackson, who intend to analyse the efficiency of Parliament on behalf of the Committee on Budgets, but the fact remains that they are only two individuals.

I will leave it at that but I did just want to express my concern at the fact that, in my view, this Parliament

has too little management at present. I hope that good relations will develop between the Bureau of our Parliament and the Committee on Budgets, since the present position is certainly in need of improvement.

President. — I call Mr Ansquer.

Mr Ansquer, *rapporteur*. — (F) Mr President, I shall be very brief, but there does seem to be a need to reply to the various speakers in this general debate. I think everyone has stressed the substantial growth in our appropriations and expenditure, particularly as a result of the three places of work. To Mr Hord I would say that those three places of work are at present forced upon us. We have to work with this constraint and are compelled to translate it into budgetary terms. When the Secretary-General presents his draft he is only expressing in figures a situation with which we are familiar. Of course the Council must be able to change the situation and could at least reduce the number of places of work — even if we had two we should be bound to make savings — but I cannot accept that this is Parliament's responsibility, and in particular that of the Bureau, the Secretary-General and the *rapporteur*; that is what I wanted to say to Mr Hord. The onus must not rest entirely on our institution. Secondly, I have not only proposed that the posts should be frozen, but also that the appropriations necessary for their creation should be entered in Chapter 100. Consequently, Parliament and the Committee on Budgets will automatically be informed when these posts are to be released. To our Conservative friends, I would say that it is not good enough to criticize, to make negative comments. I have the feeling that it is our Conservative friends' attitude to say no to everything. We must be constructive as well — and I hope that they will be putting forward some solutions for us to consider in this budget debate.

Mr De Goede, you stressed the lack of proportion between the national parliaments' budgets and that of the European Parliament. I believe it is difficult — as you yourself have said — to make such comparisons. There is nothing comparable to our institution, but it does seem rather irregular that the budget for 410 MPs should be four or five times as large as that for a national parliament. However, you are familiar with the reasons for all this. I think we must put forward proposals to improve the situation, and we have given ourselves until next October, working in conjunction with the Secretariat, the Bureau and of course Mr Jackson, the *rapporteur* for the 1980 budget, to deliberate on ways of improving the existing situation. Lastly, I should also like to point out that in the report which I have presented, I have proposed a substantial reduction, amounting to almost 19 million ECU — that is 19 million less than the draft submitted to us by the Secretary-General. I feel that is a substantial reduction and one that you will recognize as a token of the necessary rigour.

## Ansquer

Mr Notenboom also pointed out the need to consider ways of improving the management of our institution. He made it clear, as I have done before, that the aim must not be to pick fights with anyone in particular but rather to take the path of cooperation and consultation in our determination to improve the way our Parliament is run.

Finally, I would agree that there is an element of hypocrisy in the Council's preventing us from reducing our expenditure, and like Mr Hord and Mr Jackson I hope that the Council will be moved to take a decision in this area as soon as possible. When all is said and done, you, Mr President, and you, ladies and gentlemen, are well aware of the objective we have set ourselves. It is of course to provide our institution with sufficient funds for it to perform its tasks — which, as you know, are not only many and varied but also very substantial; for as you will have noticed during the past year our institution has frequently played a crucial role not only in Europe but also further afield. I am referring to its role in relation to the great international issues, and this is the point on which I should like to conclude. Our institution frequently represents the conscience of Europe, the voice of Europe. Let us give it the means to accomplish that important task.

**President.** — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

### 12. *Draft general budget of the European Communities for 1980*

**President.** — The next item is the joint debate on

— the report (Doc. 1-277/80) drawn up by Mr Robert Jackson on behalf of the Committee on Budgets on

the new draft general budget for the financial year 1980  
Section I — Parliament  
Section II — Council  
Annex I to Section II — Economic and Social Committee  
Section IV — Court of Justice  
Section V — Court of Auditors

— the report (Doc. 1-281/80) drawn up by Mr Dankert on behalf of the Committee on Budgets on

the new draft general budget of the European Communities for the financial year 1980  
Section III — Commission

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (F) Mr President, at a time when the Council is putting before us a draft

budget drawn up on the same basis as last November, I am not altogether sure whether we are taking part in the third, second or first reading. The Treaty only provides for two readings, so I shall bow to the wisdom of the Council's lawyers. Meanwhile I personally propose that you should consider this to be a first reading.

For the moment the Council appears to be encouraging me in this approach, since in its introduction to the new draft general budget for the 1980 financial year it refers to the 'new budget proposal' for the 1980 financial year, which in the Council's terminology means the preliminary draft forwarded by the Commission to the Council on 6 March 1980. So some progress has been made. This is therefore a first reading and I would remind you that at a first reading the Parliament must obtain 206 votes for an amendment to be accepted. Looking around me I cannot be sure that those 206 votes will be obtained tomorrow morning. If they are not, my speech will be superfluous because the Council's draft budget will be adopted automatically.

The jubilation which this misadventure might inspire in some of my colleagues would rapidly turn into a more lasting feeling of frustration, for they would quickly find they had traded their parliamentary role in establishing the budget in exchange for pocket-money and a guaranteed date for departing on holiday: We have not yet come to that; Parliament still exists. Having rejected the budget last December we can still try to justify our role in the budgetary procedure as an arm of the budgetary authority, thus justifying our mandate from the electorate.

Mr President, the question of whether or not to reject the budget does not arise at a first reading. Let us be content to exist and beware of resigning too soon. Last week the Council made a worthy effort — that is its task — to stop us from continuing to exist as a Parliament or as a partner. The Committee on Budgets resisted this attempt, and without rejecting an agreement with the Council at any cost, endeavoured to maintain Parliament's freedom of action, if within reasonable bounds. This is a fact whose political importance must not be underestimated. To accept the Council's diktat, as some journalists have called it, will be tantamount to abandoning our rights in the 1980 procedure and in the future, particularly the immediate future of the 1981 budget, which holds the prospect of much greater disappointment than that which some people believe they can consign to the past by too hasty acceptance of the 1980 budget.

To accept this diktat, Mr President, would mean finally to abandon the hard-won role of partner in the budgetary authority, and the resolve which induced us to reject the budget on 13 December. The Council would then, for a derisory sum, have obtained the power it has always regarded as being entirely its own. Some members of the Council have tried to intimidate,

## Dankert

or rather, impress us — let us be careful in our choice of words — during the conciliation procedure by flourishing the threat of a second reading. They must realize that this is a two edged sword. I am sure the Council has no interest in letting things slide until the Commission is forced to stop all payments to the Community's farmers. Nor indeed has Parliament. It would thus be much better to agree on a compromise which respects not only our rights but also the interests of the Community. It is only in this context that we could be able to opt for an accelerated procedure.

How is it that we can envisage a compromise of this kind only a few months after the confrontation which induced us to opt for rejection? In the period since last December the actual budget has not changed much; but the circumstances in which we are voting on the budget are very different. Mr President, the European Council in Venice asked the Commission to put forward proposals for restructuring the Community budget in good time for the 1982 financial year. It may be feared that what is planned for 1982 will prove to be essential in 1981. Parliament was quite wrong to imagine that our difficulties would vanish once the 1980 budget had been adopted. It is quite probable that the crisis we have just been through will seem a minor affair compared with the one we shall then be facing.

I wish my successor all the courage he will need. I hope he will make use of the holiday period to summon up the lucidity he will require to master the complicated documentation which I have no doubt Messrs Tugendhat, Strasser and Co will be putting before us.

But to return to the documents now in front of us, which as I explained date from June. In the meantime the Agricultural and Financial Ministers have met and Parliament has held a special part-session on agricultural prices and associated measures. I do not have the impression that the position we took last December has emerged from this enhanced.

May I also say that our initial position, which at least had the merit of making a start on the debate on farm surpluses, which had been postponed for too long, was much less bold than that taken by the Commissioner for Agriculture. It would be difficult to accuse us of abandoning a position which we never adopted. We were and remain moderate, not because we have an immoderate fondness for moderation, but because where compulsory expenditure is concerned our appetite must of course be satisfied by the titbits which the Council leaves for us.

Today the Committee on Budgets is proposing a still less substantial menu, since the Council of Agricultural Ministers has already taken its decisions for 1980/1981. If, however, we wish to take the initiative — and as the budgetary authority we must do so — our only choice is to require the Commission to be still more

rigorous in its management of the Agricultural Guarantee Fund, and not just for strictly budgetary reasons. There have for long been rumours of a considerable waste of Community resources resulting from the system for prior determination of refunds. In the views of an expert quoted in *Le Monde*, 5 % of committed expenditure could be saved by rectifying distortion in the refund system, and this would lead to a saving of more than 130 m EUA in the milk sector alone. I have suggested that not even the leading lights at the Court of Auditors would dispute these figures.

Secondly, we should note that the Commission, solely as a result of pressure from the provisional twelfths system, has managed without too much difficulty to reduce some refunds in its most costly sectors by almost 50 %. The Committee on Budgets proposes that you should encourage the Commission to take initiatives of this kind and eventually to review the system itself. For this reason the Committee on Budgets is of the opinion that the milk fund refund should be reduced by 100 m EUA by entering that sum in Chapter 100.

We shall not repeat the proposals of last November on the co-responsibility levy. It is no longer possible to get the Council of Agricultural Ministers to go back on its decisions taken at the end of May. The structural policy which Parliament wants to see will not be carried out in 1980. At the same time, the decisions taken by the Agricultural Council have more than doubled revenue from that levy. The Committee on Budgets proposes today to use this income to contribute to financing the Guarantee Fund for milk products, and not to go on using it solely on ineffective policies encouraging the consumption of varicoloured yogurt or sponsoring talking cows on the small screen. If advertising films will suffer, so be it. Of course measures of this kind will not solve our problem. The still rising costs of structural surpluses are a scandal because they constitute a waste of increasingly rare resources. They also create the risk of the collapse of the CAP, which at the moment is the only pillar of the Community. To prevent the collapse of the entire Community all we can do is encourage the Commission and Council to take the fundamental measures which the Council has failed to adopt for 1980/1981. I also hope that our Committee on Agriculture will be able to help the Council to identify such measures, as time is running out.

I now turn to non-compulsory expenditure, where I shall only consider the question of commitment appropriations. The Treaty only provides for payment appropriations and it is only on these that there is any margin for manoeuvre. Since we have by no means used up that margin, the question of the margin for payment appropriations does not arise. As for commitment appropriations, the only complaint which the Council can raise with us would seem to rest on the precarious basis of a temporary agreement between

**Dankert**

the Council and Parliament for the 1978 budgetary procedure.

There is therefore no more reason for choosing the Council's 255 m EUA as the margin for commitment than any other arbitrary sum. The point should be to calculate the exact relation between payments and commitments in each sector of the budget, so as to arrive at a sound basis for our budgetary policy. Unfortunately, soundness is not a characteristic of the Community's financial policy. The significance of the 255 m EUA calculated by the Council as the margin for commitments should be seen in this context, in which we should also be careful to consider the offer of 240 m EUA, proposed latterly by the Council as if it were a concession going beyond the margin of manoeuvre.

To support a modicum of Parliament's aims the Committee on Budgets resolved to propose a series of amendments designed to increase the 240 m EUA by 17 m EUA. These 17 m EUA bear no relation to the needs of the regions in difficulties, the unemployed seeking work or people in the developing countries. They are only in the budget to demonstrate Parliament's determination to see a start made on new policies or to adjust the Council's inadequate appropriations in sectors considered by Parliament to be priority areas for other reasons.

Mr President, I do not have time — and I believe the explanatory statement will suffice — to go into the detail of non-compulsory expenditure, this wretched 17 million. Nor do I have time — though the resolution and explanatory statement are clear enough — to repeat the considerations which led us last November and December to the budgetization of loans and the EDF. Again, I do not have enough time to stress once more that Parliament cannot possibly accept the Management Committees' dominant control over implementation of the budget. My statement is far from complete. I have confined myself to setting out the main aspects of the proposals of the Committee on Budgets. They do not by any means reflect my profound concern at the Community's budgetary problems and the inter-institutional relations which ought to contribute to solving them.

Mr President, there is no budgetary policy in the Community. The agricultural guarantee policy is, from the budgetary point of view, a policy in name only. The inconsistencies of the Council, the legislative arm of the Community, and its lack of a European vocation have led to the breakdown of the decision-making mechanism created by the Treaties. They have forced both Parliament and Commission to create the semblance of policies, by playing about with sets of figures which are meaningless, since they refer to a political and legal basis which does not exist.

As regards the rare instances of policies that are actually in operation, has any one ever tried to measure

their effectiveness, their productivity? The CAP has already come in for plenty of criticism; the time has come for reform. But what about the regional policy, the social policy, or research — can we judge them more favourably? I doubt it. The budgetary authority does not function, Mr President. Its two arms can do nothing on their own. The Council of Ministers dealing with the budget does not have a common will; it is no more than the point at which the governments' diverging wills coincide. It is incapable of containing the financial demands of the other Councils. And Parliament could only assume its full role by taking on its political authority. It is a long way from that. At that stage the Council would no doubt give it the means to assume joint budgetary responsibility but without that joint responsibility Parliament will have a great deal more trouble and will probably take too long to achieve political authority.

I shall nevertheless end on an optimistic note. It is my impression that during this first year of the directly elected Parliament the budgetary terrain has been well mapped out. Rejection of the budget in December made the period of reconnaissance longer but also more interesting than I would have dared to dream last August. I believe that this autumn reconnaissance enabled us to achieve substantial progress and that it will be possible to build on that progress in the coming months. To make real progress, however, the Community must have a real budget. I hope that the European Council in Venice also had that point in mind when it asked the Commission to restructure the present budget. Perhaps such a budget will restrain the enthusiasm of many of my colleagues for tabling amendments as evidence of a political vigour which does not exist. In particular, it will be a comfort to those who work in the printing shops piled high with documents, the distribution service and many other departments of this Parliament during the period of the budgetary procedure, or indeed the translators, who during the budget lose track of time altogether. I thank them all for their work which is extremely meticulous and of a very high standard.

I should particularly like to thank all those in the secretariat of the Committee on Budgets who have enabled me to carry out my task as rapporteur.

*(Applause)*

There were several different and, to some extent, mutually exclusive motives underlying the rejection of the budget, but one view was shared by all of those who spoke in favour of rejection: the need for a balanced evolution of the budget. This balanced evolution can be achieved in two ways: by increasing considerably the proportion of the budget devoted to non-compulsory expenditure used to finance structural policies, or by decreasing considerably the EAGGF Guarantee Section expenditure, which, in the Council's draft, amounts to 73 % of the total.

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As the volume of expenditure will break through the ceiling of own-resources by 1981, and as no new own-resources are immediately foreseeable, the only option open for the 1980/81 budgetary procedures is to decrease agriculture expenditure under the Guarantee Section. The figures so far available indicate that the average growth of EAGGF expenditure in real terms over the last few years, more specifically between 1976 and 1979, has been approximately 30 % and that this increase will not be maintained in 1980.

For this year the Commission envisaged a rise of 12 %. However, knowing how things go with agricultural expenditure, it is likely that by the end of the year this figure will have to be revised upwards to somewhere between 15 % and 20 %. Nonetheless, this constitutes a favourable development, compared to the experience of the last few years, and we should be satisfied with it.

The growth in the EAGGF Guarantee Section has to be compared with the increases for structural policies financed by non-compulsory expenditure. In the period 1976-79 the average growth in non-compulsory expenditure was approximately 15 %. For 1980 the Council proposes an increase of 21 %, a figure which will be slightly increased if the rapporteur's mere 17 million are included. This slight shift away from agricultural expenditure is not merely the consequence of bad weather and lower refund rates caused by a more favourable world market situation. Parliamentary discussion on various surpluses and the measures to be taken, the Commission's structural proposals put forward at the end of 1979, the price proposals of February 1980, the decisions of the Finance Council of 11 February, the decisions of the Agriculture Council of 30-31 May regarding dairy products, an increase in the co-responsibility levy from ½ to 2 %, the decision in principle to introduce a supplementary levy in 1981 if the increase in milk production in 1980 exceeds by more than 1½ % the 1979 levels, and the Commission's own economy measures as regards levels made necessary by Parliament's rejection of the budget have led to a marked stagnation and, in some areas, even to a decline in milk production, although there are indications that at the moment some regions — France and Bavaria for example — are compensating largely for the decrease in other areas. Parliament can certainly claim part of the credit for this development. It started intense debates on agricultural expenditure which certainly discouraged new investment in the dairy sector in the industrialized dairy producing area of the Community. It encouraged the Commission to come forward with its November and February proposals and it had some influence on Council decisions.

Parliament's proposed modifications in the 1980 budgetary procedure, the modifications of 1 November, were nonetheless rather timid efforts in the direction of structural reform. They did not lead to direct savings but tried, by transferring money from guaran-

tee to guidance measures, to encourage structural reform in the dairy sector aimed at a longer-term decrease in milk production and in increase in other agricultural activities which would have less direct impact on the Community budget. From a budgetary point of view, this development in the cost of surplus production in the dairy sector as measured against Parliament's original proposals can be deemed satisfactory. From the point of view of the implementation of Parliament's structural proposals, the situation is far less satisfactory. It should be noted here however that Parliament's budgetary powers should not be confused with legislative powers in the normal sense. Nonetheless, it should be pointed out that one of Parliament's central proposals — the exemption of milk production up to 60 000 kilos from the co-responsibility levy — has been accepted in part for less-advantaged areas.

As regards non-compulsory expenditure, Mr President, Parliament has also achieved some progress. The Commission has kept it informed on whether or not it can spend appropriations to be voted for different lines. The Commission's new preliminary draft budget which envisages a 25 % rate of increase in non-compulsory expenditure, an incredible modesty on the part of the Commission, which I applaud, is much more realistic than preliminary drafts in previous financial years. In this context, it is worth pointing out that the final offer made by the Council during the negotiations on 12 December 1979 to add 200 million units of account to the total was not the stumbling block over which the negotiations broke down. The Council has now offered to increase non-compulsory expenditure to 240 million units of account in commitments or by 21 % in comparison with 1979. It will be recalled that in the first reading Parliament sought to add approximately 800 million European units of account to the total for structural policy. The Commission had originally set an increase of 1 400 million units of account. The Council's new offer will now bring the total added during the 1980 budgetary procedure to 500 million units of account. Parliament has attained through the procedure a far greater awareness of the problems of implementing crucial structural lines of the budget. It has been seen that in 1980 the Commission has so far been able to commit or spend only a tiny fraction of the appropriations allocated to important sectors like the Social Fund. On other issues such as the budgetization of loans and of the European Development Fund, little or no progress has been achieved. Greater information must be supplied to Parliament, since this is the minimum necessary in order to enable us to fulfil our discharge function, but as regards budgetization there has been no question of this so far.

I would also issue a warning: the progress achieved in those areas where I recognize it to have been achieved must not be allowed to inspire false optimism about the future. The settling of the British budgetary contribution has raised the Community budget considerably nearer to the ceiling. Further budgetary action in 1980

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as regards the CAP and use of the possibilities open to the Commission in its role as manager of the policy is urgently required.

**President.** — I call Mr Robert Jackson.

**Mr R. Jackson, rapporteur.** — Mr President, I would like to start by following the example of Mr Dankert, who wished his successor as rapporteur well, and extending my good wishes, in spite of the hard words I said in an earlier debate, to Mr Ansquer in the task he has undertaken, which is a difficult but an interesting one. I would also like to thank the people who helped in the preparation of my report — particularly the person mentioned by Mr Dankert, who also found time to do a great deal for me —, the chairman of our committee, who manages to combine firmness and humour in a quite unusual and distinct relationship, and also my colleague as rapporteur, Mr Dankert. I wish I had his linguistic ability. He leaps, like a mountain goat, from one language to another, even in the course of a single speech.

The administrative budget is non-compulsory expenditure, and we in this Parliament have the last word over it. The position in which we now find ourselves is that the Council's draft budget embodies a return by the Council to the position it took up in November of last year, except in relation to one of the institutions, the Court of Justice, where the Council has now agreed to something which it refused previously but which the Parliament wanted to concede, which is some additional posts for a translation service in the Court of Justice. What the Committee on Budgets is recommending to the Parliament now, in relation to this 1980 budget, is that, just as the Council has sat firmly on its positions of November 1979, so we should return to and sit firmly on the position we adopted in December 1979 before we rejected the budget.

I would simply point out that there is a real contrast between the approach of the Parliament and the approach of the Council to these matters which illustrates some of the more philosophical points that Mr Dankert was making at the end of his speech. The Parliament adopted a reasoned and argued approach to its decisions and set forth the arguments for the conclusions it reached when it disagreed with the Council; the Council acted in a characteristically arbitrary, unreasoned and unargued manner, gave no argument at all and, as it happens, rather interestingly in the case of the Court of Justice, quite simply reversed a position which it took last year, without supplying any reason for changing its position, just as it had advanced no reason for the original position which it had adopted.

Let us now quickly run through the various institutions. First, the Court of Auditors. Here we are proposing a number of extra posts — 18 new perma-

nent and 4 temporary posts. The reason for this is, as we saw when we talked about this before, that the Court of Auditors is completing its establishment plan; it is a new institution, and with these posts it will essentially have completed the basic structure for its control work which we in this Parliament support. They gave an undertaking that they would not be seeking any new posts in 1981; they are honouring that undertaking, of course with the exception of Greece, and I think we all accept that as fair enough. There is also the matter of the representation allowances to the members of the Court of Auditors, where we took the view, and I think we should continue to take it, that the members of the Court of Auditors should be placed on the same footing as the members of other institutions. I would draw attention to the guidelines which the Court of Auditors has now submitted for the control of that expenditure; these are being considered by the Committee on Budgetary Control.

Secondly, the Council budget, I referred in my previous speech to the gentlemen's agreement: we have nothing to say about the Council's budget as such, but in respect of the Economic and Social Committee, which is a part of the Council from the technical point of view, it is accepted that we do have a contribution to make. The Committee on Budgets is proposing to retable the amendment converting a small number of posts — 5 in all — for the very good reasons that there is not only the seniority of the individuals concerned but also that the Economic and Social Committee has found that there are severe career blockages, confirmed by a drain of personnel away from that institution to other institutions. We are proposing this modest gesture to assist them in removing those blockages, and I commend it to the House.

Finally, the European Parliament's budget. We adopted a position on this in 1979. The Council did not seek to modify our amendments; it respected the gentlemen's agreement, but it did in an accompanying letter from the President of the Council to our President refer specifically to two matters — firstly, the salaries of Members and secondly, the rents for the different buildings of the Parliament. It will be recalled that it proposed to transfer all forecasted increments to the reserve chapter so that we could debate them when they were unblocked.

The Council's view is that the Member States are competent to decide Members' salaries and that it is the Council and the governments of the Member States who have the responsibility for determining Parliament's places of work. Parliament took a different view on both of these points in December last year, and the Committee on Budgets recommends the House now to continue taking a different view on these two points. As we stated in the remarks to the salaries amendment, where we have placed a token entry, the salaries should be provided from the budget of the institution 'rather than from the budget of the

**Jackson**

Member States, in conformity with the practice for members of other Community institutions'. That, I hope, will continue to be the Parliament's position. On the question of its places of work, Parliament asserts in this motion for a resolution that because of our responsibility for our own Rules of Procedure, as defined under the Treaty, we can determine where we work, where we meet. The purpose of placing the amounts for rent under Chapter 100 is to encourage a debate within our institution about this matter when a transfer for rent is proposed.

There is a small matter which was not dealt with in our previous discussions and which I ought to mention now. We reserved our position in December on the question of staff for the political groups formed by independent Members. It was being examined by the Bureau at that time. The Bureau has now taken a decision to give the independent Members 2 A 7/6's, 1 B 3/2 and 4 C 3/2's on an auxiliary basis and this, again, I commend to the House.

*(Applause)*

**President.** — I call Mr Christopher Jackson to speak on a point of order.

**Mr C. Jackson.** — Mr President, there is great difficulty at the moment in hearing Members who are addressing the House. It sounds a little like a speech made against the background of a cocktail party. I wonder, Mr President, whether you would call for silence in the gallery and request other Members of the House who are not addressing it to keep their voices down.

**President.** — Mr Jackson, I am entirely in agreement with the point you make. That is the problem, of course, with all new halls that you need some time and experience in order to make the most of their acoustics. I am certain that every effort will be made on the technical level to get to grips with this problem. Until then, however — and I agree with you entirely on this — we should exercise more discipline ourselves. I feel, in particular, that Members should conduct their conversations outside the hemicycle, so that those colleagues who wish to follow the debate are not distracted. I should like to ask formally for your cooperation in this matter.

*(Applause)*

I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, the rapporteur, Mr Dankert, made an important and at times rather sombre speech. It was a speech covering a wide range of budgetary issues,

issues which have certainly arisen from the long and at times very difficult debate over the 1980 budget, but which went wider, I think, than the precise points we are addressing ourselves to today. I am sure he was right to do so. This is an important occasion for the Parliament, the end — or at least I hope so — of a long and difficult journey. It is an important occasion too for the Council as the other arm of the budgetary authority.

On many occasions in the past the Commission has had its chance to make its views known in detail and at length on the range of issues to which Mr Dankert has alluded. In my opinion this is essentially an occasion for the budgetary authority rather than for the Commission and I shall therefore speak a great deal more briefly than did the rapporteur and I shall not attempt to cover quite as much ground, though I will take up one or two of his points. I can assure him that his remarks, drawn as they are from a very considerable and deep experience both in his own part and on the part of the committee and indeed of the whole House, will receive a great deal of attention during our own considerations, the results of which will begin to show very shortly when we turn the week after next to the 1981 budget and when we get down to the important mandate to which he referred concerning the whole spread of Community financial activities.

I begin, Mr President, by thanking all those concerned and indeed congratulating them on the efforts that have been made to enable the draft budget to be dealt with so expeditiously. The Commission agrees very much with paragraph 25 of the resolution, to the effect that the interests of the Community are now best served by an accelerated conclusion of the 1980 budget procedure. It is certainly for the budgetary authority to decide what exactly to do, but that the means should be made available for an accelerated decision appears to me to be entirely appropriate and highly desirable.

I should like to deal for a moment with non-obligatory expenditure. Here a great effort is being made on both sides to reach a compromise. The result is likely to be lower than the Commission's new budget proposal submitted earlier this year, which itself was already modest in terms of the increases between 1979 and 1980, but the gap between the Council's draft and the results of the deliberations in the Committee on Budgets is now so narrow — 17 m EUA — that the overall level of non-obligatory expenditure should not be an obstacle to a final agreement. There is already agreement, if the Committee on Budgets is followed by the House as a whole, on the most important item, namely, the Regional Fund, the increase of which has been limited by the Committee on Budgets to 150 m EUA, as suggested by the Council. The Commission hopes that the two arms of the budgetary authority can come to an agreement, not only on the allocation of the remaining non-obligatory credits but also on the overall amount still in question.



**Tugendhat**

I turn next to the budgetization points. Here the Commission has nothing to add to its previous statements. Its proposals stand. By that I mean that we shall, as we have promised, provide the additional information as much as we can on the European Development Fund. We will also lend our full weight to the efforts of the Committee on Budgets to secure commitments from the Council to enter the sixth European Development Fund in the budget and to proceed with the revision of the Financial Regulation on borrowing and lending operations so that these too may be budgetized. Our position there has for long been and still is very close to that of the Parliament, and we shall do our best to try to bring about an evolution in the thinking of the Council.

On a different budgetary point — namely, that contained in paragraph 21 of the resolution, concerning the classification of the credits for supplementary measures in the United Kingdom — the Commission is, however, obliged to express its disagreement. Again our view has been made clear on a number of occasions, but I think that, just as I pointed out very clearly the points of agreement that we have with the Parliament on the issues that I have just dealt with, I should be equally frank on this point as well. I will not go over the ground in detail: suffice it to say that these measures, which are for a defined amount not capable of discretionary alteration, which are exceptional in character and thus without precedent for the big structural funds, are supplementary to the financial mechanism whose credits are already classified as obligatory. These two measures go hand in hand and should not, in our view, be treated differently so far as their classification is concerned.

Having dealt, albeit very briefly, with non-obligatory expenditure and with some of the institutional points, I now turn to the part of the draft budget and the debate dealing directly or indirectly with agriculture, beginning with the motion for a resolution. If the Commission understands the wishes of the Committee on Budgets correctly, the European Parliament is called upon to put further pressure on the Council and on the Commission to limit the growth of agricultural expenditure by taking action particularly in the sectors with structural surpluses. The Commission does not wish to discuss the details of the motion for a resolution at this stage, and I said earlier that I felt that this was primarily an occasion for the two arms of the budgetary authority. There are, however, some passages of the motion which the Commission is unable to accept in their entirety. It is in agreement, as the House very well knows, with the political approach underlying the position which the Parliament has adopted, but it has some difficulties on some of the specific points.

The Commission will act within the framework of the decisions to be taken, but it wishes to reaffirm that for it — and I think this is an important point — the principles and the functions of the common agricultural

policy are there to be maintained and upheld; in approaching this whole difficult subject, in seeking, as we are very anxious to do, to curb, to restrain the agricultural expenditure, we wish to emphasize the importance we attach to upholding the principles and the foundations of the common agricultural policy itself.

Now, as regards the two amendments presented to Parliament, the Commission wishes to comment on two particular aspects.

First of all, with respect to the proposal to transfer 100 million European units of account in milk refunds to Chapter 100, the Commission shares the reasoning underlying this proposal, which aims at achieving maximum savings in this sector. However, the Commission considers that the decisions which it took on 10 June 1980 represent for 1980 the maximum savings which can be achieved at the present time, given the state of the market. The appropriations requested for the dairy chapter already take account of these savings. Thus, the adoption of this amendment would be incompatible with the rate of payment and the commitments already undertaken with respect to expenditure for exports of dairy products. Moreover, the Commission and the rapporteur recognize that during the conciliation procedure the appropriations requested for this sector had been fixed at a level which would ensure that they were sufficient, though not excessive. Now if this amendment were to be adopted they would, in our view, certainly be insufficient. As a result, therefore, we do not believe that the amendment is a good idea.

Secondly, quite apart from the principle of the co-responsibility of producers for costs arising from surpluses, a principle which is recognized in particular in the dairy products sector, the Commission considers that it is preferable for the co-responsibility levy to be entered in the chapter relating to the sector in question. This method has the advantage of illustrating more clearly the financial participation of the producers concerned, who are aware of the effort required to restore a balance to expenditure on surpluses. However, the Commission is willing to consider an improvement in 1981 in the presentation of the chapter on the dairy sector which will enable Parliament to estimate the amount of negative expenditure arising from the present levy and from the planned supplementary levy.

Before concluding, Mr President, may I just say a few words on some of the wider points that the rapporteur raised? As I said at the outset of my speech, we have travelled a long way since the rejection of the Council's draft budget last December, from mid-winter to mid-summer, although the weather does not appear to have altered very much in the interim. We have travelled a long way, in terms not just of time, but also of the way in which attitudes within the Community have evolved. Since last December, since the time when

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resolutions, with which the rapporteur's name is associated, were being passed, when the speeches on the balance, or rather the imbalance, of the budget were being made, we have seen a great evolution in attitudes throughout the Community, and the necessity for controlling agricultural expenditure is now much more clearly, much more widely recognized than at that time. When I first came to the Commission, in the first years of this Commission, I felt we were a voice crying in the wilderness when we talked about the need to restrain agricultural expenditure in order to preserve and protect the common agricultural policy and enable new and also other policies to be developed. After direct elections, I felt that a new and stronger voice had joined with us, but now I feel that our two voices, the message which we have been putting across, the view which were being so eloquently expressed in Parliament before Christmas, are heard much more clearly and over a much wider area of the Community. We see what has happened at Venice. We hear the speeches of Heads of Government. We note — and indeed in the Commission we note with immense satisfaction — and attach very great importance to the mandate we have been given to examine the whole area of Community financing. All this, I think, goes to show that since last December a change has taken place. I would not wish to argue, I do not think anybody in this Parliament would wish to argue, that the rejection of the Council's draft budget was the only reason why this has happened; but it is certainly an important reason why this has happened. The debates which have taken place here, the way in which Parliament has been able to focus attention on underlying problems in the Community, has, I believe, played an important role in helping the Community to see its way out of some of the difficulties and the despondency in which it finds itself.

Now change, Mr President, does not always occur as quickly as one would like. It does not always occur in the manner one would have preferred, and it certainly does not always occur within the time-limits of elections or budgetary years or other deadlines of that sort; but we are now, I believe, well on the way to change. We in the Commission have been given a mandate in which both arms of the budgetary authority will no doubt take a very great interest. We are determined to finish our part of the work on time. I hope very much that the changes that will flow from the work that we do will be instituted well before the end of the next Commission and preferably in the first half of the next Commission. When they are, I certainly shall know — and I hope this Parliament will recognize — that the debates that took place prior to the rejection of the draft budget last December, since that rejection and during the discussion of the proposal which we brought forward last February have themselves played a major and significant role in the evolution of Community thought, leading, I hope, to reforms which certainly we can support and which I hope will have the support of the whole House.

(Applause)

**President.** — I call Mr Früh to speak on behalf of the Committee on Agriculture.

**Mr Früh, draftsman of an opinion.** — (D) Mr President, ladies and gentlemen. It should come as no surprise that the draftsman of the opinion of the Committee on Agriculture on the 1980 Budget should speak here, even though a written opinion has not been presented. It was unfortunately not possible to present a written opinion since, only the rapporteur's draft was available and we have just now received the report itself.

Last week the Committee on Agriculture held a long meeting in Strasbourg at which, after a long and detailed discussion, the members instructed me to communicate a number of urgent comments to the House. I should like to begin by thanking the general rapporteur, Mr Dankert, for the long and painstaking work he has done on this budget, but at the same time I should like to point out that his introduction this morning showed that there are still a number of difficulties in his attitude towards agricultural policy. Comparing his draft with the actual report produced by the Committee on Budgets it seems that the general rapporteur has in many places presented his own personal view of agricultural policy rather than that which is contained in the report. Many things have been omitted.

Finally, on behalf of the Committee on Agriculture, I should like to explain again the reasons which led to the rejection of the budget in December so as to prevent public opinion from getting the impression that agricultural policy was the only stumbling block. Everyone in this House is aware that there were many reasons, in the first place the inadequate increase in non-compulsory expenditure in the budget, the failure to include borrowing and lending policy and the development fund in the budget and finally the curtailment of agricultural policy cost increases. I regard this way of putting it as particularly important as no one mentioned the abolition and curtailment of agricultural expenditure. As you can imagine the welcome arrival of the document fixing at 5 % the average increase in agricultural prices — if I may be permitted to refer to prices — is the Committee on Agriculture's finest hour. In this context I should like to congratulate the rapporteur of the Committee on Agriculture, Mr Delatte. This is the increase he originally proposed. Unfortunately — it was a disturbing situation, the farmers were demonstrating in Strasbourg etc. — the Committee on Agriculture proposed a 7.9 % increase in the House. However, it must also be said that large political groups in the House subsequently had the good political sense to realize that 5 % was the correct figure. It is only regrettable that they did not reach this conclusion earlier and that a different proposal was made in the House.

In this context I should like to make a request to the Commission: I feel it would be wise, and that it is

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indeed necessary, for the Commission, in future, after it has applied all objective criteria in proposing price increases to inquire whether something, which may theoretically be correct where inflation is concerned, is also politically feasible. This procedure would have eliminated many difficult stages in this debate. Moreover the Commission on Agriculture also accepts this as the basis for the 2 % co-responsibility levy, although we realize that it involves a considerable sacrifice and that for certain undertakings dependent on milk the 2 % levy can mean a drop in income of between 10 % and more than 20 %. Moreover the Committee on Agriculture has no illusions about the situation — we discussed it at length — namely that the Council has already decided — as Mr Gundelach has already told us — to retain the superlevy next year although the details are still to be decided. The Committee on Agriculture will take a positive stance on it as well.

I should like to make one short remark. The Committee on Agriculture is naturally shocked when long debates are held in the Committee on Budgets on this central and important problem to decide how many millions the superlevy will bring in so as to be able, perhaps, to enter them in a future budget. The plain, simple and, I hope, convincing answer to this question is that for us the best conceivable levy is one which does not bring in a single unit of account and which, moreover, achieves what we also want and what we as an agricultural group have been persuaded to accept with a heavy heart, but which we now approve, namely that this measure should not lead to any further surpluses.

*(Applause)*

Therefore the best superlevy is that which does not add a single unit of account to the budget. You will see from this example that when at a later date we make increased demands and in this connection debate agricultural policy for hours we shall have to approach the farmers directly and give them stronger support.

My next remark concerns the future. Mr Dankert has already made some interesting remarks on this matter. You all know that the difficult path we have had to follow in recent weeks and months has at times brought the Community to the brink of disaster.

Some members of the Council said so explicitly, and in fact wanted this to happen. Unfortunately some people are still reacting emotionally and we have not seen the end of emotionally charged speeches. Agricultural policy will feature in every speech, particularly the criticism that it swallows 70 % of the budget thereby hindering other policies. For this reason we must give honest consideration to the demands which the Committee on Agriculture put forward in this House, namely — and here I appeal to you all — that in the budget we clearly must free the much criticized agricultural policy, which is the only integrated policy in

this European situation, from the burden of tasks which it cannot accomplish and which can only be accomplished by positive political action, which we welcome and which we regard as necessary. Agricultural policy must be freed from these tasks; it must not be made to bear this burden, and here I shall only mention briefly a few examples with which you are all familiar . . .

*(Applause)*

. . . ACP sugar, New Zealand butter, Yugoslav beef, monetary compensatory amounts and food aid. We are not denying that these things are necessary. We realize that we cannot pursue a narrow-minded green policy. But we wish it to be recognized once and for all that we are using the only common green policy to construct a policy for the whole Community. We should not simply bill the resulting expenditure to the agricultural policy under Titles 6 and 7 and then turn on this policy and say: because you are swallowing 70 % of the funds we cannot operate a regional, social or research policy. What we want to know is who in the Council or the Commission has the courage to come out clearly in favour of common policies in these sectors, to call for them and carry them through? The funds for these policies are available; all that is lacking is the courage. They could be implemented in the same way as the agricultural policy i.e. by removing responsibility from national budgets and transferring it to the European budget. I would then become clear how much is being spent on energy . . . !

*(Applause)*

. . . You would then see the agricultural policy in proper perspective. The Committee on Agriculture only asks that this distorted order of battle — which anyone who is honest will recognize as distorted — which has been in operation for years should finally be corrected.

Led me add one final word. It is easy to go on talking about reform. I come from a country where we used to talk a lot about reform and where we have invested thousands of millions in reform and where — let me say it clearly and openly — we have often got our fingers burnt doing so and where today we wish we had a better approach.

I am not claiming that the agricultural policy should not be improved. However, one thing is certain: Parliament has been elected by direct universal suffrage. We should therefore make it clear that we do not wish to deviate from the principles, from preference, financial solidarity etc., that we are prepared to make changes. But we should not simply talk about reform since that is the way into the labyrinth. Everybody is talking about reform. Since everyone thinks that he has the correct formula for reform, there is enormous confusion and the one policy which we have succeeded in putting together after great effort and

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which until now has forced Agriculture Ministers and Heads of State to make repeated compromises, is being threatened, thereby placing in jeopardy more than just a few hundred thousand units of account which some people too easily claim have been wasted. Worst of all — and here some leading political personalities must be taken to task — one all too easily talks of the absurdity of the agricultural policy. I could quote specific instances, but I shall refrain from doing so. All these people realize that by describing the common agricultural policy as absurd they are endangering many things. In the long-term it will destroy a policy which, unfortunately, is the only real platform and the only permanent, often challenging, common policy but one which has made compromises necessary. Finally, to do so is to undermine the still feeble foundations of the Community and by continuous complaints stifle the courage and the confidence to establish other urgently needed European policies.

On behalf of the Committee on Agriculture I present this opinion which, because of the difficult discussions in Strasbourg we are unable to present in writing. I would point out that by a majority vote the Committee on Agriculture fully approved the proposal before us and hopes that the budget will be adopted as quickly as possible, as no one would be more disappointed than the supporters of a European agricultural policy by further delay for which it would be unable to pardon this directly elected European Parliament.

(Applause)

**President.** — I call Mrs Dienesch to speak on behalf of the Committee on External Economic Relations.

**Mrs Dienesch, draftsman of an opinion.** — (F) Mr President, on behalf of the Committee on External Economic Relations, I should like to draw the attention of this Assembly and the Council to the outcome of two sets of negotiations which have been going on since last December, when no one expected them to have consequences on the scale which they have reached.

I would mention first the commitments entered into by the Community under GATT, following conclusion of the multilateral trade negotiations. These undertakings go a long way beyond the scope which GATT has covered up to now. In particular, they derive from the Community's accession to seven codes on non-tariff measures and from two agricultural arrangements. Most of these undertakings entered into force on 1 January 1980; others will do so on 1 July 1980 in a few days time and the last on 1 January 1981. These various codes and arrangements necessitate extra staff to enable the Community to play its role to the full. The point is that not only has the scope of traditional activities been enlarged but there are also new spheres of activity. A substantial system of notification, bila-

teral and multilateral consultations will be set up. Apart from the physical volume of work, this system will require the establishment of a reliable logistical infrastructure, in Brussels and Geneva, and frequent coordination with the national administrations, the Commission's external delegations and commercial attachés of the Member States.

At the same time GATT plans to strengthen its role as a permanent forum for negotiating, coordinating and regularizing international trade relations, particularly in the North-South dialogue to which our Community attaches special importance, and through two of its bodies, the Advisory Group of 18 and the Trade and Development Committee. Finally the growing role of the Eastern European countries in these negotiations calls for increased dialogue with those countries.

The Commission will thus in this context be carrying out trade policy and management duties on behalf of the Community on a substantially larger scale than in the past. Now since January this year the Community has not been equipped with the resources to perform these duties with the efficiency desired. I should like to remind colleagues that in the Tokyo Round our Community pursued two main objectives, which are those of the common trade policy: to maintain and if possible expand its exporters' overseas markets, whilst preventing its partners from obtaining the right to interfere in internal Community matters, and to safeguard every opportunity for building on the Community's past achievements. Now the Community's main trade partners, the United States, Canada and Japan have already expanded their agencies responsible for the application of these agreements. They are in the process of allocating substantial extra funds to the task, probably about ten times the funds which we have available for this new job. If the Commission does not have sufficient staff to respond to our partners' initiatives — initiatives which they themselves say must have their aggressive side — our trade balance deficit will increase as a result. On behalf of the Committee on External Economic Relations I have already drawn this Assembly's attention to our increasing deficit with the United States and Japan. If we do not respond to the efforts being made by these partner countries it is bound to get a lot worse — dramatically worse, as is clear from our amendments. I will end by saying that these comments are based on a minimalist approach, by which I mean a very careful assessment of the procedures and activities arising out of normal management of the different arrangements. The budgetary authority should therefore bear in mind that the Commission is not only required to be largely responsible for administering certain activities which used to be the almost exclusive responsibility of the national administrations, but it is also called upon to coordinate more intensively than in the past the activities of the Member States in these various sectors and to prepare Community-level decisions in the agencies set up by the various arrangements.

**Dienesch**

Finally, I should add that our recent request for details of each of the posts concerned and clear evidence of their need has been met. I believe the Committee on Budgets has received extremely detailed documents from the Commission and these have calmed our fears of seeing posts which might not be strictly necessary including in the budget. So this explains our first amendment, which is to increase the Commission's staff for the application of GATT. There are two others which I will briefly describe. First, we have already stressed the importance of the Community's cooperation agreement with Yugoslavia. The ambassadors of the Nine have endorsed the need to open a Community delegation office there and it is important that such a delegation should have the necessary staff. Second, our committee has asked for a delegation to be established in Canberra, Australia, a point which I think I have already expounded sufficiently and will leave for my colleagues to develop. I need not further stress therefore the importance of a delegation in Australia, enabling us to expand the supply of raw materials needed by the Community.

Thank you, Mr President. I did not wish to speak at length, and I have pared my requests to the minimum; but I do ask the Council and the Assembly to give them every attention.

*(Applause)*

**President.** — I call Mr McCartin to speak on behalf of the Committee on Social Affairs and Employment.

**Mr McCartin, draftsman of an opinion.** — Mr President, on behalf of the Committee on Social Affairs and Employment, I regret that I cannot report complete satisfaction with the revised draft. However, we must bear in mind that the year is half gone, which will, of course, affect our expenditure capacity. We have also borne in mind the need to regularize and harmonize the economic functions of the Community and the practical necessity to clear the details of this year's work before we proceed to anticipate our needs and make provisions for the new year which looms just a few months ahead of us. We have had to balance these considerations against the grave economic problems facing this Community and the resulting social pressure which will inevitably follow. We have had to bear in mind particularly in the Committee on Social Affairs and Employment the fact that an economic crisis will always create the greatest pressures and the greatest difficulties for the poorer sections of our Community. We have to bear in mind the social problems and pressures arising out of the restructuring of the steel industry and the grave difficulties facing the synthetic fibres industry, particularly in the United Kingdom and parts of Ireland. We have to consider the need for industrial retraining, the high rates of unemployment, particularly among the young, and the problems facing unemployed women in the Community at the present time.

It is, I think, particularly important that in times of economic recession communities, governments and peoples should have regard for the weaker sections, because it is always those who are least able to look after themselves who will suffer most in times of crisis. The strong will provide for their own future in any circumstances, but those who are the victims of the economic recession in which we find ourselves require our assistance. That is why, while we have refrained from introducing large-scale amendments to the Council's proposals, we nevertheless found it necessary to propose at least a limited number of amendments.

Our first amendment is under Article 306. We decided to table an amendment here on the pilot project to combat poverty. Parliament will recall that just three weeks ago we had a debate on this subject and unanimous agreement by Parliament to the adoption of an interim programme. As a result of this unanimous agreement and the necessity to provide the finance necessary to put it into effect, we in the Committee on Social Affairs and Employment decided to amend Article 306 to provide 9 million units of account instead of the token entry inserted by the Council. I have to stress the importance of this request and explain that whereas 5.2 million was made available in this year's budget, from the end of this year the scheme will have to come to an end if we cannot make a further commitment. We have therefore provided 9.2 million for the interim project.

I think Parliament is aware that we have 450 people engaged in these pilot schemes in 29 different locations throughout this Community. Should the Parliament fail to provide funds for the interim project, then all the work of past years can perhaps be lost. While the Council is making a decision on the results of the programme which is just coming to an end, we feel it is imperative not to lose the talents of the people who have been involved or the opportunities they have created and to continue with an interim programme for which we propose this 9.2 million units of account.

Our second proposal is under Article 505 — measures for women. This subject also was recently debated by Parliament, and there was complete unanimity. In order to translate the opinion of this Parliament into practical reality, we have proposed what one might describe as a token increase of 2.5 m units of account, from 5 m units of account to 7.5, and an increase in commitments by 10 m units of account, from 20 to 30. I think that this is something on which we can look forward to complete agreement in Parliament because of the political necessity to prove that we are serious in our concern for the problems facing women at the present time — high unemployment, the need for retraining of women involved in certain declining industries and the need to provide them with an opportunity for a new start in life. I think that this would be regarded by the Committee on Social Affairs and Employment as an absolute priority.

### McCartin

The final point — and this is perhaps the biggest request the Committee on Social Affairs and Employment will make to Parliament — is the third amendment we have proposed. It is to Chapter 54 and concerns the EEC contribution to be transferred to the European Coal and Steel Community budget to finance the special social measures to relieve the social problems created by the crisis in the steel sector. We ask for this chapter, in line with the latest Commission proposal, an amount of 30 m units of account for 1980 as a non-disassociated and non-compulsory expenditure. We are conscious, of course, that we are requesting a considerable amount of money here, but in view of the serious social consequences of the restructuring of the steel industry, the Committee on Social Affairs and Employment feels that this is the minimum acceptable amount we could propose for this area. In anticipation of the unanimous adoption by Parliament at our July part-session of the Peters report on the social measures required in the steel sector, we feel that it is imperative that the Council agrees to this amendment.

Finally, I would like to say that this Parliament is not yet a government, but we aspire to the role of government in some shape or form. I think it is the test of a good government that in times of difficulty we have regard to the special problems which will be experienced by our weaker sections. As I said at the outset, the stronger sections of the Community, the stronger sections of industry, those who are employed, those who are in privileged positions, will look after themselves, but it is of the utmost importance that we who aspire to lead and protect should be concerned about the weaker sections of our Community at this time. For those reasons I sincerely request the Parliament's support for our amendments for those social measures for steel, the measures for women and the pilot schemes to combat poverty.

**President.** — We shall now suspend our proceedings until 3 p.m.

The House will rise.

*(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)*

IN THE CHAIR: MR GONELLA

*Vice-President*

*(The sitting was suspended at 1.00 p.m. and resumed at 3.00 p.m.)*

**President.** — The sitting is resumed.

**President.** — I call Mr Normanton to speak on behalf of the Committee on Energy and Research.

**Mr Normanton, draftsman of an opinion.** — Mr President, after the impassioned appeal made this morning by our friend and colleague, Mr Früh, and the enthusiastic approbation with which his contribution was received by the whole House, my brief contribution may well come as an anticlimax. However, as the draftsman of an opinion of the Committee on Energy and Research, I can best summarize my committee's view by quoting the words of one of my honourable colleagues in that committee, when she said 'Es ist ein Skandal'. Those were the words used by one member of my committee to describe the Council proposals as far as the budget is concerned.

Even the briefest study of the historical record of the Community will confirm that the energy budget will be and is an institutional charade. It is an institutional charade for a host of reasons. For years the Commission has called for Community action in the face of dangers and threats which indeed jeopardize the very political existence of the Community. For years the European Council has called for action to reduce our vulnerability. For years, and this, Mr President, is no exceptional year, the Committee on Energy and Research and this Parliament have demanded action by the Community for the Community. And even during the last few days at the summit meeting in Venice, we have heard the same appeal as far as energy independence and vulnerability are concerned. Yet, after the plethora of words, the Council of Ministers has consistently rejected the translation of those words into action. It has consistently slashed the Commission proposals and consistently ignored the views of your committee. 'Ein Skandal' is how it was described and 'Ein Protest' was the way the demand was in fact expressed by more than one member of the Committee on Energy and Research, and, if we are to be logical, that protest should take the form of a rejection of this 1980 budget tomorrow, as it did last November.

We are taking part in what is called the debate on the budget, on the energy and research aspects of it, but a budget should be about figures and about how much money should be spent on a Community basis as opposed to being spent by individual Member States. But an energy budget without an energy policy, and above all, and more importantly, without the political will to pursue that policy, can only be described, as far as I am concerned, as a total irrelevance. Those who have subscribed to the energy and research provisions of the Council's budgets therefore in my view, and I know I reflect the views of my committee, shoulder a very heavy responsibility for their failures and for the consequences. Time alone precludes, you will be pleased to note, Mr President, consideration of the detailed entries in the budget for 1980. My committee's views have been made known in detail to the

## Normanton

Commission and to the Council and have been placed formally before this House and the Council in the form of the opinion which was prepared for the budget debate last November. Our views have not changed one iota in principle and I therefore do not intend to take up the time of this House or of this debate in representing them. They are there in writing, but I would earnestly commend them for the record to the Members of this House and strongly hope that they will endorse them.

This 1980 budget may well, and I would think will almost certainly, be approved tomorrow, but if this Council rejection of a crucial element such as energy in the 1981 budget is to be repeated, I can only hope that this Parliament will have the courage to put its votes where its views are and reject that budget when we debate it next time.

**President.** — I call Mrs Kellet-Bowman to speak on behalf of the Committee on Regional Policy and Regional Planning.

**Mrs Kellet-Bowman, draftsman of an opinion.** — Mr President, I had the honour to prepare the opinion for the Committee on Regional Policy and Regional Planning for the 1980 budget. One of the primary reasons why Parliament refused to accept the Council's original budget was because of the lack of balance between compulsory and non-compulsory expenditure. For many years now, Parliament has agreed that the gap between the prosperous and the less prosperous regions must be bridged, and yet sadly, Mr President, that gap has widened steadily and will grow wider still with the accession of Greece. This is, I would say, the most serious problem facing the Community today, because if the Community fails to fulfil the promise of the Treaty of Rome to improve the conditions of the less-favoured areas, the Community itself will not survive. The Council dealt most ungenerously with the Regional Fund in its first draft of the 1980 budget, which actually proposed a reduction in real terms on the year before. At the conciliation, the Council just barely indexed the fund for inflation, but as a result of our united determination, this time the Council has almost come up to the Commission's and Parliament's demands, taking the figure up to 1 165 million units of account, instead of the 1 200 million the Commission and Parliament had sought. My committee would naturally like the full sum and more, because the Regional Fund actually commits the money it is given and has indeed a waiting list of fully documented and costed schemes which could, with advantage to the Community, be adopted. It is interesting to read in paragraph 37 of Mr Dankert's explanatory statement that the Regional Fund commitments are, unlike those of many other funds, well on target. We have spent wisely what we have been given. Roads, factories, sewers, power stations and many other projects throughout the Community

bear witness to the efficiency of the Fund and prove to the citizens of the Community that the Community does indeed bear a human face. I would therefore ask this Parliament to back every unit of account that is allocated to the Regional Fund.

**President.** — I call Mr Cohen to speak on behalf of the Committee on Development and Cooperation.

**Mr Cohen, draftsman of an opinion.** — (D) Mr President, after the remarks made here by Mr Früh this morning, one is naturally very strongly tempted to make some reply, particularly as regards what he said about so-called budgeted expenditure which, according to him, should be non-specific agricultural expenditure and appear under other budgetary items. He is not here this afternoon so there is not really much point; furthermore, I had the impression that he was rather forgetting this morning that we just happened to be discussing agricultural policy whereas our real concern is the 1980 budget. But, all the same, I shall deal in just a few words with the few words he himself spoke. He repeated that certain budgetary expenditure — and this applies not only to the 1980 budget but to the budget as a whole — comes under Chapter 6. Only a few months ago Parliament made it very clear just where this expenditure belonged, namely under the said Chapter 6. I do not suppose that Parliament will go back on what it decided just a few months ago.

I come now, Mr President, to the really important issue this morning, namely the 1980 budget, and the views thereon of the Committee on Development and Cooperation. I shall have to speak in somewhat muted terms since it is clear that the budget, as submitted to us by the Council, does not provide what we really want. We asked — and got no response from the Council — for the European Development Fund to be finally included in the budget. We asked, and so did the Commission, for a specified amount to be entered in the budget as food aid; the Council reduced that amount, and did precisely the same thing with a number of other important items for development aid, such as training for people in the developing countries, Community contributions to finance the projects of non-governmental organizations, to name but two. However, there is one bright spot in all this, and that is that the Committee on Budgets decided by a majority to table amendments to the Council's draft budget, all of which are on lines favoured by the Committee on Development and Cooperation.

