

Annex

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## Debates of the European Parliament

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1977-1978 Session

Report of Proceedings

from 24 to 26 October 1977

European Centre, Luxembourg

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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.

*Resolutions adopted at sittings of 24 to 26 October 1977 appear in the Official Journal of the European Communities C 280 of 21. 11. 1977.*

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IN THE CHAIR: MR SPENALE

*President*

*(The sitting was opened at 5.15 p.m.)*

**President.** — The sitting is open.

1. *Resumption of the session*

**President.** — I declare resumed the session of the European Parliament adjourned on 14 October 1977.

2. *Apologies*

**President.** — Apologies for absence have been received from Mr Scelba and Mr Vernaschi, who regret their inability to attend this part-session.

### 3. *Designation of Members of the European Parliament and verification of credentials*

**President.** — The First and Second Chambers of the States-General of the Netherlands have informed me of the appointment on 18 October of Mr Albers, Mr Baas, Mr Berkhouwer, Mr Broeks, Mr Dankert, Mr Geurtsen, Mrs Krouwel-Vlam, Mr Lamberts and Mr Patijn as Members of the European Parliament.

Mr Schuijt, Mr Van der Mei, Mr Notenboom, Mr De Koning and Mr Van der Gun shall remain in office until a date to be decided later.

Pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau have made sure that these appointments comply with the provisions of the Treaties.

It therefore asks the House to ratify these appointments.

Are there any objections?

These appointments are ratified.

I congratulate colleagues whose appointments have been renewed and welcome the new Members.

### 4. *Appointment of the members of the Court of Auditors*

**President.** — Following the deliberations of the European Parliament during its part-session from 10 to 14 October, the Council has informed me that at its meeting of 17 and 18 October 1977 it appointed the Members of the Court of Auditors.

The following have been appointed: Mr Angoi, Mr Gaudy, Mr Johansen, Mr Leicht, Mr Lelong, Mr Mart, Mr Middelhoek, Mr Murphy and Sir Norman C. Price.

### 5. *Documents submitted*

**President.** — Since the session was adjourned, I have received the following documents:

(a) from the Council requests for an opinion on:

- the proposal from the Commission of the European Communities to the Council for a directive amending Directive 75/106/EEC on the approximation of the laws of the Member States relating to the making-up by volume of certain pre-packaged liquids (Doc. 335/77)

This document has been referred to the Committee on the Environment, Public Health and Consumer Protection;

- the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories (Doc. 337/77).

This document has been referred to the Committee on Development and Cooperation as the committee responsible and to the Committee on Agriculture for its opinion;

- the proposal for the transfer of appropriations between chapters in Section II — Council — Annex III — ECSC Auditor of general budget of the European Communities for the financial year 1977 (Doc. 342/77).

This document has been referred to the Committee on Budgets;

(b) from the committees, the following reports:

- report by Mr Hamilton on behalf of the Committee on the Rules of Procedure and Petitions, on petition No 13/76 by Mr Jean Feidt and fifteen other members of the Staff Committee of the European Parliament on enquiries into the political affiliations of Commission officials (Doc. 336/77);
- report by Mr Cointat on behalf of the Committee on Budgets on Sections II and IV of the draft general budget of the European Communities for the financial year 1978 (Council and Court of Justice) and possibly on Section V (Court of Auditors) (Doc. 338/77);
- report by Mr Cointat on behalf of the Committee on Budgets on Section V (Court of Auditors) of the draft general budget of the European Communities for the financial year 1978. (Doc. 339/77); (interim report);
- report by Mr Cointat on behalf of the Committee on Budgets on amendments to the estimates of revenue and expenditure of the European Parliament for the financial year 1978 (Section I of the draft general budget of the European Communities) (Doc. 340/77);
- report by Mr Shaw on behalf of the Committee on Budgets on the draft general budget of the European Communities for the financial year 1978 (Doc. 270/77) — (Doc. 341/77);
- report by Mr Muller on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council (Doc. 233/77) on the harmonization of provisions laid down by law, regulation or administrative action in respect of standard exchange of goods exported for repair (Doc. 343/77);

### 6. *Authorization of Reports*

**President.** — The Committee on Regional Policy, Regional Planning and Transport, at its own request and pursuant to Rule 38 (3) of the Rules of Procedure, has been asked for its opinion on the prospects for the enlargement of the Community, which has been referred to the Political Affairs Committee as the Committee responsible and to the Committee on Agriculture for its opinion.

**President**

Pursuant to Rule 38 (1) of the Rules of procedure, I have also authorized the Committee on Energy and Research to draw up a report on the need for joint action on the use of wave, tidal and wind power for the production of electricity.

*7. Petitions*

**President.** — At the request of the Committee on the rules of Procedure and Petitions, and to Rule 48 (4) of the Rules of Procedure, Petitions Nos 5/76, 16/76, 19/76, 4/77 and 5/77 have been filed without further action and Petition Nos 15/76 and 17/76 have been forwarded to the Commission.

*8. Order of business*

**President.** — At the end of the sitting of 14 October 1977, Parliament adopted the following order of business for this part-session :

*Monday, 24 October 1977, 5 p.m. — 10 p.m.*

- submission and discussion of the Cointat Report on the amendments to the estimates of Parliament for 1978, the Cointat report on Sections II and IV of the draft general budget for 1978, the Cointat interim report on Section V of the draft general budget for 1978 and the Shaw report on the draft general report of the Communities for 1978.

- debate on the draft general budget for 1978.

*Tuesday, 25 October 1977, 10 a.m. — 1 p.m. and 3 p.m. — 6 p.m.*

- continuation of budget debate.

*Wednesday, 26 October 1977, at 10 a.m.*

- presentation and discussions of supplementary report from the Committee on Budgets followed by voting on :
  - Sections I, II, IV and V of the draft general budget of the Communities for 1978 ;
  - draft amendments concerning appropriations in the 'Commission' section of the draft budget ;
  - proposed modifications concerning appropriations in the 'Commission' section of the draft budget ;
  - the motions for resolutions contained in the Shaw and Cointat reports.

*9. Organization of budget debate*

**President.** — Pursuant to Rule 28 of the Rules of Procedure, speaking time for the budget debate has been allocated as follows :

Total duration of the debate : 13 hours

- Mr Cointat, rapporteur : 20 minutes
- Mr Shaw, general rapporteur : 90 minutes
- Draftsmen of opinions : 80 minutes in all, i.e. 10 minutes each
- Commission and Council : 80 minutes

*Total : 270 minutes*

- Socialist Group : 140 minutes
- Christian-Democratic Group : 120 minutes
- Liberal and Democratic Group : 65 minutes
- Group of European Progressive Democrats : 55 minutes
- European Conservative Group : 55 minutes
- Communist and Allies Group : 55 minutes
- Non-attached Members : 20 minutes

*Total : 510 minutes*

The speaking time allocated will also have to be used for the presentation of the main and supplementary reports as well as for introducing draft amendments and proposed modifications. During the vote, only the rapporteur will be able to speak in order to state briefly the opinion of the Committee on Budgets.

This will be the first time that Parliament has applied the budgetary procedure provided for in the Treaty of July 1975 concerning the budgetary powers of Parliament and the setting up of a European Court of Auditors.

Since I have already applied a procedure corresponding to the new standards I shall not go into this further I shall simply remind the house of certain essential points :

The time-limit for tabling draft amendments, proposed modifications and proposals for rejection of the budget as a whole has been set at 11 a.m. tomorrow, Tuesday 25 October, to enable the Committee on Budgets to examine these proposals at its meeting to be held the same day at 6 p.m. The Committee on Budgets will report on the proposals at the beginning of the sitting on Wednesday, 26 October before the vote on the budget as a whole.

I would urge all Members of the House to observe the speaking time allocated and ask the political groups to put forward as early as possible the names of those who will speak in the debate and on which part of the budget they would like to speak. Draftsmen of opinions will, in principle, have the opportunity to speak at the beginning of the debate on the appropriations relating to that part of the budget on which they have delivered their opinions.

*10. General Budget of the European Communities for 1978 (debate)*

**President.** — The next item is the debate on the draft general Budget of the European Communities for the 1978 financial year on the basis of the following reports drawn up on behalf of the Committee on Budgets :

- Report by Mr Michel Cointat on amendments to the estimates of revenue and expenditure of the European Parliament for the financial year 1978 (Section I of the draft general budget of the European Communities). (Doc. 340/77).

## President

- Report by Mr Michel Cointat on Sections II (Council) and IV (Court of Justice) of the draft general budget for the financial year 1978 (Doc. 338/77).
- Interim Report by Mr Michel Cointat on Section V (Court of Auditors) of the draft general budget for the financial year 1978 (Doc. 339/77).
- Report by Mr Shaw on the draft general budget for the financial year 1978 (Doc. 270/77) (Doc. 341/77).

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Mr President, for several weeks, Parliament and its Committee on Budgets have now been considering the various documents for the financial year 1978, including the estimates of revenue and expenditure of Parliament. We have already discussed Parliament's budget for 1978 and I shall not dwell on it here. I only want to note that the Committee on Budgets proposes that the budget be adopted with a figure of 99 812 612 EUA for expenditure. This represents an increase in expenditure of some 4 %, not counting appropriations for the elections and supplementary appropriations for the construction of new premises ; with the appropriations for direct elections, the increase will be around 20 %.

The budget for 1978, in its present form, is clearly a provisional one, for if direct elections do take place early in 1978 as planned, a supplementary budget will be needed. The Committee on Budgets has therefore been very circumspect with its current proposals. You will see from the motion for a resolution that we also propose unfreezing a number of appropriations and posts, in accordance with the decision taken in June, including the release of 64 of the 83 posts created in the estimates. But all I really want to do here is to comment briefly on the amendments tabled by the Committee on Budgets and on the amendments the committee has rejected.

The first amendments are about staff, and although the Commission has agreed to most of what was put forward by the enlarged Bureau, it has made some changes, which it has notified to the President of the European Parliament by a letter dated today, pursuant to the internal Rules of Procedure. In particular, it had been intended to create a number of posts in Brussels to improve translation facilities for Members. It has been agreed that this will be reviewed, after the budgetary procedure, with the chairmen of the political groups and the Bureau. We also have an amendment concerning the secretariat of the Committee on Budgets, which we also submitted to the Bureau. We want to expand this secretariat, because it now has to perform extra duties involving the setting up of the Court of Auditors and control procedures.

Another amendment concerns the setting up of a data-processing coordination department, but here the committee has not retained all the posts originally proposed. It would prefer initially to see a fairly small

hard core of staff for this service before deciding on the correct size of this department at a later date.

A final item on staffing is that the Committee on Budgets has agreed to the proposal submitted by the chairmen of the political groups for converting temporary posts into established ones. In particular, it approves the creation of a post for a full-time nurse in the European Parliament's day nursery, which deserves better premises and working conditions.

As regards expenditure relating to persons working with the institution, the Committee on Budgets will also propose a further 55 000 EUA for the recruitment of teams of auxiliary staff, in particular duplicator operators, during part-sessions in Strasbourg and Luxembourg, to take account of the growth in Parliament's activities.

A number of other amendments concerning buildings, equipment and administrative expenditure will also be tabled ; for example in view of the need to increase the Schuman grants by adapting expenditure for 1978 in the light of the decision taken for the 1977 financial year ; an amendment will be tabled by the Socialist Group calling for 150 000 EUA for special subsidies ; this amendment is also duplicated in the budget of the Commission.

There is an amendment calling for an increase of 310 545 EUA in appropriations for the Parliament's Information Service, in particular to ensure that groups of visitors are as fully informed as possible. At the same time we have cancelled some 1 million EUA of our own budget for appropriations to cover the activities of the Committee of Control and the ECSC Audit Officer, because these are no longer necessary since the setting up of the Court of Auditors. These appropriations will be entered in the budget of the Court of Auditors from now on.

There are two further items which the Committee on Budgets considers important. Firstly, the entering of an appropriation of 9 680 000 EUA for information and publicity to create public awareness of direct elections to the European Parliament. Secondly, an appropriation of 5 000 000 EUA to improve and extend office accommodation in Strasbourg, Luxembourg and Brussels to provide suitable facilities for the new Members who will take their seats after direct elections. I owe a few words of explanation on this point. No one is at present in a position to say by what amount appropriations must be increased to take account of Parliament's switch from 198 to 410 Members. That is why we have confined ourselves to an indicative estimate and proposed increasing appropriations by 5 million EUA on the basis that 4 800 000 EUA have already been entered. The only reason for this amendment is to enable the Secretary-General and Parliament's services to make the necessary changes in good time when a definite date has been given for direct elections.

## Cointat

These are, Mr President, briefly the amendments to the draft estimates. I am sorry my speech was rather dry, but manipulating figures is a serious business.

**Mr Eyskens, President-in-Office of the Council.** — (NL) Mr President, if I make my speech now at this somewhat inconvenient moment, it is because I have to leave this House at 6 o'clock in order to be present at a Council meeting in Brussels at 7 o'clock to examine the amendments made by the Belgian Parliament to the Belgian budget.

I ask your forgiveness, but I shall be back at 10 o'clock tomorrow morning. I have had the opportunity to observe some of the work of Parliament's Committee on Budgets in Brussels. I should like to pay a tribute to the seriousness and the thoroughness with which the proposed modifications and amendments were prepared and formulated. I should also like to pay tribute to the rapporteur, and to Mr Cointat whose report we have just heard, and to Mr Shaw who will explain his report presently and finally, last but not least, Mr Lange, chairman of the Committee on Budgets.

I note that the proposed modifications and amendments presented by the Committee on Budgets aim more or less to restore the original Commission proposals in the preliminary draft budget.

This means high percentage increases and I think it useful to emphasize this at the beginning with a view to a continuation of the budget debate tomorrow. By looking simply at the non-compulsory expenditure, that is expenditure over which Parliament has control, I find that the percentage increase in comparison with 1977 is 36.3 % for commitment appropriations and 59.9 % for payment appropriations. This will undoubtedly create a problem for the Council, all the more so because the Council did its bit in the written procedures for payment appropriations, which took place a few weeks ago, by bringing the percentage increase to 31.5 %. Your amendment makes this a rise of 59.9 %, that is double, while the Council was prepared for an increase of 31 %.

I would also like to point out that the percentage increases which result from your draft amendments relate chiefly to increases in the Social Fund. Tomorrow we shall undoubtedly have an exchange of views on the import of this political choice.

I should also like to emphasize that the Council has done its best to take account of some of the wishes already expressed here by adding 8 million EUA to the original commitment appropriations and to 2.5 million EUA to the original payment appropriation for social policy and, after the written procedure, increasing the appropriations for industrial policy by 15 million.

These are just some introductory remarks. I should just like to draw your attention to the fact that I shall

be discussing the consultation procedure with President Colombo tomorrow. I hope that this procedure, dealing with the nine or ten points you are familiar with, can take place in early November, if possible on 7 November, and I hope that it will then be possible to reach an agreement between the Council and your parliamentary delegation on the outstanding problems. Finally, I can tell you that the Council of Ministers will again meet on 22 November to decide what attitude to take to the amendments and proposed modifications which you will discuss and adopt here today and tomorrow. These, Mr President, were the remarks I wanted to make at the outset, and I apologize once again for the fact that I must leave this meeting in half an hour's time.

**President.** — Thank you, Mr Eyskens, for the close attention paid by your Institution to the work of our Committee on Budgets and for its readiness to begin the concertation procedure.

Mr Cointat, do you wish to speak again ?

**Mr Cointat.** — (F) Mr President, I have dealt very briefly with Parliament's estimates but I should like to say a few words about the Council, the Economic and Social Committee, the Court of Justice and the Court of Auditors.

I hope you will not object.

**President.** — I call Mr Cointat.

**Mr Cointat.** — (F) Mr President, I shall take the Council of Ministers first. The Council has submitted a draft budget for 80 million EUA, an increase of 11.7 %. In the Committee on Budgets we debated a number of technical points which I think hardly need to be repeated here. The committee decided unanimously to propose that the Council's draft budget should be accepted *without amendment*.

The appropriations for the Economic and Social Committee incorporated in the Council's budget amount to 15.6m EUA. The Committee on Budgets has four amendments here. The first concerns the creation of four posts to strengthen the staff of the Economic and Social Committee, the level of activity of which is increasing, particularly since it now has the right of initiative, following the decision of the Conference of Heads of State or Government.

The second amendment concerns career prospects. With similar amendments being proposed in all the other institutions, there is no reason why the Economic and Social Committee should be left behind. The third amendment concerns equipment, and in particular the replacement of very obsolete offset printing machinery. The amount involved is 29 000 EUA. The fourth and last amendment is for equipping premises in the Ravenstein building rented, following the departure of the NATO staff, as a staff canteen. These premises were rented too late for the

**Cointat**

appropriations to be entered in the draft budget. The Committee on Budgets therefore proposes adding 100 000 EUA, half of which will be frozen until detailed plans are submitted. Subject to these four amendments, the Committee on Budgets holds that the appropriations for the Economic and Social Committee should also be adopted.

I think we should all be grateful for the modest requests submitted by the Court of Justice and welcome the fact that it has the lowest rate of staff increases of all the Community institutions. Its revenue will nevertheless rise from 15.4m u.a. to 17.3m u.a. in 1978. The Committee on Budgets has no amendment concerning the Court of Justice and will propose that its appropriations should be approved.

I have had to produce an interim report on the Court of Auditors, because it has not yet submitted its budget. As the motion for a resolution says, the Committee on Budgets hopes that the Court of Auditors will be able to draw up provisional estimates of its revenue and expenditure as soon as possible, so that they can be considered under the ordinary budgetary procedure as provided for by the Treaty of 22 July 1975. So far the sum of 500m u.a. has been set aside by the Commission and the Council for equipping the premises of the Court of Auditors.

Subject to the points I have just made, the Committee on Budgets approves the adoption of the budgetary documents for the four institutions for the 1978 financial year.

**President.** — I call Mr Shaw.

**Mr Shaw, general rapporteur.** — Mr President, I understand the problem that faced Mr Eyskens and I fully accept the reason for his having to depart so early in our proceedings. I look forward to seeing him on his return tomorrow.

Mr President, this year that we are considering — namely, 1978, — is to be a year of great importance to Europe. It is the year when we should be holding direct elections, when for the first time a great enterprise in international unity and cooperation becomes linked directly with the people in our countries. Until now, our affairs have been controlled by representatives of national governments and of national parliaments; the European view is nowhere transmitted direct to the people of Europe, and equally the views of those people of Europe, and equally the views of those people are in no way reflected directly into our Common Market affairs. After direct elections, the voice and views of the people of all our countries will be heard directly through their elected representatives and, above all, they will be heard in the budgetary processes of our Community, in the raising and spending of our money, in the responsible discipline of creating the Community resources to finance the Community policies that are being developed.

To all this, we must add the decisions that are likely to be taken next year in moving towards the enlargement of our Community and the difficult and long-term economic consequences that will eventually flow from such decisions. This, in itself, will add to the need for us to give political shape and purpose to our work in establishing our budget.

Finally, I must emphasize that we are going through our budgetary processes against a background of uncertainty as to the structural reforms that we, as a Parliament, have worked so hard to agree with the Commission but on which we have, as yet, received no final news as to whether Council itself can agree to them: uncertainty as to the final adoption of a system of the Communities' own resources through VAT; uncertainty as to the adoption of a system of the European unit of account; uncertainty as to the final content of the new Financial Regulation. We, for our part, Mr President, have, I believe, worked hard to resolve these matters in a responsible and a relevant way. It is a matter of deep regret that the Council should have taken so long in arriving at decisions on these matters, knowing, as they must, how critical they are to the final structure of this budget.

On one matter, however, action has been taken, and how glad I am that it has! I wholeheartedly welcome the setting up of the new Court of Auditors. It will help Parliament in its control of expenditure work in a far more effective way than was possible for its predecessor.

Whilst on this subject, I noted with regret a recent pronouncement in the papers on the working of the Control Subcommittee. I have stated on many occasions that I did not believe that our subcommittee could really establish its true role until the Court of Auditors had been set up. Any ill-judged comment is, I believe, premature at this stage, because, in order to work properly we need to work in coordination with that Court.

The subcommittee has, nonetheless, already done a lot of valuable work. We have brought up to date the examination of the annual accounts, and all members that have participated know how necessary that was. Mr Aigner and Mr Bangeemann, in their discharge reports, have raised over a hundred points for comment concerning these accounts, and we have evolved a procedure for dealing with confidential issues. These are but some of the activities that we have already carried out, and I hope that, now that the Court of Auditors has been set up, we shall be able to work even more usefully than we have done in the past.

Mr President, we as a Parliament have worked hard in our consideration of the draft budget for 1978. We were greatly disappointed by the changes made by the Council to the Commission's preliminary draft. These changes seem to us largely to destroy the political

**Shaw**

pattern of developing Community projects that were envisaged in that preliminary draft. Instead, whilst agriculture expenditure was virtually untouched, the other proposals were seriously cut back.

As you know, I have laid great emphasis throughout my rapporteurship on my desire that all the committees and groups of this House should play a full and meaningful part in what is undoubtedly by far the greatest annual task that we have to undertake — the establishing of the budget. I am glad to say that never before have the committees played such an important role in our annual deliberations, and I am deeply grateful to them for all the work that they have put in. It does mean, however, that this year we have no fewer than 324 amendments to consider, more than double last year's figure, which was itself a record.

Before turning to a consideration of the work that we have been engaged upon, I should like to say a word about the economic background. When the preliminary draft and draft budgets were being prepared, there was a climate of severe economic stringency in the nine Member countries. It was natural that the climate should condition the attitude of the Council in its deliberations. In my view, it over-conditioned its attitude — understandable though that was. It meant that the Council gave priority to economic stringency at the expense of economic coherence.

However, that climate since those early days has now significantly changed and the same early arguments can no longer be put forward by the Council. The national governments themselves are now changing their policies with a view to encouraging growth in investment and with a view, perhaps above all, to reducing unemployment. The fact is that, in any case, the size of the Community budget is so small, being under 1 % of the Community's GDP, that it cannot have any effect on national economic policies. Yet, if we are to fulfil Community policies that have been hammered out during the year, then we must be prepared in the budget to meet their costs, remembering that a substantial part will not be additional cost to the Community overall, since it will be in support of policies better done by the Community than by individual States. Whilst never forgetting the need for proper discipline and control, I maintain, as forcefully as I can, that the policy of economy at all costs is not only wrong in the circumstances of this budget, but could, in fact, be seriously harmful to the long term interests of our Community.

Let me now turn to the details of the work that we have undertaken together during these last few months, and in so doing I welcome, as I have indeed already done, the President-in-Office and Mr Tugendhat. If I may start with the receipts, I have already mentioned the importance that I attach to the implementation of an own resources system of finance in this coming year. I will say nothing on this subject, save that your Committee on Budgets has put

forward a number of amendments on the receipts side to improve in particular the clarity of presentation. This is very important, to show from the outset that the funds coming in are Community funds, and not contributions from individual Member States. Furthermore, we have made it clear that the authorization to borrow and lend is given each year by the budgetary authority itself. I should perhaps add, Mr President, that, during the course of the discussions in the Committee on Budgets, our colleague Mr Spinelli put forward a number of interesting points, particularly with regard to receipts. He will, doubtless, refer to them later on in the debate, but in brief, as I understand him, he is seeking to establish the budget on a comparison of the overall possible financial revenue from Community, national and local resources with the needs and objectives of the Community at all levels. Likewise, he is seeking to relate the overall volume of annual Community revenue to an analysis of the total tax burden borne by the citizens of the Community. Clearly, these ideas could not be taken further in this budget, but any further work on them might well produce some very interesting information.

Could I now say a word about staff? It is often very easy for us to decry a need for further staff. I, as rapporteur, went into the various problems relating to staff matters in a comprehensive fashion. It is my opinion, and also that of the Committee on Budgets, that the Commission should have available to it sufficient staff to enable it to carry out effectively the tasks which Parliament and Council impose on it. Furthermore, we believe there should not be any automatic inflation in the number of posts. New posts should be created only after the budgetary authority has been satisfied that the case for each such post has been fully established. In the preliminary draft budget, the Commission explained very comprehensively why it needed 531 additional posts. It gave a very full and detailed explanation of its needs. However, the Council, in the draft budget, gave the Commission 100 new permanent posts and 26 new temporary posts. No real explanation was furnished by the Council for its rejection of the well-argued case put forward by the Commission. The issue, as I say, was gone into by the Committee on Budgets and we concluded that there was a genuine need for more executive and clerical staff, so that certain of the more routine tasks could be carried out without making inroads on the time of 'A' grade officials.

Briefly, what we have proposed is to cancel 20 language posts which have been granted by the Council. We did this because we became aware of the fact that there are already some 180 language posts unfilled in the Commission's establishment plan. In addition, we felt that there was a need for certain other posts totalling 115 in all. Thus, we are recommending a net increase of 95 posts above the seemingly rather arbitrary figure put forward by Council.

**Shaw**

Nor, I know that these proposals, being much below the requests made by them, will not please the Commission. However, I do feel that they represent a genuine minimum increase that must be accepted.

Furthermore, to ease certain bottlenecks at lower levels in the Commission's establishment plan, the Committee on Budgets endorsed my proposal that 91 possibilities for upgrading at A4, A6, B1, C1 and C2 be provided. The cost of this particular measure next year would be just over 100 000 EUA, yet the advantages in career structure within the Commission would be considerable for this small outlay.

I would like to mention at this point that, when preparing these amendments, I met the responsible management officials in the Commission and I also had discussions with staff representatives. I found both meetings most helpful, and I can only say I regret it if they find that I have not been able to help them as much as they expected.

While I am on the subject of staff, I would like to refer to the issues raised by Mr Aigner last summer when dealing with the 1975 discharge. I have taken some of the issues raised by him in that report a little further, and Members will find my views set out on pages 39 to 42 of the report now before the House. I believe that a strong case can be made for the creation of a Community recruitment agency which would be responsible to all the Institutions, who would inform this agency of their staff requirements each year. It could help to do away with relatively expensive competitions and avoid overlapping advertisements for different institutions appearing on the same day. I would ask the Commission if they would prepare a feasibility report on this particular matter. Furthermore, I would remind them that the Committee on Budgets would also like them to report on possible modifications to the Community retirement and pensions policy, so as to facilitate earlier retirement.

As final point on this matter, I wonder whether the Commission have made any preparations as to the new position they will face after the direct elections.

Turning now to agriculture, I hardly need to tell Members that agriculture accounts for a very large share of the Common Market budget. In the preliminary draft, it was estimated that expenditure with regard to agriculture would account for over 69 % of the 1978 budget. The Council's change in the draft budget pushed the percentage up to over 75 %, and the amending letter brought the share to over 76 %.

Of course, one has to say straight away that an agricultural policy was the first Community policy to be implemented, and that it shoulders expenditure that would otherwise have to be met nationally. Of course, we must continue to have an agricultural policy, in the interests both of the farmers and of the consumers, and we have to admit that the large share of the budget which agriculture represents is partly

the result of the stunted and underdeveloped nature of other Community policies. If the Council had been more conscious of the need for worthwhile policies in the regional, social, energy, technological and research spheres, the greater overall budget would have obviously reduced the proportion spent on agriculture.

Having said this, however, there is still a clear need for greater flexibility in our agricultural policy, to cope with, in particular, the phenomenon of persistent surpluses, which by their very nature are wasteful and are the subject of so much justifiable criticism. I know that members of the Committee on Agriculture will have much to say on this particular subject in our debate. I will, therefore, restrict myself to a few comments on the interesting amendment put forward by Mr Lange and accepted by the Committee on Budgets. He will doubtless be explaining his thoughts on this subject later in the debate.

Without going into details, I will merely say, at this stage, that his purpose is to remove the annual need for a supplementary budget in respect of agriculture. As a background, I would say that ever since I came into this House — and those with a longer record of service have confirmed a continuing experience of this — we have been seeking to get rid of all avoidable supplementary budgets, and nowhere has the problem been more acute than in the field of agriculture. Thus, we have been faced each year with the rather undignified and quite useless situation whereby we have continued to press for the removal of such avoidable supplementary budgets, by appropriate steps being taken during our main budgetary procedure, and each year the need for such budgets has continued to arise. By making his proposal, Mr Lange has brought the situation to a head. We must now face up to and honour the views that year by year we have been expressing at this time of the year. If we fail, or decide not to do so, then I believe we shall have to consider a completely different approach from that which we have consistently taken in the past.

Our difficulties in all this are not made easier this year, since our consultation with the Council on the subject of the new Financial Regulation has not yet taken place, and, as a result, we do not yet know what the rights of Parliament will be with regard to transfers from Chapter 100. Nonetheless, I think that we must assume at this stage that we shall have, as a partner in the budgetary authority, at least the right of consultation with regard to compulsory expenditure. I think, therefore, that Mr Lange is right to try and resolve this difficulty, and I will, in due course — provided he asks me to — be moving his amendment on behalf of the Budget Committee.

A word now on the European Social Fund. The Committee on Budgets received some 24 amendments to the European Social Fund, as well as many other smaller amendments covering *ad hoc* projects in the social field undertaken by the Commission.

## Shaw

The House will recall that the Council cut back substantially on payment appropriations for the Social Fund whilst not tampering to any significant degree with the commitments. All in all, nearly 150 million EUA were taken out of the various articles and chapters and no provision was made for any new social initiatives in 1978, which in my view are bound to follow after the review of the Social Fund. The various authors of the parliamentary amendments want, for the most part, to restore appropriations to the level they reached in the preliminary draft — that is to say, slightly more than 550 million EUA. One or two members of the committee, notably Lord Bruce, wish to go considerably further, with a large increase in commitments. On the whole, however, the committee was guided in these areas by the views of the Social Affairs Committee.

Here I would like to make a reference to the work done by Mr Meintz and the other members of that committee, because he told us clearly that that committee had examined the priorities for 1978 and had not simply contented itself with an automatic restoration of Commission proposals. I think that that attitude is important: whilst we should seek to support the Commission, that support must always be of a critical nature. The effect of the amendments from the Committee on Social Affairs, which were largely supported by the Committee on Budgets, will be to restore payments for the following sectors within the Social Fund:

- aid to agricultural and textile sectors;
- measures for young people;
- measures for the handicapped;
- measures for migrant workers;
- action in favour of women, in particular unemployed women;
- measures to improve the employment situation in particular regions, economic sectors or groups of companies.

These correspond to Parliament's priorities, as laid down in its own guidelines, that we passed earlier in the year. We thought at the time that aid for the young unemployed and help for particular economic sectors undergoing difficulties merited particular attention. Here we support amendments involving just under a 100m EUA. We also supported the Committee on Social Affairs, in their amendment seeking to restore a new Chapter to the draft budget entitled 'New Operations to deal with the Employment Situation'. This would enable new activities to be launched following the completion of the review of the Social Fund. This is a case where it really is too early to put in appropriations and the Commission was just not in a position to give us figures here. In a situation where unemployment in Europe, variously estimated at between 5 million and 7½ million, is at an intolerable level, it is vital that the Community is

seen to be actively involved in the stimulation of employment and the alleviation of some of the problems of those who are unemployed through retraining.

That is why, in my view, it was extremely shortsighted of Council politically to cut back funds severely, and that is why this Parliament, in its capacity as representative of public opinion, must act positively. So far as the Regional Fund is concerned — Mr Eyskens did refer to it briefly, and I will not take up this point today because, at the end of our debate, we can look into all the points that are raised — I think it is hardly necessary for me to go into the arguments regarding the budgetary aspects of the fund. We have discussed them many times before. I remind the House simply that the Regional Fund ranks as non-compulsory, rather than as compulsory expenditure. The Commission sought in the preliminary draft budget a sum, in fully converted EUAs, of 525 million in payments and 750 EUA in commitments for 1978. The Council cut this back partially and, I would say, rather unjustifiably. When we in the Committee on Budgets examined the situation at our meeting last Tuesday, we concluded that the appropriate course to follow as the endorsement of Amendment No 12 put forward by the committee responsible which restored an appropriate level to the budget for 1978.

The regional problems are grave and worsening. A glance at the table on page 31 of the report that I have prepared will show the widening discrepancies between the different regions in the Community. Nevertheless, whilst not denying the view held by several colleagues here, that the sums in question are quite inadequate to face the problems of the regions, I put it as our view that we stick by the figures sought originally by the Commission and now sought to be restored by the Committee on Regional Policy, Regional Planning and Transport, with my own committee's backing.

A word now on energy technology and research. Frankly, I hesitate to say much on this very complicated and very specialized field of activity. However, I know how well Parliament is served by our colleagues who interest themselves in this field and they will, without doubt, be presenting their views to us in full during our debate.

Perhaps I might just be allowed to say this. In the field of energy I understand that, within the lifetime of most of us, the known reserves of hydrocarbon oils will have been exhausted. It does seem, therefore, that a Community energy policy for the future is absolutely vital. Equally in the field of technology and research. How often do we see that the sheer size and the cost of work in this field results in the work being achieved and the commercial benefit acquired by countries outside the Community. It certainly is not a question of brains. Europe has them in abundance. It

**Shaw**

is a question of cooperation in policies and resources, if we are to grasp the benefits of such work for ourselves. The Committee on Budgets has, therefore, given widespread support to the amendments put forward by the Committee on Energy and Research.

**Food aid :** Parliament's position in regard to food aid and development policy generally is clear. The whole issue of cooperation with the developing countries has been explored by the committee responsible on a number of occasions ; as well, our guidelines resolution of last summer reiterated our stance.

Basically, Parliament believes that the Community should honour its obligations to the developing countries in a comprehensive and growing fashion. We have also stated that we believe that agricultural market export policy and aid policy should be kept apart. Parliament's concern for the developing countries extends to the non-associated developing countries as well. I mention these points in passing, because I feel sure that the spokesman for that committee will have much more to say on this subject.

There is, however, one issue that I would like to raise which concerns the suggestion of both the Commission and Parliament to have the full picture regarding food-aid shown in Chapter 92. Council transferred the element in the preliminary draft budget for food-aid refunds from Chapter 92 to Title VI. My committee wished to reverse this and charged me with putting forward the appropriate amendments : I have done this by way of three modifications. I envisage, and here I am in full agreement with Mr Aigner, who takes a particular interest in this matter, that a separate subheading should show the amount for refunds.

One other point. We all know that the budget is a complicated document, but I think that I should say, in fairness to the Development and Cooperation Committee and also to the Agricultural Committee, that their task was not made easier by the conflicting background figures relating to their important amendments for aid in the form of skimmed-milk powder. I do hope that the position has now been clarified for them, and I fully support their objective.

The last general point that I want to deal with are the triennial financial estimates. Inevitably, a responsible attitude towards the budget imposes on us an obligation to look further than one year ahead. Over recent years, this House has called for better forecasts of the medium-term implications of the annual budget. The advantages of such estimates are threefold : first of all, they improve the Community's image by showing a desire for continuity and coherence ; secondly, they act as a link between the annual budget and the longer-term financial requirements ; and thirdly, they help to improve policy, improve planning and the formulation thereof. It is my view, and a view that is

shared, I know, by the chairman of my committee, that now that we are fully involved in the resources side, we must take into account the medium-term impact of the annual budget more fully than ever before. The need for such estimates is made all the greater by the recourse to commitment authorizations. Again, I looked into this aspect of budgetary documentation in the report, and it is disclosed on pages 62 to 67. We found that the triennial financial estimates for the years 1978-80, which were prepared by the Commission in the light of the preliminary draft budget, were excellently prepared, and I would particularly like to congratulate them on the commentary they provided. A problem that will continue to haunt us in this field is that of how to incorporate into such forecasts the effects of future policies. As far as I know, only one national government has been able to do this, and that certainly has considerably greater control over future events than has the Commission.