I now come to my first point — food aid in cereals. Thank God — and I really mean thank God — that the Committee on Budgets has decided to restore the original amount proposed by the Commission in its preliminary draft budget. The Committee on Development and Cooperation has naturally been into this question and unanimously agrees that the amendment



## Cohen

of the Committee on Budgets must be supported. The same goes for the other amendments tabled by the Committee on Budgets concerning Chapter 9 — development cooperation. I repeat that the Committee on Development and Cooperation was unanimously of the opinion that these amendments should be supported, and I hope, therefore, that when we vote on these issues tomorrow, Parliament will shoulder its responsibilities. I would also mention one thing, Mr President, which the Committee on Budgets has overlooked, and which is the reason we stepped in for the committee here. The Committee on Development and Cooperation tabled an amendment providing for an additional 20 million u.a. in emergency aid, which was reduced by the Council to 43 million after the Commission had proposed 63 million. And there is a very good reason for adopting that proposal, namely that at this very moment 63 million are already being spent. You will recall that, pursuant to Rule 14 of the Rules of Procedure, we have repeatedly tabled motions with requests for urgent procedure on Kampuchea, Afghanistan, Zimbabwe etc., and all agreed that emergency aid should be given to those countries. Thus 40 million was made available to Kampuchea, 10 million to Afghanistan, 8 million to Zimbabwe — that makes 58 million already — leaving 5 million over. We hope, therefore, that Parliament will shoulder its responsibilities and restore these 63 million to the budget.

But even if all this is done, Mr President, I still cannot be happy, for in the sphere of development cooperation the Community seems to know only words, not deeds. As we have said time and again, we want more, and we shall continue to insist on more in following budgets. At the last meeting in Venice — I do not mean the meeting where no agreement could be reached on a committee chairman, but the meeting held ten days later — it was affirmed once again that North-South relations are important, and that more time must be devoted to it. The Committee on Development and Cooperation agrees with this, and we therefore hope, Mr President, that tomorrow Parliament will do its duty and vote for the amendments to which I have just been addressing myself.

**President.** — I call Mr Pedini to speak on behalf of the Committee on Youth, Culture, Education, Information and Sport.

**Mr Pedini, draftsman of an opinion.** — (I) Mr President, ladies and gentlemen, I should like to draw a few points to your attention. It is our belief that the essential purpose of our debate on the budget is, as someone has said, to expand Community action beyond the agricultural sector into the other aspects of life in the Community and we feel that it is not possible to guarantee the free movement of persons, which is the cornerstone of the Treaty of Rome, unless we pay attention to the responsibilities deriving from it in

the field of education and training and, directly linked to that, the field of culture.

I have to acknowledge, Mr President, that in the document which the Council has submitted to us, a dim awareness of this need is beginning to emerge and so from this moment on we shall step up our campaign for the benefit of the next budget. We would nevertheless ask this Assembly, and indirectly the Council, to take account of three requirements on which we would insist by tabling formal amendments which have already been approved by the Committee on Budgets and by Parliament. I refer to Community expenditure in the 'information sector'. A request had been made for 9 000 million; the Council is proposing 7 500 million. We all know the importance of information, including the media. We are asking for an increase, no more than a gesture, of 200 000 units of account.

In another amendment from the committee we draw attention to the need to increase the appropriation under Article 290 concerning subsidies to institutions of higher education and adult education centres offering residential courses.

You, Mr President, will certainly be the first to say that an increase in cooperation between universities is one of the most important means of harmonizing retraining schemes for workers and professional people and hence guaranteeing the free movement of persons.

We are asking for the appropriation to be brought up to the previous proposal, that is to say an increase of 534 000 units of account. Lastly, with your permission, Mr President, I should like to ask the Council and this Assembly to give particular attention to the proposal concerning Item 3932 put forward by the Committee on Youth and Culture, approved by the Committee on Budgets, adopted by Parliament and incorporated in the budgetary document forwarded to us last February by the Commission. This proposal was to create a chapter with 100 000 units of account to assist the European Investment Bank to take action on loans incurred by local authorities for renovating works of art since the restoration and promotion of a region's artistic assets can have a multiplying effect on its economic development. This type of action is necessary because of the high cost of the loans which local authorities have to contract. It will remain for the European Investment Bank to decide between a direct loan or an interest rebate.

I should merely like to recall that cultural investment is an extremely important economic and social multiplier in some depressed areas. The figure is extremely modest but, Mr President, ladies and gentlemen, it is a symbolic one and it is a variable one since it is a new type of proposal. It has been supported, as I said, by Parliament and recently by the Commission itself, which incorporated it in the document it released in February.



**Pedini**

Mr President, we put our trust in the courteous attention of this House and in the sensitivity of the Council on the eve — I am coming to the end — of the meeting of the Council of Education Ministers in Brussels which ought at least to give effect to those few provisions of the Treaty of Rome which do refer to training and education.

**President.** — I call Mr Johnson to speak on behalf of the Committee on the Environment, Public Health and Consumer Protection.

**Mr Johnson, draftsman of an opinion.** — Mr President, on behalf of the Committee on the Environment, Public Health and Consumer Protection I want to say with that pleasure we have received the budget and, of course, the rapporteur's proposals. We find that all the important propositions put to the Committee on Budgets by the Committee on the Environment, Public Health and Consumer Protection last November and approved by Parliament last December have been retained now in the new working document presented by Mr Dankert. We find only two points on which we do want to do be absolutely sure that the final budget, as it comes out of these institutions, does reflect our views. I will tell you briefly what these are.

Last year Parliament approved the so-called token entries relating to the environment fund. At least we refer to it as the environment fund, though it would probably be more correct to speak of a Community environment financing facility. We want to be sure that these lines remain in the final budget, because we do consider that the need for an environment fund to set alongside the other Community instruments — the Social Fund, the Regional Fund — is of paramount importance. We have worked out certain areas of activity to which the fund could be devoted, and I know that the Commission itself has now gone some way down this line.

We are particularly anxious therefore that items 3510, 3511, 3512 and 3513 should remain in the final draft, and I hope the Council representatives will take note of this, even if that is only a token entry.

On other point, Mr President, I do not want to labour a point which has been laboured before, but we are anxious, of course, to see that the kind or priority which this Parliament believed last December should be accorded to the sectors of public health, environment and consumer protection is retained. In his global proposal for staff the rapporteur has included 13 posts — 6 A posts, 1 B post and 6 C posts — for these sectors. We welcome this. We think it is important, and perhaps I can record here the enthusiasm with which the Committee on the Environment, Public Health and Consumer Protection has already heard of certain changes and decisions made by the Commission. I would only say, Mr President, that if the global

package of staff is adopted by the budgetary authorities along the lines proposed by these institutions, then I do hope that the Commission will play fair by us when the time comes for the allocation of the additional posts granted. We would, I think, consider it to be somewhat wide of the mark if posts were granted by the budgetary institutions and earmarked as it were — although of course not officially — for particular sectors of activity and if we then found that the Commission, in allocating those posts, had taken no account of the priorities suggested by the budgetary institutions. I am careful to use the word 'suggested' — I do not want to imply, Mr President, that this institution can dictate to the Commission how it should allocate posts. However, I do think that where the Parliament has clearly laid down, as it has now, that 13 posts should go to these sectors, then the Commission has a duty to be guided by this opinion.

I have nothing more to say for our committee, Mr President, except to hope that the budget, as we now have it, is rapidly approved.

**President.** — I call Lord Harmar-Nicholls to speak on behalf of the Committee on Transport.

**Lord Harmar-Nicholls, draftsman of an opinion.** — Mr President, one of the first things that the new Parliament did which was admirable and sensible was to upgrade the status of the Committee on Transport. I believe that that was a very wise thing to do because it is clear that when we get into the regional field and have to decide where the limited funds can be allocated, a big proportion of them will go in some form or other to the area which comes under transport. The Committee on Transport itself followed up the wise decision of Parliament in upgrading transport as a subject by electing a very able and energetic man, Mr Seefeld, as chairman. Then we took a very definite line on that committee. We recognized that we had got to be sensible and economical in the use of Community resources and we decided that it would be best to earn a good reputation in Parliament by being sensible and moderate in our demands in order to carry out our work in this first year and we did recommend that this budget should include the figures for expenditure on research as regards transport as set out in Article 379, 322, 3740 and 3780. When we debated this matter earlier in the year Parliament itself approved three of those four, and then later on we had the support of the Commission on the remainder, only to our sadness to discover that they withdrew their support on 3781 just as we were coming up to considering this new budget. Now, the appeal that I want to make to whoever has the ultimate responsibility of allocating these resources is to leave in the very moderate figures that transport has asked to be included. The figures are intended only for research and investigation enabling us to make the best choices when we come to examine major transport schemes later on. Our case is simply

## Lord Harmar-Nicholls

this: if, when the time comes, as it will do soon, to decide where the funds are to be allocated, we have the benefit of research in depth and full knowledge of all of the details surrounding the various schemes that will have to be considered, then we are much more likely to come to the correct decision both on the size of allocations and on the priority of allocations. So I do urge the Council to look sympathetically on the request to include the very modest figures we have proposed in this budget, which I hope will be settled and agreed on tomorrow. Moreover I would ask the Council to look again at the one article on which it withdrew its support from the Committee on Transport. I believe that if the three headings, two of which we are still recommending and the other to which both the Council and the Commission refused to give their support, are included, then we shall be anticipating sensibly some of the problems that we shall have to face in the future.

Can I just add one word which has nothing whatever to do with the points I have made so far. If we can get down to looking at these matters in detail in their proper form and with the attention they deserve, then I think that we shall have to take a look at the procedures in Parliament and I would suggest that instead of spending so much time deciding what will have priority in the Friday debates, we leave some of this decision-making to the President. Let the President decide what ought to have priority in the Friday debates, so that on the other days we can make use of the research of such committees as the Committee on Transport and others, so that we can come to the proper conclusions. I hope that our modesty will commend itself to you and that the end result will be that you will agree to give us the use of the money in the amounts we have requested.

**President** — I call Mr Enright to speak on a point of order.

**Mr Enright.** — Mr President, it is not on an enormous number of occasions that I necessarily agree with the political views of my friend Lord Harmar-Nicholls and indeed I will continue to oppose them, but I do think he ought to have the right to be heard, and it is quite disgraceful the number of private meetings that are going on in this House, between not only parliamentarians but also representatives from the Council and the parliamentary staff. Could we therefore please ensure that order is observed so that we can listen to the views expressed, no matter how much we may disagree with them?

*(Applause)*

**President** — I call Mr Lange, chairman of the Committee on Budgets.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Mr President, I will wait until the private conversations are over.

*(Applause)*

So that you have a rough idea of how we work in the Committee on Budgets.

*(Laughter and applause)*

Mr President, ladies and gentlemen, it must be admitted that we are in somewhat difficult position. However all the members of this House should realise that since the rejection of the budget on 13 December 1979 until this very day we have always insisted that we cannot overstep the limits of the position we took up on 7 November. We must at the same time bear in mind, ladies and gentlemen, that six months have gone by and that certain sorts of spending and certain appropriations for commitment simply are not possible any longer. So I would urge you, ladies and gentlemen to bury the illusions which some of you cherish. We must try too, under all circumstances, to avoid letting the procedure on the 1980 budget clash with that on the 1981 budget. The procedure for 1981 begins after the summer break and if we have not sorted ourselves out by then there will be even greater confusion than there is at present.

For the rest, ladies and gentlemen, it is up to each individual to justify this as best he can to himself and, as the case may be to his voters.

The rapporteur for the Committee on Budgets gave a doubtless correct and unimpeachable account of developments to date. I have nothing to add to that. There has been some action, but in my opinion and in that of many others, it has been not nearly sufficient. Trying to stop a resolution from being adopted on the basis of individual lines in the budget is tantamount to preventing the Parliament from adopting a firm position for further wrangling with the Council over the budgetary procedure for 1981. It means forgoing the opportunity to change one's mind and leaving everything up to the Council. And anyone who thinks he can reject all the proposals of the Committee on Budgets is likewise forgoing an opportunity and practically voting for the Council's proposals without making use of the powers which Parliament has.

So I would caution the curious amongst you to vote against the resolution before the House. If you think the resolution is unsatisfactory as it stands you were given until 3.00 p.m. to submit amendments to it. We will be busy until 8.00 p.m. in any case with all the amendments submitted before 3.00 p.m. But I can tell you now that nothing will be accepted which contradicts the positions adopted on 6/7 November.

Another point: this morning someone who was called on to speak for a committee confused this plenary

**Lange**

sitting, this European Parliament, this assembly with an electoral assembly. The draftsman of an opinion for a committee should not indulge in propaganda speeches such as he might make in Baden-Baden.

*(Applause from the left)*

I am sorry that Mr Früh is no longer here. . . . .

*(Interruption: That was the best speech all day)*

. . . . I agree it was a wonderful electoral speech for you but nothing more. Because everything that Mr Früh said to Mr Dankert he repeated two or three times. If he thought Mr Dankert had gone too far, if he considered him to be at odds with the Committee on Budgets in certain things he said and considered them extreme — I have said this to other colleagues too in private conversation, and why not — then his speech was doubly outrageous — I mean on certain points, not as a whole. We must not let this pass but must try to get on together and speak to one another sensibly. He also gave the impression, in remarks directed at Mr Dankert which could only be taken one way, that we were against expenditure which strictly speaking, does not come under the Agricultural policy but which in practice is due to an uncoordinated economic policy, being taken from the agricultural budget.

Ladies and gentlemen, I would like to point out that we have made efforts in this direction umpteen times in the past but that it has always been the Council which, believing all this fell within its sphere, has carried the Parliaments work ad absurdum.

So these are things which we still have to discuss with the Council in order to. . . . .

*(Interruption from Mr Fuchs)*

. . . . Mr Fuchs, no one can follow if we carry on like this with interruptions and two-way conversations. There is no translation of this for our colleagues. I am sorry, you will have to ask leave to speak each time for this to work properly. It would be all well and good in a monolingual parliament, but not in a multilingual one like this.

So, we are quite prepared — even as a Committee on Budgets — and have always attested this willingness to separate these matters from the Common Agricultural Policy and from the expenditure of the Agricultural Policy, to clear matters up. We would pursue this line but for the fact that it necessitates our engaging in serious talks between the Commission, the Council and the Parliament. The experience we have had over the last six months ought really to have brought us to an agreement on holding these sort of talks on how the future development of the Community is seen, because this seems to me to be of crucial importance. It is simply not the case that the Community either wishes

to or is able to support itself exclusively on the Common Agricultural Policy, rather it needs other political fields to grow in strength. I do not think anyone in this House would wish to deny that. The Agricultural Policy, once the first stage in a policy of integration, now threatens to become an explosive force because of the situation that has arisen over the last five years.

We are surely all unanimous in our desire to avoid this.

The other side of the coin, ladies and gentlemen, is that heads of government, that is the European Council, really have to think carefully about what form the future development of the Community should take. I am not particularly impressed by Governments who appeal firstly to other Governments in the alliance and secondly to the Commission, and thirdly to the Council to show a greater sense of financial responsibility and to tighten up non-compulsory expenditure particularly. Quite frankly I consider this to be unfair and basically insincere.

In the formal consultations which we had on Tuesday of last week in Luxembourg financial responsibility was spoken of. This caused a dispute, albeit a very short one. And we really must ask ourselves who here in the European Communities acts with a sense of responsibility in the financial field. At the time of the accession negotiations for Denmark, Great Britain and Ireland in 1971/72 there was an agreement with respect to the rise in the cost of financing the Agricultural Policy. A review of the situation was explicitly decided upon at that time if costs should rise in a way that had not been foreseen. This they have done since 1975 by the standards of that time and it would have been easy for the Council to hold appropriate consultations with the aim of reducing surplus production and the associated cost to the Community. The Council failed to do this, indeed there was even a stocktaking of the Common Agricultural Policy designed for the discussion of and agreement on appropriate measures on the basis of Article 39. The stocktaking was effected and duly disappeared into the drawer. Meanwhile the problem of the British contribution emerged with renewed vigour and it would not have done so had we only acted in the right way at the right time. However apart from this we had made decisions in the area of Agricultural policy, regardless of losses, which have given rise to further surplus production in certain sectors or in one certain sector and now we are surprised to find ourselves in a financial vice.

When I see the Council still behaving like this today, then I really do wonder where, if at all, to look for financially responsible behaviour. It is simply a case of the Council behaving in a completely irresponsible manner with regard to the use of European taxpayers' money; this seems to me to be the crux of the matter.

*(Applause)*

Lange

And now the Council feels that its midnight hour has arrived. As Statesmen in a democratically constituted organisation or in a democratically constituted state are afraid to tell voters what is necessary under certain conditions, there will be no decision before 1 June 1980 and no change in position before 1982. There has been a certain amount of action, I have no reservations about admitting that. But if the Council believes that this has solved the problem then it is deceiving itself. And I even have the impression, which discussions I have had have reinforced, that it is only too aware of this itself. In fact — I am just reiterating here what Mr Dankert argued this morning when he submitted the proposals of the Committee on Budgets — they know that if we manage to pass the 1980 budget now their decisions will at best only have postponed the crisis for a year.

What would happen in the autumn of 1980 if we had no 1980 budget, in the realisation that the Community cannot pay its way in a whole series of sectors, will, under present circumstances and as things are planned, now happen in autumn 1981. I would be deceiving myself if I did not recognise this, given all the figures and trends which are available. Hence my urgent warning to the Council to first come to terms with their financial responsibilities and to preserve us from a persistence in previous policies before something decisive happens. This inevitable decisive occurrence can only materialize once we are already bankrupt, and then we must question whether it is even possible. And this is why there is an urgent necessity for discussions between the three institutions on where the Community goes from here. We must ask ourselves: Do we want further integration, do we want a reinforcement of integration, do we want to delay the accession of the southern European countries, independently of whatever Heads of Government or State may say, or would we rather find different solutions in the direction of prolonging transition periods? We have to answer these questions if we do not want to find ourselves in trouble over products from the South too, which will one day be a subject of debate in connection with market organisations and everything associated with them and the need to finance them. If we do not stop encouraging surplus production, in whatever area, then we will never solve this problem — I know I am repeating myself — and what was once the foundation for developments in the Community will come to signify its destruction. We cannot possibly find this desirable in political terms. And this is precisely what the Council must think very carefully about and formulate an opinion on, not in the form of more or less non-committal statements as has hitherto been the case, but in the form of decisions to take action.

One final remark, ladies and gentlemen, Mr President: What is necessary to make the budgetary authority and hence the Community as a whole work — because it determines how the political conceptions and intentions of the various bodies on which there has, of

course to be agreement, are to be put into practice in detail — is a better basis for the conciliation procedure in the wake of the agreement on conciliation. The procedure to date, as it is used at present, is simply unsatisfactory.

Ladies and gentlemen, if today, or rather tomorrow, we take a decision — on the individual lines and on the motion for a resolution as a whole, which I really urge you to appreciate for what it is worth — even if we table the amendments which had to be submitted before 3.00 p.m. today under conditions which appear unsatisfactory to some, then we have in this the basis for further discussions, I might even say for further wrangling which will have to take place between the three institutions, in the wrangling over the future form and security of the Community. Because there is something which the Council and a few others too should state quite clearly once and for all, and that is how do the Europeans think they can make themselves heard on their own in the present critical political situation in the world? It is only through the Community that it is possible to provide and secure a sensible basis for this Community and the existence of its people. This is all tied up with the budget of the European Communities, apparently so insignificant from the point of view of the figures. We should be fully aware of this and we should make our decision tomorrow in this spirit too, so that a firm foundation for the future development of the Community is assured, at least by the European Parliament.

*(Applause)*

**President.** — I call Mr Glinne to speak on behalf of the Socialist Group.

**Mr Glinne.** — *(F)* Mr President, colleagues, the Socialist Group acknowledges the improvements made in the draft budget for 1980 since the end of last year. The 512 million EUA added to the budgetary proposals submitted by the Council at the end of 1979 and the 240 million more than the initial proposal made by the Council for non-compulsory expenditure are large amounts. Equally, there can be no doubt that the conciliation procedure has also had positive results. However, the Socialist Group still takes the view that the 17.1 million EUA reserved by the Committee on Budgets for additional commitments — and these are millions which will not necessarily be approved by the Council — are insufficient.

This is why the Socialist Group will support the amendments of the Committee on Social Affairs relating to the iron and steel industry, the war on poverty and a programme for women. This is why we shall also support the amendments relating to food aid tabled by the Committee on Development and Cooperation. And finally, this is why we shall be tabling our own amendments.

**Glinne**

We are, of course, well aware that last week the Committee on Budgets recommended that amendments to the new draft budget be kept within reasonable limits. But we are absolutely determined, I repeat determined, given the circumstances and the timetable, to stand by our reasons for rejecting the budget on 12 December last.

This means that in our view there still remains a great deal to be done in the fields of employment, industrial reorganization, alternative energy resources, vocational and trade union training and regional and social policies. I am merely mentioning the key points upon which my colleagues will elaborate. We therefore support an increase in the proposals for an aggregate amount of 17.1 million EUA, because the present amounts proposed are not adequate.

I should also like to say, Mr President, that we feel very strongly that a fundamental reorganization of the budget is necessary. For several years now the automatic increase in some aspects of agricultural expenditure associated with milk surpluses has been affected by a relative reduction in the availability of Community resources. The Commission has promised to submit proposals relating to the reorganization of the budget in the summer of 1981. This would mean that the capacity for effective application of indispensable measures would be restored to the 1982 budget. Consequently, we hope that as far as possible these changes will affect the 1981 budget which is soon to be submitted to us and to which we are devoting a great deal of thought. No doubt once again there will be a serious conflict over the budget. It is our hope that serious consideration will soon be given to the need for a fundamental reorganization of the budget, that the budget will be planned on a multi-annual basis, and that a general policy ensuring a much greater degree of coordination between the various economic policies of the Community will be adopted.

We are not being over-alarmist in suggesting that the crisis of Community resources and the failure to implement a budgetary reorganization policy constitute a serious threat to the existence of the Community. In particular we do not want to see a situation in which non-compulsory expenditure is gradually squeezed out altogether.

Mr President, when on 7 November last we voted on the important modifications suggested by Mr Dankert for controlling the cost of the milk policy, everybody realized that the major problem facing Parliament was the cost of the agricultural policy in the traditional form in which it has been handed down to us. This will remain our chief preoccupation until such time as another common agricultural policy has been defined which is as far as possible in accordance with Article 39 of the Treaty of Rome but is also courageous enough to be more experimental in its choice of priorities and methods. The majority of the Socialist Group therefore supports Mr Dankert's proposals for the milk sector.

In our view the recent Council decision on the co-responsibility levy represents a step in the right direction, although late in comparison to the formula submitted by Parliament. We insist, however, that the Council stand by its decision to introduce a super-levy. This is why the Socialist Group is proposing that specific changes be made to the 1980 budget with the aim of establishing a budgetary framework from this year onwards.

I have one more remark to make, Mr President, concerning credibility. On this score Parliament is justified in criticizing the Council, whilst it must take precautions against it. The main criticism of the Council lies in the fact that it seems to operate in a confused way without either foresight or continuity of policy. Parliament must avoid emulating the Council. It must not allow itself to acquire the same habits. Consequently the Socialist Group intends to act in a responsible manner. But this could never mean that we would relinquish our own rights or the concern expressed in December on behalf of millions of voters.

Mr President, the amendments adopted by Parliament will in all probability remain within the bounds of reasonableness and justification. Therefore I would like to appeal to the Council to develop its attitude along the lines of greater cooperation, recognizing joint budgetary authority and respecting the rights of Parliament. For the last two weeks Members have been working under difficult conditions and have performed the feat of examining the draft budget in record time whereas in theory they have six weeks in which to do so. This too justifies our insistence that the Council be extremely diligent. If the Council feels that a second reading is necessary, we will ask them to ensure that the second reading takes place in July. In fact in my view the credibility of the European Institutions as a whole is at stake.

Finally, Mr President, I should like to stress that the rejection of the budget last December constituted a political act. This perfectly justified act is not responsible for the resulting delays, because it has taken the Council over six months to submit alternative proposals. Moreover the Council has paid only slight attention to the preliminary draft budget drawn up by the Commission in February. On behalf of the majority of my Group I may say that if we were already at the end of June it would once again be very tempting to reject the budget outright for the same fundamental reasons as in December. The rejection of the budget in December forced the Council to make a number of concessions. If we approve the 1980 budget, which we would like to see modified in accordance with the amendments we have tabled, this will not prevent us from campaigning for a new budget. It will merely be the first stage along the road to a genuine and fundamental revision which we shall never cease to press for because we have a mandate from our electorates to do so.

Glinne

Mr President, I should like to make one last point about the motion for a resolution tabled by the Committee on Budgets. The majority of the Socialist Group regards the document both as too weak and too vague. When they read it journalists and the man in the street will have the impression that both sides of the case are being put forward and that we are refusing to adopt a position on the Council proposals. To obtain a political appreciation observers would do better to refer to speeches by political groups which are made for that purpose. In this way and by observing the reaction of Parliament and the Council to the amendments tabled, the European public will be able to see what happens to inadequate Council proposals.

You may be quite certain that the Socialist Group does not want a battle over procedure, although it is prepared to put down a preliminary question on the political resolution contained in the draft budget. We in the Socialist Group on the other hand want things to be stated clearly. We regard the composite resolution of the Committee on Budgets as unnecessary; in any case there is nothing of vital importance in it. What counts is what happens to the amendments. As far as a new document of political explanations is concerned, we in the Socialist Group prefer to stand by the priorities and criteria of an acceptable budget as they were very clearly and unambiguously defined last November and December. We regard the text drawn up at that time as still valid.

*(Applause from the left)*

**President.** — I call Mr Klepsch to speak on behalf of the European People's Party (C-D Group).

**Mr Klepsch.** — *(D)* Mr President, ladies and gentlemen, for my group, the European Peoples' Party, budgetary policy is one of the most important means of backing up the Community's work and one of the most important means for the Community to assume greater community responsibility. In saying this I would like to emphasize that our present situation is not one of conflict between the bodies of the Community but rather one in which the constituent elements of the Community — the Council, the Commission and the Parliament — are struggling jointly to achieve something better for our Community, to make some progress. This mission was imposed upon us all by the Treaties and we have to fulfil it together. The House which has assembled here today to conclude the consultations on the 1980 budget is aware of this responsibility, and those who have spoken before me have brought out various aspects or facets of the task which we face. They all emphasize that we must abandon the sort of thinking appropriate to one nation or one sector, and that we must make policies as a Community in this year of 1980.

Allow me therefore to begin with a word of thanks to the rapporteur for the Committee on Budgets, Mr

Dankert, to the whole Committee on Budgets, to the Commission, which was extremely helpful during the difficult process we had to undergo when the budget was rejected in December, but also to the Council, particularly to the President-in-office of the Council. I thanked Mr Colombo and Mr Cossiga and the Italian President-in-office of the Council at the last session and I do not want to repeat myself today but I would like to thank the members of the Council who have put great effort into ensuring that the budget for 1980 has been laid before us for a decision despite the serious crisis in which the Community found itself. With many speakers I get the impression that the last half-year has vanished from their memory. What have we had to endure in this half year? The conflict over the settling of the British contribution, the conflict over agricultural prices, the conflict over the question of the restructuring of agricultural measures. We did have all this to settle and so Mr Lange, much as I am usually inclined to applaud what you say, because it always reveals profound insight into the problems which concern us, I cannot accept your criticism of Mr Früh.

*(Isolated applause from the right)*

This needed to be said. One thing is clear: all of us in this House are happy that the conflict over the fixing of the necessary price increases has been concluded in a manner satisfactory to the majority of the House.

I can speak on behalf of my own group and say that we approve the Council's decision to take the figure of 5 % as a basis, a move which my group recommended to this House and which we knew had the support of the majority of the House. But as we said at the time, and in this I can concur with Glinne or Lange or Früh, who all say the same thing in different ways, we are all of the opinion that we must put a stop to surplus production and the subsidising of surplus production. I believe that this is something which all three institutions of the Community have recognized jointly, it is an insight which they share, and we are happy that an initial step in the right direction has been taken in this budget before us.

Ladies and gentlemen, for my group it is a question of achieving the most favourable outcome for the Community as a whole. Mr Lange pointed out quite rightly that six months further on, after the Council has solved some of the most difficult questions, we are of course in a somewhat altered situation. The signs which this Parliament gave in December have been seen and noted. At the time, I agree with you, Ernest, it was a political decision and not a matter of fiscal book-keeping. Tomorrow's decision is also a political one. We cannot disagree over 100 000 units of account, on which we are simply required to say yes or no; rather, a political decision will be called for in this House. I think everyone involved is perfectly aware of this.

**Klepsch**

And so we have to make clear what we want to emphasize in our new policies. I have already spoken on the agricultural policy on behalf of my whole group and I would like particularly to underline what I said. We do not think that the integration of agricultural policy is an aim to be despised, quite the opposite. We want to make progress in that direction but we are aware that we have to try to cope with overproduction better than we have done in the past, and that we must make use of the opportunities which are offered to us and which we ourselves requested.

Secondly, we are quite aware that we must seize every opportunity in the Budget before the House to take steps towards progress in the fields of energy policy, social policy and development policy.

*(Isolated applause from the right)*

However, regional policy lies particularly close to my group's heart and I can say with no reservations that we consider it to be of central importance — for the simple reason that all the talk of convergence and progress remains meaningless if we do not set to work on regional policy. Ladies and gentlemen, this is the yardstick which my Group has established for itself.

I would like to deal with two further points; here too my colleague, Mr Früh has hit the nail on the head. Last December we did not discuss the common agricultural policy; those areas which I just mentioned were of marginal importance for us. However, I too think that the time has come to say out loud that the discussion taking place between the Council and Parliament on the question of loans must become serious. I have no intention of excluding the Development Fund here either.

For the 1980 budget we began the discussion with the question of loans, but for the 1981 budget, we have to sort this out today, discussion does not end for us here but only begins. And I would like to bring home to you that in the areas I mentioned my group neither was nor is concerned merely with appearances, but rather, we hope to make the principle of solidarity inside and outside the Community the basic principle in what we have to say and that we thus view the areas of regional and development policy as great arenas for conflict. Allow me to conclude my remarks by pointing something out.

We, Mr Lange, do not consider it to be a sacrilege to be of a different opinion from the majority of the Committee on Budgets on certain issues.

There are a number of issues on which my group was in a minority in the Committee on Budgets. This does happen; but we won't then forget it in the plenary sitting and we even believe that on many of these issues we have reflected the opinion of the majority of the assembly. For this reason the practice is to leave

the final decision to the full assembly in a democratic Parliament.

The opinion in my group is that we are dealing with a process which is to be brought to a conclusion tomorrow after six months of serious thinking, after weeks of careful consultations. We believe that we should not wrangle tomorrow over the number of decimal places but that what is important, if the result is to be satisfactory to all concerned — and it seems to me that this is possible tomorrow — is to bring the budget to a conclusion. We should be grateful to the Commission — we are well aware of this — for the fact that we will receive the text of the budget in July 1980 and will then be able to begin consultations without delay. The 1980 budget may not have met all our requirements but we can discuss them in connection with the 1981 budget. But it is not our concern to plunge the Community into chaos over the number of decimal places and so I can speak for my Group in saying: we are resolved to view our work as a Community as being of prime importance and to consider the joint action of the institutions of the Community as extremely important. Speaking frankly, we have had the impression sometimes over the last few months that one of the institutions, the Council, was not quite clear in its own mind whether it should regard itself as an institution of the Community or merely as the sum of national interests. We got the impression that in Venice the tide had turned, as we say where I come from, and that everyone had reverted to the opinion that all our problems can only be solved jointly as a Community. We intend to lend our wholehearted support to this trend.

*(Applause from the centre and from the right)*

**President.** — I call Mr J. M. Taylor to speak on behalf of the European Democratic Group.

**Mr J. M. Taylor.** — Mr President, this, the first year of the directly-elected European Parliament, has been an unusual year in a budgetary sense because we have seen two separate struggles played out alongside one another. There has been a struggle by this Parliament to find and use its budgetary powers responsibly, and that has been fraught with difficulties and has had its moments of stirring quality as well as its moments of deep anxiety. There has been another contest. There has been another difficulty giving rise to negotiations, as we know, and that has been between the United Kingdom and the other eight members of the Economic Community I think that a lot of people in this Chamber have sincerely wondered why it is that members of my group who happen also to come from my country have seen fit to pursue an attitude of continuing vigilance and continuing contest on the budgetary front, despite what many people consider to be a very equitable and fair and just and gracious settlement in favour of the country from which I

**J. M. Taylor**

come. Now the reason for that quite simply is that the two struggles of which I have spoken are completely separate and independent. In respect of the second, I would like to say to the Italian Presidency that those of us who happen to be British are profoundly grateful for the wise, benign and helpful way you have assumed this difficult and high office.

*(Applause from the European Democratic Group)*

As for the struggle of the Parliament to use its budgetary powers, that goes on. The British Members of this Parliament come here with a considerable experience of parliamentary democracy and of many other things too. We have had Scandinavian kings and Norman kings, French kings and Jacobite kings and Dutch kings and, more recently, German kings. I suppose we have also been occupied by the Romans and we shouldn't disregard that either. Our history throughout this time has been a significant model of the struggle and progress of parliamentary democracy against the established order (I say 'the established order' rather than arbitrary establishment), but it would be wrong for us to say that we do not believe in this Parliament, because we do.

Many would tell us that it is our duty simply to pass budgets when they are put before us. In truth, Mr President, it is not. It is our duty to look at budgets, measure and assess them and then consider how we should use our range of budgetary powers — powers to amend, modify, adopt, reject and ultimately discharge. And we have to use those powers with discrimination, even if from time to time we find ourselves being criticized or isolated. The previous speaker — and I warmly welcome him back to this Chamber in renewed and growing strength — remarked that he was a little concerned at some stages that his colleagues in the Committee on Budgets had found themselves in a minority. I say to him, he should not worry about that. All too often in this Parliament we are preoccupied with searching for a consensus, for common ground and the weight of numbers, instead of sticking to the things we believe in and voting for them. And I speak as a member of the group that is probably isolated in this Parliament more often than any other, and I tell you that if we think we are right we do not care!

Mr President, I think there are some who even at this late stage are nervous about what the Parliament may do and think that it is still on some sort of rampage and is still anxious to show its virility. I do not believe that is the case at all; I think Parliament has exercised the greatest possible moderation. It is putting forward now, through its Committee on Budgets, what in my view is no more than a minimum case to meet the circumstances. It is trying to reconcile what really ought to be done with this budget with the urgent needs of the hour and the fact that the European Community is seen to need a budget.

Mr President, congratulations are undoubtedly due to Mr Dankert, who has borne the heat and burden of the day through a very difficult passage of events indeed.

*(Applause)*

I should also like to congratulate Mr Lange, the chairman of the Committee on Budgets, who has taught many of us by his example. Many of us who have only been here for twelve months have learned a lot of what we know about the Community budget and about the way in which an important committee should be conducted from the example he has set us.

*(Applause)*

Now, Mr President, I am conscious that time is short and much of it has been used, so I shall draw my remarks to a conclusion with a brief indication to my opposite numbers in other groups of how they may expect this group to deliver its votes tomorrow, subject to the negotiations and meetings that are still to come. Let me say this: as far as the 17.5 million units of account is concerned, I think the broad view of my group would be that that is the maximum that we would be prepared to add to the non-compulsory portion of the budget and that my group might be a little more relaxed with a smaller rather than a larger sum.

As for the budgetization of loans, we do regard this as important. It flows from our belief in the budgetary competence of this Parliament. Inasmuch as the Parliament is the joint financial director of European budgetary affairs, it seems to us to be absurd that part of the accounts should be denied to us and some of the competences for dealing with these financial activities are not shared with us. And so we are, and remain, in favour of the budgetization of loans and of the EDF.

As far as the classification of the money to be paid back to the United Kingdom is concerned and the correction that has been negotiated, we feel it would be more seemly for others in this Parliament to take the lead and give the decision, and it seems to the Committee on Budgets that the broad consensus view is that it should be non-obligatory. We take the slightly old-fashioned view that we are in some senses perhaps the beneficiary of these negotiations and that it might be seemly for us on this particular point to abstain.

That would not, however, be anything like our sentiment on the agricultural policy statement which it has been suggested should be inserted into the compulsory portion of the farm budget. We would like to see, and would join with those who want to see, in that portion of the budget statements which have binding consequences for the future, so as to ensure that this area of spending, which seems to many of us to be unhealthily uncontrolled, is brought under future control and



**J. M. Taylor**

brought into containment as a proportion of the budget overall, lest the European Community be seen to be a farm club and nothing more.

Mr President, there are but two statements to make in conclusion. The first concerns food aid, where I think my group may well decline to support an additional sum of money which the Committee on Budgets actually inserted. We inserted it when we were in the Committee on Budgets and associated ourselves with it because there was no guidance on any other course save the preliminary draft budget which emanated from the Commission last February, and I say a critical word to other colleagues in this Chamber now. Throughout our deliberations there were no chairmen of the spending committees present who could have said on behalf of their respective committees that such and such an allocation of budgetary line was not required by them. They were not there to say it, and Mr Lange and others were short of that guidance. The Committee on Budgets cannot know all the attitudes of spending committees throughout the Parliament, and I find it regrettable that representatives of those committees were not there to give guidance when we would have appreciated it.

This is my last word, Mr President, on behalf of my colleagues in this group. We stop far short of those who would say at this stage in the life of this young Parliament. 'Let us claim a victory, and let us be done with the 1980 budget!' We do not say that and we do not think it is realistic. Better to say, 'We have achieved a little but not enough'; that would be a modest claim for the first twelve months and it would be a fair claim and a just claim too.

*(Applause)*

**President.** — I call Mr Spinelli to speak on behalf of the Communist and Allies Group.

**Mr Spinelli.** — *(I)* Mr President, when we rejected the budget on 12/13 December 1979 we gave four fundamental reasons for doing so. Firstly, agricultural guarantee expenditure had to be brought under control: there had to be a better balance between the various parts of the budget, between agricultural expenditure and other expenditure, and the Council's proposals did not recognize this need. Secondly, the new policies had to be developed to a much greater extent than the Council was proposing in its draft. Furthermore, loans ought to be entered in the budget. Finally, a clear statement was needed to the effect that the funds destined to help not only the British but also the Italians and the Irish, were not — whatever the Commission might say — expenditure arising from obligations under the Treaty and thus were not to be considered as compulsory expenditure.

Well now, since that time, the Commission and particularly the Council have behaved in such a way that I

am almost inclined to ask myself whether by any chance the gentlemen of the Commission and the Council have not been taking lessons in the art of obstruction from our colleague, Mr Pannella. Although the Commission could have presented its new proposal and its new budget within a fortnight, it waited two months to do so. Although the Council could then quite rapidly have stated to what extent it wanted to accommodate Parliament, it waited six months to do so.

After these obstructionist tactics which have got us with our back to the wall and in a situation in which the Community's budget will only be operative for the six months which remain, what is the Council proposing?

Expenditure on support for agricultural prices is increasing by 1 100 million units of account. In percentage terms this expenditure will now account for 74 % of the budget as against 70 % in 1978 and 72 % in 1979. Is this way they call making some progress, what they call beginning to rebalance the budget?

Of course, a few small concessions have been made. A modest co-responsibility levy has been introduced, although it is not sufficiently high to act as a real brake. And when, during the long conciliation procedure, we asked the Council to join in a commitment to begin to enforce direct measures for greater supervision and a better balance during the course of the 1981 budgetary procedure, the Council refused saying that its own good intentions were enough.

On structural expenditure the Council offered us — and then rejected — 200 million extra. The Council, completely disregarding everything that had been said and said again — is now proposing the same 200 million. It is really 240, but within the Council there was a clear statement, with a recommendation not to tell Parliament (but it is difficult to keep a secret) that the 200 million units of account would remain just that. It was only because of the extraordinary events in Afghanistan, Cambodia and I don't remember what other country that 40 million was added in order to help them. Aid must be given to the Cambodians, the Afghans and so on, but a Community policy on development, no! Such and such an amount must not be exceeded!

As far as the non-compulsory nature of certain expenditure is concerned the Council discovered that it is the Commission that decides what is what in the Community. Since Mr Tugendhat came and told us some untenable things, the Council thinks it is justified in upholding the compulsory nature of expenditure.

Finally, there has been the refusal to include loans in the budget and the previous commitment (which was not kept) to take a decision on this within six months has now been forgotten.

## Spinelli

At the heart of all this there is the statement which the Council has made many times, namely that there will be no change in the rate of VAT going to the Community for the next couple of years. This means, that even next year — using the forecasts we can already make and which the Commission will perhaps tell us it has already made — we will only be able to remain within the limits by making serious cuts. Woe betide you if you cut compulsory expenditure: this must be maintained as it is or may be increased by a few thousand million as happens every year! The serious cuts will be made to regional policy, social policy, industrial policy and energy policy. This is the progress made by the Council.

Mr Dankert's motion for a resolution says that even if not everything has been achieved, something has been done. The Committee on Budgets moreover rejected by a majority some amendments supported by ourselves and colleagues from the Socialist Group in which we asked that the remarks on the EAGGF item should include a note to the effect that during the procedure for the 1980 budget the Commission ought to propose — and the Council decide on — the measures needed for the reorganization and balance which have been called for.

Although we are able to include this in the remarks as a condition for the execution of this expenditure, the majority on the committee thought that the Council had already done too much for it to be asked to do this too. We shall table this amendment again just as we shall table again an amendment which the Committee on Budgets did not accept in which we repeat that we consider certain expenditure to be non-compulsory. We intend to insert it in that position and not in the resolution because the resolution merely expresses Parliament's opinion. The budget, once adopted, is an act of the Community and it is here that there must be an indication of what is compulsory and what is not. It is possible for us to do this. It is up to us whether we do it or not.

It is for these reasons that we are not inclined to support the Dankert motion for a resolution which would give one to believe that, even if we have not obtained everything we wanted, various important points have been won. We have so far cooperated on drawing up the amendments in the hope that the resolution would be a strongly critical one. We would also have voted in favour of many of the amendments which were not examined in committee, many of the amendments, for example, tabled by the Radical Party which are quite sensible. But since all of this is really a very small addition to something which is practically an endorsement of the Council's draft instead of a condemnation, our intention — unless something new emerges in the course of this debate — is to abstain from the vote on the amendments since there is no point in amending a document which in itself bears no relation to the Community's needs.

We would have liked to see the Committee on Budgets and then Parliament pass a resolution saying that, in spite of the Council's behaviour and in spite of the fact that the Council has not solved these problems and has refused to commit itself, thereby helping to bring the Community even closer to ruin, we feel more responsible for the future of the Community than the Council apparently does; we are not therefore, on this occasion in the middle of the year, presenting another resolution rejecting the budget but we are nevertheless expressing our condemnation of the Council's methods and further action may ensue as a result.

In the present situation, if the proposal made by Mr Glinne were accepted, we would be ready to cooperate in drawing up this short statement which indicates a fundamentally negative opinion of the draft presented by the Council irrespective of any small-scale amendments which might be made. The fundamental point is that our opinion is a negative one since the scattering of 17 million units of account here and there will in no way alter the nature of the budget.

Having said this, I should like to turn to our colleagues in order to invite them to give some serious thought to the experience we have had, since one must draw lessons even from one's defeats. This is a defeat for Parliament. We came here wishing to advance the construction of Europe and we have tried to use our power to force the Commission to be more enterprising and the Council to be more able to take decisions, in the interests of developing the Community. But what we have found, particularly during this procedure, is that the Council doesn't give a damn about us, that the Council can act in the same way as it has for decades with the Commission, that is to say to allow time to pass without taking decisions and then — at the last moment, when the other party has its back to the wall, when all one can do is salvage the salvageable — present proposals which arrive late, which are inadequate and which are often quite unsound. The effect is to immobilize a Community which ought to be developing. This is quite a widely-held attitude. We know the Council is more or less disregarding the undertaking it gave to engage in serious consultations before taking decisions. It has already begun saying that conciliation is pointless even when it is requested. Again, let us not forget that, although we asked the Council to discuss the appointment of the President of the new Commission with us, it decided not to do so. It did not forget: it decided not to. Now, in spite of this arrogant attitude, the Council is not a centre of effective action, it is not able to get things done. Its work is made up of improvisations and superficial treatment. Improvisations which take months and months to devise but which remain improvisations nevertheless, as we have seen in the way it has dealt with the British problem and the many other real problems of agricultural surpluses. It always takes a superficial view and is completely lacking in foresight.

While in my view — if we have any sense of responsibility towards the electorate — we must face up to the

**Spinelli**

fact at the end of this long budgetary experience that this is the road which is leading the Community to its ruin. The Community has reached the point at which one might repeat something that was once said in Britain in the House of Lords: 'This Community is destined to mend or end', it cannot go on as it is. And let us not delude ourselves that the palliatives of the Three Wise Men or the Spierenburg report are enough. Thoughts are already turning at government level to a reform of the Community, partly in connection with our budget, and we can see this by the way things are turning out. They are thinking of reducing the Community to a simple association of States cooperating case by case, point by point, in different ways and numbers, a Europe *à la carte* based on the principle of the 'fair return', i.e. increasingly creating a special fund each time something has to be done and then declaring that this is compulsory expenditure on which only the Council can take a decision. On this road lies the danger that the Community might become an empty shell.

Before it is too late, Parliament should initiate a grand debate on the crisis of the European institutions, not this or that defect of the Commission or the Council, but the institutional crisis in Europe. It must hold this debate in order to say which reforms are necessary and which must be submitted for ratification to the national parliaments in such a way as to give them something serious to look at so that our people can judge and our parliaments decide.

I therefore think that it was a good thing to have rejected the budget since it allowed us to see how strong we are when we are united. We must draw some profit even from this outcome which is equivalent to a defeat, a victory for inaction. The outcome today must not lead us to resignation but to prepare a new strategy, a much bigger campaign than we have waged so far.

*(Applause from the left and from the benches of the European Democratic Group)*

**President.** — I call Mrs Scrivener to speak on behalf of the Liberal and Democratic Group.

**Mrs Scrivener.** — (F) Mr President, colleagues, at the risk of sounding harsh, in my view the most important question we have to ask ourselves and what we must continue to bear in mind during the whole of the debate is this: are we going to agree so that the budget can at last be voted? What I should most of all like to remind those who wish to prolong the battle which has been raging since last December is that we have the 1981 draft budget to deal with as well. We must be in a position to deal with it as calmly as possible, and that is one of the reasons why what I shall call the '1980 budget affair' must be concluded as soon as possible.

Some may say that this position is the result of self-denial. We in the Liberal and Democratic Group feel that the progress made justifies this position. First, because the budget was rejected, the Council has entered into a much more constructive dialogue with Parliament. Thus genuine progress has been made as far as communication is concerned but it must be strengthened and maintained. Moreover, we shall have an opportunity to put it to the test during the budgetary procedure for 1981. But if we are honest, it was largely a psychological reason, in other words the Council's attitude to Parliament, which prompted the House to reject the budget, for Parliament saw itself as the poorer partner in budgetary authority. We feel that progress has been made in this area too.

I should now like to tackle another fundamental subject, the common agricultural policy, which is and always has been the source of all our problems. But I should first like to affirm the Liberal and Democratic Group's unhesitating and unequivocal commitment to the common agricultural policy and to its fundamental principles. But I must add that the experience of the last few months has led us to feel that it should be better applied to suit present realities.

We unreservedly support a 5 % rise in farm prices, for after all it was we who proposed it at the time. Indeed it is quite normal for sectors registering structural surpluses to bear the brunt of our efforts. But what do we find? In addition to the rise in farm prices, the Council decisions of 31 May proposed a 2 % co-responsibility levy in the milk sector and, in the event of a market increase in production, the introduction in 1981 of a co-responsibility super-levy. There can be no doubt that this constitutes a major change in attitude from last year. Indeed the present budgetary structure reflects this change. It is noteworthy that compulsory expenditure should represent for 1980 an increase of approximately 12 %, whereas between 1975 and 1979 the percentage of this expenditure was approximately 22 %. This corresponds to the wishes of Parliament, because on the one hand the common agricultural policy which is so vital to us, as many people it is true have said, is not adversely affected, while on the other it also satisfies the need for a management of the markets which is better adapted to our requirements.

As far as non-compulsory expenditure is concerned, the Council is proposing an increase of 240 m EUA in its new draft budget. But in order to implement the new policies upon which we have so set our hearts we would require a much more generous offer than that, for it is a source of great regret as well as incomprehension to us that the speeches in favour of the development of new policies, on energy for example, have not been translated into a substantial budgetary allocation. But it is realistic to assume that if Parliament were to increase non-compulsory expenditure by a large amount, this would quite simply be rejected by the Council.

## Scrivener

So as to make allowances for the contradictory aspects of these problems, the Liberal and Democratic Group will support the amendments tabled by the Committee on Budgets which will facilitate the implementation of a number of policies and, at the same time, represent a modest increase which in our opinion is likely to meet with Council approval.

On the other hand the Liberal and Democratic Group will oppose any other amendment of any kind. In this respect I should like to emphasize that we will not always do so gladly and that we should have liked to have tabled our own amendments for certain sectors. But for the reasons I have outlined during the course of my speech, we think it better to vote it as it is.

Mr President, colleagues, it will not surprise you that I wish to reaffirm my Group's commitment to the inclusion of the European Development Fund and of loan and borrowing transactions in the budget. The Council must at long last give Parliament satisfaction on this score.

Finally, Mr President, the Liberal and Democratic Group will support the draft budget once it has been amended in this way, because we do feel that progress has been made both in terms of the relationship between the institutions and in terms of the structure of the budget. Certainly this is only a beginning as far as improvements are concerned and there is still a long way to go, but we shall have an opportunity to continue our efforts and to reaffirm our position when we deal with the 1981 budget.

## IN THE CHAIR: MR KATZER

*Vice-President*

**President.** — I call Mr Ansquer to speak on behalf of the Group of European Progressive Democrats.

**Mr Ansquer.** — (*F*) Mr President, Ladies and Gentlemen, six months have passed since the budget was rejected, six months in which the Community has lived through one of the most serious crises in its history. We are of course aware of the major events: the absence of a budget, the disagreement over farm prices, British claims in respect of contributions to the budget. Now we have muddled through and things are more or less back to normal again, but what has been the price of it all? In the end the new 1980 budget will hardly be any different from the earlier one, particularly as far as non-compulsory expenditure is concerned. It is true that the House has obtained additional loans to cover existing policies, especially the regional policy, and we are delighted about this. Similarly it has been suggested that new loans should be

secured so that we can implement new policies. None the less one still wonders whether these loans can be secured before the end of the year.

Whatever happens the Community has been running in low gear since last December. What did Parliament's action achieve? There is no doubt that the House contributed to achieving the Brussels compromise, the consequences of which must be examined. The raising of farm prices by 5%, when annual inflation is running at twice that figure and production costs have increased considerably, is an inadequate measure. Who would dare ask any other category of workers to accept such a sacrifice? The farmers are not a fringe group. They are just as much Europeans as anybody else and should be treated as such. Even if it is necessary, and we are quite willing to admit that it is necessary, to put right the faults and a number of inadequacies in the common agricultural policy, if it is necessary to improve it, the changes and the modifications must not cause our farmers to feel discouraged or exhaust the economic potential represented by our agriculture and by all the agricultural and food industries of the Community.

On the other hand the House wants to eliminate surplus production while we continue to waste and destroy. But as we discourage such agricultural production entire populations are dying of starvation. Everyday brings its share of suffering and misery: yesterday it was Cambodia and the Vietnamese refugees, today it is Uganda, tomorrow the countries of the Sahel region and other areas. Should we not organize our production and our markets on the basis of this? Is it such an insuperable difficulty for the European Community? No, the only thing required is the will to do it!

But the new 1980 budget reflects the Brussels compromise, as a result of which we are moving in what we regard as a very dangerous direction. Of course we are perfectly willing to help Great Britain overcome her difficulties because it is the duty of the Community to help Member States when they require it. But Europe must not become inward-looking and must not introduce a planned restriction of production at a time when countries are developing very rapidly and will without any doubt play an increasingly important role in the world economy. We must not cause the common agricultural policy to collapse under the pretext of eliminating the Community's financial waste.

Of course I agree that we also have a duty to see that the Community does not collapse as well. Let us therefore take the necessary steps to avoid this. It would be quite unacceptable for there to be a permanent state of renegotiation and that, as a result of a Community contribution to the United Kingdom, we establish the principle of the just return which would open up a fatal breach in European Community solidarity. The inclusion of a new Chapter 58 providing finance for

**Ansquer**

exclusively British measures, may mark the end of the concept of a Community based on a common policy. This confusion could make nonsense of the Community patrimony which has been put together so patiently by those who believed and still believe in Europe.

As regards the milk co-responsibility levy, we continue to maintain that it is inadequate. In fact what the Community lacks is a policy for fats. Instead of combating the effects of the surpluses and particularly the milk surpluses, we must tackle the causes of them. The most important of these are imports of vegetable fats, massive imports of fodder products which cause surpluses. The constant increase in the co-responsibility levy only hits the small producers and family farms but fails to resolve the fundamental problem of milk factories. The super-levy, the principle of which was worked out at Brussels, will, if it is applied, again penalize the small producer. The large producers will easily absorb it. This is why we are reaffirming our opposition on principle to this co-responsibility levy. The real problem is the lack of a policy for fats. In fact our Group has tabled four amendments of principle on this very subject. We are also against the modification proposals relating to agriculture submitted by the Committee on Budgets. We reject the transfer of 100 million EUA for the 'milk and milk products' reserve refunds to Chapter 100. Reviving an old proposal from last November will not help the House to save face, and we do not wish to be associated with the constant attacks on the common agricultural policy. Similarly we shall vote against a redrafted Chapter 76, on the financial contribution from production which is structurally in surplus. We could never allow the idea of financial responsibility for surplus production devolving upon the farmers to become an actual principle. This is contrary to all the rules of the common agricultural policy and leads to the proliferation of special community levies. Well, for our Group, for the European Progressive Democrats, the time has come for realism. In any case, our conscience is clear, for we voted the budget.

Mr President, colleagues, we know perfectly well that no budget is ideal. Therefore it is better to have even an imperfect budget than not to have one at all. This is why, demonstrating our realistic approach, we should like to continue to construct Europe within the framework which has made it a success. By doing so we can preserve Community preference and the financial unity of the Member States. Granting the Community a budget is a concrete and responsible expression of unity and one which, as we see it, is extremely beneficial to the Community's future.