One further point about these forecasts concerns the Council's attitude to them. The Council, as I mentioned earlier, and as everybody knows, cut back the preliminary draft budget pretty severely. They would not, however, at the same time, revise the triennial financial estimates. But in future years, where the Council revises drastically the preliminary draft budget, it would be helpful if, at the same time, they were to present revisions to the triennial estimates. Furthermore, the basic decision from which these estimates spring may well need to be revised. Such a revision would enable the Commission then to put forward the more comprehensive estimates that I and Lord Bruce, who was last year's rapporteur, would like to have.

Mr President, before I move to my conclusion, may I say that I have not attempted to cover every aspect of our policies in my speech tonight. I have, however, compiled in my report much that will be of interest to all who like to study these matters. I am particularly grateful to the rapporteurs of the spending committees, who have produced the valuable opinions that are attached to it. I refer to Mr Klinder's opinion for the committee on Agriculture, Mr Delmotte's opinion for the Regional Policy Committee, Mr Krieg's opinion for the Committee on Energy and Research, and Mr Müller-Hermann's opinion for the Committee on Economic and Monetary Affairs. They have all prepared written documents of considerable interest.

Sir, from a general mood of severe national stringency at the inception of the budget some months ago, we are now beginning the final processes in a mood of determination to encourage growth in our economy and to reduce unemployment. In the spring of this year, the Council itself mandated the Commission to initiate a series of analyses dealing with employment, investment, external payments and, more generally, the conditions governing growth. The report, to say

**Shaw**

the least, is disquieting. Let me give a single quotation from paragraph 9 :

Bearing in mind the increase in the labour force, there is a danger that sluggish growth and the weakness of productive investment, if they persist for too long, will lead to a steady worsening of the employment situation, so that in 1980 the unemployment situation, so that in 1980 the unemployment rate could be appreciably higher than today.

There is an urgent need for greater investment ; there is an equally urgent need to implement policies to restructure and retrain for the development of new jobs. These needs, Mr President, lie behind much of our work in regional policy and social policy, in energy policy, in research policy. These needs are not simply national problems demanding national solutions. It is the underlying belief of all of us here in this Parliament that many of the problems that, in days gone by, we sought to solve as individual countries, are now best solved by cooperation and by working together. It is this theme that has inspired us in our work together in examining the proposals we deem necessary for this budget. Equally, it is in this spirit that I hope we shall, at the end of our deliberations, and in the new climate of opinion that now exists, find Council a willing and understanding partner in all that we seek to do.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, we have already discussed the budget for 1978, the preliminary draft budget produced by the Commission and the draft budget produced by the Council, on a number of occasions, but today is the turn of the Parliament in plenary session, and therefore one of the major events in the budget year. I would like to begin my speech by thanking the rapporteur most warmly for the clear and comprehensive report which he has put before the House. I would also like to thank all the committees of the Parliament, Mr President, and in particular Mr Lange and his colleagues on the Committee on Budgets, for the very considerable efforts which they have made.

This is the first occasion on which I have taken part in the budget procedure, and therefore the first occasion on which I have taken part in this particular debate. But I would like to say one thing of a general nature. I have now been a member of the Commission for about 10 months, and everything that I have learned in that time, during my dealings with Parliament, has convinced me that the success of the Community is much more likely to be achieved as long as Parliament is able to continue to play the extremely constructive and important role that it plays at present. In my view, this can only be carried forward satisfactorily if we have direct elections, and if a directly-elected Parliament is able to succeed this Parliament. I hope that Members will not take it amiss

if I say that I hope very much that the Parliament of which I was, until quite recently, a Member facilitates the introduction of those elections as quickly as possible.

*(Applause from certain quarters)*

The report and amendments which have been put forward by Parliament for discussion are indeed very welcome to the Commission. Globally, the Council cut drastically the Commission's proposal. The Parliament is now being invited to restore a major part of the appropriations. But this is not because the Parliament may want to attach importance to global figures as such. That would hardly be appropriate at a time when we are all conscious of the needs for austerity in further expenditure, and when each proposal must fully justify itself. It is precisely because your committees have examined the proposals and policies in detail, and because they wish the Parliament to reaffirm the belief, which the Commission shares, that the budget must be an expression of policy-development for the Community as a whole, and not just an accounting exercise for national experts. The budget procedure alone provides an occasion for the Community institutions to see and redress the balance of Community action, and this vital role is recognized in the special powers conferred by treaty on the Parliament. The Commission can only applaud the Parliament in its apparent determination in this and in previous years, to use these powers to the full and to seek to secure the actions it judges that the Community needs.

During the course of the debate, I will comment on those areas of action which are most important in the 1978 budget, in order to explain in more detail the approach of the Commission. Today, I would just like to make a few remarks about technical aspects of the approach of the Parliament, which I hope you will regard as being by way of an introduction to the debate and not my total conclusion. I hope I shall be able to intervene from time to time as the debate proceeds.

I would like to say at this stage that the Commission is pleased that, in general, it is proposed that Parliament should accept new budget headings containing the distinction between commitment and payments appropriations. It would be inconsistent with the budget transparency, which we all seek, if it were necessary to enter as payment appropriations sums which would not be spent during the year but whose entry was necessary in order to enable the necessary legal obligations to be incurred.

In this context, I must draw attention to the difficulties in which the Commission would be placed if, in respect of certain research actions in Chapter 33, the commitment appropriations for staff and administrative expenditure were deleted. While I understand the reasoning behind this attitude, I should like to

## Tugenhath

draw the House's attention to the fact that such an approach is contrary to Article 95 of the present Financial Regulation which states that commitment appropriations in Chapter 33 are designed to cover all the legal obligations which the Commission may contract. In addition, the Commission has certain difficulties with the notion of blocked appropriations as used on several occasions by the Committee on Budgets. This notion is not recognized in the Financial Regulation and, therefore, no provisions for unblocking exist. On whose initiative, therefore, is it to take place and in what circumstances? The Commission would prefer — if the basic idea of the budgetary authority is sound — not to authorize certain appropriations until after additional explanations have been provided, so that the legal means provided for by the Financial Regulation are used — that of entering the amount in Chapter 100.

I also regret the criticisms contained in points 6 and 7 of the draft resolution. These make certain criticisms of the Council, and also of the Commission, on the grounds that, in relation to a number of aspects of budgetary technique, they did not do enough to satisfy Parliament's wishes. I can, of course, only speak for the Commission. But, so far as we are concerned, in relation to most of the points in question — borrowing and lending policy, for instance, the system of commitment appropriation, nomenclature and budgetary transparency — I would remind Parliament that we have taken considerable steps during recent years in the direction of Parliament's guidelines.

Except for these few reservations, the Commission must again express its appreciation of the quality and quantity of the Parliament's efforts and for the Parliament's wish to play its part as joint budgetary authority in a constructive fashion. Its power and influence over the budget is already essential in the development of the Community's whole range of actions. Hopefully, next year we will see a directly-elected Parliament, fit to conduct the budget debates with an even greater degree of authority, arising out of the fact that it will have been directly elected.

But of one thing I am certain, Mr President: whenever the directly-elected Parliament does take over — whether it is in time for this debate next year or whether it is a little afterwards — the precedents which have been built up in this Parliament, the practices which have been developed, and the procedures which have evolved, will provide a very good base indeed for the new Parliament to build upon.

*(Applause)*

**President.** — We shall now consider *Section I: Parliament*. I call Mr Lange, chairman of the Committee on Budgets.

**Mr Lange.** — *(D)* President, am I now to speak as chairman of the Committee on Budgets or as the spokesman of my group?

If I have understood correctly, Mr President, I shall be speaking both on behalf of the Committee on Budgets and my group. I should like to begin with a few general remarks. The situation has changed somewhat since we held the debate before the summer break. We have proceeded with our discussions in the Committee on Budgets to the point where we have decided to make the request which Mr Shaw has already explained, for account to be taken of our obligations as the budgetary authority, nearing the obligations which result from the Treaty of 22 July 1975. We have clearly expressed, on earlier occasions our complaint that this Parliament can only take decisions on expenditure.

According to the Treaty of 22 July 1975, which comes into effect on 1 January 1978, we shall be in a position to take decisions on revenue as we, although there are some unknown factors linked with this which are still with the Council. We will certainly hear more on this either tomorrow or the following days. We have, of course, merely relied on the fact that, as from 1 January 1978, we will have the conditions originally envisaged by the Council, full financial autonomy, which means that, in addition to the revenue from agricultural levies, customs duties, the sugar tax and other taxes and fines which the Commission can impose, the gap between this revenue and expenditure can be covered by a share of VAT.

This continues to be Parliament's starting point. It means that it is all the more important for us, Mr President, to do everything in future under these conditions to avoid supplementary budgets, as Parliament has always demanded in the past. Mr Shaw has already referred to this. Supplementary budgets are conceivable in cases where we have to concede that events have been unpredictable and unavoidable. The expenditure which results from them is another matter.

However, the condition of predictability applies to everything included in the budget, although it is not possible to indicate in detail the exact figures for total revenue. This is the reason for the request to enter a reserve under Chapter 10. Mr Shaw has mentioned this. I wish that he had gone into this request for a reserve under chapter 10 somewhat more deeply, because this would have simplified the position of Parliament — the budgetary authority — on supplementary budgets. Supplementary budgets should be avoided because it is particularly important that no extra claims should be made on the Member States: that is to say we should not claim a share of value added tax a second time.

**Lange**

It may seem intolerable to some that the budget as a whole should be increased under these conditions. No other way seemed possible to the Committee on Budgets because the alternatives are illusory, even if we are able to reject budgets or supplementary budgets. However, when this Parliament takes decisions on prices in one particular context, namely the fixing of agricultural prices, or expresses recommendations to this effect and further negotiations between the Council and Commission continue on this basis, the situation with regard to supplementary budgets is that they can be accepted in order to remain consistent with the decisions which Parliament has taken and which cannot be subsequently rejected. That, however, is another question. Here the question is simply — and I want to make this clear once again — that Parliament's position on this has already been decided and we .....

**President.** — Mr Lange, at this stage of the discussion you should confine your remarks to the budget of the European Parliament.

**Mr Lange.** — (*D*) ... I did ask at the beginning, Mr President, whether you were calling me as chairman of the Committee on Budgets or as group spokesman, because you said: I call on Mr Lange, chairman of the Committee on Budgets. I had thought that I was to appear as group spokesman, but since you have given me this opportunity, I may as well use it. However, I have now finished my remarks as chairman of the Committee on Budgets. This is the direction in which our ideas have gone and it is now for Members of the House to decide whether or not Parliament's earlier decisions on supplementary budgets and further claims for supplementary budgets should be respected.

Turning now to Parliament's budget, I hope you will allow me, Mr President, to deal simultaneously with the budgets of the Council, the Court of Justice and the Court of Auditors. Mr Cointat has said that we have made some increases. This is quite true. We had originally said that Parliament's budget would not contain any appropriations for direct elections. Then we found that informing the public will be particularly important in the period leading up to direct elections and furthermore, it was necessary for Parliament to create additional facilities for groups of visitors. This, of course, requires an increase in the parliamentary budget well beyond that which we adopted in June. However, Mr President, I think this is justifiable and the Socialist Group will bear part of the responsibility for it. One further remark — again on behalf of the Group — we have reiterated the decision with regard to the resources put at the disposal of the groups for their activities leading up to the direct elections, the decision we took last year — that is, for the 1977 budget — to the effect that these resources would not come under the control of an autonomous

group administration, nor of the groups themselves, but that they would be subject to supervision by Parliament itself. This means that this will be the task of the Control Subcommittee and also to a certain extent, the Court of Auditors. Nonetheless the group which I have the honour to represent is able to give its full agreement to these increase and the creation of the extra posts which this involves because of the necessary increased activity.

We have no further observations to make on the Council's plan and particularly the budget of the Economic and Social Committee. The rapporteur of the Committee on Budgets has said what it is necessary to say and we can give our agreement to this without further ado. The same is true for the draft of the Court of Justice on which again we have no further remarks to make.

Ladies and gentlemen, we now have to face the question of the budget of the Court of Auditors. My group supports the interim report drawn up by Mr Cointat; We cannot do otherwise, since the members of the Court of Auditors were only sworn in this morning before the Court of Justice, and since, according to the provisions of the Treaties, the Court of Auditors can only draw up its budget as an institution. This then has to pass through the Commission to the two halves of the budgetary authority. The suggestion for this arrangement was made at a time when you, Mr President, were still chairman of the Committee on Budgets, which I now have the honour of chairing; it was therefore made some years ago and it has taken a considerable time for the Member States to reach agreement and adopt the proposals and request made by Parliament. The Treaty of 22 July 1975 was the fruition of all these proposals, including the Court of Auditors. However, it has taken almost another two years to bring this Treaty into force, until 1 June of this year. We are therefore very happy that we now have what the national States have always had, that is courts of auditors. This European Court of Auditors will exercise full supervision over the implementation of the budget and the spending of the resources which the European Community uses for widely varying purposes. We also welcome the fact that the creation of this Court of Auditors clearly defines the responsibilities possessed on the hand by Parliament — by virtue of its supervisory function through the Committee on Budgets and the Control Subcommittee, and on the other by hand the Court of Auditors.

We expect the members of the Court of Auditors to submit their preliminary draft budget and draft budget to Parliament and the Council — that is to say the two halves of the budgetary authority — before the 1978 budget is finally adopted, so that a decision on it can also be taken in December. We will thus have the

**Lange**

budget complete and not have to begin 1978 with a gap.

Once again, Mr President, the Socialist Group supports the three reports which Mr Cointat has submitted.

**President.** — I call Mr Aigner on behalf of the Christian-Democratic Group.

**Mr Aigner.** — (*D*) Mr President, ladies and gentlemen, I should like to begin by expressing my group's deep thanks to the rapporteur for the work he has done. I hope Mr Shaw will not take this as mere rhetoric. Anyone who has once been general rapporteur for the budget knows how much work is required to bring nine nations and their methods of opinion-forming, and also the various groups, into agreement on a common denominator, and a common denominator — I should like to say this to the Council — which, in the final analysis, receives a qualified majority allowing the nine Finance ministers and the Finance Council to reach agreement. Many thanks, Mr Shaw, for this work. I should like to add a further remark. I think that anyone who has worked here over the years will agree with me that one of the most positive experiences of all of us is that a politician who really gets to work at European parliamentary level, who really immerses himself in politics, and thereby has to make many sacrifices is, within a few years, even if he originally entered this House only for national reasons, infected by Europe. For the first time he understands that one must escape from the narrowness of national problems, and that so many national problems can no longer be solved by national measures alone. Many thanks to all our colleagues who have taken on this work.

I should also like to say, Mr President, that over the years in which we have had budgetary powers, there has been an unexpected continuity in our deliberations even though each year the rapporteur has come from a different group. The common will for a European policy is strong enough to ensure the continuity of our budgetary policy, quite irrespective of group and national allegiances and this is very welcome. This will is at least present here in Parliament; I am not talking about the Council, Mr President.

I should like to make a second remark on behalf of my group in this intermediate phase of the deliberations on the budget. They are usually very dry affairs. They are just a matter of figures. But behind the figures there is, of course, hidden away, a political will. It is a fascinating task to break through the blockade set by the Council by making sums available, because the political will, the majority will of Parliament, is more easily found or at least found earlier than is often the case in the Council. It is also a fascinating job to get majorities in this Parliament to crystallize and I think this is the basic idea of the European

Community. We are fighting for our rights as a Parliament and our wishes will, tomorrow, after the direct elections, have a greater legitimacy, if I may put it that way. We will use the law, and a European Community can have no other basis for its existence but the law. The law must then be observed and it is the duty of a parliamentary assembly, a Parliament, not only to fight for the law but also to have the political will-power to put this law into practice. We are thus in the second phase — we have spoken on this on a number of occasions, Mr Shaw. In the final phase, the point is whether the majority of the groups is prepared to demonstrate Parliament's political willpower to the Council, and to the other bodies, in such a way that it is accepted, or to have it respected by using our right to the last word or even the ultimate weapon of rejecting the budget. I ask for your understanding, Mr President, when I make these two preliminary remarks on behalf of my group.

Turning then to the main points: my group has essentially been guided by two considerations. We have probably, in almost all groups...

**President.** — Mr Aigner, you may speak later about general matters but, at this stage I would remind you, as I did Mr Lange, that you must confine yourself to the budget of the European Parliament.

**Mr Aigner.** — (*D*) Mr President, I do apologize. Unfortunately I was detained in Berlin this morning and I was not correctly informed. I thought we were debating the whole budget. I shall therefore limit myself, but the remarks I have made so far are basic for our budgetary policy. I hope you will accept that.

Mr President, I come now to the budget of Parliament. We have considered the essential task to be to help Parliament prepare for these first direct elections and we have tried to perform this task without prejudicing anything, without making arrangements which cannot be adjusted, if necessary, later on. My group gives its agreement to the proposal which the rapporteur has submitted.

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

**Mr Meintz.** — (*F*) Mr President, like Mr Aigner I wish to congratulate Mr Cointat on his detailed analysis, and I can say that my group will vote in favour of the budget of Parliament.

We all know that this budget has to be seen in the light of the direct elections which are to be held next year. But even allowing for that, there are still uncertainties; this budget contains a number of appropriations which are unsatisfactory from the budgetary point of view; that certain amounts have to be held in reserve and the appropriations will have to be amended depending on whether the elections take place or not. I am not referring to the appropriations

**Meintz**

for information. We welcome the fact that these have been increased, and I am sure that all the other political groups will go along with us in saying that we hope they will help to ensure that the European electorate is able to understand what the European Community is.

However, what I feel is less satisfactory is that we are still not really in a position to make up our minds about how the new Parliament will be affected by the three places of work. We don't know what to expect in Brussels, we don't know what changes will have to be made in Strasbourg and we are still poorly informed about about the intentions of the government here in Luxembourg, in the matter of ensuring that Parliament can operate smoothly. I feel — and I speak here perhaps more on my own behalf than on behalf of my group — that the new arrangements made for Parliament must on no account be allowed to compromise what has already been achieved under the existing arrangements, which, for all their shortcomings, are the outcome of painstaking and laborious negotiations, and must not be sacrificed simply because certain parties are inclined to value their prestige too highly.

It would be worth asking, for instance, whether the transfer of a team of translators, called for in an amendment which we will not be discussing this time, is in line with the agreements we have already reached. I wonder whether it is right for units of the secretariat to be transferred before the new Parliament has even taken any decisions.

However, subject to these agreements on places of work, staff transfers and the creation of new posts in the various places of work, and provided these agreements can be safeguarded, we support Mr Cointat's motion for a resolution.

**President.** — We shall now turn to general considerations of Section III, the budget of the Commission.

I call Lord Bruce to speak on behalf of the Socialist Group.

**Lord Bruce of Donington.** — Mr President, may I say first of all, how pleased we are to see you presiding once again over a debate on the Commission's budget.

May I also say, on behalf of my group, how much we appreciate the report of the rapporteur, Mr Shaw, and all the work that must have gone into it, as well as his clarity of diction and the economy of words he displayed in explaining it. It reflects great credit, not only on the Committee on Budgets staff, but also on the interpreters, the translators and all concerned, for the terrific amount of work they have done in cons-

piring, very much against the odds, to present all these documents to Parliament in time for them to be considered today.

As I listened to the remarks of my colleagues, Mr Shaw felicitously expressed as they always are, I could not help thinking that this is where I came in two and a half years ago. We were debating a budget in October 1977. The figures may have changed marginally but the principle remains precisely the same, and each rapporteur has referred to it with varying degrees of emphasis — though always, I trust, with clarity — forever telling the same story. Successive rapporteurs, in my experience, have congratulated the Commission on presenting their preliminary draft, have criticized the Council for taking such a parsimonious attitude towards it and have then proceeded to analyse the budget in general. Mr Shaw has been no exception. He thinks that the budget is a good budget, but that the agricultural policy is all wrong; the regional policy has very great shortcomings; the social policy has not lived up to expectations; we are not meeting our obligations and are failing to give aid to new enterprises in Europe; we are being niggardly about our expenditure on energy; we are failing to give all the aid that is due to developing countries — but apart from that, it is a good budget. Well, there is not really very much left.

I have no clue which way Parliament is going to be advised, but if it were advised tomorrow to adopt, shall we say, the recommendations of the Committee on Budgets — and I am not for the moment suggesting on behalf of my group that it should, because we have not made up our minds yet on certain vital aspects of it, — this would restore to the budget some 629m EUA of commitment appropriations and some 393 million of payment all concerning non-compulsory expenditure.

This is the position which the Committee on Budgets has reached following our last full debate on the Council's draft. Much work has gone on since that time: Mr Shaw and myself, and many other colleagues, invited all the parliamentary committees to examine the budget in far greater detail than they had before. They invited them to submit their proposals in good time and so indeed they did, so that this year we have roughly three times as many amendments to consider as we did last year. That is not because of Mr Shaw's loquacity, but because of the extra effort which his undoubted eloquence inspired in Parliament as a whole.

We went into our task, in these various committees, in good heart, because on the last occasion we were in Parliament we had said this to the Commission: we do not like, any more than you do, the slashes of 500m EUA in non-compulsory expenditure payments, or the slashes of 700 m in commitment authorizations

### Lord Bruce of Donington

on the non-compulsory side. But, being bitten last year, we were a little cautious and asked the Commission the following question: are you quite sure that if we support you this time, you will not rat on us and let us down and agree behind our backs with the Council? Mr Jenkins was most pungent on this point: he attended the Parliament personally and said that we were not bidding, but were trying to reconcile extremely difficult competing bids for greater expenditure. We took the view, throughout these two days of discussion, that we could not put up one item of expenditure without recognizing that this had repercussions and restrictive effects upon other items of expenditure. Mr Jenkins went further than that, because he was determined that this new Commission was not going to be like the old Commission. Once the new Commission had established its preliminary draft budget, it was going to fight for it to the bitter end, come what may. In conclusion, he said the following: although it was not the case this year, and we will try to prevent it from becoming an auction, in which you pull and pull, starting from a particular point and knowing it is going to be cut indiscriminately, then you are pushing the bidding up. I can absolutely assure you that this was not the Commission's position this year.

A budget connoisseur might be tempted to enquire why, if the Commission's budget was cut by the Council by roughly 500 m EUA in payment appropriations and those cuts were bitterly resisted by the Commission at every point, the Committee on Budgets has so far only restored some 393 million. The answer is two-fold. First of all, the committees have examined the matters quite cogently and have come to the independent conclusion that fewer appropriations were justified. Secondly, and I do not know whether Mr Tugendhat realizes this, in the committees his own officials have undoubtedly allowed it to become known that the Commission will accept a lesser figure in many cases. This applies particularly to the fields of energy, data-processing, aerospace and development and cooperation.

Mr President, I remain hopeful. I must therefore ask the Commission once again: if Parliament should decide to restore 393 m EUA in payment appropriations, will the Commission keep to this lower figure?

Will the Commission, in the consultation process with the Council which is due to commence any day, support Parliament on whatever new stance it takes?

These questions are important. They fall within an extremely important context because, as we well know, over 70 % of this budget which we are considering today is outside the control of Parliament altogether. It is concerned with expenditure on the common agricultural policy, and a very large per-

centage of that is spent on the storage of surplus food, surplus skimmed milk, surplus wine, surplus butter, surplus oil and a whole series of other surpluses which — as admitted by the Commissioner himself, Mr Gundelach — are not stores against future contingencies but are structural surpluses which arise from the operation of the policy itself. These questions are particularly important when it is realized that, on the basis of the Commission's preliminary draft — which in this particular aspect was not amended by the Council — the expenditure on the storage of structural food surpluses in Europe amounted to 1 455 m EUA, and has been subsequently increased by the rectifying letter. This sum on the storage of food is in excess of all non-compulsory expenditure under the control of Parliament, with the exception of the salaries and expenses of the Commission.

That is the position. This is the longest-running farce in the whole of Europe...

*(Applause from certain quarters on the left)*

...and something has to be done about it. My group in its approach to this whole problem will not ignore it. There is absolutely no justification whatsoever for this situation. When my group supports, as it will support, all new initiatives in the fields of aerospace, data-processing and energy, and in aid to developing countries and food aid, hoping to be sustained by a Commission that has regained its courage once again, it will be mindful of the miserable political insignificance of the instrument that it is invited to consider.

Mr Shaw has made this clear in much more delicate language by saying that the budget must not be an accounting instrument, knowing perfectly well that that is all it is. Mr Shaw may say that we are making progress: Mr President, we are living in a space age of satellites, no longer in the age of the horse-and-buggy. The question we have to decide in our time is whether this budget can be made an effective instrument within a Europe that seeks progressively to achieve greater cohesion. We have to decide whether this budget makes a significant contribution in aiding Member States to eliminate problems of unemployment within their own territories, and whether it is an adequate instrument to correct the degree of regional imbalances, which get worse worse year by year, despite all the Commission's optimism. I do not know what to call the Council's attitude. I think it may be said of the Council that it has but recently emerged from that state of resentful coma which in university circles is called research.

*(Laughter)*

That is the kindest observation one can make about them.

## Lord Bruce of Donington

My group will take full part, together with other groups, in the consultation proceedings that are shortly due to commence. I would say, for the benefit of newcomers, that the consultation process is one means by which representatives of the political groups, headed by the President and including many illustrious individuals, some of whom know something of budgetary techniques and of the budget itself, get into a huddle with the Council. The Council always endeavours to tell them exactly what good boys they are, how much progress Parliament is making, and how they are very sorry that they cannot let them have any money, not even for the most desirable projects. This year they may not be sustained by the Commission, last year of course they were, when the Commission said ditto to everything the Council said in consultation, by a peculiar concatenation of events on which I will not enlarge further. Maybe Parliament will have the Commission on its side this time, but let the Commission beware: if the Commission does not sustain Parliament this time, in its consultation with the Council, in order to produce a budget which Parliament can in all conscience adopt, the Commission, so far as Parliament is concerned, can write itself off.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I am grateful to you for giving me the floor immediately after Lord Bruce, since he directed some of his remarks so directly at the Commission that they deserve a reply.

I am also grateful to Lord Bruce for sending me, with his customary courtesy, a copy of a letter that he has written to Mr Jenkins. That was courteous of him, but more courteous still was to include in it a quotation that I myself had made, so that I can be quite certain that I have the correct quotation in front of me and I am not at a disadvantage in trying to answer his point. I am grateful to him for that.

I said in that quotation that the Commission is firmly determined that, for its part, it will not accept the consequences of this approach, but will seek in all ways at its disposal to maintain its proposals. Let me try and explain exactly what that means. I hope that Lord Bruce and the House will understand and appreciate what I say.

The Commission put forward a budget earlier this year which, we believe, is tailored to the needs of the European Community today. It is a budget which we believe the European Community ought to have, that the Council ought to accept and that the Parliament ought to accept. That is why we put it forward. We put it forward in the form of both proposals for particular policies and figures to be spent on those proposals. Both those proposals as such and the figures which we put forward are what we would like to see.

However, we are not the only power in the world, nor even the only power in the European Community. I

will not bore the House with a precise description of the specific powers that the Commission has in relation to the Council. I feel that the reality of power in our Community, and not only of power but of treaty rights, is quite reasonably understood. We may not like the rules, but they are understood and are the rules by which we have to live.

Two things, I think, follow from that. The first is that if we do not get a decision of the sort that we want when we put forward the proposals in the spring and early summer, and a favourable decision is put off until December, there is less scope for spending the money which we would have wanted. If the Council had agreed to our proposals when they were first put forward, and we could consequently have planned a budget for 1978 in the certain knowledge that our proposals had been accepted, the figures which we had put forward would, in my opinion, have been suitable for those proposals. If the Council only sees the light of wisdom in December instead of in June, then clearly we will have lost that much time before the proposals can be converted into action, and the opportunity for spending the amount of money which we originally wanted will be reduced. I think the point about these times, whether favourable decisions are taken in June or in December, is an important one.

The second point which I make is this: I have been in no private conversation with the Council. I have been making no deals with the Council behind anybody's back. The next round of the budgetary procedure will, I am sure, demonstrate that to Lord Bruce's satisfaction.

But even in the 10 months in which I have been a Member of the Commission, let alone in the memories of people who have been connected with the Commission for longer than I have, the Council frequently takes decisions that are not exactly the same as the Commission has put forward. It frequently takes decisions which we put forward. In those circumstances, if we have put forward a demand for a whole loaf, if we fight as hard as we can to secure a whole loaf, and the Council, in its wisdom or to spite us, makes a decision which only yields a quarter loaf, what are we supposed to do? What is the reality of power in that situation? If there is a majority — and sometimes an overwhelming majority — in the Council who, despite all our arguments, all our explanations, all our blandishments, still come down with a decision that is far removed from what we wanted, but goes some way down that road, what are we to do? Are we to say, 'Because you do not go down the whole of our road, we turn our backs on you and are not going to implement the decisions which have taken place. We are going to have nothing more to do with the Council'? That is not a realistic position. We fight

**Tugendhat**

as hard as we can. We try to get as much as we can out of them. But, in the end we have to live in the world as it is. I do not see any alternative — either for us. Or for the Council, or for the Parliament.

We want the best policies we can get; we will go to the limit to get them. If we cannot get the whole loaf, surely the best thing to do is to make the best of what we can get and try again next year. That, it seems to me, is the only basis on which we can proceed.

**President.** — I call Lord Bruce.

**Lord Bruce of Donington.** — Only a question, that is all, in reply to what Mr Tugendhat just said about half a loaf. Did it ever occur to him that before agreeing to half a loaf, he might invoke the aid of Parliament?

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — I know where Parliament stands. On many of these points Parliament stands in the same place as I do. When the Council makes a decision it frequently happens that I do not necessarily find myself or will not find myself accepting it, but I would refer Lord Bruce to the Treaty and to the texts which show where, in these circumstances, the power and authority lie. The fact that the Parliament has been given a very sharp weapon in the rejection of the budget is very important, but it is a weapon which is very difficult to employ if one is dealing with detailed points on detailed issues on a case-by-case basis. It is not a question of not fighting, it is a case, often, of being overruled.

**President.** — I call Mr Aigner to speak on behalf of the Christian-Democratic Group.

**Mr Aigner.** — (D) Mr President, I would refer to the introductory remarks I made under another item on the agenda, but I should like to make one more preliminary remark on the dialogue which has just begun with the Commission. In my opinion, the cardinal question is: how we are to put this budget through? It is a question of the balance between institutions in the budgetary procedure itself.

I think Mr Tugendhat is right when he emphasizes the difficult position of the Commission because the ultimate parliamentary device is the rejection of the budget. In practical terms, the rejection of the budget means paralysing the Commission which must then make do with a twelfth of the sum. It is quite clear that this thought has overshadowed the whole discussion. Well, Mr Tugendhat, this device is the only one we have and if the political will to use this device emerges this time within the groups — as I hope it will —, we will, without actually reaching that point, be able to force the Council, but the Council must know that we have a real intention to reject the budget; this must be made clear. This is a deterrent

strategy on a small scale if you like, but a deterrent strategy based on the hope that we will never come to the final step but equally on the determination to do so if necessary. That is the dilemma confronting us.

Mr Tugendhat, you could of course make the situation somewhat easier for us. This is something you could be criticised for, and here I support what Lord Bruce said. You, and not only you, but the Commission as an institution, should have the courage to make greater use of public sanction. How is it that the Council is able to prolong this neutral phase of survival? (The Council's political will amounts to nothing more than this.) Because it operates anonymously, because the public does not know which finance minister or some other minister is stonewalling and why. The ministers must therefore be drawn out of their anonymity, because the public wants Europe; there is no doubt about this. If the question is asked today whether our peoples still want Europe, the answer is yes, except that they no longer believe in it, because the Council with its braking action has destroyed practically all hope. This is a fact. No malice is intended against officials or the ministers. I must say that I do not envy the ministers leaving their capital cities, and then having frankly to try to study their documents on the train. There is nothing more to it than that. Let us be honest. They have to come along — if I might put it crudely — knowing damn all about anything, and then of course they have all the national objections in their minds. They have no more knowledge than this and everything is held up. That is a fact! This cannot go on as it has, but it will only be possible to change it if we put the Council in the dock and the people themselves recognize that this is the guilty party and that it is not Parliament, not a lack of will on the part of the people, not a lack of a political understanding in the Commission, but the inability of the Council to take majority decisions. This is the background to our repeated request to the Commission: here is the key and here you have the full support of this Parliament which has the advantage, because of its double mandate, of being able to mobilize the capital cities. When necessary, this double mandate has always shown itself able to work. Perhaps I may address those of our colleagues who worked on the 1970 Treaty. We would not, at that time have, received Parliament's budgetary power if a parliamentary delegation — under the leadership of one of the members of the Gaullist group of this House — had not stated at the Quai d'Orsay: 'There will be no joint agricultural financing if no budgetary powers are granted' and two national parliaments declared 'there will be no ratification' — and then it came, thanks to this pincer movement from the national capitals. However, action at European level should be sufficient if the political will is there and the Commission does not leave us in the lurch.

**Aigner**

Mr President, I now come to the end of my speech. I hope that this final phase will show whether the political will is present in all the groups of this house to risk a conflict when our political objective is not to be attained in any other way.

I have already thanked the rapporteur for the continuity of his work. This continuity should not, of course, conceal the fact that we are now in a completely new phase. I need only mention in passing the Community's new financial regulation, the revenue side — on which Mr Notenboom has yet to speak so I do not need to go into detail on it here, — and also financial autonomy with all its consequences. For example, the time of the supplementary budget is past. I cannot demand from the national capitals an increase in VAT for the Community every three months. That is impossible. Therefore, there can be no more supplementary budgets.

We have a plethora of new factors: the introduction of the European unit of account — I think everybody knows how difficult this problem is —, the new budgetary regulation, Parliament's budgetary power in its final phase, the European Court of Auditors, all of these are new factors which contain much material for conflict but also many opportunities. My group is prepared to recognize the opportunities in this new dimension and, if possible, to come to a successful conclusion in harmony with the Council.

I would now like to inform the public — at the moment of course I can only trace the broad outlines —, of the basic ideas by which my group has allowed itself to be guided.

In the agricultural sector, we have considered the question whether we should accept a large supplementary budget or whether we shall have the courage to ask the finance ministers to present the total budget to the Nine states at one time — and we support a 20 % reserve for intervention expenditure. Now I know that nobody can say how the world market and how the price situation will develop, what the climate will be etc. Provision has to be made for all eventualities, and if some is left over so much the better, since it means we then have continuity in financial administration.

The Commission has entered some 556 million EUA for the social sector. The Council then reduced this requirement by — in round figures — 143 million EUA. We were of the opinion that, in the present situation, a European consciousness must include the notion of solidarity. We know that we shall not make progress if we do not promote equality in the social sector. It may be a drop in the ocean but it could be a first step towards developing instruments, a policy which would gradually lead to the harmonization at least of Member States' policies. We have therefore increased the resources for this sector by about 140 million EUA.

What I have said for the social sector also applies to

the regional sector. Here the Council reduced the original appropriation of 600 million EUA by about 210 million EUA and we have brought it up again by 134 million EUA. This was by no means easy, as the rapporteur can testify. As we have such different regional structures, not only as between one Member State and another but also within the Member States themselves, it is natural that political forces should rely upon this instrument. In spite of majorities in favour of a compromise it was not easy, but this compromise ought in my opinion, to be acceptable to the Council as well.

Now, we have never made a secret of our opinion that the activities of the Community, particularly in the sectors of energy, trade and industry, transport and research are not a matter for the finance ministers alone. It is a question of the political will of the Member States whether they wish to work in a parallel, national and egocentric manner, or whether they are prepared to coordinate activities at national level so as to produce Community initiatives. This means that in many cases — I won't say all cases — but in many cases, less is spent at European and national level combined, that is to say that there is greater economy, and the results are likely to be more positive. We have, therefore, restored approximately 68 million EUA of the 137 million EUA removed by the Council for this area.