**President.** — I call Mr Bonde.

**Mr Bonde.** — (DK) Mr President, I am one of the representatives of the Danish minority in Europe. We

represent only about 2% of the population of the Nine but in my own country the Danish minority is in the majority. That simple fact determines our position on the draft amendments. We do not judge the amendments on their content alone. We ask whether they strengthen or weaken representative government in Denmark. We maintain that the veto right under the Luxembourg compromise is a guarantee of representative government in Denmark. Through the Council of Ministers the Folketing can prevent others taking decisions for us. By involving the Danish people in a lively debate we can force the Folketing to allow the Danish government to reject proposals we do not like. That is what we mean by representative government; a majority in a country determining its own future. Representative government without representation is merely government. Denmark and Greenland have 16 of the 410 seats here and even if we all voted in the same way — which unfortunately we do not — we are still in the minority here. At best we may be consulted. But most of the time it is meaningless formality and we will not get self-determination until there is no EEC body higher than the Folketing. The main objective of the budget proposals before us today is to weaken Danish self-determination for the sake of a meaningless formality. The parliamentary majority will strengthen the supranational parliament to the detriment of the more international Council of Ministers.

Mr Dankert's report provides an excellent picture of gradually increasing powers; it would be a mouth-watering bill of fare if only the main course were not composed of all the slices cut off Member States' independence. Mr Dankert and most of the others want to convert as much compulsory expenditure as possible into non-compulsory expenditure so that Parliament rather than the Council can have the last word. We are not against food aid for the hungry but we warn against using hunger in the world to starve representative government in the Member States into surrender especially when international solidarity thrives best on healthy representative government. The majority in the Committee on Budgets wants to reinstate a variety of budget items with a p.m. in order to force the Council to anticipate decisions it has not yet taken and perhaps never will take. The idea is that once a p.m. has been entered in the budget an amount can always be entered the next year or the year after and eventually an attempt can be made to force the Commission to use the money without being authorized to do so by the Council of Ministers. The Danish People's Movement against Membership of the EEC exhorts the Danish Government to reject all accounts for which there is no valid legal basis that has been approved by the Danish Folketing. Parliament also tries in another way to legislate over the budget. It is the usual game of transferring agricultural expenditure to Chapter 100. We warn against using farmers as scapegoats in the desire to increase Parliament's power. We warn too, against attempts to enter the Guidance Fund and lending activities in the budget

**Bonde**

because that would transfer power from the national parliaments to the supranational parliament.

If we have to choose between limited national control in the management committees and the Commission's exclusive right, then we prefer to urge the Member States to use their right of veto in the management committees.

When thousands of millions have to be granted to keep the British in the Community against their own will, then we feel that Article 235 of the Treaty of Rome does not provide an adequate legal basis. We consider it illegal to use a loophole in the Treaty of Rome to stop a loophole in the United Kingdom's national purse. If a special grant is to be made to keep the British in the Community a special act should be adopted and approved by all the parliaments of the Nine. We are very much against the parliamentary majority's desire to make expenditure non-compulsory so that they have an influence on its implementation and perhaps next time on the size of such a grant.

We shall vote against the proposed new posts that will increase the Community's interference in Member States' ability to legislate independently. We obviously realize that nine posts for a women's office would reduce the number of women unemployed by exactly nine but if we take the distribution of the sexes in the Commission as a guideline, there will continue to be nine men.

**President.** — I call Mr Romualdi.

**Mr Romualdi.** — (I) Mr President, ladies and gentlemen, six months ago we rejected the budget in the unanimous belief that it was too rigid. This is what Mr Dankert reminds us in his report when he states that we undertook to adopt the budget only when the unjustified cuts made by the Council to non-compulsory expenditure were removed. It was a rigid budget in the sense that it was too much taken up, almost entirely taken up, with compulsory expenditure and gave little or no consideration to non-compulsory expenditure for the financing of the various essential Community policies, particularly — as we stressed on that occasion — of the regional and social policies, and therefore to our efforts to eliminate as far as possible the serious economic and social disparities existing between one region and another, between one country and another, so as to give practical effect, above and beyond the theoretical statements that one hears, to the policy of convergence and so not, in other words, to have not simply a two-speed Europe, as described in the old Tindemans report, but a Europe operating at several different speeds; and furthermore, the commitment to finance support policies for crisis products, industries and restructuring and conversion schemes; all of those measures, that is, without which it is quite impossible to make any other

contribution to the development of our economy or create new jobs.

The budget which we are asked to examine and adopt is unfortunately not the budget which we were expecting. It is not correct to say that the unjustified cuts have been removed or that the fundamental problems have been solved in line with the political and economic targets we have set which would guarantee development and secure and decent jobs — as we have said a hundred times — in all the countries and for all European workers.

It is still a rigid budget without any possibility of choice or room for political manoeuvre as we had hoped — let me say this again — and as we had the right to expect. It is another frozen budget providing no serious opportunity for financing and sustaining a large-scale regional and social policy and whatever else is in need of support apart from agriculture; a budget, furthermore, which, in its presentation, suggests that the Council wanted once again in an impromptu manner to impose its own point of view and its authority. But without prejudice, ladies and gentlemen, to the sense of responsibility which must guide us at this time so that Parliament does not join in a damaging test of strength with the Council and the other European budgetary institutions — and this is the reason why we cannot totally dismiss the Dankert resolution which we find very unsatisfactory and on which we shall give our judgment tomorrow in the light of developments in the debate and the fate of the amendments — what I have said is not meant to be a criticism of the support which we have once again undertaken to give to the agricultural policy which — let us not forget — together with the policy on coal and steel lies at the very foundation of our Community; it is simply meant to be an appeal or rather a request to the Council, and through the Council our governments, since we want to do more and better to produce a real European policy to which — especially on solemn occasions — they always pay fervent lip service but are never so keen to take action when the time comes to give practical form to the commitments which the common policies require — as the chairman of the Committee on Agriculture recalled this morning — in order to prosper. And this would be possible if our governments wanted it and did not always try merely to justify their lack of interest and selfishness: a 'sacred egoism' if you like, but an egoism to which all too often the interests and hopes of Europe are sacrificed, the very things that we, ladies and gentlemen, have the right and duty to defend.

**President.** — I call Mr Fracanzani.

**Mr Fracanzani, President-in-Office of the Council.** — (I) Mr President, ladies and gentlemen, following the talks on the budget between the Council and a delegation from Parliament which took place on 17

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June 1980, talks which were continued the following day when I myself took part in a meeting with a parliamentary delegation and a meeting of Parliament's Committee on Budgets, the presidency managed on 20 June, at the end of a long and detailed exchange of views, to have the Council establish the new draft budget of the European Communities for the 1980 financial year.

I shall not conceal from you, Mr President, that the deliberations preceding the completion of the draft budget were amongst the longest and most difficult, and that the final agreement reached by the Council was to a large extent influenced by the wish — expressed by a large majority of the members of the Committee on Budgets — that the budgetary procedure should be concluded in a single reading and that for this purpose careful consideration should be given to the position which Parliament had adopted. With your permission, Mr President, I should like briefly to explain the contents of the new draft budget in an attempt to provide some commentary on the document which has been submitted to you. This document had to be prepared in a very short time partly in order to fit in with the parliamentary calendar and as a result it is perhaps less complete than it might have been or than we would have wished it to be.

The new draft budget before us is based, on the one hand, on the new preliminary draft submitted by the Commission to the Council on 29 February 1980 and, on the other hand, on the letter of amendment to the new proposal which the Commission sent to the Council on 6 June 1980. As everyone will know, the letter of amendment was submitted in order to take account of the decisions pertaining mainly to agricultural matters taken by the Council on 30 May 1980. The new draft budget does therefore take account of the agricultural decisions of 30 May 1980. Finally it will be seen that there has been a considerable drop in the rate of increase in agricultural expenditure for 1980-81 in line with the wish expressed by this Parliament during its debate on the draft budget for 1980.

This change, since change it is, was made possible by the fact that the Council decided first of all on a price rise compatible with the general economic situation of the Community. In addition it has taken measures for the milk and cheese sector to control the rise in production particularly by means of a moderate rise in prices and the co-responsibility levy on producers. I should point out here that the co-responsibility levy has been fixed at 2 %, whereas previously it was 0.5 %. Furthermore, the Council has agreed to establish a supplementary levy for 1981/82 — the exact arrangements are yet to be determined — which will be sufficiently high to cover the extra expenditure if production in 1980 should exceed the 1979 figure by more than 1.5 %. Thirdly, a decision in principle was taken on sugar, under which the expenditure incurred in selling off any surpluses will be charged to the prod-

ucer, except where the surpluses are due to the obligatory imports of sugar from the ACP countries.

Turning now to the economies made in management, the Commission is able to state that it has used various means to limit overall expenditure in the Guarantee Section with particular success in the milk and cheese sector. It is proposing to continue this management policy in the most rigorous way possible.

The Council has forwarded to Parliament a declaration by the Commission accompanying this new draft budget which more or less sets out what I have just said. This declaration received the Council's support and, when the Council gave the text its support, it also recalled the decisions taken by the Council of Finance Ministers on 11 February 1980.

Mr President, ladies and gentlemen, I should like to remind you that, if one of the principal reasons for the rejection of the 1980 draft budget in December was the European Parliament's wish to initiate a campaign to contain agricultural expenditure, I think today we can agree that, as the rapporteur connectly stated in his speech, the new draft budget shows that the seed sown by Parliament has yielded its first, quite considerable fruits.

Turning to compulsory expenditure other than that of the EAGGF Guarantee Section, there are three points which should be particularly noted:

- (1) The Council has maintained the quantities of food aid fixed in the draft budget of 23 November 1979 and added a further 1 000 tonnes of sugar for Afghan refugees in Pakistan. Technical adjustments have had to be made to the aid appropriations because of the increase in agricultural prices which are passed on in full to the overall cost of food aid and also because of movements on the world market which have necessitated considerable changes to the refund rates.
- (2) As far as the financial protocols are concerned — Chapter 96 of the budget — the Council has maintained the commitment appropriations laid down on 23 November but has accepted the reduction of 20 million European units of account proposed by the Commission in the payment appropriations.
- (3) Finally, to accommodate the additional measures in favour of the United Kingdom agreed on in the Brussels compromise of 30 May, a new Chapter 58 has been created in the new draft budget, with the title 'additional measures in favour of the United Kingdom', for which there is a 'token entry'.

Turning now to the other strand of the budget, non-compulsory expenditure, the Council, considering that Community activities, including the specific

## Fracanzani

action decided on for urgent reasons at the beginning of this year, require an increase in the maximum rate, has decided, pursuant to Article 203 (9), fifth paragraph, of the EEC Treaty, to propose to the European Parliament that a new rate of 21.08 % be set for commitment appropriations. The Council would call Parliament's attention to the fact that here again our proposal for the new rate is based on the common will of our two institutions to conclude the budgetary procedure in a single reading and on the hypothesis that Parliament wishes to adopt the budget with the overall level of commitments resulting from the new rate.

I trust, Mr President, that it will be possible to reach a rapid agreement on the distribution of this amount. As you know, but I shall say it again, the Council is ready to come to a speedy agreement on the distribution of these amounts.

I should like to point out, in concluding my remarks on non-compulsory expenditure, that the greater part of the increases is connected with the regional and social sector in line with the attention which the Council — in agreement I think with Parliament — considers must be given at Community level to these problems which affect regional imbalances and the difficulties, felt particularly hard at this time, constituted by employment levels, as indeed by the problem of unemployment.

At this point, Mr President, it is my duty to recall the remarks I made at the beginning of this speech when I told you how long and arduous the Council's deliberations had been and what careful attention had been given to the advice coming from Parliament. I think that this can be seen objectively — above and beyond the declarations which always have a subjective character — from a comparison with our initial positions. All of this has been done to enable the budget to be adopted in a single reading.

I should like before I end, Mr President, to mention two other topics by which I have found Parliament sets very great store. I do not wish to give the impression of wanting to avoid the more delicate topics which might cause problems in the relations between our two institutions, the Parliament and the Council.

I am referring to the problems concerning the inclusion in the budget of the European Development Fund and of borrowing and lending operations. As to the inclusion in the budget of the EDF I should like to say that objectively it is not possible in this budget — for various reasons including the 1 % VAT ceiling — to take a final decision on this in this budget. I should like nevertheless to assure you here of the Council's undertaking to re-examine this problem within the specific context of the VIth EDF. In the meantime the Council has forwarded the quite considerable amount of financial information available on the present EDF

to the European Parliament as an annex to the draft budget.

With regard to the inclusion of borrowing and lending operations in the budget I would on behalf of the Council point out to the European Parliament delegation and the House itself that there is already an Annex III to Section III of the budget — Commission — entitled 'Borrowing and lending operations', as required by Article 16 of the Financial Regulation of 21 December 1977. This annex contains detailed tables for both loans issued and loans contracted and shows both capital operations and debt management.

The Council moreover intends to invite the Commission to further improve the presentation of loans within this Annex III under the current provisions of the Financial Regulation of 21 December 1977 in order to meet the goal we are pursuing, that is to say greater transparency and greater clarity in these budgetary operations. This move within the context of this budget does not rule out a more detailed look at the question — and its numerous implications — and indeed the Council is willing and ready to undertake such a review for the 1981 budget.

Mr President, I should like to repeat my heartfelt hope that the European Parliament will be able to adopt the 1980 budget as soon as possible and recall, with the Assembly's permission, the principal reasons that we feel we can ask for its approval. First of all I must say that we do not consider the adoption of the Community budget to be a rite. Having carried out some serious and detailed work on this budget, the adoption of which will now take place in the middle of the year to which it refers, a synthesis has to be made. It is also important that, having drawn useful lessons from the complex and difficult procedure for the 1980 budget for what has to be done for the 1981 budget, we should set to work on drawing up the preliminary draft budget for next year as soon as possible. Finally, since the budget lays down certain targets to be met, we must avoid any further delay which would have the effect of obstructing the effective use of the appropriations entered in it.

These reasons are clearly objective ones. I should like to add two others which are extremely political. The first concerns the method: we have in fact tried to go beyond what is laid down in the present procedures and usual arrangements by developing an interesting and profitable dialogue with Parliament, attaching greater importance to the wishes it has expressed, whilst correctly interpreting the respective functions of the two branches of the budgetary authority. The second concerns the subject itself: Parliament's advice has been accepted in order that the budget might give due attention not only to the agricultural sector but also to the other fundamental sectors within the global framework of Community policy. This trend must be developed tenaciously and decisively as from the preparation of the 1981 budget so that the directly



**Fracanzani**

elected European Parliament should have, as is its right, a more incisive role to play.

The adoption of this budget should not be considered as the outcome of a conflict between our institutions, nor as a victory of one over the other, but as tangible proof of our joint efforts to give Community policy the resources it needs. A comprehensive policy to benefit European citizens will grow up within the profitable dialogue between our two institutions.

*(Applause from some benches in the centre and on the right)*

**President.** — I call Mr Arndt.

**Mr. Arndt.** — (D) Mr President, let me begin with something which I am becoming more and more aware of as this debate progresses and which I would like to object to on behalf of my group. I hope that the other groups will support me on this. The whole budgetary procedure as it is laid down in the Treaty and which we have to contend with here is absolutely impossible and neither the Council nor the Parliament can really cope with it.

*(Applause from certain quarters)*

This is evident in the very fact that highly respected members of this House and now even representatives of the Council keep on talking about the fact that the budget is being adopted here today. This is not what happens according to the Treaty. The budget is not adopted by Parliament at its first reading, unless Parliament accepts all the Council's proposals without seeing them, without amending them or changing them in any way. This, however is not the case. The Committee on Budgets has submitted proposed amendments and draft amendments and all the political groups in this House have already, at least to some extent, taken up a position on them. That is to say that in the first reading we are not concerned with Parliament's adopting the budget. The budget is only accepted once the proposed amendments and draft amendments submitted by Parliament have been accepted by the Council; it has then been adopted by the Council. Thus in this first stage, this first reading the Council has to decide whether the budget is adopted, and it is the Council which decides whether there is to be a second reading or not and not this House. We have to make this quite clear to start with, and in fact I am quite pleased that things are as they are because I am thus able to table proposed amendments and draft amendments. If I had to decide on the budget before this House in this first reading I would be very much inclined to say no because it does not meet the requirements which Parliament established six months ago.

*(Applause from the left)*

The impossibility of this budgetary procedure is evident in something else too, and here I am coming to a criticism of the Council. The Members of this House basically have seven clear days from the submission of the draft of the budget until their decision on changes and proposed amendments to sort out this matter; the Council the other hand has taken six months to submit this new draft. So there is absolutely no sense in taking a gun to the Parliament's head and telling it to hurry up as the Council's representative has just done. The Council could have hurried up in making its proposals over the last six months, in keeping with Parliament's decision, then we would not be in this situation.

*(Applause from the left)*

I cannot endorse my colleague, Mr Klepsch in his praise of the Council and his claim that the Council has not created any conflicts. Of course the Council has created conflicts, time and time again because it has not gone into what was being done where Parliament was concerned. Ladies and gentlemen, I am quite serious. If we look at the Council's work over the last year there is cause for severe criticism. This is no European institution, it is an omnium gatherum of national governments.

*(Applause from the left)*

It must be made clear once and for all that one part of the budgetary authority has fully appreciated its European mission since the direct elections whereas the other part, the Council, has until now not done justice to this European mission.

The Council has not concerned itself sufficiently with Parliament's point of view. If the Council would discuss things with us, if it would exchange arguments with us, it would be a good thing. But it does not react to our proposals. I have just observed this in the Council President's opinion. In his first speech he really should have gone into the amendments proposed by the Committee on Budgets and should have said whether he was in favour or not and what the Council's position is on this. But no, we are left in the dark on this point, yet we are told at the same time that it is imperative that the 1980 budget enters into force as soon as possible.

After the Brussels compromise it was triumphantly proclaimed abroad by the Council and its members that the crisis in the European Community had been overcome. All those of us who occupy ourselves with these things know full well that the crisis has by no means been overcome, but that the problems have been postponed. However that remains to be seen. For months the Council struggled with its problems alone and after Brussels it declared that the budget crisis was over although at that time it had not negotiated with the Parliament on the budget. This does not represent constructive cooperation on the part of the Council, as a part of the budgetary authority, in the projects of the directly elected Parliament.

Arndt

I must say in all honesty that I entered this Parliament after the direct elections in a euphoric mood. But when one considers what the various governments told their voters they were going to do for Europe during those elections and compares it with what they actually are doing now, then I must say that what the Council has done for Europe is not only remarkably little but the whole thing has been an European charade, if one just asks the people about it, and the Council has never had any serious intention of taking any steps in this direction.

*(Applause)*

The proposal before us does not meet the Parliament's demands in that it contains no firm commitment on the agricultural policy. It does not provide for sufficient spending in the non-compulsory sector. 240 million — colleagues have worked out previously that this is not a penny more than was proposed back in November — and the 17 million which the Committee on Budgets has proposed in the form of (draft) amendments are only a drop in the ocean. During the course of this procedure we will table a few additional draft amendments, so that we can at least turn the drop into a European stream which will enable us to make our voice heard.

What do we hear about the Development fund these days? Exactly the same things the Council representative said nine months ago. At that time he told us that the matter of the Development Fund and of loans would be sorted out over the next few months, the Parliament would be receiving a proposal. The months have gone by and nothing has happened. Nothing more has come of the Council's promise than had done six months ago.

In December the Parliament complained that the Council did not allow it to make a positive contribution as a budgetary authority. This is still true today. In December the Parliament complained that the Council was not aware of its own political responsibilities. This is still true today.

Mr President, ladies and gentlemen, the Parliament is asked whether it is content with just these draft amendments and proposed amendments, or whether it should not, rather, take up one or other of the supplementary statements on the budget in detail.

We have the resolution which the Committee on Budgets has submitted. This sort of resolution may be a thoroughly good thing — in this view I possibly differ from the majority of my group — however there are better things, because precisely the things which we put in the resolution we would do much better to put straight into the budget and thus oblige the budgetary authority to do certain things.

*(Applause from the left)*

Thus my group will table appropriate motions and support them. They will do so to reduce surplus production. We do not consider it to be sufficient to simply state these things in a resolution; they have to be incorporated in the budget according to the wishes of this House. And then the other part of the budgetary authority has the opportunity to say: yes, we are in agreement or: we will give it a second reading. I am thinking of the supplementary levy on milk production. This belongs in the budget — and I am happy that other people have said they would support this — because by then the other half of the budgetary authority is bound and has to enshrine it in the budget in 1981 too. I am thinking of the British contribution as non-compulsory expenditure, so that this Parliament is able to help to reach a decision on this. This belongs not only in a resolution, it should also be fixed in the budget so that the Parliament makes its position clear in this respect.

We shall table further amendments: on employment, on regional policy. I was very interested to hear that the European Peoples' Party considers regional policy to be one of the most important or the most important aspect. That is fine; under point 510 we have proposed measures to improve the employment situation in certain areas and we shall see what the professed political will of the head of the Group of the European Peoples' Party actually looks like in the vote. I hope that this will then be support.

*(Applause from the left)*

On the question of the discovery of new sources of energy I have here the communiqué from the economic summit in Venice. It reads as follows: We must break the existing link between economic growth and consumption of oil . . .

This strategy requires . . . substantially increasing production and use of alternative energy sources . . . Energy investment will contribute substantially to economic growth and employment.

My Group has therefore submitted a thoroughly modest, nay moderate motion on the question of the discovery of new sources of energy and we shall see what the economic summit, which does comprise members of the Council, will do if we actually follow its suggestions and raise the expenditure on the discovery of new sources of energy moderately.

We have spoken of food aid here. On this question too we took up a clear stance. One cannot talk in a certain way at the economic summit and then, when one is called upon to make finances available within the European Community, do precisely the opposite, because one thus loses one's credibility with the people.

I might add, on this very subject of food aid, — even if this causes loud interruptions — : the Committee on

Arndt

Budgets did even reach this decision with a large majority. I hope that the Committee on Budgets sticks by this decision.

I might in conclusion come back to what I was saying at the beginning. It is not up to this Parliament to adopt the budget now. This Parliament will table proposed amendments and draft amendments, and then it is up to the Council to look into what is submitted to it at this stage. I can only earnestly request the Council not to carry on carping about what Parliament proposes. Mr Glinne did point out on behalf of his group that the Council must get a move on if it is to hold the second reading in July. As far as I know as a member of the Committee on Budgets, there will simply not be time for a second reading in July if the Council does not adopt Parliament's proposed amendments and draft amendments, and so the Council will be held responsible if this Budget does not subsequently enter into force. God knows this is not a good budget but it is a contribution from Parliament. We are still waiting for the Council to start a real row with Parliament, and we are still waiting for the budget to finally reflect our policy for the citizens of Europe, as we would really like it to.

*(Applause from the left and from certain quarters of the European Democratic Group)*

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Mr President, ladies and gentlemen, hopefully we are now entering the final phase of the adoption of the 1980 budget. This means that we cannot adopt the budget today but rather, contrary to what Mr Arndt has just said, that if the Council is ready to respond tomorrow after our vote on the budget, our chairman could possibly declare the budget adopted. This depends on such things as the will of our President and whether the Council is prepared to respond tomorrow. And we very much hope that, as far as Parliament is concerned, this is the last time we need occupy ourselves with the 1980 budget since those who are working on the '81 budget, both in the Commission and in this House, are in the starting blocks, so to speak, and have even already begun work on it since we are already in the year concerned.

This delay is not the fault of Parliament. We were right in rejecting the budget, and we all know the reasons. The delay is caused by a problem that, since December, has become much more acute, namely the British contribution; there are also the difficult decisions to be taken in agriculture — two issues that are linked together, not by us but by the Council. Happily a solution has been found — albeit a provisional one — to the British contribution problem, and our group wishes to help further the decisions which, in principle, have been taken thereon. I must say, as a former

rapporteur on own-resources, that I regret a break may have been made in the structure of own-resources financing. I say 'may' because on the basis of the exceptions that have already been made, calls are being made for further exceptions. Let us hope that this does not happen, and let us also hope that this Parliament can quickly take a stand on own resources. I shall be returning to this subject presently.

Mr President, we have not had our own way on everything, but I can say with conviction, in my own name and on behalf of my group that, in the sphere of agricultural policy, as regards both legislation and the Commission's present conduct of that policy, there is no doubt that other approaches are being tried. Not always as we might have wished: where we would have preferred to achieve some things in a single year, two years are needed. While preserving, as we fervently hope, the principles of the common agricultural policy, it is clear that other methods of implementation have been adopted. This was one of the main reasons we were unable to adopt the budget last December. Without unduly patting ourselves on the back, we can fairly say that Parliament has been remarkably successful in its policy. At the same time, it must be conceded that we have not achieved everything we wanted. Price increases in agricultural products were not on the agenda in December. I repeat that we cannot compare figures, for in December price increases were not yet reckoned in the draft budget.

Another positive thing — even though the statement might of course have been somewhat different — is that at the request of the delegation consulting with the Council, the Commission issued a statement on the future lines of European agricultural policy and the Council endorsed the statement. We could not have achieved this if appropriate changes had not been made in recent months.

Mr President, Mr Klepsch has just expressed thanks to the Italian Presidency, and has been reproached for his pains. I shall now add my own thanks since the Italian Presidency, after a government crisis at the beginning of the year, was suddenly compelled to take charge of affairs, and was able, with the help of course of colleagues in the Council, to remove a few serious bottlenecks so that consideration of the budget could go ahead. It is therefore unashamedly — it is indeed with pride — that I renew Mr Klepsch's thanks to the Council President.

*(Applause from some quarters on the right)*

In this connection, we are prepared to try out the single-reading procedure. Indeed we have undertaken to do so. Last week, a virtually unanimous promise was made in the Committee on Budgets that we would go along with a draft budget in which some 240 million in commitments were presented in an area of non-compulsory expenditure. This is what we promised, but we did of course add that we could not fore

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go moderate amendments; otherwise we would be depriving ourselves of rights given to us by the Treaty. On non-compulsory expenditure we have the last word, and we must continue to exercise this right from year to year. One year it may be substantial, the next only slight, but these rights are fundamental, and we said as much to the Council.

It was only when we gave this clarification to the Council that the latter presented a draft budget worth 240 million. Had we not done so, the Council would have submitted a different budget with much lower increases, or none at all. So we have given our word. Those who knowingly and deliberately — there are some members of specialized committees who do not know the position — intend to support amendments exceeding the proposals of the Committee on Budgets by 20 to 30 million, are going back on a promise which was given not a year ago, but just one week ago. Besides, half a year has of course already gone by and, consequently, a number of appropriations can no longer be spent.

And now a word about procedure. I would not call a procedure of this nature a first reading, Mr President, nor even a second reading. It is something quite unique. We undertook throughout last week to keep our promise, and this means that, as far as procedure is concerned, both Parliament and Council must be more accommodating over the strict interpretation of Treaty provisions. We are dealing here with a procedure which has features common to both first and second readings. At the first reading Parliament would calmly table amendments, which all too often, alas, were rejected by the Council. At the second reading Parliament left things as they were, knowing that in this area of compulsory expenditure it now lacked the final say. We now have amendments before us, and my group intends to support some of them. I would very much have liked — and here I am in total agreement with Mr Arndt — a somewhat more positive reaction by the Council to these proposals. We might then have taken them into consideration when we meet at 7 o'clock this evening. We shall support a few proposals, but we know that in this sector the Council has the last word. If the Council is diligent, it can come out with a position this week. If we vote on Friday, the Council can then respond, and I appeal to the Council to do so in order that our President may adopt the budget. On the other hand, the Council might wait a while, in which case the procedure will take longer, but this does not mean we need hold a second part-session on the 1980 budget.

This, Mr Arndt, is my view of the procedure — somewhat different from your own. But we knew this full well when we agreed to make do with a single procedure.

Shortly after the debate we shall decide what amendments shall or shall not be supported.

At any rate it seems pretty certain that my own group will not go beyond the proposals of the Committee on Budgets. We consider all the other proposals as purely for the gallery. It is not right for a group that is against an amendment to declare that it will oppose the policy to which the amendment relates. That is shabby behaviour, and I trust that the representatives of the press will appreciate this. We are also distressed that, given the narrow margin — I hope 17 million is not too much — we have to put up with a mere token entry for social measures in the steel sector. That may not be at all what the Council intended, but that is what we have done, all the same. But to say that 30 million must be added amounts to deliberately breaking one's word instead of supporting the social policy. We are not concerned in this procedure with seeking monopolies and pretending that we alone hold certain ideals. That is not what this budget procedure is all about.

Mr President, it is going to be difficult tomorrow, given the required majorities, to decide what can and cannot be done. This has to be discussed carefully. Meanwhile consideration of the 1981 budget is imminent. But what I can say right now is that we are not prepared to approve the major increase in staff, which in itself we are in favour of — as indeed we were in November — but which, financially speaking, will have to be borne for the most part by the 1981 budget. It apparently costs nothing, but in reality it does of course cost a lot. We do not consider it very fair to the Council. Fair we must be since we operate in a triangle formed by Commission, Council and Parliament. We each need one another, and so there must be fair play. Mr President, I do not intend to discuss the content of social, regional and agricultural policy, energy and development aid. Other speakers will be briefly explaining our point of view on these matters.

Mr President, when I refer to the forthcoming consideration of the 1981 budget which Mr Adonnino, the next rapporteur, will consider further, I must say that the budget causes us some concern. It will be very difficult to conduct the desired policy given the present shortage of own — resources. Back in November we supported an amendment to provisionally allocate 1½ % of VAT to own — resources. A two-thirds majority was required for this amendment, but this was not forthcoming at the time.

I regret this still, and Parliament allowed more than half a year to pass before bringing forward this provisional position. Now we are waiting for the Committee on Budgets working party, led by Mr Spinelli. This working party is ready. The Committee on Budgets has the problems in hand and I hope it will soon be possible — it is now too late for June — to reach a final decision in the Assembly on own-resources. For although we believe that a shortage of own-resources can have positive effects by forcing a prudent policy on surpluses etc., we are nevertheless aware that this situation has been going on in the Member States for

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years and that one must not wait too long before putting preparations in hand.

Mr President, I would say once again that the few million over which there is liable to be great controversy tomorrow are outweighed by the advantages of a single reading — especially since — the chairman of the Committee on Budgets made this point a moment ago — we can then avoid the extreme disadvantage of mixing the budget procedures for 1980 and 1981. I fear that the Commission will not submit a preliminary draft budget for 1981 if there is no budget for 1980. After all, on what basis can it then proceed? Those are the difficulties we will be confronted with if we cannot get things out of the way this week, and this cannot be balanced against a controversy over a few million, however valuable that sum may be, and however much of a pity it would be if we cannot secure them for specific social, energy or development objectives. That is the position of our committee.

I should just like to refer to another small item — my colleagues will probably not refer to it themselves — which I find appears wrongly in the nomenclature. I hope that the proposals of the Committee on Budgets will be acceptable; we shall be considering them further. The question is whether the 17 million can be acceptable, but the 100 000 units of account entered under item 3071 is, to most of my colleagues obscure, since the nomenclature itself is unclear. This is an item — and I hope it is successful — which will enable small and medium-sized undertakings, given some small spirit of accommodation, to take part in European activities. COPA and UNICE are already involved, and we are now giving a slightly higher subsidy to industry and the trade union movement. This is the only group that, so far, has been unable to participate for lack of resources, and item 3071 can do something about this.

Mr President, I will close by saying that the situation in which we find ourselves must not be dominated by a fight for prestige between Council and Parliament, however serious the tensions. Even at national level tensions exist between governments and parliaments. Our concern at the moment must be the preservation of the European Community and further integration, as a number of other speakers have just emphasized. We therefore feel that the budget must be got out of the way this week. I repeat: the important thing is the preservation and further integration of the European Community, not a fight for prestige between the institutions. The Christian Democrats realize that they were elected for this purpose by part of the European electorate.

*(Applause from the Group of the European People's Party)*

**President.** — I call Mr Møller.

**Mr Møller.** — *(DK)* Mr President, I would like to begin by complimenting and congratulating Luxembourg, where we are now meeting for the first time since direct elections, on the fine building and Chamber we are now using. I must admit that I have only had a very superficial look at the building and I have found only one fault with it: there are too few waste-paper baskets and they are too small, and after all it is perhaps waste-paper baskets that we have most need of in the European Parliament. As for the items on today's agenda, I hope that we are almost reaching the end of the road or have at least gone far enough to bring the first conflict, the first Punic war between the Council and Parliament, to an end. We have experienced something here that we have often experienced in our national parliaments, i.e. that we cannot agree on a budget, a finance bill or whatever it is called in the different countries, but in our national parliaments, in our own countries, we have a weapon that can settle a budget conflict that we do not have here, i.e. we can dissolve Parliament, so that the electorate becomes the supreme court in a conflict between a government, between ministers and Parliament. Once this Parliament is elected it cannot be dissolved. We can, of course, resign but that does not help because we have substitutes who can take over from us and continue where we left off. This Parliament cannot be dissolved but it is obliged to provide the Community with a budget. We can hold out with our budgetary powers as we did in December. We can continue to maintain that we are the budgetary authority, and we are, but we are not the budgetary authority if we do not adopt a budget. A budgetary authority proves itself by adopting a budget and I therefore feel that we have lost. No-one has gained anything in this conflict and perhaps no-one has lost, but I am not so sure about that. However, we have lost time and our electorate, the European people, had expected us to do something about the European cause, about unemployment, about inflation, about all the problems that affect their lives. Yet we must disregard those problems for the sake of a completely futile budget dispute.

I personally feel that if the Council were wise it would now approve the additional 17 million so that we could see the whole conflict brought to an end tomorrow and adopt a deadline next month for discussion of the 1981 budget.

I have a feeling that the longer it takes the more difficult it will be for Parliament and Council of Ministers to cooperate. I hope that the Committee on Budgets and the Council of Ministers have now knocked the rough corners off each other so that they can work better together in future because we cannot dissolve Parliament. Or perhaps we should ask whether it should be possible to dissolve Parliament, whether in a crisis such as this — if it occurs again — the Council of Ministers should not have the right to dissolve Parliament so that the electorate, the European electorate, can decide who is in the right.

Møller

The agricultural question has been touched on today and I agree entirely with the comments Mr Früh made in his excellent speech this morning. I do not think it would be wise to interfere our present agricultural arrangements now. I do not think — as the Committee on Budgets and some of the Members of the Committee on Agriculture do — that it would be right to do so just now for I think that the outlook is changing in agriculture. I think the overproduction we have been fearing is about to become a historical problem. Herd after herd is being slaughtered and sold and in Denmark farm after farm is getting rid of its cattle. That will perhaps become the general pattern and I therefore do not think we have to fear overproduction. On top of that, as Mr Früh said, we now have supertax which is aimed at keeping production at the present level.

In conclusion, I at least think it would be marvellous if we could move on and discuss something other than our own budget problems. The people of Europe expect something of us and they are already disappointed by this Parliament and by the conflict but they elected us and we are not behaving like the representatives of the peoples of Europe. We were not elected by a majority. In most countries we had the lowest vote ever recorded in general elections and we should remember that it is us, this Parliament, that has to win the confidence of the people so that we can get their support next time. I would therefore be relieved if tomorrow we could say 'so much for the 1980 budget. It has been adopted. We can now get on with the work we were elected to do.'

(Applause)

President. — I call Mr Baillot.

Mr Baillot. — (F) Mr President, after seven months' delay the European Community is going to get its budget, either tomorrow or in July, after the first or the second reading. But this is of no great import.

Besides, why over-dramatize the situation? In December last there was a disagreement between the majority of the House, Socialists and conservatives alike, and the Council of Ministers. In its desire to increase its powers and to foster the European integration policy, the majority had formulated a number of demands, particularly in respect of the common agricultural policy, with which the Council was not entirely able to comply as a result of very strong opposition from farmers, especially in France. Today that same majority is preparing to approve a budget which is not essentially different from the first version.

How was the December disagreement settled? By a compromise between the two arms of the budgetary authority, which once again will be paid for by the farmers. As a result of pressure from the farmers who

came to Strasbourg to demonstrate, the majority was forced to accept a price increase of 5 %, whereas last winter it was aiming for only 2.4 %. As for the Council, under the pretext of restructuring the budget, it decided in Venice to modify the common agricultural policy, which for farmers will mean the loss of a number of the advantages gained.

The farmers, along with other workers, will also have to bear the consequences of the capitulation of their governments in the face of Mrs Thatcher's intransigence. The bill is going to be a costly one: 4 000 million francs and that is just for the French taxpayer. By giving in to Great Britain, Mr Giscard d'Estaing and his counterparts of the other seven countries of the Community have granted a bonus to those who do not respect the Community rules and organize the importation into the Community of agricultural products, especially from New Zealand, which are a serious threat to European production. By demanding that the principle of the 'just return' be applied exclusively to herself, Great Britain is accentuating the contradictions within the Community.

The compromise between the majority of the Assembly and the Council has also affected the amount of non-compulsory expenditure. When the rapporteur says that Parliament's resistance has been costly, he is referring not so much to the few million additional units of account requested as to the desire of the majority to save face when it has been forced into retreat. In this respect the final words of Mr Dankert's resolution are significant.

Does he not say that the rapid conclusion of budgetary procedure for 1980 is now in the Community's interests? The game of hide and seek between the majority and the Council has already gone on too long.

We must all now work together. Are not our objectives the same?

On reading over what we said in Strasbourg on 5 November last in rejecting the budget, you will find essentially the same motives that are causing us to take the same step today. In November we said that the patrimony of the common agricultural policy was in jeopardy. Today of budget allows for an increase in farm prices of 5 % which we then regarded as inadequate. We were demanding an increase of 7.9 %, which with the national increase of 5 % would have made possible the 13 % increase which French farmers were then demanding and are continuing to demand. In addition, the new budget retains the co-responsibility levy and other measures which are a burden on the farmers. Moreover, the Dankert resolution approves the Council decisions and hopes that the Commission in Brussels will get to grips with the common agricultural policy at the earliest opportunity. Finally, we were already saying in December that there was a desire to introduce a new policy of transferring budgetary funds which would result in new and serious difficulties for

**Baillet**

the owners of small and medium-sized farms. Last November we were saying that the British claim relating to her budgetary contribution was unjustified. Today the taxpayers of France and the Federal Republic of Germany are going to have to pay additional taxes to please Mrs Thatcher!

Whether the aid which Great Britain is to receive will come under compulsory or non-compulsory expenditure is a secondary consideration. We on our part reject the decisions taken in Brussels in May of this year. In November we pointed out that the Committee on Budgets was adopting a number of proposals from the Commission in Brussels which aimed at a considerable increase in non-compulsory expenditure and thus gave fresh impetus to the House in its desire to increase its powers. Today the Committee on Budgets and the Commission in Brussels are still maintaining almost exactly the same positions, even the idea of including the European Development Fund and Community borrowing and lending in the budget.

We on the other hand still reject the increase in non-compulsory expenditure which merely encourages the further expansion of major companies and the multinationals, and helps society to cope with the negative consequences of the policies implemented by such companies without their considerable profits being affected. Thus unemployment will continue to grow as a result of the reorganization of vital industrial sectors and the under-developed areas of our countries will continue to decline. The current statistics which we have at our disposal speak for themselves on that score. Similarly we shall continue to reject the inclusion of the European Development Fund in the budget which takes away the power of decision from national governments in matters of investment and ultimately encourages economic integration. We have tabled seven taken amendments which are general in character, one of which aims to have Chapter 58, relating to the contribution to Great Britain, removed.

In conclusion I should like to address a number of our colleagues, particularly in the Socialist Group and our Socialist colleagues from France, who criticized us through the good offices of certain newspapers for the way we voted in December, claiming that we had approved the budget although we had rejected the then Dankert resolution because it undermined the common agricultural policy. We said that the moment of truth would come. That moment has come. Today, once again we French Communists and Allies are declaring our unequivocal opposition to the budget for the reasons I have just outlined. We shall watch with interest to see how our critics will be voting.

**President.** — I call Mr Delatte.

**Mr Delatte.** — (F) Mr President, colleagues, the budget submitted to us, particularly the part relating to compulsory expenditure for agriculture, takes account of the decisions of the Council of Ministers when farm prices and associated measures were determined. I am happy to be able to say that to a very large degree the new budget also takes account of the proposals outlined in the report which I had the honour of submitting to this House in March this year. The increase in EAGGF expenditure by 1 151 million EUA is vital. It satisfies a need, and I must emphasize that it leaves a wide margin below the revenue ceiling, because with the new budget we shall use 0.78 % of the total amount of revenue from VAT at its present fixed rate. There is still room therefore to increase other expenditure and to move on to non-compulsory expenditure. That is why I entirely support the proposals submitted on this subject.

I should also like to draw my colleagues' attention to the fact that the increased size of the budget is not noticeably affected by the increase in farm prices, since in the budget this increase in farm prices represents a total of 64 million EUA more than the initial amount proposed. If I point this out, it is because we will no doubt have occasion to rediscuss this problem when farm prices have to be fixed again.

Mr President, it is also interesting to note that a great effort has been demanded of agriculture as well, for, as Mrs Scrivener has just pointed out, the annual increase in the EAGGF, which for the last five years has been 22 % has fallen this year to 11 %, which is much lower than the average rate of inflation will be in 1980.

Therefore I hope that Parliament will recognize this development and will refrain from regarding agriculture as an unending drain on our resources. Nor can we accept the constant criticism of the common agricultural policy which gives agriculture a permanent reputation it does not deserve. This is the purpose of the amendment tabled by our colleague Mr Früh, for whose speech this morning, incidentally, I have the highest regard. I subscribe to his request that non-agricultural expenditure be withdrawn from the EAGGF budget. If this happened the agricultural policy would absorb 40 to 45 % of the budget instead of 73 %. We must continue to tell the truth if we wish to clarify the situation and put stop to all this futile criticism. It is too easy to criticize permanent agricultural expenditure whilst making the budget assume financial responsibilities which should not be placed upon it. A little while ago Mr Taylor referred to Agriculture as a club, and expressed himself in the following terms: 'If we continue to finance agriculture to the extent that we are doing Parliament will have an agricultural club in its midst.' I have never seen clubs which alone take on the responsibility for their neighbours' expenditure. We must, therefore, emphasize this point very forcibly.

## Delatte

The rapporteur, our colleague Mr Dankert, will appreciate that I cannot accept remarks about the escalating support price for surplus agricultural products, which according to what he has written are a handicap to the proper functioning of the common agricultural policy. How could we be certain of our supplies if there were no surpluses? It is becoming more and more urgent for us to realize that more than ever we need to export agricultural products; but in order to be able to export agricultural products we must have surpluses. It is also important to emphasize that in exchange for these exports of agricultural products we can import the raw materials and the energy-generating products we sorely lack.

Therefore a policy for exporting agricultural products must aim to be dynamic and I must emphasize that the Community can only derive great benefit from it. As I have just said, in order to sell outside the Community we need surpluses. It is true that dairy products are a problem. But let us not forget that there are 2 million producers! Nevertheless decisions are taken to restrict the cost of the surpluses in the budget. But I must add that as far as surpluses are concerned dairy products are the only ones which do pose a number of problems. And this morning the rapporteur demonstrated admirably that he was aware of these problems. But I would just like to say to him with all due respect that he picked a bad example when he made his ironical references to yoghurt and to the amount one has to pay for advertising given that yoghurt has to be sold in different colours. In fact yoghurt is a fresh product which is exported without a refund, as are soft cheeses, which cost the Community nothing at all. Which just goes to prove that when there is the desire to be dynamic outlets can be found on the external markets.

In respect of exports of dairy products, I should like to remind you that two — thirds of the refunds are used to export a third of the dairy surpluses, that is powdered milk and butter. If we are willing to provide ourselves with the means and make the necessary effort to reabsorb these surpluses by producing exportable and easily exportable foodstuffs, and I have mentioned examples of these, we shall be, I repeat, both dynamic and constructive. A few months ago I used the same argument for sugar when it was being planned to reduce production. Within a few weeks my arguments have been justified, because today exports of sugar bring the Community 70 EUA for every tonne of sugar, since a tax has been introduced for this product so as to prevent internal prices from going above their present upper level, given that world prices are higher.

This does not mean, however, that the aid to sugar producers must be cut, but that we must know how to cope with occasional surplus production, for eventually we will find markets for it and it is important to be in a position to meet the demand.

Believe me, as long as we get our calculations right, agriculture is not as expensive as one imagines. I merely ask you to look at the progress that agriculture has made over the last twenty years and I think that it is important to provide agriculture with the means of taking its place in the economy of the Community at the very time when we are voting the budget. In this respect we must demonstrate our willingness to be dynamic. This is what I wished to do this evening.

**President.** — I call Mr Flanagan.

**Mr Flanagan.** — Mr President, ladies and gentlemen, I should be extremely grateful before I start if some of the people who cannot stop talking at committees would kindly stop talking now. Just over a year ago all of us were on the hustings telling the people of Europe how much better off they would be if they had their own choice, if they had the privilege of electing the Members of the European Parliaments themselves rather than have them nominated by someone else. On 10 June last year the people had that opportunity, and it is with great regret that I have to say now just over a year later that I think the people who have most suffered in the last 12 months or so are the very citizens themselves.

However, I should like to continue now on the note on which I finished in Strasbourg a couple of weeks ago when I was looking for signs of hope for the future. I am still looking for them, even against the background of the fact that the so-called Brussels compromise represented the end of the idealistic vision of the future of Europe that many of us had over the past 20 or 30 years. Nonetheless it would now appear certain that we are on the verge of passing the budget and I would propose that instead of continuing the process of self-examination that has gone on for far too long, we should, perhaps for the first time, begin seriously to think about the interests of the people who sent us here, because, as I think those Members who represent the poorer parts of the Community realize, nothing or virtually nothing has percolated through to those people in the past 12 months. And I do not think that they will be greatly impressed by the seventy or so speeches emanating from the first meeting of the Parliament here in Luxembourg.

What we should be doing now is thinking about how we can realize at least one remaining ideal, and that is to try to help those human beings in the Community who are worse off than others. In that connection I should like to draw your attention to the fact that last year a huge amount of money was returned unspent to Regional Fund and therefore sent back into the general budget. Who was at fault there? Was it the ignorance of the people who did not know how or where to apply? Was it lack of interest by the government departments who were supposed to process the applications? Was it erratic decision-making process at



## Flanagan

Commission level? Whatever the answer, the end result was that millions of pounds voted for the Regional Fund remained unspent, and the people who should be getting the benefit of a real and active Regional Fund will not be and are not impressed by the failure of this establishment, in particular over the last two years, one year nominated and the other elected. And if I could say this: in one respect I profoundly agree with one of the conclusions of the Committee on Budgets, of which I am a member, which draws attention to the fact that management committees are consultative only. Perish the thought that still another bureaucratic layer will be imposed on those unfortunate people who are supposed to be the beneficiaries of our existence here. As a Parliament, and as people allegedly representing those who sent us here better than our predecessors, what we should precisely not be doing is nodding to, ignoring or agreeing to the creation of further bureaucratic layers, but rather trying, and not merely in regard to the Regional Fund, but to other funds as well, to establish a direct link between the people we are supposed to represent and the place where the funds are held and, where the Regional Fund is concerned, to cut out an inadequate national policy administered by people who are more interested in themselves than they are in the operation of that policy. If we were to do that, the people who sent us here would be able to see that we were serious in trying to represent them properly and that we were not content merely with *verba et fraeterea nihil*, many words but no action at all. I would hope therefore that whatever wisdom we have gained from examining our attitudes over the past twelve months will serve to make this Parliament and the other institutions effective for the benefit of the people who sent us here.

I am very pleased indeed that it does appear that we are going to pass the budget now. I have nothing to say against those who voted against it and I do not impugn the motives of anybody concerned, but I should hope that from now on all of the arms of this institution will function a little better, that the people concerned will approach their task with a little more magnanimity and a little less legalism and that we will remember that whatever tag is attached to us, Commission, Council, Parliament or other, we are here to try to achieve the aims of the Treaty of Rome and that the people who sent us here are not particularly interested in polemics but in the effect that our actions have on their lives and the lives of their children.

Before I sit down, Mr President, I should like to thank those who made it possible to create this Community at all. I do not propose to name any particular people, but suffice it to say that without the help of the better-off countries in the Community it would not have been possible for small countries like my own to have gained as enormously as we have from membership of the Community over the past six years. There is an expression 'if the cap fits, wear it', and I think that those who have been magnanimous, who have

made it possible for us to gain from membership of the Community, will know and are conscious of the fact that they made sacrifices for the sake of Ireland and other small countries and are prepared to continue to do so in the future. We hope that, as we have tried to play our part in return in the past, we shall continue to do so in the future. I end, as I began, by asking each and every Member of this House to remember that we asked the people to vote for us last year, we promised them that they would have a better Europe if they had their own representatives and not somebody nominated for them. That promise remains to them unfulfilled. It is the solemn duty of each and every person elected here to try over the next four years to see, for their sake and for the sake of what is left of idealism in the Community and the things that we allege we stand for, that that promise will not remain totally unfulfilled in the years ahead.

**President.** — I call Mr Blaney.

**Mr Blaney.** — Mr President, would that I had the time to talk about the budget in detail, but I have not. What I want to say is that I supported the budget in December, warts and all — and there were many warts — on the basis that I believed it was better than what was to come after it. I am now convinced that I was right. Now another six months have gone by and I am prepared to support this budget as well, because the farmers who might have benefited to some extent to make up for the overall loss of income that they have suffered, not only this year but also last year, have been irretrievably losing while we have been talking and getting nowhere as far as improving our overall budget is concerned.

The budget as I saw it in December was defeated heavily by Parliament, as is its right, but I question very much whether the orchestration that took place in regard to opposing that budget was really a true reflection of what the minds of the Members of this House were. I refer particularly to the fact that the rejection of the budget was orchestrated mainly by the British Conservatives, aided and abetted by their opponents in the British Labour Party and other forces more covertly supporting them on the mainland of Europe. They all marched to the beat of an anti-CAP, anti-common agricultural policy, drum, but into the fray were brought at the same time all those who felt that the regional policy was not getting sufficient support and those who feel that this Parliament should have more power.

They are entitled to those views, but where did it all lead us? We had a budget thrown out, we have been without a budget since then and we are now heading into our seventh budgetless month. If we do not get on with it here today and tomorrow, we shall again find ourselves without a budget for many months to come. If this happens, the real losers will be the farming

**Blaney**

community and the victors will be the people who are opposed to the common agricultural policy. I have named them and I am not reflecting on them. That is their particular point of view; they are entitled to it.

Mr Dankert deserves our highest praise, because of all the Members of this House he must be the one that has worked hardest since we were elected a year ago.

However, I regard this report as an apologia. It seeks to explain why this budget should be adopted as against the one which was rejected last December. I believe that if he had left the proposition concerning the 17 million on non-compulsory expenditure in his Report as a face saver, the Council would accept it. But when we get symbolic amendments prompted by self-assertion and face-saving, then I say to the people who are doing that. 'We are sending a fool further'. We are going to try and twist the Council's tail again. We did it last December, but they have the greater power and it is Parliament's tail that is now being twisted. They will twist it, and who can blame them for doing so? My advice is to adopt this budget. Let us get on to 1981, because that is the budget where we really have work to do.

## IN THE CHAIR: MR MØLLER

*Vice-President*

**President.** — I call Mr Adonnino.

**Mr Adonnino.** — (*I*) Mr President, ladies and gentlemen, having heard some of the speeches in the debate, it seems to me quite clear that the point of greatest controversy is not so much the contents of the budget itself as the procedures, including this peculiar process which has to be carried out for approving the budget. I feel we must not lose sight of the real situation which is that, in this European Community, there is a budgetary authority — an authority that is which has the power to adopt the Community's budget — but this authority, to use a colourful phrase currently in vogue, has two arms. And the fact that it has not only two arms but also of course two heads does create real difficulties. It is the Treaties, the regulations and the previous agreements that we have found make life difficult for us. Now we have to contend with this situation, and it is not surprising, I think, that a Community of the type we are constructing and which, if I am not mistaken, has no precedent in history and is thus an extremely tempting enterprise, should be a difficult task to accomplish. It is thus with this monster, this two-armed, two-minded budgetary authority that we have to tackle the difficult procedure for the adoption of the budget which is a fundamental

act not only for a parliament but also for a state or a community, since it is the document which sets out highly political decisions and the choice of objectives as well as the procedures, methods and instruments for reaching them. I am therefore not at all shocked, in fact I think it is quite normal, that these two embodiments of the budgetary authority — the Council on the one hand, Parliament on the other — should each carry out its own role.

This afternoon somebody said with great passion that the Council does not act in a European spirit; the Council does not act in a constructive spirit; national feelings carry greater weight in the Council; the Council does not have that unifying influence on the nations which Parliament has because, after all, it is nothing more than a meeting of representatives from the individual countries.

Well, I say this is how things are. It may be displeasing, we may ask for there to be a greater cohesive spirit in the Council, but we have to deal with this situation and, whether we like it or not, one must realize that at times Community interests do not come first and that sectional interests in the various nations may well prevail. This too is part of the real world. It is up to us to carry out our role, which is to spur the other arm of this arrangement, this body that we have, to work with us and to produce the fruits which we desire.

Now what then is the problem? The problem is to know which is the best method. Is it better to use the foil or better to grab hold of the broadsword and hack away like a madman? Both of these are possible ways of attaining our objectives but whilst the foil will reach it and not create damage, the broadsword, or worse the dirk, will cause great devastation before they reach the target to be hit. I think this is the real dispute, the real difficulty which each one of us must face at the present time. We have before us the budget. Six months have passed since we rejected it and these six months have not passed in vain. This has been a period of great political relevance from an institutional and from an economic and financial point of view for this Community and Parliament has been active throughout. It has had a decisive role as a prompter, the role which is its own and which is an extremely important one. Can we really say that the outcome is totally negative, that basically this Parliament emerges from these six months of tension in defeat and that therefore we are justified in continuing with a severe and rigid attitude of extreme opposition to the Council? Some in this House have asserted this view but I do not at all agree with them. I believe that Parliament has carried out its role during these six months which were very important for the construction of Europe since they have shed some light, even during this period of crisis, — as I said the other day in Strasbourg when talking about the report by Mr Colombo — on some very central and delicate points such as Great Britain's financing problems, the need to

**Adonnino**

contain agricultural expenditure and the need to develop new Community policies whilst not slashing agricultural expenditure. Now, in these six months, all of these things have been put on the table and have found either a solution or at least a way towards a solution and it is well to remember that the agreements of 30 May not only fixed agricultural prices, not only solved other problems connected with agricultural policy, not only created a temporary instrument to sort out Great Britain's financial problem but also included an invitation to the Commission, the new Commission which we shall shortly be having, to prepare studies and present precise proposals for rationalization and strengthening of the Community policies capable of satisfying all the requirements. And this, let me say, was due partly to Parliament but I would certainly not claim that Parliament deserved all the credit. Some of these problems emerged physiologically as they reached maturity but certainly Parliament did carry out an important role both in finding the solution to some problems and initiating the solution to others by demonstrating in practical terms its will to face them and bring them to a conclusion. We should not leave this out of consideration when we are making up our minds today. We cannot say we have received a slap in the face and that our efforts have been in vain. They did serve a purpose and we must draw the consequences. We must behave differently from the way we did in December when we were all unanimous in rejecting the budget, particularly if we find the Council has made some progress — and it has indeed come some way forward. Of course we shall have to see how much we can increase the compulsory expenditure and we shall see that tomorrow with the proposals which will come streaming in.

A more difficult question is that of non-compulsory expenditure because, of course, as someone said, I think, correctly, from the point of view of procedure it is not at this point that we adopt the budget. We are only at the first reading but, as we know there may be certain developments after that in the budgetary procedure, we should be concerned here to behave in such a way, if possible, to shorten or avoid any delay from the moment we feel that the budget ought to be rapidly approved.

This is the significance of today's debate. No one is thinking of playing on words and saying we approve the budget. Mr Arndt is not here, but I should like to remind him that we are well acquainted with the procedures and we know how it all functions. But there is another reason that the budget, since I think we do take a positive view of it, should be adopted: and that is the fact that, since we are already into the financial year, we are now close to the deadlines for beginning the budgetary procedure for the 1981 financial year. And since we do not want a repetition of the same thing but, after this experience, which has undoubtedly been a difficult one for the Community, we should like the 1981 budget to proceed normally, we prefer not to erase the problems or forget them

since we all have them very much in mind, and are, I think, agreed on many of the objectives to be reached. Having arrived at this point, however, whilst recognising the independence of one budget from another, we prefer to carry on working on these problems, examine them in more detail and then find the right solutions to them in the next budget, that is to say the 1981 budget. We are making a precise commitment on this matter.

I thank Mr Dankert, even though he is not here, for his good wishes as his successor for 1981 and I would take this opportunity to express my admiration for the really praiseworthy way in which, as regards both the political aspects and his knowledge of the complex set up of the Community budget, he conducted his work. I can assure him, as I think I can assure this whole Assembly, that the problems now on the table will all be raised again and be raised on the basis of what I defined a moment ago as the 'policy of the foil and not of the broadsword', the policy which hits the target but does not provoke ruin because we wish to exercise pressure — as is our duty — on parties such as the Council so as to give the upper hand to that unitary European spirit which makes it possible to overcome certain attitudes dictated mainly by national feeling.

To conclude, the factor which I am still anxious about is that at this time, in these hours separating us from the vote tomorrow morning, we must not think that there are profound differences of view between our groups on the main problems, on how we should like to see the budget, on how to construct the policies, because the differences are concerned solely with the means of reaching the objectives and the procedures to be used. We are in favour of using the foil, we are not in favour of using the broadsword and I think that this is the correct path to follow.

**President.** — I call Mr Colla.

**Mr Colla.** — (NL) Mr President and colleagues, tomorrow the Committee on Budgets will be submitting to Parliament for approval a number of points of view. They comprise various clarifications and several amendments, which can be adopted by the usual majority, on a series of issues: the role of the advisory committees, budgetization of the European Development Fund and of loans. Unhappily, some of these positions failed to achieve a majority in the Committee on Budgets. I am glad, however, that the Socialist Group is to take these up at the part-session. They relate to agricultural policy and the non-compulsory character of certain appropriations in connection with British contributions.

I put some stress on these positions as I have the impression that the Council cannot or will not understand that the debate on the 1980 budget is not really concerned with an increase in specific appropriations.

## Colla

The debate has a much more fundamental character. Ultimately it goes much deeper. The proposed positions and clarifications relate precisely to these fundamental questions.

One basic problem is that the work of certain administrative committees and advisory committees encroaches not only on the powers of the Commission but also, indirectly, on those of Parliament.

Another basic problem is that the Council appears, unjustifiably in my opinion, to consider certain appropriations as compulsory expenditure. I am thinking here of food aid and the British contribution. This is indeed a basic problem for if the Council continues on this course, non-compulsory expenditure will be squeezed even further and, as a result, Parliament will become a mere cipher as far as budgetary powers are concerned. And now to the third important problem: quite frankly I have been shocked by certain statements from various Heads of State and Government. Some of them have attacked the smaller countries of the Community, saying that they are the ones who profit from the Community budget. They overlook the fact that their own industry benefits enormously from the common market. Admittedly the Council is prepared to work out compromises that cost money, that increase the budget, but it still refuses all discussion on a possible increase in own — resources.

For both these reasons I am increasingly fearful that the principle of 'juste retour' will ultimately triumph. If this principle is introduced, it will mean that Parliament has been forced into a secondary role and is considered insignificant.

The fourth problem is that Parliament cannot accept for long that, because of a mistaken attitude by a number of ministers, namely that the budgetization of the European Development Fund and of loans is purely their concern, no real efforts are made to seek a solution to this problem.

The fifth problem, perhaps one of the most important, is the enduring lack of balance in the budget's structure. I wish to make it perfectly clear, should it still be necessary, that this does not mean, as far as our group is concerned, that the common agricultural policy must be put in dock, and that agricultural spending per se must be squeezed. Rather, it means that the unjustified costs incurred by surpluses must be got rid of, and above all that it is high time we arrived at a renewed and, consequently, strengthened Community agricultural policy.

At this point I would like to say this: I am convinced that the French Government is already aware that its farmers are not profiting from the Community policy as much as before.

But we are not allowed to say this, and we shall have to wait until the French presidential elections before a

serious approach to agricultural policy reforms becomes possible. And the same remark may be addressed to our friends from that country. In this connection I would stress that the Socialist Group intends, in the first instance, to support two proposals of the Committee on Budgets.

The first concerns spending in connection with the yield from the co-responsibility levy. Attempts have already been made in this Chamber to minimise this matter. But the fact is that the revenues in question have been used to pay for a few TV spots. I am sure that the Commission will agree with me when I say that this money must be put to more effective use. Hence the Committee on Budgets' important amendment to utilize the revenue from the increase in the co-responsibility levy on structural measures in the dairy sector.

The second of the proposals of the Committee on Budgets which the Socialist Group is happy to support, aims at stimulating the Commission still further to pursue a cautious policy in the matter of refunds. Not so as to endanger our exports, although in the long run there will have to be a debate to determine to what extent these practices affect world prices. We must then relate this issue to our policy towards the Third World and the developing countries, but that is a subject for another debate.

I emphasize that our group supports this amendment, because it is necessary to eliminate a number of abuses in this area, which could result in savings. These abuses can be estimated at around 5 %. Here I would refer you to AGRA-EUROP of 20 June last which reports that the last decision to reduce the level of refunds was taken at 12 noon, that the deadline was 2 p.m. and that in the intervening two hours requests were made for fixing in advance the price of about 30 000 tonnes of butter, imaginary butter, that is to say.

The Council must finally understand that this is not a matter of Parliament getting a little more pocket money for a number of budgetary lines. No, the question is whether the Community, and therefore the Council, will in the future base the common policy purely and simply on the principle of 'juste retour', i.e. on merely the sum total of what the national Member States will allow, or whether a genuine common policy will be developed. At the same time it has to be decided whether the intention is that Parliament should be granted a merely subsidiary role or, on the contrary, full powers.

I take the opportunity offered to me here to make an appeal to the Council. The Council must be aware of these problems. What Parliament and my group demand is, in the first place, a reaction from the Council to the remarks, to the clarifications which have nothing material about them, but, on the other

## Colla

hand, concern fundamental matters which relate to this budget and the common policy.

There is an other observation I have to make here. I believe it is of the utmost importance that the Council should adopt a different psychological attitude in its dealing with Parliament. In view of the distasteful spectacle presented by the (possibly in the long term) efficient Council, but also by the Commission, in their attitude to Parliament, even during meetings of the Committee on Budgets, I urgently request an end to such practices, which imply that Parliament is not taken seriously. Ever worse perhaps — and here I address myself to my colleagues — is the fact that a number of Members are evidently influenced by such an attitude, and this means that they are partly responsible for Parliament's not being taken seriously. It also means — and this budgetary procedure underlines the fact once again — that it is of fundamental importance that Parliament should obtain more real powers and that the Community's budgetary law should be reviewed.

I hope that the report being prepared in the Political Affairs Committee is a sound one which will serve Parliament well.

A further remark on the content of a number of budgetary lines: I am disillusioned to see how inadequately the Community reacts to events and that it fails to deal with a number of vital problems in the nine individual Member States and in the Community as a whole — problems of unemployment, energy and the environment, for instance. I am not saying that the budget proposed by the Council makes no provision for these three sectors, but I am saying that that provision is inadequate.

Consequently, the Socialist Group will table a number of amendments to the amendments of Committee on Budgets. It is true that the amounts involved are not very large, but this is a matter of principle. I fail to understand why the Council, supposing that the Commission representatives are of the opinion that these amounts can be spent on employment and, perhaps, on alternative sources of energy, should stop to reduce some of these appropriations, small, though they be. Accordingly, the Socialist Group will table amendments to items relating to the training of young people for employment, the promotion of employment and alternative sources of energy. I fail to understand why the Council has been unable to reach agreement on social measures to assist a sector as badly hit as the steel industry. If the Council, and tomorrow Parliament, are unable to agree on some of these matters, this can only mean one thing: that an enormous split is developing between the European institutions and the genuine needs of the people.

I should like to make a further point, this time concerning the environment: if Council and Parliament should themselves be unable tomorrow, and

when dealing with the 1981 budget, to formulate specific measures for the environment, then the people of our Community will spontaneously do this in our place. Those who refuse to believe this need only consult last Monday's *Süddeutsche Zeitung*, which reports that German inshore fishermen have threatened to blockade ships which discharge toxic waste into the North Sea, since this causes disease in fish and is disastrous for the fishing catch.

I should like to draw your attention to another small item. Why cannot the Council agree with Parliament's original proposal concerning appropriations for the European Trade Union Institute? Tomorrow the Socialist Group intends, in principle, to restore the amount of 850 000 EUA — a small amount indeed. Why is this of fundamental importance? Because this action answers the question what kind of Europe, and what kind of European Community, we ultimately want.

I would also like to point out, Mr President, that I certainly do not view the present situation, and the present budget, in a very rosy light. I suspect that my colleagues who wish to vote for this budget are motivated by the fear that the present political conflict might otherwise last even longer. I, for my part, have the greatest reservations about this budget. Cannot the Commission — I am speaking here of non-compulsory expenditure — scrape a few last million from the bottom of its treasury? Cannot the Council, by going over its figures one last time, shake another little apple out of the tree?

One final remark, Mr President. Tomorrow Parliament has to take a whole series of decisions. The Council has forced Parliament into this position just a few days before the recess in the hope that Parliament will be unable to do anything about them. This is political blackmail. I hope that Parliament will adopt a number of amendments. It will then be up to the Council to reject those amendments, and it might then have to assume the responsibility for a second reading. I hope that the Council will react wisely.

**President.** — I call Mr Spencer.

**Mr Spencer.** — I intend to address myself to the social affairs aspects of his budget, but before I do so I am sure colleagues will not object if I devote one minute of his 12-hour debate to a question of the working conditions of other Members. My colleague, Poul Møller, whom I now find sitting in the imposing chair in front of you as President, commented on the beauty of this hemicycle. I have to tell you, Mr President, and it is with deep embarrassment, that I could not disagree with you more. I find it too steeply raked, acoustically fairly horrible and visually nauseating. In fact, on entering this morning I thought we were actually the victims of a cruel practical joke perpetrated by

## Spencer

a colour-blind and deaf interior decorator with a squint. I just hope that one day when the time comes to build a real Parliament, a permanent Parliament for this migrant institution, we as Members shall be consulted over the design of the Chamber in which we have to work. I hope we shall design a Chamber which does something to reflect the cultural heritage of our continent and not succeed in looking like a recently redecorated cinema on the outskirts of Moscow.

Having said that, let me turn to the social affairs aspects of the budget. I can only start by noting with very considerable sorrow that the Council is asking us to abandon two particularly important projects. I speak of the poverty programme and of the social aid for the steel industry contained in Chapter 54 of the budget. It is a matter of the deepest regret that at a time of maximum distress in Europe's steel industry the Council cannot bring themselves to agree on the small matter of 30 million units of account. It seems to me symptomatic of the wider failure of the Council of Ministers, the failure of the *Europe à la carte*, the failure of the Europe of Nations, which is all we have at the moment. A Europe that becomes solely a bargaining point for national ministers who have nothing in common except their disagreements is bound to lead to failure, and we might as well pack up and go home. Part of the assertion of the real Europe, the Europe beyond the nation-States, is our institutional struggle as a Parliament with the Council, and I therefore urge this Parliament not to concentrate its mind on specific amendments, however treasured — and I address this particularly to my colleague, Mr Peters, who, I know, has laboured long and hard through the winter on the details of the steel report — not to concentrate on the ephemeral details of amendments which we send to the Council but to concentrate instead on the central competence of this Parliament. Our fight is an honourable one. It is no less than of asserting direct democratic control over spending at the European level. That control cannot be exercised by national parliaments; it can only be exercised by us. I beg you, therefore, to forget the details, such as whether non-compulsory expenditure is to be 17½ million or 32 million; go instead for the jugular vein — Parliament's right to see all the accounts, to budgetize the loans, but above all Parliament's right to influence compulsory expenditure. If we do not control the level of compulsory expenditure, Mr President, it will control us. Fight for the principle, as Mr Spinelli said so eloquently this morning, and in the years to come you can have your rational social policy.

**President** — There is no accounting for taste. I think this is a beautiful room. The design is of course a moot point but I would just like to say that from this seat I can see the Members better than in Strasbourg and I can even see Members asking for the floor in the back row, which I cannot do in Strasbourg. That is one advantage it has. As for Europe's cultural heritage, it is no accident that it starts with the amphitheatre. This

room is certainly more like an amphitheatre than what we have seen elsewhere. I would like Mr Spencer to bear that in mind. And of course tastes differ.

I call Mrs Barbarella.

**Mrs Barbarella.** — (I) Mr President, I should just like to say how surprised I was to hear what Mr Früh had to say this morning. Surprised because the Committee on Agriculture did not have an opportunity to discuss the Council's new draft budget. Mr Früh, for whom, I hasten to add, I have the highest personal esteem and respect, was expressing personal opinions this morning or at least opinions held only by certain members of the Committee on Agriculture.

This being so, Mr President, I should like to make two brief points concerning the agricultural part of the budget. First to say that Titles 6 and 7 still reflect in financial terms the old agricultural policy. My remarks are not directed so much at the overall figures for particular items of expenditure as at the lack of any qualitative changes. While it is true that a solution has been found to the prices problem, which, we consider, strikes an overall balance, there are absolutely no signs of real changes in the nature of the common agricultural policy along the lines of the position adopted by our Parliament in the decisions it took last December.

These changes should have involved more than fragmented and short-term attempts to balance the markets, as we have seen with the adoption of the co-responsibility levy. Secondly, they should have provided for a more intensive and more diversified structural policy. In fact, the financial decisions of the Council of Ministers make no provision whatsoever for this necessary link between decisions on prices and decisions on a real restructuring of markets and the development of the structural policy which have been demanded so often by so many.

The Council's decisions — fragmented and totally inadequate as they are — have aroused grave concern among us Italian Communists as the Council's rejection of any political commitment for the 1981 budget seems to express not only a lack of political will but also a total lack of awareness in the face of a situation which is deteriorating daily. Moreover, it is a situation which is making certain national governments — not those of the smaller countries — begin to reassess present Community policy. This lack of clear political will on the part of the Council would also seem to undermine the optimism which appears to underlie the position adopted by the rapporteur, Mr Dankert.

In this context we believe that we must avoid at all costs a situation where we embark on discussion of the 1981 budget without first having found a new approach to agricultural policy, an approach which we feel must be hammered out before the financial procedure. The Italian Communists will therefore vigo-

**Barbarella**

rously support demands for a debate in Parliament in the near future on redefining agricultural policy: in order to make it more acceptable in financial terms, more efficient in economic terms and, in short, more credible in the light of the multiplicity and seriousness of challenges facing the Community at the present time. We will participate in our usual constructive manner and make a direct contribution to this debate, which we demand in common with other political groups. We will do so because we, the Italian Communists, are also convinced that the common agricultural policy can become a vital instrument for a wider and more balanced process of economic integration if the necessary improvements are made and it is properly structured. We address these remarks above all to those — and there are many of them in this room — who say that they consider the common agricultural policy to be a milestone in the process of constructing Europe but who in practice, by their disregard of the urgent need for change, are turning it into a real drifting mine which threatens to blow up the whole of the Community in the near future.

**President.** — I call Mr Haagerup.

**Mr Haagerup.** — (DK) Mr President, I do not wish to join in the European Democratic Group's discussion of the design of this Chamber. There may be various reasons, Mr President, for my not finding it so difficult to shout about this Chamber; but I am afraid I cannot tell whether it is because of the acoustics or something else.

I was one of those who voted to reject the budget in December mainly because the draft amendments to the 1980 draft budget adopted by the vast majority of the new directly elected Parliament were rejected point blank by the Council of Ministers and because consultation between the Council and Parliament was very unsatisfactory.

Although far from all Parliament's requests have been met today, I feel that in the circumstances the draft budget now before us is such an improvement that we should vote for it. I would refer you to what the two previous Liberal speakers, Mrs Scrivener and Mr Delatte, have said on the subject. I also agree with the 21 % increase in non-compulsory expenditure and the very slight increase of 1 % or 17 million units of account proposed by the Committee on Budgets.

Together with my group I support these proposals as I am confident that they will not lead to further delays in the 1980 budget which now has to be adopted as quickly as possible. This is neither a victory nor a defeat for Parliament as I think you yourself, Mr President, have already said, but a reasonable compromise.

As we all know, however, the Community's budget problems have by no means been solved for the

coming years. I predict that both principles and money will be the subject of controversy in the 1981 and subsequent years' budget negotiations. In my view that is both legitimate and justified when this Parliament is trying to increase its influence by protecting its role as part of the Community's budgetary authority within the framework of the Treaties. I say within the framework of the Treaties because although the time has not yet come for Treaty amendments, the time certainly has come for budgetary and other reforms. I therefore feel that all the draft amendments tabled on compulsory expenditure — including expenditure on agricultural policy, on which the Council alone can take a decision — are the most urgent now. Our task today is to adopt the 1980 budget and the modest proposal by the Committee on Budgets seeking to increase non-compulsory expenditure further which I, along with my group, support.

**President.** — I call Mr Brøndlund Nielsen.

**Mr Brøndlund Nielsen.** — (DK) Without going into all the details, I should like to make a few comments on my own position. I was one of those who did not vote to reject the budget in December and I also feel now that the most important thing is to get the budget adopted without further ado. Various draft amendments have been tabled and I certainly think we can keep an open mind when discussing some of the amendments to the area of non-compulsory expenditure, over which Parliament has some control. But I feel that we must definitely reject any attempt to amend what is clearly laid down in the Treaty. I am thinking of attempts to amend compulsory expenditure. I think we should definitely oppose those. It is presumably to be expected that the Council of Ministers will eventually give in so that we can have development aid and lending transactions budgeted as Parliament has requested for so many years.

When the budget was rejected by Parliament there were two main reasons for voting against. Some wanted to increase the directly elected Parliament's role in the budget negotiations. I think they should now be able to say they are satisfied as they have obtained certain concessions. But it is to be hoped that the discussions started by these people, the majority of Parliament, which led to changes in individual Member States' contributions have not harmed the Community's cause more than they helped it. I certainly have my doubt. I am certainly somewhat perturbed by the results of the past six months' budget negotiations that Parliament initiated. As you know, these negotiations have led to a break in the Community's line of thought and in its common policy so that one Member State now pays considerably less to participate in the Community whilst others, one in particular, have had to pay and will continue to have to pay considerably more.

**Brøndlund Nielsen**

I hope that this attack on the Community's line of thought will not harm developments although, as I said, I am somewhat afraid that it will, and then those Members who took part in rejecting the original draft budget will have much to answer for. Others rejected the budget as a means of challenging the common agricultural policy. Some in this assembly are vehemently opposed to the common agricultural policy and they used that opportunity to say so. It was even clear that some who were opposed to Parliament's having a special role and increasing its powers voted against the budget simply as a means of attacking the agricultural policy.

I could perhaps take the liberty of calling those Members 'the Persuaders' because they rose in the world through bluster and violence. But fortunately it came to nothing. Instead, a relatively reasonable solution was found this spring in keeping with the common agricultural policy. What I find amusing about it is that the Members concerned want to strengthen the Community and cooperate in new areas, and want to create economic opportunities for doing so by destroying the only real common policy, the common agricultural policy. I think that Mr Früh, the rapporteur for the Committee on Agriculture, has drawn up an excellent report on the subject and I find it very unsatisfactory that the whole business of Parliament's position as the budgetary authority should be confused by the vehement opposition of some Members to the agricultural policy. We must therefore be satisfied with developments and, as I said to begin with, I hope that we can now get the budget adopted as quickly as possible. I simply do not believe that the public will understand if Parliament again tries to put a spanner in the works of the budget compromise we have now reached.

**President.** — I call Mrs Macciocchi.

**Mrs Macciocchi.** — (*I*) Mr President, the Radical Group is opposed to this new draft budget for the reasons outlined in our 23 amendments prompted by the paltry commitment of the Community in the struggle against hunger in the world, the implicit choice of nuclear energy and agricultural protectionism.

I should now like to point out the serious concern, felt but not always voiced, at the slow and irreversible undermining of the role of this Parliament in its relations with the Council, not only as a supervisory body — which it should be — but as the forum for the formation of a single political will. It is clear that the European Parliament has no power and no right of initiative in its dealings with the Council of the European Communities and the European Council, those 'princes, qui ne nous gouvernent pas'.

When we rejected the budget in December our intention was to raise a genuine problem, namely that the

approval of the Community budget should not become a boring ritual. The President of the Council has said today that it is not a ritual but in fact it is. I shall not dwell on this except perhaps at the end of my speech to highlight it in all its glory.

The crisis of the Community brought about by the request of the United Kingdom has been tackled and solved outside this Parliament. We have discussed and voted under urgent procedure fisheries, trade in flowers, aubergines, the length of British and French scampi, and yet we have consistently refused to discuss the UK financial contribution in this Assembly.

The European Parliament is a consultative body with a bureaucratic rather than a political character. Was it worthwhile summoning 200 million Europeans to the polls to elect an assembly which can only address a few requests to the governments, to elect a sort of consultative assembly for a free-trade area rather like an agricultural club?

Mr Spinelli was right in saying that matters cannot go on like this and that at some stage the dictum 'mend or end' addressed to the House of Lords will also apply to us.

I believe that it is now time to draw up a plan to reform the powers of this Parliament as part of a general revision of the Treaties and that Parliament itself should draw up this plan and not leave the task to others. A word is enough to the wise!

It was Willy Brandt who said some years ago, before the direct elections, that the European Parliament must become a permanent constituent assembly. I should like to ask Willy Brandt, who has, incidentally, presented a major report on the North-South question, if he still holds the same ideas or if he too has resigned himself to our situation of impotence. If not, I should like to ask him, Mr Spinelli and other Members who have spoken today to request a debate on the constitutional crisis currently facing us with one single objective in mind, namely to take powers away from the Council and give them to Parliament by proposing a vital reform, for which there is an ever-growing need.

At the end of this debate on a prefabricated budget, in this freshly-painted chamber, in which we have attended what can only be called a ritual, I should like to put a request to our President on behalf of my radical colleagues: that a debate be held on the institutional crisis with a view to initiating reforms.

While it is true that visibility in this chamber is better and that we should therefore have a better view, at the same time our political party, because we are seated at the far side of the Chamber, cannot be seen by the public in the gallery directly above. For this reason many of us — assuming that everyone wants to come and see or hear — are in the shade, as indeed we also



**Brøndlund Nielsen**

are in our respective countries because of our tough and courageous actions.

**President.** — We shall now suspend our proceedings and resume them at 9 p.m.

The House will rise.

*(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)*

## IN THE CHAIR: MR de FERRANTI

*Vice-President*

**President.** — The sitting is resumed.

I call Mr Balfe.

**Mr Balfe.** — Mr President, we are, in more ways than one, a long way from Strasbourg and certainly a long way from the spirit which seemed to animate this institution last November and December when, rather like a new school in revolt, we rejected the budget. Maybe, on reflection, some of the rejectors will feel they slightly overstated their case. Mr Robert Jackson, who is not with us, said, I think, 'We are all struck, and I hope the Council will be struck, by the sense of purpose and the vigour being manifested in this Parliament at a very, perhaps surprisingly, early stage in its life! Some of that vigour seems to have disappeared. Some of the resolve seems to have disappeared. Some of the resolve seems to have disappeared from our rapporteur, who at that time, and I quote, said, 'Barring a miracle, the Council of Ministers is forcing Parliament as part of the budgetary authority to reject the 1980 budget on Thursday of this week because as regards the unbridled growth of agricultural spending, non-compulsory expenditure, budgetization of loans and the European Development Fund, the minimum conditions for the adoption of the budget set out by Parliament in the final paragraph of its resolution on 7 November have not been met.'

What I am asking this House tonight is how much things have changed and to what extent its conditions have now been met. I do not think they have been met at all. In fact, I think that Mr Taylor, who at that time, as the European Democratic Group spokesman on the budget, was very strongly against it, has to an extent seen many of the things that he stood for sold out — sold out by his colleagues, sold out by the Council and now sold out by a panic-stricken — if I may use that adjective looking around — Parliament. The words that may be used to justify the big sell-out are many but we cannot get away from the fact that what Parlia-

ment is being asked to settle for is substantially less than what was being demanded as an absolute minimum last year. This is not a trade union negotiating position where we are settling half way, or even 40 %, let alone 60 %. We are settling for something which in December would have been regarded as totally unacceptable. What I am asking is what is the difference today. I think the basic difference today is that a number of groups on the right of this Parliament have decided that they want to settle and they want to run away because they are frightened of the consequences of the actions they took.

The Socialist Group will not accept this situation. We, and I am talking about the Socialist Group and not about the British Labour Group, have tabled a wide range of amendments covering regional policy, social policy, help for the textile industry, aid for the unemployed, etc. The aim of these amendments is to restore the position that was accepted by Parliament last December. They are not intended to advance the position, simply to restore it, in other words to reinstate the money that had a majority of votes in this House last year. And I shall be looking with great interest, as will many people in the EEC, at the votes tomorrow of people who, last December, were prepared to say that this position was an absolute minimum.

So let us be very clear where the sell-out has come. The earlier speakers this evening, especially Mr Spinelli, have mentioned what they called the dire straits of the Community, the imminent collapse of the institutions of the European Communities. I put it to you that the malaise within the EEC is far deeper than a malaise that merely affects this institution. There is in fact and in practice a lack of vision and faith evident in most member governments within the EEC. None of them have managed to face up to the crisis of economic policy in the 1970s and now in the 1980s.

The institutions which are under attack are not only the institutions within the EEC, but also the institutions within the Member States of the EEC. Moreover I think it is important to say from these benches that increasingly the main defenders of the status quo and of the institutions which are out of date are right-wing social-democratic governments which have long outlived their popular mandate in terms of deriving their philosophies from the people. So what we have as a consequence of this quite often is what is known as the revolts — the Red Brigades, the Baader-Meinhofs and the response to that within the EEC in the form of repressive measures, the Berufsverbot in Germany, the tightening up of laws in France. These are all background to the general situation and the financial situation in which we find ourselves today. I say this because it is my contention that, not only here but also in the rest of the EEC, democracy depends on freedom. When you take specific action to weaken freedom, albeit in the name of the defence of democracy, you weaken *per se* the democracy that you set out to strengthen. Moreover, it is for that reason, I am quite

**Balfe**

convinced, that certain features of Eastern European systems, especially those of security of employment and full employment, come to have a greater attraction for people who live in a very unstable and a very poor Western Europe, because if you are unemployed, poor, an immigrant or under-privileged, the values which we espouse so often of freedom and democracy actually mean nothing. You cannot have much freedom, you cannot have much democracy, if you have not got a decent home, a job and a decent income.

Now, when we look at the sell-out in this budget and the way in which the limited policies we put forward are being thrown away, we should bear this firmly in mind, because if we, within the framework of the institutions of Western Europe, cannot provide valid ways in which ordinary people can change legislation, influence their own lives and shift the balance of power, then we will be swept away by a new generation of institutions, just as the feudal system and the Victorian system in England were swept away by the institutions of the twentieth century. That is my answer to those people who earlier on today have bewailed the lack of impact of this institution as though it was an institution which stood alone, an institution which had somehow generated its own unique problems which were unrepresented anywhere else and which were not to be found anywhere else.

In short, Mr President, the challenge that faces us all, both within the EEC and within our Member States, is the basic one of instilling in the people who have sent us to our various representative institutions a faith that they have not sent us in vain, because all over Europe, all over the West, cynicism is growing because people have seen that democracy cannot deliver the goods. And that indeed is a very frightening position for us to get into, but it is a position that we are getting into. We see falling numbers of people going out to vote. We see parties increasingly becoming the province of the professional. We see in various countries various laws which make it more and more difficult for genuine radical politicians to enter the political fray, whether it be Italy, whether it be Germany or whether it be Britain. We see, in other words, a situation in which the established order, of which, I must confess, the British Labour Party is a part, has been used to exclude other elements from power. Although that may seem a long way away from the budget, it is in fact fundamental to what we are talking about in this Parliament today because we are talking about a situation in which the Parliament, with great fanfare, with great bravado, led the troops of Europe up to the top of the hill and is now not even prepared to back the amendments which it said were essential last December. We are seeing a situation in which the only honourable course of action for any Member of this Parliament whose interest is in maintaining the consistency of this Parliament is to vote for the reinstatement of the amendments tabled by the Socialist Group, as well as of some other amendments tabled by some of the committees.

Tomorrow we will have our opportunity. We can go one of two ways: Either we sell out, saying that all we stood for last December is a load of rubbish, in which case this Parliament will not recover from the experience — the Council is not so dim as not to know when it has won, and it is not so dim as not to go back and get another victory next year and the year after — or we can be consistent and stand by what we said. If we pull away, if we sell out, we can go on our summer holidays and desert the respective groups of people who sent us here. But in that case, when the history of the first part of this Parliament is written, it is likely that it will be remembered much more for what it failed to achieve than for what it actually achieved. Because after an extremely good start we are now running into extremely heavy weather. We are failing to deliver the goods which we promised. I think we overstated what we could do, but we are failing even to produce the limited amount that we can do, and we are now in a position where, unless we can manage to retain and sustain some credibility within the budgetary authority of this Council, we might just as well pack up and, when own-resources run out, do what I believe will be done — let the Council take it all over as compulsory expenditure and let us sit here as a local branch of the United Nations, which is not even Europe.

**President.** — I call Mr Jakobsen.

**Mr Jakobsen.** — (DK) Mr President, my dual mandate and my obligation to be in the Danish Folketing in December prevented me from coming here and doing what I would have liked to do, vote for the budget. I said *vote for* the budget. I therefore welcome this opportunity to say that we should vote for this budget and that I think there is even more reason for doing so than there was in December. If I had voted for the budget in December it would obviously not have been because I felt that there was very little that had to be put right. Anyone, especially those involved with the budget for years, could see that a lot had to be done. But I certainly did not feel that this Parliament could correct anything at all merely by such a gesture as rejecting the budget. I read afterwards that there was rejoicing in the Chamber. I just hope that there will be no repeat performance when we vote on the 1980 budget this time. I believe that those who rejoiced then have little to rejoice about now.

I have very serious misgivings about the procedure used because there was so much confusion between political and technical questions. The influence that this Parliament should have is a political matter. Whether we can reduce agricultural expenditure is a technical matter. They are two completely different issues and should not be dealt with together.

Although I will vote for the resolution as it stands tomorrow, there will be various aspects I cannot vote

## Jakobsen

for. I cannot agree that pronouncements should be made on what should be done in the future, on something that would determine the future agricultural policy. It would be the same thing as asking the Council of Ministers to ensure that there were more fish in the North Sea or a better harvest in 1980 or 1981. That would merely be an ineffectual gesture and would not provide the basis for serious discussion of agricultural problems.

I am glad that Mr Früh said what he did today. He not only said something very important about agriculture but he also reminded the newly elected Members that there were people in Parliament who could think and knew something about things before the new Parliament was elected. It is not as if we did not have a Committee on Agriculture before. It is not as if we did not have Commissioners before who dealt with this subject. None of them have claimed to have found the philosophers' stone. It would be very unwise of any of the new Members to say they have now found the philosophers' stone, especially if we resort to such a basic expedient as this tax we are now imposing. Admittedly, it exists not but it is certainly not the philosophers' stone and certainly not something we can merely continue to use to solve the agricultural problem.

In conclusion, I would just like to mention one thing. It has been brought up by a couple of speakers and I am really surprised that it has not been given any attention. Why on earth do we just accept the 1 % VAT rate? Why? Why not increase earnings? Why not go to the electorate in each country and say 'it is time we gave the Community more'? If the Community means so much to Members in this Chamber, why don't you go home to your electorate and say 'we need more money. My country, Denmark, England, Germany etc. must give more'. A year ago that was perhaps unthinkable, but it is not now. In one particular case individual countries have had to give more. The United Kingdom was in difficulties, cooperation was difficult. And what happened? All the other countries were ready to give more over the next three years than they had given before. This seems to show that there is no longer a wall but that it is possible to pull through with higher earnings, and I strongly recommend that this Parliament concentrates on trying to break through the wall and increase earnings instead of cutting down on expenditure as suggested by Mr Haagerup and others. Agriculture is the area in which the Community has really achieved something. The worst thing we could do would be to reduce our efforts in this area.

Mr President, I shall conclude now so that others in my group can get their proper share of speaking time.

*(Applause)*

**President.** — I call Mr Pranchère.

**Mr Pranchère.** — *(F)* Mr President, colleagues, I shall say straight away that the new budget is unacceptable. As regards the agricultural situation, particularly in France, the new budget marks another stage on the road of destruction. We must recognize the seriousness of the situation:

— a fall in farm incomes for the seventh consecutive year, investments in production threatened and an alarming increase in farmers running into debt,

— the rural exodus and the desertification of regions continue at a dangerously fast rate.

And what proposals are being submitted to us today? That we tackle these real problems? No.

The proposal submitted to us is that we should continue in the direction we have been going in and this in spite of extensive and determined battles in our campaigns which have helped to slow down implementation of this policy. In this respect the Brussels compromise is perfectly clear. It provides for an average price increase for agricultural products of 5 %. But we are still a long way away from the 7.9 % demanded by agricultural organizations!

But even if one takes account of the devaluations of the green franc, that is approximately 5 %, it is absolutely certain that the total increase the farmers will obtain will not be enough to offset the increases in production costs and inflation which today is running at between 13 % and 14 %. And the question of prices is a fundamental one and the French Communists and Allies will never yield on it!

The Brussels compromise also fixes the co-responsibility levy at 2 %, which is four times more than it was last year. And I have not even mentioned the additional levy which will be applied during the 1981-1982 season. It is extremely significant that no measure has been taken or planned for taxing imports of vegetable fats and oils from third countries and imports of New Zealand butter which are continuing unabated.

Finally the compromise establishes a Community system for sheepmeat and this too is unacceptable and particularly scandalous because it contemptuously ignores the main demand of French farmers for the reimposition of customs duties. Our producers will not therefore be protected from illegal imports from New Zealand entering via Great Britain.

Moreover the fixed price is out of all proportion to production costs and our producers have just been feeling the first destabilizing effects of the market with a 15 % fall in prices.

The compromise is thus the realization of everything that we have been condemning for months! The people and farmers of the Midi, are relentlessly carrying on their struggle to save the land and those who

## Pranchère

work it. They say that their region has been bled white and the farmers of Brittany and of West Limousin say the same. They reject this policy. And they are right to do so! What we are dealing with here is the future of an essential source of wealth, and of the very existence of hundreds of thousands of family farms. We shall therefore stubbornly defend both, entertaining no illusions, however, as to the wishes of the greater majority of this House because Socialist and conservative groups alike are basically agreed on this harmful policy.

Once more we have had proof of this listening to Mr Dankert, the Socialist rapporteur, who is leading a veritable campaign of destruction against the farmers, family farms and French agriculture. The French Members of the Communist and Allies Group will never under any circumstances support the dismantling of the few regulations contained in the common agricultural policy. In December 1979 we did not support the Dankert motion unlike the Socialists who now claim to be defending French farmers. And Mr Früh of the Christian-Democratic Group really does have a nerve to pass himself off as the defender of the farmers, when last December he vigorously supported the motion tabled by Mr Dankert of the Socialist Group inviting the Commission and the Council of Ministers to treat the farmers very harshly indeed.

In addition when this afternoon I saw Mr Früh look from where he was sitting across at Mr Lange, his Socialist colleague who had voted in the same way as he had, I could not help thinking of the famous reproach: "Cain, where is your brother?"

For it is you Conservatives, Christian-Democrats and Social-Democrats, who have turned this House into the main tool for the dismantling of the common agricultural policy, into a proxy for the Commission in Brussels and the Council of Ministers who want to bring about structural changes in the common agricultural policy.

This was confirmed in Brussels on 29 and 30 May and in Venice on 12 and 13 June with the agreement of Mr Giscard d'Estaing, President of the French Republic; and it is confirmed in the letter from the Commission in the Annex to the draft budget which we are discussing.

If we draw up a balance sheet of the debate on the 1980 budget we can see that it has highlighted the real views of the majority of this House.

In December we said that the operation directed by Mr Dankert, the Social-Democrat, consisted of taxing farmers' incomes to aid and accelerate redeployment of the multinationals with Community funds.

Time has proved us right.

Gentlemen of the majority, you have tried to pull the wool over the farmers' eyes!

But the farmers have reacted: they have prevented you from going as far as you would have liked. But you have not relinquished your destructive plans.

This is why we are calling upon the farmers to continue and intensify their campaign for the right to exist. In order to do so they must be able to rely upon the French Communist Party.

*(Applause)*

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — *(NL)* Mr President, unlike the previous speakers I should like to dwell, if I may, on the budget of our own Parliament and consequently on the report and resolution of Mr Jackson. Tomorrow we shall be asked to approve our own budget, which shows a marked rise in expenditure for the purpose of large-scale recruitment. The main reason given for this recruitment, for this expansion in staff, is the increase in our volume of work. There can be no denying that the volume of our work has increased, but I question the conclusion drawn therefrom that this necessitates an expansion in staff and an increase in expenditure. I ask myself, Mr President, whether the real problem facing our institution is not so much the volume of work as the organization of our working methods and the need for structural changes. I speak with so much emphasis because, as a member of the Working Party on Structures, I know what I am talking about. This working party was set up precisely to study the possibility of structural change. In the Jackson report I see no mention of its findings, which were, however, of great importance for the 1980 budget because, I need hardly repeat, the primary task was to cope with the situation today, and not just the situation in the future. A variety of speakers have referred, again and again, to the problem of Parliament's three places of work. Over and over again the cry is for a single seat, and rightly so, since this is the root cause of our present situation. It is also the key to the solution of our organizational and structural difficulties. I repeat: the problem must be solved now, not some time in the future. The 1980 and 1981 budgets are concerned with structural amendments to the existing organization. I suspect that our institutions' Bureau is unaware of a good number of important findings. It is now a year since Parliament was directly elected, but in this area little or nothing has been done. It may indeed be true that little can be done as far as the 1980 budget is concerned, but something surely can be done in the matter of the 1981 budget, for we have a lot of ground to make up. It is high time that we prepared for the future — a future single seat, but also future restructuring.

**Coppieters**

In addition to these remarks about the Jackson report and our own budget, I should like to make just one observation concerning the Dankert report and resolution on the Commission budget, namely that there is an enormous difference between what one does about nuclear energy and what one does not do about alternative energy sources.

**President.** — I call Mr Fich.

**Mr Fich.** — (DK) Mr President, it is now six months since this Parliament rejected the budget and I think that the time has now come to take stock of the changes that have occurred since then.

In December the Council offered 455 million units of account. Now it is offering 40 million more. That is not much more. In December we demanded very substantial agricultural reforms before we would adopt the budget. But not much progress has been made. In the meantime the Commission has put forward proposals but the Council has consistently rejected them and in fact there has been very little change in this sector. We asked for lending and borrowing to be budgetized. It has still not been done. We asked for the European Development Fund to be budgetized and that has still not been done. In other words we are more or less where we were in December apart from one thing, and that is that six months have passed so that we have less time in which to spend the money.

To be consistent, therefore, all those who voted against the budget in December should adopt the same position this time. But I am sure that they won't and that obviously surprises me. They will not risk postponing a decision on the budget for another three months or more, and it is a wonder they did not foresee that six months ago and act accordingly.

It is a wonder that anyone could be bothered to continue wrangling; after all what are we wrangling about now? We all know perfectly well. It is 17 million units of account, about 130 million Danish kroner, and 17 million units of account are 0.1 % of the total budget. Peanuts! Is it true then that grown-ups in the Parliament and the Council are arguing about 0.1 % of the budget and putting much more important matters at risk? Obviously that cannot be right. That is not what we are arguing about, everyone knows. It is not 0.1 % of the budget we are arguing about. Obviously what we are arguing about is who has the biggest say in the Community. The Council or Parliament? It smacks very much of a power struggle and we have had many examples of it today. There are people who have said 'Parliament must now play the role it is supposed to'. My answer to that is 'yes, that is very simple. Consult the Treaties.' What do the Treaties say? That Parliament is an advisory and supervisory body. Its role has been defined. Then let it exercise its advisory and supervisory powers and stop trying to read anything else into those words. When someone

says 'it is important for Parliament to allocate increased powers to itself' my answer is that this Assembly always wants to quote the Treaties at the Council and it should apply the Treaties to itself but the Treaties do not say anything like that.

I believe that this Assembly's influence depends on one thing only, the quality of its work, and this squabble over 17 million units of account has nothing to do with quality.

In December some important points were discussed, but they seem to have disappeared by now. The whole question of Community agriculture in the future was discussed. I should like to make a few comments on the subject which was discussed in Venice recently. As Mr Lange said — and I fully agree with him — it was agriculture that built up the Community and it is also agriculture that can destroy the Community. That is the crux of the matter. So something must be done and I am ready to play my part in any reforms. There are cases of abuse and irregularities in the agriculture sector. Let us sort things out so that we can preserve common agricultural arrangements on a sounder basis otherwise they will undermine everything.

What does it mean, if as I heard was suggested in Venice, an upper limit is set to what individual countries can get out of the Community? It means that we penalize farmers who happen to live in this or that country. It means that some of the financing of the agricultural sector is left to individual countries. It means that those countries that have to finance part of the agricultural sector will obviously impose restrictions on imports of agricultural products. It means that other countries will impose restrictions on imports of industrial goods and everyone here can see what that would lead to. We would then be back in the 1930s and it would surprise me very much if any of those who proposed such measures have really thought of the full consequences of their actions.

I suspect that these agricultural problems need to be discussed in detail as does the whole problem of own-resources. I think we should initiate this discussion and end the wrangling. Do not forget that it takes two to quarrel. It does not help to say that it is the Council that is to blame. As I said, it takes two to quarrel, but what is surprising about this quarrel is that we have for instance Ministers from the Christian Democratic Party in Italy and Members of Parliament from the same party and they are quarrelling with each other. As we know there are British Conservatives in Parliament. We know that the Conservatives are in power in Britain. How then is it possible that we are fighting? Who is to blame? Is it the Ministers or the honourable Members who are not following their own party's electoral programme? It is not after all possible that both parties are following the same programme. I am against this institutional wrangling and feel that we should instead have a political debate.

*(Scattered applause)*

**President.** — I call Mr Barbi.

**Mr Barbi.** — (I) Mr President, I find it almost unbelievable that it should have taken six months to arrive at a new draft budget. It is quite true that we are responsible, we in the European Parliament and in particular our Committee on Budgets, because our behaviour in January and February encouraged the Council to include in the 1980 budget agricultural expenditure and the increases in agricultural prices which in the past have always been dealt with after the adoption of the budget; then there were the estimates of expenditure to settle the issue of the British contribution, which had nothing to do with the 1980 budget — so much so that they only feature as a token entry. If we had not given the Council a pretext — which our Committee on Budgets decided on by a majority against the opinion of my group — the Council would obviously then not have been encouraged to spend six long and seemingly interminable months drawing up a new draft budget. But it is now obvious that the 1980 budget is of little importance. The rapporteur, Mr Dankert, has rightly said that the new budget has not changed much but that circumstances have. Of course circumstances have changed! We are now half way through the year to which the budget applies. Politically, I would be tempted in this situation to propose a motion severely criticizing the general behaviour and the specific proposals of the Council together with a refusal on the part of Parliament to approve the 1980 budget and allow the 45 days provided for in the Treaty to pass thus leaving the Council and the Council alone to take full responsibility for the 1980 budget. But let us be quite honest, such action would, however, make the crisis which is currently facing the European institutions and which anti-marketisers would like to see worsen for nationalist reasons and out of selfish economic interest more acute. This European institutional crisis may pose a serious threat to the fragile embryonic form of unity which our continent has so far achieved. I believe that this political aim of European union is more important than individual items of expenditure or indeed the whole budget of the Community, which is purely an instrument and no more than that; for this political reason I believe that in the present circumstances the budget must be approved.

By rejecting the budget in December, the European Parliament gave the Council a clear message. What it said to the Council was: so far we have only one Community policy, the agricultural policy, but this policy is not enough. It is not enough in itself to make the Community a genuinely economic Community, to attain the fundamental objectives set out in the preamble to the Treaties, namely to ensure the harmonious development of the economies of the Member States. Nor is it even sufficient to attain the objectives piously reiterated by the Council and ranging from the creation of the EMS and the Bremen Declaration to the most recent statement made in Venice on the energy

question. It is not even sufficient to achieve the objectives proposed by the European Parliament for overcoming the economic difficulties, unemployment, and the social and regional imbalances of the Community. There is a need for other Community policies which would be more economical than individual national policies, would involve spending less of the European taxpayers' money but which we do not have the courage to carry through because our Community does not have the real determination to do so. By rejecting the budget in December we said to the Council: draw up a budget which is capable of sustaining and carrying out such Community policies. Sad to say the Council has not given a satisfactory answer to this message. Sad to say the Council has shown a great lack of Community spirit, and certainly less Community spirit than that shared by the majority, if not all, the Members of this Parliament.

Consequently, by approving a budget which is now out of date it is our intention to remind the Council of its Community responsibilities as indeed was our intention in December when we rejected it. We want to remind it of its European vocation, to encourage it to adopt new Community policies and to draw certain financial conclusions to be borne in mind when preparing the 1981 budget. Those who are trying to postpone the adoption of the budget to a later date would once again, as in January and February, be giving the Council a new pretext for failing to come up rapidly with a budget for 1981 which is consistent with the policies proclaimed in Venice.

I feel, therefore, that there is no other realistic option but to adopt the 1980 budget, especially as the dual nature of the budgetary authority of our Community is such that failure to find a broad and productive measure of accord on political aims cannot but paralyse both arms. This is what we have done in recent months and we cannot really want this paralysis. It may be that in this Parliament there are some Members and some groups who do want paralysis but I and my group do not.

I think there are two lessons to be drawn from the long, bitter and, for those who are members of the Committee on Budgets, tiring struggle over the 1980 budget: the first is the need to move towards major institutional changes, which, by bringing Europe nearer to political unity, would make it possible to overcome the serious problems created by the dual nature of the budgetary authority. It is clear in my modest opinion that the powers of Parliament should be strengthened, that it should be given greater opportunities to have the final say and to take final decisions on the budget so as to underpin financially political trends and choices which would otherwise remain a dead letter.

The second lesson to be drawn is the need to increase the Community's financial resources rapidly. Mr President, I have had the honour and the onerous task of

**Barbi**

sitting on the working party set up by the Committee on Budgets to study proposals to this end. Its work is now finished. I hope that this Assembly will be able to consider its conclusions in the near future and that the Council will take due account of them and draw the appropriate conclusions.

I also hope, and I would like to conclude with this hope, that those colleagues who make impassioned pleas for the need to increase expenditure in particular sectors will also be able to exercise the necessary political influence in their parties so that they in turn can influence the governments of which they form part or which they support. It is pointless for my colleague, Mr Arndt, for example to come here and say what he has said this evening with such vigour when his fellow party member, Chancellor Schmidt, is continually putting obstacles in the way of even the slightest suggestions for increases in the Community's own-resources. It is pointless for my British Conservative colleagues to complain about the bad financial position of their country because agricultural spending has a minimal impact on its economy, where agriculture plays a small part, and then withhold their and Mrs Thatcher's government's support for the measures needed to increase Community resources. Such increases are essential for the development of other Community policies in the regional and social sectors and above all in transport, scientific research and industrial restructuring, from which the British have so much to gain: it is clear that new policies cannot be developed without the necessary funds.

If our colleagues — Socialists, British Conservatives, all my Christian Democrat colleagues in governments in which they wield influence, not only in Italy but also in Belgium, the Netherlands and Luxembourg — do not help to convince these governments to follow this path, i. e. to adopt new policies for which a lot more money is needed, clearly if they do not do this, all our talk and discussion here will have been in vain. My colleague, Mr Fich, was right when he said that to talk about a few peanuts — this is the term he used — that is about a few hundred million units of account, is a waste of time.

I hope that the 1980 budget has made people think and that this process of thought will rejuvenate the political forces in Europe and make them more resolute in their determination to achieve European unity.

*(Applause)*

**President.** — I call Mr Curry.

**Mr Curry.** — Mr President, when we rejected the budget six months ago we did so for a very specific reason. It was because we believed that agriculture consumed too great a proportion of the Community's resources and that a great deal of those resources were consumed in the wrong way, even by agriculture.

Now, Mr President, the situation has changed rather dramatically. At that time those of us who criticized the agricultural policy felt rather like a polar expedition whose ship had been caught in the pack-ice. We made occasional forays across the ice to look for food, but we spent most of our time imprisoned. Now we get the impression that the pack-ice is breaking all around us and that, instead of being the preserve of one small national group, the reform of the agricultural policy has suddenly become the dominant theme of European discussions. It is that realization which has conditioned the response of my group to this budget.

Now, of course, the agricultural budget with which we have been presented has its perfections and its imperfections. We welcome the fact that agricultural spending is increasing at a lower rate than it historically used to do. We welcome the fact that in national currencies the increases are more modest than usual. We also welcome the fact that certain traditional problem areas, if not under control, are at least manifesting less abuse than they used to do. We are thinking notably of the dairy sector and, of course, of the sugar sector, but we notice as well that there are new areas which are beginning to loom on the horizon as very severe problem areas. I am thinking of wine, fruit and vegetables and olive oil, not to mention the situation on the Franco-Spanish frontiers, which was, of course, implicitly defended by Mr Pranchère.

Of course, there are some very curious things in this agricultural budget, and one of them is the Council's attitude to reform. The Council, having decided that it wanted to reform the agricultural policy, then said that it could not actually say so. So what we were offered was a Commission declaration, endorsed by the Council, that the Council intended to reform agriculture. One does not need to have been brought up in a rigorously Cartesian intellectual atmosphere to realize that there are simpler ways of saying the thing than to put it like that.

Secondly, the Council said that it intended to introduce a super-levy on milk if the increase in production were 1½ % more than the previous year. Unhappily the modalities had not been agreed. What a wonderful word is 'modality', Mr President! It is so subtle, it is so flexible, you can almost bounce it. What it means, of course, is that they will get together in a desultory fashion over many months and discuss the modalities before failing to agree on how to impose the levy. We must not let our optimism run away with ourselves. Those of us who have dealt with agriculture even for a short time know that the best way to get yourself to sleep is not to count sheep but to count Council declarations of intent to reform the agricultural policy.

*(Laughter)*

Now, the job of this Parliament, Mr President, is to take the lead in dealing with those very concrete issues

## Curry

of reform of the agricultural policy. Since nobody in this House has as yet put forward precise ideas, I would like to put on record my belief that there are three very precise options for reform, and all the other things can fit into these three basic ideas.

First of all, there is the principle of quotas. We have to admit that these are the most likely solution, because precedents exist in the sugar sector and, in fact, the Commission's ideas on co-responsibility approach the quota idea. Quotas have their advantages — they are quick, they act immediately, they do not represent a loss to anybody, so in political terms they are the most acceptable, and, of course, they offer something to the small producer, because his possibility to expand is less than that of the big producer. The disadvantages, of course, are the difficulty of arriving at an agreed level of quotas and the virtual certainty that the quotas agreed will be far in excess of market requirements, so that one actually incorporates the surplus into one's structure rather than eliminating it via reform. Of course, there would also be a loss of price discipline because of the quantitative restriction.

Then there is the solution of debudgetization — my number two solution. This means that instead of reimbursing 100 % of EAGGF expenditure, the Community as such would reimburse less than 100 % of expenditure. This has the advantage, perhaps, of concentrating the minds of the Member States on the agricultural bill, since they are picking up part of it. At the same time it has the advantage of permitting the retention of the present structure of the agricultural policy, because you are concentrating mainly on the mechanism for financing it, not on structural reform as such. The disadvantage is that it manifestly compromises the idea of a common policy and that it takes no account of capacity to pay. In the case of, let us say, Denmark, Holland and Germany, which account for 45 % of guarantee spending, perhaps there is a certain justice in returning some responsibility for financing to the Member State, but one thinks of the poorer countries, and Ireland in particular, where the financing of their portion would be a genuine burden. Finally of course, nothing would be reformed at all.

The final option is that of direct aid, not deficiency payments but direct specific income aid to those who are in need. In other words, we must find a way to solve the social problems of those in agriculture without imposing upon the price mechanism the system of a common price, an impossible burden. The advantage is that prices could be left to settle at a level which would balance supply and demand. If they were allowed to reach that level intelligently, aid would be specific and the invisible transfers from consumer to producers which have characterized the present CAP would be reduced. The disadvantages are that it could well cost more, because there would be such a permissive definition of social need that the whole budget would risk being inflated. Again, of course, if the aids were partially financed by the Member States, the

richest countries, those who had the biggest agricultural lobby or those whose peasants burnt lorries most frequently would undoubtedly be given the greatest financial advantage.

So, Mr President, those are basically our three options. However much we go round and round, we keep coming back to those. The one option which is not permissible on its own is a pure policy of price, because that means a policy of indiscriminate assassination by means of inflation. Such a policy would be neither just, fair nor effective. These are the policies with which this House must concern itself. We have been following in the wake of the Council on the budget; we have been trying to reform by subterfuge. Now we have a chance at last to reform in the open and produce our own ideas. I hope that over the next year this House will seize that opportunity.

**President.** — I call Mrs Le Roux.

**Mrs Le Roux.** — (*F*) Mr President, nobody apart from my colleagues in the French Communist Party has mentioned the enlargement of the Common Market. The word does not appear in the budget which has been submitted for our approval, and yet this is the budget in preparation for the enlargement of the Common Market. Indeed, the aim of our amendment to Article 560 is to record our opposition to this enlargement by asking for the cancellation of credits from the Regional Funds specially set aside for this purpose.