The biggest item was development cooperation. This House — and this includes all the groups — has never made a secret of the fact that the Community does not rest solely on expediency alone but will only become a reality when it recognizes that it has an undeniable duty which it cannot transfer to anyone else in the family of peoples: that is, cooperation with the Third World. Anyone living outside in Africa, or even Asia or Latin America, knows and can certify that the Third World is longing for Europe to become operational and is asking: where are you in the concert of nations? We certainly do not want to come under the control of Moscow and we don't want to become dependant on the USA, we need Europe. Where are you then?

We continually find that Europe exercises a strong fascination outside I recently heard a minister saying: it is disappointing, the power of Europe is felt outside but when one comes here one wonders where the centre of Europe's operations is. For it is split up between the capital cities. Each one has different interests and different preoccupations. They are simply unable to pull together, even though each capital knows that there is no alternative to a common European effort.

It is particularly important that the finance ministers should take a favourable decision on development cooperation at the earliest opportunity. This morning I was in Berlin speaking to the political leadership of the German Foundation for International Development. They have a clear view of the economic and

**Aigner**

political aspect of this matter: nowhere is there a better working climate than in development policy, where the Community could really act as a Community. It is a shame that the development ministers — if I am correctly informed — meet perhaps once or twice a year. This shows how they judge the Community's work. I believe it is high time that the development ministers paid more attention to the Community dimension when carrying out their work. They could continue to represent national interests but they could also — since it cannot be denied that development policy is part of foreign policy — develop the Community interest and be more credible to the Third World than when they present themselves as merely national partners.

I would therefore like to address an urgent request to the President-in-Office of the Council not to put the groups to the test. There will certainly be a confrontation if Parliament's demands — we have restored approximately 110 million EUA after the Council had removed 332 million EUA — are not fulfilled. This is the clear position of all the groups in Parliament.

Mr President, I have nothing to say at the moment on the other smaller items. We shall discuss the individual items during the period of consultation with the Council. Let me rather, in conclusion, make three observations on behalf of my group.

The new financial year will be the first in which we have a clear legal basis defined in a treaty for Parliament's sole right of ratification of the budget. This means that the last word does not belong to the Council, any internal supervisory authority, any national court of auditors; the last word belongs to the European Parliament with the European Court of Auditors. If this is so, if the supervision of the budget in the last instance falls to Parliament, it is clear that it also has the right to see that the budget is implemented in the way which the budgetary authority has determined. The budget, with the objectives it contains, is first and foremost a political instrument. It is only natural to draw the following conclusion: If appropriations are transferred — and we know to what extent appropriations are transferred; the agricultural sector is a huge shunting yard, which is completely understandable —, these transfers cannot take place without Parliament's approval. The instrument of appropriation transfers comes under Parliament's powers on the implementation and supervision of the budget.

Then there is the question of the advisory committees. Mr Shaw and I have submitted two documents on this to Parliament. It is inadmissible — and this criticism is directed not only at the Council but now also at the Commission —, that the executive organ under the Treaties, which alone is responsible for the implementation of the budget, should surrender more and more rights, and thereby responsibilities, to advisory committees. I know it is necessary to obtain national

backing for many things. It is however also necessary, in cases where there is a confrontation between Council and Commission, to safeguard the Commission's rights, and the aid and backing of Parliament should be requested at the right time since they would certainly be available to the Commission.

Mr President, I now come to my last point. I believe that my group will not accept the final phase. I am instructed to make this quite clear during the consultation round, that the Council, despite the fact that it has accepted and given its approval to a three-year financial policy, should, because of short-term political difficulties, carry the idea of this three-year financial policy to absurdity and force us into a corner and say: this is our limit, we can do no more under the system of unanimity. My group is prepared to apply Parliament's full budgetary powers to the point of full confrontation and I hope that the other groups are prepared to do this as well — the rapporteur is prepared to do it and as far as I know also the chairman of the Committee on Budgets. If the speakers of the groups have found a clear political line here, the Council must realize what road it is taking and that it is preparing a great danger for itself if it does not accept this overall policy. We can discuss details, but this overall policy must be accepted by the Council, if Parliament and the Community itself is to preserve its credibility. We want to be and we must be credible, particularly in view of the coming elections.

**IN THE CHAIR: MR YEATS***Vice-president*

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

**Mr Bangemann.** — (D) Mr President, roughly speaking the mechanism of the budgetary procedure can be summarized as follows: the Commission makes proposals, most of which are realistic but sometimes contain extra ballast, in the expectation that the Council will, in any case, make deletions, which it then of course does; Parliament reinstates the Commission's proposals and in some cases adds proposals of its own. From the point of view of the historical development of parliamentarianism this is a topsyturvy procedure, since from their very beginnings parliaments have always distinguished themselves by rejecting expenditure desired by the executive, whereas at the moment we are doing precisely the opposite. If the Council is regarded as the executive, Parliament is not making any cuts but acting as a body which wants to spend ever greater sums. This shows how little the balance between the institutions of the Community resembles the conventional relationship between Parliament, executive and judicial authority.

**Bangemann**

However, I do not think that is a drawback. On the contrary, it constitutes a great opportunity. Indeed, Parliament realized this opportunity when the budgetary procedure was modified and we should give some thought — and this will be the main purpose of my group's contribution to this general debate — to ways in which, with a certain amount of ingenuity and perhaps with the complicity of the Council, we can succeed in improving this balance.

I am counting on the complicity of the Council, since after all, the members of the Council are politicians who are not systematically and fundamentally opposed to the idea of Europe, but are merely prevented by certain political considerations from adopting the same positive European attitudes as the Commission and Parliament. In other words, we need a mechanism which will get round these understandable reservations and promote joint action.

This budget debate, and in particular the comments made by the rapporteur for the Committee on Budgets, Mr Shaw, provide a number of interesting pointers towards such a development. My group is particularly grateful to Mr Shaw for adopting the principle, in assessing the budget, that the latter must be a statement of policy and not merely a bookkeeping record. This report is a very good one because it gives evidence of this political trend and of the possibilities of such a trend.

The first of these possibilities is reflected in the simple statement that the volume of the budget inevitably corresponds to its political importance.

It is not an insignificant fact that the amendments suggested by Parliament would entail a substantial increase in this volume since, both as regards the short-term economic impact of the budget and its role as an indicator of policy, a budget of the volume of the one presented by the Council is clearly not acceptable. I do not wish to discuss the individual points — these were mentioned in our first debate on the budget — but I would emphasize that my group will apply pressure in the areas in which Community policy is formulated, areas which have been fully covered by those who have spoken before me.

At this stage of the debate, I should like to invoke the old principles of budgetary policy, i.e. budgetary completeness and budgetary transparency, and to assess what else can be done in the light of these principles and what can be done to improve the position of Parliament.

Let us take first the principle of budgetary completeness. This principle necessarily implies that all Community expenditure — all revenue too, of course, but in this context the emphasis should be laid on expenditure — must be contained in the budget. If this principle — which is beyond any question — is to be fulfilled, it is indeed important — as Michael Shaw said — that the Community's borrowing policy should be reflected in the budget.

It is simply not acceptable that the natural imbalance between ordinary and extraordinary budget, in German budgetary terminology — or in other words, between the budget which consists of expenditure which can be financed by normal revenue, i.e. the ordinary budget, and the budget which is to be financed by means of loans, the extraordinary budget — that this obvious imbalance, caused by a bigger extraordinary budget, is not reflected here, that we are in fact discussing only that part of the overall budget which can be described as the 'ordinary budget', i.e. a smaller and sometimes more insignificant part. It is essential that the Community's borrowing policy be shown in the budget, and I think this is one of the areas in which Parliament can strengthen its current position.

Secondly — and this comment is directed more towards the Commission, we may therefore have rather more margin for manoeuvre in this area — we must eliminate what Michael Shaw has called 'satellites'. Mr Aigner has pointed out that the Commission has a tendency to fob off certain responsibilities on to management committees. It should also be criticized for its tendency to fob off its own responsibility, for whatever reasons, on to satellites, i.e. bodies of a public, semi-public and sometimes even private nature which then proceed to frame basic Community policy. This is unacceptable and, for the sake of budgetary completeness and also budgetary clarity, we must be careful to ensure that this policy is not only not allowed to continue but is reduced to an absolute minimum.

My group by no means denies that certain tasks can be carried out more effectively through external organizations than through the usual, sometimes cumbersome, administrative machine, but this must not become established practice since it makes budgetary control impossible. I do not deny either that there are sometimes reasons for this, that it is undesirable to swell the staff budget by creating and filling permanent posts and that there is a preference for having these tasks performed outside the ordinary budget but, for the reasons I have just mentioned, my group remains opposed to this practice and we do not accept the explanation given for it.

I turn now to budgetary transparency, another important point raised for the first time in this budget by the rapporteur and the Committee on Budgets. What is the relationship between the budget and normal Community legislation, say in the field of agricultural policy? It is indeed that area which is decisive for this relationship. I cannot give a final opinion on behalf of my group on all the proposals which have been made, such as the interesting proposal from Mr Lange that a 20 % reserve should be introduced. These are ideas with far reaching implications which will have to be further discussed in conciliation with the Council and

### Bangemann

we shall not be able to form a final opinion until after these conversations. For the time being, however, I can make the following comments.

If the purpose of the 20 % reserve is not only to avoid supplementary budgets, but also to constitute a real upper limit for agricultural expenditure in a given financial year — which is a possible interpretation of the proposal though I do not know if this is what was meant — we are faced with the interesting legal question as to whether this is actually possible. Is it possible to use Parliament's wider budgetary powers to introduce a financial restriction, and thereby compensate for Parliament's lack of powers of participation in the legislative process? To put it bluntly, if we are unable to prevent the adoption of an absurd Council regulation, owing to our own limited powers of participation in the legislative process, can we not compensate for this by simply refusing to grant any money to implement the regulation concerned? That, in a nutshell, is the question and it is an interesting question because it is not one that can be easily answered. The budget is in fact a sort of law, and a very familiar law to lawyers, in that it constitutes, as it were, a blank check for other measures. Does this apply to the budget of the Communities too? Does this not perhaps constitute a way through the Council's defences, a way of, if not checkmating it, at least causing it serious embarrassment? This is an interesting question which needs to be discussed again.

If this is not the case, if this is not an upper limit, then I think Mr Lange is proposing a solution to a dilemma which he has probably adopted under constraint. It is meaningless for us to constitute a reserve and to say that we no longer need to deal with supplementary budgets.

It is somehow not very satisfactory, especially as transfers of appropriations will no longer be possible within this reserve. As I understand it, this is to be an overall reserve which will be used when, for whatever reasons, we suddenly find ourselves with too many chicken legs, for instance. This is of course highly unsatisfactory since we are thus giving up the possibility, which exists at least in theory, of exerting an influence on development during the discussion of supplementary budgets. This must be clearly understood. This suggestion thus has advantages and disadvantages, depending on how it is interpreted.

I now turn to the equally intelligent and interesting amendment to the budget remarks tabled by Mr Spinelli and by a decision of the Committee on Budgets. I draw the attention of the agrarians — I have already done this within my own group; they are not here at the moment but they are probably relying on me — I draw attention to the agrarians from the other groups to the fact that the Committee on Budgets, acting within the scope of its own powers, has undertaken a far-reaching change to the overall

distribution of powers within the Community. It has stated that what is said in the remark is binding, in the same way as the figures. That is absolutely clear and no-one is saying the opposite. And we would make the equally binding declaration that we shall compel the Commission and the Council to submit regulations in forthcoming budgets which provide for a definite upper limit for agricultural expenditure. This, ladies and gentlemen, is the common ceiling, brought in through the back door, so to speak. Personally I have a certain amount of sympathy for the idea of eliminating structural surpluses. However, a differentiated and cautious approach is required in considering surpluses and I do not know whether we can afford to do this through the budgetary procedure. Simply to cast cyclical surpluses, i.e. surpluses due to natural causes, out of the Community's overall agricultural system, would amount to destroying the agricultural market itself. Structural surpluses are a different matter. We must have further talks on the question whether we can make this proposal and whether it can be evolved in such a way as actually to prevent these structural surpluses. If this proved possible, we would not only have found a new basis for our own powers of action but we would have freed the Council from its own inability to decide. I know, Mr Aigner, that you adopted an extremely reserved position on these proposals in the Committee on Budgets and you probably still maintain those reservations — you are nodding...

*(Interjection from Mr Aigner: 'For legal reasons too')*

... For legal reasons too, but I am not talking about legal reasons at the moment. All good lawyers hide behind legal reasons in order to conceal their real motives. You are opposed to these proposals because you do not want the agricultural policy which they imply. Thus, we as a Parliament find ourselves in a dilemma: on the one hand — as you say — we are anxious to widen our powers; but if that is only possible at the expense of another agricultural policy, the matter naturally assumes a quite different aspect for many of the groups in this House. In other words, the same political situation in which the Council finds itself, the situation of being unable to take truly European decisions owing to political constraints, could possibly also confront Parliament. I do not, however, wish to adopt a too destructive approach by going over our own difficulties. I should like to close by giving a reassurance that my group does not regard these difficulties so much as obstacles to the extension of the powers and possibilities of the Communities, as real opportunities which we should use. Basically, we are in a situation somewhat similar to that of the man in the desert who does not know exactly where to find sources of life-going water though he knows he must find them if he is not to die of thirst. In this situation there is really only one thing to be done: we must

**Bangemann**

keep on looking everywhere for these sources and when we have found them we must use them in the interests of our own survival. This is what the survival of Europe is all about. Much can be said in Europe's defence, many examples can be referred to in connection with development policy, energy policy, economic policy and other areas. I think that — and this is the life-giving source which we must tap — we have rooted our own democratic existence much more profoundly in this Europe than we realize. If this Europe were to collapse, national democracy could not continue to exist, either in my country or in other countries. No matter how economically strong these countries may be, their existence as democracies is possible only in the context of further European integration and that is why, ladies and gentlemen, we should use every opportunity to preserve the conditions which permit the continued existence of democracies in Europe.

**President.** — I call Mr Cointat to speak as chairman of the ad-hoc working party on the inter-institutional dialogue and on behalf of the Group of European Progressive Democrats.

**Mr Cointat.** — (*F*) Mr President, as chairman of the working party on budget and as a mere member of the Committee on Budgets I should first like to say to Mr Shaw how glad I have been to have had his services as rapporteur. We indeed in fact managed to reach agreement on practically every point. I shall not take up all the points raised by Mr Shaw, or Mr Aigner, or Mr Bangemann, because on the whole, our views on these matters are very similar. I do wish to add to what they have said by mentioning certain general points.

Firstly, as chairman of the ad hoc working party on budgetary problems, I should like to say that we tabled a number of amendments which have been taken up by the General Rapporteur, and that there is an important political objective to these amendments. I want to stress this, because it is essential for Parliament's budgetary powers to be defined precisely before the direct elections in 1978. Although the general principles have been adopted in the Treaties, the detailed rules for their application have still to be given final form, and there is a danger that things could be manipulated in ways that could either give Parliament an unfair advantage or reduce its budgetary powers illegally.

This means that budgetary policy must be set out in full detail before the new Assembly is elected. Failure to do so will only create uncertainty and ambiguity. We also feel that the budget must reflect all Community activity in such a way that Community policies are clearly defined. That is still not the case today. Items are still omitted from the budget, with the

result that it is not possible to get an accurate picture of what is being contributed by the Community in each of the nine Member States: It is therefore essential for all Community actions and expenditure to be shown in the budget, either as a budget entry or in an explanatory remark. That is the objective behind the amendments tabled by the working party on the budget, whether they be for the budgetization of all loans without exception, the inclusion of, for example, actions by the European Development Fund or the projected European Export Bank, or of European Investment Bank policy or clear Social Fund nomenclature.

But while we welcome the fact that the Council has agreed to the idea of distinguishing between commitment appropriations and payment appropriations, a number of basic problems remain unsolved, in particular the interpretation of Article 203 of the Treaty as it applies to budgetary procedure. I hope the conciliation procedure to be held on 7 November between the three institutions, Council, Parliament and Commission, will produce solutions to these problems and a definitive version of the general financial regulation, with regard both to the carrying over of appropriations and the implementation of the budget.

Everyone knows my views on the problem of the implementation of the budget. When the budget has been approved by the budgetary authority the Council and the European Parliament — it must also be implemented, — and if some appropriations are without a legal basis, that should mean that the Council has committed itself to defining the legal basis in the course of the relevant financial year. I wanted quickly to make that point as chairman of the working party on the budget.

I want now to raise some general points on behalf of the Group of European Progressive Democrats.

Firstly, I think we are all sorry and disappointed — and some of us are even angry — that there is nothing new in this budget. It does practically nothing for energy, nothing at all for aeronautics and less than nothing for data-processing. As in previous financial years, it is no more than a routine budget, and that is not really acceptable. This has an important bearing on conciliation, and I think it is our duty to stand up to the Council. If the Council will not make an effort on energy policy, despite the fact that the individual governments have recognized that we must improve our energy resources and make economies; if the Council will not make an effort on industrial policy at a time of severe industrial crisis and unemployment in Europe, then we can only conclude that it is not really interested in European objectives, and it should be told plainly that it is quite possible that some of us will refuse to approve the budget. That should be made perfectly clear.

**Cointat**

Those were the main things I wanted to say on behalf of my group, but there are also a number of technical points I should like to add. We are particularly concerned about a structural guidance and improvement policy for agriculture. We cannot continue, with financially orthodox methods, to impose ceilings on the guidance section of the EAGGF and the so-called Mansholt reserve. In plain language, what we must do is either spend the Mansholt reserve and continue with the ceilings, or scrap the Mansholt reserve and stop subjecting appropriations to ceilings. We now have the impression that although it agreed to the idea in March 1972, the Council still does not really want a policy for structural improvement in agriculture, and this is a serious matter. At the same time, there can be no European solution to anything unless something is done about the monetary problem. We welcome the conversion from the old unit of account to the European unit of account, even if there are going to be a lot of problems with implementation. We also welcome the Council's resolve to create own resources, including Community VAT, by 1 January 1978.

But there are still monetary fluctuations and the problem of compensatory amounts. It is unacceptable to continue to classify expenditure on compensatory amounts with expenditure on the common agricultural policy. As I have said before, the farmers are not responsible for monetary fluctuations. This is giving rise to extensive criticism of the common agricultural policy, although agriculture really has nothing to do with it. We therefore hope that we will soon have a regulation which will provide for these compensatory amounts to be automatically phased out, thus relieving the pressure on the European budget.

I would also like to make a basic point about the common agricultural policy itself, and here I turn to Mr Spinelli.

Mr Spinelli has tabled an amendment, as Mr Bange-mann has just reminded us, on the setting of ceilings — 'a real and not merely an indicative ceiling', as the amendment specifies — on EAGGF expenditure, in particular in the guarantee section. This is extremely serious and my group cannot associate itself with any such policy, in the first place because there is some confusion here between budgetary and legislative powers. I admit that is hardly a sufficient objection in itself, because we are all guilty of to some extent and there cannot be a completely rigid demarcation between budgetary and legislative powers, for, after all, budgetary powers are derived from legislative powers. So I am not going to argue with Mr Spinelli on that score.

But to question certain basic principles of the European objective, such as financial solidarity, is an extremely serious matter. The fact is that for some time now the common agricultural policy has been

subjected to successive efforts to undermine it: it started with a co-responsibility levy on milk, which means that the surplus in a certain sector is no longer fully financed; the latest move is that EAGGF expenditure is no longer to be fully financed, and the result of that, whatever else happens in the course of the financial year, will be that the farmers will be the ones to pay. We will not associate ourselves with any action which runs against the principle of European solidarity. I must warn the House that if this tendency takes hold, the stage will be reached where criticism of the common agricultural policy will amount to criticism of fundamental European objectives, and the result of that will be extremely serious indeed.

Those are the main points I wish to raise Mr President, but I should like to make one further point which may seem rather theoretical or a matter of principle, but there is a question I must raise with the Commission.

You will remember that, speaking as rapporteur on the budget of the European Parliament, I said that the budget was in effect a provisional budget and that, if direct elections do take place in the spring of 1978, we will have to approve a supplementary budget. I would like the Commission to say whether, in all the chapters relating to direct elections, relations with Parliament for example, it has allowed for expenditure that may be incurred as a result of these elections, or if it too intends to submit a supplementary budget.

I ask the Commission this because we must know exactly what its intentions are. If we take, for example, staff responsible for liaison with Parliament, the situation will obviously be very different with 198 members than with 410. Therefore we must know if it will be necessary to create extra posts. If it is — and the same thing clearly applies to the Council — then it would be better if we were told at once.

Those are the points I wished to raise, Mr President, as chairman of the working party on the budget and on behalf of the Group of European Progressive Democrats.

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

**Mr Spinelli.** — (I) Mr President, on behalf of the majority of the Communist and Allies Group, I would like to say that our first reaction to the budget presented by the Council is a negative one.

However, since Parliament has the right not only to express its opinion but also to change many points in this budget, I would like, on behalf of my Group, to reserve judgement on the final text.

The shortcomings of this budget have already been described by other members, and I will therefore deal only with a number of other points where I feel I have something to add.

## Spinelli

I would like first of all to point out that so far insufficient attention has been paid to the revenue section. We have a rather strange and absurd view of Community revenue, especially now that we are on the point of having our own resources: we add up expenditure and then declare that revenue must match expenditure. But the fact that expenditure is what it is, is only the result of adding up the cost of the various policies, each with its own special features.

Now I do not think that in any of our countries we would draw up a budget in this way. We always have to take into account the available funds and the priorities of the various policies. We never manage to achieve everything we would like and no-one could criticize the Community for failing to do everything that we would like to do. But in the present situation, we have to make a choice.

The Commission first of all and then the Council, in presenting the draft budget, must first provide an analysis of the amount of taxation that can be borne by the citizens of Europe, who nowadays usually have to pay so much to the State and so much in local rates, so much to the regions, to the Länder, and so much to the Community. Under present economic circumstances can we ask taxpayers to pay anymore? Would it not be better to transfer some of the resources from the State to the Community, since some problems can be more easily solved at European level than at national level. By taking this kind of view an overall idea of the available funds can be obtained and, consequently, a guide to priorities in expenditure.

It should be remembered that in the way the budget was drawn up originally, this practice was almost impossible because every budget had to have, for non-compulsory expenditure, a maximum rate to be calculated in a certain way. This maximum rate could be exceeded only in exceptional circumstances, following specific procedures. Now, according to the regulations in force, things are different; the reference to exceptional circumstances has disappeared. This means that the maximum rate is only one of the elements which the Community has to take into account. There must therefore be concertation and this must not come at the end but at the beginning of the procedure; this joint decision-making by Parliament and the Council should determine the real rate of increase, and not the fictitious rate which I have mentioned.

It is a question of procedure: our German colleagues know that there is considerable concertation between the Länder and the Bund to decide fairly what goes to the Länder and what goes to the Bund.

The balance of expenditure between the Community and the Member States is different from that between the Bund and the Länder, but it remains true to say that we must take concerted decisions and this we

have completely failed to do. We have no specific figure to guide us and therefore all our expenditure is decided in a somewhat arbitrary manner. This must change. An initial analysis must be carried out, discussed here in Parliament and the Council must realize that it cannot take the decision on its own but must decide together with us. I hope that this request will be included explicitly at least in the motion concluding the discussion of the budget.

This has repercussions also on the kind of taxes which the Community should adopt. But we will return to this in the debate on the adoption of the resolution. For the time being, we will concentrate on this omission in the budget, which will have to be rectified as it is a matter of fundamental importance.

I would like to go on now to discuss the other matter on which we have dealt at some length, expenditure policy.

There is a fundamental difference between the Council and the Commission's views of expenditure, at least as regards non-compulsory expenditure. I will speak later about compulsory expenditure, in particular the agricultural fund, which represents the main element in compulsory expenditure.

As regards non-compulsory expenditure, the Council believes that we should include only matters on which it has taken a decision or where a decision is likely within a few weeks, that is to say it considers the budget as a mere accounting instrument. The Commission on the other hand had made it clear, particularly this time, that the budget must reflect the policies it intends to pursue. We must be prepared to state clearly that the only acceptable formula is the Commission's and not the Council's, because the Council's attitude renders the whole parliamentary debate pointless as it leaves the Community, and in particular the Commission hamstrung.

This is true for that part of the budget which concerns non-compulsory expenditure. However, for compulsory expenditure, the Council and Commission are in perfect agreement. As soon as they are faced, for example, with the problem of the EAGGF, the Council and Commission behave like drug addicts; in between 'fixes' of millions of units of account they complain and rail against costs but, when it comes to the pinch, they take another 'fix' and the millions start flowing again. The Council has not seen fit to deduct a single unit of account from the Commission's proposals, and when the Commission proposed another 500 million it did not bat an eyelid.

As regards the other section, in which the Commission has presented constructive proposals, I cannot agree with Commissioner Tugendhat's statement in reply to Lord Bruce that we have to learn to live with the Council, take account of various factors and so on. We all know this! We know we have to live with

## Spinelli

them, and we have to show willing and, eventually, reach compromises!

What is actually happening is this: when the Commission sees fit to propose a certain policy, it cannot say that it believed in it in May and that in October it no longer believes in it. It is perfectly aware of the length of time the Council takes to reach a decision. The Commission has decided to table proposals which involve appropriations. It is well aware that these proposals will provoke a certain reaction in the Council, a different reaction in Parliament and that at a later stage there will be a conciliation between the Council and Parliament. Now, Parliament has learned that the Commission, off its own bat, and ignoring Parliament, has informed the Council that it intended to curtail certain entries, amend others, etc., for example, the document presented to the Council contains the statement that as regards the aeronautics plan the Commission felt that this entry was no longer necessary as it was intending to present new proposals.

It is to Parliament, gentlemen, that you should have come with these suggestions, not to the Council, because the draft is at present before Parliament and Parliament in this case has the last word! But if you, knowing full well that the Council is showing some reluctance, go and inform it that you are ready to back down, this means that you are completely disregarding the fact that Parliament can demand that the Council take action in certain fields.

The same thing happened for a number of entries concerning data processing and energy which involve non-compulsory expenditure and on which Parliament and not the Council has the last word. Notice that we are not talking here about the final vote on the budget as a whole but that we are voting on this section and on this basis Parliament and the Council would have come to a joint decision about whether or not to alter the rate of increase. In these circumstances, respect for the political commitments made by Mr Jenkins, should have meant that the Commission would discuss with Parliament any new idea arising from new developments in the situation. You, however, acted alone and changed the rules of the game.

It is a different matter for agricultural policy expenditure which constitutes the major part of the Community budget. The rapporteur, Mr Shaw, the committee chairman, Mr Lange, and others have said that we must avoid supplementary budgets and therefore set up a reserve. It is my view, ladies and gentlemen, that this is a false problem. The occasional supplementary budget is not the end of the world! Strictly speaking, supplementary budgets can be avoided only if the Commission is allowed to contract debts because then, instead of drawing up a supplementary budget it goes into debt; but if the Commission is obliged, as it is, to keep the budget in balance, when, through any

unforeseen incident, the budget is not in balance it must ask for a supplementary budget. Under the existing agricultural regulations, unforeseen incidents are the order of the day. They are implicit in the way the policy works: the forecasts are approximate and almost always mean that further expenditure is necessary at a later stage. If we therefore include provisionally, in some heading or other in the reserve this subsequent expenditure in case it should prove necessary, the result seems to me to be identical. Suppose the budget represents 100 and the reserve 50: well, the result will be that we will have an overall budget of 150, but that it will still be uncertain and not fully explicit. If we want to have a serious budget we must pursue a coherent policy, not an open ended policy.

Mr Cointat has just said that by abolishing Community solidarity, and dismantling the market organizations, we were heading towards a crisis which risked bringing the whole structure of the Community tumbling down. But no-one is suggesting doing away with these positive features, which are the basis of any serious agricultural policy.

The problem is how to fix prices and what attitude to take to certain ridiculous price variations and this is the aspect which must be corrected.

I believe that at this time when new countries are seeking accession to the Community it is important to review the agricultural policy with some care, without calling the whole policy into question, and without attempting to demolish it but to improve it. To make this possible we have asked (and we shall see whether or not this Parliament is prepared to make an effort in this direction not only with words but with actions) the Council and the Commission, during 1978, to draw up and implement those corrections, those amendments to agricultural regulations, fixing a ceiling, or a system for determining prices, for making all concerned share in the burdens, for action on food stocks, in order to guarantee this system of minimum prices in the Community and thus avoid the ludicrous situations which have developed in several sectors. It is, for example, ludicrous that we should become major exporters of wheat which is more expensive than wheat produced elsewhere in the world, and it is equally ludicrous that whereas the level of wine consumption in the Community has remained almost static, the long term trends, not just over one year, are towards an increase in wine production.

I hope that Parliament, using all the means at its disposal, will get these necessary changes under way.

I am encouraged in these remarks by the knowledge that the Commission — in particular Mr Gundelach — seriously believes that this policy must be reviewed and that new ideas must be put forward. If we, as a parliament, can support the Commission in these efforts, in this rethinking, with firm guidelines, we will undoubtedly help this plan to succeed.

## Spinelli

Another crucial matter for Parliament is the question of compensatory amounts about which we are still unhappy. All the existing compensatory amounts must have fixed time limits and must be gradually reduced.

We cannot say: abolish compensatory amounts. As long as there is a policy of market organizations and as long as there are currency fluctuations situations will arise in which positive or negative compensatory amounts have to be introduced, depending on whether there is a revaluation or a devaluation. But this measure must be temporary and must be phased out over 2 or 3 years.

This way we can avoid certain artificial and anomalous situations such as the disproportionate growth of some farms in certain countries, due not to the fact that they have a greater production potential than others but to the fact that they are permanently receiving compensatory amounts.

I will quote one detail which is, however, indicative of the need to review the agricultural policy and to improve its structures: the Commission included in the preliminary draft 3 500 000 European units of account for improving glasshouse production. We know that these producers receive a special subsidy for purchasing oil, which consists of intervention to ensure that the price of oil is not subject to market increases.

I am not attempting to defend Italian horticultural production. The Italian market unfortunately — and I mean unfortunately — has protected itself in another manner from the start: it has discovered, for example, that for tomatoes we, in Italy do not have a certain parasite which damages production in other countries and therefore it does not import tomatoes from the rest of the Community!

This absurd situation in Italy is matched by absurd situations in other countries. The Commission, wisely — because in these cases it is responsible for helping the processing industry — has provided appropriations for the retraining of staff employed in glasshouse horticulture, appropriations which have been deleted by the Council and which we propose to reinsert.

Similarly, with Japan, we complain that we cannot break into Japanese markets. But when the Commission proposes practical measures to increase Community exports to Japan they are rejected. Each state wishes to act on its own: the richer states will succeed better, the poorer ones will be less successful.

And when the Commission proposes aid to all the Community industries to help them compete on Japanese markets, it is told that this is not possible.

These are details, however significant. The main thing is to maintain and strengthen the direction which the Commission has tried to give to this budget. In order to show that the budget is an instrument for progress

and not for maintaining the status by the Commission. And the Commission, for its part, unless it wishes to abandon the proposals it has made over the last 6 months, should accept our support.

I will not dwell on every detail of the section on agriculture because amendments will be tabled on various aspects of the Guidance and Guarantee Funds but I think that the Commission and the Council should remember the need for a change of policy, preserving what deserves to be preserved but making changes where they are needed.

Lastly, I would like to appeal to all members both present and absent. There are those who wish to exert pressure and those who are content merely to express their own displeasure without wishing to change anything. If we really want to make a contribution to improving the quality of our Parliament, we must ensure that the vote reflects the divergences — which exist in all the groups — between the reformers and those who wish to preserve the status quo. Otherwise, if we vote artificially, by groups, we will be on the way to transforming this Parliament into a number of little parliaments.

None of us knows whether the composition of the groups will be the same in 10 years time as it is now. However, at present it is of vital importance to discover who is in the majority, the reformers or those who favour the status quo — I do not use the word conservatives for there are many in the Conservative Group who favour reform. I would like to recommend that all the groups bear in mind in tomorrow's debate the need for this political clarification.

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

**Mr Durieux.** — (*F*) Mr President, I think we must be very realistic at the present stage in the achievement of European objectives. We cannot expect a budget containing a total of much more than 12 or 13 000 m u.a.; in other words we have to be satisfied with the total drawn up jointly by Parliament and the Council. We are critical, not of the existing breakdown of the budget, but of the lack of initiative of the Community, which has still not managed to implement more than a single common policy, agricultural policy. There is nothing to be gained by bemoaning the fact that agriculture now accounts for 75 % of the budget, about 8½ thousand million units of account. The answer to that is to concentrate on other large-scale Community policies which will be matched by appropriate budgetary contributions. We might well ask what the Community would be without the common agricultural policy. The budget would be an extremely modest one which would not justify the effort and the commitment we put into it.

But unfortunately, we already said all this last year, we are saying it again this year, we shall be saying it again

**Durieux**

next year, and it will make no real difference. The best we can do is to enlighten those who criticise this lack of balance because of its consequences, without really considering the reasons for it. Clearly the common agricultural policy is not to blame if the Community has not been able to face the challenge of unemployment. To look at the budget, you would think we were in a period of full employment, with its allocation of a mere 400 m u.a. for social expenditure, barely 3.5 % of the total. This is why the Liberal and Democratic Group has just tabled amendments to the motion for a resolution by the Committee on Budgets concerning the common agricultural policy, which has been criticized much too harshly, and which, as I have just said, is not responsible for the imbalance, which is more the result of a lack of imagination and initiative. Yet we already have an unemployment figure of 6 million and it may not be long until as many as 2 million young people are unable to find work. How much longer will they put up with that?

Whole sectors of the economy have been shaken, including many that until very recently, held dominant positions, the steel industry for example. The Community must make an effort to help the most stagnant sectors by stimulating employment and combating inflation.

Here I would like to draw attention to the amendment by Mr Shaw calling for an allocation of 5m u.a. for small and medium-sized undertakings which are the hardest hit in the present economic situation and which deserve priority treatment because they are an essential part of the structure of a liberal society. Perhaps we Liberals were taking realism too far in proposing only 2m u.a., but we hope that Mr Shaw's proposals, which go further than ours, will be adopted, and we therefore ask the House to vote for this amendment as it stands. Finally, on the matter of social expenditure, we welcome the decision by the Committee on Budgets to increase appropriations in favour of unemployed young people by 68m u.a. This is an important decision. By the same token, we welcome the studies and other projects in consumer protection. What I have just said also applies to the regional development policy. A reduction in the disparities between strong and weak regions is an essential stage in the achievements of economic and monetary union, perhaps in European union itself. For we cannot hope to coordinate our budgetary policies, or channel inflation through a snake mechanism, or lay the foundations of real monetary cooperation, if the level of economic development is so different from one country to another, that some countries are ahead of the USA and others are downright backward.

We are particularly critical of the timid approach to energy. A typical example of the lack of concern of the entire Community is the allocation of a mere 224 million units of account for the JET project, barely 2 % of total expenditure. We can have no hope of

making any significant progress in this capital sector unless we are prepared to combat an energy crisis which shows every sign of becoming a structural one. It is useless for the Commission to issue directives, for Parliament to adopt resolutions, if the financial implications are neglected when the time comes to adopt the budget. That is pure demagoguery, and it would be better not to arouse expectations when we know in advance they have no chance of being fulfilled. Of course we are right to criticize the tendency of certain governments of Member States to carry their own deficit financing to extremes, but what we are doing in the Community is exactly the opposite, and that is fatal to every initiative. The time has come to take full advantage of an excellent mechanism, namely the Community loan, because that is the only way to make up for the inevitable defects in the budget, whether in energy as I have just said, or in any other field.