The new budget is the direct result of the Brussels compromise and expresses the commitment of the Council to proceed before enlargement to implement structural modifications in preparation for the accession of Spain, Greece and Portugal to the EEC by making use of the Social and Regional Fund in particular. Thus the ERDF is drawing up plans such as the 'Plan for the Great South-West', which is basically designed to adapt the economy of the region to suit the large multinational companies' redeployment plans.

This is the budget which aims to restructure the French wine industry threatened by huge imports and the French and British fishing industry threatened by the Spanish fishing fleet, which will be the largest in the Europe of the Twelve. But this will be of no advantage to Spanish fishermen because, according to the Commission, measures will have to be taken to convert ships and to redeploy men in Spain as well as in the Europe of the Nine. You never mention the word enlargement. And yet this enlargement which you are shamefully but actively pursuing will cost the Community very dearly. Even today the effects are already being felt but the next budget is put in serious jeopardy. A single example is enough to demonstrate this — the olive-oil market. In the event of enlarge-



**Le Roux**

ment, support for the Italian and Spanish markets will cost more than the present the British have just been given. There is a risk of such a large increase that you will have to choose between going above 1 % VAT or reducing appropriations from the support policy for farm prices. Will you dare put pressure on the small farmer yet again, or will you choose rather to impose an additional tax on European taxpayers?

Your budget today also aims to restructure notably the textile, ship-building and iron and steel industries which affect thousands of workers in France or in Great Britain but also in Greece and Portugal. As for the future, it prepares the way for the enlargement and redeployment of the big European- and American-based companies. The glass-manufacturing industry, for example, which in France is dominated by Saint-Gobain and Rhône-Poulenc, is at the present time investing and reconcentrating its activities in Spain and will put the small and medium-sized firms which process glass out of business both in Spain and in France. As for Ford and General Motors, two giants of the American car industry, they are preparing to double the number of cars produced in Spain as the Spanish Minister for Industry has himself admitted. The opening up of frontiers will enable them to flood the European market and to put a proportion of the European car industry out of business. But there will be no benefit for the Spanish workers because this will equally jeopardize the existence of small Spanish firms associated with car manufacturing. We could go on listing other examples apart from these two. The huge international corporations which dominate the EEC find the frontiers of the Nine far too restricting. They require more room for their profits. Your budget will provide these profits with new scope.

We say a categorical no to the enlargement of the Common Market, which, as I have already said, we are expressing, I repeat, in the form of an amendment which calls for the deletion of Article 560. We shall see who in this House persists in wishing to enlarge the Community despite the fact that nobody can any longer be unaware of or indeed deny the consequences of this political act. We certainly cannot accept this budget, which paves the way for a turbulent future for our workers.

**President.** — I call Mr Maher.

**Mr Maher.** — Mr President, there is one thing that has struck me consistently for a number of years now as I travel through the various Member Countries and meet people from the various sectors and professions, and that is that there is in at least one sense a distinct difference between those engaged in agriculture, the farmers and others, and people from other professions. Generally you find that the farming community and the people engaged in agriculture are interested in, and reasonably knowledgeable about, the European

Community and what is going on. I believe that the reason is simple enough. It is that they know that the decisions that affect their everyday lives — the prices for their products, the conditions, the levies and so on — are made centrally in the Community, because there is a common approach to agriculture. With the other people, you find — and this is in no way being critical of them — that they are generally not conscious of and, in fact, are largely uninterested in what is going on. Generally speaking, their ignorance is quite astounding, I find, and I am not saying that because I want to be destructively critical. I believe that again the reason is simple enough: it is that we do not have a common approach in other spheres that these people can see affects them. They are not waiting to see what is happening in Brussels in relation to their everyday lives. I think this is the key to the problem we are discussing: in the main there is little identification on the part of the peoples of Europe with the concept of a European Community. This is, of course, influencing the politicians, who unfortunately have not in recent times been providing the leadership to develop that Community, to develop policies like the agricultural policy but in other fields. This is the real drawback, the real crisis that we are facing: we do not have other common approaches.

Of course, if we are to have them, these countries, these governments are going to have to concede a certain degree of their sovereignty as we conceded it in agriculture, and governments are not prepared to do that. So, of course, agriculture is used as the scapegoat. This is the be-all and end-all of our problems; this in fact is what is keeping the Community back. This is the reason why we cannot do other things besides agriculture in common. But ultimately even that statement could not be supported, because in fact even if we were to take away a large part of the resources that are engaged in supporting agriculture now, at least enough of them not to bring the agricultural policy down, what could we do with them? How far would they go towards getting other policies going? Extremely little, I think. It is a fallacy to think that just because we have an agricultural policy that perhaps is not working as well as it should, this is the reason why the Community is not developing. This is just not true; it is an illusion, and I wish we could get away from it. People seem to have an obsession about it. Mr Dankert certainly has an obsession: he talks only about agriculture. He has not proposed one new course that we could take. He is being completely negative. He is all the time criticizing agriculture. I am not saying that agriculture should not be criticized, but at least — and I give credit to Mr Curry — at least Mr Curry is thinking. He is thinking about taking some new directions, and that is what we need. We need people who will propose new measures; we need above all in this Parliament — and I think this is the real role of this Parliament — to put pressure on our national governments to take the steps necessary for real development in other fields: in energy policy, in the policy for steel perhaps, for shipbuilding; and it is

## Maher

up to the Commission, I would say, to present to us profiles of policies demonstrating to us clearly that it is even better and cheaper for us to do in common the things that we have been doing separately up until now.

Mr President, this is a European Economic Community — and I say 'economic' community: we do not call it a political community — and if it is an economic community, then we should be proceeding along economic lines. We should be showing how we could cooperate to produce other policies that will produce economies because we pursue them together.

Further, Mr President, may I also ask how we know that agriculture is costing too much? Against what criteria do we measure it? Is it not true that if we did not have a common farm policy, each government would have to support its own agriculture? They did so before the days of the Common Market. Would it cost us more to do so independently, or less? That question has never been answered. We need answers to these questions; we need to be more analytical, and I would challenge and charge the Commission to produce the answers, because if we get them, then at least we shall be developing policies against the background of knowledge and not, as we tend to do, on the basis of thinking out of the top of our heads because we do not have the research.

Insofar as agriculture is concerned, I should have to disagree with Mr Curry, who, I think, left out a very important element when he was making certain proposals. I welcome the proposals, but if we talk about quotas in agriculture and about reducing the resources flowing in, we are also of course talking about reducing the incomes of the people who are engaged. And if that is so, then of course these people, because they are no longer prepared to accept very low incomes, are going to try to move out. What do they move to? Have we given them alternatives? We have spent years arguing about a sheep policy, and because we did not have a sheep policy we thought more and more people would go into milk production, since sheep were not a good alternative. We forced them into milk, and we now have a serious problem. Have we a forestry policy in the European Community? No, of course we do not. Forestry is a good alternative in fact, because timber is a product for which we pay more in the form of imports than any other single import into the Community with the exception of oil. We are consuming it at double the rate of production. Forestry is a way of using the land without creating any further food problems. But do we have a forestry policy?

What do I say to the farmers? If I say they have got to get out of milk, because we have too much milk, they ask what they are to do. Where do they go? Do they go to the town? They are hearing today that there are no possibilities in the towns any more. So I say to Mr Curry, let us look more at the alternatives, let us see

what we can offer these people whom we want to move out of certain sectors of production, let us consider other methods of production, other ways in which they can gain a livelihood inside their own communities.

That brings me to my next point, Mr President. I am following on what Mr Curry said, and I welcome it. I think we need to develop a rural policy, to look at the totality of the rural areas in order to see to what extent we can bring all the instruments of the European Community together, together with the national instruments — the social policy, the regional policy, the farm policy and, indeed, the energy policy, for instance, if we had one. We must try to develop those regions *in toto*, not merely agriculture but forestry, tourism etc., so that we can achieve an all-round development, not just going off in one particular direction.

Mr President, I would ask another question that would help us in our definitions. Could you tell me exactly what is a surplus? When have we a surplus? Is it when we have 50 000 tonnes of butter over and above what we need, 200 000 tonnes or 300 000 tonnes of milk powder or meat? Surely we need some stockpile; we don't need to have just a tonne over and above, that won't do. When we have defined what a surplus is, let us concentrate on what is over and above our requirements and see what we can do about it; but for God's sake let us be more definitive when we speak about these problems!

Mr President, when we are talking about switching resources — and I agree that a policy like the regional policy should have more put into it — let us again be analytical. Let us measure the impact of moving resources from one sector to another and make sure that by doing so we are not robbing Peter to pay Paul. Let us be clear at least about what we are doing, because if we do remove resources from farming and put them into regional policy, there is a grave danger that we may be reducing the incomes of the very people we were prepared to help by means of structural improvements.

Mr President, I believe that if we can get the answers to some of those questions, we may begin to develop clearer lines of policy, because that, I believe, is the real function of this Parliament. The Council are not doing it. When once the budget is passed, let us get down in our committees to developing lines of policy with which we can, if necessary, confront the Council next year and stand on our own ground. Instead of what we did last December — being negative and just rejecting what the Council put forward — let us at least battle on our own ground next year with policy lines that we ourselves have developed. Let us defend them against the Council, but let us be positive!

President. — I call Mrs Gaspard.

**Mrs Gaspard.** — (F) Mr President, I should like to make a preliminary remark. We knew that a section of this Parliament, following the example of the Council, was prepared to have the new budget adopted at all costs. The fact that the Committee on Budgets is meeting at the very moment that we are debating budgetary problems in plenary sitting illustrates both the conditions under which this Parliament works and this indecent haste on the part of a certain number of our colleagues.

In referring this morning to the events of the last six months, Mr Tugendhat of the Commission claimed that the institutions had come a long way in six months. I for my part would be tempted to say that if budgetary authority has had to face an unprecedented situation as a result of the rejection by Parliament in December of the 1980 budget, the Socialists cannot regard what has happened as progress in the light of the budget submitted by the Council, and especially not progress which could bring concrete benefits to the everyday lives of the workers. In fact I would say that the opposite is true when it is realized that farmers in particular are seeing their income severely reduced by the new budget.

The crisis which Europe is living through is a serious one and is felt unfortunately in terms of millions of unemployed and of an increase in inequalities between people as well as between regions. The rejection of the budget last December was symptomatic of and highlighted the difficulties which Europe faces as well as the lack of political will on the part of the Council.

But six months after the beginning of the budgetary crisis there is still no budgetary policy; there is just a budget which is unsatisfactory in every way. If it is adopted, and it is our view that in this House the conservative forces would like to have it adopted at any cost price after only one reading, the problems will be just as great as ever. As I have said, there is still no Community budgetary policy, all we have is a bad budget which has caused a number of ugly disagreements and which I very much wish to denounce on behalf of the French Socialists in particular.

The Dankert resolution, the principle and even the usefulness of which we dispute, makes a number of statements about agricultural expenditure which are quite unacceptable. For, once again and without any really adequate discussion of the subject, the budgetary process is simply being used to threaten the survival of millions of European farmers and to continue to impoverish and desertify entire regions for the simple reason that the CAP costs too much.

Colleagues, this strictly budgetary approach to the CAP is dangerous and even calamitous. Today the common agricultural policy is suffering from having been and from still being the only common policy. But must it for this reason be the scape-goat for everything that goes wrong in Europe? It is said to be costly and

if one looks at the figures it certainly is. But one should analyze those figures. What in fact does 73 % of EAGGF (Guarantee section) expenditure represent in the budget? Well not just a guarantee for products because this chapter also contains a certain amount of expenditure emanating from the Community's commercial policy. But rather than trying to find out why the CAP is expensive, which we accept, we launch a brutal attack on farmers' incomes and the majority of the Committee on Budgets dares to be self-congratulatory about it. Let us not forget that by raising the guaranteed prices for agricultural products by only 5 % and not, as we French Socialists recommended, by at least 7.9 %, we are seriously cutting the incomes of millions of European families at the very moment that this common agricultural policy is maintaining an intolerably high level of land tax.

Returning to a theme which is often heard and so unequivocally stated, the Dankert report also asks the Council and the Commission to intensify their efforts to control the prices of surplus production. But we must be careful, for by tackling the problem and particularly the problem of dairy surpluses in this way, that is by means of a purely budgetary proposal, we sacrifice thousands of small farms without, however, really getting to grips with the causes of these surpluses. But in addition, people wish to ignore the fact that these surpluses, which today, it is true, are very onerous, may in the future, if we do not tackle the whole of the problem, become crippling, basically because of the lack of a coherent Community commercial policy and because of our dependence, built up from nothing, on the United States of America for cattle feedstuffs.

You will therefore understand why we have remained persistently opposed to an increase in the co-responsibility levy and to the very principle of a levy which, with only a very few exceptions, cripples the producers of dairy products. In trying to reabsorb the surpluses by this means, one simply accentuates the inequalities between them.

Would it not on the other hand be in our interests to tax fats and especially soya at the Community frontiers as we have long been demanding? Are we to continue to sacrifice our agricultural industries and our farmers for the sake of a few big multinationals?

Colleagues, we cannot accept a straightforward dismantling of the CAP by massive reductions in the EAGGF (Guarantee section). The European solidarity which the Council demonstrates in respect of what must be called Mrs Thatcher's dictates is being refused to those who work the soil.

Moreover this new budget cannot be interpreted as showing a willingness to give substance to any policies for agriculture other than those which already exist and which they are trying to dismantle.

## Gaspard

As far as non-compulsory expenditure is concerned, the Socialist Group's amendments are modest. However, even before it has examined them the Council has deemed them inadequate. But these amendments are not revolutionary. They would simply make it possible to begin implementing real policies to help industries in crisis and women, who are the main victims of an unjust and inegalitarian society, and would offer possibilities for developing vocational training, for granting aid to less-favoured regions, and all this in spite of any criticisms we could make about the functioning of the ERDF. They would also open up possibilities for promoting new sources of energy and for combatting poverty; these are the tasks which the Community must fulfil. But the Council rejects the amendments even though it would only mean a 1 % increase in non-compulsory expenditure.

If the new budget is adopted even with quite substantial amendments our problems will not be solved. The Council is running the Community with very short-sighted policies. No doubt discouraged by what has become of its proposals over the years, the Commission has no more grand policies to offer and seems to lack any great ambition. One can understand why. It is therefore up to Parliament, elected by universal suffrage, to play its role to the full. Before the autumn part-sessions therefore a proposal for the genuine revision of the common agricultural policy must be submitted to Parliament which can save the main principles of the policy. Its first signatory and principal draftsman is Edgar Pisani. The policy is likely to restore the faith of Europeans in the European mission by ensuring better control of agricultural expenditure, a greater degree of equality between farmers and of equality of opportunity between regions. We are aware that over the years the objectives and principles of the CAP have been diverted and even its methods have become distorted. We must restore to the CAP its true meaning and ensure that agriculture remains European and does not fall under foreign dependence. It is also to be hoped that by means of genuine debate leading to a new Stresa the farmers will not be forced to march on Strasbourg, Luxembourg or Brussels simply in order to retain the right to live.

But a parallel debate, which was avoided today, must be initiated. The budget means revenue as well as expenditure. Now, we are aware that there is a ceiling for this revenue. At the meeting of the Council in Venice, governments expressed their opposition to a removal of the ceiling on VAT. So it is up to us to come up with proposals for obtaining a realistic increase in these resources before our own resources are exhausted and before this is used as an excuse to cut into farmers' incomes yet again, for a return to national contributions or to national measures for agriculture would be a seriously retrogressive step for Europe.

In conclusion I must first of all say how very disappointed we have been throughout the entire budgetary

procedure by the Council, which has never ceased to demonstrate its contempt for the Parliament. And finally I must say that the mandate which we in the Socialist Group have obtained from the citizens of Europe is to build a more just and a more egalitarian Europe, a workers' Europe. Such a Europe deserves to be treated with imagination and courage, qualities in which those who govern Europe today are singularly lacking.

*(Applause on the benches of the Socialist Group)*

**President** — I call Mr Langes.

**Mr Langes.** — *(D)* Mr President, ladies and gentlemen, today is certainly a day when many of us are summing up what we have achieved in our first year as a directly elected European Parliament. As spokesman for my group in the Committee on Budgets, today is, for me, naturally a day which calls for a review of the situation. Is the result submitted to us here today on which we are supposed to, and want to vote tomorrow, is this what we really wanted as a Parliament?

Ladies and gentlemen, we have all been in politics for a long time and we know that we have to include compromise as an element in political activity. And even if I draw a line under this quite summarily, I do think — and I would like to thank the President of the Council present here today for this too — that there is no doubt that we have come a great deal further, admittedly only in certain areas, but that in many other areas we are still not satisfied. Well if we really had achieved everything we wanted to in the European Parliament then we might as well be dissolved. This is surely the whole point of politics, that we are always striving for something better for the people of Europe. That is to say, we must resign ourselves; we will have to — and thus I too will have to — vote in favour of these proposals tomorrow if we want to make the right decision for the people of Europe. We will have to vote in favour because under the circumstances it represents the greater good, the best thing, or if you are philosophically inclined, the *summum bonum*.

I urge all those who have misgivings in many areas, who still wish to table amendments, to bear in mind that in a very few months — in two months — we will be talking about the new Budget, and that we will have to discuss these issues again with one another as well as with the Council.

I would like to impress upon the Council that we know how much Mr Colombo's presidency of the Council contributed to our overcoming the crisis. We acknowledge that and consequently accept that on certain questions we could not push through our plans as a Parliament. But the Council should realise that this does not mean that just because the Parliament

## Langes

has abandoned these positions for the present it has given them up as a matter of principle. Rest assured that conflicts in the field of compulsory spending and the question of the extent to which it is compulsory will be pursued. You can be sure that we are not prepared within the ECSC to accept this as a matter which only comes to grief because of the Council's vote. You can be sure that we shall demand, besides the increase in information kindly allotted to us now, a clarification of the budgetary procedure.

These are aims which neither the Parliament nor my group have abandoned. However — I shall sum up in conclusion —: we are setting aside these goals which we have not abandoned, because we believe that it is only sensible at the moment to put an end to this awful budgetless period, which is to the disadvantage of everybody, and I thus urge my colleagues in all the groups, as far as they have not yet made quite clear that they are not bothered about Europe, I urge all those who are bothered about Europe to bear in mind tomorrow that we cannot afford to dally any longer with petty conflicts over details, but must look at the thing as a whole and must then make a brave decision and say yes, so that the Council is able to pass this budget in one reading, i.e. now, in June. I appreciate that some of you may find this difficult. But having reviewed the situation, as far as I am able to judge, I feel inclined to urge you to come to a general consensus to approve this budget and then we can and will thrash out together the answers to the questions which still remain unanswered.

Mr President, this is a very earnest request, because no outsider would understand us if we were to refuse to adopt this budget because of 7 amendments, 2 million or only one amendment. That would not be a fitting policy for Europe.

**President.** — I call Mr Irmer.

**Mr Irmer.** — (D) Mr President, ladies and gentlemen, I and many members of my group were amongst those who rejected the budget in December. Tomorrow, together with all my colleagues in my group, I shall be among those who approve the new draft budget. This of course calls for an explanation. When we decided last December with a heavy heart to require the European Community to get by for months without a budget, we did so for two reasons. We acted in the conviction that we could not expect the European taxpayer to finance agricultural surpluses of this magnitude any longer, and we did it in the conviction that we could not expect the European citizen to support a budget which we feared would not bring the Community any further forward. If tomorrow we vote in favour of the draft budget as it has been submitted to us, then this means nothing more than that we are optimistic and think that the two grave doubts which we had have been removed.

Not completely — and in this I agree with Mr Langes — but one cannot expect even a directly elected Parliament to set the European Community back on its feet in the space of a year. One cannot expect mistakes which have wormed their way in over many years to be eradicated in the space of one year.

I am not saying that the agricultural policy as a whole, that the system must be reformed, but I am saying that the mistakes which have emerged must in the end be corrected. I would like to bring this home to the agricultural lobby, some of whom have spoken here today. Anyone who says there is nothing wrong with the agricultural policy and we do not need to change anything at all is the first to contribute to the collapse of the whole system. As far as the agricultural policy is concerned I keep an open mind. I listened with great interest to the proposals made by members of the Conservative group, particularly to the proposals which my colleague, Mr Maher, outlined here. I think we should take a good look at all these. But we should also ask ourselves whether the system of market organisation has not proved itself in principle; did not this system help to provide farmers in the Community, particularly on small and medium — sized farms with a decent living and did it not help to involve these family farms in the overall improvement in income? I consider this to be great progress, it is a great achievement which we should think twice about putting at risk. If we want to preserve this at all we must put a stop to the mistakes and must somehow manage to prevent ridiculously high amounts being wasted in surplus production of butter and milkpowder.

Ladies and gentlemen, the new Budget takes steps in the right direction. The Council of Ministers has acknowledged its responsibilities, it has taken note of the political will of this Parliament and taken it into account in its decisions on agricultural prices and in its decisions on the co-responsibility levy. We must continue on this path. The Council of Ministers must be made aware that we wish to be taken more seriously than hitherto as a Parliament, as their partner, as a part of the budgetary authority. In the new budget there are traces of a desire for reform and for positive further developments in the Community. For these reasons we are able to support the budget.

One word in conclusion. The Community will not get by in the long run with the upper limit of 1 % on the basis for assessing value added tax. However we refuse to increase this rate if we have to assume that the increase in the Community's own-resources will only be used to perpetuate the nonsense of surplus production. We believe that we have first to take surplus production in hand; then it is of course also time to give the Community's own-resources a boost so that this Parliament in cooperation with the Council is in a position to develop the European Community further in the areas where the great tasks of the future lie, in

Irmer

regional policy, in social policy, in energy policy and in the solution of the North-South conflict.

(Applause)

President. — I call Mr Sutra.

Mr Sutra. — (F) Mr President, colleagues, we have found some finance, we have found some money, but we have not defined a policy. In the Committee on Agriculture I was having an argument with Members of the Conservative Group who accused me of wanting to solve the Community's dairy problem by the sole expedient of foreign trade. They told me: 'You don't want European agriculture to produce anything, you want to import everything!' That is untrue and has never been my position; I have always thought and said that such a serious problem could not be solved by a single measure. But the opposite has happened and that is the main subject of this debate. The co-responsibility levy has been quadrupled and not a single measure has been proposed to us for the organization of foreign trade.

In this connexion, I have just been at the Committee on Agriculture: the first page of the document which has been submitted to us is very revealing: import tax on fats rejected; special levy for soya rejected; special levy for manioc rejected; customs duties — Decision of 21 April 1970 — rejected; margarine levy rejected. Everything that could bring a little order to the European trade in fats — proposals emanating from almost every group in the House — has been rejected. It has been left entirely to the farmers to bring order to the market in dairy products.

Therefore I should like to say that if we were willing to make an effort we would not have to keep chasing phantoms. In 1976, for example, stocks of powdered milk were in excess of 1 300 000 tonnes. This year they are a tenth of that figure: approximately 157 000 tonnes. This is enormous and spectacular drop. Of course it was a difficult operation but we as Europeans are rather proud to be able to say now and again that we give some food to countries where people are dying of starvation. The cost of this remarkable drop in stocks of powdered milk was therefore the amount we gave away to these countries.

However at this late hour I do not wish to prolong the debate too much, but I should like to say that what this 1980 budget has not done, with the result that the entire burden of bringing order to foreign trade has fallen on the farmers, will have to be dealt with in the next one. We have found our finance but we have not defined a policy. We need an overall policy on fats. We have not even begun to debate this question. Certainly let us *discuss* the agricultural policy: ever since I have been in this House, ever since we have been here, for almost a year now, I have been saying

and continued to say that we were prepared to discuss the Community's agricultural policy which seemed to us to have its faults. There are even sectors in which the situation is little short of disastrous, especially in Mediterranean agriculture. But attacking the common agricultural policy by budgetary means is not a responsible way to proceed and will lead nowhere. A policy must first be drawn up and then be defined; the budgetary vote must simply consecrate and put the finishing touches to the edifice. We have done the opposite. We began by discussing finance and now somewhat late in the day we shall have to define a policy.

Finally I should like to say that I was shocked this afternoon by the last sentence of Mr Klepsch's speech, where, in extolling the virtues of the European Council of Ministers, he went so far as to say that at Venice, even if everything was not perfect 'at least the spirit of the Community was saved.' Please forgive me, but what seems to me to be most serious of all, from Dublin to Luxembourg, from Luxembourg to what has been called the Brussels 'compromise', which for me is not a compromise but a blatant capitulation by the French government, from Brussels to Venice (especially in the final decisions taken at Venice), and what I recognize as the most serious element is the abandoning of the Community spirit in preference for a free-trade zone which we know many people would dearly like to see. I think we must be a bit more specific in this respect. The history of the Community and the history of Europe remind us that when the European Economic Community was founded Great Britain did not want to be a member. A few years later it was the principle member of the European Free Trade Area. Well, the same debate is continuing today. I do not regard my government as being the loser in this matter or in what has been called the Brussels compromise, but I do think it has been a party to the abandoning of Community principles and to this terrible drifting of Europe towards a free trade area without any of the principles which have been the source of the strength as well as the existence of the Community agricultural policy and of the Community.

Therefore I do not see how we can join in the compliments which we heard being paid to the Council of Ministers, and the budget submitted to us is a perfect illustration of their inability to define policies. I hope this is the last of the old-style budgets and that the next will be the first with the genuine desire to define policies for the Community.

President. — I call Mrs Boserup.

Mrs Boserup. — (DK). Mr President, honourable colleagues who are still awake, here we are then in the middle of 1980 with the task of adopting a budget for this year. We all know why that is. A noisy and arrogant majority rejected the budget in December. The

**Boserup**

only thing which that majority agreed about was that it wanted to demonstrate its own power and see if it could frighten others. The official version was that the budget did not do enough about the problem of excessively high agricultural expenditure. In many ways that is correct for it is quite unacceptable that the citizens of Europe should continue to pay for the peculiar arrangement whereby a quarter of the skimmed milk and a seventh of the butter has to be stored and the possibilities for fraud are limitless. We hear often enough about that in the Committee on Budgetary Control. It is doubtful, however, whether Parliament's proposal in December helped matters very much at all and in reality the rejection of the budget was a reflection of Parliament's desire to show its strength. The directly elected Parliament wanted to show its strength by interfering with compulsory expenditure, which, after all, comes within the Council's sphere of competence. I am against any strengthening of this supra-national Parliament at the cost of the Council of Ministers in which every country — my own little country included — has a formal right of veto, and I therefore could not go along with the vast majority in December.

As the new budget proposal shows, there is still no control over agricultural expenditure. It is in fact higher than it was in the proposal Parliament rejected in December. Admittedly we have got more money for non-compulsory expenditure — and my party very much regrets that the Danish government has again allowed itself to be pressurized into agreeing to increase the Community budget — but the problems in the agricultural sector still exist and as far as I can make out from this debate, there is no majority in favour of solving them.

How are we to explain away this poor result? We did get some money but no increase in powers for Parliament. The motion for a resolution explains how difficult it has been. It is still full of demands and criticism. The demands made in December have not been met and are therefore being repeated. The lust for power has not waned. The Council must for instance accept Parliament's misinterpretation of Article 203. The 1978 agreement on the rate of increase has to be amended for the benefit of Parliament under threat of an atmosphere of conflict. I cannot agree with any of that.

My party and the people who elected me do not want to increase this Assembly's powers in connection with the budget or anything else. I cannot vote for the motion for a resolution, and I very much regret that Members are being manipulated to agree to 25 points of very variable quality and at the same time decide whether the budget should be adopted. Why is this peculiar procedure being used? I voted against Parliament's demands and threats in December and I will do so again now. It is certainly not a problem for me but I can understand how difficult it will be for many of my

colleagues when they have to eat humble pie tomorrow.

*(Scattered applause)*

**President.** — I call Mrs Walz.

**Mrs Walz.** — *(D)* Mr President, President of the Council, ladies and gentlemen, as chairman of the Committee on Energy and Research I would like to make a few observations concerning this budget. The European Council and the Economic summit have again just made great promises on energy policy in Venice: A doubling of output for coal by about 1990, to which Canada and America have agreed, although they do not yet have the most modern mining techniques and the necessary, very expensive infra structure; further expansion of nuclear energy, although some countries cannot comply with this for reasons of domestic policy; savings in energy in areas where a certain amount has been achieved but a lot still remains to be done, particularly in the home and on the roads, which will prove particularly problematic for our car industry; alternative sources of energy which are to be promoted with plenty of financial backing and the utmost effort. We have all heard these promises for the third time now. We should be able to infer that they will one day affect the budget in the energy sector. So far this has not been the case and the future does not seem to hold out any promise of an improvement. However this negative trend must be reversed in the 1981 budget if we do not want to call into question the basis of our economic growth.

The Committee on Energy and Research was by a large majority in favour of the adoption of the budget but only with the proviso that there should be improvements in the 1981 budget. We thus need positive proposals in the areas of coal, nuclear energy, new sources of energy and energy-saving. In view of the Community's openness to blackmail where energy is concerned in quite different political areas we have no choice but to proceed accordingly. But we can only do so if, in addition to proposals at Councils there are also sufficient resources provided for in the Budget for purpose. I know that we have to count on difficulties arising from the budget in 1981; I also know that energy is expensive and that the steps to implement what is necessary are expensive too. Most expensive of all is the energy which one needs but cannot have, cannot have because one does not have the money — this is the situation the developing countries are in — but cannot have also because one is not able or not willing to pay the political price for it.

This is why the 1981 budget must take into account the promises our statesmen make at summit conferences, not only in their own country's interest but also in that of the European Community.

**President.** — I call Mr Christopher Jackson.

**Mr C. Jackson.** — There are some signs of an incipient struggle over 17 million units of account as an addition to non-obligatory spending, already increased by 240 million, and I would like to say to my colleagues that this sum is trivial in relation to the budget as a whole. The total non-obligatory spending is some 3 600 million, of which the sum at issue is less than one-half per cent.

Now, this is not the real battle that Parliament faces. In December, we rejected the budget on three main grounds: the budgetization of the European Development Fund, the budgetization of loans and the need to reduce the proportion of the budget accounted for by agricultural spending. It is true that the attitudes in the Council to agricultural surpluses are now greatly changed and that a solution to Britain's budget problem has been found. It is also true that the Commission's revised budget was much more in line with Parliament's wishes. However, that good work has been undone by the Council, and by the standards of last December the Council's budget shows no significant improvement and should be rejected.

Yet, as Members of the European Parliament, we have wider responsibilities than to our institutional rights. If we rejected the budget now, the cash would run out finally in September or October; France would then feel forced to take independent measures, perhaps wrecking the common agricultural policy; Britain would have its budget adjustment delayed; a whole host of grants and projects and aids would be cut off and the consequence would be that the European Community would suffer severely.

We have a responsibility to the European Community as a whole. It is because of this wider responsibility that I believe it is our duty to defer battle and to accept this unsatisfactory and late 1980 budget, accepting it not so much on its own merits as in the interests of Europe. We are a new Parliament and perhaps this has been a learning period both for the Council and for the Parliament. However the Council should not forget that this elected Parliament is not only a full partner in the budgetary authority but also the fullest and most democratic representation of the opinion of the Community. The tide of opinion and of economic reality is moving in our favour, and as we let this budget pass we can affirm that in future budgets we shall return to the objectives that we expressed last December and ensure that the Council takes full account of them in future.

**President.** — I call Mr Ippolito.

**Mr Ippolito.** — (*I*) Mr President, colleagues, earlier today Mr Normanton and just now Mrs Walz, chair-

man of the Committee on Energy and Research, pointed out how disappointed and shocked this committee had been to find that the new draft budget for 1980 incorporated none of its proposals, however modest, in the section relating to energy.

In the limited time available I should like to briefly outline the position of our group, the Italian Communists and Allies, on this matter. We believe that the energy part of the budget should be completely restructured to provide for an overall coordinated energy policy in Europe. This policy should concentrate on developing research into conventional sources, a substantial increase for nuclear energy, which is indispensable to Europe — whatever may be said — for the next 30 or 40 years, and on research and experiments in energy-saving and renewable sources of energy such as nuclear fusion, solar energy and geothermal energy.

While reaffirming these principles we are perfectly aware that the 1980 budget — at this point in the middle of year — cannot now be substantially amended, even if the Commission and the Council were to have taken account of the real seriousness of the situation. However, the Council of Energy Ministers at their meeting of 13 May in Brussels, simply took note of the vague and superficial documents presented by the Commission, which concentrate largely on energy-saving policy. Despite his goodwill, the President-in-Office of the Council, Mr Colombo, speaking in Strasbourg on 18 June could only confirm that the strategy for 1990 was for a Community energy policy aimed at reducing imports of oil from 55 to 44 % and making greater use of coal and nuclear energy, which in fact means no policy at all.

Our efforts will not stop here for we will continue to fight as hard as we can to ensure that the energy section of the 1981 budget — which we are soon about to begin studying and discussing — is radically restructured, made more transparent and, in particular, more consistent with a coordinated overall policy that sets real Community objectives.

Consequently we shall not vote on the amendments tabled at the last minute without prior discussion in committee by Mr Pannella, Mrs Bonino and others as these amendments are simply aimed at switching appropriations from research into nuclear fusion and plasmaphysics to other headings, without any overall guiding principle or technical basis which might make the energy budget more coherent and more in tune the real situation, and moreover conceal an ambivalent anti-nuclear stance.

I would like to put forward one final point, namely that faced with the steady deepening of the energy crisis and the needs already confirmed in this Chamber by the representatives of the Commission and the Council, it is essential to ensure that the 1 % VAT ceiling is exceeded as early as 1981 so that the



Walz

Community's policy does not become a totally disappointing and empty shell.

*(Applause from the left)*

President — I call Mr Peters.

Mr Peters. — *(D)* Mr President, ladies and gentlemen, in his speech, Mr Tugendhat said that there had been a change of course in European Community policies since the rejection of the budget by Parliament in December 1979. He said also that Parliament had succeeded in putting the spotlight on the central problems of the Community, thus highlighting possible solutions. There is no doubt that this is true. However this change of course, this about-turn was not really an about-turn but merely a minor deflection which is a long way from being in the right direction. And despite the Parliament's spotlight on, for example, the absence of a policy for industry and the associated lack of resources in this area, the imbalance in this budget in the area of social policy is still just as great.

The job of this Community is to provide support, not only for the elimination of inequality, but also for the combatting of unemployment and the opening up of job opportunities. And in view of Mr Klepsch's claim that budget expenditure helped to bind the Community together and helped us to execute our tasks more efficiently, it is difficult to follow what Mr Langes, who is after all a member of the Committee on Budgets, said previously. He expressed it philosophically; for him it was a question of the summum bonum, the greater good, but he acted as though it was a question of the adoption or rejection of the budget. This is not what is at stake at all. What is at stake is whether or not we accept two or three further amendments besides the amendments which the Committee on Budgets has called for and which to some extent do concern improvements in the social sphere. If we accept the amendments of the Committee on Budget then the Council must endorse them and approve them. Otherwise we will have to have a second reading. And if I do not want a second reading, if I take the view that the Council's offer is sufficient for the time being and that one cannot expect any more and that what we must do is adopt it, then that is capitulation and logically one cannot accept what the Committee on Budgets has decided either.

And so I say that we must not stop the proposals of the Committee on Budgets but must force through amendments in at least three chapters, even if we thus run the risk of the Council's not accepting the Budget. The ball is in their court on social issues. Three chapters are at issue:

Firstly in chapter 54 money for social measures for steelworkers in the steel crisis should be entered in the general budget. This money is the first step in our

Community's constructive policy for industry. It is only an attempt, it is not even a complete model or a radical change. In this Parliament my colleagues in the Conservative Group, the Christian Democratic Group, who approved this policy in the Committee on Social affairs and Employment, should vote in favour tomorrow, in connection with the report which we will discuss later and 30 million in entries in the budget, or they are capitulating to the Council. However I must say that the Parliament's capitulation to the Council is in the social sphere. I cannot share their anxiety. I too want the budget adopted, but I do not want it to happen through a social defeat of Parliament, which at the moment is the only guarantor of a more social structure in European Community policy.

The second issue is women, or the suggestion that the large numbers of unemployed women should be given opportunities for training and retraining and that spending here should be increased accordingly.

In the programme to combat poverty what is at issue is the Parliament's decision of a week ago, that is the decision to enter 9 million appropriations for commitment for 1981 and thus avoid burdening this year's budget; it is a matter of agreeing on this at least, because otherwise those involved in the various programmes to combat poverty will have to be sent home at the end of the year because it is not possible to continue with the programme.

Mr President, ladies and gentlemen, what is at issue tomorrow morning is the truth, the recognition of social truth. It is a matter of demanding these three points from the Council and making the Parliament maintain its stance on budgetary policy, on a more social structure for budgetary policy.

*(Applause)*

President — I call Mr Tolman.

Mr Tolman — *(NL)* I should like to make a few remarks on behalf of the European Christian Democrats with reference to agriculture. I largely endorse what my colleague, Mr Früh, said this morning. I want to make it very clear that, as seen from the agricultural angle, this budget must be approved as quickly as possible.

Mr President, once again we are confronted with a new budget. As we have clearly seen, agriculture has been the focus of debate. In my humble opinion, agriculture is most certainly not the greatest problem in the European Community. The major problem, I believe, is that other sectors are lagging terribly far behind and, as a result, the costs picture has become extremely distorted. If you listen to the debate which, I regret to say, is sometimes an amalgam of ignorance and ill-will regarding European agriculture, the

Tolman

impression one gets is none too favourable. It looks, on occasion, as if the European Parliament has become a place for persecuting European farmers. Who is to blame, Mr President? I would point my finger firstly at those who were responsible for drawing up the budget. Our group feels very strongly that we should never again have such a budget. If we are to conduct another debate on the budget and the individual items of expenditure, our approach must be honest. We shall then immediately explode the myth that 70 % or more of budgetary resources goes on agriculture. We are very anxious that great efforts should be made to approach the whole issue honestly and to have a proper debate on that basis. This does not alter the fact that my group feels we should devote a lot of attention to the problem of reforming agricultural policy. A thorough survey must be made of the weak points of this policy, covering the dairy sector as well. It must be said, however, that serious efforts have already been made to lighten the burden. This budget, and the next, are proof of this. The co-responsibility levy in the dairy sector has been increased to 2 %. This is an interesting budgetary fact, and there are plans — the decision has been taken in principle by the Council — to create a supplementary levy. On behalf of my group I should like to give a solemn warning that a choice must be made between maintaining the co-responsibility levy and creating an extra levy. The two cannot co-exist.

Another point: we find it unsatisfactory that there should be a levy on fats and oils. Our whole approach at the moment is too general. It will also be appreciated that times are changing rapidly. As you know, there is a serious world sugar shortage. The milk powder mountain of 1976 has become, in 1979/1980, a mere molehill. We still have 10 % of our main reserves, but this reduction has involved a fair amount of expenditure. However, the fact remains, Mr President, that agriculture is the cornerstone of all discussion and we must devote great attention to this sector if we are to achieve a balanced set-up. Our group will work for this.

One final remark: we have had quite a debate on price policy, on a price increase of 5 % or less. One aspect, however, has been neglected, namely the changing income situation of those who work in this sector. If the signs are anything to go by, the prospects are sombre. In future it will not be a question of a 1 % limit; the focus will be on new activities in the social and regional sectors and, above all, on the adjustment of incomes, which will be of enormous importance and claim our closest attention.

(Applause)

President. — I call Mr Moreland.

Mr Moreland. — Mr President, when I was a small boy there was a popular song — some will remember

it — which went, 'I'm bewitched, bothered and bewildered...'. I think it was sung by Rita Hayworth, and therefore you will forgive me if I emphasize, Mr President, that it was a popular song when I was a very small boy. Anyway, it applies to this particular debate in that I am bewitched, I am bothered and I am bewildered.

I am bewitched and tempted to vote for this budget, because the Council has given a reasonable increase in the non-obligatory side of the budget. I am bothered, on the other hand, that the Council has sneaked in even more on the agricultural side of the budget, particularly for milk and milk products. When one considers that this is for milk and milk products that we are not actually going to drink, but to waste, this does indeed bother me! Then I come to the word 'bewildered', and my reaction to the budget must indeed be one of bewilderment.

However, there are a few grounds for hope in this budget — the Council does, at least in a very minor sense, recognize the areas which my group, and I personally, would like to develop. It does recognize that transport is important. It does recognize that energy is important, and I would hope that even though it has put a token figure for transport infrastructure in the budget — and I believe that has been accepted — this does mean that we can look forward to a broader scope for the budget, that we can look forward in 1981 and 1982 to some diversification away from the agricultural side of the budget. I am therefore inclined to look towards the optimistic side and to be a little less bewildered than I was at the start.

However, I have to repeat the phrase 'bewitched, bothered and bewildered', because if one does actually boil it down it is a bad budget. It is a budget largely spent on waste, on products that, frankly, we cannot sell and that somebody else therefore has got to pay for, and that is a bad thing. I have to say that I regard it at this particular point in time as an evil, but as a necessary evil. Now we have had a few words from the Council saying that their intentions are honourable and that their intentions in the future are to try and save the situation. Well, I hope — and we shall hold them to the words they said to us in December and have said to us now — that they look forward to a situation where we can bring about much-needed changes and see to it that we do not actually need to spend a large part of our budget on paying for things like milk and butter and other dairy products because nobody else will buy them. I also look forward, Mr President, to the day when we can actually talk about a budget that is concerned about a common energy policy and a common transport policy.

In relation to the British contribution problem, I hope that the money that is going to be spent in the United Kingdom from Community funds will be used for purposes that are *communautaire*. I do believe that it is important to use it, for example, on transport and on

**Moreland**

energy. I have a slight suspicion that a large slice of it may go on regional development schemes, because they are the easiest thing to bring forward for the immediate future. But I do hope that the Council will try to ensure that some of the funds are used for energy and transport. I am not saying that merely as a United Kingdom Member. I believe that the use of these monies along the lines I have indicated can pave the way for the development of a common transport policy and the development of a common energy policy.

Certainly if you go back to the Treaty of Rome, the great people who framed that Treaty did not by any means envisage that in 1981 we would be talking about a budget largely devoted to agriculture. They did devote a large part of that Treaty to transport, for example. I hope that we can live up to that Treaty, and I look forward to the 1980s and a Community that really does spend money on things that are of genuine Community interest. I suspect that these are going to be very much in the energy field, in developing the Community's energy resources and also improving transport facilities. There is a certain little link between two countries that I have particularly in mind, but I am sure other countries have other projects.

There is a need — and I think this is a view that even the President of France shares — to broaden the expenditure patterns of the Community to embrace much more than agriculture. Therefore, my support for this budget is a little dispirited. I do not regard this budget as being particularly good. However, there are a few optimistic features, and I look to the future in the hope that this Parliament will develop them.

*(Applause)*

**President.** — I call Mr Griffiths.

**Mr Griffiths.** — Mr President, we have been reminded often enough today about the fundamental issues which were at stake last December when we rejected the budget. We have been reminded that we had fundamental objections last November and December when we were going through the budgetary procedure. Less money should be spent on agriculture, more money should be spent on the non-compulsory sectors, the Regional, Social and European Development Funds, the loans and the European Development Fund itself should be budgetized, we were told. And that is what we argued for. Today we are looking at a budget in which agricultural spending is estimated to have gone up by 4 to 5%. Regarding the budgetization of loans and European Development Fund, there seems to be little movement by the Council despite the offer of more information made by them this afternoon. If we turn to the Regional and Social Funds, we see that for the ERDF we have been offered an extra 150 million units of account, which takes the Regional

Development Fund to within 35 million units of account of the original proposal of the Commission supported by the Committee on Regional Policy and Regional Planning and by this Parliament. At last we might say we have a substantial improvement and that we have some real movement by the Council. The joy however can only be fleeting, for this improvement has been savagely overtaken by economic events during the past year.

When the Commission proposed this figure of 1 200 million units of account, it was operating on the assumption that inflation in the Community in 1980 would be about 6.5% on average. We can see already that this figure will be surpassed, with some Member States, in particular the United Kingdom, stoking up this inflation to over 20% by deliberate government action, such as the doubling of value added tax. In last November's first reading, I warned that inflation would run well ahead of the Commission's estimates and make a mockery of the commitments allocated to the ERDF.

Furthermore, while the regions of this Community suffer unemployment rates soaring now into double figures with the poverty and depression that that entails in the real world, the Council can portray its offer of a further 150 million units of account as a real gesture of generosity, and many in the Parliament would interpret it as a victory for the Parliament's stand at the end of 1979.

But this offer still amounts to morsels, to crumbs of but cold comfort for the regions. Whether we look at the massive unemployment problems arising out of the butchery of the steel industry in South Wales and the North of England, or at the seemingly endemic high unemployment of southern Italy, we can only conclude that whilst the extra money offered by the Council is welcome, it is hopelessly inadequate, especially when seen against the background, in the United Kingdom at least, of government attempts to reduce public investment everywhere, including the sorely pressed regions.

The fate of the ERDF in the budgetary conflict should in fact bring us to concentrate our minds on the nature of the struggle we face in this Parliament to secure economic and social justice on a wider scale. I have heard several times today that one reason for passing this budget is that we must get it out of the way before we can start dealing with the draft budget for 1981. I have heard too that we must pass this budget now for wider Community reasons, one such being that if we do not, by October our money will have run out and the French will start making national payments to help their farmers and that this would be bad for the Community. Now this may well be so, Mr President, but every year we will be able to seek reasons or excuses like this, and if these arguments have any validity in 1980 they will have exactly the same validity in 1981 and succeeding years.

### Griffiths

The question we must ask ourselves is, will we each year be happy to take a few crumbs offered from the sumptuous table of the Council? Because that will be the consequence of accepting the Council's budget without making any major amendments like those tabled by the Socialist Group. If we accept the extra money offered by the Council, then that is equivalent to about 1½ % of the total budget. If we accept the extra money offered through the amendments of the Committee on Budgets, then we are accepting about 0.1 % of the total commitment appropriations. This hardly indicates fundamental change.

Notwithstanding the generous treatment in terms of the Council's total offer for the European Regional Development Fund, this Parliament should accept the wide range of Socialist Group amendments, especially those within the competence of the Committee on Social Affairs and Employment which the Council treated almost with contempt in the package offered us in this budget, especially in the way they rejected the 30 million units of account wanted by the Commission and the Parliament in December to provide special aid to help deal with the crisis in the steel industry.

If these amendments are rejected, then we are left with crumbs and by Parliament's own default we will have undoubtedly diminished our own budgetary authority. Like the soldiers of the Duke of York in an old English nursery rhyme, we shall have marched half way up the hill, only to be brought down again!

*Interruption: 'It was the top of the hill!'*

If the unemployed and poor people of Europe place any hope in us at all to achieve an improvement in their lot, then their hopes will have been dashed.

**President.** — I call Mr Bersani.

**Mr Bersani.** — (I) Mr President, colleagues, I should like to make a few brief remarks on development.

I have always believed that the mainspring of progress in the Community has been the common agricultural policy on the one hand and the policy of cooperation with developing countries on the other. We have talked a lot about the common agricultural policy. I would like to remind my British colleagues that while they were laboriously preparing for accession this policy helped to maintain unity and for many years now has provided the fabric and unifying factor in the process of European integration.

Now we must adapt it and amend it structurally but without tampering with the principles on which it is based. In the last few months we have seen many developments and this is undoubtedly one of the positive aspects to be set against other less positive, though not entirely negative aspects.

The policy of cooperation with the Third World has continued to make progress encouraging the European Community to assume increasing responsibility as an international force, although still not enough given the seriousness of the world situation. I would add that this policy has not only helped the Community to pursue a moral role and to take a responsible attitude in international affairs, but also, in the final analysis, helped the Europeans to feel more united, to realize that they have a common destiny and common vocation with the poorest regions of the world.

Some of the basic requests which the Committee on Development, and those of us who are particularly interested in this matter, have attempted to put forward, go much further than all the sums of money which are being requested and have taken on a higher moral and political meaning. When we compare the appropriations available in, say, the Lomé Convention, which tries to tackle the major problems of our time at their very core, and express this in terms of the cost to each European citizen, we find that the figure is totally insignificant and in no way commensurate with the seriousness of the problems facing us.

Faced with the problem of increasing the level of food aid and to be consistent with the debate which we are conducting on the dramatic problem of hunger in the world, of the thousands who are dying of hunger or languishing in the impoverished areas of the world; faced with the problem of achieving a more equitable arrangement for the non-associated countries; faced with the problem of finding sufficient funds for the measures providing for assistance to cope with disasters, we have encountered incomprehensible resistance, with the Council proposing a figure of 43 million EUA when at present expenditure is running at 56 million EUA.

Then there is the problem of budgetizing the European Development Fund, a problem which obviously also involves matters to which we must attribute great importance as they relate to the powers which our institution should have and the balance which we feel would be useful for attaining the objectives of the Fund.

Finally, there is the problem of providing more assistance to non-governmental organizations, which I, at least, still believe are one of the most productive and useful instruments from a practical point of view and from the point of view of the human aspect of international cooperation.

In all these areas we have made little progress, have encountered refusals or inadequate responses. This is why we are dissatisfied and must note with sadness that significant progress has not been made on various aspects of a matter of such importance.

Nevertheless, when it comes to vote tomorrow my group will support only those amendments tabled by

**Bersani**

the Committee on Budgets and will reject all others. We will reject the others because the matter is an essentially political one: it is a question of preventing a paralysis of the Community, which, in the last analysis, would threaten the application of our own policies. If we have not budget, the situation over the next six months will be much more serious than which we have had to suffer over the past six months.

The world needs Europe, a Europe which is more generous and at the same time authoritative and capable of managing its present policies though with a few changes. Europe paralysed and awaiting highly uncertain results would be much more harmful than Europe with a budget, however limited and, able to manage specific policies.

We are convinced that this is the most useful approach and the best way of attaining the objectives which I have mentioned. To those who accuse us of inconsistency we can easily point out that the attitudes of some, for example the German Government, who are so rigidly opposed to the slightest increase in expenditure, are paralysed in this Chamber by attitudes which are quite different from those one might expect. This is not a time for polemics but a time to bury differences and to work together again.

In conclusion, Mr President, I do not believe that the battle we have fought was pointless: we are not waving the white flag. I believe that this debate has been constructive in many ways. Henceforth, the debate on the budget will be different from what it used to be. We have done more than add 17½ million units of account, which is merely a tiny fraction of our budget, because we have set in motion certain developments, we have raised problems, we have begun an institutional debate, which is far from being over. Parliament will soon have a say in a major issue: in the appointment of a new Commission and subsequent Commissions, and this is why this political debate, in which we are attempting to solve a political problem, does not mark the end of discussion on the monetary or other aspects of the budget, but leaves open a number of possibilities and objectives on which we will have to fight both in the budgetary field and that of many other political objectives.

We should therefore concentrate on ensuring that these tensions, confrontations and innovations combine in a dynamic, constructive and useful way to help create a stronger, more responsible Europe which is more generous to the weak within its midst and to a world which urgently needs a new and more just order.

**President.** — I call Mr Welsh.

**Mr Welsh.** — I had better perhaps start at this late hour by making it absolutely clear that I do not speak

for my group and what I have to say is entirely on my own behalf.

Mr President, we have heard a great variety of speeches in the chamber today. We have heard from the Socialists of all the amendments to this budget that are going to be proposed tomorrow, many of them worthy, many of them imaginative, but how many of them realistic? It is very easy at times like this to propose all sorts of sums to be spent on causes which adhere to the hearts of everybody until they actually have to pay, and I do not believe that this Parliament goes about its business well at this late period in the budgetary process by proposing drafts of amendments which we know perfectly well the Council is going to reject.

At the same time we have heard from our friends in the European People's Party of the immense necessity of passing the budget as quickly as possible. Let us do it tomorrow. Let us get it over. Let us get on to 1981. We have been here long enough. Let us move on. In fact when I listened to Mr Notenboom speaking today I felt that perhaps what the European People's Party wanted was not just a surrender, but a surrender with knobs on, a surrender in the most craven and crawling fashion to the arrogance and the dictates of the Council.

What I would say to you, Mr President, is that there is a very important constitutional issue here tonight. It is one perhaps that we have missed. We have many differences in this chamber. We differ about agricultural expenditure and that is fair enough. We differ about social expenditure and that is reasonable too. The British have a view, the Germans have a view, the French have a view, the Italians have a view and that is all perfectly proper and right. But there must surely be one thing that must unite the vast majority of Members of this Parliament who believe in the future of Europe and the European Community. What must unite us tonight is the idea of equilibrium, because what we are looking at here today is not just a conflict about one sort of expenditure or another. What we are looking at is the whole relationship of the executive in the form of the Council, the Ministers if you will, and the elected Parliament. What we must all surely agree is that this equilibrium is currently seriously out of balance.

In the original Dankert amendments that started this long process there was one very significant departure, and that was that Parliament voted a series of modifications to the compulsory expenditure proposed by the Council. Our predecessors in the old Parliament very properly had occupied themselves with non-obligatory expenditure because that was what they saw to be their role. The first thing we did when we got here was to interfere, if you will, in the concepts of compulsory expenditure, which was something that the old Parliament had never had the strength of mind to do. That for me was the root of the original budget

## Welsh

amendments that we voted, and the Council's contemptuous treatment of those modifications was for me the real reason why we voted down the budget last December.

I read an article the other day by Mr Albers of the Socialist Group in *Euro Left*, in which he said: 'After a whole year the elected European Parliament has totally failed to control the Council of Ministers'. That is very nice, but I do not think anybody really expected the European Parliament to achieve that control of the Council within a year. We are embarked on a long road, Mr President, maybe 15 years until we establish this precious equilibrium. We are the inheritors of what the old Parliament did and we in turn have a tradition to hand on to our successors. It is not done, it is not achieved by great sudden flashes of lightning, it is done by little tiny steps forward upon the road which are taken one at a time and piece by piece. It is that that we should be looking at tonight. There are those who think that the 1980 budget and the 1981 budget are somehow different, that the one is distinguishable from the other. That is not the case. What we are doing tonight, what we are doing with our votes tomorrow, is to set the platform from which we shall move on from the 1980 to the 1981 budget. Next year we will be doing it for 1982 and then 1983 and so on and so on until this precious equilibrium is established, and every little step forward on the road is important.

I would say to this Parliament that we must not give up the position that we established last November. We must not give up tamely and weakly our right, our claim, to interfere with the compulsory expenditure section of the budget because we want to get our first reading over tomorrow. We have heard a great deal about European integration. We have heard a great deal about the future of Europe together. There have been many differences between the national groups in this Parliament. The British have frequently been isolated, but for those of us who passionately care about the future of Europe, the important thing is that the Parliament which represents the people of Europe must establish some sort of genuine dialogue and relationship with the Council. Let us face it, what have we seen in the Council of Ministers and the Member States? We have seen the pursuit of narrow and short-term national interest time and time again. The only place where we have a counter to this is in this Parliament where together we speak for all the people of Europe.

As I have said, Mr President, there are plenty of things that divide us, plenty of points of detail, but there is one immense thing that ought to unite us in that we here express the view of the people of Europe together. We are engaged not in a battle, not in a struggle, because one tends to get emotive about these things, but in a long process of equilibrium with our executive. Therefore I would say to Members of this House who feel, as I do, that we are at an important

moment in our development that it is very important to vote for one thing tomorrow, and that is the modifications to compulsory expenditure. In the end it does not matter what we do about non-compulsory expenditure. It is not important if we vote another 64 million for food aid or not, that is not what the issue is about. What the issue is about is the Parliament's right, the Parliament's duty to take a role, to take a place in the administration of the budget as a whole. That we will do if we make that small modification, those small insertions in the budget which will put a platform forward for 1981 and beyond. I hope very much, Mr President, when the vote comes tomorrow that this Parliament, this new Parliament, will not turn its back on its future and will not vitiate the inheritance that it has to leave to its successors.

(Applause)

President. — I call Mr O'Donnell.

Mr O'Donnell. — Mr President, now that we are coming to the concluding stages of what has been a very protracted but nevertheless very interesting debate, it may be appropriate and desirable to recall to mind that one of the reasons for the existence of this Community and one of its fundamental objects is to ensure harmonious development by reducing the differences between the various regions and the backwardness of the less-favoured regions, as is explicitly laid down in the Treaties. In the revised budget for 1980, which has been under discussion throughout today, the provisions for regional policy are barely adequate to maintain the *status quo*, and the mere maintenance of the *status quo* reflects the totale failure of this Community to formulate and implement a realistic, comprehensive Community regional policy, a policy which would bring about an acceptable transfer of resources to the poorer regions of the Community. We have to face the grim reality of growing regional disparities within this Community, of the rich regions getting richer and the poor regions getting poorer. We have also to bear in mind, as some speakers have pointed out, the imminent enlargement of the Community, and the accession of countries each of which has enormous problems in the sphere of regional disparities.

I believe that this Community cannot survive and make progress, it cannot have any meaning for the people who belong to it while we tolerate with apparent complacency a situation where people in some of the richest regions of this Community enjoy a standard of living up to six times as high as people in the poorest regions. The greatest challenge facing this Community now and in the future is that of formulating and implementing a real European regional policy, a policy which will secure that regional equilibrium which is a necessary prerequisite for economic and monetary union. This equilibrium can only be

O'Donnell

achieved through a massive increase in the financial resources allocated to regional development; it cannot be achieved by the level of resources now being made available. Sooner or later — and, I hope, sooner rather than later — we shall have to face the fact that the type of balanced regional development which this Community needs can only be secured through new budgetary strategies and a vast increase in the Community's own-resources. Let us, then, get the 1980 revised budget out of the way and get down to the task of formulating and implementing appropriate strategies and appropriate policies!

(Applause)

**President.** — I call Mr Tuckmann.

**Mr Tuckmann.** — Mr President, I think that at the end of this first year in Parliament I have come to the conclusion that while the founding fathers may have done a fairly good job in setting up the EEC as a totality, they have really done a bad job in the manner in which they have set up this Parliament.

One can obviously say that the people should be represented, but if you look at what in the end we are asked to do, what we are allowed to do, how far we are asked to go, we are expected to nibble at a small portion of the total and to leave the rest strictly alone. So as far as I am concerned, yes, I am concerned with building a European institution, a European totality, but no, I am not prepared to accept the limits which are placed upon us, namely that there shall be this distinction between compulsory and non-compulsory expenditure. And if in saying that I am saying that the treaties have to be rewritten, that does not worry me very much. I do not think that you can go in a fashion an instrument of this kind in one bite and say that thereafter it has got to stay like that for ever.

What strikes me as particularly bad is that the manner in which the whole of the EEC is structured at this time gives support to one particular group of people when there are others who are equally unfortunate, and of course I am concerned here with agriculture. I would like to give as much support to the steelworkers and anybody else who is unemployed in Europe, and there are 6 million of those today. I would like to give the same amount of support to all those 6 million, and certainly I do not want to go and give support to just one particular group just so that they can go on running small farms, getting their hands dirty and being in some mystical sense connected to the soil. To me that is an old-fashioned, out-dated concept and I do not want any part of it. What I think is, yes, reluctantly, I have to go away from pure free trade and accept an agricultural policy, but when it gets to the point where the surpluses on the scale that we now have come into existence, then the thing is overdone and it should be stopped.

Therefore on this relatively narrow front, I am not concerned, like Mr Welsh, with either one or two budgets. I am concerned with whether I am to have a hand in shaping a totality that makes sense for the people of Europe. And today's batch of arrangements makes no such sense and should therefore be challenged, probably very quietly to start with, but with considerable noise as time goes on, if there is no shift.

Now of course the Council has been endowed and left with powers, and this of course, raises the whole question as to why those founding fathers ever set us up. They may have had some vague notion about democracy being a good thing and therefore they did a half job which places us and, presumably, the Council in considerable difficulties, which a previous speaker called a lack of equilibrium. I think that has to be tackled in order to get us into a state of affairs whereby we can make some sense. You see, we sit here in small numbers. When you look around, in fact, I would judge that our staff outnumber the Members by some substantial figure. We sit here and are terribly concerned with the details of a quarrel between ourselves, the three institutions. But the people of Europe, as far as I can understand it, see just one thing, namely a European Community, which they want built with greater or with less enthusiasm but which they want built, and the problems which lie between the institutions are to them, and quite rightly, a complete irrelevance, and that is why I so much deplore this disequilibrium into which we have been placed. I would like to get that out of the way.

Now as to the 1980 budget, I think certainly the time has come to let that thing go; I think it is a very bad budget; I think far too much still goes in the direction of one subject to the exclusion of the others and I think it is bad because it causes us to be spending our energy on matters which in the end are not all that relevant, namely quarrels between the institutions.

So what I am saying at the end of this first year, Mr President, is I think we ought to go to that greater length, that prohibited length of looking at the treaties and trying to get them sorted out, and what happens tomorrow in that context is perfectly irrelevant.

**President.** — I call Mr Travaglini.

**Mr. Travaglini.** — (I) Mr President, colleagues, the support of the European People's Party for the budget is due in no small measure to the justified attention which the Council has paid to regional policy by raising the commitment appropriations for the European Regional Development Fund to 1 165 million EUA, an increase of 150 million EUA over its previous proposal, bringing it up to almost the same level as the Commission's original proposal and Parliament's demands on the occasion of its debate on the first draft of the budget.

### Travaglini

One cannot say the same of the proposed payment appropriations for the ERDF, which have been cut by 179.5 million EUA compared with the Council's draft at the second reading. This decision has no doubt been dictated by the fact that the rate of approval of expenditure is not very satisfactory. We hope that the Commission and the Council will take the necessary action to remove the causes of these delays by requesting Member States, if necessary, to make changes to the procedure for implementing programmes. The Group of the European People's Party notes with satisfaction that the Council and the Commission agree with Parliament that the Community's regional development policy is of vital importance.

Yesterday we had further proof of the importance which the Parliament attaches to the Community's regional development policy. The Committee on Regional Policy and Regional Planning unanimously approved Parliament's own-initiative report on national regional development programmes, confirming in particular that one of the basic reasons and fundamental goals of the Community which is more than an objective, is to ensure the harmonious development of the whole, by reducing disparities between various regions and the disadvantages of those which are less developed. The whole range of common policies should be more vigorously developed and carefully coordinated to ensure that they make a significant contribution to the process of development in the least-favoured regions. Increasing the appropriations for the ERDF will certainly not solve the problem of adding a new dimension to the policy of achieving a balance between regions. The ERDF is only one of the instruments, albeit an important one, for promoting socio-economic progress in the less-favoured regions, a process which, as almost all the political elements in this Parliament have recognized, is the surest way to bring about a gradual convergence of the national economies.

These repeated assertions, which also reflect the positions adopted recently by the Commission and the Council, must give way to specific commitments, the definition of methods, in short, a detailed operating plan. Above all, there is a need to get back to the territorial aspect of the exercise by identifying clearly and once and for all the structural problems of individual regions and the specific objectives spread over time and space to be achieved with the assistance of the available range of instruments. Secondly, there is a need to coordinate Community activities with those of the Member States and the local authorities: the regions should play an important role in this planning activity. Finally, there must be careful and close coordination of Community policies and the activities of the various Community financial instruments, notably the ERDF, the EAGGF-Guidance Section and the European Investment Bank, whose development activities should be more closely linked to those of other Community bodies. Once the priority areas have been defined on the basis of detailed planning to be

achieved through direct agreements — a process which it is hoped can be begun shortly between the Community bodies, the Member States and the regions concerned — a series of integrated measures should be taken systematically to maximize the impact of coordinated efforts on the process of development. The Community should be more in touch with the real situation in the regions and be able to transcend its limited role as an additional source of finance for the Member States, which undoubtedly undermines its institutional powers as laid down in the Treaties.

Mr President, colleagues, in expressing his group's support for the budget, Mr Klepsch stressed the paramount importance which the European People's Party attaches to the regional development policy. We will continue in future to put our full weight behind efforts to ensure that the gap between the less favoured and more prosperous regions is reduced; unless we do this it will be impossible to build the united and free Europe, the aim of this Assembly, which was elected with such high expectations by 200 million European citizens.

*(Applause)*

**President.** — The debate, is closed. The vote on the general budget for 1980 and on the motions for resolutions contained in the Dankert and Jackson reports will be held tomorrow morning.

### 13. Agenda for next sitting

**President.** — The next sitting will be held today, Friday, 27 June 1980, from 9 a.m. 1 p.m., with the following agenda:

- vote on
  - motion for a resolution contained in the Dankert report on provisional twelfths
  - motion for a resolution contained in the Ansquer report on Parliament's draft estimates for 1981
  - draft amendments and proposed modifications to the new draft general budget of the Communities for 1980
  - motions for resolutions contained in the Dankert and Jackson reports on the general budget of the Communities for 1980

*possibly:*

- Cottrell report on the integration of railway undertakings
- Janssen van Raay report on a coordinated European air-traffic control system
- Buttafuoco report on projects of Community interest in transport infrastructure.

The sitting is closed.

*(The sitting was closed at 0.05 a.m.)*



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IN THE CHAIR: MRS VEIL

*President*

*(The sitting opened at 9 a.m.)*

**President.** — The sitting is open.

### 1. *Approval of the minutes*

**President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes are approved.

### 2. *Urgent procedure*

**President.** — I have received from Mr Collins and others a motion for a resolution, with request for urgent debate pursuant to Rule 14, on the development of better cooperation between Parliament and the Council (Doc. 1-282/80). The reasons supporting this request are contained in the document.

I shall consult the House on this request for urgent procedure at the beginning of the next sitting, which is Monday, 7 July 1980.

### 3. *Membership of committees*

**President.** — I have received from the Group of European Progressive Democrats a request for the appointment of Mr Fanton to the Committee on Energy and Research, to replace Mr de la Malène.

Are there any objections?

The appointment is ratified.

### 4. *Votes*

**President.** — The next item comprises the votes on those motions for resolutions on which the debate is closed.

I first put to the vote the motion for a resolution contained in the *Dankert report (Doc. 1-278/80): Further provisional twelfths for the EAGGF (Guarantee Section)*.

The resolution is adopted<sup>1</sup>.

\*

\* \*

**President.** — We proceed to the motion for a resolution contained in the *Ansquer report (Doc. 1-276/80): Parliament's draft estimates for 1981*.

*(Parliament adopted the first three indents of the preamble)*

After the third indent, I have Amendment No 2, tabled by Mr Coppieters and Mr Blaney and inserting a new indent:

emphasizing again the need for a revision and restructuring of the services of the Parliament to solve the urgent problems (particularly those concerning communication, better information for the Members, documentation, etc.) caused by the present situation with three meeting-places, and also the need to make the necessary adjustments without delay for improved operation as soon as the problem of a single meeting-place is resolved.

*(Parliament rejected Amendment No 2 and adopted the fourth indent)*

On paragraph 1, I have three amendments tabled by the European Democratic Group:

— Amendment No 4:

Delete the reference in sub-paragraph (a) to 88 permanent posts which are necessitated by the accession of Greece, and add to sub-paragraph (b):

'88 temporary posts necessitated by the accession of Greece (in particular to cover interpretation and translation from Greek)'.

— Amendment No 6:

Delete the reference in sub-paragraph (a) to 76 posts for structural adjustments.

— Amendment No 8:

Delete the reference in sub-paragraph (a) to 156 posts to take account of the increase in the rate of parliamentary activities at the three places of work and add to sub-paragraph (b):

'156 temporary posts to take account of the increase in the rate of parliamentary activities at the three places of work, in accordance with the following breakdown'

<sup>1</sup> OJ No ...

**President**

*(In succession, Parliament rejected Amendments Nos 4, 6 and 8 and adopted paragraph 1)*

On paragraph 2, I have Amendment No 5, tabled by the European Democratic Group and replacing this paragraph with the following text:

2. MAINTAINS as temporary posts the 113 temporary posts created in the 1980 establishment plan for the translation and interpreting services into Greek, pending the accession of Greece.

What is the rapporteur's position?

**Mr Ansquer, rapporteur.** — (F) Against, Madam.

*(Parliament rejected Amendment No 5 and adopted paragraphs 2 and 3 in succession)*

**President.** — On paragraph 4, I have Amendment No 7, tabled by the European Democratic Group and suppressing the terms 'and 77'.

What is the rapporteur's position?

**Mr Ansquer, rapporteur.** — (F) Against, Madam.

*(Parliament rejected Amendment No 7 and adopted paragraph 4)*

**President.** — On paragraph 5, I have Amendment No 3, tabled by Mr Coppieters and Mr Blaney and deleting this paragraph.

What is the rapporteur's position?

**Mr Ansquer, rapporteur.** — (F) Against, Madam.

*(Parliament rejected Amendment No 3 and adopted paragraph 5)*

**President.** — After paragraph 5, I had Amendment No 1/rev., tabled by Mr Glinne and Mr Leonardi and inserting a new paragraph, but this has been withdrawn.

On paragraph 6, I have Amendment No 9, tabled by the European Democratic Group and amending Chapter 20 of the 'Expenditure estimates':

**TITLE 2 — BUILDINGS, EQUIPMENT AND  
MISCELLANEOUS OPERATING  
EXPENDITURE**

*Chapter 20*— Immovable property investments, rental of buildings and associated expenditure

Article 200 — Rent

Item 2000 — Rent

**A) Expenditure**

*Reduce appropriations by 10 000 000 EUA.*

*Create in Chapter 100 a new item 2000 : 'Rents'.*

*Enter appropriations of 10 000 000 EUA.*

**B) Compensation**

—

**C) Revenue**

—

What is the rapporteur's position?

**Mr Ansquer, rapporteur.** — (F) Against, Madam.

*(Parliament rejected Amendment No 9 and adopted paragraph 6)*

**President.** — I put the motion for a resolution as a whole to the vote.

The resolution is adopted<sup>1</sup>.

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\* \*

**President.** — We now proceed to the *draft amendments and proposed modifications to the new draft general budget of the European Communities for 1980 (Doc. 1-270/80)* and then to the motions for resolutions contained in the Jackson report on Sections I, II (including Annex I to Section II), IV and V and the Dankert report on Section III of this budget.

I should like to remind you briefly of the procedure to be applied.

Appropriations which are not the subject of draft amendments or proposed modifications will be deemed approved without a formal vote. All proposed modifications and draft amendments will be put to the vote, unless withdrawn by their authors, in the order of the budgetary nomenclature and in accordance with the nature of the appropriations to which they relate.

Where more than one draft amendment or proposed modification concerns the same article, that which departs furthest from the draft budget will be put first to the vote. If they depart to the same extent, they will be put to the vote in the order in which they were tabled.

Proposed modifications, which relate to compulsory expenditure, must, to be adopted, receive a majority of the votes cast, whereas draft amendments, which relate to non-compulsory expenditure, require a majority of all the Members of Parliament — i.e. 205 votes. An asterisk draws your attention to this point.

<sup>1</sup> OJ No ...

**President**

During the vote, I shall give the floor only to the rapporteurs for them to state the position of the Committee on Budgets. The authors of draft amendments or proposed modifications will be able to speak only to announce withdrawals. Explanations of vote can be given after the vote on the draft amendments and proposed modifications.

I shall first put to the vote Sections I and II, Annex I to Section II, and Sections IV and V of the draft general budget, relating respectively to Parliament, the Council, the Economic and Social Committee, the Court of Justice and the Court of Auditors. We shall then vote on the section relating to the Commission.

As in November last, we shall vote without distinction on proposed modifications and draft amendments in the order of the budgetary nomenclature.

I have no draft amendments to *Section I: Parliament*.

The whole of this section is therefore adopted.

I have no draft amendments tabled to *Section II: Council*.

The whole of this section is therefore also adopted.

On *Annex I: Economic and Social Committee*, to *Section II: Council*, I have draft Amendment No 24<sup>1</sup>.

*(Parliament rejected draft Amendment No 24)*

On *Section IV: Court of Justice*, I have no draft amendments.

The whole of this section is therefore adopted.

We proceed to *Section V: Court of Auditors*.

On the establishment plan, I have draft Amendment No 26.

*(Parliament adopted, by sitting and standing, draft Amendment No 26. Cries)*

I call Mr Coppieters on a point of order.

**Mr Coppieters.** — *(NL)* Madam President, I am wondering whether, in this crazy theatre, all you can see is the pit, and not all the back-benchers who are sitting in the boxes.

*(Laughter)*

**President.** — I call Mrs Chouraqui on a point of order.

**Mrs Chouraqui.** — *(F)* Madam President, in the row where I am sitting, it is practically impossible to hear today. For one thing, we can't see and no one sees us, and then we can't hear anything. Could you please arrange for the volume or tone to be turned up or ask Members to keep quiet, because it is impossible to follow the debate?

*(Applause from certain quarters)*

**President.** — I must say that I myself am experiencing considerable difficulty in making myself heard. As I believe I said yesterday, those who have business to discuss should conduct their conversations outside the Chamber and not here. I shall see whether it is not possible to increase the volume or tone; in the meantime, I shall try to speak as loudly as possible so as to make myself heard.

*(Applause)*

On Item 2 400, I have draft Amendment No 25.

*(Parliament adopted, by sitting and standing, draft Amendment No 25)*

I have no other draft amendments on this section. Section V, embodying the amendments resulting from the vote that has just taken place, is therefore adopted.

We proceed to *Section III: Commission*. We first have to deal with the part relating to *revenue*.

The Committee on Budgets yesterday examined the draft amendments and proposed modifications which have so far been submitted to Parliament. To facilitate the proceedings, I give the floor to Mr Dankert for a brief account of the deliberations in the Committee on Budgets.

**Mr Dankert, rapporteur.** — Madam President, the Committee on Budgets met last night at some length to consider draft amendments and proposed modifications that had been tabled by other parliamentary bodies to the draft budget for 1980, Section III: Commission. The meeting examined some 60 amendments, tabled mostly by political groups but also by a few parliamentary committees.

At the outset, the committee decided upon the appropriate procedure to be followed. It was our view that it would be inappropriate at this stage of the budgetary procedure to go outside those areas of discussion which had already formed part of the dialogue with the Council. That means that we believe that the Committee on Budgets and the European Parliament should stick to the positions taken by Parliament on 7 November 1979, should not, under any circumstances, go beyond that position, and should not introduce new elements into the discussion. Further-

<sup>1</sup> The text of the various draft amendments and proposed modifications is reproduced in the Annex.

## Dankert

more, the committee decided that in principle it was not prepared to reopen discussion on particular items where it had already taken a clear decision as to the substance in its meeting of 24 and 25 June. This procedure was approved by the Committee on Budgets by 29 votes to 0, with 4 abstentions.

This vote, nonetheless, permitted the committee to consider individually those amendments which went beyond its decision of last week; but it ruled out of order, as regard its own deliberations, any amendment which did not fall within the ambit of its decisions of 7 November 1979. In particular, this ruled out further examination of amendments that had already been rejected by Parliament on 7 November 1979. For this reason, the committee did not reopen discussion on any of the amendments tabled by Mr Ansart, Mr Ansquer and Mr Pranchère concerning the revenue side of the budget, which had been rejected in principle by Parliament on 7 November. The Committee on External Economic Relations tabled three amendments on staff for anti-dumping work, and for the delegations in Canberra and Belgrade. The committee believes that these amendments, which go beyond Parliament's November decision on staff, did not require further examination by the committee.

The same principle applies to Mrs Dekker's amendment on staff for the women's office. Here I have to explain that the committee had already agreed to the same amount of extra staff but, because of the delay in recruitment procedures, had not felt that extra expenditure was necessary. On Amendment No 110, by the Committee on Youth, Culture, Education, Information and Sport, seeking extra appropriations for information, the committee supported the rapporteur's recommendation in rejecting it by 24 votes to 4, with 4 abstentions.

I also suggested to the committee that it reject an amendment from the same committee seeking to increase subsidies to institutions of higher education and adult education centres, which it did by 27 to 3, with 2 abstentions. A similar amendment by the Socialist Group to the same Article was rejected by 22 votes to 9, with 1 abstention.

The committee took the view that the amendment from the Socialist Group on subsidies to European movements and that of the Committee on Social Affairs and Employment on poverty pilot projects went beyond, or ran counter to, Parliament's position of November. It declined, therefore, to examine them. This approach also guided the committee in examining all further amendments to Title 3. It was pointed out to the committee that Mr Damseaux's amendment to enter a token entry on the organization of Community games had been withdrawn.

The committee then considered a number of amendments concerning the Social Fund. The Socialist Group's Amendment No 104, concerning the promo-

tion of employment, was rejected by 19 votes to 7, with 1 abstention. With regard to draft Amendment No 79, concerning action in favour of women, an interesting dispute arose because the committee was in possession of conflicting information from the Commission as regards its possibilities for spending more appropriations for this item. The Commissioner with financial responsibility, Mr Tugendhat, assured the committee that requests from Member States for aid under this item were only just beginning to come in and that the appropriations currently entered in the draft would be sufficient. After some discussion, it was agreed that the debate on this item should be closed. This is an important point, Madam Président, in that it recognizes a particular responsibility of the Commissioner for the budget to keep Parliament informed as regards the Commission's ability to implement the budget. It seems to me vital that, if we are to have a more rational and responsible budgetary procedure and approach, we should recognize the particular responsibility of the finance Commissioner even in the event of disagreement between members of the Commission as to spending possibilities. Otherwise, we should only prejudice the position of the finance Commissioner within the Commission, which would be harmful to the budgetary and financial policy of the Community.

The Socialist Group's Amendment No 105, to increase expenditure available under the Social Fund for measures to improve employment in the regions, was not approved by the committee after it had been reminded that a more moderate increase proposed by the Committee on Budgets corresponded more closely with the Commission's real spending possibilities.

As regards the ECSC contribution for social measures in the steel sector, the committee confirmed its view that a token entry should be entered against this line.

Madam Le Roux's amendment seeking to delete the non-quota section of the Regional Fund was considered as running counter to the position which Parliament adopted on the Regional Fund in November.

Mr Baillot's amendment seeking to delete the supplementary measures for the United Kingdom was rejected by the committee by 20 votes to 2, with 8 abstentions. The relatively high number of abstentions is explained by the fact that British members of the committee felt it inappropriate for them to take part in a vote which concerned an item directly related to their country. The possibility of amending this item to change the remarks has already been discounted by the committee.

Mr Travaglini's amendment seeking to create a new Article 591 with a token entry for studies on earthquake zones was rejected by 12 votes to 5, with 8 abstentions.

**Dankert**

All proposed modifications to Titles 6 and 7 — the Guarantee Section of the EAGGF — had either been already examined by the committee or ran counter to Parliament's decisions of 7 November.

These considerations applied to all amendments concerning Title 9 — development aid — with the exception of the amendment tabled by Mr Cohen on behalf of the Committee on Development and Cooperation, which sought to increase emergency aid to disaster victims in non-associated developing countries. This amendment takes account of the fact that the expenditure of a further 20 million European units of account may be necessary in order to meet existing commitments for Zimbabwe, Cambodian and Afghan refugees. It seemed to several members of the committee that the Commission had already spent more than the amounts available on food appropriations. It was suggested that the Committee on Budgetary Control should examine this problem with the Commission. The committee, however, rejected the amendment by 17 votes to 7, with 2 abstentions.

In conclusion, Madam President, you will not doubt be relieved to hear that the Committee on Budgets did not decide to table any new amendments. By rejecting new amendments from other committees and parliamentary bodies, it confirmed in their entirety the decisions taken by the committee on 24 and 25 June. These decisions amount, in my view, to the minimum necessary to approve the budget in the light of Parliament's objectives and in accordance with its expressed wish to conclude the budgetary procedure rapidly.

I therefore strongly urge that a large and sufficient majority in this House confirm the moderate package tabled by the Committee on Budgets.  
(Applause)

**President.** — I call Sir Fred Catherwood on a point of order.

**Sir Fred Catherwood.** — Madam President, we quite understand the difficulties the Committee on Budgets has had. We quite understand that they are entitled to reject any amendments that are put to them, but I think that as a point of order I, as chairman of a committee that has tabled amendments, am entitled to be heard in the Committee on Budgets before the Committee on Budgets decides to reject my amendments.

(Applause from various quarters)

In my view, the Committee on Budgets ought to hear a committee chairman on amendments before it decides as a matter of principle to reject those amendments.

(Applause from various quarters)

**President.** — This is not the moment to begin a debate on relations among the committees. I am aware of the problems that arise here, and I intend to call a meeting of committee chairmen shortly to discuss them. The question at the moment is how we can improve contacts between the Committee on Budgets and the other committees within the budgetary procedure before the plenary sitting begins.

I call Mr Blaney on a point of order.

**Mr Blaney.** — Madam President, while I appreciate Mr Dankert's difficulties and the difficulties of his committee, and indeed recognize the work they have done and the efforts they are making to try and get this budget through, I want to make it quite clear that I believe the principle being adopted that nothing new may be introduced 7 months after the budget was first dealt with here in this House is entirely and totally wrong. In other words, I do not believe that it is correct procedure. Nevertheless, in view of the circumstances, I am prepared to accept it, but I do not think we should set it down as a precedent for any future budgetary decisions or discussions.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Madam President, I would indeed suggest that you reach agreement with the committee chairmen on the procedure to be adopted when the budget has been rejected.

**President.** — On Article 100, I have draft Amendment No 86.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam President: this was not accepted in November.

(Parliament rejected draft Amendment No 86)

**President.** — After Article 100, I have draft Amendment No 81.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) This draft amendment was not accepted in November, and I am against it.

(Parliament rejected draft Amendment No 81)

**President.** — Again after Article 100, I have draft Amendment No 88.

**President**

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) In my view, this is more in the nature of a modification. In any case, I am opposed to it: it was rejected in November.

(Parliament rejected draft Amendment No 88)

**President.** — I then have draft Amendment No 90.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against it, Madam President. This was not accepted in November.

(Parliament rejected draft Amendment No 90)

**President.** — On Chapter 11, I have draft Amendment No 89.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against: it was rejected in November.

(Parliament rejected draft Amendment No 89)

**President.** — On Article 120, I have draft Amendment No 91.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against this draft amendment, as I was in November.

(Parliament rejected draft Amendment No 91)

**President.** — On Articles 940 to 943 on the revenue side, I have draft Amendment No 57, which also concerns Items 3290 and 3291, Chapters 42 and 43 on the expenditure side and Annex III.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (F) Madam President, this amendment was approved by the Committee on Budgets by 23 votes to 2, with 2 abstentions, and of course I am in favour.

(Parliament, by sitting and standing, rejected draft Amendment No 57)

**President.** — The revenue side is therefore adopted, subject to any adjustments necessitated by subsequent votes on expenditure.

We now proceed to the *expenditure* side.

On Section III as a whole, I have draft Amendment No 56, by Mr Dankert.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (F) Madam President, this amendment was approved by the Committee on Budgets by 23 votes, with 2 abstentions.

(By sitting and standing, Parliament rejected draft Amendment No 56)

**President.** — On the establishment plan, I have draft Amendments Nos 51, 52, 53, 54 and 55, which are interrelated.

(Parliament rejected all five draft amendments in succession)

I then have draft Amendment No 93.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Against, Madam President: this was rejected in November.

(Parliament rejected draft Amendment No 93)

**President.** — Again on the establishment plan, I have draft Amendment No 95.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Against: this was rejected in November.

(Parliament rejected draft Amendment No 95)

**President.** — I then have draft Amendment No 94.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Against: this was rejected in November.

(Parliament rejected draft Amendment No 94)

**President.** — Still on the establishment plan, I have draft Amendment No 97/rev.

## President

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, this amendment, as I said before, was part of the package proposed by the Committee on Budgets. The package has been rejected. As this was an element in it, I have to be in favour.

*(Laughter)*

*(Parliament rejected draft Amendment No 97/rev.)*

**President.** — On Item 2720, I have draft Amendment No 110.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* Against, Madam President.

*(Parliament rejected draft Amendment No 110)*

**President.** — On Article 290, I have draft Amendments Nos 76 and 98.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* I am against both of them, Madam President.

*(Parliament rejected both amendments in succession)*

**President.** — On Article 291, I have draft Amendment No 99.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* Madam President, this draft amendment was rejected in November. I am therefore against.

*(Parliament rejected draft Amendment No 99)*

**President.** — On Item 3030, I have draft Amendment No 28.

*(By sitting and standing, Parliament adopted draft Amendment No 28)*

On Article 306, I have draft Amendment No 78.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* Since the amount asked for in this amendment exceeds that agreed to in November, I have to oppose it.

*(Parliament rejected draft Amendment No 78)*

**President.** — On Item 3070, I have draft Amendment No 100.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* The Committee on Budgets is against, Madam President.

*(Parliament rejected draft Amendment No 100)*

**President.** — On Item 3071, I have draft Amendment No 112.

*(By sitting and standing, Parliament rejected draft Amendment No 112)*

On Article 322, I have draft Amendment No 29.

*(By sitting and standing, Parliament adopted draft Amendment No 29)*

On Item 3241, I have draft Amendments Nos 19/rev., 101 and 30.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* I am opposed to draft Amendment No 19/rev., which was not envisaged in November, against No 101 and for No 30.

*(Parliament rejected draft Amendments Nos 19/rev. and 101 and adopted draft Amendment No 30)*

**President.** — On Article 327, I have draft Amendment No 41.

*(Parliament adopted draft Amendment No 41)*

On Article 328, I have draft Amendment No 40.

*(Parliament adopted draft Amendment No 40)*

On Item 3352, I have draft Amendment No 21/rev.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — This amendment goes beyond our November position. We are against.

*(Parliament rejected draft Amendment No 21/rev.)*



**President.** — On Item 3356, I have draft Amendment No 22/rev.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Madam President, this amendment departs from our November position: I am against.

(Parliament rejected draft Amendment No 22/rev.)

**President.** — On Item 3359, I have draft Amendment No 23/rev. II.

What is the rapporteurs position?

**Mr Dankert, rapporteur.** — (F) The situation is the same as just now: I am against this amendment.

(Parliament rejected draft Amendment No 23/rev. II)

**President.** — On Item 3363, I have draft Amendment No 20/rev.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) By virtue of the criteria laid down by the Committee on Budgets, I am against.

(Parliament rejected draft Amendment No 20/rev.)

**President.** — On Item 3368, I have draft Amendment No 27.

(Parliament adopted draft Amendment No 27)

On Article 351, I have draft Amendment No 72.

(Parliament adopted draft Amendment No 72)

On Item 3547, I have draft Amendment No 71.

(Parliament adopted draft Amendment No 71)

On Item 3720, I have draft Amendment No 39.

(Parliament adopted draft Amendment No 39)

On Item 3722, I have draft Amendments Nos 102 and 38.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Madam President, draft Amendment No 102 goes beyond the proposals of the Committee on Budgets: I am against.

(Parliament rejected draft Amendment No 102 and adopted draft Amendment No 38)

**President.** — On Item 3723, I have draft Amendment No 37.

(Parliament adopted draft Amendment No 37)

On Item 3741, I have draft Amendment No 36.

(Parliament adopted draft Amendment No 36)

On Article 376, I have draft Amendment No 35.

(Parliament adopted draft Amendment No 35)

On Item 3780, I have draft Amendment No 34.

(Parliament adopted draft Amendment No 34)

On Item 3920, I have draft Amendment No 33.

(Parliament adopted draft Amendment No 33)

On Item 3921, I have draft Amendment No 103.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) The Committee on Budgets is against, Madam.

(Parliament rejected draft Amendment No 103)

**President.** — On Item 3932, I have draft Amendments Nos 77 and 32.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Madam President, since the two amendments are more or less identical, I leave the choice to the House.

**President.** — They are not absolutely identical: the one tabled by the Committee on Youth contains an additional remark.

(By sitting and standing, Parliament adopted draft Amendment No 77, as a result of which draft Amendment No 32 fell)

Draft Amendment No 101, on Article 394, has been withdrawn.

On Item 5011, I have draft Amendment No 104.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) The Committee on Budgets is against, Madam.

*(Voting, at Mr Glinne's request, by sitting and standing, Parliament rejected draft Amendment No 104)*

**President.** — On Article 505, I have draft Amendment No 79.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam President.

*(Parliament rejected draft Amendment No 79)*

**President.** — I call Mrs Salisch on a point of order.

**Mrs Salisch.** — (D) Madam President, I wish to protest against the procedure you are following. I asked for the floor on a point of order before the voting had begun, for the purpose of asking for an explanation on the subject of Article 505. Different statements seemed to have been made in the Committees on Budgets and Social Affairs on the need for an increase, and when this matter came to be voted on I wanted to ask Mr Vredling which statement applied: has the Commission sufficient resources at its disposal for the measures in favour of women, or not? When we enquired in the Social Affairs Committee, we were told quite definitely that this year for the first time the governments had sent in sufficient requests, and when one is given such contradictory . . .

*(Protests)*

**President.** — Mrs Salisch, this question should have been discussed yesterday, not today during the vote.

*(Applause from the centre and the right)*

I call Mrs Weber on a point of order.

**Mrs Weber.** — (D) Madam President, what I want to ask is whether it is possible in this Chamber to give those who, through no fault of their own, sit on the back benches also an opportunity to speak. I think it is essential that one should be able to ask a question occasionally. The honourable Member asked for the floor before the voting began and even before the rapporteur spoke, but was not noticed. It is obviously impossible down there to see when someone up here, on the back benches, which are really at a disadvantage, asks for the floor in good time.

*(Applause from various quarters)*

**President.** — There are many of us here on the look out for anyone who raises a hand at the back. In any case, explanations on this point should have been asked of the Commission yesterday.

*(Applause from the centre and the right)*

I call Mr Israel on a point of order.

**Mr Israel.** — (F) Madam President, as a matter of principle our debates are held in public, but, like a number of my colleagues, I find myself in a position from which I am invisible to the public. The way I vote — whether I raise my hand, drop it or sit down — therefore means nothing.

*(Applause)*

**President.** — Mr Israel, I do think that for the future we shall have to reconsider the seating arrangements for Members in this Chamber: it is not normal practice for some Members to sit beneath the public gallery.

*(Mixed reactions)*

On Article 510, I have draft Amendments Nos 105 and 31.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — The Committee on Budgets considers that Amendment No 105 goes far beyond its own amendment, as far as the amount is concerned. I am against it.

*(Voting, at Mr Glinne's request, by sitting and standing, Parliament rejected both draft amendments)*

**President.** — I call Mrs Castle on a point of order.

**Mrs Castle.** — Madam President, the rapporteur for the Committee on Budgets has made a point, wherever possible, of stressing that amendments his committee did not like were out of line with the decisions taken in November and has thus tried to influence the vote. Could he not be asked to indicate the instances in which an amendment by the Socialist or other group is in line with the November decision and that of the Committee on Budgets is not in line with it? In this case, Amendment No 105 sought to revert to the November 1979 position. It was a Committee on Budgets amendment which did less than that, and even the British Tories would not vote for it.

*(Applause from certain quarters on the left)*

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — Mrs Castle's question is relevant not only to this particular draft amendment, but to others also. However, if an amendment is not in line with the November decision, then it is simply not in line with the November decision, as far as the Committee on Budgets is concerned. I have specifically not said on this amendment that it is not in line with the November decision. I only said that it goes far beyond the amendment proposed by the Committee on Budgets. I shall, however, do my utmost to give the House more precise information, if necessary.

**President.** — On Article 511, I have draft Amendments Nos 42, 70 and 69.

*(Parliament adopted all three draft amendments in succession)*

After Chapter 53, I have draft Amendments Nos 80, 92 and 43.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, all three amendments fall within the limits of our November decisions, when we voted 100 million units of account as commitments and 30 million units of account as payments; so they are all below. The Committee on Budgets nevertheless believes that its own amendment is the one the House should vote for.

*(By successive votes, taken, at Mr Glinne's request, by sitting and standing, Parliament rejected draft Amendments Nos 80 and 92 and adopted draft Amendment No 43)*

**President.** — On Article 560, I have draft Amendment No 87.

I call Mr Rogers on a point of order.

**Mr Rogers.** — Madam President, my point of order is that before each of the last three votes has taken place I have asked for the floor on a point of order, and each time you have not been able to see me. Now really something has to be done about the decoration here. I realize the problems, and I have not protested or made a fuss simply because I almost wanted to demonstrate the point; but it is enormously difficult to see what people are doing. Confound it, the only thing I can see is the way the British Conservatives are voting, because they vote in phalanx! But individuals one cannot see, and this makes it very difficult for you. Something needs to be done, because I wanted to ask on a point of order for an explanation from Mr Dankert prior to the last three votes.

*(Mixed reactions)*

**President.** — Mr Rogers, your observations will be noted.

What is the rapporteur's position on draft Amendment No 87?

**Mr Dankert, rapporteur.** — *(F)* Against, madam.

*(Parliament rejected draft Amendment No 87)*

**President.** — After Item 5600, I have draft Amendment No 68.

*(Parliament adopted draft Amendment No 68)*

After Item 5601, I have draft Amendment No 67.

*(Parliament adopted draft Amendment No 67)*

On Chapter 58, I have draft Amendments Nos 83, 74 and 106.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, Amendment No 83, by Mr Baillot, would delete the whole of the line, which is now a token entry. The Committee on Budgets is against.

Amendment No 74, by Mr Spinelli, Mr Arndt and others, would introduce into the remarks in the budget what is now in the resolution. A majority of the Committee on Budgets has decided against that proposal.

Amendment No 106, by the Socialist Group, on additional measures in favour of the United Kingdom: Madam President, the remarks presented here have been put by the Committee on Budgets into the resolution, so this too I have to oppose.

**President.** — I call Mr Spinelli.

**Mr Spinelli.** — *(F)* Since our draft amendment was tabled earlier, Mr Arndt and myself could insist on its being put to the vote before that of the Socialist Group; but since we do not wish to make a point of it, we withdraw our amendment in favour of that of the Socialist Group.

*(Parliament rejected draft Amendments Nos 83 and 106)*

**President.** — On Article 591, I have draft Amendment No 109.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Madam President, this would mean re-establishing, on this point, the situation of November last. The Committee on Budgets yesterday rejected this proposal: I am therefore against.

*(Parliament rejected draft Amendment No 109)*

**President.** — On Titles 6 and 7, I have proposed Modifications Nos 75/rev. and 107.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam President.

*(Parliament rejected proposed Modification No 75/rev. and, by sitting and standing, proposed Modification No 107)*

**President.** — On Item 6200, I have proposed Modification No 60.

*(By sitting and standing, Parliament adopted proposed Modification No 60)*

On Article 628, I have draft Amendment No 85.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) The Committee on Budgets is against.

*(Parliament rejected draft Amendment No 85)*

**President.** — On Chapter 73A, I have proposed Modification No 82.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam.

*(Parliament rejected proposed Modification No 82)*

**President.** — On the new Chapter 76, I have proposed Modification No 59.

*(Parliament rejected proposed Modification No 59)*

I then have proposed Modification No 108.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) The Committee on Budgets rejected this proposed modification.

*(Voting, at Mr Glinne's request, by sitting and standing, Parliament rejected proposed Modification No 108)*

**President.** — On Chapter 78, I have draft Amendment No 84.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam President.

*(Parliament rejected draft Amendment No 84)*

**President.** — On Title 8, I first have draft Amendment No 66.

*(Parliament adopted draft Amendment No 66)*

I then have draft Amendment No 65.

*(Parliament adopted draft Amendment No 65)*

On Article 873, I have draft Amendment No 44.

*(Parliament adopted draft Amendment No 44)*

On Article 874, I have draft Amendment No 45.

*(Parliament adopted draft Amendment No 45)*

On Article 876, I have draft Amendment No 46.

*(Parliament adopted draft Amendment No 46)*

On Article 877, I have draft Amendment No 64.

*(Parliament adopted draft Amendment No 64)*

On Title 9, I first have draft Amendment No 58.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (F) Since this was one of the important elements in the vote of December, I wish to point out that the Committee on Budgets adopted this draft amendment with 3 votes against and 8 abstentions.

*(By sitting and standing, Parliament rejected draft Amendment No 58)*

**President.** — On Item 9201, I have draft Amendments Nos 1, 2 and 50 and proposed Modification No 96.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Madam President, the Committee on Budgets decided against Amendment No 1, by Mr Pannella, and I note that Amendment No 2, by Mr Pannella, is identical with Amendment No 50, by the Committee on Budgets.

As to proposed Modification No 96, tabled by the Socialist Group, the Committee on Budgets is of the opinion that expenditure on food aid is non-obligatory expenditure and has therefore decided against this proposed modification.

*(Parliament rejected, in succession, draft Amendments Nos 1, 2 and 50 and proposed Modification No 96)*

**President.** — On Item 9221, I have draft Amendment No 3.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) This draft amendment goes a little further than our position of November: I am against.

*(Parliament rejected draft Amendment No 3)*

**President.** — On Item 9241, I have draft Amendment No 4.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam President.

*(Parliament rejected draft Amendment No 4)*

**President.** — On Item 9260, I have draft Amendment No 5.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam.

*(Parliament rejected draft Amendment No 5)*

**President.** — On Article 930, I have draft Amendments Nos 6 and 7/rev.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam President, because this goes beyond our position of November last.

*(Parliament rejected, in succession, draft Amendments Nos 6 and 7/rev.)*

**President.** — On Article 931, I have draft Amendments Nos 9 and 8.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against, Madam President.

*(Parliament rejected, in succession, draft Amendments Nos 9 and 8)*

**President.** — On Article 932, I have draft Amendments Nos 10 and 11.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) I am against.

*(Parliament rejected, in succession, draft Amendments Nos 10 and 11)*

**President.** — On Article 942, I have draft Amendment No 47.

*(Parliament adopted draft Amendment No 47)*

On Article 945, I have draft Amendments Nos 13, 12 and 48.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) The Committee on Budgets is opposed to draft Amendments Nos 13 and 12, since it itself has tabled draft Amendment No 48.

*(Parliament rejected, in succession, draft Amendments Nos 13 and 12 and, by sitting and standing, adopted draft Amendment No 48)*

**President.** — On Article 948, I have draft Amendment No 49.

*(Parliament adopted draft Amendment No 49)*

On Article 950, I have draft Amendments Nos 14/rev., 15/rev., 16/rev., 17/rev., 18/rev. and 73.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, we are against all those amendments. The Committee on Budgets is seriously worried about the situation referred to in the Cohen amendment, but we are against when it comes to the vote.

*(Parliament rejected all six draft amendments in succession)*

**President.** — On Article 970, I have draft Amendment No 63.

*(Parliament rejected draft Amendment No 63)*

I then have draft Amendment No 62.

*(Parliament rejected draft Amendment No 62)*

After Article 970, I have draft Amendment No 61.

*(Parliament rejected draft Amendment No 61)*

I have no more draft amendments or proposed modifications to Section III: Commission, which is therefore adopted thus amended and together with the proposed modification.

I call Mr de la Malène.

**Mr de la Malène.** — *(F)* Madam President, I ask that the budget as a whole be put to the vote, pursuant to Rule 26 (3) of our Rules of Procedure and to Annex I, Article 3 (6), which stipulates:

Notwithstanding Rule 26 (1) of the Rules of Procedure, Parliament shall take separate and successive votes on:

- each draft amendment and each proposed modification,
- each section of the draft budget,
- the draft budget as a whole . . .

I ask you, therefore, out of a concern for clarity, both for now and for the future, that our Assembly should vote each time, as seems natural, on the budget as a whole.

Moreover, the groups wish to give explanations of vote, and to do that there has to be a vote on the matter as a whole. I realize that this raises a problem, but I think it would be a good thing, both now and in the future, if, at the end of the debate on the budget, there were a vote on the budget as a whole, and I ask that this be done.

*(Applause from certain quarters)*

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — *(D)* Madam President, we are now in a similar situation to November 1979. A similar request for a vote was made then, and I can only reiterate my warning against wanting to have a vote on the budget as a whole. Since this matter must now go first to the Council, which must pronounce on the matter — it has to decide, after all, whether it accepts or does not accept — an opinion from the Council will come back to us. However, if we were to decide one way or the other now — and the question remains open of what

kind of majority is needed for a decision, as this is another point of controversy — this might well mean that the Council's original draft would be put into force and all that we have now decided would be to no avail.

I therefore ask that we forego this vote, or if Mr de la Malène insists on having a vote, then I ask you, Madam President, first of all to put to the vote or to decide whether we are to vote on the budget as a whole.

**President.** — I call Mr Arndt.

**Mr Arndt.** — *(D)* On behalf of the Socialist Group, I must oppose the suggestion made by Mr de la Malène. We have been voting on draft amendments and now that this procedure has been completed Parliament's proposals are on the table. We would be bringing the whole matter up again, and we should then need 206 votes for the adoption of the budget. I seriously doubt whether we should get 206 votes, for you will have noticed in the voting that there were quite a number of colleagues who, while they got some draft amendments accepted, were not successful with others. They would be certain to vote against the budget. We should not get the 206 votes, and all we have done this morning would be just so much wasted effort.

Moreover, in my view, this procedure is inadmissible. Even though it is provided for in the Rules of Procedure, the Treaty of Rome must take precedence. According to the Treaty of Rome, it is only permissible at this reading to vote on proposed modifications and draft amendments to the budget — that is one possibility — or to take a general vote on the Council's draft budget, which would then not be modified. This, in fact, is also what is intended in the Rules of Procedure. I therefore urge you, Madam President, not to allow this possibility, nor even a vote on it, because we shall run into difficulties with the Treaty of Rome and because there is also the fact that you rejected a similar procedure in November of last year.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — *(D)* Madam President, we do have to make a distinction between the Rules of Procedure on the one hand and the Financial Regulation, which is based, as we know, on the Treaties and was adopted jointly with the Council. The Financial Regulation and the Treaties obviously take precedence over the Rules of Procedure, and the course which the budgetary procedure must take is clearly laid down in the Financial Regulation.

At the moment, Madam President — and this is something Mr de la Malène has probably overlooked — we

**Bangemann**

are not at the point where Parliament has to take a final vote according to the Financial Regulation. We have not reached that stage yet. It is therefore utterly pointless to discuss what majorities might or might not be obtained. We cannot take a vote at all, because we are sending what we have decided as a package to the Council, and when it returns from the Council we shall be in a position at that stage to say something on the matter. If the Council accepts everything unchanged, then all that is needed is a statement that the budget thereby stands adopted.

The procedural situation, Mr de la Malène, is therefore perfectly clear. It has not changed since last year, and it is my opinion, Madam President, that you should follow the suggestion of the chairmen of the Committee on Budgets and not allow such a vote.

**President.** — I call Mr Bonde.

**Mr Bonde.** — (DK) Madam President, I should like to draw attention to another provision of our Rules of Procedure, Article 3 (9) of the implementing procedures, which lays down that if Parliament has agreed to increase non-compulsory expenditure above the maximum rate, the Committee on Budgets must submit a proposal for a new maximum rate and, Madam President, the proposal must be adopted by 206 votes in favour, representing three-fifths of the votes cast.

This provision is included in the implementing procedures to ensure that it is not just any majority that can exceed, in this case, the 240 million units of account offered by the Council last Tuesday, to which the response of the Committee on Budgets, with 29 votes in favour, was that one reading would be enough. But we have now exceeded the 240 million units of account by 10 to 11 million and we have become involved with compulsory expenditure to the order of 100 million. Thus there has to be a second reading of the budget, and we must demand that our own Rules of Procedure be complied with and that a majority of 206 Member in this Chamber, representing three-fifths of the votes cast, clearly indicate that they assume responsibility for the second reading and for exceeding the 240 million and interfering with compulsory expenditure. That must be done by taking a separate vote on the fixing of a new maximum rate of increase.

**President.** — Mr Bonde, that is a different point from the one raised by Mr de la Malène; we shall come back to it later.

I call Mr de la Malène.

**Mr de la Malène.** — (F) Madam President, I am sorry to have to tell Mr Bangemann that he has not read the Annex to the Rules of Procedure properly.

The Article 3 in question does refer to the first stage, my friend, and it provides for a vote on the draft budget as a whole. I am therefore interpreting the Rules of Procedure perfectly correctly.

I now turn to Mr Arndt, who said that a qualified majority was necessary for the vote on the budget as a whole. I never said that, because it is not in the Rules of Procedure. If Members vote in an illogical manner, that would be regrettable, but I do not think it is the case. No one, *a priori*, has the right to blame Members for the way they vote.

I am not asking for a majority, I am simply asking that the Rules of Procedure be applied. It would be most surprising, would it not, if we as the budgetary authority were unable at the end of the first reading — which is the main reading — to vote on the matter as a whole, as every parliament does. If the Assembly considers that the Rules of Procedure need not be applied, then it must take the responsibility. I, for my part, for the present and for the future, could only deplore that deeply.

**President.** — I call Mr Rogers.

**Mr Rogers.** — Madam President, it seems to me that what Mr de la Malène has said is perfectly in accord with Article 3 (6), and the sequence is there for everyone to read.

Now, I do not necessarily want a vote to be taken today, but I would have thought that at some time Members should have the right to give explanations of vote relating to the budget as a whole. I would accept your ruling, Madam President, and I wonder at what stage in this procedure, which is seemingly so complicated that no one knows what it is, the draft budget as a whole will be put to the House in the same way as normal resolutions and amendments to them, so that Members have the opportunity to give an explanation of vote. The rules set it out, as I see it, quite clearly, and I do not see that it necessarily has to be done today, but when does it have to be done?

**President.** — I call Lord Harmar-Nicholls.

**Lord Harmar-Nicholls.** — Madam President, I think we ought to remember that this is still a new parliament and we are putting in the groundwork for the future of what I hope will be a long parliament. Quite apart from the Treaty of Rome and our own Rules of Procedure, we ought not to ignore the importance of precedents in getting to stability.

Now, this Parliament decided under identical circumstances last November not to do what Mr de la Malène has asked. I believe that if we went back on

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the decision of last November we should be creating a confusion, as regards precedent, which might lead to great difficulties in the future. I would have thought that the President was bound more by Parliament's decision of last November as a precedent than the Rules or the Treaty as they have been interpreted. For the sake of getting the future firm, I would ask that we repeat what we did last November.

*(Applause from various quarters)*

**President.** — I call Mrs Bonino.

**Mrs Bonino.** — *(I)* Madam President, dear colleagues, I would refer in particular to what Lord Harmar-Nicholls has just said. If there was a precedent in November I have to say that I believe that was an error; the Committee on the Rules of Procedure, instead of wasting six months in deciding that explanations of vote should last for one-and-a-half minutes, might occupy itself with something a little more important.

The provisions of Article 3 (6) are very clear and in fact we have already voted on each draft amendment and each proposed modification under that article. We then go on to vote on each section of the draft budget and then on the draft budget as a whole.

Madam President, these are the rules, and I would not like to see this Assembly changing the rules with a vote of this kind, by appealing to the majority. This is what the rules say, and they cannot be changed by consulting Parliament, by appealing to a majority. These rules are already being ignored and violated systematically every day, and I find this situation no longer tolerable.

*(Applause from some quarters)*

**President.** — I must point out that we are here dealing, not with the Rules of Procedure, but merely with an annex which has always been understood to be subject to modification and which, moreover — I must remind the House — we have not respected. This annex is, indeed, contrary to the Treaty.

I call Mrs Castle.

**Mrs Castle.** — Madam President, I do hope you are going to answer the question Mr Rogers put to you, because your answer would affect the way a number of us would vote.

Clearly, if we were not to vote on the budget as a whole today, there is a possibility that the Council might accept the amendments so far adopted and we might be faced with a situation in which there was no opportunity to register individual views about the budget as a whole.

Now, as I think you have observed, the Socialist Group has tabled a number of amendments which go beyond the ones adopted but have been turned down by the right wing in this Parliament. A number of us therefore want a chance to vote against the budget as a whole, because the amendments do not go far enough. Are we therefore going to be faced with a *fait accompli* in that the Council has adopted the budget without giving us a chance to explain our attitude to it and vote on it?

**President.** — I call Mr Balfe.

**Mr Balfe.** — Madam President, I just happen to have here a copy of the Official Journal containing the report of the debate in November, when we were at the same stage. You will see there, on page 152, that Mr Spinelli asked that the draft budget be put to the vote as a whole. Mr Lange made a statement very similar to the one he has made today, in which he said *inter alia* that a final decision on the budget would be taken at the second reading, etc. There was then an adjournment of the sitting, following which, Madam President, you came back and stated:

We must now proceed to the vote, having regard to the explanations given by the chairman of the Committee on Budgets before the suspension of the sitting. Pursuant to the provision of the Treaties, only the motions for resolutions on the draft budget will be put to the vote.

In other words, the budget as a whole was not put to the vote at that time.

Without wishing to enter into this quarrel, I would suggest that in the interests of consistency we should follow the same procedure.

*(Applause from some quarters)*

**President.** — I call Mr Sutra.

**Mr Sutra.** — *(F)* Madam President, something is worrying me considerably. Mr Arndt said earlier that the Rules of Procedure could not be in contradiction with the Treaty of Rome. You yourself said, I believe, that this annex to the Rules of Procedure might be in contradiction with the Treaty. Consequently, if we were to proceed now to the vote it would be a vote to determine whether or not we must apply the Treaty of Rome. I consider that such a vote is inadmissible if the Treaty is clear and indicates what must be done. In any event, the fundamental legal principle is that the Treaty of Rome takes precedence over the Rules of Procedure. Although I am not a legal expert or a specialist on these matters, I do not think that we can vote on whether or not to apply the Treaty. Quite obviously, it is the Treaty which must apply!



**President.** — I call Mr Bonde.

**Mr Bonde.** — (DK) Madam President, I am prompted to speak by your comment that the annex to our Rules of Procedure is different from the Rules of Procedure proper. When the second budget treaty was adopted in 1975, the Danish Government and the Folketing endorsed it on condition that Parliament agreed to include a guarantee in its Rules of Procedure — and that guarantee was given in an annex to the Rules of Procedure — that the majority needed to reject the Community budget could not reject it for unjustifiable reasons. It is therefore essential, at least as I understand the second budget treaty, that the annex should have exactly the same status as the Rules of Procedure.