We utterly deplore the breakdown in the decision-making procedure in the Council of Ministers, which has become incapable of taking any decision at all, and we call for the immediate implementation of the provisions of the Rome Treaty, starting with Article 148, on majority voting. It is incredible that, six months after a decision has been taken at the highest level by the heads of state or government in Rome, the ministers responsible have still not been able to give a final form to the financial instrument, and even seem anxious to shelve the whole thing.

We also call urgently for the entry into force of a rate of VAT that will ensure the Community's budgetary autonomy, and of the financial regulation and the European unit of account, because it is absurd for revenue and expenditure to be calculated on the basis of parities laid down by the International Monetary Fund before the disruption of European exchange rates in the last few years.

Finally, I should like to welcome the creation of the Court of Auditors. This controlling agency is essential to restore confidence to European tax payers after the notorious series of frauds that have taken place, particularly with EAGGF funds.

Finally, I wish to thank the Committee on Budgets for the excellent work it has done often in extremely difficult conditions.

The amendments Parliament has tabled are reasonable and will maintain a minimum threshold below which we cannot go. Membership of the Community is costing each European citizen 27 units of account, not an excessive sum for the expectations that could be fulfilled, especially when you consider that the average citizen's contribution to his national budget is 50 times as high. But let us hear no more about austerity policies. The Community budget is only 0.6 % of the total GNP of the Nine, compared with 30 % in the total national budgets.

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

**Mr Terrenoire.** — (*F*) Mr President, honourable members, the political, budgetary and financial matters which directly concern us, and which unfortunately are deteriorating from one year to the next, include the problem of monetary compensatory amounts. I want to try to say something about these which I hope the House might find interesting.

The increasingly complex budgetary and economic difficulties caused by the current system of monetary compensatory amounts have given rise to various proposals for fundamental reform of the system, and some of these contain very serious implications for the basic principles of the common agricultural policy. It has therefore become necessary to take very careful stock of the problems caused by the existing system of monetary compensatory amounts and of the various ways in which the situation might be improved.

As you know, the purpose of monetary compensatory amounts is to compensate for the discrepancies between the actual exchange rates for Member State currencies and the rate used when agricultural products are exported from one country to another to convert common agricultural prices, expressed in units of account, into national currencies. Where agricultural products are subject to common organization of the market, the principle of a single market and free circulation of goods applies to them, and this means that common prices must be fixed in units of account; these prices must then be converted into the currencies of each Member State. In stable monetary conditions this system would cause no problems. When the common agricultural market was set up, it was decided to fix the value of the unit of account used in common agricultural policy as equal to the gold parity of the dollar as declared to the International Monetary Fund. This made it easy to convert the unit of account into the currencies of the Member States, because the parities of each of these currencies had also been declared to the International Monetary Fund in terms of gold and of the dollar. Subsequent events however showed the difficulties of applying this system in the event of changes in the parity of the currency of a Member State.

If a currency is devalued, agricultural prices expressed in national currency will automatically rise. If it is revalued, the prices will fall. It is easy to see considerable difficulties in the system: an impetus to inflation in the first case, political problems in the second. The practice of allowing the countries concerned to hold back the effect of exchange rate fluctuations on their agricultural prices, expressed in national currencies, began as an exceptional measure for a limited period only, but became general practice after the monetary developments in 1971, and has now spread through the whole Community. Despite the risk of thoroughly disrupting the common agricultural policy, mechan-

isms had to be created to enable compensation to be paid, on agricultural products falling within the system of common prices, for the difference between the actual rate of exchange and the green rate. Without this system there would have been two difficulties: firstly in a country that had revalued its currency, a glut of products bought into intervention, because the intervention price would not have been adjusted in accordance with the change in the exchange rate. Secondly, the emergence of abnormal trading patterns, in that farmers in countries which had devalued their currency would be able to compete favourably with farmers in countries that had revalued. If the green rates of exchange were not adjusted, the effect would be, in the first case, to reduce the price of exports, and in the second, to increase them. It therefore became necessary to set up a system of compensatory amounts for intra-Community trade to offset the difference between the actual rate of exchange and the green rate, so as to maintain a single price system.

It will be clear that, in addition to the excessive burden on the Community budget, monetary compensatory amounts are now causing considerable economic problems, and are contrary to the basic principles of the common agricultural policy. Where the budget is concerned, compensatory amounts are levied on imports to countries which have a revalued currency and on exports from countries with a devalued currency. Compensatory amounts are also paid on exports from the countries with a revalued currency and on imports by countries with a depreciated currency. Since Italy and Britain are large net importers, this results in a net cost which is far from being offset by the receipts from Irish and French compensatory amounts. On current exchange rates, the cost of compensatory amounts in 1977 will be close to a thousand million units of account, or twice the allocation entered in the budget. British monetary compensatory amounts will amount to 860 million units of account in 1977 and Italian compensatory amounts to 410 million units of account, while France will contribute 240 million units of account and Ireland 72 million units of account to the EAGGF. The situation in the other States will be more or less in balance. When we consider the trading transactions, a fundamental conclusion emerges: it is illogical that it should be the common market that applies a system of levying taxes and granting subsidies on trade, often for considerable amounts, and not the common agricultural policy as such. A system of this kind cannot be neutral.

Certain difficulties are caused by the very existence of monetary compensatory amounts and by the current criteria for fixing and applying them. The checks and formalities required are tantamount to an administrative obstacle to trade. Moreover, the very existence of the amounts is an encouragement to fraud. There are also certain technical imperfections which mean that

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the desired degree of neutrality is not guaranteed in every case. This applies in particular to products such as sugar, milkpowder and butter, the monetary compensatory amounts for which are based on intervention prices containing a large industrial costs component. This leads to overcompensation on the monetary element, which gives countries with a revalued currency an advantage, in that the compensatory amounts to which they are entitled on exports by virtue of the industrial component in the products enhances the strong competitive position they already enjoy from a generally lower rate of inflation. This is certainly one of the reasons for the present difficulties in the sugar and butter sectors.

The distortions resulting from monetary compensatory amounts are even more extreme in the case of products containing a large primary product component. The calculation of the compensatory amounts on the price of these products fails to take account of the fact that, when a currency has been revalued, importers paying in that currency can obtain their primary products at a lower price. This applies in particular to products with a high soya component (pigmeat, eggs, poultry) and increasingly to dairy products.

Generally speaking the existing system of compensatory amounts puts exporters in the 'snake' countries in an enhanced competitive position. They have the direct financial advantage of being able to claim compensatory amounts on their exports, whereas competitors in countries whose currency is floating downwards must pay compensatory amounts. Moreover, the former group know the rate of their compensatory amounts in advance whereas the latter, those whose currency has depreciated, run the risk of changes in the rate of the compensatory amounts between the date of the contract and the conclusion of customs formalities.

We should also be aware of the unsatisfactory effect of the present situation on the basic principles of the common agricultural policy. To begin with, the differences in agricultural prices between one country and another attributable to monetary compensatory amounts, has recently begun to exceed, in several cases, the price differences as between these countries before the implementation of the common agricultural policy. At the same time we must not confuse the effect with the cause. The existing monetary discrepancies are in many cases no more than a reflection of the different trends in increases in production costs as between one Member State and another, and that being so, it is difficult to see how a single agricultural price system can be maintained in the long term. The fact is that the compensatory amounts have enabled the single price system to be maintained in trading operations, thus stimulating the free exchange of goods.

In fact, the most serious difficulty caused by the

present situation is that the principle of fixing common prices itself is being undermined, not because of monetary compensatory amounts, but because the arrangements for adjusting the 'green' rates are too rigid. It would appear in fact that agricultural prices are being fixed on the basis of the particular situation in each Member State. By refusing to reduce the disparity between its 'green' rate and the real value of its currency, a country like the United Kingdom, for example, is able to keep not only its agricultural production prices, but also its import prices, at a lower level than would result from the overall increases in domestic prices and the higher cost of imports that are the logical consequence of the depreciation of the pound. Germany is able to give its producers higher prices than are justified by refusing to revalue the 'green' mark. Here, the compensatory amount neutralizes the trade handicap resulting from the appreciation of the German mark, but does nothing to offset the competitive advantage accruing to German producers from the difference between costs and prices as expressed in German marks. It is therefore hardly surprising that Germany is showing a tendency towards self-sufficiency and increasing exports, since it is enabled to do so by the much wider competitive margin German producers derive from the existing agricultural monetary system.

Mr President, honourable members, this system must be changed as a matter of urgency. In the first place monetary expenditure must not be lumped together with agricultural expenditure, thus implicating the EAGGF in sins which it has not committed. In the second place, some at least of the burden on the Community budget must be removed, and we must have the courage to contemplate a reduction in monetary compensatory amounts as a matter of long-term policy.

**President.** — We can now embark on the section Staff and operating expenditure.

I call Mr Howell.

**Mr Howell.** — Mr President, I am somewhat concerned at the stance which we in Parliament are adopting as far as increases in staff are concerned. I believe that we should recognize that every parliament, every council throughout the respective countries of the Community, has to grapple with the same problem of trying to contain bureaucracy, and I am not satisfied that we as a parliament, are doing enough in that respect. I will probably be the only person who will be speaking on the side of the Council on this, but I believe that Parliament should not only be containing the Commission with its demands for 531 extra personnel, but should also be trying to put a brake on the Council itself. Instead, we are in a sort of non-position, a neutral position, where we say: 'well, the Commission want 531, and the Council want 126', and then we peel off 20 of those, and for some reason or other about which I am not quite clear we come up

**Howell**

with a magic figure of 221, which is like an arbitrary compromise. I believe that Parliament should do better than that, and I think that we should try our hardest to contain the ever-growing army of civil servants in this Parliament, and in all parliaments, and in all councils: this is a disease which we really must work harder to defeat.

Here I would like to say how much I appreciate the hard work which my colleague, Mr Shaw, has put in — but I cannot agree with what he has done, because I would have been much happier had he said, 'both the Commission and the Council have been too generous in this matter of staff, and we can only agree to say, 75 instead of the 126 that the Council has proposed'. I just want to make this point, Mr President, I believe our duty to our electorate is to contain bureaucracy, and not encourage it.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I hope the House will forgive me a slight counter-attack in response to what my former colleague, Mr Howell, said. I certainly agree that it is important to contain the bureaucracy. I certainly agree that the Community institutions must be modest in their requests for new staff. I do not have the figures in front of me, but I did quote them in the Committee on Budgets, where I pointed out that the percentage increase which we had originally asked for and which is, of course, very drastically cut even on the basis of Mr Shaw's recommendation, was very substantially less than that which was put forward by the Parliament and which, I believe, will go through. What's sauce for the goose is sauce for the gander: that principle does, I think, apply. I am sure that the Parliament applies a very stringent discipline to its own staff demands, and when you compare our percentage increase with your percentage increase, do remember that ours is very much smaller and is being very substantially cut...

**Mr Howell.** — I would like to see our increase contained just as much as I would like to see your increase contained. I want to contain increases everywhere, because this is what it is all about.

**Mr Tugendhat.** — ... I know from past experience that Mr Howell holds that view, both of institutions of which he is a member and those of which he is not. I know that what he says is true of himself, but it is a point I wanted to make to the Parliament as a whole, Mr President.

I would also like to make a point, specifically in response to the speech of Mr Cointat, when he asked about whether we would need more staff for direct elections. It is of course very difficult indeed to distinguish between one use of staff and another. The Commission is a team and it has to dispose its resources as well as it can. It is a little difficult to say

that we need people specifically for fish, textiles, and direct elections — and, if you took out the fish people, you would change the situation. It is all obviously inter-related.

Having said that, and having said that everything has an impact on everything else and that, if we have fewer staff for one area it creates a greater pressure on another, I would like to make it clear that we are certainly conscious of the problems posed for our services by the arrival of the directly-elected Parliament. Certainly, it would be our intention to try to increase the number of our people who are working in that field. If we had asked for the staff when the budget was first formulated, I think we would have laid ourselves open to the criticism that we were asking for people in order to service a need that might or might not arise. It is after all some months ago that we first submitted our budget.

We are now in a situation where one Parliament is lagging behind, and where the government of that country is certainly dedicated to getting the legislation through. Accordingly, I think we now can begin to plan on a rather firmer basis than was previously the case. This favourable turn of events has certainly been noted by the Commission. We will need to ask the Council and the Parliament for more staff — a modest number — in order to meet the requirements of a Parliament which is not only directly elected but also sitting on a far more intensive basis, naturally, than this one, and which also will be rather more — I think I am right in saying — than twice as large.

That is the answer that I would give to Mr Cointat. I would also like to thank Mr Shaw for his draft report, and to say that we will certainly study the idea of a recruitment agency in more detail. We share his analysis of the problem and we would very much like to look into the feasibility of this idea. I know the fact that advertisements appear for the different institutions at different times certainly causes a lot of muddle for people who are less familiar with the way our affairs work than we ourselves are.

The Commission has had to face great reticence towards its requests for extra staff, both from the Council and the Parliament and has done its best to keep these to a minimum. We now have a number of very important new functions to take into account, not simply that of a directly-elected Parliament, which I have already referred to, but the Court of Auditors, which has also been referred to, nuclear security, the preparation for Lomé II, the adoption of the European unit of account, which is something I am obviously particularly interested in, the adoption — I hope also, and it now seems very likely — of VAT, and the follow-up to the North-South Dialogue. All these are matters which place considerable extra strain on the Commission. I think all the ones that I have mentioned have a great deal of support in the Parlia-

## Tugendhat

ment. I would therefore like to emphasize both the fact that we do try to keep our requests down and also that we are undertaking important new tasks, many of which have been laid before us at the specific request of Parliament, as well as of the Council.

Of course the Commission does not expect the budgetary authority to find all its staff needs. I would not like to leave the House tonight with the impression that we had drawn up a table of our requirements and sent it in and had not done anything ourselves. That simply is not the case. This year, to meet some of the priorities I have listed — and I should perhaps have mentioned also the very substantial innovations of Directorate-General XIV for fisheries, and the textile negotiations in which the Commission is engaged — we have transferred at least 100 'A' staff and some 'B' and 'C' staff as well between the services, not to mention those transfers within services which take place all the time — one hundred transfers over and above that which usually takes place. But there are limits to the extent to which we are able to do this unless other priority services are to be cut back. Thus, for instance, the Transport DG has drawn up a long list of work which has had to be completely abandoned for the time being for lack of staff, including common rules for road transport and the harmonization of highway signs — a form of harmonization which might do a great deal to prevent accidents. These transfers already made this year represent more than the total of staff at the 'A' level sought in the budget, and the fact that we have made so many transfers makes us doubly dependent on the budgetary authority if we are to meet our priorities. In my view — and, as the House knows, I am responsible for personnel and administration as well as for the budget — there really is no more spare capacity at the 'A' level; and at the 'B' and 'C' level, as I have explained, we have also done a very great deal.

I do not believe that this is a situation which is in Parliament's interests. I do not believe that Parliament wishes our resources to be spread so thin that we have to give up important programmes: that we are unable to carry through as efficiently as Parliament would wish, and as we would wish, the tasks with which we are entrusted.

I would also like to make another point. I am extremely anxious to get away from the atmosphere of distrust which characterizes debates, between the Commission on the one hand and the budgetary authority on the other, on these matters. The Commission has, therefore, decided to adopt a new presentation of our staff needs which will, I hope, help you as well as us. I shall be explaining this in detail to the Committee on Budgets. The new approach depends on there not being too big a deficit from the past. If we have to carry the present shortage forward, it will be impossible to assess the new needs rationally.

I do hope, Mr President, that Parliament will feel able

to do more. I am grateful for what has been done, and it certainly is not my intention to look a gift horse in the mouth. I was talking about the problems of gift horses and half a loaf being better than no loaf, and so forth, in response to Lord Bruce earlier this afternoon; but on this occasion we are being asked to accept not simply half a loaf but something rather less than that, and I hope that Parliament will recognize the fact that it really will be very difficult for us to continue to discharge our tasks effectively. I wish Lord Bruce were here to understand how, even when we find ourselves against both the budgetary authorities, we do continue to try to fight for that which we believe to be necessary.

**President.** — I call Lord Bessborough to introduce the opinion of the Committee on Energy and Research.

**Lord Bessborough, draftsman of an opinion.** — Mr President, I speak for the Committee on Energy and Research and not necessarily for my group, although I doubt whether they would dissent from anything I say, except perhaps Mr Howell. I need hardly add that the committee on Energy and Research do not accept the cuts — nearly none of them — which were introduced by the Council. I am making these remarks on behalf of Mr Krieg who, I regret, is absent this evening as I have already done at two meetings of the Committee on Budgets.

As the House knows, the basic objective of the Community's energy policy — and this is what we feel should be reflected in the budget — is to reduce Community dependence on imported energy, — if possible, to not more than 50 % by 1985. At the same time the Community must guarantee the security of those supplies which have to be imported. As Mr Shaw said, hydrocarbon reserves may well be exhausted in our lifetime. That is why a Community energy policy is absolutely essential.

In 1975 the Community was dependent on imported sources for 61 % of its energy requirements. It now appears unlikely that the 50 % target can be reached by 1985, largely due, of course, to the slowing down in nuclear development in most Member States. Dependence on imported energy can only be reduced by changing the pattern of energy demand, by using less imported oil and petroleum products, and by the imposition of energy conservation methods and by the rational use of energy. The energy supply structure would have to be modified by encouraging Community production of petroleum, natural gas and solid fuels, by carrying out research into new sources of energy, by the expansion of the Community's nuclear capacity which would mean the security of nuclear fuel supplies. This, in turn, would involve the exploration for indigenous uranium deposits in the Community itself and the development of safeguards acceptable to the major suppliers of nuclear fuels.

## Lord Bessborough

Under Chapter 32, the Commission requested appropriations amounting to 103 million units of account in payments and 229 million units of account in commitments. This, however, as we said in an earlier debate, was reduced by the Council to 25 million units of account in payment and 103 million units of account in commitments. This shows, in the committee's view, a very serious regression with regard not only to the 1978 preliminary draft general budget, but also in comparison with the 1977 budget. The Committee on Energy and Research believes that considerably greater appropriations must be made available if the Community is to reduce dependence on these imported sources. For this reason, the Committee on Energy and Research has tabled amendments adding some 40 million units of account in payment appropriations to the energy budget.

With regard to research, the Council treated direct actions reasonably generously, although the Committee on Energy and Research is proposing one amendment to item 3333 for physical protection measures for the Joint Research establishment, to bring these into line with the norms which have been recommended by the International Atomic Agency.

The cuts under indirect action — and this worried us a good deal — were more serious, particularly in the field of new actions which have not yet been adopted by the Council. The refusal to enter appropriations for these items would necessitate either a supplementary budget which most of us, except Mr Spinelli, do not like very much, or else would mean that these actions could not get under way until 1989.

The Committee on Energy and Research is therefore proposing a series of amendments concerning these new actions.

Attention should be drawn to one amendment concerning staff increases for the Commission, a subject which we have just been discussing. This amendment, tabled by Mr Shaw on behalf of the Budget Committee, includes an increase of 42 new officials for the Euratom control commission. These staff increases are vital, in our committee's view, if Euratom is to meet its new obligations under the verification agreement and the Non-proliferation Treaty. Because of the specialized knowledge required, these officials could not be transferred from other sections of the Commission. I hope that Mr Tugendhat agrees with this. On behalf of the Committee on Energy and Research, I strongly urge Parliament to adopt this amendment.

Finally, Mr President, all the amendments proposed by our committee, whether they be under chapters 32, 33 or 36, request the minimum sum that would enable the Commission to carry out its duties and obligations in this field of energy and research. It would be much cheaper to spend money now on research and investment in energy than it will be to pay for

increasingly expensive oil imports in the 1980's. I therefore commend all these amendments to the House. They are endorsed not only by the Committee on Energy, but also by the Committee on Budgets.

**President.** — I call Mrs Walz to speak on behalf of the Christian-Democratic Group.

**Mrs Walz.** — (*D*) Mr President, ladies and gentlemen, before stating the opinion of the Christian-Democratic Group on the energy and research budget, I should like to thank the Committee on Budgets and its chairman who have adopted almost all of the Committee on Energy's draft amendments. The latter are now being put forward by both committees and will perhaps therefore be approved by the House as a whole. The Committee on Budgets agrees with us that fossil energy sources, coal excepted, are nearing exhaustion. Oil has become a seller's market on which the terms are dictated by others. Alternative energy sources need time — 10 to 20 years — to be developed. Nuclear energy might bridge the gap and make us politically more independent but is encountering increasing difficulties owing to popular resistance.

President Carter is right when he describes an energy policy geared to this emergency as the moral equivalent of war. He has, however, encountered great resistance in America because over there no-one wants to believe that the golden age of cheap oil and cheap energy has come to an end. More energy, which is also necessary for qualitative growth, will cost money. We must make suitable arrangements to prepare for this and we think that we have done so, to a certain limited extent, in our amendments.

Despite Mr Carter's excellent example the Council has sought fit to reduce the energy budget by 32 %. We have drawn up our draft amendments in the light of the following priorities: firstly, support for the coal sector; secondly, the exploration and extraction of hydrocarbons in the Community, including the relevant technology; thirdly, the investigation of the fuel cycle and its safeness and, fourthly, safeguarding supply in nuclear fuels.

Why have we opted to support the coal sector, although the Commission has made practically no contribution to financing coal stocks? The answer is because in the future, as in the past, coal will be one of our most important energy sources — as the world energy conference in Istanbul has just confirmed — and also in the future in the form of coal gasification and liquefaction.

It is true that at the moment coal stocks are piling up owing to the crisis in the steel industry and the still plentiful supply of oil. It is also true that environmentalists are delaying or preventing the investment of millions in the construction of coal-fired power stations, thus causing a loss of jobs. This only serves to disguise the fact, however, that in future we will again

**Walz**

be dependent on coal and must therefore contribute to financing coal stocks in order to prevent pit closures, to burn more coal in power stations and to modernize the power stations themselves.

If we are to reduce our dependence on imported energy the search for hydrocarbons in the Community, and in particular uranium prospecting, must be promoted, as we have requested.

We have reinstated the necessary amounts in the Community's energy conservation programme because we think that it is cheaper to save energy — especially as this also creates more jobs — than to develop new energy sources.

The conservation and more rational use of energy are essential, as well as the development of alternative energy sources, if we are to reduce our dependence on imported oil.

We have also tabled amendments regarding research on safety aspects of nuclear energy and reaffirming Euratom's supervisory function. In this our requests as regards staff were supported by the Committee on Budgets, to which we are particularly grateful. Only when our safeguards, combined with those of the IAEA, are 100 % satisfactory will we get the necessary uranium, only then will we be able to push through the fast breeder option and export our nuclear energy plant. It can only be hoped that the controversy over nuclear energy will give way to the realization that without nuclear energy the very existence of the Western industrialized nations is in jeopardy.

We in the Christian-Democratic Group support the proposals of the Committee on Energy and also the Committee on Budgets and hope that the House will approve them and that the Council will also come round to the same opinion.

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

**Mr Spinelli.** — (I) Mr President, I would like to ask the Commission to state its position clearly on some of the items on which these amendments have been tabled. These are items 3240: 'Community energy-saving programme', 3241: 'Coal gasification and liquefaction', 3242: 'Exploitation of geothermal resources', and items 3701 and 3702 concerning the second data processing programme and the implementation of the four-year programme. Some of these items the Council has deleted and in others has included a token entry.

My group, however, feels that it is its duty to support the Commission's request, so that it is able to pursue effectively its planned policies.

I would like you, Commissioner, to tell us clearly whether or not you are in favour of our attempts to support the Commission's proposals.

The second question concerns item 3711: 'Aids to the aerospace industry'. This contains only a token entry

whereas in the preliminary draft budget there was a very important comment on the replacing of national financing arrangements with a system of Community financing. The Council has removed this remark. The Committee on Economic and Monetary Affairs has restored it. I would like to know the Commission's view on this.

Lastly, there is a new budgetary entry, proposed by Lord Bruce in the Committee on Budgets, concerning 'Community loans for financing investment projects in industry'. We believe that just as in the revenue section there is a token entry for possible loans, so in the expenditure section there should be an appropriation for any loans to be granted so that the Commission can act freely. We would like to know whether the Commission supports our position.

**President.** — There are several other speakers down for this section on research and energy. They will speak in the continuation of this debate tomorrow morning. However, before we adjourn the proceedings for tonight, I have had a request from Mr Meintz: he has to attend the meeting of the College of Quaestors in the morning and has therefore asked whether he could deliver the opinion of the Committee on Social Affairs, Employment and Education on that part of the budget relating to social affairs. Since there is no objection to this proceeding, I call Mr Meintz.

**Mr Meintz, draftsman of an opinion.** — (F) Mr President, I ask forgiveness of the House but tomorrow morning would be very inconvenient for me.

I think everyone is aware of the danger of looking at the budget as a whole in terms of particular sectors; you are liable to see things through glasses of a particular colour and to end up thinking that one particular area is more important than anything else. As rapporteur for the Committee on Social Affairs, Employment and Education, I therefore find it reassuring that Mr Shaw, as General Rapporteur, and all the other previous speakers in the general debate or the debate on the presentation of the budget, took considerable pains to point out that there are vast differences between the agricultural sector and all the other sectors vital to the further development of Europe, such as the social sector. The present economic situation in Europe, with its sectoral crises and widespread unemployment, is a very dark reflection on the social policy of the European Community. There can be no doubt that one of the first priorities of any European policy must be action to redress the continuing deterioration in the social conditions of many categories of people who are, in a general sense, underprivileged.

But I shall not go into these matters in detail here. We have had several opportunities to consider the social situation fully in this House, be it with the

**Meintz**

submission of the report on the social situation, or the debate on the new Social Fund. When considering the budget, the Committee on Social Affairs, Employment and Education noted that the Council had made a certain effort, as a result of which it may well be that, of the underprivileged sectors, the social sector is the least underprivileged, in a budgetary sense.

In considering the budget, the Committee on Social Affairs, Employment and Education did not therefore seek to table a set of generalized amendments calling for the original appropriations entered by the Commission to be restored, but confined itself to certain priority actions which it felt deserved specific support. I should like to outline these priorities for the social sector, on which we have tabled amendments, under five main headings.

Our first concern was obviously the future of the Social Fund, and here we deplore not only the cuts made in the budget but the fact that, in budgetary terms a number of appropriations have been deleted from Chapter 100, which means, in political terms, that the Council is unwilling to commit itself clearly on action to be taken in 1978.

It was for this reason that the Committee on Social Affairs, Employment and Education, while going along with the Commission on the overall balance of Social Fund actions in favour of the various underprivileged groups — women, emigrants, underprivileged regions, etc. — and the appropriations originally allocated, has sought to restore these appropriations, not by calling for a further increase in say the youth sector, but by accepting the balance given to the Social Fund in the form proposed by the Commission. Therefore all the amendments — and there are eight of them on this subject — have exactly the same purpose: the Committee proposes that the Fund should be restored to the form in which it was originally set out by the Commission.

Our second priority, which related directly to the current economic situation, and in particular deteriorating employment prospects, concerns measures to improve employment opportunities by sectoral research and by organizing cooperation between national employment authorities, who are asked in this connection to give more attention to coordinating their activities.

Our third priority is to combat poverty. The action that has been taken so far here has been considered extremely important, and we fail to see why the Council now thinks it appropriate to put an end to these activities in 1978 and subsequent years. Here again we have called for this activity to be maintained and not gradually killed off, by paying what remains to be paid.

Our fourth priority is the programme for construction of accommodation for the handicapped and for migrant workers. Here too we have the same problem,

the danger of having the action included in the budget for 1978, only to be dropped in subsequent years, whereas by its very nature, it requires a long term programme.

Our fifth priority is the exchange programmes for young workers which are considered extremely important at present. The Council's decision to cancel certain appropriations puts the Commission in the position where it simply cannot proceed with the second exchange programme.

I should not like to conclude without mentioning two other, more specific points which the Committee feels are extremely important and which it has discussed in general terms. I refer to the European Trade Union Institute, and here the majority in the committee feels, I think rightly, that the preparatory stage is now over, and that it is now up to the Commission to work together with the trade unions to get this institution off the ground. The second point is the restoration of the appropriations allocated in 1975 for the victims of natural disasters. The committee felt that it would be in the best budgetary tradition to enter a definite figure and not a mere token entry.

I feel too that I must mention the second aspect of the work of our committee, namely the education sector. Here we have met with a disappointment which does not concern the Commission but is due to the internal organization of Parliament. We are forced to admit that the Committee on Social Affairs, Employment and Education is simply not equipped to consider these problems and to give them the attention and follow-up which they deserve, because at present the social problems must be given priority. We therefore very much regret that we have not been able to give the problems of the education and youth sectors the attention that they deserve. We welcomed the opportunity last week of hearing the Director of the University of Florence, but we were nevertheless unable even to begin to consider these problems in discussion of the budget. We have managed to deal with two aspects however. Firstly, we discussed the matter of information for young people, without seeking to table amendments. We have confined ourselves to expressing the hope that all the activities which have been kept going for a decade or more will produce concrete results. Secondly, we were able to deal with one specific item. We have tabled an amendment calling for the implementation of the programme provided for in the education sector with an increase in appropriations of 500 000 units of account because we feel that in this action programme decided on by the Council, priority should not be given to one measure or another, but that sufficient funds should be available to complete the programmes in all six sectors. It is more and more the case today that even traditional educational interests, which have always tended to regard the school as a

**Meintz**

self-contained entity, are increasingly realizing that the educational and economic sectors are becoming increasingly interdependent. This accurately reflects the Commission's objectives, and it is extremely important not merely from the point of view of the direct election of the European Parliament, but as an end in itself, that this programme should be completed.

That then, Mr President, is the substance of the limited number of amendments we have tabled and which the Committee on Budgets was kind enough to approve, often unanimously, so that they are indeed supported by two committees. I therefore hope that the Plenary Assembly will adopt them.

**President.** — The proceedings will now be suspended and resumed tomorrow morning.

*Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Tuesday, 25 October 1977 from 10 am. to 1 pm. and from 3 pm. to 6 pm. and the agenda will be the continuation of the budget debate.

The sitting is closed.

*(The sitting was closed at 10.00 pm.)*

## SITTING OF TUESDAY, 25 OCTOBER 1977

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## IN THE CHAIR : MR COLOMBO

*President*

*(The sitting was opened at 10.10 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 of proceedings are approved.

2. *Membership of committees*

**President.** — I have received from the Socialist Group the following requests for the appointment of :

- Mrs Klouwel-Vlam as member of the Committee on Agriculture and of the Committee on External Economic Relations,
- Mr Dankert as member of the Committee on Budgets to replace Mr Patijn, and as member of the European Parliament delegation to the Consultative Assembly of the ACP-EEC Convention and of the Committee on External Economic Relations,
- Mr Lamberts as member of the Committee on Energy and Research and of the Committee on the Environment, Public Health and Consumer Protection
- Mr Patijn as member of the Committee on Economic and Monetary Affairs and of the European Parliament delegation to the Joint Parliamentary Committee of the EEC-Greece Association.

Are there any objections ?

The appointments are ratified.

3. *Agenda*

**President.** — I call Mr Durieux for a procedural motion.

**Mr Durieux.** — (*F*) Mr President, on behalf of a certain number of my colleagues, particularly in the French delegation, I would like to ask — provided that certain problems have been settled — that tomorrow's session begin at 9.00 instead of 10.00, to allow these Members to attend debates in their national Parliaments.

**President.** — You are thus proposing a change in the agenda. I would personally have no objection, but I wonder whether there would be a quorum at 9 o'clock. I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I think there will be slight difficulty in making a change of that magnitude without a complete number of members present. I accept, of course, that it is the responsibility of the individual members to be present in the Chamber, and I quite understand the problems of the French Delegation

with regard to their National Assembly. But I do think we are in some difficulty if we make a change of that importance, without any consultation.

**President.** — I call Mr Shaw.

**Mr Shaw, rapporteur.** — I would like to back up Mrs Dunwoody. I do feel that this is a worthwhile suggestion that should have consideration. I wonder if we could possibly take a final view of the House on this, say, before lunch. That would give a chance for this matter to be discussed to see if there are any other problems. It does seem that certain other meetings have perhaps not broken up as quickly as they should have done. It would give us an added chance, if we delayed the decision till lunchtime rather than taking it now.

**President.** — I have personally pointed out to all Members the need for them to be present from today onwards so that we can establish, in advance, the quorum required for tomorrow's vote.

I would therefore ask Mr Durieux to agree to the wise suggestion just made by Mr Shaw, and again request Members and the group chairmen to do their utmost to ensure that sufficient people are present today and that, in consequence, there will be a quorum for the vote tomorrow.

I nevertheless intend to consult Parliament on this matter when the sitting resumes this afternoon.

4. *General budget of the European Communities for 1978 (continuation of debate)*

**President.** — We continue with the debate on the budget and the Chapters concerning *Research, energy, industry and exports*.

I call Mr Normanton to speak on behalf of the European Conservative Group.

**Mr Normanton.** — Mr President, on behalf of the European Conservative Group I should like to make a number of comments and, certainly, a number of severe criticisms, and at the same time offer, I hope, a number of constructive proposals as far as the budget of the Community is concerned, with particular regard to the field of research.

I would like to start by asking myself and this House two basic questions. Firstly, is the Community devoting sufficient funds to research, whether this be pure research or applied research ? Secondly, are we as a Community getting value for money ? Having asked those two questions, I will now answer them both with a simple and unequivocal 'no'. We are not spending enough and the way in which we are spending it is not producing the results which we should be achieving. These are, of course, subjective assessments and based on a comparative study of the position in Europe as compared with that in the USA. We spend in total in Europe a massive sum of money every year, but it is spent by nine apparently autonomous States, by their administrations, indus-

## Normanton

tries and institutions. The United States, on the other hand, is a unitary state with, relatively speaking, a single market economy concept and a single national identity in every sense of those terms.

In Europe the Community budget as compared to the budgets for research by and in the Member States is, to say the least, minuscule. Indeed, I think it should be described as derisory, but do not, I beg this House, blame the Commission. We must, if we are realistic and courageous, blame the research ministers and their nationalistic parochial attitudes on each and every issue. They know, and we in this House and the Commission know, that, as technology unfolds, there is not one single major area of research where any single Member State of the Community is in a position to go it alone. We have only to think of the aerospace and data-processing areas to prove that this particular contention is fully valid.

In one sense, every single unit of account which is budgeted for research in aerospace and data-processing is a complete waste of public funds. But until the Commission, on behalf of the Community as a whole, concentrates all major research funding and finance at Commission and Community level — in other words, until it takes over from Member States the exclusive control of such finance — Community budgetary expenditure will be ineffective and therefore wasted. On this score I would strongly criticize the budgetary proposals, whilst urging the House to support the Commission in effecting at the earliest possible opportunity, a profound — indeed revolutionary — change in research financing policy, by promoting the translation and transference of Member States' expenditure into Community financing.

And now to my next criticism. I believe that we as a Community are a long way from achieving the right balance of research, in budgetary terms, between direct and indirect action.

As a matter of principle, I think we are failing to develop the creation of Community research centres of excellence, a concept which we constantly pay lip service to, but which we are consistently failing to apply. The instrument we should be deploring is the funding of projects — that is, the funding of projects in the field of indirect financing.

If I may draw upon the analogy of military tactics, we are attacking timidly and apprehensively across the whole length of our military front. We are totally unprepared and ill-equipped for developing any break-through in any sector of that front, always presuming of course that we are capable of realizing when we have discovered a crack. This budget is in effect like confetti, which is the only thing we have got at our disposal to throw into the battle once the breakthrough is achieved.