The provisions of both the annex and the Rules of Procedure should also ensure that a simple or small majority of this Assembly cannot implement decisions against the Council's will. And what we have seen today is that a simple majority or a larger majority of 206 Members can be obtained each time expenditure has to be authorized for some purpose or other, but that when money has to be paid out there is not the same majority. There is not the same majority when we vote on the budget as a whole, and therefore we must either take an overall vote, as Mr de la Malène suggested, or — if we are to apply the rules of Procedure correctly — take a vote on the maximum rate of increase so that we do not count the 206 Members for each individual proposal but for the whole package, which Parliament has now adopted.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Madam President, I think that, strictly speaking, we should abide by the tradition of the House on this matter. We have never had a vote of the kind now being proposed, and therefore I can associate myself with the views of Mr Bangemann and Mr Lange.

I should like to make one comment, however. It is possible that we may receive an answer from the Council today — that is, by the time we reach that stage of our proceedings. We have still to vote on our motion for a resolution and to give explanations of vote. This business must be dealt with and I am sure, Madam President, that you are about to proceed with it. I think that if the Council gave an opinion today we could then take a vote. So, to repeat: on the matter we are now discussing, I share Mr Lange's view.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.**  
— (D) Madam President, I have nothing to add to

my earlier comments on the question of voting. I should just like to raise a point for us all to consider. The issue, in the situation we are in today, is not about first or second readings, it concerns the continuation of the budgetary procedure which was interrupted by the rejection of the budget. After the rejection of the budget, the Council was obliged to submit a new draft. The Treaty does not lay down any time-limit for this. On the other hand, there is certainly a lesson to be drawn from this development and a corresponding addition will have to be made, possibly to the Treaty, on account of the fact that the continuation of the procedure is not governed by any specific treaty provisions. However, if we apply the Treaty — as we must — then we have no alternative but to proceed now as is customary at or after a first reading, for this may be a third or a fourth reading, about which the Treaty says nothing. So, ladies and gentlemen, let us abide by what we said and decided in November.

**President.** — I call Mr de la Malène.

**Mr de la Malène.** — (F) Madam President, I have listened to the legal arguments put forward by Mr Lange and by yourself, with reference to the Treaty. I fully appreciate the import of the legal arguments and also the difficulty in which we might find ourselves.

Nevertheless — and let us appeal this time to common sense, Madam President — the fact remains that we have read in the press (and perhaps our Assembly has been guided by this) that the budget would be adopted by the Council and that, consequently, it would not come back before our Assembly again. How, under these circumstances, can we allow our Assembly not to give its view on the budget as a whole? Common sense tells us that a budget is not a succession of votes; it is a judgment on decisions taken, in which what the Assembly has adopted on the one hand and rejected on the other is weighed in the balance; and, naturally, each Member votes in the light of this balance. That is what is meant by a vote on the budget as a whole. Therefore, assuming there is to be no further reading, surely wisdom and common sense dictate that we should pronounce our views, leaving aside legalistic arguments. Otherwise, our Assembly will not have expressed an opinion on the budget as a whole, and from the point of view of our Assembly's own interests I find it difficult to imagine such an eventuality.

Personally, it does not bother me in the slightest: I am determined — and I say it quite plainly — to vote for the budget. But in the interests of our Assembly, for the present and the future, how can we allow a situation where we, as the budgetary authority, do not vote on the budget as a whole that is to say, on all the votes taken during the budget debate? It seems to me that this runs counter to the interests of our Assembly as budgetary authority!

(Applause from certain quarters on the right)

**President.** — I call Mr Prout.

**Mr Prout.** — Madam President, the terms of the Rules of Procedure totally contradict the terms of Article 203 of the Treaty of Rome. It is quite clear that in these circumstances Article 203 of the Treaty of Rome will prevail. Therefore, any vote we take today will be void.

*(Applause from various quarters)*

**President.** — I call Mr Baillot.

**Mr Baillot.** — *(F)* Madam President, I regret not having taken the floor earlier, as I have been on the list of speakers for a long time. I would just like to say — since I agree entirely with Mr de la Malène's last remarks — that it is inconceivable that this Parliament should not vote on its budget before its conclusions go to the Council.

This is not, it seems to me, a question of legalistic arguments. It is obvious that we know how the rules and regulations are interpreted, how sometimes we vote one way and on other occasions we interpret them in a different way. Here it is a question of taking a political stand of deciding what significance we attach to the budget we are now discussing. I very much fear — and I shall conclude on this point — that certain of our colleagues are evading this responsibility by trying to get the matter settled as rapidly as possible, and that really we are leaving it to the Council to take the decisions.

Well, we consider that unacceptable. The ball is not, as is sometimes said, in the Council's court. We must state our position clearly: whether we vote for or against, it is absolutely essential that we vote.

**President.** — I call Mr Ferri.

**Mr. Ferri, chairman of the Legal Affairs Committee.** — *(I)* Madam President, I am very sympathetic to the political arguments put forward by Mr de la Malène and Mr Baillot. I am sympathetic to these arguments partly because they come from two political parties which are generally very hesitant in affirming in any way the political rôle of our Parliament. I believe, however, that it is not true to say that this political rôle is in conflict with the Treaties.

Parliament has a way of expressing its political view on the question of the budget as a whole when voting its resolution, and everyone has the possibility of giving an explanation of vote.

A vote on the budget as a whole is provided for in the Treaties in only two cases: when the budget is adopted

at first reading, if no amendments or proposed modifications have been tabled — and this is not the case here, since Parliament has already voted a number of proposed modifications and some draft amendments — or when, on second reading, pursuant to Article 203(8) of the EEC Treaty, the draft budget is rejected by a special majority, for specific reasons — as happened at the end of last year.

We must therefore ask what significance a vote on the budget as a whole would have. If it were a vote in favour, that would not be the end of the proceedings, since draft amendments and proposed modifications to the budget have been adopted, and the budget will therefore have to return to the Council. If the vote were negative — since even this hypothesis must be envisaged — the unforeseen consequences, far from enhancing our Parliament's political prestige, would diminish it.

It is not, then, a question of abandoning our political rôle, which we can fulfil in ways which are in keeping with the Treaties. We must be wary of embarking on a procedure which, since it does not fall within the budgetary provisions, would mean a loss of prestige and would create real confusion.

**President.** — I call Lord Harmar-Nicholls.

**Lord Harmar-Nicholls.** — Madam President, there is a conflict on the legality of the situation. There is a conflict between our Rules of Procedure and the Treaty of Rome. Under those circumstances, I think it is vital that the President should make a decision. I believe that the President is in a position to cut through these conflicts and put us on the right road. In a way, her task is quite easy. She will merely, I would have thought, confirm a decision that she took last November. It proved satisfactory then and is likely to form the basis of real stability in the future.

*(Applause from certain quarters of the European Democratic Group)*

**President.** — I thank the chairman of the Legal Affairs Committee for his interesting explanation.

The situation is a little different from that obtaining in November, since at that time we were agreed on the advisability of not taking a vote; but with regard to the procedure, the situation is exactly the same. In November, we decided to ignore this annex to the Rules of Procedure, which does not conform to the provisions of the Treaty:

If Parliament has amended the draft budget or adopted proposed modifications, the draft budget thus amended or accompanied by proposed modifications shall be forwarded to the Council.

**President**

Personally, I share the view expressed by the chairmen of the Legal Affairs Committee and the Committee on Budgets, that it would not be logical to take a vote as Parliament has adopted draft amendments and proposed modifications, which have to be forwarded to the Council.

Nevertheless, since there is disagreement on this point and certain groups, on the basis of an annex to the Rules of Procedure, are calling for an immediate vote, I propose to put to the vote the question whether we should now vote on the text as a whole.

I call Mrs Castle.

**Mrs Castle.** — Madam President, two of us have asked you to answer the question raised by Mr Rogers before you put this matter to the vote. If the result of the vote was that we did not vote now on the budget as a whole and if by some development the Council were to accept our amendments, should we have a chance of voting on the budget as a whole at a later stage? Please give us an assurance that we should have a chance to vote at some stage on the budget as a whole.

**President.** — Mrs Castle, I am quite incapable of giving you an answer on this point. I do not know whether the Council will accept all the proposed modifications and draft amendments. If it does, we shall not, in my view, have an occasion to reconsider the matter. If it does not, we shall certainly have to come back to it in a second reading. This question has been discussed at great length during the last few days with the group chairmen and with the Committee on Budgets, and everyone realizes that, under the circumstances, it is impossible to say whether we shall have a second reading or not.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Madam President, what I have to say relates not to the Rules of Procedure but solely to the implications of this vote with regard to the Treaty. We may not interrupt the procedure laid down in the Treaty by taking a vote now. Even if Parliament were to decide now by the necessary qualified majority to reject the budget, the budget would not stand rejected, because this can only happen at the end of the procedure. What Mr de la Malène is proposing, therefore, makes no sense. A statement by the Council is necessary. Subject to such a statement, we can decide today whether to shorten the procedure or to wait until we receive the formal documents from the Council at a second reading. In that case, we shall have to vote in July. We must wait for the Council's statement. Mrs Castle is perfectly right.

**President.** — I call Mrs Wieczorek-Zeul.

**Mrs Wieczorek-Zeul.** — (D) Madam President, I simply wanted you to clarify the position again on the point raised by Mrs Castle. Does what you have just said mean that, in the last resort, a situation may arise in which the budget is adopted without the House ever having voted on it? Am I to understand your remarks in this way? I should like to know!

(Mixed reactions)

**President.** — Mrs Wieczorek-Zeul, I can add nothing to what I said just now; since I do not know what the Council's attitude will be, I cannot say what procedure will have to be adopted subsequently. This has been explained to the Committee on Budgets and also to the groups. If, in the next three or four days, the Council decides to change nothing, there will be no second reading. I do not think I can say anything more: I should like to close this point and put Mr de la Malène's proposal to the vote.

(Applause)

I call Mr Rogers on a point of order.

**Mr Rogers.** — Madam President, my point of order has to do with another question altogether. From your remarks just now and the ruling you have given, I am led to understand that if the Committee on Budgets makes a decision as to the procedure to be adopted, and if that is then agreed by the political group chairmen, then it is possible to override the rules of this Parliament.

(Cries)

This is, in fact, the interpretation that comes across. Madam President, this constitutes an enormous precedent. If the Committee on Budgets can make its rules as it goes along, if the Committee on Budgets is running this Parliament, then let us acknowledge that it is running the Parliament and that the chairman of the Committee on Budgets is in effect the President of Parliament.

(Mixed reactions)

**President.** — Mr Rogers, that is not the point. The Committee on Budgets has a definite part to play in the budgetary procedure, and it has done its duty. It is now for us to take a decision. The Committee on Budgets is not imposing any demands: it has given its opinion, as it was supposed to do, and we have also heard the views of the chairman of the Legal Affairs Committee. The best solution now is to vote on Mr de la Malène's proposal.

**President***(Applause)*

I call Mr de la Malène.

**Mr de la Malène.** — *(F)* Madam President, ladies and gentlemen, I do not wish to take unfair advantage of the floor of this Assembly and I ask your patience for a few moments. This is an important matter, not just for the present but, beyond that, for the future. I should like to try to find a way out of this legal imbroglio, which I realize exists but which I also realize has no satisfactory solution. Mr Dankert and Mr Lange have explained all about the Treaty, and the ins and outs of the matter. It has also been explained, quite rightly, that the Council is going to adopt everything, as everyone hopes. In such an event, our Assembly would not have expressed its view, and that is likewise very unsatisfactory.

In these circumstances, I should like to grasp the helping hand proffered by Mr Dankert, who said that even if the Council were to adopt all our texts, we could take a vote, just a vote, in July. In such a case the Assembly would have pronounced its views, and I think then we could find a solution. If we do not vote, all solutions are as bad as each other, mine included, but I shall vote for it all the same.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — *(F)* It is not a matter of deciding whether a vote shall be taken today but whether a vote should be taken at this stage in the procedure before we have received a statement from the Council. We could take a vote if we had had a statement from Mr Colombo, but that is not the case. There can, therefore, be no vote.

**President.** — Mr Dankert, I, too, take the view that, in view of what the Treaty says, the moment for taking a vote has not yet arrived, but since the House does not entirely agree with this view, I must put Mr de la Malène's proposal to the vote. Afterwards, when the situation has been clarified, you can move a proposal for some other vote.

*(Parliament rejected Mr de la Malène's proposal)*

I now come to the objection raised by Mr Bonde on the question of exceeding the maximum rate. On this point, Parliament has always taken the view that if the maximum rate will be exceeded as a result of amendments that have been adopted, this fact is accepted implicitly without a specific vote. Such has always been the attitude of this Parliament: it does not conflict with the Treaty, and I propose that we adhere to it.

*(Applause from certain quarters)*

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**President.** — We proceed to the vote on the motion for a resolution contained in the *R. Jackson report (Doc. 1-277/80): Sections I and II, Annex I to Section II, and Sections IV and V of the new 1980 draft budget.*

*(Parliament adopted the preamble and paragraphs 1 and 2)*

On paragraph 3, I have Amendment No 1, tabled by Mr Bonde and others and deleting this paragraph. The rapporteur has informed me by letter that he is opposed to the two amendments that have been tabled.

*(Parliament rejected Amendment No 1 and adopted paragraph 3)*

On paragraph 4, I have Amendment No 2, tabled by Mr Bonde and others and deleting this paragraph.

*(Parliament rejected Amendment No 2 and adopted in succession paragraphs 4 and 5 to 12)*

I call Mr De la Malène.

**Mr de la Malène.** — *(F)* Madam president, this is an explanation of vote which I should like to have given on the budget; but as I was unable to vote on that, I am producing it now. I should like to make it clear that my group will vote, almost unanimously, for the budget or what ought to be the budget. We voted for it in January, and at that time we deplored the vote by our Assembly which, instead of helping to solve the crisis prevailing in Europe — the serious crisis of the past few months — dangerously aggravated it. This is why we shall continue to act responsibly and vote for Europe's budget, because Europe certainly needs a budget. We shall vote for it, but this in no way signifies approval of the Brussels compromise.

We have already had occasion to say what we think of the Brussels compromise, which at the same time as resolving the budgetary issues might have allowed a solution to be found to the uncertainties that are paralyzing Europe. This compromise may have helped to solve the budgetary difficulties, but it has, if anything, aggravated the uncertainties which are causing Europe to lose ground. It was primarily for these reasons that we deplored this compromise, of which this budget is the expression; so this is not why we approve it.

We regret that certain amendments were adopted and we regret that certain others were not. We regret that our Assembly did not adopt the amendment abolishing positive compensatory amounts; we regret that our Assembly transferred to the reserve 100 million ECU, previously allocated to milk production, and we regret a number of amendments concerning the co-responsibility levy, whose continued existence we deplore.

However, behind these regrets and misgivings, for general reasons we once again give our approval

**de la Malène**

almost unanimously to the budget. Europe needs a budget, Europe's farmers need a budget. This is why we regret that earlier we were unable to cast our vote for the budget as a whole. On the other hand, we cannot support Mr Dankert's motion for a resolution, for a whole series of considerations which are those of the motion for a resolution itself. Consequently, our group will vote against the motion for a resolution and for the budget, although this vote is not taking place.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (*D*) Madam President, ladies and gentlemen, we have behind us a series of decisions which were not easy ones for my group to take. However, we considered — and I have already made this point in my earlier remarks — that what matters is to conclude the discussion on the 1980 budget, if at all possible, before the summer recess, so that we can start debating the 1981 budget in full and on time. We realized that in many of the decisions we had to take we were faced with the question: do we want to prolong the process of discussion on the 1980 budget or do we want to clear up outstanding issues in the framework of the 1981 budget? My group resolved that, wherever possible, its decisions would take this into account. For instance, we did not support an increase of 60 000 units of account under a particular heading because we felt that this would have drawn out the discussion unnecessarily. Instead, we kept to the amount provided for, in order to bring the debate to a speedy conclusion.

We know that now the Council is faced with the question of what its overall evaluation of the decisions of this House is to be, and I should like to draw your attention in particular to one point concerning the budgetary procedure. We have made amendments in both the compulsory and non-compulsory parts. The Council — according to the Treaty — has the last word on compulsory expenditure. Thus, if it does not accept our amendments to the compulsory part, the matter is over and done with, unless we reject the budget as a whole for that reason. I wanted just to make that point clear. The situation is different if the Council does not agree with us over non-compulsory expenditure; in such a case the procedure continues its natural course. We must be clear on this if we are to evaluate the present situation properly.

I can therefore say here today, on behalf of my group, that we have done our utmost to see that the 1980 budget is concluded as speedily as possible, and in so doing have endeavoured to accommodate the Council. We expect it, in turn, to accommodate Parliament's wishes, especially in the large area of non-compulsory expenditure. We believe that a sound foundation for Community collaboration in 1980 can be established on this basis; but, at the same time, we must make it perfectly clear that we shall make every effort to

ensure that the proposals we have held over for the 1981 budget are actually taken on board in the 1981 budget. We have no intention of shirking what is our responsibility. We have now reached a stage where the Community must get down to work. We are conscious of the fact that we have to take these decisions at a time when the Community has just experienced a serious crisis, and that the 1980 budget is beset with additional problems which in December had not yet arisen. I am thinking, for instance, of the settlement of the United Kingdom's contribution and the solution of the problem of agricultural prices. Here I must stress, on behalf of my group, that we consider this latter solution highly successful and give it our support.

I should like to say, in conclusion, that my group regrets that it was not possible to take more generous decisions in a number of fields, particularly on social affairs and development aid, and also in the fields of regional and energy policy.

In those fields where we felt it was vital, we have been able to make improvements, and we trust that these improvements will also meet with our partners' approval. I can say on behalf of my group that we are determined to collaborate fully in the implementation of the 1980 budget, whenever it comes into being, and that what matters to us now is to take the necessary steps for the 1981 budget. Without a doubt, this House will be faced here with difficult decisions in at least three areas. The first is the question of revenue; secondly, there are the structural problems of surpluses, and thirdly, the new responsibilities which the Community will soon have to assume. We shall have to be prepared for compromises in these areas too in the future.

(*Applause*)

**President.** — I call Mr Patterson on a point of order.

**Mr Patterson.** — It has been a somewhat confusing morning, but I think what we are now doing is even more confusing. I was under the impression that we were giving explanations of vote on the Jackson motion for a resolution. We have just had two explanations of vote on the Dankert motion for a resolution. Now does that mean that we are also flouting Rule 26, which says that explanations of vote should come after the voting on the amendments? Have all the amendments been withdrawn or are we just trying to cram everything in higgledy-piggledy? If we are trying to do that, then I would respectfully suggest, Madam President, that we should go back to the rules, take the voting on the Dankert amendments first, then have the explanations of vote on the Dankert report, because, if we follow Mr de la Malène, we shall never know where we are.

**President.** — I call Mrs Gaspard on a point of order.

**Mrs Gaspard.** — (F) Madam President, this debate is becoming a little chaotic: we do not know which item on the agenda we are dealing with. You have given the floor to Mr de la Malène, who yesterday had every opportunity of dealing with the problems at issue in the budgetary debate. You allowed him to speak, and after him came Mr Klepsch. We no longer know, Madam President, where we are. We were discussing the Jackson report. Have we now gone on to the Dankert report? If so, I wish to ask for the floor for a point of order on the Dankert report.

**President.** — Since we were on the point of voting on the motion for a resolution as a whole, it was quite natural to give the floor to those who wished to give an explanation of vote. Incidentally, I still have a number of requests from those who wish to speak for this purpose. It is true that some speakers take advantage of this opportunity to give an explanation of vote on the preceding item, for which they had not been given an opportunity before. On these important matters, one cannot always expect those giving explanations of vote to observe a strict distinction between the Jackson report and the preceding item. Nevertheless, they are asked to make an effort.

I call Mrs Buchan for an explanation of vote.

**Mrs Buchan.** — Madam President, I am in the same confusion as I think three-quarters of this House is and, like you, I want to complain bitterly about the acoustics of this appalling building and the way that people move around, making it impossible to make oneself heard.

I think that what we have done today is to face the starving of the world, who look at our beef and butter mountains, and bombard them with a sheet of paper. I think that what we have done today has brought this House into further disrepute, if that is possible, in that we came here to amend the idiocies of the Common Market but all we have done is to add to them.

I wanted to vote on — and, indeed, one hardly knows what one has voted on — the amendment to freeze payments to the European Movement, because I feel that this Parliament has today given a sign that the unthinking propaganda of the European Movement is to continue undiminished, in which connection I would remind this House of the many thousands of people — we have all been referring to them, over the last month — who have lost faith not only in the Common Market, which is understandable, and in the European ideal but also in politics itself, because in 1975 this movement, whose money we had the opportunity to freeze, not stop, used the money that was given to it to campaign at that time quite dishonestly with slogans such as 'Out of the market, out of luck'. I would therefore ask the members of the British section of the European Movement whether they will now

come back to face a million-and-a-half unemployed in the UK — 7 million in the Common Market countries as a whole — and defend that slogan. What we are doing is giving them money to continue campaigning under slogans such as 'Vote for Europe, jobs for the boys' — and by God, it *has* been jobs for the boys for certain of the boys in Europe! We should have frozen this money today — and I voted to do so as best I could — to make the European Movement realize that it is guilty of the biggest political sin, which is to raise people's hopes spectacularly and be unable to meet them, thus feeding the disillusion not only with the Common Market itself, which, as I have said, is totally understandable, but also with politics in general. We may have lost the vote here today, but we shall continue to scrutinize the European Movement and the information section of the Commission closely, because truth must matter to this House. The truth about the Common Market is unpleasant, but what we hope to see by way of massive change is an end to this situation where people may portray blindly a dream that no longer exists.

**President.** — I call Mr Scott-Hopkins on a point of order.

**Mr Scott-Hopkins.** — The previous speech, whether one liked it or disliked it — I disliked it — was in point of fact out of order, because what we are doing now is discussing and giving explanations of vote on the Jackson report. May I say to end confusion, Madam President, that I think most people will want to give an explanation of vote on the Dankert report. Might I ask you therefore to put the motion for a resolution on the Jackson report to the vote now? I do not really believe that anybody else wants to talk about Jackson, but they do want to talk about Dankert.

*(Applause from various quarters in the centre and on the right)*

**President.** — If there are no more explanations of vote, I put the motion for a resolution to the vote.

The resolution is adopted<sup>1</sup>.

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**President.** — We proceed to the motion for a resolution contained in the *Dankert report (Doc. 1-281/80): Section III of the new 1980 draft budget.*

<sup>1</sup> OJ No ...

**President**

This motion for a resolution will have to be adjusted in the light of the votes which have just been taken. During the voting on individual paragraphs, I shall consult the rapporteur in order to avoid any misunderstanding.

I call Mrs Gaspard on a point of order.

**Mrs Gaspard.** — (F) Madam President, I shall ask for the floor later to give a proper explanation on this point, but I will say now that the French socialists will not take part in the vote.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — (F) Madam President, at this stage I only wish to indicate that after the vote that has taken place on the draft amendments and proposed modifications, I have to withdraw paragraph 19. The other paragraphs can be maintained, because the draft amendments and proposed modifications for the most part concerned joint statements by the Council and the Parliament — that is, the budgetary authority.

**President.** — I call Mr Blaney on a point of order.

**Mr Blaney.** — Madam President, might I ask, by way of helping you and all of us here to come to a conclusion on the budget, whether it would be possible — and I make this suggestion very seriously — for Mr Dankert, on behalf of his committee and all the rest of us who have tabled amendments, to withdraw the entire report with the exception of paragraph 25 and let us send this budget to the Council and be done with it, because that is what we all really want to do.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — (F) Madam President, I am confronted by a problem which is the reverse of Mr Blaney's. This concerns paragraph 25. Paragraph 25 presupposes that there is no conflict with the Council; but in fact we do not know whether this conflict exists, and if it does, the problem of a Council statement before the final vote will crop up once more.

Further, I much regret the inclusion in the resolution of certain important features, particularly as regards the problem of how to classify the United Kingdom contribution. Consultation with the Council on this point has been called for: we could proceed to a separate vote on this point and allow the entire resolution to fall, but I leave this decision to the House. In the circumstances, and particularly in view of the problem of paragraph 25, I shall not insist upon maintaining the motion.

**President.** — I call Mr Glinne.

**Mr Glinne.** — (F) Madam President, when I spoke yesterday on behalf of the Socialist Group, I made it clear that the majority of us felt that a resolution was totally inappropriate. Indeed, we believed that it was better to abide by the resolution adopted by Parliament at the end of 1979. I explained this position yesterday in some detail, and I shall not go over it again. I will add, however, that the Dankert resolution produced by the Committee on Budgets did, in its original wording, achieve a consensus among various political tendencies. Today we find, during the votes on the budget, that this consensus has been broken. It has been broken by the Christian-Democratic and Liberal Groups, and also a large number of Conservatives, abandoning the agreement reached in the Committee on Budgets. The following points in particular have been affected: the budgetization of the EDF and the budgetization of loans have been blocked, moderate increases in non-compulsory expenditure proposed by Mr Dankert have been rejected, additional measures for limiting the cost of the common agricultural policy have been rejected. Under these circumstances, we are forced to conclude that the position formulated by the European Parliament in its resolution of the end of 1979 has been abandoned, that it has shied at the fence. We are also naturally disappointed not only that our own amendments have not been adopted but that the amendments tabled by the Committee on Social Affairs and Employment and the Committee on Development and Cooperation have been rejected too. Under these conditions, our group considers it utterly superfluous to vote on the Dankert resolution.

**President.** — We must proceed with the motion for a resolution. The authors of some amendments would like to see these amendments considered, and those who do not agree with the motion for a resolution can always vote against.

*(Parliament adopted the preamble and paragraph 1)*

On paragraph 2, I have Amendment No 1, tabled by Mr Delatte and Mrs Martin and deleting the words '... but insufficient'.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Madam President, the Committee on Budgets discussed this phrase at length: it is against.

*(Parliament adopted Amendment No 1 by sitting and standing and then paragraph 2 thus amended)*

**President.** — On paragraph 3, I have Amendment No 6, tabled by Mr Delatte and Mrs Martin and rewording this paragraph as follows:

3. Considers, however, that the cost of support for products in structural surplus is still a problem, which must be resolved in such a way as to ensure that the Common Agricultural Policy runs smoothly.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Since this amendment weakens the paragraph established by the Committee on Budgets, I am against it.

*(Parliament adopted Amendment No 6)*

**President.** — On paragraph 4, I have two amendments deleting this paragraph:

- Amendment No 5, by Mr Delatte and Mrs Martin; and
- Amendment No 23, by Mr Blaney.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Here I have to say honestly that I am astonished by the amendment, because the text as it now stands is based on a Liberal proposal. I am against it.

*(Laughter)*

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Madam President, would you tell us what we are voting on, for I have here two texts which differ from one another. In the German text, we are talking about financing the 1980 budget, but the Dutch text makes it refer to the 1981 budget. Misunderstandings may well, therefore, arise. Perhaps the rapporteur would give us his view.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — *(F)* Madam President, the original text refers to the budget of 1981.

*(By sitting and standing, Parliament adopted Amendment No 5, and Amendment No 23 consequently fell)*

**President.** — On paragraph 5, I have two amendments:

- Amendment No 4, tabled by Mr Delatte and Mrs Martin and deleting the words '... during the 1980-81 budgetary procedure ...'; and

— Amendment No 24, tabled by Mr Blaney and rewording this paragraph as follows:

5. Insists, therefore, that the Commission and Council during the 1980-81 budgetary procedure adopt a cautious attitude to additional spending in all areas of policy, including agriculture.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* Madam President, I am against these attempts to weaken the resolution.

*(By successive votes, Parliament rejected both amendments and adopted paragraph 5)*

**President.** — On paragraph 6, I have Amendment No 3, tabled by Mr Delatte and Mrs Martin and deleting the words '... through budgetary action in 1980'.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, Parliament would be extremely inconsistent if it voted for this amendment, because we have decided on budgetary action through the amendments and modifications we have adopted. I am against.

*(By a succession of votes, Parliament rejected Amendment No 3 and adopted paragraphs 6 and 7)*

**President.** — On paragraph 8, I have two amendments:

— Amendment No 2, tabled by Mr Delatte and Mrs Martin and rewording this paragraph as follows:

8. Therefore proposes that the budgetary authority should adopt the principle that the cost of extra production in structural surplus in these sectors should be financed by the producers themselves.

— Amendment No 25, tabled by Mr Blaney and rewording this paragraph as follows:

8. Therefore proposes that the budgetary authority should adopt the principle that the cost of extra production in these sectors should be financed by the producers themselves through the introduction of a two-tier price system.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* On Amendment No 2, which makes no substantial change, I leave it to the House to decide. As for Amendment No 25, I am not in favour.



*(By a succession of votes, Parliament adopted Amendment No 2, rejected Amendment No 25 and adopted paragraph 8, thus amended)*

**President.** — On paragraph 9, I have two amendments:

— Amendment No 26, tabled by Mr Blaney and rewording this paragraph as follows:

9. Believes that the revenue derived from the co-responsibility levy should be used to lower milk-sector spending by means of measures to promote the sale and consumption of dairy products;

— Amendment No 28, tabled by the European Democratic Group and rewording this paragraph as follows:

9. Believes that the revenue derived from the co-responsibility levy should be used to encourage consumption and to lower milk-sector spending;

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* Against, Madam President.

*(Parliament rejected Amendment No 26 and adopted Amendment No 28)*

**President.** — After paragraph 9, I have two amendments, each adding a new paragraph:

— Amendment No 7, tabled by Mr Früh and others on behalf of the Group of the European People's Party (CD), Mr Delatte, and Mr Buchou and Mr de la Malène on behalf of the Group of European Progressive Democrats:

- 9a. Calls on the Commission, in its budgetary estimates for 1981, to provide for a reclassification of expenditure not directly connected with the Common Agricultural Policy, for instance the monetary compensatory amounts, expenditure connected with sugar from the ACP States and India, the payments for food aid and other expenditure arising from the Community's external economic relations, in order to make clear the real costs of the Common Agricultural Policy;

— Amendment No 8, tabled by Mr Früh and Mr Klepsch on behalf of the Group of the European People's Party (CD), Mr Delatte, and Mr Buchou and Mr de la Malène on behalf of the Group of European Progressive Democrats:

- 9b. Calls upon the Commission, in its budgetary estimates for 1981, to include a new chapter to create the necessary framework for a common policy on fisheries and the sea, as already advocated by the European Parliament in its Draft Amendment No 75 which was adopted on 7 November 1979.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* Madam President, on the basis of the discussion that has already taken place during the same budgetary procedure for 1980, I can say that the Committee on Budgets is against.

**President.** — I call Mr Früh.

**Mr Früh.** — *(D)* Madam President, a word on Amendment No 7. Here the German text is correct, while the French and Italian texts say exactly the opposite, because the negative has been forgotten in the course of translation. I wish to point this out.

**President.** — Thank you, Mr Früh. The necessary corrections will be made.

*(By a succession of votes, Parliament adopted Amendments Nos 7 and 8 and paragraphs 10 to 12)*

On paragraph 13, I have four amendments:

— Amendment No 12, tabled by Mr Bonde and others and deleting this paragraph;

— Amendment No 11, tabled by Mrs Bonino and others and rewording this paragraph as follows:

13. Insists that, in addition to the extra spending for regional and social policies, extra finance should be made available for the alternative and renewable energy sectors and for the development aid sector as well as for the industrial policy and the new policies; underlines, moreover, the importance of the token entry made for support measures in the steel sector;

— Amendment No 27, tabled by Mr Muntingh and Mrs Seibel-Emmerling and rewording this paragraph as follows:

13. Insists, in addition to the extra spending for regional and social policies, that extra finance should be made available for the energy and development aid sectors, for industrial policy, environment policy and for new policies and underlines the importance of the token entry entered for support measures in the steel sector.

— Amendment No 21, tabled by Mr Albers and inserting the following after the words 'for new policies':

such as financial support for infrastructural projects of Community interest.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — *(F)* Madam President, I am opposed to Amendment No 12. I prefer the wording proposed by the Committee on Budgets to that

**Dankert**

contained in Amendment No 11, of which I am therefore not in favour. As regards Amendment No 21, I leave it for the House to decide. As for Amendment No 27, this might well be accepted.

*(By a succession of votes, Parliament rejected Amendments Nos 12 and 11, adopted Amendments Nos 27 and 21 and paragraph 13, thus amended)*

**President.** — On paragraph 14, I have Amendment No 9, tabled by Mrs Bonino and others and rewording this paragraph as follows:

14. Strongly insists on the need to increase Community food aid in view of the growing crisis of world hunger.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, in our vote on the amendments and modifications concerning food aid, we did not strongly insist on the need to increase this aid, so I think my weaker text is preferable. I am against.

*(By a succession of votes, Parliament rejected Amendment No 9 and adopted paragraphs 14 and 15)*

**President.** — On paragraphs 16 and 17, I have Amendment No 13, tabled by Mr Bonde and others and deleting these paragraphs.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, I think that on these paragraphs everybody should vote according to his own conscience.

*(Parliament rejected Amendment No 13 and adopted paragraphs 16 and 17)*

**President.** — On paragraph 18, I have Amendment No 14, tabled by Mr Bonde and others and deleting this paragraph.

What is the rapporteurs's position?

**Mr Dankert, rapporteur.** — (F) Entirely opposed, Madam President.

*(Parliament rejected Amendment No 14 and adopted paragraph 18)*

**President.** — On paragraph 19, I have Amendment No 15, tabled by Mr Bonde and others and deleting

this paragraph. Since this paragraph has been withdrawn by the rapporteur, the amendment falls.

On the former paragraph 20, I have Amendment No 16, tabled by Mr Bonde and others and deleting this paragraph.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Against, Madam President.

*(Parliament rejected Amendment No 16 and adopted paragraph 20)*

**President.** — On the former paragraph 21, I have two amendments:

- Amendment No 17, tabled by Mr Bonde and others and deleting this paragraph; and
- Amendment No 10, tabled by Mr Bonino and others and rewording this paragraph as follows:

21. Asserts that the new supplementary measures for the United Kingdom and the interest-rate subsidies proposed in the context of the European Monetary System, introduced under the auspices of Article 235 of the Treaty, can only be classified as non-compulsory expenditure; given that the Council does not share this view, demands the opening of the conciliation procedure;

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — Madam President, I have to say no to this proposal, because it would endanger the whole agreement with the United Kingdom.

*(By a succession of votes, Parliament rejected both amendments and adopted paragraphs 21 and 22)*

**President.** — On the former paragraph 23, I have Amendment No 18, tabled by Mr Bonde and others and deleting this paragraph.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Against, Madam.

*(Parliament rejected Amendment No 18 and adopted paragraph 23)*

**President.** — On the former paragraph 24, I have Amendment No 19, tabled by Mr Bonde and others and deleting this paragraph.

President

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) With all apologies to Mr Bonde, I cannot accept this amendment.

*(Parliament rejected Amendment No 19 and adopted paragraph 24)*

**President.** — On the former paragraph 25, I have two amendments:

— Amendment No 20, tabled by Mr Bonde and others and rewording this paragraph as follows:

25. Considers that the interests of the Community are now best served by an accelerated conclusion of the 1980 budgetary procedure (*delete the remainder of the paragraph*);

Amendment No 22, tabled by Mr Albers and rewording this paragraph as follows:

25. — considering that the interests of the Community would be served best if the Council incorporated the structural changes proposed by Parliament in the budget;  
 — considering that it has emerged in consultations with the Council that the Council is not prepared to accept the structural changes for 1980;  
 — aware of the seriousness of the conflict situation created by the profound differences of opinions between the Council and Parliament;  
 Accepts, while reserving its rights for 1981, the establishment of a budget for 1980 without the structural changes advocated by Parliament;  
 Therefore confines itself to moderate changes in the Council's new draft;  
 Amends and changes the draft budget for 1980 as follows.

What is the rapporteur's position?

**Mr Dankert, rapporteur.** — (F) Madam President, a short while ago I stated that in the present circumstances I also had some difficulties with my own wording. The other two versions are no better. For the moment I stick to my own text, though not without hesitation.

*(Parliament rejected both amendments and adopted paragraph 25)*

**President.** — I can now give the floor for explanations of vote.

I call Mr Gouthier.

**Mr Gouthier.** — (I) Madam President, ladies and gentlemen, on behalf of the Italian Communists and Allies I declare that we shall vote against the motion

for a resolution tabled by Mr Dankert. This resolution does not reflect the real requirements of the Community or current political developments. In our opinion, neither this resolution, nor, indeed, the draft budget presented by the Council can be improved by occasional retouching or by petty amendments on individual or in some cases tiny points: instead, Parliament should have shown a clear and positive desire for a change in policy.

In our view, the resolution should have expressed clear and firm criticisms of the Council and should have recognized that Parliament now has to bear the consequences of a situation created by the Council's attitude, which for the most part has been obstructionist and dilatory; but this criticism, which was clearly necessary, appears nowhere in the resolution.

For this reason, Madam President, we have adopted the policy of not taking part in the vote on the amendments, but concentrating our vote and our attention on two fundamental questions dealt with in the debate on the amendments. We believe they are questions of principle of great political importance, since they are aimed at classifying the payments to the UK as non-compulsory expenditure and at forcing the Council and the Commission to undertake a reform of the agricultural policy.

We agree with Mr Glinne that in recent months a majority has emerged in Parliament and pressure has built up to give Parliament a rôle which is not only moderate but indeed on occasion subservient to the Council. This pressure has in effect meant that the positive — indeed, extremely positive — rôle of the European Parliament following its direct elections has been considerably reduced during this first year of its life. This is a fair criticism, and it is a criticism which arises spontaneously, since we have produced a motion for a resolution, first in the Committee on Budgets and now in Parliament, which marks an appreciable retreat from the point of departure and a climb-down from the position adopted by Parliament last November. Parliament played an extremely important rôle in rejecting the budget, in the debate on farm prices, in the battle for enlargement and for the strengthening of Community policies.

It is true, Madam President, that Parliament did not get its own way, but we must say that the battle is not over yet. Through its efforts this year, Parliament has made its mark in our countries and in Europe by affirming the need for price-controls, for controlling the growth of prices, for a reform of the agricultural policy and for the development of other policies — first and foremost of the energy policy as the essential precondition for rescuing and developing a proper agricultural policy. This political approach which Parliament has taken has made an impact on the press, public opinion, workers' organizations and governments themselves.

**Gauthier**

This is why we are convinced that we must concentrate on these points with greater force. There is an awareness that we cannot just mark time. This resolution in a way presents the case for trivial matters, and yet it is clear that unless we continue to push forward the policies which Parliament has already advocated — and which we hope it will continue to advocate — the crisis in the Community will become even more acute than in the past.

For this reason — I repeat — our vote will be firmly against the resolution. This is not the reflection of a negative attitude, but because we wish to press forward with new policies, which will guarantee the continent of Europe a rôle of progress, peace and cooperation with all the peoples and countries in the world.

**President.** — I call Mr Glinne.

**Mr Glinne.** — (*F*) Madam President, very briefly, I should like to repeat first of all that we are still convinced, even now, of the relevance of the resolution adopted at the end of 1979 by the European Parliament. Secondly, some of the major political arguments put forward in yesterday's debate are not reflected in the motion for a resolution. This motion also fails to include certain criticisms of the Council which need to be clearly expressed.

Further more, we are bound to point out that the amendments we proposed to the new 1980 budget have, for the most part, been rejected, as have the amendments from the Committee on Social Affairs and Employment and the Committee on Development and Cooperation. But there is a more serious matter: it has become apparent, both in the debate on the motion for a resolution and during the budget votes, that important groups in this Assembly have abandoned the minimum consensus — and I mean minimum consensus — that was reached in the Committee on Budgets, both in relation to the amendments to be supported and the text to be tabled.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (*D*) Madam President, my group will vote for the motion for a resolution contained in Mr Dankert's report, for the following reasons. The situation we are in is not a normal budgetary situation. We all know that in December of last year we took a decision of great consequence, not just in terms of budgetary policy but in a broader political sense. For this reason, we have rejected all draft amendments on non-compulsory expenditure which lay outside the scope of the Committee on Budgets. We are not opposed, for instance, to strengthening the policy for women; but we feel that now is not the time to intro-

duce an additional policy of this kind. Instead, we must now carry through the political will expressed by Parliament in December of last year. However, if we do this, then we must also, by the same token, keep to the line adopted in the decisions of December in the field of agricultural policy. What Mr Dankert presented today on behalf of the Committee on Budgets did not, as far as agricultural policy is concerned, keep to this line, but now that our amendments have been accepted, we have no difficulty in giving it our approval.

A final comment concerning the budgetization of the EDF and loan policy. We take the view that the resolution itself has expressed sufficiently the will of Parliament. We have therefore not departed from the aim we are jointly pursuing on these matters. We did feel, however, that if one wants the budget to be adopted now and the crisis in the Community — to which our rejection of the budget ultimately also contributed — to be brought to an end, then one must support the budgetization of the EDF and loans in the resolution, as we have done, but one must reject the draft amendments to this resolution, because, when all is said and done, Mr Glinne, this is not a problem which has just arisen this year. It is a problem with which we have been concerned for several years. Altiero Spinelli, who has just stood up in protest, will remember that we have been working on this problem for at least five years and that we have made progress. To expect it to be solved in the space of these six months is something I fail to comprehend.

**Mr Spinelli.** — (*D*) At the last moment, you have always capitulated!

**Mr Bangemann.** — (*D*) No one is capitulating: it is a spirit of realism and pragmatism that is gaining the upper hand, a spirit which in the past has always got us a great deal further than exaggerated demands, which have always landed the Parliament in a cul-de-sac. We shall vote for the Dankert resolution, because what we want is not exaggerated demands of this kind but whatever progress can be made in relations with the Council.

**President.** — I call Mr Baillot.

**Mr Baillot.** — (*F*) Madam President, during the general debate, I and my friends Sylvie Le Roux and Pierre Pranchère gave, on behalf of the French Communists and Allies, our opinion on this draft budget as a whole. The motion for a resolution presented by Mr Dankert on behalf of the Committee on Budgets contains certain political considerations which attempt to justify this budget and which lay down guidelines for future budgetary policy.

**Baillot**

I must say that if we had still had any doubts about our attitude, yesterday's debate and the discussion this morning would have dispelled them. The majority in this House have decided to have done with the 1980 budget, which has been a millstone round its neck. People talk about practical common sense, but the haste with which our colleagues have left the Chamber when we were about to vote on the resolution shows that they were really only in a hurry to leave . . .

**President.** — They will come back, Mr Baillot.

**Mr Baillot.** — (*F*) I hope you are right, but I am not sure. This Assembly is discrediting itself, in my opinion, and this several speakers have been forced to admit. This same majority is well aware that it has failed to tackle the difficulties rising in its path: what it is doing is, really, to fly in the face of even greater difficulties — indeed, the whole thing has been put off until the next budget.

Mr Glinne, speaking for the Socialists, said yesterday that to vote for the 1980 budget was to take a step towards a profound reconsideration of the Community's budgetary policy. Mr Klepsch, on behalf of the Christian Democrats, said much the same thing; and as for Mr Taylor, speaking on behalf of the European Democrats, he was enjoying the success gained by his own country and was waiting for further developments!

Once more, Mr Dankert's resolution brings out very clearly the direction we are expected to take: people want to drag us along the road towards a radical alteration of the Common Agricultural Policy decided upon at Venice, for which the farmers will have to pay the price; towards concessions in favour of British policy and to the detriment of the French taxpayer in particular — though I do not forget the West Germans —; towards a transfer of funds from the Common Agricultural Policy to industrial restructuring, with all the effects that this implies for social benefits for the workers. So you see, Madam President, there are plenty of reasons for rejecting the motion, just as we should have had plenty of reasons for rejecting the budget if we had been given a chance of voting on it.

**President.** — I call Mrs Gaspard.

**Mrs Gaspard.** — (*F*) Madam President, you will not be surprised to hear that the French Socialists will vote against the Dankert motion.

We should have preferred — and this was the point of my previous speech — to have no motion at all. What does it add to the budgetary procedure that we have had for the last six months? I would even say that it

falls short of the text that we voted on in December. All it does is to reveal once more the determination of a section of this House to attack the Common Agricultural Policy by budgetary means, and by these means alone.

We have already said on more than one occasion that what is needed today to reform the Common Agricultural Policy — which indeed needs to be reformed — is a debate in depth on this policy. We are indeed in a cul-de-sac, since the Community's own-resources are approaching the point of exhaustion. We therefore call on Parliament to abandon the adoption of petitions on matters of principle and to tackle without delay, since the Council seems incapable of doing so, the problem of reforming the agricultural policy and, in conjunction with this, the problem of the future of the Community's own-resources.

I conclude by asserting that there is no Community budgetary policy, that throughout this procedure the Council has shown its contempt for this Parliament and its own lack of determination to conduct any kind of joint policy. There is no budgetary policy, there is only a bad budget, and on behalf of the workers of Europe and in particular its farmers, we are disturbed by the prospects for the budget for 1981.

It is therefore with sorrow that we conclude our part in this long and unprecedented budgetary procedure by registering a negative vote on this Dankert report.

**President.** — I call Sir Fred Catherwood.

**Sir Fred Catherwood, Chairman of the Committee on External Economic Relations.** — Madam President, our committee submitted three amendments which we were not allowed to discuss with the Committee on Budgets because they had not been in the budget seven months ago. Parliament has set up committees to advise it, and the Committee on External Economic Relations advises on matters within the competence of the Community where we have to make the decision for nine nations. We make the decisions, not the nations, and in this case we were not allowed to explain what had changed in those seven months or, indeed, what the Commission's views were.

Let us take the position as regards Yugoslavia. During those seven months, the Community negotiated a new trading agreement with Yugoslavia which was approved by this Parliament, President Tito died and a country bordering on the Soviet Union was invaded. We have given this very generous new trading agreement to Yugoslavia, and we are now telling the Yugoslavs in public that we cannot afford to send five staff members to Belgrade. That is what we are telling them, and we are telling them that because the Committee on External Economic Relations was not able to state its case before the Committee on Budgets

**Catherwood**

and therefore the case was not put to Parliament. So we have insulted the Yugoslavs today in what we have done, because we would not listen to those we appointed to advise us.

But a much more serious thing: we have also negotiated in those seven months the new GATT agreement, we have approved it in this Parliament and we have also in our committee considered how we can protect ourselves against dumping in the very sharply deteriorating trading position which we are now in. In those seven months, we have already started a trade war on steel with the United States, and the US have gone back on their trading agreements. Now we have had very expensive items put into the budget by various people, with enormous sums of money to protect employment, but because we have not voted the staff to protect us against dumping by other countries, we are now in an extremely vulnerable position. The solemn view of the Commission is that they have totally inadequate staff to protect the Community against dumping in any trade war that may develop. We had a hearing on Monday and we entirely endorse that view. If there is now dumping, as there is likely to be in the present deteriorating trade situation, we shall be unable to protect ourselves, and all because this Parliament would not listen to the committee that it set up to advise it. I therefore will abstain on this resolution.

**President.** — I call Mr De Goede.

**Mr De Goede.** — (NL) Madam President, I should like to give the following explanation of vote on the outcome of our discussions of yesterday and today. Although no binding declaration has been forthcoming from the Council on agriculture, although the volume of non-compulsory expenditure has remained inadequate, despite the improvements that have been made, although nothing has been achieved as regards the budgetization of loans and although the Council waited six months before coming up with a new draft, we shall nevertheless support the results of our discussions, because we are already half way through 1980 and the Community cannot risk another serious crisis by again rejecting the budget, in which, after all, a number of important improvements have been made compared with the rejected draft of last year, and finally because Parliament now has to join battle with the Council once again on the 1981 budget. We therefore support, though not without hesitation, these latest budgetary proposals.

**President.** — I call Mr Romualdi.

**Mr Romualdi.** — (I) Madam President, ladies and gentlemen, yesterday we reserved our position on whether or not we would vote in favour of the Dank-

ert resolution — and therefore the budget — until the vote on the amendments had been held.

What we voted this morning has certainly not done much to change the excessively rigid structure of the budget — to which we drew attention yesterday — nor has it, as we would all have wished, opened out new policies or strengthened the policies of regional and social development and restructuring not only of agriculture but of many other fundamental sectors of our economy in order to combat the scourges of inflation, recession and unemployment, which have now reached unbearable and socially extremely damaging and dangerous levels.

Nevertheless — as I said yesterday — we cannot afford, particularly at this difficult time, to test our strength in a tussle with the Council. Now that the crisis on the UK question has been overcome, we cannot allow ourselves the luxury of opening another and yet more serious conflict between Parliament and the Council, even though the Council's approach — confirmed only yesterday by the statements by Mr Fracanzani — is not a very gratifying or a very responsible one.

For these reasons, while reaffirming the validity of our criticisms, nevertheless in order not to create further difficulties, we will vote in favour of the Dankert resolution, and therefore of the 1980 budget, in the hope that the 1981 budget will be more politically acceptable and progressive.

**President.** — I call Mr Bonde.

**Mr Bonde.** — (DK) Madam President, it has been clearly shown today that we are in the middle of a constitutional struggle. The choice, however, is, unfortunately, not between two clear constitutions. As far as we are concerned, the choice is between the Danish constitution and chaos in the Community. What we are voting on here today is whether the supra-national European Parliament should, bit by bit, assume power over large sectors of Community finance or whether the power should lie — as it has done so far — with the Council of Ministers, in which each of our countries has an inalienable right of veto under the Luxembourg compromise.

It is one thing to extend Parliament's sphere of influence, but it is another to depart from Parliament's own Rules of Procedure in the process. We must protest against any tampering with the clear provisions of the Treaty and the Rules of Procedure. The draft amendments adopted today must be regarded as illegal.

The Danish People's Movement against Membership of the EEC has today sent a note to the Danish Government pointing out what has happened today. I should like to conclude my speech on the vote by reading it out.

**Bonde**

The European Parliament has today rejected the Council of Ministers' qualified proposal for a new budget by exceeding the 240 million European units of account and by adopting amendments to compulsory expenditure. Contrary to its own Rules of Procedure, Parliament has refused to put the draft budget as a whole to the vote. Contrary to its own Rules of Procedure, it has also refused to submit or adopt a proposal laying down a new maximum rate for non-compulsory expenditure.

We therefore consider Parliament's resolutions to be invalid, and we urge the Council of Ministers to adopt the same position.

**President.** — I call Mr Blaney.

**Mr Blaney.** — Madam President, I do not like the Dankert report. All 24 articles of it I would have deleted if I had had my way. Article 25 I would be for — with some amendment, but that has not happened. So we have the Dankert report. In my estimation, it runs counter to the common agricultural policy and repetitively, right through the various articles, in cost, the talk about the Communities' own-resources running out, when in fact they have not yet even reached three-quarters of what they can be, being now at a calculated 0.72 rather than the full figure that we hear so much warning about for 1981.

I also would like to say in regard to this resolution that, while I dislike it just as I disliked the budget last December, I do want to see an end to the farce that has been made of this elected Parliament's first budgetary efforts. I want to see us going to the Council with whatever we have got here today so that we may have a budget and get on with our work on the 1981 budget, which is what really matters.

Moreover, I want to say here and now that there is no prospect of achieving anything better until such time as we have found a way to run our own Parliament. Look at us at the moment! You would think it was a fair or a carnival that we were at, instead of dealing with the serious matter of a budget that is already six months late. I want to say as well, in regard to this matter of running our own Parliament, that the rules we have are ridiculously unsuited to this Parliament and that no piecemeal alteration of them is going to change that. Let us have what we asked for twelve months ago — a complete revision to suit our needs: only then will any real notice be taken of us by the Council or by the Commission. We may criticize those bodies, but how can we do so with any honesty when in our own Parliament we have to vote to decide whether we take a vote or not! That is not the way to run our House, and we shall get nowhere with it.

*(Applause from some quarters on the right)*

**President.** — I put the motion for a resolution as a whole to the vote.

The resolution is adopted<sup>1</sup>.

*(Applause from the centre and the right)*

At the conclusion of this vote, I wish to thank not only the representatives of both Council and Commission but also all the Members of this House for their contributions, and in particular the rapporteurs, Mr Dankert and Mr Jackson,

*(Applause)*

the chairman and members of the Committee on Budgets and the draftsmen of opinions.

*(Applause)*

On behalf of the House, I also wish to thank all the members of our staff who, working in their respective services with great dispatch and in difficult conditions, have contributed to the efficient conduct of our work.

*(Applause)*

I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — *(D)* Madam President, at this point I should like to add some observations of my own. I wish to express my thanks for the words of appreciation that you have addressed to the staff, the rapporteurs and also myself, and I should like to join you in thanking all who have done so much in the last fortnight. As Members of Parliament, it is right and proper that we express here our appreciation of what has been done for us by the staff — the technicians, translators and interpreters. That the rapporteurs have also had a difficult job to do goes without saying. My concern at the moment is to state, in so many words, that the effort exerted by the Secretariat of the Committee on Budgets has been such that one cannot do justice to it with mere expressions of appreciation . . .

*(Applause)*

. . . and that the staff of this Secretariat, from the Secretary-General down to his most junior colleague, have demonstrated in their work complete loyalty to the members of the Committee on Budgets — and I say this quite deliberately — without regard to their own political affiliations and convictions. This loyalty cannot be overestimated, and for that I wish to say a special word of thanks to the members of our staff.

*(Applause)*

<sup>1</sup> OJ No . . .

**President.** — I call Mr Harris.

**Mr Harris.** — Madam President, before we continue, I am sure that all Members will join me in expressing appreciation of the way you have presided over the proceedings this morning. Thank you very much.

*(Sustained applause)*

#### 5. Membership of Parliament

**President.** — By letter of 27 June 1980, Mr Messmer informed me of his resignation as a Member of the European Parliament.

Pursuant to Article 12 (2), second subparagraph, of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, Parliament takes note of this vacancy and will immediately inform the Member State concerned.

#### 6. Agenda

**President.** — The moment has now arrived to wind up the proceedings. In conformity with the decision taken yesterday, those reports which it has not been possible to consider during this part-session will be placed on the agenda of the part-session of July.

#### 7. Dates of the next part-session

**President.** — The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 7 to 11 July 1980.

Are there any objections?

That is agreed.

#### 8. Approval of the minutes

**President.** — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of the proceedings are approved.

#### 9. Adjournment of the session

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting closed at 2.10 p.m.)*



ANNEX

PROPOSED MODIFICATIONS  
and DRAFT AMENDMENTS

relating to the draft general budget of the European Communities for the 1980 financial year <sup>1</sup>

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<sup>1</sup> These proposed modifications and draft amendments are reproduced in numerical order. Numbers missing belong to texts that were withdrawn before the vote.



DRAFT  
GENERAL BUDGET  
OF THE EUROPEAN COMMUNITIES  
FOR THE FINANCIAL YEAR 1980

(Doc. 270/80)

Draft amendment No 1  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Item 9201 — 1980 programme for cereals other than rice

A) *Expenditure*

*Increase* the payment appropriation by 174 879 450 EUA (from 81 282 000 to 256 161 450 EUA)

B) *Compensation*

*Reduce* by 174 879 450 EUA the appropriation entered under Item 6400 'Refunds on sugar and isoglucose'

C) *Revenue*

—

COMMITMENTS

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*Schedule*

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REMARKS

Amend the remarks as follows:

'This appropriation is to cover the supply in 1980 of 1 650 000 tonnes of cereals other than rice within the framework of the new Food Aid Convention signed by the EEC at Lindra in April.'

\* \* \*

Draft amendment No 2  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Item 9201 — 1980 programme for cereals other than rice

A) *Expenditure*

*Increase the payment appropriation by 64 729 000 EUA (from 81 282 000 to 146 011 000 EUA)*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount*

## COMMITMENTS

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*Schedule*

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## REMARKS

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Draft amendment No 3  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

## Section III — Commission

## PAYMENTS

Item 9221 — 1980 programme

A) *Expenditure*

*Increase the payment appropriation by 732 000 EUA (from 1 779 000 to 2 511 000 EUA)*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by 732 000 EUA*

## COMMITMENTS

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*Schedule*

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## REMARKS

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Draft amendment No 4  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Item 9241 — Programmes and operations for the financial year

A) *Expenditure*

*Increase* the payment appropriation by 113 161 000 EUA (from 52 164 000 EUA to 165 325 000 EUA)

B) *Compensation*

*Reduce* by 113 161 000 EUA the appropriation entered under Item 6400 'Refunds on sugar and isoglucose'

C) *Revenue*

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COMMITMENTS

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*Schedule*

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REMARKS

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Draft amendment No 6  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Article 930 — Cooperation with non-associated developing countries

A) *Expenditure*

*Increase* the payment appropriation by 80 000 000 EUA (from 20 000 000 to 100 000 000 EUA)

B) *Compensation*

—

C) *Revenue*

*Increase* revenue by same amount

COMMITMENTS

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*Schedule*

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## REMARKS

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Draft amendment No 7/rev.  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

## PAYMENTS

Article 930 — Cooperation with non-associated developing countries

A) *Expenditure*

*Increase the payment appropriation by 80 000 000 EUA (from 20 000 000 to 100 000 000 EUA)*

B) *Compensation*

*Reduce by 80 000 000 EUA the appropriation entered under Item 6400*

C) *Revenue*

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## COMMITMENTS

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*Schedule*

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## REMARKS

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Draft Amendment No 8  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

## PAYMENTS

Article 931 — Promotion of trade between the Community and non-associated developing countries

A) *Expenditure*

*Increase the payment appropriation by 4 000 000 EUA (from 4 000 000 to 8 000 000 EUA)*

B) *Compensation*

*Reduce by the same amount the appropriation entered under Item 6400 'Refunds on sugar and isoglucose'*

C) *Revenue*

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## COMMITMENTS

*Schedule*

The commitment appropriation for 1980 is 12 000 000 EUA  
The likely schedule of payments against commitments is as follows:

Commitments		Payments			
		1979	1980	1981	1982 and subs. years
— Appropriation outstanding from 1978	1 492 750	1 492 750	—	—	—
— 1979 appropriation	5 500 000	3 500 000	1 000 000	1 000 000	—
— 1980 appropriation	12 000 000	—	7 000 000	3 000 000	2 000 000
<b>Total</b>	<b>18 992 750</b>	<b>4 992 750</b>	<b>8 000 000</b>	<b>4 000 000</b>	<b>2 000 000</b>

Draft amendment No 9  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

## Section III — Commission

## PAYMENTS

Article 931 — Promotion of trade between the Community and non-associated developing countries

A) *Expenditure*

*Increase the payment appropriation by 4 000 000 EUA (from 4 000 000 to 8 000 000 EUA)*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by 4 000 000 EUA*

## COMMITMENTS

*Schedule*

The commitment appropriation for 1980 is 12 000 000 EUA  
The likely schedule of payments against commitments is as follows:

Commitments		Payments			
		1979	1980	1981	1982 and subs. years
— Appropriation outstanding from 1978	1 492 750	1 492 750	—	—	—
— 1979 appropriation	5 500 000	3 500 000	1 000 000	1 000 000	—
— 1980 appropriation	12 000 000	—	7 000 000	3 000 000	2 000 000
<b>Total</b>	<b>18 992 750</b>	<b>4 992 750</b>	<b>8 000 000</b>	<b>4 000 000</b>	<b>2 000 000</b>

Draft amendment No 10  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Article 932 — Measures to encourage regional or sub-regional integration between non-associated developing countries

A) *Expenditure*

*Increase the payment appropriation by 525 000 EUA (from 525 000 to 1 050 000 EUA)*

B) *Compensation*

—

C) *Revenue*

*Increase the revenue by 525 000 EUA*

COMMITMENTS

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*Schedule*

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REMARKS

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Draft amendment No 11  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Article 932 — Measures to encourage regional or sub-regional integration between non-associated developing countries

A) *Expenditure*

*Increase the payment appropriation by 525 000 EUA (from 525 000 to 1 050 000 EUA)*

B) *Compensation*

*Reduce by the same amount the appropriation entered under Item 6400*

C) *Revenue*

—

COMMITMENTS

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*Schedule*

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## REMARKS

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Draft amendment No 12  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

## PAYMENTS

Article 945 — Community contribution towards schemes concerning developing countries carried out by non-governmental organizations

A) *Expenditure*

Increase the payment appropriation by 4 000 000 EUA (from 10 000 000 to 14 000 000 EUA)

B) *Compensation*

Reduce by the same amount the appropriation entered under Item 6400

C) *Revenue*

—

## COMMITMENTS

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*Schedule*

The commitment appropriation authorized for 1980 is 22 000 000 EUA  
The likely schedule of payments against commitments is as follows:

Commitments		Payments			
		1979	1980	1981	1982 and subs. yrs.
— Commitments entered into before 1979 to be met from new payment appropriations	5 972 183	4 472 183	1 500 000	—	—
— Appropriation outstanding from 1978	27 817	27 817	—	—	—
— Appropriation for 1979	12 000 000	3 000 000	4 500 000	4 500 000	—
— Appropriation for 1980	22 000 000	—	8 000 000	8 000 000	6 000 000
<b>Total</b>	<b>40 000 000</b>	<b>7 500 000</b>	<b>14 000 000</b>	<b>12 500 000</b>	<b>6 000 000</b>

## REMARKS

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Draft amendment No 13  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

## PAYMENTS

Article 945— Community contribution towards schemes concerning developing countries carried out by non-governmental organizations

A) *Expenditure*

Increase the payment appropriation by 4 000 000 EUA (from 10 000 000 to 14 000 000 EUA)

B) *Compensation*

—

C) *Revenue*

Increase revenue by 4 000 000 EUA

## COMMITMENTS

—

*Schedule*

The commitment appropriation authorized for 1980 is 22 000 000 EUA  
The likely schedule of payments against commitments is as follows:

Commitments		Payments			
		1979	1980	1981	1982 and subs. yrs.
— Commitments entered into before 1979 to be met from new payment appropriations	5 972 183	4 472 183	1 500 000	—	—
— Appropriation outstanding from 1978	27 817	27 817	—	—	—
— Appropriation for 1979	12 000 000	3 000 000	4 500 000	4 500 000	—
— Appropriation for 1980	22 000 000	—	8 000 000	8 000 000	6 000 000
<b>Total</b>	<b>40 000 000</b>	<b>7 500 000</b>	<b>14 000 000</b>	<b>12 500 000</b>	<b>6 000 000</b>

## REMARKS

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Draft amendment No 14/rev.  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

## Section III — Commission

## PAYMENTS

- Article 950 (*new*) — *Aid to disaster victims (new wording)*  
 Item 9500 (*new*) — *Aid to disaster victims in developing and other non-member countries*  
 Item 9501 (*new*) — *European emergency corps to assist populations threatened with starvation*

A) *Expenditure*

- Amend the wording of Article 950 to read: 'Aid to disaster victims'
- Create a new Item 9500: 'Aid to disaster victims in developing and other non-member countries'
- Enter a payment appropriation of 43 000 000 ECU (appropriation from Chapter 95)
- Create a new Item 9501: 'European emergency corps to assist populations threatened with starvation'
- Enter a payment appropriation of 1 045 000 000 ECU

B) *Compensation*

Reduce by 1 045 000 000 ECU the appropriation under Item 6000 (Refunds on cereals)

C) *Revenue*

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## COMMITMENTS

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*Schedule*

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## REMARKS

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Draft amendment No 15/rev.

tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

## Section III — Commission

## PAYMENTS

- |                            |  |
|----------------------------|--|
| Article 950 ( <i>new</i> ) | — <i>Aid to disaster victims (new wording)</i>                                     |
| Item 9500 ( <i>new</i> )   | — <i>Aid to disaster victims in developing and other non-member countries</i>      |
| Item 9501 ( <i>new</i> )   | — <i>European emergency corps to assist populations threatened with starvation</i> |

A) *Expenditure*

- Amend the wording of Article 950 to read: 'Aid to disaster victims'
- Create a new Item 9500: 'Aid to disaster victims in developing and other non-member countries'
- Enter a payment appropriation of 43 000 000 ECU (appropriation from chapter 95)
- Create a new Item 9501: 'European emergency corps to assist populations threatened with starvation'
- Enter a payment appropriation of 905 580 908 ECU

B) *Compensation*

—

C) *Revenue*

Increase revenue by 905 580 908 ECU

## COMMITMENTS

—

*Schedule*

—

## REMARKS

This appropriation of 905 580 908 EUA consists of two parts:

- (a) the full total of the maximum possible rate of increase provided for by the Council,
- (b) an extraordinary appropriation to be provided by the Member States on a proportional basis to save from death the largest possible number of persons who the statistics show will otherwise die.

\* \* \*

Draft amendment No 16/rev.  
tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

## Section III — Commission

## PAYMENTS

- Article 950 (*new*) — *Aid to disaster victims (new wording)*
- Item 9500 (*new*) — *Aid to disaster victims in developing and other non-member countries*
- Item 9501 (*new*) — *European emergency corps to assist populations threatened with starvation*

A) *Expenditure*

- *Amend* the wording of Article 950 to read: 'Aid to disaster victims'
- *Create* a new Item 9500 'Aid to disaster victims in developing and other non-member countries'
- *Enter* a payment appropriation of 43 000 000 EUA (appropriation from Chapter 95)
- *Create* a new Item 9501 'European emergency corps to assist populations threatened with starvation'
- *Enter* a payment appropriation of 394 400 000 EUA

B) *Compensation*

- *Reduce* by 394 000 000 EUA the appropriation entered under Item 6400 (Refunds on sugar and isoglucose)

C) *Revenue*

—

## COMMITMENTS

—

*Schedule*

—

## REMARKS

—

\* \* \*

Draft amendments No 17/rev.

tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Article 950 (*new*) — *Aid to disaster victims (new wording)*

Item 9500 (*new*) — *Aid to disaster victims in developing and other non-member countries*

Item 9501 (*new*) — *European emergency corps to assist populations threatened with starvation*

A) *Expenditure*

— *Amend the wording of Article 950 to read: 'Aid to disaster victims'*

— *Create a new Item 9500: 'Aid to disaster victims in developing and other non-member countries'*

— *Enter a payment appropriation of 43 000 000 EUA (appropriation from chapter 95)*

— *Create a new Item 9501: 'European emergency corps to assist populations threatened with starvation'*

— *Enter a payment appropriation of 301 105 652 EUA*

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

—

*Schedule*

REMARKS

—

\* \* \*

Draft amendment No 18/rev.

tabled by Mr Pannella, Mrs Bonino, Mr Capanna, Mrs Castellina and Mrs Macciocchi

Section III — Commission

PAYMENTS

Article 950 — *Aid to disaster victims in developing and other non-member countries*

A) *Expenditure*

*Increase the payment appropriation by 14 000 000 EUA (from 43 000 000 to 57 000 000 EUA)*

B) *Compensation*

*Reduce by 14 000 000 EUA the appropriation entered under Item 6023 'Other public storage costs'*

C) *Revenue*

—

COMMITMENTS

—

*Schedule*

## REMARKS

\* \* \*

Draft amendment No 19/rev.  
tabled by Mr Capanna, Mrs Bonino, Mr Coppieters, Mrs Macciocchi and Mr Pannella

Section III — Commission

## PAYMENTS

Item 3241 — Programme for the development of new sources of energy

A) *Expenditure*

*Increase* the payment appropriation by 55 000 000 EUA (from 24 000 000 to 79 000 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Chapter 33, Item 3351 'Fusion and plasma physics (excluding JET) — new programme'

## COMMITMENTS

A) *Expenditure*

*Increase* the commitment appropriation by 33 000 000 EUA (from 44 000 000 to 77 000 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Chapter 33, Item 3351 'Fusion and plasma physics (JET) — old and new programme'

\* \* \*

Draft amendment No 20/rev.  
tabled by Mr Capanna, Mrs Bonino, Mr Coppieters, Mrs Macciocchi and Mr Pannella

Section III — Commission

## PAYMENTS

Item 3363 — Water cooled thermal reactor safety

A) *Expenditure*

*Increase* the payment appropriation by 2 000 000 EUA from 1 257 000 to 3 257 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Item 3351 'Fusion and plasma physics (excluding JET) — new programme'

## COMMITMENTS

A) *Expenditure*

*Increase* the commitment appropriation by 5 000 000 EUA (from 957 000 to 5 957 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Chapter 33, Item 3351 'Fusion and plasma physics (JET) — old and new programme'

\* \* \*

Draft amendment No 21/rev.

tabled by Mr Capanna, Mrs Bonino, Mr Coppieters, Mrs Macciocchi and Mr Pannella

Section III — Commission

## PAYMENTS

Item 3352 — Biology and health protection (radiation protection)

A) *Expenditure*

*Increase* the payment appropriation by 1 000 000 EUA (from 8 473 000 to 9 473 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation under Item 3351: 'Fusion and plasma physics (excluding JET) — new programme'

## COMMITMENTS

A) *Expenditure*

*Increase* the commitment appropriation by 4 000 000 EUA (from 16 044 000 to 20 044 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Chapter 33, Item 3351: 'Fusion and plasma physics (JET) — old and new programme'

\* \* \*

Draft amendment No 22/rev.

tabled by Mr Capanna, Mrs Bonino, Mr Coppieters, Mrs Macciocchi and Mr Pannella

Section III — Commission

## PAYMENTS

Item 3356 — Management and storage of radioactive waste

A) *Expenditure*

*Increase* the payment appropriation by 2 000 000 EUA (from 10 141 000 to 12 141 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Item 3351 'Fusion and plasma physics (excluding JET) — new programme'

## COMMITMENTS

A) *Expenditure*

*Increase* the commitment appropriation by 5 000 000 EUA (from 12 141 000 to 17 141 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Chapter 33, Item 3351: 'Fusion and plasma physics (JET) — old and new programme'

\* \* \*

Draft amendment No 23/rev. II

tabled by Mr Capanna, Mrs Bonino, Mr Coppieters, Mrs Macciocchi and Mr Pannella

Section III' — Commission

## PAYMENTS

Item 3359 — Decommissioning of nuclear power stations

A) *Expenditure*

—

B) *Compensation*

—

## COMMITMENTS

A) *Expenditure*

*Increase* the commitment appropriation by 5 000 000 EUA (from 1 841 000 to 6 841 000 EUA)

B) *Compensation*

*Reduce* by the same amount the appropriation entered under Chapter 33, Item 3351: 'Fusion and plasma physics (JET) — old and new programme'

\* \* \*

Draft amendment No 24

tabled by Mr R. Jackson, rapporteur

Section II — Council

Annex I — Economic and Social Committee

Staff posts — add to the establishment plan the following 5 post conversions:

1 A 7 into A 6

1 LA 5 into LA 4

1 B 2 into B 1

2 C 5 into C 3

A) *Expenditure*

Unchanged (as regards expenditure for the 1980 financial year).



B) *Compensation*

—

C) *Révenue*

Unchanged.

\* \* \*

Draft amendment No 25  
tabled by Mr R. Jackson, rapporteur

## Section V — Court of Auditors

## PAYMENTS

Item 2400: Entertainment and representation expenses of members of the institution

A) *Expenditure*

Unchanged (as regards expenditure for the 1980 financial year).

B) *Compensation*

—

C) *Revenue*

Unchanged

## COMMITMENTS

—

## REMARKS

Add to the remarks the following comment:

'These entertainment and representation expenses are hereby increased to bring them into line with the expenses of members of other institutions.'

\* \* \*

Draft amendment No 26  
tabled by Mr R. Jackson, rapporteur

## Section V — Court of Auditors

Table of staff — amend the establishment plan as follows:

*Permanent posts*

- (a) add the following 18 posts (from 23 to 41): 2 A 3, 3 A 6, 2 A 7, 1 B 2, 2 B 3, 1 C 2, 4 C 3, 3 C 4;
- (b) convert 2 B 5 posts into 1 B 4 and 1 B 3;
- (c) convert 6 temporary C 1 posts into 6 B 3 secretarial posts;
- (d) create 4 new temporary A 4 posts;
- (e) regrade 3 secretarial posts grades B 3, B 4 and B 5 respectively to 3 B posts in the same grades.

A) *Expenditure*

Unchanged (as regards expenditure for the 1980 financial year)

B) *Compensation*

—

C) *Revenue*

Unchanged.

\* \* \*

## REMARKS

*Modify* accordingly the remarks against the items referred to above.

\* \* \*

## Draft amendment No 27

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

(New) Item 3368: Biomolecular engineering

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

\* \* \*

## Draft amendment No 28

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

Item 3030: Contribution to pilot projects on better housing for handicapped workers

A) *Expenditure**Increase* the payment appropriation by 60 000 EUA.B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

—

\* \* \*

Draft amendment No 29

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 322: Transport of radioactive materials

A) *Expenditure*

*Enter a payment appropriation of 350 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

—

\* \* \*

Draft amendment No 30

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 3241: Programme for the development of new sources of energy

A) *Expenditure*

*Unchanged.*

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

*Increase the commitment appropriation by 3 000 000 EUA.*

\* \* \*

Draft amendment No 31  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 510: European Social Fund: Regions, sectors-training

A) *Expenditure*

Unchanged.

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

*Increase the commitment appropriation by 6 000 000 EUA.*

\* \* \*

Draft amendment No 32  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 3932: Architectural heritage

A) *Expenditure*

*Enter a payment appropriation of 100 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

—

\* \* \*

Draft amendment No 33  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 3920: Education programme

A) *Expenditure*

*Increase the payment appropriation by 170 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

—

\* \* \*

Draft amendment No 34

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 3780: Transport studies

A) *Expenditure*

*Increase the payment appropriation by 200 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

—

\* \* \*

Draft amendment No 35

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 376: Studies relating to industrial policy

A) *Expenditure*

*Increase the payment appropriation by 100 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

## COMMITMENTS

—

\* \* \*

Draft amendment No 36  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

Item 3741: Harmonization of industrial laws

A) *Expenditure*

*Increase the payment appropriation by 200 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase the revenue by the same amount*

## COMMITMENTS

—

\* \* \*

Draft amendment No 37  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

Item 3723: Textile information

A) *Expenditure*

*Enter a payment appropriation of 130 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

## COMMITMENTS

—

\* \* \*

Draft amendment No 38  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 3722: Textiles

A) *Expenditure*

*Make a token entry*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

*Enter a commitment appropriation of 1 000 000 EUA.*

\* \* \*

Draft amendment No 39  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 3720: Preparatory studies in the ceramics sector

A) *Expenditure*

*Make a token entry*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

*Enter a commitment appropriation of 500 000 EUA.*

\* \* \*

Draft amendment No 40  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 328: Studies in the energy sector

A) *Expenditure*

Increase the payment appropriation by 100 000 EUA.

B) *Compensation*

—

C) *Revenue*

Increase revenue by the same amount.

## COMMITMENTS

—

\* \* \*

## Draft amendment No 41

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

## Article 327: Energy balance-sheets

A) *Expenditure*

Enter a payment appropriation of 350 000 EUA.

B) *Compensation*

—

C) *Revenue*

Increase revenue by the same amount.

## COMMITMENTS

—

\* \* \*

## Draft amendment No 42

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

## Article 511: European Social Fund: Measures for handicapped persons

A) *Expenditure*

Unchanged.

B) *Compensation*

—

C) *Revenue*

—



COMMITMENTS

*Increase the commitment appropriation by 2 500 000 EUA.*

\* \* \*

Draft amendment No 43  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

(New) Chapter 54: ECSC contribution

A) *Expenditure*

*Enter a token entry.*

B) *Compensation*

—

C) *Revenue*

*Unchanged.*

COMMITMENTS

—

\* \* \*

Draft amendment No 44  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 873: Biological fishing studies

A) *Expenditure*

*Enter a payment appropriation of 20 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

COMMITMENTS

—

\* \* \*

Draft amendment No 45  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 874: Coordination of surveillance

A) *Expenditure*

Make a token entry

B) *Compensation*

—

C) *Revenue*

Unchanged.

COMMITMENTS

—

\* \* \*

Draft amendment No 46  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 876: Safety at sea

A) *Expenditure*

Make a token entry

B) *Compensation*

—

C) *Revenue*

Unchanged.

COMMITMENTS

—

\* \* \*

Draft amendment No 47  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 942: Training of developing countries' nationals

A) *Expenditure*

Increase the payment appropriation by 100 000 EUA.

B) *Compensation*

—

C) *Revenue*

Increase the revenue by the same amount.

COMMITMENTS

—

\* \* \*

Draft amendment No 48  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 945: Aid via non-governmental organizations

A) *Expenditure*

Unchanged.

B) *Compensation*

—

C) *Revenue*

Unchanged

COMMITMENTS

Increase the commitment appropriation by 2 000 000 EUA.

\* \* \*

Draft amendment No 49  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Article 948: Valuation of aid results

A) *Expenditure*

Increase the payment appropriation by 150 000 EUA.

B) *Compensation*

—

C) *Revenue*

Increase revenue by the same amount.

## COMMITMENTS

—

\* \* \*

Draft amendment No 50 .  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

Item 9201: 1980 food aid programme for cereals

A) *Expenditure*

Increase payment appropriation by 64 729 000 EUA.

B) *Compensation*

—

C) *Revenue*

Increase revenue by the same amount.

## COMMITMENTS

—

\* \* \*

Draft amendment No 51  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

*Staff*

Convert

80 established C 3 posts into C 2 and

73 established C 2 posts into C 1

A) *Expenditure*

No consequences on expenditure in 1980

B) *Compensation*

—

C) *Revenue*

Unchanged.

## COMMITMENTS

—

## REMARKS

Unchanged.

\* \* \*

Draft amendment No 52  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

*Establishment plan*

Complete the establishment plan as follows:

6 permanent posts in category A: 1 A 2, 2 A 5/4, 3 A 7/6

1 permanent post in category B: 1 B 5/4

6 permanent posts in category C: 4 C 5/4, 2 C 3/2

for the environment, consumer protection and public health sectors.

A) *Expenditure*

No consequences on expenditure in 1980.

B) *Compensation*

—

C) *Revenue*

Unchanged.

## COMMITMENTS

—

\* \* \*

Draft amendment No 53  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

*Establishment plan*

*new* 24 established posts in grade A: 7 A 4, 8 A 5, 5 A 6, 4 A 7

1 established post in grade B: 1 B 1

7 established posts in grade C: 1 C 2, 2 C 3, 2 C 4, 2 C 5

Total: 32 established posts to regularize the position of EAC experts

A) *Expenditure*

No consequences on expenditure in 1980.

B) *Compensation*

—

C) *Revenue*

Unchanged.

## REMARKS

—

\* \* \*

Draft amendment No 54  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

List of posts

Amend the list of posts as follows:

Add: 3 category A officials at grade A 7/6  
3 category B officials at grade B 3/2  
3 category C officials at grade C 3/2  
for the Bureau for Questions affecting Women's Employment.

A) *Expenditure*

No consequences on expenditure in 1980.

B) *Compensation*

—

C) *Revenue*

Unchanged.

COMMITMENTS

—

REMARKS

—

\* \* \*

Draft amendment No 55  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

*Staff*

*Add the following to the list of posts:*

149 new permanent posts (as per European Parliament amendment 378/24 of 7 November 1979)  
with the following economies:

Development	(1 A, 2 B, 2 C)
EAGGF	(1 A, 1 B, 1 C)
Steel/Textiles	(1 A, 1 B, 2 C)
Joint ventures	(1 C)
Own resources	(1 A)
Data processing	(1 A, 2 B, 1 C)
Screening group	(1 B, 1 C)

A) *Expenditure*

No consequences on expenditure in 1980.

B) *Compensation*

—

- C) *Revenue*  
Unchanged.

COMMITMENTS

—

REMARKS

Unchanged.

\* \* \*

Draft amendment No 56  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

- A) *Expenditure*  
Unchanged.
- B) *Compensation*  
—
- C) *Revenue*  
Unchanged.

COMMITMENTS

—

REMARKS

Enter the following remarks against the entirety of Section III 'Commission': 'The Budgetary Authority, in view of the terms of Article 205 of the Treaty, hereby agrees that any new management committees set up in the context of new Community policies, or any existing committees, in the context of policies under periodic review, should exercise a purely advisory role, and should not under any circumstances encroach upon the Commission's exclusive responsibility for the implementing of the budget.'

\* \* \*

Draft amendment No 57  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

REVENUE

- |             |  |
|-------------|--|
| Article 940 | Loans raised from Eximbank   |
| Article 941 | Euratom loans raised   |
| Article 942 | Community loans raised for the purpose of giving balance of payments support |
| Article 943 | Community loans raised to generate investment in the Community               |

— *Reinstate* the remarks under these headings in the preliminary draft budget.

\* \* \*

## EXPENDITURE

Item 3290	Guarantee of Eximbank borrowings and loans
Item 3291	Guarantee of Euratom loans
Chapter 42	Guarantee for Community loans raised for the purpose of giving balance of payments support
Chapter 43	Guarantee for loans raised to promote investment in the Community

— *Reinstate* the remarks under these headings in the preliminary draft budget.

\* \* \*

## ANNEX III

## Borrowing and lending operations

- *Reinstate* the title: 'Part II — Borrowing and lending operations' and the content appearing in the preliminary draft budget.
- *Modify* however as follows the remarks appearing under Articles 201, 202 and 203 of 'Part II' of the preliminary draft budget:

'For the legal basis, see Article . . .

*This heading is the authorization for the Commission to grant loans up to the limit of the tranche entered'*

and enter the following remarks against the whole of Annex III:

'The Budgetary Authority hereby undertakes to complete positively its examination of the Commission's proposals for amending the Financial Regulation as regards the budgetization of lending and borrowing activities before the conclusion of the 1981 budgetary procedure.'

\* \* \*

## Draft amendment No 58

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

Create *new*

Chapter 90:	European Development Funds cooperation with the ACP States
Article 900:	Grants
Article 901:	Loans on special terms
Article 902:	Risk capital
Article 903:	Transfers for the stabilization of export earnings

\* \* \*

Chapter 91:	European Development Funds cooperation with the OCP associated with the Community
Article 910:	Grant
Article 911:	Loans on special terms



Article 912:	Risk capital
Article 913:	Transfers for the stabilization of export earnings
A)	<i>Expenditure</i> Unchanged.
B)	<i>Compensation</i> —
C)	<i>Revenue</i> Unchanged.

## COMMITMENTS

—

## REMARKS

Enter the following remarks: 'in creating the budgetary structure with the Community's budget for the European Development Funds (EDF), the budgetary authority hereby undertakes to budgetize July the EDF from the moment of the entry into force of the sixth EDF.'

\* \* \*

Proposed modification No 59  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

New Chapter 76 to be broken down as follows:

New Article 760: 'Financial contribution by milk producers'

New Item 7600: 'Co-responsibility levy'

A) *Expenditure*

Enter negative appropriations of 223 000 000 EUA.

B) *Compensation*

Delete Article 628: 'Financial contributions by milk producers'.

C) *Revenue*

—

## COMMITMENTS

—

## REMARKS

'This article relates to the financial contribution from milk producers (co-responsibility). The rate of the levy is 2 % of the milk target price for 1980/81 and 1.5 % for the first 60 000 kg delivered in 'less favoured areas'.

This 'negative expenditure' is to offset agricultural guarantee spending in the milk sector. (Titles VI and VII).'

\* \* \*

Proposed modification No 60  
 tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 6200: 'Refunds' in the milk sektor

A) *Expenditure*

*Reduce* payment appropriations by 100 000 000 EUA.

B) *Compensation*

Chapter 100: 'Provisional appropriations'

*Increase* payments by 100 000 000 EUA.

C) *Revenue*

Unchanged.

COMMITMENTS

—

REMARKS

—

\* \* \*

Draft amendment No 61  
 tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Article 971: International Rubber Agreement

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

\* \* \*

Draft amendment No 62  
 tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Item 9701: Common Fund (structural improvement of world market)

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

\* \* \*

Draft amendment No 63  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Item 9700: Common Fund (stock financing)

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

\* \* \*

Draft amendment No 64  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Article 877: Fishing training

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

\* \* \*

## Draft amendment No 65

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

New Item 8721: Other research programmes

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

\* \* \*

## Draft amendment No 66

tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS

New Item 8720: Aquaculture studies

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

\* \* \*

Draft amendment No 67  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Item 5602: Integrated actions — Community actions

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

\* \* \*

Draft amendment No 68  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Item 5601: Integrated actions — studies

A) *Expenditure*

Make a token entry.

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

\* \* \*

Draft amendment No 69  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Article 530: Workers in frontier regions

A) *Expenditure*  
Make a token entry.

B) *Compensation*  
—

C) *Revenue*  
—

COMMITMENTS

—

\* \* \*

Draft amendment No 70  
tabled Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Item 5101: Industrial reconversion

A) *Expenditure*  
Make a token entry.

B) *Compensation*  
—

C) *Revenue*  
—

COMMITMENTS

—

\* \* \*

Draft amendment No 71  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

New Item 3547: Sea protection

A) *Expenditure*  
Make a token entry

B) *Compensation*  
—

C) *Revenue*

—

## COMMITMENTS

—

\* \* \*

Draft amendment No 72  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

## Section III — Commission

## PAYMENTS Article 351: Environment Aid

(New) Item 3510: 'Expenditure on pollution control'

Item 3511: 'Aid for the development of technologies which are less polluting and consume less natural resources'

Item 3512: 'Measures to protect the environment and nature'

Item 3513: 'Measures to protect the environment within the context of changing economic activity'

A) *Expenditure*

Make a token entry against these items.

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

\* \* \*

Draft amendment No 73  
tabled by Mr Cohen on behalf of the Committee on Development and Cooperation

## Section III — Commission

## PAYMENTS

Title 9: Cooperation with developing countries and other non-member countries

Chapter 95: Exceptional measures to assist developing countries and other non-member countries

Article 950 (New): Aid to disaster victims in developing and other non-member countries

A) *Expenditure*

Increase the payment appropriation by 20 000 000 EUA (from 43 000 000 EUA to 63 000 000 EUA).

B) *Compensation*

—

C) *Revenue**Increase revenue by the same amount.*

## COMMITMENTS

—

*Schedule*

—

## REMARKS

Unchanged.

\* \* \*

## Draft amendment No 74

tabled by Mr Spinelli, Mr Arndt, Mr Schinzel, Mrs Hoff, Mr Gouthier and Mr Ippolito

## PAYMENTS

Title 5 — Social and Regional Funds

Chapter 58: Additional measures in favour of the United Kingdom

A) *Expenditure**Enter a token entry*B) *Compensation**Enter a token entry*

## COMMITMENTS

*Enter a token entry*

## REMARKS

These remarks are a precondition for the implementation of the budgetary line authorized under Chapter 58.

Non-compulsory expenditure decided upon within the framework of the 1980 budgetary procedure by the Budgetary Authority and entered against Chapter 58 following the decisions of the European Council meeting from 11 to 13 June 1980.

\* \* \*

## Proposed Modification No 75/PdM

tabled by Mr Spinelli, Mr Gouthier, Mr Schinzel, Mrs Hoff, Mr Lezzi and Mr Ippolito

Titles 6 and 7: European agricultural guidance and guarantee fund — Guarantee Section

Enter the following remarks against these titles:

‘These remarks are a precondition for the implementation of the expenditure authorized for titles 6 and 7 of the budget.



## The Budgetary Authority

- (i) taking account of the imminent exhaustion of the European Community's own resources,
- (ii) having regard to the various declarations of the European Council, the Council, Parliament and the Commission concerning the need to improve balance within the budget by reducing agricultural expenditure,

hereby undertakes to draw the relevant financial conclusions, during the budgetary procedure for 1981, from the decisions concerning the organizations of the agricultural markets which are essential for the achievement of a better balance within the budget and for ensuring that the ceiling of 1 % of own resources is not exceeded.

The Budgetary Authority takes the view that these measures should be aimed at products in structural surplus. The Commission is therefore invited to investigate whether additional savings could be made by better use of the instruments for the organization of the markets (see Council statement of 11 February 1980).

The Budgetary Authority also feels that the costs resulting from excess production in agricultural sectors with structural surpluses should not be borne by the Community budget but by the producers. It will adopt the budgetary measures necessary to ensure the application of this principle.

\* \* \*

Draft amendment No 76  
tabled the Committee on Youth, Culture, Education, Information and Sport

## Section III — Commission

## PAYMENTS

Article 290 (*partly new*): Subsidies to institutions of higher education and *residential adult education centres*

A) *Expenditure*

*Amend* the heading of Article 290 to read 'Subsidies to institutions of higher education and *residential adult education centres*'

*Increase* the payment appropriation by 369 900 EUA (from 165 000 EUA to 534 900 EUA) (reinstatement of the appropriation in the new preliminary draft budget)

B) *Compensation*

—

C) *Revenue*

*Increase* revenue by the same amount

## COMMITMENTS

—

*Schedule*

—

## REMARKS

*Amend* the remarks as follows:

'Appropriation to enable aid to be granted to

— higher education institutions

— and *residential adult education centres* setting up a programme of value to European integration.'

\* \* \*

Draft amendment No 77  
 tabled by the Committee on Youth, Culture, Education, Information and Sport

Section III — Commission

PAYMENTS

Item 3932 (new): Contribution to the financing of conservation of the architectural heritage

A) *Expenditure*

- *Create a new item: 'Contribution to the financing of conservation of the architectural heritage'*
- *Enter a payment appropriation of 100 000 EUA against this item (reinstatement of the appropriation in the new preliminary draft budget)*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount*

COMMITMENTS

—

*Schedule*

—

REMARKS

*Enter the following remarks:*

*'Appropriation intended to ensure a Community contribution to the financing of conservation of the architectural heritage through direct payment of contributions and the granting of subsidies on loans from the European Investment Bank.'*

\* \* \*

Draft amendment No 78  
 tabled by the Committee Social Affairs and Employment

Section III — Commission

PAYMENTS

Article 306 — Pilot research projects on action to combat poverty

A) *Expenditure*

*Unchanged*

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

*Enter a commitment appropriation of 9 000 000 EUA instead of making a token entry.*

*Schedule*

Amend the schedule as follows:

The appropriation for commitment authorized for 1980 amounts to 9 000 000 EUA<sup>1</sup>. The likely schedule of payments vis-à-vis commitments is as follows:

Commitments		Payments				
		1979	1980	1981	1982	1983 and subs. years
Commitments entered into before 1979 to be covered by new approps. for payment	322 000	322 000	—	—	—	—
Approp. outstanding from 1978	4 863 000	3 228 000	1 635 000	—	—	—
Approp. for 1979	5 750 000	450 000	3 565 000	1 735 000	—	—
Approp. for 1980	9 000 000	—	—	4 300 000	4 700 000	—
<b>Total</b>	<b>19 935 000</b>	<b>4 000 000</b>	<b>5 200 000</b>	<b>6 035 000</b>	<b>4 700 000</b>	<b>—</b>

## REMARKS

*Modify* the remarks as follows:

- The *payment appropriation of 5 200 000 EUA* is to be used to allow the Community to contribute to the implementation of pilot projects on action to combat poverty pursuant to Council Decisions:
  - 75/458/EEC of 22 July 1975 (OJ No L 199 of 30. 7. 1975)
  - 77/779/EEC of 12 December 1977 (OJ No L 322 of 17. 12. 1977).
- The *commitment appropriation of 9 000 000 EUA* is to allow the Community to contribute to the implementation of provisional measures to combat poverty (COM(79) 657 final).<sup>1</sup>

\* \* \*

Draft amendment No 79  
tabled by the Committee on Social Affairs and Employment

Section III — Commission

## PAYMENTS

Article 505 — Measures for Women

A) *Expenditure*

*Increase* the payment appropriation by 2 500 000 EUA (from 5 000 000 to 7 500 000 EUA)

B) *Compensation*

—

C) *Revenue*

*Increase* revenue by the same amount

<sup>1</sup> See Article 1 (3) of the Financial Regulation of 21. 12. 1977

## COMMITMENTS

Increase commitment appropriations by 10 000 000 EUA (from 20 000 000 EUA to 30 000 000 EUA)

*Schedule*

Amend the Schedule as follows:

The appropriation for commitment authorized for 1980 amounts to 30 000 000 EUA<sup>1</sup>. The likely schedule of payments vis-à-vis commitments is as follows:

Commitments		Payments				
		1979	1980	1981	1982	1983 and subs. years
Commitments entered into before 1979 to be covered by new approps. for payment	5 200 000	4 900 000	130 000	170 000	—	—
Appropriation outstanding from 1978	310 000	100 000	70 000	70 000	70 000	
Appropriation for 1979	18 000 000	5 000 000	4 000 000	4 000 000	4 000 000	1 000 000
Appropriation for 1980	30 000 000		3 300 000	10 500 000	8 500 000	7 700 000
<b>Total</b>	<b>53 510 000</b>	<b>10 000 000</b>	<b>7 500 000</b>	<b>14 740 000</b>	<b>12 570 000</b>	<b>8 700 000</b>

## REMARKS

Unchanged

Draft amendment No 80  
tabled by the Committee on Social Affairs and Employment

Section III — Commission

## PAYMENTS

Chapter 54 (new): Special contribution to the ECSC for temporary social measures in connection with the restructuring of the steel industry

A) *Expenditure*

- Create a new Chapter 54 'Special contribution to the ECSC for temporary social measures in connection with the restructuring of the steel industry'
- Enter a payment appropriation of 30 000 000 EUA (reinstatement of the appropriations in the new preliminary draft budget)

B) *Compensation*

—

C) *Revenue*

Increase revenue by the same amount

<sup>1</sup> See Article 1 (3) of the Financial Regulation of 21 December 1977

## COMMITMENTS

—

*Schedule*

—

## REMARKS

*Enter the following new remarks:*

'New chapter

This appropriation is intended to finance for 1980 the temporary social measures in connection with the restructuring of the steel industry (Doc. COM(79) 199 final and COM (79) 436 final, submitted for assent to the Council under Article 95 of the ECSC Treaty). A decision must also be taken under Article 235 of the EEC Treaty to authorize a special contribution from the general budget to the ECSC for this purpose (COM(80) 134 final).'

\* \* \*

Draft amendment No 81  
tabled by Mr Pranchère, Mr Ansart, Mr Baillot, Mr Damette, Mrs Le Roux, Mr Martin, Mr Maffre-Bauge and Mr Chambeiron

*STATEMENT OF EXPENDITURE*

ARTICLE 101 (new): Deconsolidation of imports of sheepmeat from New Zealand.

*Create a new Article 101: Deconsolidation of imports of sheepmeat from New Zealand.*

Make a token entry.

\* \* \*

Proposed modification No 82  
tabled by Mr Ansart, Mr Baillot, Mr Damette, Mrs le Roux, Mr Pranchère, Mr Fernandez, Mr Martin, Mr Maffre-Bauge and Mr Chambeiron

Section III — Commission

## PAYMENTS

*Create a new Chapter 73A: Appropriations necessary for an average increase of 7.9 % in agricultural prices to be spread over Chapters 60 to 73*A) *Expenditure**Create a new Chapter 73A: Appropriations necessary for an average increase of 7.9 % in agricultural prices to be spread over Chapters 60 to 73**Enter a payment appropriation of 600 000 000 EUA*B) *Compensation*

—

C) *Revenue**Increase revenue by the same amount.*

## COMMITMENTS

—

\* \* \*

Draft amendment No 83  
tabled by Mr Baillot, Mr Ansart, Mr Damette, Mrs le Roux, Mr Pranchère and Mr Chambeiron

Chapter 58: Additional measures in favour of the United Kingdom

Delete this line.

\* \* \*

Draft amendment No 84  
tabled by Mr Pranchère, Mr Ansart, Mr Baillot, Mr Damette, Mrs Le Roux, Mr Martin, Mr Maffre-Bauge and Mr Chambeiron

Section III — Commission

Chapter 78: Monetary compensatory amounts levied or paid in respect of trade in agricultural products

Delete this chapter.

\* \* \*

Draft amendment No 85  
tabled by Mr Pranchère, Mr Ansart, Mr Baillot, Mr Damette, Mr Fernandez, Mr Chambeiron and Mrs Le Roux

Section III — Commission

Article 628: Financial contribution by milk producers

Delete this article.

\* \* \*

Draft amendment No 86  
tabled by Mr Ansart, Mr Pranchère, Mr Baillot, Mrs Le Roux, Mr Fernandez and Mr Chambeiron

*Statement of revenue*

Article 100: Levies, premiums, supplementary or compensatory amounts, additional amounts and other duties established by the institutions of the Communities in respect of trade with non-member countries under the common agricultural policy (Article 2(a) of the Council decision of 21 April 1970).

Create a new item: 'Taxes on imports of vegetable oils and fats'.

Make a token entry.

\* \* \*

Draft amendment No 87  
 tabled by Mrs Le Roux, Mr Damette, Mr Ansart, Mr Baillet, Mr Pranchère and Mr Chambeiron

Section III — Commission

Article 560: Specific Community measures

Delete this article.

\* \* \*

Proposed modification No 88  
 tabled by Mr Ansquer, Mr Buchou, Mr Davern, Mr Flanagan on behalf of the Group of European Progressive Democrats

*Statement of revenue*

Article 101 (new): Special levy on soya

A) *Revenue*

Create a new Article 101: 'Special levy on soya'

'token entry'

*Schedule*

—

REMARKS

*Enter the following remarks:*

The Council is asked to make the necessary arrangements for the levy of this revenue.

It will be a matter for the Council to fix both the rate and level of the resultant revenue.

\* \* \*

Draft amendment No 89  
 tabled by Mr Ansquer, Mr Buchou, Mr Davern, Mr Flanagan on behalf of the Group of European Progressive Democrats

*Statement of revenue*

Chapter 11: Levies and other duties provided for as part of the common organization of the markets in certain sectors (*new designation*)

Article 113 (new): Levy on margarine production

A) *Revenue*

*Amend* the heading of Chapter 11 as follows: 'Levies and other duties provided for as part of the common organization of the markets in certain sectors'.

*Create* a Article 113: 'Levy on margarine production'.

'token entry'

## REMARKS

Enter the following remarks:

The Council is invited to set up a common market organization in the margarine sector and to create a levy on production.

\* \* \*

Draft amendment No 90  
tabled by Mr Ansquer, Mr Buchou, Mr Davern, Mr Flanagan on behalf of the Group of European Progressive Democrats

*Statement of revenue*

Article 102 (new): Special levy on manioc

A) *Revenue*

Create a new Article 102: 'Special levy on manioc'

token entry

## REMARKS

Enter the following remarks:

The Council is invited to make the arrangements necessary for the collection of this revenue.

It will be a matter for the Council to fix both the rate and level of the resultant revenue.

\* \* \*

Draft amendment No 91  
tabled by Mr Ansquer, Mr Buchou, Mr Davern, Mr Flanagan on behalf of the Group of European Progressive Democrats

*Statement of revenue*

Article 120: Customs duties and other duties referred to in Article 2(b) of the council Decision of 21 April 1970.

A) *Revenue*

—

*Schedule*

—

## REMARKS

Amend the remarks as follows:

This revenue will increase over the years as a result of the revenue produced by the increase in the duties on soya and manioc.

The Council is invited to make the necessary arrangements for the increase in the rate of these duties.

\* \* \*



Draft amendment No 92  
tabled by Mr Schinzel, on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

PAYMENTS

Chapter 54 (new): Contribution for temporary new social measures in connection with the restructuring of the iron and steel industry

A) *Expenditure*

*Chapter 54 (new):* Contribution for temporary new social measures in connection with the restructuring of the iron and steel industry

*Enter an appropriation of 10 000 000 EUA*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount.*

\* \* \*

Draft amendment No 93  
tabled by the Committee on External Economic Relations

Section III — Commission

PAYMENTS

List of posts

*Increase* the staff of DG I, III and VI and of the Customs Union service by creating the following posts:

27 A (including a certain number of temporary staff), 28 B and also the secretarial and clerical staff required (18 C secretarial, 7 C clerical) to enable the Community to meet the commitments it entered into within the framework of GATT

A) *Expenditure*

*Increase the payment appropriation by 1 304 955 EUA*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount<sup>1</sup>*

<sup>1</sup> taking into account deductions from remunerations

Draft amendment No 94  
tabled by the Committee on External Economic Relations

Section III — Commission

PAYMENTS

Lists of posts

*Increase* the staff of DG I by creating the following posts:

1 A3 — 2 A5/4 — 2 B — 2 C

with a view to the opening of a Commission delegation in Yugoslavia (Belgrade)

A) *Expenditure*

*Increase* the payment appropriation by 139 049 EUA

B) *Compensation*

—

C) *Revenue*

*Increase* revenue by the same amount<sup>1</sup>

...

Draft amendment No 95  
tabled by The Committee on External Economic Relations

Section III — Commission

PAYMENTS

List of posts

*Increase* the staff of DG I by creating the following posts:

1 A2 — 3 A5/4 — 2B — 2 C

with a view to the opening of a Commission delegation in Australia (Canberra)

A) *Expenditure*

*Increase* the payment appropriation by 173 666 EUA

B) *Compensation*

—

C) *Revenue*

*Increase* revenue by the same amount<sup>1</sup>

...

Proposed modification No 96  
tabled by the Socialist Group

Section III — Commission

<sup>1</sup> taking into account deductions from remunerations

## PAYMENTS

Item 9201: 1980 programme for cereals other than rice

A) *Expenditure*

Increase the payment appropriation by 64 729 000 EUA

B) *Compensation*

—

C) *Revenue*

Increase revenue by the same amount

## COMMITMENTS

—

\* \* \*

Draft amendment No 97/rev.

tabled by Mrs Dekker, Mrs Clwyd, Mrs Salisch, Mr van Minnen, Mr Albers, Mr Muntingh, Mrs Krouwel-Vlam, Mrs Van den Heuvel and Mr Boyes

Section III — Commission

*List of posts*

Amend the list of posts as follows:

*Add.*: 3 Category A officials at grade A 7/6  
3 Category B officials at grade B 3/2  
3 Category C officials at grade C 3/2

A) *Expenditure*

Increase expenditure by 400 000 EUA<sup>1</sup>

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

*Schedule*

—

## REMARKS

—

\* \* \*

<sup>1</sup> A sum of 400 000 EUA is set aside for these posts to ensure that the Commission can proceed with recruitment rapidly and that the new staff can take up their duties on 1.10.80

Draft amendment No 98  
tabled by the Socialist Group

Section III — Commission

PAYMENTS

Article 290: Subsidies to institutions of higher education

A) *Expenditure*

*Increase payment appropriations by 350 000 EUA (from 165 000 EUA to 515 000 EUA)*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount*

COMMITMENTS

—

*Schedule*

—

REMARKS

—

\* \* \*

Draft amendment No 99  
tabled by the Socialist Group

Section III — Commission

PAYMENTS

Article 291: Subsidies to European movements

A) *Expenditure*

*Delete payment appropriations of 185 000 EUA in Article 291.*

*Enter a token entry with the following footnote: (1) an appropriation of 185 000 EUA has been entered in Chapter 100.*

*Create in the remarks section of Chapter 100 'Provisional appropriations' a line 'Article 291: Subsidies to European movements'*

*Enter a payment appropriation of 185 000 EUA against this article.*

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

*Schedule*

—  
REMARKS  
—

\* \* \*

Draft amendment No 100  
tabled by the Socialist Group

Section III — Commission

PAYMENTS

Item 3070: European Trade Union Institute

A) *Expenditure*

*Increase payment appropriations by 200 000 EUA (from 650 000 EUA to 850 000 EUA)*

B) *Compensation*  
—

C) *Revenue*

*Increase revenue by the same amount*

COMMITMENTS  
—

*Schedule*

—  
REMARKS  
—

\* \* \*

Draft amendment No 101  
tabled by the Socialist Group

Section III — Commission

PAYMENTS

Item 3241: Programme for the development of new sources of energy

A) *Expenditure*  
—

B) *Compensation*  
—

C) *Revenue*

—

COMMITMENTS

*Increase commitment appropriations by 4 000 000 EUA (from 44 000 000 EUA to 48 000 000 EUA)*

*Schedule*

—

REMARKS

Unchanged

\* \* \*

Draft amendment No 102  
tabled by the Socialist Group

Section III — Commission

PAYMENTS

Item 3722: Textile industry technology

A) *Expenditure*

—

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

*Enter a commitment appropriation of 4 200 000 EUA*

*Schedule*

—

REMARKS

—

\* \* \*

Draft amendment No 103  
tabled by the Socialist Group

Section III — Commission

## PAYMENTS

Item 3921: Preparation of young people for working life

A) *Expenditure*

Increase payment appropriations by 90 000 EUA (from 4 600 000 EUA to 4 690 000 EUA)

B) *Compensation*

—

C) *Revenue*

Increase revenue by the same amount

## COMMITMENTS

—

*Schedule*

—

## REMARKS

—

\* \* \*

Draft amendment No 104  
tabled by the Socialist Group

## Section III — Commission

## PAYMENTS

Item 5011: Aid to promote employment

A) *Expenditure*

—

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

Increase commitment appropriations by 2 500 000 EUA (from 108 000 000 to 110 500 000 EUA)

*Schedule*

—

## REMARKS

—

\* \* \*

Draft amendment No 105  
tabled by the Socialist Group

Section III — Commission

PAYMENTS

Article 510: Measures to improve the employment situation in certain regions, economic sectors  
adapting to technical progress

A) *Expenditure*

—

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

Increase commitment appropriations by 54 500 000 EUA (from 395 500 000 EUA to  
450 000 000 EUA)

*Schedule*

—

REMARKS

—

\* \* \*

Draft amendment No 106  
tabled by the Socialist Group

Section III — Commission

PAYMENTS

Chapter 58: Additional measures in favour of the United Kingdom

A) *Expenditure*

—

B) *Compensation*

—

C) *Revenue*

—

COMMITMENTS

—

*Schedule*

—



## REMARKS

Enter the following additional remarks:

'These measures have been agreed to under the procedures laid down in Article 235 of the EEC Treaty. The budgetary authority recognizes that this implies that any expenditure arising is classified as non-compulsory.'

\* \* \*

Proposed modification No 107  
tabled by the Socialist Group

Section III — Commission

Titles 6 and 7 — EAGGF, Guarantee Section

Against Titles 6 and 7 add the following text of a declaration on behalf of the Budgetary Authority:

'The Budgetary Authority,

- (i) in view of the imminent exhaustion of own resources of the European Communities,
- (ii) in view of the different declarations of the European Council, Council, Parliament and the Commission concerning the need to improve the balance within the budget by means of curbing agricultural expenditure,

hereby undertakes, during the 1981 budgetary procedure, to draw the financial consequences of the decisions concerning agricultural market organization necessary to achieve a better balance within the budget and in order to ensure that the 1 % own-resources limit is not exceeded.

The Budgetary Authority is of the opinion that the measures should be directed at products in structural surplus. The Commission is hereby requested to see whether further savings might be achieved by means of a more efficient use of the market organization instruments (see Council declaration of 11 February 1980)

The Budgetary Authority also believes that the costs of extra production in the structural surplus sectors of agriculture should not be financed from the Community budget but should be borne by the producer. It will take the necessary budgetary steps to ensure the application of this principle.'

\* \* \*

Proposed modification No 108  
tabled by the Socialist Group

Section III — Commission

## PAYMENTS

Item 7601 (new): Supplementary levy

A) *Expenditure*

Create a new item 7601: Supplementary levy

Make a token entry

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

*Schedule*

—

## REMARKS

*Enter the following remarks:*

'The Budgetary Authority hereby undertakes to include within the 1981 budget, by means of a supplementary budget, if necessary, the revenue arising from the supplementary levy which should be imposed on producers, should 1980 milk production exceed that for 1979 by more than 1.5 %. The purpose of this levy would be to cause all the costs of this extra production to be borne by the producers.'

\* \* \*

Draft amendment No 109

tabled by Mr Travaglini, Mr Modiano, Mr Adonnino, Mr Lima and Mr Giummarra

Section III — Commission

## PAYMENTS

Article 591 (*new*) — studies and surveys of areas at considerable risk owing to seismic and hydrogeological phenomena

A) *Expenditure*

Create a new Article 591 'Studies and surveys of areas at considerable risk owing to seismic and hydrogeological phenomena'

Make a token entry

B) *Compensation*

—

C) *Revenue*

—

## COMMITMENTS

—

*Schedule*

—

## REMARKS

*Enter the following new remarks:**'Article 591 (new)*

The purpose of entering this new budget line is to encourage the Commission to submit during the 1980 financial year a Community programme of surveys and studies directed at regions which, by virtue of seismic and hydrogeological phenomena, might justifiably be classified as areas exposed to the possibility of natural disaster.'

\* \* \*

Draft amendment No 110  
tabled by the Committee on Youth, Culture, Education, Information and Sport

Section III — Commission

PAYMENTS

Article 2720: Expenditure on information, publicity and participation in public events

A) *Expenditure*

*Increase the payment appropriation by 200 000 EUA (from 7 500 000 EUA to 7 700 000 EUA)*

B) *Compensation*

—

C) *Revenue*

*Increase revenue by the same amount*

COMMITMENTS

—

*Schedule*

—

REMARKS

—

\* \* \*

Draft amendment No 112  
tabled by Mr Pieter Dankert, rapporteur, on behalf of the Committee on Budgets

Section III — Commission

PAYMENTS

Item 3071: Aid to employers' and workers' organisations

A) *Expenditure*

*Increase expenditure by 100 000 EUA.*

B) *Compensation*

—

C) *Revenue*

*Increase revenue accordingly.*

COMMITMENTS

—

\* \* \*





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