A famous American professor once declared it to be a truism that the United States could achieve major breakthroughs in any single area of science it chose, with the proviso that the USA as a State was prepared to allocate up to 5 % of its gross national product to the project to

be selected. We should not forget Mr President that they landed a man on the moon, a concept which was extracted from science fiction, only because they directed 2.4 % of their GNP towards this particular objective.

The Commission is now proposing to spend a mere 26 or 27m EUA on fusion plasma physics, which represents not 2.4 % of Europe's GNP but 0.001 %. I say to the House, how pathetic, how wasteful and how irresponsible. Not, I hasten to add, on the part of the Commission, because they are constantly stressing the importance of the right size of expenditure on the right issues. But I consider our Member States to have been highly irresponsible, as they tie the hands of the Community and of the Commission on a matter which will without any question, in the view of the Committee on Energy and Research, be of profound and crucial importance, determining whether Europe is to have a future when hydrocarbon fuel and perhaps uranium supplies eventually run out.

A further criticism must be made, and it covers more than the energy and research budget we are presently considering. Throughout the whole of this mountain of figures contained in the piles of papers which Mr Shaw, the rapporteur, used as a lectern for his speech, there is not one single reference to defence as a category of expenditure by the Community as an entity or by the Member States or as an integral part of Community expenditure.

It is as if we — the Council of Ministers and the Members of this European Parliament — have studiously resolved to be blind, because the Treaty of Rome decrees that we should be blind — at least blind in one eye. We pretend that the European Community can have an existence in any single sector of budgetary policy without including expenditure on defence as an identifiable, integral and integrated part of our financial and industrial identity. Until the stark and naked truth is recognized and reflected in a fundamental change of EEC policy, Europe's industries will continue to be at a grave and increasingly disadvantageous position in competing with the industries of the USA and even perhaps, at some early point in time, with the industries of the Soviet Union.

Concorde, micro-wave systems, the Harrier jump jet — many other examples can be quoted — will all progressively be confined to the scrapyard of European industry, unless the EEC recognizes that industrial policy is indivisible. You cannot isolate defence from non-defence expenditure, whether we are debating budgets on research, technology, energy or the generality of Community expenditure contained in the mountain of papers on the Community budget. It is on this issue that I would urge the Commission to show that they are not blind. They may be fighting with one hand tied behind their back through no fault of their own, but at least this House expects them to be able to see the truth, and express the truth as they see it, however difficult it may be.

## Normanton

On one small point, I would like to ask why the Commission has refused to fund research in internationally recognized centres of undoubted and proven excellence, just a few of which are outside the EEC. Why are we initiating expenditure on research on solar energy in the JRC, when in the Weitzmann Institute in Israel there is a universally-recognized accumulation of experience and knowhow, which can readily be made available to the Community at purely nominal expense ?

Lastly, from a study of some of the budgetary proposals in Chapters 36, 37 and 39, and of Item DA 143 in particular, I am tempted to imagine the workings of a Community counterpart to the National Enterprise Board in the United Kingdom. I would urge the Commission not to get hooked on this kind of folly. It is a political abortion, a total public deception and, in my opinion, a certain way of ensuring that the Commission would be launched on an irreversible course of industrial subsidies and artificial aids analogous to the shots taken by the junkies in society. What we need to do as a Community is first to end the proliferation of aids by each and every Member State, each one competing against the other, then reduce them in both size and number and ultimately abolish this perversion of our economy. The budget proposals from the Commission, in my opinion, do not appear to cover or be appropriate to this aspect of Community policy.

*(Applause)*

**President.** — I call Mr Noè.

**Mr Noè.** — *(I)* Mr President, I shall only deal with two amendments tabled by the Committee on Energy and Research.

The first concerns control by Euratom, that is, the control to be exercised by Euratom representatives jointly with the Vienna Agency.

The importance of increasing the establishment strength by 48 posts derives from the fact that the number of nuclear power stations has grown and so the number of inspections needed has also considerably increased in recent years.

Besides, this staff will be responsible for specialist tasks and therefore cannot be transferred to other duties, because these will be people qualified for highly specialized technical inspection work. We only need to remind ourselves that, at this moment, very complicated and sophisticated research is underway to establish whether it is possible to make a plutonium bomb: I would mention that plutonium recycled twice seems — the study is yet to be completed — not to be suitable for use in the construction of a bomb and so it is important to establish whether it is being recycled for the first or for the second time; similarly, it may be that the addition of transuranic elements to the plutonium can make it unsuitable for the construction of a bomb.

Clearly, staff dealing with these kinds of inspections have to be very highly specialized.

The inspections must also be performed extremely carefully because the exporting countries — at least some of the uranium-exporting countries — want to make sure

that the uranium sent to the Community will be used only for the generation of electrical power.

Three weeks ago, together with Mr Scott-Hopkins who chairs a small group to which Mr Mitchell also belongs, I took part in a meeting with Canadian Parliamentarians. During the talks, which lasted two days, we learned that in Canada — in contrast to the situation in our own countries, where part of public opinion is disquieted by the safety aspects of nuclear power stations — there are no such worries at all, one reason being that the heavy-water power stations function extremely well: for instance, they are operative not for 60 %, but for 80 % of the year, and there is a certain amount of justifiable national pride about this achievement and about their safety record. Consequently, the Canadians want to be sure that the uranium and technology that they export will not be used for the construction of a bomb. It is a very proper concern and has been mainly aroused by the fact that one heavy-water power station sold to India together with the necessary fuel has been adapted for the construction of a bomb.

It follows, then, that our uranium supplies will also depend on the inspection systems we can set up and on the guarantees that such controls can provide as to the use made of the uranium imported by the Community. The creation of these new posts is therefore more than justified.

The other amendment concerns an appropriation of 5 450 000 EUA for the improvement of security arrangements at Community research centres. This has two aims: first, to prevent access to these centres with malicious intent by persons likely to commit acts of vandalism, and secondly, to ensure that there is no purloining of material which may be harmful, such as plutonium.

As I recall, about three years ago the Committee on Energy and Research visited Karlsruhe, where we were told of the studies being carried out there on sophisticated measures, including even the use of radar, for preventing unauthorized access to sensitive installations.

The document dated 28 September shows this amount (4 450 000 + 1 000 000) unaltered, whereas at the meeting of 18 October the Committee on Budgets reduced the amount to 4 450 000, cutting out the million which would have gone to pay the salaries of the specialized staff responsible for the functioning of these devices. For practical purposes, Mr President, we now have 20 % less available for these security measures which have been studied in such minute detail. I think that at this stage it is absurd to be stingy about a sum equivalent to one million dollars which had been earmarked for security measures in these extremely sensitive areas. I appeal earnestly to the Committee on Budgets — I know it will be meeting again tonight — to reconsider this matter and to restore the appropriation to its original size.

*(Applause)*

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

**Mr Flämig.** — (D) Mr President, ladies and gentlemen, I should like to continue where the previous speaker left off. The Socialist Group also have serious doubts on the questions of safety and security. We make this distinction because safety includes for instance the radiological protection of nuclear power stations and other installations, and I am sure there is no-one in the House who does not take the view that every effort must be made, both at European and national level, to see that this safety is ensured. On the other hand, security, as my colleague Mr Noè has just said, concerns the non-proliferation treaty under which we are obliged to ensure that the flow of fissile material is controlled. Euratom is now beginning work for the International Atomic Energy Authority in Vienna as indeed it must, for these treaties are valid at international level, and if we sign such treaties we must of course provide the necessary staff. So we support Mr Noè's statement; the 43 Euratom inspectors must be appointed since there is no other way of ensuring that the flow of fissile material is controlled. This concerns the motion by Mr Krieg, No. 118, which is covered by another motion by the Committee on Budgets.

Mr President, the other point which Mr Noè has briefly referred to and which I should like to include under the security heading, is protection against terrorism. I know that we shall be holding a major debate at one of the forthcoming part-sessions calling for measures against terrorism — and rightly so, they have the support of us all — but that is the theory, whereas here we are concerned with a concrete example. The Community's nuclear installations in Karlsruhe and in Ispra must be secure against terrorism. There has been a mistake which I have just been talking about with the rapporteur, Mr Shaw. The mistake was not made by Parliament, but in actual fact was already present in the Commission's wording. In the request for appropriations under sub-item 33331 there is a request for payment appropriations of 1m EUA on staff expenditure. The Committee on Budgets has rightly pointed out that there is no such thing as payment and commitment appropriations for staff expenditure. We have now discovered that the Commission has no intention of appointing 14 new staff as is stated in the explanatory statement, but has already signed a contract with a company which is willing to perform the security role.

Mr President, why we do not say so? I should like to propose to Mr Shaw that the text of the budget be altered, so that the heading for sub-item 33331 is not staff expenditure but expenditure on services. The remarks should thus not state expenditure in respect of an average of 14 temporary staff members', but 'expenditure on contracts with companies providing security services'. We are then dealing with expenditure on materials and these can be covered by commitment or payment appropriations. Finally, on behalf of my Group I should like to call for the 20 % reduction

to be cancelled for money spent in the cause of safety and security is money well spent. Everything possible must be done to ensure that terrorism is rigorously resisted.

(Applause)

**President.** — I call Mr Müller-Hermann to explain the opinion of the Committee on Economic and Monetary Affairs.

**Mr Müller-Hermann, draftsman of an opinion.** — (D) Mr President, it is my privilege to make one or two comments on the budget on behalf of the Committee on Economic and Monetary Affairs.

The Committee on Economic and Monetary Affairs is by no means happy with the general nature of the budget. This can be explained not only by the fact that in Chapter 37, which comes under the special responsibility of the Committee on Economic and Monetary Affairs, we are expected to accept a 98.5 % reduction in commitment appropriations and a 97 % cut in payment appropriations, compared with the figures proposed in the preliminary draft.

The budget is unbalanced, as can be seen merely by the fact that expenditure on agriculture has now reached 76 % of total expenditure, an increase of 2 %. This is not meant as a criticism of the agricultural policy or the Agriculture Ministers, but it is simply a result of the fact that the Treaty makes provision for compulsory expenditure in this sector and must therefore be observed. If I may briefly summarize the opinion of the Committee on Economic and Monetary Affairs on the draft budget, I would say that the Community is doing, if not nothing at all, too little, to provide for the future by means of its budget. The major initiative is lacking and I believe I can say that Parliament and the Commission are more or less in agreement with this view. Our Community will be facing very difficult tasks in the future if the present weaknesses, which are becoming more and more apparent, are to be overcome.

Mr President, I shall never tire of quoting to the House some figures in a report by our colleague Mr Cousté on the situation in the Community steel industry, which show that it takes 30 working hours to produce one tonne of steel in Great Britain, 18 in the Federal Republic and 4 in Japan. If that is so, and I believe the proportions are right, it shows what tremendous efforts are required of us if we are to make our industry competitive enough to preserve existing jobs and create new ones.

We are all aware that the Community's dependence on energy imports is too great. We also know that we have unacceptable imbalances within the Community, not merely in the trade and balance of payments sectors, but also between one region and another. In the interests of the future of our Community we must

**Müller-Hermann**

make very great efforts to develop the most modern technology, to increase our productivity, not merely in order to compete at international level but also to be able to give the Third World, the developing countries, a chance to operate on international markets on the basis of their technological potential. In short, we shall have a great deal to do.

Far too little attention is paid in the budget to the fact that we must make a tremendous joint effort in the sectors concerning energy, the textile industry, data processing, shipbuilding, aeronautics, and — I should like to add — exploration of the seabed, and we must therefore substantially increase appropriations in the Regional Fund, the Social Fund and those intended for a structured industrial policy. The present budget in no way takes this into account.

The Committee on Economic and Monetary Affairs would also like to point out that national projects in certain sectors such as those I have just listed should be more frequently converted into Community projects under the aegis of the European institutions, since these would not mean an increase in expenditure, but probably a decrease and a resulting rise in efficiency by combining efforts at European level.

Finally, Mr President, I should like to summarize in five points the conclusions drawn by the Committee on Economic and Monetary Affairs from its consideration of the present budget, which not only the Commission but also the Council in particular are requested to take into account and draw their own conclusions when drafting the budget in future.

First, the Committee on Economic and Monetary Affairs emphasizes that the Community's budget must not merely be an accounting exercise but the necessary financial expression of the political will to strengthen and extend the Community.

Secondly, it takes the view that Community expenditure is justified if, without in the least increasing public expenditure, it can take the place of those national measures which the Community is able to carry out more cheaply and effectively.

Thirdly, the Committee on Economic and Monetary Affairs deeply regrets the reductions made by the Council in view of the already limited extent of the Community budget, as they will seriously affect the development of the regional, industrial and energy policies and further increase the imbalance in the Community budget.

Fourthly, the Committee on Economic and Monetary Affairs takes the view that, on the basis of the Council's budgetary attitude as it stands at present, its decisions and statements advocating development of the Community are meaningless. Fifthly, the Committee on Economic and Monetary Affairs fully supports the Commission and urgently requests the Council to introduce greater coherence between its policies and its budgetary estimates.

Mr President, I believe that the comments I have made on behalf of the Committee complement the remarks made by the previous speaker on this part of the budget.

**President.** — I call Mr Shaw.

**Mr Shaw, General rapporteur.** — Mr President, I want to intervene very briefly indeed. I am grateful to those that have spoken this morning — Mr Normanton, to start with, Mr Flämig I would deal with in a moment. But I think the line that the others — Mr Müller-Hermann and Mr Noè — are taking concerning the greater need for forward looking in our budgetary affairs and for working more closely together in Community projects is one which, I think, must underline all our thoughts as we go through our budgetary processes. I would like to deal with that matter in my winding-up speech if I may.

My real purpose in rising to my feet this morning is to take up the point raised by Mr Flämig concerning the 14 temporary staff required at the Research Centre. This amendment is based on the needs as shown in the preliminary draft budget, and I am glad, that he has raised this point because it does seem that what he referred to in his speech — namely, the use of security firms to do this work — is the line that is being taken. As a result, it would appear that the amendment needs to be clarified in this matter, and I believe there are certain other technical details in the amendment that also want to be clarified at the same time. This matter is being looked into, and I gather that the technical services will be able to bring it within order and align it with what is wanted by the Commission. This amendment will therefore be brought into line with the new circumstances and be correct by the time we come to vote on it.

*(Applause)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I am sorry: once again I have had difficulty in realizing when we had reached the end of a chapter and were moving on to the next one. I shall not be intervening at the end. The problem is, of course, that I shall not be speaking after each debate, but only after those in which we have a particular point to make.

A number of specific points have arisen which I should like to try and deal with, first of all in response to Mr Normanton, who particularly mentioned solar energy. I would like to say two things. First of all, as I am sure he appreciates, it is very difficult for us — indeed, I think, almost impossible in present circumstances — to finance undertakings outside the Community. But so far as solar energy itself is concerned, we are doing work in this field at Ispra. I

## Tugendhat

would refer him to item 3301, for which, he will see, that some 15m EUA have been provided. As he knows very well, I share many of the more general views he expressed and it is only that particular point which I wish to take up.

I should also like to support Mr Flämig's point, which was made, I think, in regard more to the rapporteur than to myself. We would support the reestablishment of commitment appropriations in Chapter 33 for three items from which they were deleted — namely, Nos 3333, 3364 and 3371. This would be necessary in our view for legal reasons.

Last night, in an important intervention, Mr Spinelli put a number of very specific points to the Commission, for which he asked for specific answers. I think it is our duty to take up, if I may, the time of the House a little in order to provide, as well as we are able, answers to the questions which he put.

First of all, Item 3711 — Aids to the aeronautical industry. The Commission continues to be active in this area and continues to believe that it is important that it should be so. We therefore hope that, as is now proposed by amendments before Parliament, the total entry can be re-established. The substance of the action, however, depends on the results of consultations with the industry to establish the exact scale of the operation. The Community has envisaged a programme, which we have put forward, of course, but it is important for us to discuss the matter with the industry, and there has been a considerable delay since we first raised the matter in 1975. The decision of the Council of Ministers this year has enabled the consultations with the industry to get under way, and the Commission is pursuing them actively. As soon as this had reached an appropriate stage, the Commission will make further proposals for specific and detailed programmes.

On Chapter 43 — Financing of industrial investments — I can be very brief. The Commission stands fully by its proposal in this as in many other cases. It welcomes the support of Parliament and is glad that Parliament will be standing by us on this matter.

Item No 3701 is a simple case. When we drew up the preliminary draft budget, we based it on a proposal which the Commission had put forward in 1975. In July, after the presentation of the preliminary draft budget, the Council deliberated on this proposal, but unfortunately it came forward with ideas for drastic cuts. As a result we are all obliged to reduce the credits accordingly.

Item No 3702 is another case where we made our estimate in May, when we hoped that the Community decision-making procedures would more quickly than has in fact turned out to be the case. We made a proposal, as Mr Spinelli will know, in November last year, but it was not until September this year — that is, last month — that the Parliament gave its opinion. The

Economic and Social Committee has not yet done so. A Council decision before March 1978 does, I think, now seem to be completely excluded. In addition, of course, elaborate procedures will have to be taken to translate a decision into action. For these reasons, therefore, it is difficult to argue that the amounts that can be included in the budget should be as large as that which we would initially have wished, but of course we stand by the proposal. The point is that the decision-making process has taken much longer than we expected, and this will make it impossible to spend the amount of money next year. If the decision had been taken earlier, the whole situation would have been quite different.

In the case of Item No 3240 — Energy savings — the Commission certainly maintains its full request and would be very happy to see this entered in the budget. In this case, it is the Parliament's Committee on Energy and Research which has taken a less ambitious view.

On Items Nos 3241 and 3242 — Gasification and geothermal energy — the Commission stands by its proposals, which it believes to be of great importance. But examination in the Council has shown that there needs to be further technical discussion with the industrial sectors concerned, and that decisions will not be taken before mid-1978.

We therefore have to scale down the credits for next year, not to reduce the scale of the programmes, which the Commission maintains in full, but to take account of the fact that 1978 will only see the start of their implementation. To do otherwise would not reflect the budgetary responsibility, which is why the Committee on Budgets has accepted this approach. I must apologize, Mr President, for going through those points in so much detail, but as Mr Spinelli addressed us so precisely it seemed desirable that I should try to answer him with equal precision and, I hope with some satisfaction as well.

I now turn to the more general substance of the debate. The Parliament will recall that the Council in its draft budget suppressed all but one of the new initiatives in the energy field which the Commission had proposed; in addition, in areas as important as technological projects for hydrocarbons and uranium prospecting, the draft budget even took a step backwards to make it impossible for the Commission to carry on efficiently some of the activities already undertaken. The draft amendments before the Parliament would enable the Community to start some substantial new activities in the energy sector and in particular in energy-saving, gasification and liquefaction of coal and in geothermal research. It would also be possible to begin some common projects in hydrocarbon exploration and if necessary to implement the proposal to help use of coal in electric power-stations on the basis of decisions which I hope will soon be taken by the Council.

### Tugendhat

At the beginning of this debate, Mr President, Lord Bessborough drew attention to the fact that reserves of oil in the world are becoming dangerously low and also to the fact that the Community itself is highly dependent on imported energy. I recognize that the costs of programmes in the energy field are extremely great, that the risks are very great, that the lead-times are very great, but it does seem to me that the Commission would be failing in its duty to the Community if it did not point out the very considerable dangers of maintaining our present dependence on imported energy and the very great need and desirability of developing our indigenous sources in the ways that we have put forward and which, I am glad to see, received a very substantial measure of support within the Parliament.

That brings me to the second leg of this Chapter namely, research. The Commission notes with pleasure that your Committee on Energy and Research is proposing to put back into the budget the appropriations relating to a number of new research activities which the Council dropped in its first reading. The Commission's proposals for industry suffered a comparable fate at the hands of the Council and we are therefore pleased to note the proposals made by your committee in this area as well.

All in all, Mr President, I feel that, in the areas which we have just completed dealing with, the Parliament has a very similar view to ours and I would like to say how pleased I am that Parliament has felt able to support the re-establishment of a number of matters which we regard as very important. I hope, too, and this is a particular reference to the exchanges which we had last night, that Members will be understanding about the difficulties which occur when items are approved very much later than we expect, which make it obviously impossible to spend the same amount of money in a more limited amount of time. While maintaining the priority of these programmes, we must not be carried away into committing sums of money which because of late decision-making would be difficult to spend. We only want to ask for those sums which we can put to good use.

*(Applause)*

**President.** — We now turn to *Political questions and information*. I call Mr Schuijt to explain the opinion of the Political Affairs Committee.

**Mr Schuijt, draftsman of an opinion.** — *(F)* Mr President, I believe that at the moment there is general agreement both in the Committee on Budgets and in the Political Affairs Committee and it is therefore unnecessary to dwell at length on this matter. In the light of the forthcoming direct elections everyone is convinced of the need to make special efforts and it is because of these special efforts that these sums have been entered in the budget. I therefore think that further speeches at this stage are unnecessary and I

would simply ask the Assembly to vote in favour of this very important item.

**President.** — I call Mr Radoux.

**Mr Radoux.** — *(F)* Mr President, on behalf of Mr Seefeld who has been unavoidably detained, I would simply say that in the Political Affairs Committee there is a large measure of agreement on the points Mr Schuijt has just made.

**President.** — We now turn to the *Social Sector*. I call Mrs Dunwoody to speak on behalf of the Socialist Group.

**Mrs Dunwoody.** — Mr President, I am very grateful to you for calling me because, on behalf of the Socialist Group, I would like to say that we regard this part of the budget as probably one of the most important that we shall be discussing. There are occasionally nice occasions in one's political life, and one of those is when one serves on a committee where everybody is genuinely in agreement. The difference between the attitude of this Parliament towards the Social Fund and its attitude towards other more controversial subjects is, I think, that we are all agreed that this is the one field of action in which we must simultaneously do a great deal more than we are doing at present, and push for very positive help in a field which has tremendous impact in Europe generally. Were we able to put the sort of sums of money that we in the Socialist Group believe essential for the Social Fund, then I believe that many of the other amounts that we spend in related information services, in propaganda, would in some ways be totally unnecessary. If you are to persuade the people of Europe as to your efficacy then it is by using the very positive assistance that is available though the Social Fund that you can best perform that task.

So as the Socialist Group, we put down a number of amendments to the budget, all of which I am happy to say were accepted both by our own Social Affairs Committee and also by the relevant economic committee. Apart from anything else, the Social Fund does perform a really constructive task. If I have one caveat, it is that I do hope the Commission means it when it says that it is actually going to change the rules so effectively, that the sums available will be fully used in the future. I say this because, although the President of the Commission has given this Parliament an undertaking of that kind, nevertheless, it is still true that there are many governments that need assistance from the Social Fund, and there are many instances where individual societies could be helped but, because of the cumbersome machinery, we are still not using the amounts of money, small though they are, in the best possible way. I hope this year that the Commission is going to produce a streamlined and efficient machinery, that will actually do what it says it should do.

## Dunwoody

Now these amendments relate to the various aspects that we think are the most constructive. At long last, the European Trade Union Institute which will cover the trade union activities, not only of the countries of the Nine, but also, because of its wide approach and its widely-based involvement, of the many European trade unions outside the EEC, is actually going to get off the ground. The trade unions themselves have done a tremendous amount of work. They believe that they have a very positive role to play, not just in industrial relations, but also in the fields of health and safety at work, and in the assistance that they can give the workers of all types throughout the Community. We therefore welcome the fact that this year, at least, we expect to see something positive happening and not just a token sum entered into the budget.

The amounts that are available for help with the handicapped have been restored by the committee because they believe that this is a field in which every little helps, although it is still not enough. The amount of housing that is going to be built, specially adapted to the handicapped worker, the special units that could be provided to assist immigrant workers who have difficulty in finding suitable housing, all of these are bound to be insufficient for our needs but at least, they are a token and a demonstration of how important we believe this work to be.

Of course, we did try in the committee to establish a sense of priorities. Nye Bevan said that socialism was the language of priorities and it seems to me that that is as true today as it has ever been. We should use the measures that we have for retraining, and the amounts of money that are available to look at the educational schemes, to see where young workers need our assistance, and, more than all of these things, we must put as much positive effort as we can this year into the whole field of youth unemployment. It is true that the amounts of money are only going to cover a very tiny part of the work needed to provide employment for the young of Europe but, unless we do this now, we are going to be faced with a rising social problem, an increasing difficulty with the young that will not be capable of solution in the immediate future and which will carry with it considerable political difficulties for us all. So in these fields our amendments are simply to ask the Council to allow us to go ahead with the work that we believe is absolutely vital.

We were somewhat puzzled, however, by the attitude of the Council which seemed to be not so much one of positive opposition but of mild indifference. The suggestion that you should restrain your activities in a particular way so that, although you dealt with the sums that were already entered in the budget, you did not allow any flexibility for future developments seemed to us to be the wrong one. What is the use of saying we are going to look at the Social Fund, we are

going to remake the rules, we are going to change the way it operates, and then not allow anything in the budget that will enable the plans that we are asking the Commission to bring forward to be put to practical use as soon as possible? For example, we have asked the Commissioner with responsibility for social affairs time and time again in this Chamber 'What are you going to do about the young unemployed? What are you going to do about the women who have no work? What are you going to do about retraining?' And he gives us, I am sure, a very genuine assurance that he means to assist us, and yet when we come to look at the budget, the very means that he will need to do the job have been struck out.

So this time the Socialist Group have put down an amendment which is really very simple. It says, in effect, when you have rejigged your entire fund you will still need to have a sum of money available which will enable you to put into operation all those fine words. Fine words, in this instance, do not make jobs, they do not build houses, they do not train teachers and they do not assist the handicapped in any way. So as always befits the Socialist Group we are saying that the practical method of ensuring that you have the ability to back up your promises is to make sure that you have a fund available in this budget year. We cannot continue to talk in abstract terms about the problems that are covered by the Social Fund. We are dealing with the problems of today; we are dealing with the difficulties of today and we ask very sincerely for the support of Parliament as a whole, because unless we are able to achieve something practical through the Social Fund, unless we are able to use these minute drops, we are never going to have any effect on the real problems of Europe.

The Social Fund could be the real practical basis, easily understood and appreciated and deeply needed, of a European political system. The fact that it is such a tiny part of our deliberations is a condemnation, not only of this Chamber, but of the activities of the national governments and of the people who purport to look forward to a new political system. Unless this amendment is carried when it comes to be moved I shall believe that we are no longer serious in our commitment to a proper social policy.

*(Applause)*

IN THE CHAIR: MR BERKHOUWER

*Vice-President*

**President.** — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

**Mrs Kellett-Bowman.** — Mr President, first may I pay tribute to my friend and colleague Mr Shaw for the immense amount of solid work that he has put into this budget. I agreed entirely with him when he

**Kellett-Bowman**

said that, especially when money is tight, we must have clear priorities, and in the Social Affairs Committee we went very carefully into all the items to see where our priorities must lie. But my group did feel that although we, in the Social Affairs Committee, had chosen our priorities correctly, we had not made it sufficiently clear why we had chosen these particular priorities and had given only a blanket justification for our actions in restoring certain things as opposed to others. Moreover, we feel that even within the list of priorities some sectors are unquestionably in more desperate straits than others. For example, after the series of debates we have had in this Chamber in recent months on the crisis in the textile industry, nobody can possibly be left in any doubt as to the seriousness of the problems in this sector, and we felt that this should be put very firmly on the record under Chapter 50, Article 500, in the budget for the coming year. Similarly with the problems of youth unemployment: nobody can pretend that this particular problem is not of unprecedented severity, and it is therefore wholly wrong to reduce the appropriations and to transfer part of them to Chapter 100. So we propose, under Chapter 50, Article 501, not only to restore the full appropriations asked for by the Commission under this heading but to give clear reasons for so doing.

When we considered the very serious problems facing some of the least prosperous regions of the Community and the ever-widening gap that was revealed yet again in the second report of the Regional Fund Committee between the less prosperous and the more prosperous regions, we found the Council's reduction under Chapter 51, Article 510, totally inexplicable: measures to improve the employment situation in such regions, or economic sectors, or groups of companies, are vital if the Community is not to fall apart. Moreover, in view of the very sluggish growth in production, we may well have even greater unemployment in the next 12 months, as increased demand is met merely by taking up the slack in the industries as they stand at present rather than by the taking on more staff at their old jobs. This makes it absolutely vital to retrain these men and women for new jobs in expanding sectors.

With the outlook in many ways so unclear, we feel that the Commission should have some room to manoeuvre, some opportunity of taking new initiatives in social policy over the coming year in ways which may not at the present moment be entirely foreseeable. We have put forward many suggestions, but other vital needs, other suggestions will come up during the year, and this should be provided for in the budget, in a new chapter which the Commission proposed and the Council, alas, removed. We believe that that should, of course, be restored.

At a time when the Community is facing great economic and social strain the Community must, as

our rapporteur put it, be seen to be actively involved in solving the problems. I would respectfully suggest, Mr President, that the Council will ignore his warning at its peril, and we therefore, as a group, are in favour of restoring the Commission's proposals in these vital fields of social policy.

**President.** — I call Mr Pisoni to speak on behalf of the Christian Democratic Group.

**Mr Pisoni.** — *(I)* Mr President, if the budget is the translation into figures of the political will, and if, in practice, it represents the programme we intend to implement in the coming year and a statement of commitments we are undertaking, then no one can fail to be struck by the great disproportion between verbal declarations and budgetary entries.

Although it is the social sector which, for reasons of growing divergences between rich and poor regions, differences of privilege between social categories, the increasing number of people living in poverty with no real place in society, and high unemployment and inflation rates, gives cause for the greatest concern, you would not think so from reading the budget. The latest statistical telegram from Eurostat, which arrived yesterday, shows the following data: at the end of September this year the number of unemployed reached 6 million, a 2.4 % increase on the previous month. The proportion of unemployed among the working population for the Community as a whole is 5.7 %, compared with 5 % in the same month of 1976.

Unemployment among women has again risen faster than among men; at this moment they represent 43 % of the total of unemployed in the Community. At the same time the proportion of unemployed young people in July 1977 was well over 40 % in all the five countries for which data are available, that is France, the Netherlands, Belgium, Luxembourg and the United Kingdom, and the situation is certainly no better in the rest. And, finally, it can be calculated that at the end of May 1977 the number of unemployed aged less than 25 years was 2 million, or exactly three times the number for the same period in 1974.

If the origin of and reason for, the sickness which has struck our Western society lies partly in unequal distribution of wealth, and if so many young people find themselves excluded from society, the ideological statements that are being made and the practical commitments that are being undertaken are by no means sufficient to ensure that we achieve the objectives we have set ourselves. For many years now we have been finding that the situation in this area, instead of improving, is steadily deteriorating; that optimistic forecasts are disproved and that there can be no swift return to normalcy.

Even in the few countries with an expansionary economy, unemployment is rising. The short-lived advantages of prolonged schooling as a means of

## Pisoni

syphoning-off potential unemployment have now been exhausted and at the same time the emerging countries are steadily, and quite properly, pushing forward, thus increasing our own difficulties. We must face up to the fact that unemployment has become structural, while full employment remains an unrealizable ideal for the short term. In the face of this situation, the budget envisages for the social sector 3.6 % in the Council's proposal, or 4.7 % if the Commission's proposed is adopted. In other words, Community policy is not succeeding in coordinating properly the social policies of the Member States.

Moreover, the Council, on the pretext of the slowness with which the Commission effects expenditure in the social sector, has actually proposed a reduction of the appropriations. The reinstating amendments from the Committee on Social Affairs have been accepted by the Committee on Budgets but, even so, the amounts involved are altogether inadequate. The various European funds, useful though they are, simply do not measure up to the need. The Commission, which could suggest new tasks for the Social Fund, has not yet done so, thus running the risk of proving the Council right when it claims that there are too many delays in distributing the appropriations committed and wants to re-channel certain funds. The allocations for migrant workers in the areas of education, schools and housing seem also insufficient. The deterioration of the social situation and uncertainty about the future generate, particularly among the young, the unemployed and the migrants, a strong distrust of the Community and of its capacity to establish a new order in which wealth will be distributed more fairly, in which inequalities will disappear, in which the number of society's rejects and the poor will be reduced to a minimum.

'Social' Europe must not take second place to 'agricultural' Europe; we appeal to the Commission and the Council not only to improve the functioning of existing instruments, by speeding up procedures and eliminating obstacles, but also to make an effort of creative imagination and project a better-balanced social system, a model which will appeal to the expectations and enthusiasm of the young, that will not favour those already fortunate but, on the contrary, will eliminate the disparities and the inequalities.

It is true enough that our Community is not a genuine Community, but it is also a fact that we, the citizens of Europe, want it to become one. The concept of social policy as it emerges from the current interpretation of the Treaties should be revised; on the basis of the Treaties action is taken solely through such instruments as the Social Fund which, at best, can only remedy particular developmental imbalances. Today's crisis requires a social policy that can be constructed and operated as an active one. Nothing

will be resolved even by such highly desirable measures as the establishment of a European Unemployment Fund, which would only be another manifestation of the 'supportive' view of social policy, whereas it is becoming increasingly obvious that social and economic policy are indissolubly linked. Today it can no longer be claimed that something is being done in the social area unless such action is backed by efforts to create new jobs.

In concluding, I should like to remind you that various provisions, although of limited scope, for the implementation of the Social Action Programme in Favour of Migrant Workers and their Families have yet to be drafted or are only at the proposal stage.

*(Applause)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I will try to keep my intervention as brief as possible. Certainly the little debate which we have just had was launched with very considerable fire by Mrs Dunwoody, continued by Mrs Kellett-Bowman and it seemed to me appropriate, Mr President, to state where the Commission stood.

The Social Fund, as the House knows, is one of the main Community instruments to tackle the economic problems which face all the Member States. The Council itself has recognized this importance, by including for the first time in the draft budget all the appropriations for commitments that the Commission requested in its preliminary draft. As I, from time to time, find it necessary to be a little critical of the Council, I would like to thank it for its action on this occasion. It has also agreed to grant the appropriation for action to tackle female unemployment sought in the amending letter.

There were, however, two points on which the Council was unable to go along with the Commission's proposals. It substantially reduced appropriations for payment and put some of them into Chapter 100. Nor did the Council approve the creation of Chapter 53 for new projects dealing with unemployment as a framework for future action, which the Commission still reserves the right to propose.

I would like to remind the House that last spring the Commission put proposals to the budgetary authority for revision of the basic regulations governing the Social Fund. Their aim was, in particular, to streamline certain administrative procedures which would improve the rate at which payments are carried into effect in the future. The Commission very much hopes that these changes to the regulations can be approved before the beginning of 1978 and, in these circumstances, it would be grateful if the Parliament felt able to restore the appropriations for payment originally proposed by the Commission for the Social

### Tugendhat

Fund in 1978. The Commission would also be grateful to this House if it could restore Chapter 53 to what was proposed in the preliminary draft budget. This is intended for new operations of the Social Fund to tackle the employment difficulties faced by each Member State.

I would also like to take this opportunity to pay tribute to my colleague Mr Vredeling for the work which he has been doing in this area and to thank Members of the House for their considerable support for our proposals. It is not from lack of feeling that I speak so briefly, but in order to provide time for Members to contribute to the other important matters which we have before us.

(Applause)

**President.** — We turn to *Regional policy and transport*. I call Mr Delmotte to explain the opinion of the Committee on Regional Policy, Regional Planning and Transport.

**Mr Delmotte, draftsman of an opinion.** — (F). Mr President, ladies and gentlemen, I do not have to remind you that the European Regional Development Fund was set up in March 1975 and that it is definitive, whatever the results of the review of the basic regulation to be undertaken before 1 January 1978. The appropriations for the ERDF for 1978 must therefore, as the Commission proposes, be included in the chapter concerning the Fund. This is where the difficulty arises because the Council has entered as a reserve in Chapter 100 commitment appropriations of 398m EUA. This entry in Chapter 100, which covers provisional appropriations, is unacceptable, as is the token entry in the chapter on the Fund. The Commission, supported by the Committee on Budgets, has proposed a commitment appropriation of 650 m EUA against Chapter 55, Community measures in support of national regional policies, and a further commitment appropriation of 100 m EUA against Chapter 56, specific Community measures.

We have received a number of amendments which we will discuss later. I must say, Mr President, that there was unanimous agreement in the Committee on Regional Policy, Regional Planning and Transport and in the Committee on Budgets on the draft amendments tabled by Mr Spinelli and others which make it clear in the remarks that they are legally based on the draft amendment to the regulation establishing a European Regional Development Fund. I have submitted to the Committee on Budgets, on behalf of my committee, criticisms of this approach. I would like to stress once and for all that all the payment appropriations entered in the budget for the ERDF have their legal basis in Regulation No 724/75 setting up the Fund and not in the draft amendment. The Fund was set up in March 1975. It is definitively established, is

not limited in time, whatever the results of the review of the basic regulation to be carried out before 1 January 1978. If no decision has been taken on the review of the Fund by the Council by that time, the ERDF will continue in existence. Its budgetary appropriations must therefore be fixed according to the normal procedure. If we tie these payments appropriations for the ERDF to the draft amendments to the regulation, there is a danger that there will be no decision on the amount of the Fund and that we will be obliged, as the Council has proposed, to accept a simple token entry and a reserve in Chapter 100 relating to provisional appropriations. We believe that the legislative act setting up the ERDF was adopted once and for all and I am grateful that Mr Shaw has taken account of this in his report.

The amendments do not seem to be well justified insofar as they simply reinstate the preliminary draft budget presented by the Commission. I attempted, in the Committee on Regional Policy, Regional Planning and Transport to justify in a much more consistent manner the amount of the Regional Fund which we were proposing for 1978. As a basis for comparison, we have converted the allocation fixed in 1974 into European units of account and updated it to take account of the high rate of inflation since then.

Draft amendment No 12/rev., which I have tabled on behalf of the Committee on Regional Policy, Regional Planning and Transport, shows the basis for this updating. We can thus justify the Commission's requests since this represents a minimum sum, simply maintaining the level of appropriations as in 1976 and 1977.

The five amendments by Mr Spinelli and others are aimed at reinstating the nomenclature of the Commission's preliminary draft budget, not included in the 1977 budget.

The new Chapter 56 relates to specific measure in the non-quota section. Need I remind you that only a few weeks ago Parliament unanimously voted in favour of the report by our distinguished colleague Mr Noè which of course came down in favour of the non-quota section. However, the Council — which has not yet adopted a position — may express opposition to the creation of this non-quota section. In this case, the appropriations which we could enter immediately in Chapter 56 would be pointless; our committee therefore felt it would be reasonable to enter the whole of the ERDF allocation in a single chapter, which cannot be called into question, since it is Chapter 55, which was already in the draft budget and the budget for previous years. If a non-quota section is set up, it will still be possible for the Commission to transfer appropriations from Chapter 55 to Chapter 56, or to ask for a supplementary budget, which would increase the funds available to the Regional Fund.

**Delmotte**

These amendments do not merely introduce a new chapter; they also attempt to divide each of these chapters into two separate articles. We feel that this procedure may be tying the hands of the Commission; this nomenclature is useful in subsequent controls of fund expenditure and we have often stressed the need for this control of expenditure. But can we from the start fix the sums necessary for industrial investment or infrastructure investment? We all know that needs vary from region to region; certain regional development programmes will have to lay stress on the development of infrastructures in order to allow economic activity to get under way. Parliament, however, has no knowledge of these development programmes, which become compulsory only after 1 January 1978. Depending on how the economy evolves, expenditure will develop in various ways: if the economy is sluggish, through a lack of investment and available private capital, demand for industrial investment will be low and it will therefore be necessary to encourage investment in infrastructure as a necessary first step.

I therefore feel that as members of Parliament we do not have sufficient information to fix in advance the amounts available for each kind of investment. We must not therefore confuse the need for proper budgetary procedures with needs which are specific to the fields in question. Advance allocation of the Fund to various chapters is susceptible to criticism but it does allow subsequent control of expenditure. This is the advantage of introducing these headings. However, it is unacceptable in the form proposed in the amendments by Mr Spinelli and others because, as I have said, it fixes amounts in advance and because, as we showed on the previous points, these amendments are not admissible.

Mr President, I would like now to deal with the chapter mentioned by Mr Shaw, when he presented Amendments No 306 and 307 by the Committee on Budgets.

What you have said, Mr Shaw, and the amendments you have tabled do not contradict but are complementary to our point of view. These amendments, you have said, are designed to break down the expenditure on the Regional Fund into several articles; this would make it possible — and we agree with this — to improve subsequent checks on the use of funds. But it should be noted that the Committee on Budgets — and you have taken care to ensure this — leaves room to provide for transfers of appropriations within chapter 55 if they become necessary during the financial year.

Lastly, I would like to say that this nomenclature, which is not binding on the Commission since it does not propose the amount of the payment appropriations entered in each article, deserves our support. We are therefore agreed, Mr Shaw, that the amount of

payment appropriations for the financial year is to be entered (as we proposed in our amendment) in Chapter 55, and that the Commission can use them during the financial year through transfers which must be notified to the budgetary authorities.

These two amendments tabled by the Committee on Budgets (Nos 306 and 307) involve the introduction of a new Chapter 56, while leaving appropriations available in Chapter 55, as we proposed. We are therefore in agreement on this point.

I am sorry, Mr President, that I have had to base my remarks not only on the objectives laid down, not by the regional policy (because it has not yet been defined) but by the guidelines in the Fund, but also on technical budgetary points.

*(Applause)*

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

**Mr Evans.** — In rising to speak on behalf of the Socialist Group in this section of the budget, which is concerned with regional policy and transport, I would like to add my tribute to Mr Shaw for the work that he has put in on the compiling of the report on the budget. I am sure that he has lived up to the high standards that have always applied in this House in this respect.

I would also like to thank Mr Delmotte for the work that he has done in this field. I am sure that everyone appreciates that Mr Delmotte has considerable expertise in these matters. Again my committee worked very hard to ensure that the Committee on Budgets had our opinion in good time to examine it in detail. I am sure the House will agree with me that this section of the budget is in many ways the heart of the budget, concerning the whole concept of regional policy and whether or not we are going to have a reasonable policy in the future, and a tiny fund to allocate to some of the poorer regions of the Community.

One point I would like to make is that some of us were a little disturbed last night by Mr Tugendhat's replies on this general question of over-bidding. I think there is some doubt in people's minds as to precisely what went on at the Commission when it was formulating its budget, and whether there was this principle that if we ask for twice as much, and we only get half as much, we got what we set out for in the first place. Of course, if that is the case, it is to be deplored, because one would hope that on all the issues we would fight on the grounds that we believed in, and fight very hard indeed. I hope that that was not the case, and that we will have further clarification on that point.

There is one other question — has there been any deliberate overcutting by the Council. I suspect that in the field of regional policy, and as far as the Regional Fund is concerned, there may be a rather cynical

**Evans**

approach by the Council, in that they have deliberately cut the Commission's proposals, so that after an outburst of righteous indignation by Parliament, they can restore it to its original amount and, at the same time, ignore other important areas and say that, after all, you have got your Regional Fund. It would be interesting to see what this amounts to in the final analysis, because if it is not a serious attempt by the Council to reduce cuts, then certainly it must be one of the most contemptibly cynical attitudes that we have witnessed in any field for a very long time. Not only is it in contempt of the Commission and in contempt of Parliament, but I would think that it is in contempt of the millions of people who live in the suffering and deprived regions of Europe.

A fund has been in operation over the past three years, and we have now valuable experience in how the fund operates. We also have clear proof that throughout the Community, in those areas which have qualified for aid in the past, there is a very strong demand from those areas that the fund should be increased, and that more aid should be forthcoming to help them with the many projects for which they badly need assistance.

Indeed, as we are now only too well aware in the Committee on Regional Policy, Regional Planning and Transport, whilst assistance has been provided for hundreds of projects over the past three years, there have been many scores of equally worthwhile projects which it was impossible even to start, simply because there were no funds available.

I think the evidence that we have obtained in the Committee on Regional Policy, Regional Planning and Transport is that the Commission's proposals are far too modest. These should have been increased very substantially. I, for one, would have liked to have seen the original figure as something of the order of 1 500m EUA and not the 750m EUA which the Commission put forward.

But we recognize that Mr Giolitti had a great deal of work to do in this field, and that he took considerable soundings among the Member Governments. I assume he thought that 750m EUA would have been acceptable. Obviously, it then came as something of a shock to see what the Council had done to the very modest figures which he had put forward.

When we examine this matter in some detail, we recognize that there is a great problem here as far as the future of the Community is concerned, particularly in relation to direct elections. I would have assumed that one of the major planks in any direct election debate between political candidates would have been the work that they were going to do on behalf of their region out of the Regional Development Fund. I am bound to say that, with a sum of money that small, they are going to do very little indeed.

I would point out that one of the major issues when the United Kingdom and Ireland joined the Commu-

nity in 1973 was that there was going to be a very substantial Regional Fund and a very worthwhile regional policy. So far, we have not got the regional policy and the Fund is very small. Again, during the course of the referendum which we had in the United Kingdom two years ago, this question of a large Regional Fund, of a substantial sum of money being made available to solve some of the many difficult problems which exist in the under-developed regions, played a very large part in that campaign. It was something to which some of us, who took a contrary view, had little answer, because we assumed that this would be one of the things which would flow from the common market.

Of course, this has not been the case. Indeed, the meagre sum of money which the Council has put forward represents hardly any increase over 1974. When you consider that, in 1974, this Parliament was demanding a figure more than twice as much as the Council agreed then, and that when we come to 1978, we have a minimal increase over 1974, allowing for average inflation throughout the Community, one cannot be surprised that there is considerable cynicism abroad in this respect.

I would strongly put forward that in the visits that my committee has made throughout the Community, and in all the representations that we have had from the south of Italy, the west of Ireland, the north of Scotland, the north of England — all those areas which have problems — and the Community areas in the south of France, there is this tremendous demand for assistance from the Regional Fund. It really is heartbreaking to have to say to the regional organizations and the local authorities who come to see you and talk about the Fund, 'I am very sorry, but the plain truth of the matter is that there is no money'. I recognize only too well — and have supported through my group and in this Parliament — the absolute necessity for a successful regional policy. I am pleased that the Committee on Budgets made a note of this necessity.

Only last month we discussed the Commission's guidelines for future regional policy. But at the end of the day, even if we establish that regional policy, it will still need considerable financial resources to back it up. That is what we have not got at the present time.

Whilst there rightly remain many arguments about economic and monetary union, and all the factors concerned with that particular argument, I am bound to say that if we cannot make some progress in this field, or persuade the Council to put its money where its mouth is, or persuade Europe to adopt a policy which will bring hope and succour to those regions of the Community which have suffered the most, through either agricultural or industrial decline, then all such talk of economic and monetary union is a pipe-dream. I would say in all sincerity, Mr President,

**Evans**

that I and my committee have worked tremendously hard in this field, but it really amounts to a smack in the face when all our deliberations and all the Commission's proposals are rejected so cynically by the Council and they release an amount of money equivalent to little more than that for 1974. One would have assumed after four years that we had enough experience of the value of the fund to have given it a very substantial amount of money.

I expect that this Parliament will unanimously support Mr Delmotte's proposal and the Committee on Budgets' opinion that this fund should be restored to its full amount and its correct place in the budget.

*(Applause)*

**President.** — I call Mr Fuchs to speak on behalf of the Christian-Democratic Group.

**Mr Fuchs.** — *(D)* Mr President, ladies and gentlemen, the Community Heads of State and Government gave the regional Policy high priority in October 1972. The Council's attitude in the debate on the 1978 budget is in my view a remarkable contradiction of that policy. Mr Evans has used the word 'cynical', and it is difficult to avoid the same criticism, as the facts are quite simply at variance with the Council's words. On the other hand, I note on behalf of my Group that the Commission has taken this task seriously and I should like to thank Mr Giolitti very sincerely, also the rapporteur Mr Shaw, who has taken this question very much to heart and adopted the views of the Committee on Regional Policy, as has the Rapporteur, Mr Delmotte.

A few comments will suffice to show that it is intolerable for the Council to reduce the appropriations by almost half. For one thing, as we were obliged to note, in the light of the severe inflation in the Member States between 1974 and 1978, fluctuating between 30 and 65 %, not even the value in real terms has been preserved, to say nothing of obtaining a real increase, given these reductions in the appropriations. I recall that all the payment appropriations in 1975, 1976 and 1977, in other words during the first three years of the Regional Fund, were taken up, and indeed that requests were substantially higher. So there can be no question of the need to introduce a smaller amount for specific measures in addition to the quota amount, as proposed by the Commission, e.g. in order to balance Community measures, to provide for frontier areas, and in particular to help areas with above-average unemployment.

If we now have more specific, better differentiated instruments in the form of the guidelines for regional policy laid down during the last part-session, then it is unacceptable when providing appropriations to adopt the opposite approach, making all such instruments ineffective. I recall that these guidelines also contained clear instructions with a view to coordi-

nating various Community policies, for instance on agriculture, industry, trade, and education and now, at the very moment when coordination is taking place the appropriations can and must not be reduced.

I believe, Mr President, that the credibility of the Community, and particularly of the Council, is at stake. As the Commission has rightly pointed out — if I may remind you, as I did during the last part-session — should the disparities within different regions of the Community become too great, and continue to grow at their present rate, this can only jeopardize the continuation of the common market. And that will affect the more affluent regions; which is why we should use the contribution which the Community is able to make, namely the Regional Fund that is supposed to form the basis of a common regional policy, in order to reduce such disparities. Finally, I should like to point out that this question plays a not inconsiderable role in influencing European public opinion. Mr Evans has just pointed this out. Let us take the opportunity; the amounts involved are not enormous, nor are they impossible to finance; they are amounts which could quite easily be financed by Community revenue. We should therefore act particularly now we are in the period leading up to the first direct elections to the European Parliament.

In conclusion, may I repeat, the regional policy issue is one of credibility. Let it not be said of the institutions — neither of Parliament nor of the Commission, since they have made their contribution, nor yet of the Council — that they were judged and found wanting. That would be sad indeed. I hope the Council will consider this when it makes its final decision.

*(Applause)*

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

**Mr Johnston.** — Mr President, I speak briefly on behalf of the Liberal and Democratic Group to make it clear beyond any shadow of a doubt that we also wholly reject the Council's decision to cut the size of the Regional Fund. I very happily associate myself with the tributes that have already been paid to Mr Shaw and Mr Delmotte for the opinions they have expressed and the work they have done.

The action of the Council, as indeed I have had the opportunity of saying before in this Parliament, is an action which it has not explained in any proper fashion. It is an action taken at a time of economic difficulty. Experience of the Fund shows that all it can do is, to some extent, to try and keep pace with economic decline and unemployment, while not really being able effectively to correct disparities — which was its original objective.

I do not believe in excessive repetition, and must say that, having listened to his speech, Mr Evans put

**Johnston**

extremely well everything that I wished to say myself. I agree entirely with everything he said, and would also take the opportunity of paying a tribute to the work he does as the chairman of the Committee on Regional Policy, Regional Planning and Transport which, as Mr Delmotte has said, has — cutting right across all the political groups in this Parliament — been unanimous in condemning the decision of the Council.

I would therefore only wish to make three short points. Firstly, and here I echo to a degree what Mr Delmotte has said, it should be emphasized that the Committee on Regional Policy, Regional Planning and Transport, and indeed the Commission itself, have taken a minimalist approach in their proposals.

It is not as if we are making grandiose and extravagant demands, at a time of admitted economic difficulty. Indeed, if one looks back and remembers the genesis of the Fund in 1973 and the first requests which the Commission was making then, one recalls that they were looking for approximately 2 000 million old u.a. It ultimately received about 1 300 million old u.a. divided into 300, 500 and again 500 for each of these three years. So today's proposition from the Commission, supported by the Committee on Budgets and Committee on Regional Policy, is below the initial proposition from the Commission when the Fund was established — or when its establishment was being worked out — four years ago.

I think that Mr Evans used the word 'contempt' in regard to the Council's decision; I could not find a better word. It is not only contempt for the people affected, but also for the objectives, ideals and hopes which were generated at the time when the Fund was established.

Secondly, I repeat this question, although I do not suppose it is the sort of question one ever gets an answer to, except perhaps in the *couloir*: which countries within the Council are responsible for its taking this decision? If the British Government is in any way in complicity with this, I must say that it is quite illogical on the one hand to complain that the proportion of the budget given to agriculture is too large, and at the same time prevent the development of other funds which would bring the budget into better balance. You cannot have it both ways.

Thirdly, and in conclusion, it is certainly true that 55 000 jobs, which was the figure quoted last year by the Commission, is not a large figure. But it is a figure important in itself and a figure important in the most difficult areas. That, I think, is the most significant thing of all. I find this aspect of the budget deeply depressing, and Mr Evans is quite right here: if we do not have a really effective Regional Fund, we can never find political acceptance for economic and monetary union. It is unrealistic to imagine it. As a long-convinced European, I want to see that day come, but I realize that those who are opposed to the

idea have been given ammunition by this sort of action by the Council.

Our Community will not survive unless it is motivated by determination to help each other and to work with each other. I think that the Council has damaged the Community ideal by proposing, at this time, to reduce the Regional Fund. However, they have time to repair that damage, let them do so by restoring the figure.

*(Applause)*

**President.** — I call Mr Corrie to speak on behalf of the European Conservative Group.

**Mr Corrie.** — I rise to say a few words on behalf of the Conservative Group in further condemnation of the cuts in the Regional Fund.

Might I start, as others have done, by congratulating my colleague Mr Shaw, the rapporteur, for the tremendous work he has put into this particular budget. Few people realize just what it all entails and how much work has to be done behind the scenes, not only through the day but through the night as well.

I would also support all the previous speakers, particularly Mr Delmotte and Mr Evans, who have spoken on the Regional Fund. I think its importance transcends and reconciles political differences, because we feel that this Fund has become so important within the European Community. If we neglect our regions, we shall not only increase the problems of those regions, we shall increase urban problems as well. We neglect them at our peril, because the pull towards our industrial areas on young people is tremendous.

Depopulation is a double-edged problem. Areas of the Community stagnate and die as the young people leave, while urban areas become choked and unworkable. We must take employment to the people, not people to the unemployment, and we must do this through the Regional Fund. Let communities in rural areas increase and grow, not shrivel and die. We must encourage tourism as leisure time increases. I think this is particularly important in maritime peripheral areas. Without a doubt, we are going to see a rundown in the fishing industry. New jobs must be created within the existing communities, particularly on the small islands around the Community's shores and this is where I am sure the Regional Fund can have a very great impact. We cannot expect these families to up and leave the areas where they have lived for generations and move to the industrial cities. If the problems of the CAP are to be cured, we must encourage the small farmers to take up new employment in their own environment, and surely it is better that help come from a strong Regional Development Fund than from CAP expenditure. It is also, of course, more acceptable to the critics of the amount spent on the CAP if they see new industries moving into the rural areas with the help of a strong Development Fund.

## Corrie

Specifically, I want to say a few words on the amendment that I have down, Amendment 220, to set up a Belfast Information Office for the Commission. This idea was raised last year by my colleague and predecessor, Mr Fletcher, and my group strongly feel it would be of tremendous benefit to Northern Ireland to have an Information Office there. That strife-torn area needs every friend it can get, and all parties in this Parliament would surely want to do anything we could to help it. What greater service could we do them than by establishing an office in Belfast? It is a region in which the Community is not well known — this I know because I live just a few miles across the sea from Northern Ireland — and therefore Northern Ireland and its people in all sectors are perhaps not getting the benefits from the Community they should be getting, particularly from the Regional Development Fund. Earlier this month the Parliament received a petition from Mr Roy Bradford, Mr Terence Tracey and Mr Cresswell, together with the mayors and chairmen of all 26 district councils of Northern Ireland, seeking the establishment of an information office in Belfast. What greater plea could we have than that? These are all important people from all sectors in Northern Ireland. Compared with the millions being talked about and spent, we are asking for a very small sum: 150 000 EUA. I hope this House can see fit to pass this amendment to the benefit of both Northern Ireland and the Community. Commissioner Thomson in 1976 stated that only the absence of a budgetary allocation prevented the opening of a Commission office in Belfast. Let us right that situation in this Chamber this week. I hope that all groups will support that amendment.

*(Applause)*

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — *(I)* Mr President, I offer to Mr Delmotte once again the thanks which I addressed to him in the Committee on Regional Policy for the care and competence and, may I say, the passion which he has once more bestowed on the subject of regional policy. I also thank Mr Shaw, rapporteur on the budget, for the importance he has accorded, within the general framework of the budget, to regional policy. A short while ago, Mr Evans, chairman of the Committee on Regional Policy and Transport, whom I also wish to thank for his intervention, was saying that regional policy must be seen as the real 'heart' of the budget if the Community policies taken together are to become a more efficient instrument for the attainment of those priority objectives we have set ourselves, the chief ones being providing employment and effectively correcting the serious regional imbalances in the Community which not only still persist, but have actually become worse.

I can say, on behalf of the Commission, that we fully support the Budget Committee's proposals for the reinstatement of the appropriations proposed by the Commission, which is wholeheartedly in favour of the amendments to that effect tabled by your Committee on Budgets.

I should like to take this opportunity to assure you once again that the criteria adopted by the Commission in arriving at the figure of 750m EUA for this appropriation were very realistic ones.

What Mr Delmotte has said on this is absolutely correct. On the other hand, I am obviously in no position to try to interpret the motives by which the Council was guided in making this drastic cut which, I think, the whole House is unanimous in deploring. Since, as I have said, I do not intend to present an indictment of intent, let me say what, in my opinion, were the explicit reasons for the Council's decision on this matter.

It would seem that the Council wanted to adopt, so to speak, a waiting attitude with respect to the decisions which it will have to take on the Commission's proposals on guidelines for regional policy and on new provisions to be inserted into the Regulation on the Fund.

If that was the case — and this is what the official statements indicate — the entry under Chapter 100 should mean that the fact that the Commission's and Parliament's proposals are identical once again should induce the Council to abandon this non-committal posture and accept the proposals which Parliament and the Commission jointly support.

For — and this is my last remark on the subject — a regional policy measuring up to the problems which it will have to face and, let us add sorrowfully, also to the old problems which we have not managed to solve, even the prospect of enlargement and of economic and monetary union will lose all credibility unless we make an effort to create the conditions in which these prospects can become realizable.

Mr Evans has already reminded us that the Regional Fund was established in connection with the prospect of enlargement which appeared a few years ago; and now once again prospects of further enlargement are before us, making it very important that regional policy be strengthened.

To sum up then, at a moment when Parliament and the Commission have once again to concern themselves with the seriousness of regional imbalances within the Community, we should make it our task to correct an imbalance that exists within our policies, within our Community policies. We must restore the balance in all of these policies so as to accord more weight to those that attack the causes of the crisis, that is, to structural policies and, among them, to regional policy.

## Giolitti

These are the remarks, Mr President, which, while fully approving the proposals drawn up by the Committee on Budgets, I thought I ought to make. I also support the procedural proposal that the entire amount of the Fund should be entered in Chapter 55, because I agree with Mr Delmotte's statement that this would not prejudice any subsequent move to enter in the 'non-quota' section the funds proposed by the Commission and to which the latter obviously attaches a great importance, precisely because the non-quota section should allow greater scope for more flexible action.

Mr President, since I happen to be speaking at the conclusion of this part of the budget debate, I should like to say a few words on transport. On behalf of the Commission I want to say how much we appreciate the interest Parliament has shown in transport infrastructure. The relevant documents are now being studied by the Council. Certainly, the appropriation proposed under Article 373 is meagre. This means that for the moment it would be primarily a question of initiating studies prior to the application of regulations in this field.

Finally, I should not like to miss this opportunity of replying to Mr Corrie on the need, to which he referred and which the Commission recognizes, of establishing a Community information office in Belfast. As a matter of fact the President of the Commission recently visited that region. I myself have visited Belfast and its surroundings and, as regards regional policy developments in that area, I can tell you that the Commission has in principle decided to open an information office in Belfast. The proposed appropriations will certainly greatly help in putting this decision into effect.

*(Applause)*

**President.** — We turn to the chapter on Environment. I call Mr Ajello to explain the opinion of the Committee on the Environment, Public Health and Consumer Protection.

**Mr Ajello, draftsman of an opinion.** — *(I)* Mr President, I take the floor instead of Mr Guerlin who cannot be present today owing to unavoidable commitments in the French Parliament. Mr Guerlin's work in the Committee on Budgets has been fruitful: the Committee on Budgets has, in fact, adopted all the amendments proposed by the Committee on the Environment, Public Health and Consumer Protection, and I should now like to give grateful thanks for this.

I wish to make only a few comments on some of the amendments which seem to me more important. The first concerns Item 3358 of the budget, 'reprocessing of irradiated fuels': we have asked that this item be restored as a token entry because we consider it very important for the Community to make a contribution to the solution of this difficult technical problem on

which the use of nuclear power stations depends. We ask that it should be made a token entry because the Commission has not yet submitted its programme to the Council. The same applies to item 3359, which is related to the one I have just mentioned.

Item 3520, on the other hand, concerns health, hygiene and safety measures at the place of work. This problem has arisen because in 1977 Articles 352 and 351 provided for a total appropriation of 880 000 units of account. Then Article 351 was reduced, with the intention that the difference would be transferred to Article 352, and in particular to Item 3520. In our opinion an error has occurred because this transfer has not been made and the amount removed from one item has not been reintroduced under another.

The support of our amendment is precisely to ask that this transfer be effected and that the total amount under the two articles be restored to what it was in 1977, namely 880 000 units of account.

As regards Item 3541, the Committee on Budgets adopted the relative amendment, as indeed it did all the other amendments proposed by us, by the very narrow margin of 8 votes to 7. This is an item which concerns environmental projects: after extensive study of the subject we are convinced that it is necessary to move on to practical action as soon as possible and therefore have asked that the item be increased by 50 000 EUA. This is a very meagre amount, but it is the minimum essential for putting into effect the programme we have prepared, the main object of which is to increase public awareness of the problems. We consider that the cut proposed by the Council would seriously harm this programme. The same is true of budget Items 3550 and 3552 which concern consumer policy. Here, too, we consider that too much time has been spent talking and it is time now to begin action. More particularly, as regards Item 3552, amounting to 100 000 EUA, which the Council has struck out, we ask both that the budget entry be restored and that the amount originally envisaged by the Commission be maintained. This is an item especially close to my heart because it concerns a consumer information campaign, a subject on which we Italians, like the Irish, are particularly sensitive. We are most anxious for this campaign, because in our countries, regrettably, the level of information, knowledge and awareness among consumers is very low. In my view a consumer information campaign is absolutely essential and this is why we ask for the reinstatement of the amount entered by the Commission.

*(Applause)*

**President.** — In order that the debate on Agriculture should not be interrupted, the chairman of the Committee on Agriculture and draftsman of an opinion, Mr Klinker, has asked for it to begin at 3 p.m.

**President**

The proceedings will now be suspended until 3 p.m. The House will rise.

*(The sitting was suspended at 12.30 p.m. and resumed at 3.5 p.m.)*

**IN THE CHAIR : MR COLOMBO**

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

**5. Agenda**

**President.** — I remind Members that, this morning, Mr Durieux raised a question on which I said I would consult the House. It has been proposed to bring forward tomorrow's sitting to 9 o'clock and continue until all items have been dealt with. Some Members this morning expressed opposition to this proposal, and I have attempted to consult the political groups. There is no great divergence of views. I therefore propose that tomorrow's sitting should open at 9.30 so that, from 9.30 to 10 o'clock, we can hear the speech by the rapporteur for the Committee on Budgets following the meetings which will be held this evening to consider new amendments: the vote would thus begin at 10 o'clock.

If the rapporteur's speech ends sooner than expected, the sitting shall be suspended and shall resume at 10 o'clock, when the vote will begin.

If this course is adopted, it will be up to all the political groups to inform Members that the vote will begin at 10 o'clock. Are there any objections?

That is agreed.

Tomorrow's sitting will therefore open at 9.30 and the vote will begin at 10 o'clock.

**6. General budget of the European Communities for 1978 (continuation of debate)**

**President.** — We continue the debate on the draft budget, and now turn to *Agriculture*.

I call Mr Klinker to explain the opinion of the Committee on Agriculture.

**Mr Klinker, draftsman of an opinion.** — (D) Mr President, ladies and gentlemen, the Committee on Agriculture devoted several meetings in September to discussion of the budget submitted by the Commission. It adopted by a large majority the report which I drafted on the subject, though with one exception, namely point 41 of our opinion, where a form of words was chosen which is reflected in the motions by Mr Scott-Hopkins and Mr Spinelli. The majority of the committee approved the report however, the motions are before us, and decisions must be taken shortly on the matter.

The draft budget once again provides the bulk of Community expenditure -about 70% — for the agricultural sector. The high proportion of agricultural

expenditure in Community investment, as you all know, is a frequent source of public criticism. Such criticism is usually rather superficial, for if one looks rather more closely at the context, it would I think be easier to take an objective view. The budget estimates certainly appear in a different light when it is realized that firstly, the agricultural sector remains the only one in which national powers have been extensively transferred to the Community; secondly, the agricultural budget contains costs deriving from international agreements, e.g. the cost of sugar resulting from the Lomé Convention and the cost of food aid, which should not — or not only — be charged to the agricultural policy; thirdly, a not insubstantial part of appropriations has to be used for monetary compensation, which is indispensable in the various Member States to preserve the common agricultural market; and fourthly, the European agricultural policy must provide sufficient guarantees to safeguard supplies for the people of our countries. Recognizing this, the Committee on Agriculture regards the expenditure proposed by the Commission as an indispensable precondition of the functioning of the common agricultural market. The Committee points out that, if expenditure arising out of measures associated with monetary policy is set aside and Community income from import adjustment and producer levies is taken into account, the cost of the common agricultural policy then amounts to about 45% of total Community expenditure.

By far the larger part of Community agriculture expenditure concerns the Guarantee Section of the European Agricultural Guidance and Guarantee Fund which covers the cost of market regulation, in particular of milk and milk products but also of cereals, sugar and ACP goods. These market regulation costs do not seem by any means too high when compared, for instance, with the Community's gross domestic product, when the Guarantee Section amounts to approximately 0.3%, or with the total of the national budgets, when the Guarantee Section amounts to 1%. The corresponding expenditure for the entire Community budget is approximately 0.7% of the Community's gross domestic product and approximately 2.4% of the sum total of national budgets. I should like to point this out before going on to discuss the Committee's various proposals.

Our Committee considers certain appropriations to be inadequate and has also proposed a number of amendments. Over 40% of the market support measures concern the milk and milk products sector. As a result of the increased expenditure necessarily arising out of the fact that the Council and Commission have hitherto pursued an unpromising policy in the milk sector, it is clear to the Committee on Agriculture that the increase would have been smaller if the appropriate measures had been introduced at the right time, as Parliament and the Committee in particular have advocated on more than one occasion.

### Klinker

It was noted that a certain increase would be necessary in the beef sector because the Commission's estimates were unrealistic. The Commission has now corrected this and the Committee on Agriculture agrees with their adjustment.

About 10 % of the support measures in the Guarantee Fund concern the sugar sector, which will therefore receive a substantially higher amount this year than it did in 1977.

In addition to the decline in world market prices and the consequent necessary increase of export subsidy amounts it is above all — and this is stressed at length by the Committee — the 1.3 million tonnes of sugar from the ACP countries which have to be reexported in full using Community funds. These export subsidies for sugar cannot in the Committee's view be charged to the agricultural budget alone; they are a general political measure.

In addition, the Committee on Agriculture calls on the Community to make extra efforts in the food aid sector as a gesture of solidarity with the poorest countries. Unlike the Commission, the Committee estimates the present need for skimmed milk powder from the Community in the developing countries as the same as in 1976, since there have been no marked changes in economic and democratic circumstances since then. The Committee assumes that the need is for 200 000 tonnes — the Commission only estimated supplies of 150 000 tonnes — and for these the Committee claims an increase in appropriations of 228.6m EUA. To enable the European Centre for agricultural training and retraining to continue to work as effectively as in the past, an increase in expenditure of 131 000 EUA is requested. The Commission has proposed a reduction here which we do not consider wise, for in the last analysis fertilizer is not enough in agriculture; brains are needed too if production is to develop in the right direction.

Mr President, with regard to the Council's current deliberations on the implementation of a Community fisheries policy, on which I gather agreement has still not been reached, despite lengthy negotiations, the Committee requests that a new item be included, the amount of whose appropriations should be specified at a later date, when the Community finally decides the appropriate measures for the surveillance of its fishing zones. Until that happens no one can tell what it will cost.

A very important aspect, to which the Committee devoted particular attention in these discussions, is the fact that agricultural monetary expenditure must without question be removed from the appropriations in the Guarantee Section, i.e. Title 7, and transferred to Title 4, 'other Expenditure' of the general budget. This involves appropriations amounting to almost 1m EUA for the monetary compensatory amounts and

expenditure resulting from the application of fluctuating exchange rates in converting the budget and calculating farm prices amounting to between 600 and 700m EUA. In the Committee's view, this expenditure should not be charged to the common agricultural policy, but should rather be attributed to difficulties experienced by Member States in the economic and monetary sectors and therefore does not belong in the Guarantee budget.

Those, Mr President, are the comments which I have to make as draftsman for the Committee on Agriculture. We shall also have something to say about the motions by Mr Spinelli and Mr Scott-Hopkins, which were not available to us in committee. I might point out that if we had had the motion by Mr Spinelli, the committee would certainly have pointed out that the many appropriations for Italy which have not yet been taken up would have to be drawn before any fundamental alterations were contemplated here. I think I may conclude with that comment on behalf of the Committee on Agriculture.

**Mr Spinelli.** — I was speaking as a Member of the European — not the Italian — Parliament.

**President.** I call Mr Hughes.

**Mr Hughes.** — Mr President, I would like to start by congratulating Mr Klinker on the very fair way in which he has represented, both in his report and in his speech, the discussion and views of the Committee on Agriculture.

The difficulty facing this House is that there is no area of the budget where uncertainty and unreality are more pressing than agriculture. There is the natural uncertainty that we cannot know in September and October of one year the anticipated expenditure, consequent upon climatic variations in yield and so forth, that will be necessary in the ensuing year. Equally, we cannot know in advance the crucial and, one hopes, important and far-reaching changes in policy that are likely to be put forward within a very few short weeks and to result in a completely changed pattern.

The Committee on Agriculture was advised last Friday by Mr Gundelach of a series of proposals that are to be expected from the Commission over the next few weeks which will have an enormous bearing on the size of the budget for next year. For some of the things we have talked about, like the fishing money, it looks unlikely that there can be major expenditure on next year's budget, but in other areas it is quite clear that, whatever the figures written into this current budget, there is an element of unreality about them.

At this stage I would like to turn to the two, in a sense, supplementary amendments grouped by Mr Scott-Hopkins and the amendment by Mr Spinelli.

## Hughes

Given this uncertainty, how does this Parliament try to achieve some budgetary control over an escalating agricultural expenditure? It is clearly politically unacceptable to many in this House that over the great area that agriculture represents in the budget, this House should have less and less control. There is the suggestion from Mr Spinelli's amendments that there should be a clear ceiling laid down in advance and so forth. I do not believe that necessarily brings with it accountability to this House. I think it may, but I do not believe it necessarily does. There are the amendments by Mr Scott-Hopkins which attempt to establish control by removing a certain amount from the appropriations in one set of chapters and putting it into Chapter 100, with a view to establishing control in this House over the re-allocation of that money. With the greatest deference to Mr Scott-Hopkins, I am not certain that this is automatically the correct answer.

I would therefore appeal to Mr Tugendhat to help us in what is a unanimous desire in this House to get budgetary control over agricultural expenditure vested in this House, given the enormous uncertainties as regards its size. I must say here that the attempt to avoid a supplementary budget by simply adding a notional figure of an additional 20%, as intended by the amendment from the Committee on Budgets, again fails to achieve this objective. When one sees already that the appropriations in the Guarantee Section for 1978 are 23.1% up, to add a further 20% to that, gratuitously and in advance, and to offer a 43% increase in a field where parliamentary control is already strictly limited, does not appear to me to further either the real policies of agriculture or the interests of this House.

When one sees that something like 75% of the Guarantee Section is paid out on three products or groups of products — cereals, milk and sugar — you see another area of imbalance. Although I accept that if I start to talk about the problems of enlargement in the context of this budget, there is a risk of being out of order, unless we start budgeting for next year to allow ourselves budgetary freedom of movement to enable enlargement to take place, we will not be serving the long-term interest of the Community. When you see 75% of the Guarantee Fund being spent on crops that are overwhelmingly of interest to the farmers of northern and north-western Europe, and correspondingly very small sums being spent in guarantee terms on the infinitely poorer impoverished farmers of the south, and you then add in the possibility of enlargement, the imbalance written into this budget becomes more and more apparent. As for the proposal to remove MCAs from the agricultural section into some other sector, at one level that is a political bookkeeping exercise. It changes the location of the title. It does not alter automatically the fundamental problem.

I would say to this House that, at the committee meeting on Friday, Mr Gundelach advised us that within the next — and I use his words — week to ten days, he hopes to present a new set of proposals on the problem of monetary compensation amounts and related issues. It is becoming increasingly clear that the dislocation in agricultural trade and agricultural production that would follow a too swift removal of MCA's are now as great as the dislocations and distortions that their existence has created. On this whole area, therefore, one will need to tread very carefully.

I would like now to ask Mr Tugendhat a couple of specific questions on the problem of allying a budget expressed in Europe units of account with the likely need to continue to express agricultural prices for next year in agricultural units of account. It is clearly going to be very difficult to realign agricultural prices in the price-fixing proposals that will be up before this Parliament at the end of this year in European units of account. How does Mr Tugendhat see the realignment of these proposals with the agricultural unit of account proposals that we can shortly expect?

Given the limitation of time, Mr President, I will now turn to a number of rather more general problems. The first is the continuing commitment of my Socialist Group colleagues and, I suspect, many others in this House to the need to direct the trust of the agricultural policy more towards the Guidance Section, with less reliance upon the Guarantee Section. In this area I am very attracted to the concept of a rural development fund, dealing with problems of a regional and social as well as an agricultural nature. I would again like to ask Mr Tugendhat whether he could perhaps consider drawing up not a set of proposed regulations, but what in the House of Commons might be called a green paper on a regional development fund, with particular agricultural and rural development elements in it for early discussion by the Committees on Agriculture, Social Affairs and Regional Policy.

The need to limit the growth of agricultural expenditure, or at least bring it under parliamentary control, has been highlighted in this morning's papers by the news that European taxpayers' money is being spent this very week on the destruction of cauliflowers. It is very difficult to persuade the ordinary consumer that their taxes are well spent on destroying good food. No matter how small a percentage of GDP the common agricultural fund represents, even if it is minute, if it is spent on destroying good food it becomes politically very difficult, if not impossible, to defend it.

What we require and what, I regret to say, is clearly not in evidence in this whole set of budgetary proposals, is that reform of the CAP which, not in a chauvinistic British sense, has been clamoured for in varying degrees in large sections of this House. What is becoming increasingly clear is that, in its present form, the common agricultural policy is failing to

### Hughes

meet the needs either of the small farmers in many parts of the Community, the consumers or, necessarily, the taxpayers, and that by dissatisfying simultaneously taxpayer *qua* taxpayer, consumer *qua* consumer and innumerable small farmers, particularly in southern Europe, that policy is losing any validity it ever had.

We must roll back the excessive protectionism that exists for many northern European products, and move to a more socially responsible agricultural policy. I regret that these budget proposals as a whole merely maintain an absurd status quo.

*(Applause from certain quarters on the left)*

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

**Mr Houdet.** — *(F)* Mr President, the Liberal and Democratic Group understands why during the budgetary debate the financial effects of the common agricultural policy on the general budget should be debated, and why we are seeking a better balance between income and expenditure in the agricultural budget proper, i.e. in the EAGGF. But it would like to point out that a thorough examination of the agricultural policy, of its effect on the various regions of the original Community, of its strengthening since the enlargement to nine members, of the effects of possible further enlargement, cannot be restricted to the budgetary domain. My Group is therefore very surprised at the paragraphs relating to agriculture in the motion for a resolution which has been tabled by Mr Michael Shaw on behalf of the Committee on Budgets. It has therefore tabled amendments to this text which it has asked me to put to you, Mr Shaw.

This is not the first time that someone has levelled the fundamental accusation against the agricultural policy that its budget takes up 75 % of the general budget and of compulsory expenditure. Nevertheless, there is a true and legitimate reason for this percentage: for 12 years the agricultural policy has been the only common policy. Over the last few years a regional policy and a social policy have been introduced although their funds are still in the view of many of us inadequate. When these two policies come fully into effect — and they are essential complements to the agricultural policy, for example in modernizing structures and the employment of agricultural workers who have to be retrained — the percentage of the EAGGF will be substantially reduced. Moreover, the lack of monetary union, for which farmers are not to blame, makes it necessary, if the system of unified farm prices is to be maintained, to use the system of monetary compensatory amounts. We agree with the Committee on Budgets that these compensatory amounts should be phased out as soon as possible, but in the absence of any monetary union, this phasing out can only be very gradual. The Committee on Agriculture, in Mr Gibbons' report, offered solutions

which have not been discussed here because the Commission intends shortly to submit new proposals, as Mr Gundelach explained last week to the Committee on Agriculture.

But what we are unhappy about is that the cost of these compensatory amounts should be blamed on the agricultural policy and charged against the EAGGF. Agricultural production is not to blame: if agri-monetary expenditure were separated from the EAGGF its share, as Mr Klinker has just pointed out in the very apposite opinion of the Committee on Agriculture, would fall to 42.75 % of the Community budget instead of the 75 % figure which is being thrown at us constantly. We would also like to stress that if we must ask the Commission to ensure that national expenditure on agriculture does not run counter to Community policy, we must nevertheless make it clear that this national expenditure must not distort competition within the meaning of Article 92 of the Treaty. The Liberal and Democratic Group is well aware that the market organization must be made more flexible but this flexibility must take account not only of the financial repercussions but also of technical problems and social conditions. Titles VI and VII of the budget cannot be adopted on any given day like other expenditure, they depend on unforeseeable and natural fluctuations in farm production. I will mention only one example in comparing the 1976 and 1977 budgets: in 1976 we had to take support measures for potatoes whereas today the massive quantities in production have produced quite the opposite problem. Article 39 of the Treaty obliges us to ensure food supplies for consumers. This implies building up stocks which served the interests of the consumer — let us not forget this — when the world cereal and sugar markets reached very high and speculative levels. Article 39 also obliges us to ensure for producers an income comparable to that of other socio-professional activities, and this can be done — here I agree with the Committee on Budgets — through our annual price review. But this income must be supplemented by direct aid to the producer countries: it therefore becomes a social policy and not simply an agricultural policy. We can well understand the feelings of the Committee on Budgets faced with the high cost of absorbing structural surpluses — notice I am referring here to long-term and not short-term surpluses — but there are no easy answers: we must gradually replace these products which are permanently in surplus with other products, particularly those which the Community has to import in large quantities. This is the whole question of planning and regionalizing Community production, a question which we are sorry the Commission has not gone into sooner. This is a somewhat muted criticism, for I am well aware of how difficult this is, as are all those who have had responsibility for agriculture in the governments of their country. The whole philosophy of the agricultural policy must be re-thought. Since it

**Houdet**

was first introduced, we have grown from six to nine, we have increased agricultural productivity — this is one of our successes — in each of our states, but this has caused problems in finding outlets at home and abroad. We are going through the economic crisis with its effect on employment, and this has forced us to channel farm workers in a rather brutal fashion towards other activities, industrial or service, to avoid unemployment. We cannot judge our agricultural policy merely on these budgetary effects but only on its technical feasibility and its regional and social effects. For this reason the Liberal and Democratic Group feels that the opinion of the Committee on Budgets is too budgetary — Mr Shaw will tell me that it is supposed to be! — and therefore too hostile to the agricultural policy. My group has therefore tabled amendments which also take into account the social and regional prospects for agricultural production in full application of Article 39 of the Treaty of Rome, for the benefit of producers as well as consumers, who can be assured of regular and secure supplies at reasonable prices.

*(Applause)*

**IN THE CHAIR : MR BERKHOUWER**

*Vice-President*

**President.** — I call Mr Früh.

**Mr Früh.** — *(D)* Mr President, ladies and gentlemen, I too should like to thank Mr Shaw for taking a close look at the agricultural policy in his report. Much as I respect your views, Mr Shaw, in the case of the agricultural policy there are surely a number of basic things to be considered. I am especially grateful to you, Mr Houdet, for placing Mr Hughes concluding remarks in the right perspective. No one would deny — I might almost say it has become a parliamentary custom — that whenever the agricultural policy is on the agenda, it is attacked for its lack of balance and for being the reason for the top-heavy nature of the European budget. I must however ask you to consider that, as has already been established in a number of agricultural debates, this top-heavy nature has not arisen because the agricultural policy has taken an unreasonable shape, or because it has been irresponsibly given preference over all other policies; the simple fact of the matter is — something we all regret, and we hear it time and again — that the only integrated European policy is the agricultural policy and that is why it reaches this 70 %, because by comparison, the regional policy, the social policy and also the energy policy, all of which are urgently needed, and which we have been advocating for years now, are dwindling away.

We must realize, in considering the agricultural expenditure package, that it is a bad thing, that, because these other policies are in decline, there have been a number of attempts at policy-making using the

EAGGF when it is quite insufficient to cover their requirements. There are many attempts to make use of this EAGGF so as to finance quite different policies. I am saying nothing new, but it must be pointed out once again that the uncoordinated monetary policy, the monetary compensatory amounts and the global Mediterranean policy are financed from it. We conclude innumerable trade agreements with other countries on products which we in fact have in the Community but import for the sake of the global Mediterranean policy, which means that the agricultural policy is performing a service for a policy which is not yet fully fledged. We are even creating development policies at the expense of the agricultural budget. I refer to the 1.3 million tonnes of sugar from the Lomé Countries. We are committed to helping the developing countries, but it must also be said that this is something which really has nothing to do with the agricultural policy as it was conceived, under which agricultural production in the Member States had priority. We are in favour of development policy provided that the cost does not devolve on the EAGGF.

Now for one of the main evils, the market imbalance. This causes us a good deal of concern, particularly in the milk sector, but there are inconsistencies there. We all say that this imbalance must be done away with. I recently defined it, if I may put it somewhat drastically, in the unambiguous terms once used by Mr Lardinois: the imbalance will not be abolished if huge quantities of vegetable protein and vegetable fat are imported to be converted in the cow's stomach into animal fat and animal protein, a very expensive business, and if the country which imported these huge quantities refuses to accept the resale of processed products. Everyone knows that, and the Commission produced proposals on it, but we in Parliament rejected them. I recently discussed this question on the German Food Committee, where it was argued: You may well be right, but don't forget what an effect that can have on exports to the USA, and are you suggesting that jobs should be put at risk? Thus even the milk marketing policy of this Community is regarded as an employment policy.

I think that if we look at the overall context, we should move away somewhat from the red rag of the agricultural policy — that 70 % overload. The way I see it, to quote an old saying we have back home, 'A work horse will always feel the whip: Just because the agricultural policy is in the shafts, and the cause of European Union must progress, new loads are always being added to it, because the other policies are inadequate. We should be realistic — I will ask you all, in spite of the annoyance caused by these figures and these shortcomings, Mr Scott-Hopkins — and we should be fair to this agricultural policy, and not make it the eternal whipping-boy.

I should like briefly to touch upon a second aspect. We hear again and again the Guarantee Fund is too high and the Guidance Fund too low. Now people are

**Früh**

saying, here is the solution, that is where we should start. I hope that the figures are studied in their overall context and not just superficially. As I have pointed out on various occasions, I should like to stress once more that this imbalance, Mr Hughes, does not exist in the European agricultural policy. The European agricultural policy is to me a combination of the common agricultural policy and the agricultural policy measures of the individual countries. If you look at the expenditure — it is set out in the report on the review of the agricultural policy — it emerges that one-third of all European and national agricultural expenditure is social expenditure, one-third structural expenditure and one-third guarantee and market expenditure. To that extent it is a balanced approach. A further point: no one objects to improving the structures, and they have been improved during the period under the common agricultural policy. Just remember that the number of persons employed in agriculture has declined by half in our countries. Productivity has increased, and increased decisively. I hope you will also bear in mind that further increases in productivity, or a reduction in the number of persons employed in agriculture at a time when employment outside the agricultural sector is in a parlous state, would be a very severe blow to social policy and unlikely to solve the problem at present. And here I should like to make a point which has already been touched upon but is very important indeed.

By increasing structural expenditure and shifting the balance, — quite apart from the fact that this also will affect farmers' income, which is one of the objectives of the common agricultural policy, — by saying 'down with the guarantee and let's transfer to the structural approach', we shall never manage to achieve a breakthrough, particularly in view of the impending accession of new countries with very difficult structures, if we do not succeed in creating an infrastructure in those countries with investment aid, the Regional Fund and social policy so that matters can be improved. That is why I say today — to avoid great disappointment later on — that it is a mistake to assume that the serious problems of the Mediterranean regions can be solved by altering the Guarantee and Guidance Fund. Such problems cannot be solved through the agricultural sector, they need to be tackled via the infrastructural and non-agricultural sectors if they are to be resolved at all.

Finally permit me to make two brief observations. There has been talk of flexibility today. We could indeed do with more flexibility but I must just point out that flexibility is often limited. We have seen how at the moment when, for instance, stocks could have been reduced — I am thinking of sugar, and cereals, that is not all that long ago — the agricultural policy, because of its obligations towards 260 million consumers, immediately battened down the hatches to

protect them from the world market, and we succeeded in this while food prices were rising sharply on world markets. Perhaps you can imagine how this very tight, speculative market would react if the Community were to join it as a large-scale buyer. So we battened down at once and, in so doing, I would say for lack of flexibility missed our big chance to clear the stocks. I think that this proposal by the Committee on Budgets should be welcomed to the extent that 20 % of the estimated expenditure is being included in Chapter 100 in order to achieve a certain flexibility. This would be a means of making more rapid progress.

One final point, which I would like to raise concerns something which does not seem right to me, and here I refer to the motion by Mr Spinelli concerning the ceiling on agricultural expenditure. I can understand this if one says it is increasing and will increase again. But I do not think it is right to implement agricultural policy through the budget and say that just by placing a ceiling on expenditure we are forcing a change in existing regulations. I believe the procedures and criteria for prices, for instance, are to be changed by this ceiling. I cannot imagine that by placing a ceiling on this sector where, as Mr Hughes has also said, it is very difficult to place limits and to make estimates, we can simply channel the efforts which we must make to give the agricultural policy its rightful place in a future Community policy, via the budget, so that compulsory expenditure just ceases to exist. I advise against this approach for I am firmly convinced that it would spell the end of a common agricultural policy which must be regarded as one of the foundations of the European endeavour. The end of this common agricultural policy would have serious and unforeseeable consequences which I am sure that no-one in this House would welcome.

*(Applause)*

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

**Mr Liogier.** — *(F)* Mr President, ladies and gentlemen, we agree substantially with the views put forward by Mr Houdet; I will therefore confine my remarks to a topic which is of particular importance at the moment, the co-responsibility dairy levy. The Group of European Progressive Democrats, in tabling Amendment No. 157 to delete Article 629, that is to say revenue of 211 600 000 EUA, thus maintains its unanimous opposition to the co-responsibility financial levy on dairy farmers.

This levy is unjust in that it imposes a selective penalty exclusively on milk producers. The application of the co-responsibility levy, which hits farmers particularly hard at the moment, constitutes a first step in the process of undermining the common agricultural policy under the adroit pretext of finding markets for the milk powder surpluses. The Group of European Progressive Democrats calls upon the

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Commission to draw up an overall policy in the field of proteins and to do away as quickly as possible with the effects of this unwanted levy. It would be wrong to see in this simply an extra charge on farmers and therefore simply extra income for the European budget which can then be re-allocated. This levy on milk producers introduces machinery which can radically transform the situation at European level but unfortunately in the wrong direction. It is likely that not only the Member States but the producers themselves will no longer be able to manage the market and we do not wish to embark on such a dangerous path.

Moreover, the present misgivings in farm circles about this levy, which we fully understand, unfortunately put producers in a very difficult position for the next price review. This augurs ill for future negotiations and we regret this too. What is more, the myth of structural surpluses is being bandied about once more, while permanent intervention for butter and milk powder is constantly being questioned, which is something we cannot tolerate.

Although the levy, thanks to our action and that of a number of our colleagues, at present stands at only 1.55 centimes per litre, it is in fact a one-sided measure. We have repeatedly pressed for a parallel levy on imported vegetable fats or if not, at least payment into the EAGGF of the equivalent by states who refuse this. We continue to support this equal treatment because we know that Europe imports four times more vegetable fats than the butter it produces, and that it also imports seventeen times more vegetable protein than the milk powder it produces. This fact alone should point to the action the Commission should take on the problem of dealing with Community dairy surpluses. Indeed, the Commission took a step in the right direction when it made the use of milk powder in the manufacture of feedingstuffs obligatory. This experiment appeared to have been successful, since, fortunately, the right quantities of milk powder were used. We think that it should be, if necessary, resumed on a new basis, since an unfortunate decision by the Court of Justice has suspended it and since it should involve much greater quantities. As for butter, if it is going to be subject to the co-responsibility levy, like all dairy products, it would have a better market position if it were not unfortunately subject to discrimination, to distortion of competition from other vegetable fats such as margarine, to name but one, which are, however, manufactured from products from outside sources imported into the Community. For this reason, failing the introduction of safeguard measures, justifiable in the circumstances, if only to protect the livelihood of our own people, we should at least introduce a counterbalancing levy on vegetable fats.

Those who reject this and who are often, curiously, the same people who complain about what they feel is

the excessive cost of the common agricultural policy, are the very people who are considerably increasing the cost of that common agricultural policy by giving privileged treatment to imported products over our own products. They thus have only themselves to blame for the drawbacks of which they complain but for which they are primarily responsible. I repeat that this levy is being used as a cure-all and we reject it. In any case, the plan to involve producers in the collection income is a complicated procedure and very difficult to implement. We would have preferred a real readjustment of the guarantee machinery for dairy products by extending the range of products guaranteed — cheese, yoghurts, ice-creams, etc. — thus making it possible to convert certain dairies. At the same time a courageous pricing policy should have been adopted for all vegetable fats. Such a policy would at least have had the advantage of satisfying the real interests of European consumers and producers and not those of certain non-Member States. I am thinking in particular — as you will have guessed — of imports of American soya. These various measures require the application of a consistent policy involving prices offering a fair return structures to meet the real needs of the Community and, in some cases too, social aid. This is the only clear, consistent and effective policy.

*(Applause from certain quarters)*

**President.** — I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

**Mr Scott-Hopkins.** — Mr President, may I first of all welcome the report of my honourable friend, Mr Shaw, the rapporteur, for the way he has dealt with the part relating to agriculture which we are dealing with at the moment. At the same time may I also welcome, once again, the opinion that was drawn up by Mr Klinker.

We have already heard it said, several times, by various Members how disappointed they are at the way that the CAP and the EAGGF are constantly pilloried because of their size in proportion to the rest of the Community's budget which we are dealing with in total during this particular session. It has been said by Mr Klinker, by Mr Houdet, and by various others, and Mr Früh explained particularly well the point that it is not that the CAP itself is too large, it is because everything else is too small. This is partly due to the fact that the Council are reluctant to take any decisions on increasing any of the other sectors which the Community deals with — they are too frightened, too timorous — and to a certain extent, it is the fault of the Commission because they do not seem to put forward sufficient draft regulations and directives to extend the scope of the other sectors of the Community's activities. So the CAP remains as the linch-pin of the Community policies. I do not regret that but I do regret — as I have said — the fact that the other

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institutions, the Council and the Commission, have not developed to a greater extent the other activities which I believe this Community should be fulfilling. If this were the case, then we would indeed see the agricultural policy in the right perspective, which I do not believe is the case at present. As has already been said, there are many items in the EAGGF estimates which should have no place there at all. I am not going to go through them because they have already been mentioned by other honourable Members who have already spoken.

But we have been told, by Mr Hughes for instance, that trying, for example, to get the MCAs and the ACAs out of the agricultural sector and other sectors does not really matter very much, and that in any event, Mr Gundelach is going to put forward new proposals. Yes, I am sure he will do so in the next few days. But proposals do not mean actually concrete action. And how long are the Council going to keep those proposals waiting? And how long is it going to be before they agree after we have said our bit? It could last months and months and months — if not, indeed, into 1979 and 1980.

This has been the fate of quite sensible proposals by previous Commissioners, including Commissioner Lardinois, which have sunk at the feet of the Council.

Another thing which, I must confess, riles me a little, concerns the question of surpluses. We have already had mention of it from Mr Hughes and others. Indeed, Mr Liogier mentions structural surpluses as such. Of course there is criticism, but we have to balance up on the one hand the need for stability of supply for our consumers throughout the Community, and on the other hand the level of remuneration which farmers in the Community need in order to produce their supplies which do give stability to the consumer.

If you create too great an imbalance, in other words if you do not remunerate you farmers or your producers sufficiently, then you are not going to get a stability of supply.

In the United Kingdom we have seen over the recent years how this stability of supply can be greatly to our advantage. It was not all that long ago that we were very short of sugar in the United Kingdom. What happened? Where did we get it from? We got it from the Community which helped us out. There have been instances in other countries where shortages have occurred, and will continue to occur. One has to balance up the two. It is a very difficult thing to do, I must admit. Nevertheless, I believe it can be done, and in a very short space of time, I am going to put forward three proposals which I think can help this particular issue.

Whilst I am dealing with this, I must say that I was horrified earlier on this year by the way the Community did dispose of its surpluses. This is part of the problem — the disposal of the surplus when it occurs.

It was a most ham-fisted performance by the Commission — the new Commission as it then was — when they were disposing of the surplus to the Russians. Their public relations were appalling and I am quite certain they will not make those mistakes again. Yet it seems to me that when they are dealing with agriculture — although I am delighted to see that Commissioner Tugendhat is taking a great deal of interest in this particular sector of the Community's activities — I am just a little apprehensive that they are not concentrating sufficiently on how to dispose of surpluses when they arise, because they will arise. You are going to get favourable weather conditions which will mean, in some cases, you are going to get surpluses. I would hope that the priority call should be to the specialized groups throughout the Community for the disposal of these surpluses to such people as old-age pensioners, to hospitals, to the armed forces and so on. It has not been done to any great extent other than to the old-age pensioners. I do believe that the system of token or special disposal of a surplus, when it arises, to these specialized groups throughout the Community, could well be something on which we should concentrate much more than we do at the moment.

As I have said, there are three particular prongs to an attack that I believe should be made at this moment of time and they are dealt with in the various amendment that I am putting forward in the name of my group.

The first two concern the agricultural sector and the third one concerns the Guidance section. If I may first of all deal with a situation which affects very closely the amendments standing in my name concerning the intervention fund, reflected in the proposal by Mr Lange in the Committee on Budgets to have an increase of 20 % in the EAGGF fund. This, to me, is absolutely the wrong way of going about it and I was glad to hear Mr Hughes, on behalf of the Socialist Group, give his condemnation of it as well. This is tantamount to saying to the various farming institutions through the EAGGF — the farming lobbies, COPA and so on — 'We are going to give you a 23 % rise — that is an estimate for 1978 — but over and above that we do not think that is going to be enough. We want to put another 20 % in'. Any negotiator worth his while, Mr Lange, will say, 'Thanks very much chum, that is our starting point, not our finishing point'. Even if it is their finishing point that is high enough. It is a 43 % increase over 1977-78. I do not think that is an acceptable way of going about it. If one wanted to do this, — and I quite understand the feelings of the Committee on Budgets and our rapporteur and indeed the chairman of the Committee on Budgets, that one does not want to have supplementary estimates — then the thing to do, surely, is to have an increase built in for all the various sectors — the Regional Fund, the Social Fund, the Agricultural Fund and so on — so that there

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would be no identification for a negotiating body that this is earmarked for agriculture. But that is not the proposal and therefore I shall advise my honourable friends to vote against it when the time comes.

Exactly the same thing applies to Mr Spinelli's appraisal as well. I do not believe it is practical to put a cost ceiling at this moment of time when the commitments are such as they are; I do not believe it will actually work. I applaud his intention, but I do not believe the way he is going about it is the right way, because I think it is impractical, and doubtless he will be telling us why it is practical in the near future when he catches your eye, Mr President.

What I am proposing, in the amendments that I am going to put forward, is that there should be a cut of 25 % in the intervention which has been put forward by the Commission. Nobody will deny, the Commission least of all, that their estimates are rough and ready, they have already had to correct them, obviously because nobody can tell in June and July 1977 what is going to be the level of intervention in the year ahead, in 1978. We have already had to have a letter amendment, which has increased the amount they originally put in. So it is a very rough and ready guide. They are saying that they accept that there are commitments and it is on the level of commitments and their statistical services that they are doing this. I do not believe that is an adequate basis for doing it. Therefore I do suggest, and the Agricultural Committee was kind enough to accept my proposal, that there should, in principle, be a cut in the intervention in order to give more flexibility to the Commission. I believe that the Commission have the ability — indeed, they have done so in the past — to change the intervention levels during the year. Mr Gundelach can do exactly the same as Mr Lardinois did; he can come forward with these proposals to change the level of intervention, and there is absolutely no reason why this should not be done. One wants a much more flexible level of intervention, which should be related to the supply-and-demand situation. If this is so, then it is right to take sums out of Chapter 6 and 7 and put them into Chapter 100.

I will not go on with that particular point, Mr President, but I feel that that is the right thing to do. Those are the two particular issues as far as the Guarantee Section is concerned. At the same time, if one did put it into Chapter 100 I do believe that Parliament would have a little time in order to be able to control what is transferred from Chapter 100 into the various headings of the Guarantee Section.

Turning quickly, if I may, to the prong of the proposal I am putting forward, this is to have a Rural Development Fund, and once again I was glad to hear that this is getting a certain amount of support in principle throughout the House. I believe at the moment there are so many diffuse set parts in the Guidance Section

that we have got to bring these together. I believe that the backward areas, the rural areas, need a comprehensive development plan, and I do not think that once can go on along the lines we are following at the moment. I would turn to Commissioner Tugendhat and I would say to him: this idea is embryonic only, I would hope he will be able to study this and come forward with either a green paper, as Mr Hughes suggested, or a white paper or the equivalent of it, a document which we can look into to see whether we cannot coordinate together into one rural fund all the Guidance Section to start off with, moving on to those sections of the Regional Fund and the Social Fund which will automatically fall within his ambit, so that there is one comprehensive way of developing those areas. I think this is well worthwhile: I hope it can be done.

In conclusion, Mr President, I believe that what we must try to do in the agricultural section of this budget is, first of all, to have greater flexibility in the intervention agencies. I believe this can be done, and I think it must be related to supply and demand. I think the disposal of the surpluses when they arise, as inevitably they will, must favour much more the various special sections of our population than it does at the moment. I believe that we must give the Commission much more flexibility in the intervention section by putting more into the reserve Chapter 100 than in Chapter 6. If it were possible at some later stage to combine all the various funds and have a reserve for all of them put into Chapter 100, then that I would accept but nothing else than that. I believe we must create a Rural Development Fund which will, in point of fact, be the beginning of the way we can take towards really doing something worthwhile for those areas and the people who live in those areas, towards helping the rural areas of our countries to develop and to come along with the industrial areas of our society.

I also believe that we must — if we are going to have surpluses — try to shift the incidence of these surpluses from the milk sector to the cereal sector. Let the Commission be very careful that the levy which the milk producers are paying at the moment, and which was mentioned by Mr Liogier, is used for the promotion of milk sales and not other purposes for which it was never designed — but that is a separate thing. If we do these things, then indeed we can look forward to an era of rural areas and agricultural industry, which is one of the greatest in the Community, will be able to develop on better and more stable lines. I believe the common agricultural policy will be going in a better direction, and will get greater acceptance by the general public.

*(Applause)*

**President.** — I call Mr Vitale.

**Mr Vitale.** — (I) Mr President, I shall use only a few minutes of the time available to me.

I shall not repeat now the fundamental concepts expounded yesterday on behalf of our group by Mr Spinelli, but shall confine myself to putting more emphasis on a subject already touched on by Mr Spinelli yesterday, a subject which, in fact, has emerged as the dominant theme of this entire debate: the problem of limits to the policy of financing surpluses and, more generally, the policy of price support.

I believe that a misunderstanding has occurred in the interpretation of Mr Spinelli's proposal. It is not a question of putting a figure on the maximum amount that can be spent. What we are asking is that a serious review be undertaken of the regulations applicable in the various sectors so that we can find out, sector by sector, regulation by regulation, what is the burden the Community is assuming, and what is to be done, for instance, to ensure that beyond a certain limit of this burden the producers should also bear part of it — in the same way that has been tried, with little success it must be said, in the milk sector. What we are asking for is a detailed study of the various regulations so that we can achieve an overall reduction of this expenditure. Price policy, the policy of EEC financing, has for many years now been at the core of all our debates, but, unfortunately, to no effect: the co-responsibility levy on milk is not being applied, no search for more outlets in the milk market is pursued, not even as a policy aim. In short, the EAGGF's Guarantee Section continues to spend every year 2 000m units of account on this policy.

Well, I should like to draw your attention to this and to link this specific subject with one that is more general, that is, the consequences we can expect if we continue with this policy in view of the likely entry of Spain, Greece and Portugal into the Community. According to a study by a working party set up by the German Government, we must expect, in addition to the existing surpluses, surpluses — which would become structural of olive oil, wines and tobaccos on which the EAGGF, Guarantee Section, would have to spend amounts rising from 622m u.a. this year to 1 219m in 1980, only to finance the surpluses of these Mediterranean products.

If we persist in our present policy, in three years from now the financing of surpluses will cost over 5 000m u.a. This is the prospect not just for this year, but also for the immediate future. It is clear that all this is totally inimical to the need for greater expenditure under the Guidance Section, for expenditure on structural policy. Unless we make a major effort in the structural field, the entry of the new countries will only exacerbate all the existing imbalances; the proportion of the population with incomes less than half the Community average will rise from 22 % to 36 % in the Community, so by pursuing our present policy we shall simply be aggravating the disequilibrium.

Unfortunately, resistance to the idea of revising the regulations so as to put a limit on the EAGGF's Guarantee Section is now prompting the governments of the Mediterranean countries (and I mean the Italian Government and the French Government) to ask that the present policy be extended to the remaining Mediterranean countries, too. This means the financing of more surpluses; it means appropriate counterpart funds for price support, and all the rest. This, apparently — for no official information is available — is what the Italian and the French Governments have done in their memoranda on the enlargement of the Community.

We cannot agree with a policy which would extend the financing of surpluses to Mediterranean products simply so as to preserve the present framework of agricultural policy under which milk surpluses are financed. We are convinced that a structural policy cannot be added to the present policy of financing surpluses. Such a structural policy will be possible only when we begin to restrain this mechanism which first began to be introduced fifteen years ago.

This requires that we should get a proper view, not only of the present budget, but of the more general issue that arises in relation to the Community's enlargement.

I am also of the opinion that, only by taking this view of price policy, can we as a Parliament exercise a certain amount of control over the common agricultural policy, forcing, in a sense, the Commission to proceed along lines laid down by our Institution, and so towards a structural policy.

It has been said that Italy, could make better use of the funds. Well, I should like to give you an example of how better use could be made of the funds which the Community's own regulations oblige us to use badly. I should like to quote you the case of olive oil, the amended regulation for which must be shortly due. Today, Italian farmers receive a grant simply for having produced a certain quantity of olive oil. If I were looking at this in a nationalistic spirit, I might find this system extremely convenient; but I ask myself: What sense is there in granting a subsidy all round, without distinction, to large producers and to small, with no restrictions, even to those who don't bother to harvest the olives or to those who manage to sell the oil for more than the target price.

This is how the Community regulation works. Why can we not change these price subsidies (I have been talking about olive oil, but it applies equally to wheat and other products) into a sectoral development fund and so give these subsidies to those who can prove they have improved and developed their farming and who put the oil on the market at non-speculative prices? That would be a fair policy. It is an example of how expenditure, now borne by the Guarantee Section, could become an instrument for the development and improvement of agricultural structures.

## Vitale

To conclude, Mr President, I feel that this demand for a ceiling to the EAGGF Guarantee Section, with a mechanism such as I have described, must be adopted if we are to reform a sectoral policy which is now being criticized on all sides. It is also essential in fundamental political terms if we are to meet the requirements of the new Mediterranean policy which is taking us to a new frontier, confronting us with new responsibilities which we can only assume by means of a strictly disciplined price support policy. It is the point of departure for any new debate — one free from hypocrisy and mutual deception — on the policy of structural change and, more generally, on the Mediterranean policy.

*(Applause from the extreme left)*

**President.** — I call Mr Ligios.

**Mr Ligios.** — *(I)* Mr President, having carefully examined the Community's 1978 budget and having listened attentively to the preceding speeches, I should like to express my criticisms of this budget, especially as regards the agricultural sector.

I think it embodies, but in an even more glaring form, all those imbalances and inconsistencies which some of us were denouncing in this House when the 1977 budget was debated. It seems to me that, as last year, the worst feature of the budget is once again the absolute and unassailable dominance of agricultural expenditure. This — we might as well remind ourselves — amounts to 9 150m EUA out of a total of 11 750m, that is it represents 78 % of the entire budget. In justification it is said that so far the agricultural policy has been the one which the Community has been operating most actively and the expenditure is a logical consequence of this: true enough, but it has now reached excessive proportions.

Since agricultural expenditure is compulsory, and therefore cannot be touched, the attempt is being made once again this year in the preliminary budget to operate savings on expenditure in the social and regional sectors, that is precisely in those sectors where, as we claim in our verbal statements, we wish to increase it.

Finally, the third negative aspect is the fundamental inability of the European Parliament to make any significant changes in the budget, despite the firm verbal statements and definite demands that have been made over these last few years.

Having described what I see as the main general faults of the budget, let me say a few more specific words on the more glaring imbalances one can find in the agricultural sector expenditure.

Let us take, as an example, the EAGGF's Guarantee Section. Much has been said about it and it has been examined under various aspects, but not always — in my view — with full objectivity. Let me just point to the enormous disparity between the Guidance and the

Guarantee Sections, and also to those between the various sectors within the Guarantee Section. Once more, dairy products are favoured by the budget.

Milk alone, for instance, accounting for 18-20 % of the total output, claims 2 914m EUA, or 41.58 % of the 7 008m expenditure under the Guarantee Section. To see more clearly the enormity of this disparity, let us note that the fruit and vegetable sector — rice, wine, tobacco and olive oil, i.e., the 'Mediterranean products' which together account for 17-18 % of the Community's total agricultural output — get from the EAGGF's Guarantee Section barely 925m EUA or 13.19 %: in other words only a little more than the 773m which the Community spends on aid for skimmed milk powder and the liquid skimmed milk for use in animal feeds! This is a very fundamental disparity within the sector: the protection given to some products is excessive, while other products — which, moreover, are typical of the poorest Community regions, regions which under the Mediterranean agreements are exposed to heavy competition — are completely neglected.

If we now look at the monetary compensatory amounts — on which Mr Hughes' remarks seem to me much to the point — and at all those agricultural monetary charges due to the dual exchange rate, that is to the existence of the 'green' currencies, we find that these come to as much as 1 709 milliard EUA, or 18.67 % of the total expenditure directly or indirectly connected with agriculture.

What is happening, and this, in our view, is the essential point, is that the Community is doing three things which find their reflection in the budget. First, support which is excessive and, in my opinion, no longer tolerable, is given to animal production: milk and meat. At the same time, there is insufficient intervention to aid the products of the Mediterranean regions. Thirdly, we find production of animal products in countries with weak currencies being discouraged through the mechanism of monetary compensatory amounts which in practice mean an export premium on exports from strong-currency countries. Those with weak currencies are thus faced with overwhelming competition and forced — as was the case recently in my own country — to slaughter their animals.

Here too a few figures will, I think, suffice to bring home to everyone the very serious consequences of such a mechanism, at least as it affects one particular sector in my own country.

Last year, Italy had to import 8 716 000 quintals of milk, or 52 % more than in the previous year, 1975; 86 % of those imports came from neighbouring Germany, more particularly from Bavaria. In the first five months of the current year, Italy has already imported 4.5 million quintals of milk, or 30.4 % more than in the corresponding period of 1976.

**Ligos**

We are still waiting to hear the figure for monetary compensatory amounts and other incentives — for instance, a 3 % reduction on VAT — from which German dairy farmers benefited on their exports to Italy. We have addressed a question on this to the Commission.

Mr President, I limit myself to these few remarks and shall now wind up. If a budget is an accurate reflection of a policy, the conclusions to be drawn from these few data which I permitted myself to quote to you are certainly not encouraging, and cast a dark shadow over the future of the common agricultural policy and over any practical prospects of — some, at least — of the Member States tolerating it much longer. We need therefore — and this is the point to bear in mind — a revision of the common agricultural policy and, in particular, a gradual elimination of monetary compensatory amounts, a revaluation of Mediterranean products, and a reduction of expenditure in the dairy sector.

We certainly should talk about these problems again when, shortly, we come to fix the agricultural prices for next year and when we examine — very soon, I think the reports on the problems of Mediterranean agriculture. But I believe that it is both possible and necessary to agree now that if the Community fails to make these important reforms which we have been discussing for two years now, it will be moving towards a crisis, the extent of which it is difficult at this moment to assess.

*(Applause)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, it is appropriate that as agriculture looms so large in the Community budget, we should have had such an extensive debate upon it. I hope the House will not feel it presumptuous of me to say that I thought it was also one of the most interesting debates on agriculture that I have heard for a very long time. A number of contributions seem to me quite outstanding, and I wish that the time available at my disposal was sufficient for me to take up some of the points which were made. Certainly, I feel that I have learned a very great deal, and I am grateful to the House for that. I am only sorry that I will have to be so brief.

To begin with, I fully endorse the four major points of Mr Shaw's report, which correspond very much to the objectives the Commission is trying to achieve and which, to my mind, offer ways of reinforcing one of the major and vital policies of the Community Budgetary considerations — I must stress this as well — are not the enemy of the CAP but an inevitable aspect of its strength. I do not need to emphasize the difficulties — not least those which have to be faced in the perspective of enlargement. So far as the structural policies are concerned, a big increase in effort is now

proposed, and it is certainly in part through efforts here that we will be able to correct the disequilibria which have such large budgetary consequences. MCAs — I entirely agree — must also be phased out, and the Commission will very shortly be presenting a revised proposal, as well as its report on the related issue, the introduction of the European unit of account for agricultural purposes. These two measures will help to control agricultural expenditure, but the Commission is determined to reinforce all its efforts to achieve lasting solutions in this sense.

As regards the present context, I know that the competent committees of this House have taken a very close look at the 1978 estimates for the Guarantee and Guidance Sections. The proposals for amendments on the agenda for this part-session show Parliament's determination to contain agricultural expenditure. I myself have particularly noted the proposal to create a reserve in Chapter 100 amounting to 20 % of the appropriations for the EAGGF Guarantee Section, not including monetary compensatory amounts and dual rates, in order to avoid the need for a supplementary budget in 1978. The Commission itself carefully considered the case for a reserve. It did not have in mind such an ambitious sum, and concluded that the market and policy uncertainties were such that a reserve of the size discussed could not be justified, because it would be either too little or too much.

However, if the budgetary authority feels able to agree to the large proposal now in mind, the Commission would not object. It would undoubtedly help to avoid a possible supplementary budget, and would, therefore, not require a change in the rate of VAT for financing the budget. There would be an apparent enlargement of the budget, but past experience suggests that this would only be provisional, and if the practice became regular each year, the pattern would then become normal. I wish it were otherwise, but I fear that the idea of putting 20 % of the existing funds into Chapter 100 does not solve the central problem of avoiding supplementary budgets.

Finally, I would like to comment on the suggested amendment which would introduce into the budgetary remarks the principle that this section's appropriations constitute a ceiling which cannot be exceeded in implementation, matched by a commitment by the Council to effect, on the basis of the Commission proposal, the necessary changes to the regulatory mechanisms so that this result can be achieved. We share the concern that is behind this proposal which is, of course, logically quite consistent, but I must insist that in the present state of the CAP, the consequences would be revolutionary. Such decisions will not, in our view, help to achieve the desired objective. Instead the institutions concerned must work together to improve gradually the regulations and structures, and to enable the expenditure in this field to be controlled effectively. I must apologize to the House, Mr President, for sticking so closely to

**Tugendhat**

prepared texts, but in the interests of brevity, it is much easier to do that than to make the kind of speeches which I sometimes make, and which have led to me getting near my time-limit.

*(Laughter and applause)*

**President.** — We now turn to *Development and third countries*.

I call Mr Price.

**Mr Price, draftsman of an opinion.** — Mr President, I take the floor as draftsman for the Committee on Development and Cooperation and this marks, in a sense, the transition from a debate on agriculture to a debate on development and cooperation. Of course, the two subjects are intimately connected, because much of the aid that the Committee on Development and Cooperation is concerned with is food aid of one kind or another, which is also a concern of the Committee on Agriculture. The two debates therefore come together in a very appropriate way.

I wonder if, before I get down to the details of the amendments which my committee proposes, I could make one or two very general remarks. It is unfortunate that development always comes last, that it is number nine, and it would be a pity if this gave the impression that Parliament, in some way, felt that its role as regards aid to the Third World was a subsidiary role and not central. In my view, the generosity and the determination which we put into our aid to the Third World is a more crucial test of Europe at this moment than anything else. If we were to agree to the sort of cuts that the Council have proposed in the Commission's development budget, we would be simply confirming Europe as the rich men's club which so many people accuse it of being. If we really do take our responsibilities seriously in playing our part in the world and moving towards a new world order, then in my view we must support the various amendments that have been put down in this section to restore the appropriations which the Council has cut.

Before I go on to those amendments, perhaps I could make one or two remarks about the way in which I shall treat the subject. It is almost impossible to talk about food aid in terms of units of account, because they come under so many different headings. The only sensible way one can talk about them is in terms of amounts and tonnes of food aid given.

One of the basic arguments between the Commission and the Council over this particular element of the budget concerns payment appropriations and commitment appropriations. In many cases, we have less quarrel with the Council about the actual amount allowed for payment appropriations next year, than we have with the adamant refusal of the Council to allow commitment appropriations in exactly the area where it is impossible to work without some sort of forward planning.

We are now halfway through Lomé I, and moving towards Lomé II. Discussions have got to start quite soon, according to the Lomé Convention, about the preparations for Lomé II. The Commission and Parliament are in an impossible position if, in discussing Lomé II with our ACP partners, we cannot say that we have decided as a Parliament not only on what is to happen next year, but on what is to happen the years after that as well. It is quite impossible to plan development. No other institution which is concerned with development, such as the United Nations, the World Bank or the IMF, would dream of trying to put forward a programme in the way that the Council insists that we attempt to produce our development programme. It is this argument about payment appropriations and commitment appropriations which is quite central to the quarrel which my committee has with the way the Council has approached this issue.

I wish to make one other comment on the Council's approach. Of course, all its discussions are quite confidential and one never quite knows what reasons it gives, but there are strong rumours that one of the reasons given by the Council for making these slashing cuts in the amounts proposed by the Commission for food aid was that we happen this year to have had a very much better harvest in India and the East than we have had in previous years. But anybody who knows anything about development knows that cutting down on food aid on the basis of a single year's harvest goes clean against every principle that one ought to follow in a proper development policy. Sometimes it may be necessary to build up stocks against worse harvests in future, on other occasions one can actually raise nutritional levels instead of trying to run fast in order to stand still, which is what many of these Third World countries are having to do.

For that sort of argument to be used by ministers in the most prosperous quarter of the world in insisting on these cuts in food aid, when we are talking about a crisis which is not only crisis of economic development and hunger, but is also turning into a political crisis in the relationship between Europe and the rest of the world, is something which we in Europe ought to be ashamed of, and which we in Parliament ought to resist.

There are certain amendments which you have before you, not put down by the Committee on Development and Cooperation but by the Committee on Budgets, which aim at budgetary clarity. They also attempt to show, under the development budget, what is development money, and to prevent it from being split, as the Council would wish because it thinks it can control it better that way, with half in one budget and half in the other. Although the Committee on Development did not put down amendments on this score, I am quite sure that my colleagues on that committee would, in the light of earlier discussions, wish to support those particular amendments.

## Price

Another amendment put down by the Committee on Budgets in pursuit of budgetary clarity concerns beef, and an attempt to budgetize the extent of tariff reductions which we give to those countries in the Third World which export beef to the EEC. This again has not been discussed in my committee, and I would like to remain neutral here because, as the Committee on Budgets agrees, this is a sort of holding figure to be put down and needs a great deal of discussion, in particular with the countries involved.

The four areas in which the Committee on Development and Cooperation felt very strongly that the appropriations must be restored concern two areas of food aid — cereals and skimmed milk — and aid to non-associated countries and cooperation with non-governmental organizations. There are many other areas in the budget where cuts have been made. But we felt in committee that we wanted to act responsibly. We did not want simply just to put everything back that had been taken out, so we identified these four areas as quite the most crucial in terms of restoring appropriations, particularly as regards food aid. The Council has cut down the tonnage of cereal aid to 720,500 for next year. We have restored the Commission's figure here, and I am very glad the Committee on Budgets has supported us over that.

The position as regards skimmed milk has been widely discussed already in the previous debate. I shall not, therefore spend too much time on this subject. What the Committee on Budgets did on this was not simply to accept our suggestion to increase aid to 150,000 tonnes, but it further restored on top of that, another 50,000 tonnes. I do not think anybody on my committee would particularly quarrel with that.

There are quite genuine arguments among experts in aid policies as to the desirability of flooding the Third World with skimmed milk without sufficient control over the way in which it is used. I am quite certain that if we are determined — as we are now in Europe — to be one of the largest aid organizations in the world, we must act in a responsible manner and listen to those people who point to some of the dangers which can arise from skimmed milk, particularly if it is not properly processed before being used. We must take account of those criticisms. However, the Commission should be given the opportunity, as soon as possible, of disposing of this skimmed milk under conditions with which it is satisfied and of getting rid of as much of it as possible. For that reason, I am quite sure that my committee would wish to support the Committee on Budgets amendment, which replaces various amendments tabled by other groups.

Just two short points before I finish, Mr President. Firstly, non-associated countries : we put down amendments restoring the amounts on aid, trade and scholarships for these countries because we think it is important to maintain a proper balance between the ACP

countries and the rest of the world. If we are going to be responsible in Europe in our attitude to the rest of the world, we must follow this course. The Council's proposal regarding non-associated countries would completely distort the balance in aid between the ACP States and the rest of the world.

Finally, on non-governmental organizations : we have no quarrel with the amount put down. However, what these non-governmental organizations — organizations like OXFAM — desperately need is some view of the future. That is why we have said here that we must put down commitment appropriations as well as payment appropriations for the future, in respect of these voluntary organizations, some of which are excellent instruments in the Third World for disposing of our aid.

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

**Mr Broeks.** — (NL) Mr President, my group wishes to comment on the amendments which partly concern something which was recently on the agenda, namely preferential tariffs. So we shall be repeating what we said then, albeit briefly. In our efforts on behalf of the Third World, there is a distinction drawn between the countries associated under the Convention of Lomé and the rest of the Third World. You are aware of the emphasis we laid on the fact that the countries associated under the Convention of Lomé are favoured in this matter. However, together they have a total population of only 400 million, whereas there is one country among the remainder which alone has 600 million inhabitants. Despite the fact that the rest of the world has a population many times greater, we only grant the rest of the world a total of 10 % of what we allocate to our partners in the Convention of Lomé. I think we would do well to keep this in the forefront of our minds.

To some extent the Commission does so, but regrettably the Council has cut back the appropriations proposed by the Commission. We should endeavour to re-enter them as they were originally, or even increase them here and there.

I do not intend to discuss the proposals on Chapter 90 and 91 submitted by the Committee on Budgets. This is a budgetary matter on which we have little to say. But this is not so in the case of amendment No 298 in which this committee proposes appropriations of 30m EUA for the safeguard clause relating to beef and veal from the ACP States. At the last part-session a report was submitted on this matter and I was myself the rapporteur. That report was adopted without debate and I fail to understand what is happening now. That report extended an extra-budgetary arrangement, yet now we have a proposal from the Committee on Budgets that it should be concluded in the budget. I am not sure whether that is possible, but Mr Shaw may well be able to tell me.

**Broeksz**

The next amendment concerning the operating expenditure of the ACP States is also a budgetary matter. I shall pass over that as well. But then we have the question of skimmed milk powder and I find this extremely important. We have discussed this repeatedly and had no problem with the proposal from the Committee on Budgets that an extra 50 000 tonnes should be added to the aid. The question is, of course, whether it is in fact of another 50 000 tonnes. I must say here and now that the Commission proposed 150 000 tonnes but we have had requests for more than 200 000. Our skimmed milk powder mountain amounts to 1 300 000 000 tonnes. Therefore, I cannot understand why the Council was not prepared to accept the Commission's proposals and I think that the Committee on Budgets was quite right to increase this proposal by 50 000 tonnes. The Socialist Group can endorse this because I am convinced that these 50 000 tonnes will be properly utilized. I mean that they will be vitamin-enriched for really poor areas and that it will be proved to us that the people on the spot know how to utilize this milk powder properly, because otherwise such food aid is more dangerous than helpful.

In Mr Shaw's report, with reference to Item 9211, it is stated that the opinion on this proposal is unfavourable. Perhaps Mr Shaw should look at his own report. In the Dutch, Italian and German texts the cross is clearly in the wrong place, but Mr Shaw can put that right himself.

And now to amendment No 15/rev. I consider this to be an important matter as well. Here again we find a difference of opinion with the Council. The Council wants to have nothing to do with long-term plans but we can only undertake such projects if they are conceived in the long term. They cannot run for just one year. The countries which we want to help cannot make suitable arrangements and then this aid has no sense or meaning. The Commission proposed that a five-year plan should be drawn up. Unfortunately, the Council rejected this, but I believe that the proposal from the Committee on Development and Cooperation that the original proposal should be adopted is of great importance. We must do this if we really want to give effective help. This also applies to amendment Nos 21 and 22 which concern aid for agriculture and food production. We have repeatedly stated how important it is to grant the Third World aid for agriculture and food production on a small scale. It is important that we should enable the local population to grow their own food. Only in this way can part of our food aid become unnecessary in the long run, although at the moment it is still all too necessary.

I willingly endorse what Mr Price said about harvests: if we use the harvest in India as the pretext for rejecting certain proposals, then I no longer know what we are doing. This is such a hard-hearted point

of view that I can find no good word for it. Since this involves not only agriculture but also aid for marketing products from the developing countries in the Community, and if we want to encourage developing countries to increase their production for export, then this is not something which we can achieve in one year. Such projects need several years and plans are necessary for each individual year. I cannot understand why the Council will not accept this.

The same is true of grants where information on the management of small and medium-sized industrial undertakings is involved. This too is of extreme importance in the developing countries, and I cannot say this often enough: these are not projects that can be completed in one year. I sincerely hope that the Council will realize that the countries involved must take responsibility for the planning, and that we must enable them to do so.

We must not say to these people: We shall give you aid for one year and then we shall have to see. We cannot call that planning. The Council itself does not act like that. If the Council wants to make a start on such matters in the Community, it too draws up plans for a number of years and not for one year.

Mr President, the other amendments to the budget are all of a technical nature. Our group has no objections to amendment No 18 and, on the contrary, endorses it fully.

**President.** — I call Mr Deschamps to speak on behalf of the Christian-Democratic Group.

**Mr Deschamps.** — (*F*) Mr President, the budget proposals for 1978 put forward by the Commission in the chapter on development and the Third World are unanimously supported by the Christian-Democratic Group and, I hope, by the whole Parliament.

My first duty is therefore to thank the Commission for originating and tabling these proposals. This harmony of views between the Commission and Parliament is not, I feel, surprising. If there is one field where Parliament has constantly supported the Commission's initiatives and where the Commission has made every effort to put the policies advocated by Parliament into practice, it is the field of development cooperation. In this respect, there has been — and there is still — between the Commissioner responsible for this policy, Mr Cheysson, and the Committee on Development and Cooperation in this Parliament, unflinching agreement.

But I am particularly glad to be able to draw attention to the solid support we have received and continue to receive in this cooperation policy from the Committee on Budgets. The report which Mr Shaw has presented and on which I would like to congratulate and thank him, demonstrates that Parliament wishes to make its own the policies of the Committee

## Deschamps

on Development and Cooperation. The report contains some particularly significant comments like the statement that Parliament was completely in favour of a global Community development aid policy. This, gentlemen, is a very important policy statement which commits the whole Parliament for the future.

Yesterday my friend Mr Aigner said in a very strong statement :

Europe's development policy is one of those policies which at the present time demonstrate most clearly to the world the identity, the influence and the rôle of our Community as a whole.

This is true not only to our special partners in the Lomé Convention, but also for those other developing countries which are not associated with Europe by any convention.

There is no doubt that these countries — whether associated or not — will find in the budgetary proposals before us, which we support, much to welcome. They will find for example in Mr Shaw's report, which the Christian-Democratic Group *unanimously* supports, statements such as :

Parliament favours the pursuit and improvement of aid projects in developing countries. The present level of food aid appears inadequate. There should be a coherent and unified aid policy. Aid to non-associated developing countries is also of essential importance.

Statements such as these constitute the very basis of the cooperation and development policy we would all like to see and which, on behalf of the Christian-Democratic Group, I fully support.

I would like, ladies and gentlemen, to include the Council in the praise and thanks which I have addressed to the Commission and our colleagues in the Committee on Budgets, but unfortunately, I am unable to do so. I would have liked to do so particularly because the Council is represented here by Mr Eyskens, whose personal views on this matter are well known to me and who, I know, would certainly wish to support the policy which I have just described were it not that certain of the Council's attitudes — they are not new, and Mr Eyskens is not responsible for them — leave us less than satisfied.

The first and most important of these attitudes was recalled most eloquently by Mr Price : this was its attitude to the 'frozen' appropriations. We cannot accept that certain aid programmes which have been voted by this Parliament and for which the Commission has highly specific programmes, cannot be used because the Council has not released the necessary funds for their implementation. We have already stressed in this Parliament the institutional problem, but I will not dwell on this today ; I wish to stress that it is unacceptable to refuse implementation of Parliament's policies when they have been expressed so clearly, when

they are based on such specific programmes, when they have such humanitarian objectives and when, lastly, they are so widely supported throughout Parliament. It is a question of credibility. If, today, you do not allow the 1977 policy which we have voted to be implemented, how do you expect any credibility to be given to our policy for the 1978 budget ? I hope the Council will have second thoughts soon — before the end of this year — about freezing these appropriations, particularly the food aid of 45m EUA, and that we will be able soon to implement the specific programme which the Commission has ready and which is for a specific purpose.

As regard all the amendments which have been tabled, I would like to say that the Christian-Democratic Group supports those which have been tabled on behalf of the Committee on Development and Cooperation and, naturally, those which we have tabled ourselves. But there is one which I would like to stress particularly ; the amendment on non-governmental organizations. Mr President, I would be tempted to say that this was the brain-child of the Christian-Democratic Group, that has been taken up by everyone else and which we all support together. Three years ago, 2.5m u.a. were allocated and we believe used very well. This has grown to 5m u.a. which was also very well used in effective emergency measures. But this year, they have been reduced and on this point, the Council has shown a certain amount of understanding. Mr Aigner has tabled an amendment, which he will probably explain himself, restoring the appropriation to at least 5 million and adding an extra million, bringing it up to the original figure. The truth is that money allocated to non-governmental organizations is a very sound investment. By allowing these non-governmental organizations, through these funds, to get measures under way, since they are able to inform the public of their action, the sums are doubled, tripled and sometimes even ten times as great as those which we have granted. Thus, by granting a million to one of these organizations, we enable it to collect 4 or 5 million from the public and its action is thus multiplied fivefold or even more. This is thus a very sound investment, justified by the measures which have been carried out thanks to these modest appropriations ; I can assure you that the action which will be taken in years to come, especially next year, will more than match what has been done so far. I hope that we will be supported by the Committee on Budgets, by Parliament and by you, the President of the Council, in seeking even a modest increase in the funds available to non-governmental organizations.

In conclusion, the Christian-Democratic Group expresses its support for all the amendments tabled by the Committee on Development and Cooperation ; we also insist particularly on the release of the appropriations from the 1977 budget which have still not been used, particularly those for food aid, and we draw your attention lastly to the amendment on the modest

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increase in appropriations for non-governmental organizations. I hope you will be able to support us on these three points.

**President.** — I call Miss Flesch.

**Miss Flesch, chairman of the Committee on Development and Cooperation.** — (F) Mr President, ladies and gentlemen, I support what Mr Deschamps has just said, in highlighting the main points of our action on development for next year, but I would like to explain to you briefly what the attitude of the Committee on Development and Cooperation has been in this matter.

You will have noticed that in the amendments which it has tabled, the Committee on Development has not reinstated all the Commission's proposals, because it has felt that in the present situation we should act responsibly from the budgetary point of view and adopt certain priorities.

These priorities are basically food aid and aid to non-associated developing countries. The Committee on Budgets kindly supported the Committee on Development and Cooperation in these amendments and I would like to thank it particularly through its rapporteur.

There were two points where there was slight disagreement between the Committee on Budgets and the Committee on Development and Cooperation: first of all the amendment on skimmed milk powder, where the Committee on Budgets went a little further than our committee and we are obviously prepared to support it; the second point concerns beef and veal, for which the Committee on Budgets tabled an amendment to Item 9001 for 30 m EUA. In this budget debate, we have — as usual — been so hurried that we have not had the time to have full and proper discussions with the Committee on Budgets. However, we received the impression that this amendment was entered to allow the Community to provide for a lump-sum payment to ACP exporters of beef and veal if the Council found that it could not support the Commission's proposal which Parliament approved ten days ago. The Committee on Development and Cooperation felt that it was illogical to accept defeat in advance: in other words, we believe that the proposal for a regulation proposed by the Commission is the best solution to adopt. We would prefer not to have to use the 30 EUA which the Committee on Budgets proposes to enter; this is merely a technical difference and not a difference in our aims.

It is also true that certain amendments concerning development were not even considered by the Committee on Development and Cooperation. I am thinking in particular of the amendment by our colleague Mr Fellermaier, relating to 300 000 units of account for the trilateral committee. I am therefore unable to tell you what our committee's position is on this point.

I would stress, however, that our committee — even if it has not entirely supported the Commission on certain points, and if it has sometimes not gone as far as the Committee on Budgets — nevertheless wishes to go further on two specific points, trade promotion in the non-associated developing countries and non-governmental organizations (NGOs), which Mr Deschamps has just mentioned.

To sum up, I would say that in the view of the Committee on Development and Cooperation the amendments which have been tabled represent a minimum. We are aware, like all Members of this Parliament, of the difficult economic situation in the Community. Nevertheless we have felt that this cannot be used as a pretext for failing to make a major effort; Parliament and the Community must retain some credibility in a sector where the Community can really do something useful. These are the main reasons which guided the Committee on Development and Cooperation in tabling these amendments'

(Applause)

**President.** — I call Lord Reay to speak on behalf of the European Conservative Group.

**Lord Reay.** — Mr President, our rapporteur, Mr Shaw, said yesterday that Parliament believes that the Community should honour its obligations to the developing countries in a comprehensive and growing fashion. I am sure that he spoke for most, if not all, of the Members of this Parliament and certainly for the members of my group, who support wholeheartedly the amendments of the Committee on Development and Cooperation which have been so lucidly and so succinctly explained by Mr Price this afternoon.

In some cases I know that the Committee on Budgets has gone further than the Committee on Development and Cooperation. This is not a matter of any regret for us. Indeed, it is gratifying that we can, therefore, present to the Council a position taken up by the Parliament which it has not merely adopted having been led exclusively by the Committee on Development and Cooperation. It is gratifying for us to know that there are others in the Parliament who can share the belief that these are fields in which there are important things which the Community can do, and which the Council, by the action which it has so far taken, is in danger of inhibiting us from continuing to do.

Like earlier speakers, I would like to take up one or two points that we are raising — the first with respect to skimmed milk powder. I think the attitude of the Council is particularly incomprehensible. With regard to skimmed milk powder, as I understand it, there are still very large surpluses within the Community, something like one million tonnes, and to store these costs

**Lord Reay**

something like two thirds of the cost of actually giving it away. It can soon become more expensive to continue to store it within the Community than to give it away. Of course, you may find yourself having to give it away in a subsequent year or expensively transforming it into animal feed, or something of that kind, and quickly ending up with a very much more expensive procedure than if you had given it away in the first place.

Obviously, that by itself is not a sufficient criterion for giving it as food aid. As Mr Price pointed out, we have to take care of the dangers of skimmed milk powder being mis-used or not treated with sufficient care, where plainly it could do more harm than good. It is a field in which recently there has been every indication that other countries — recipient countries — are beginning to play an active and constructive part in making proper use of this skimmed milk powder. India has started a programme of reconstituting it for distribution as protein in some of the larger cities. This has also been done in various other parts of the world and I think there is not the same danger as there might have been in the past in giving it to countries which neither want it nor can use it. I think this is a programme that can plainly be of very great importance and should be maintained at the sort of level which was suggested. In my opinion the Council have not given an adequate explanation as to why they cut it in the way they did. As to whether it should be 150 or 200 000, provided the Commission can give us the assurance that 200 000 is not an excessive quantity for them to handle and for the recipient countries to receive, then I am sure that the Parliament would wish to go along with the figure of the Committee on Budgets.

Secondly, with regard to aid to non-associated countries, this is a matter in which this Parliament has a very particular concern, for it was this Parliament which first saw to it that an amount was written into the budget which provided for sums to be given in aid to non-associated developing countries. The amounts concerned are very small, and they are small in comparison to what was originally, years ago, proposed by the Commission in this regard. They are small by comparison with the funds which are made available to the beneficiaries under the Lomé Convention, they are miniscule in comparison with the needs of non-associated developing countries and they are also small in relation to what our resources could manage. I think that both this small quantity which has been cut out and the much larger quantity which has been cut out of the commitment appropriations should be restored as payment appropriations.

Here I entirely agree with those speakers who point to the need to maintain ongoing programmes in these areas. I can understand that perhaps the Commission might have wished to trim some of the commitment appropriations, perhaps as an indication that they did

not wish to be drawn into a situation where the sums were committed for years ahead in ever-increasing quantities, but their attitude of having wholly taken out the commitment appropriations is something that I fail entirely to understand. The commitment appropriations should also be written in with regard to the non-governmental associations which, of course, are something which our Christian-Democratic colleagues, Mr Aigner in particular, have championed so strongly for so long, and which everybody agrees can play such an important part and can make such good use of resources in this field.

Those are the only points I wish to make. Altogether the increases proposed by the Commission are not very great and the additional sums are not very large by comparison with other sums which we spend. Europe in this field, as Miss Flesch has just said, has had a record of which it can be proud. Our relationships with developing countries are of great political and commercial importance to us. I do not suppose that by being niggardly in these respects we would seriously jeopardize these relationships, But it seems to me to be unnecessary for us to do so. I hope we will not.

*(Applause)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I have listened to the debate we have just had with a good deal of pleasure, and I am delighted that the Parliament's committees have felt able to support the Commission so fully. The Commission, for its part, hopes very much that Parliament will accept the proposals which have been laid before it.

This would demonstrate, I believe, that the Parliament shares the Commission's belief that a generous development policy is needed by the Community, particularly in the field of food aid and financial cooperation with non-associated developing countries. It would also give a clear lead of exactly the sort that ought to be provided by the Parliament to the Council. One would hope that the Council would then be ready to follow the parliament in respect of those appropriations for which it has the last word, whilst Parliament would have shown exactly where it stands in regard to those appropriations for which Parliament has the last word.

I commend the committee's proposals to the House, Mr President. I thank those people who have spoken for their kind remarks about the Commission.

**President.** — We turn to *Other expenditure and Title X*. I call Mr Nyborg to speak on behalf of the Group of European Progressive Democrats.

**Mr Nyborg.** — *(DK)* Mr President, I should like to make a few remarks on behalf of my party, the Danish Progress Party.

## Nyborg

Generally speaking, we think the budget is too big. Not because we are against the idea of the Community as such. We recognize that many things can be done only on a broad scale. We recognize that cooperation is necessary when it comes to such matters as the customs union, the protection of the environment, research, the distribution of resources, peaceful co-existence, and so on. We believe that we can in this way create a good future for our children — and we are slowly making progress in this direction, certainly. If we say the budget is too big, it is because we think that most of the subsidies are unsound. So much is taken from one group of taxpayers and given to another. For instance so much is taken, let us say, from the workers and textile manufacturers and given to the farmers. Or from the workers and farmers and given to the textile manufacturers. Or from the textile manufacturers and farmers and given to the workers. Each time there is only one sure winner and that is the administration.

We are opposed to bureaucratic waste, whether of materials or men. I could give several examples of organizations where a carefully controlled staffing policy produces far more contented workers than those where people just snoop around because there is not enough to do. We believe that appropriations from the Social and Regional Funds fail to have the desired effect because, generally speaking, they simply take the pressure off the national budgets.

I can strongly endorse Mr Spinelli's proposal for putting a ceiling on the financial resources of the farm fund, but I cannot accept his idea for transferring funds to schemes for modernizing agriculture. Nor can I endorse the idea implicit in the proposal that the Commission would acquire a considerably stronger position vis-à-vis the Council. The people of the Community are already becoming afraid that the Community might develop into a supra-national government.

Mr President, I should have liked to say more, but shall refrain because of the time-limit.

**President.** — I Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** (D). — Mr President I should like to take this opportunity to express my admiration for the work of the rapporteurs of the Committee on Budgets and to thank my colleagues Mr Shaw and Mr Cointat, on behalf of the Committee on Budgets, for the hard work they have put into this task. I should also like to express our gratitude and appreciation to the secretariat of the Committee on Budgets which has certainly not had an easy time with this 1978 draft budget and the amendments associated with it — more than 300 altogether. One often formed the impression that our colleagues on the secretariat were pressed to the limits of physical endurance, and the thanks of the House are due to them for this, for without our colleagues in

the secretariat neither the chairman nor the rapporteur would have been able to do their work. I do not want to mention how long the Committee on Budgets has been dealing with these motions. All in all, taking the amount of time needed to discuss Mr Shaw's report in this last week, it could be said that a good 20 hours' attendance was required of each member, to which I would of course add, Mr President, and I do so openly before Parliament and the political groups, that which those who took part certainly deserve acknowledgement those who for whatever reason did not take part and have not fulfilled their obligations as members of the committee, cannot escape criticism. The political groups should consider whether they can continue to allow so many people to treat their obligations as committee members so irresponsibly and, some may feel, so apathetically when such important matters are under discussion. I regret to have to say this but I cannot avoid doing so, for my colleagues who had to carry the burden were rightly annoyed to have to chase after a quorum time after time to avoid being unable to take decisions. This happens to other committees of course, but it is twice as hazardous with this committee, because otherwise we are unable to fit our work into the time allocated by the Treaties for discussion and adoption of the budget.

A further comment, Mr President: early this year we voted on guidelines for the 1978 budgetary policy in this House. As far as I remember those guidelines were adopted unanimously. It is, however, a long way from the adoption of such guidelines to their conversion into legal and political budgetary practice. And when it is important to stand by these guidelines, many of our colleagues pull out; either they will not commit themselves or else they say that such things are unrealistic. To give an example: quite apart from the fact that Parliament must in any case take up its own position with regard to the political significance and orientation of the budget, a position which may and sometimes must deviate from both the Council and the Commission positions, this Parliament, as far as I know in agreement with the Commission and, bearing in mind the last consultation procedure, with the Council too, has established that there is one thing which we must definitely prevent under the new agreement, with our own resources coming in from 1 January 1978. Supplementary budgets cannot be allowed and as a rule no-one should even toy with the idea of using the machinery of supplementary budgets, because that would mean that even though our own resources are supposed to operate from 1 January 1978, in certain circumstances, if supplementary budgets were still to be the practice, we should have to make extra demands on the taxpayer or Member States over and above those originally agreed on the income side of the budget already decided upon. This seemed, and still seems, a bad thing to us and would seem to me to be a bad thing for the future.

### Lange

It must be admitted that the demands in the motion with regard to the reserve to be included in Title 10 of Chapter 100 are a solution which gives rise to concern in one respect. On the other hand, however, no other proposal has yet been put forward which will actually make it possible to avoid supplementary budget as required. One of my colleagues, Mr Scott-Hopkins, suggested that a general reserve could perhaps be built in, but this will of course cause problems in connection with the other tasks which are not defined. This must therefore be very carefully reconsidered. Personally I would have nothing against such a general reserve being included in Chapter 100 applying to the general budget. But this would mean that the character of Chapter 100 would have to be completely changed. That too is a possibility. What we need is a basis for the consultation procedure with the Council; the Council is in very great danger of coming back again and again with supplementary budgets, because an attempt is being made to give the impression that the year will start with a very restrictive budget, which will then be merrily extended in the course of the financial year. Experience of the 1977 budget showed that the 200 million originally placed in Chapter 100 on that occasion as a reserve for the agricultural policy, meaning the agricultural pricing policy and the consequences to which it gives rise, were not enough. So we had — setting aside one or two details — more than four times the figure in a supplementary budget, over 800 m u.a., representing 18.9 % of the original amount provided for the Guarantee Fund. The conclusion that the agricultural budget should be used as the scale for the reserve which is now to be included in Chapter 100 on the basis of the decision of the Committee on Budgets, is therefore to that extent absolutely justified. Whether expectations will be aroused or not, will depend on how we use such an instrument. It seems to me somewhat excessive always to be raising the spectre of COPA. When I recall that this 18.9 %, as it then was, made possible a price increase averaging 3.8 to 4.2 % in the agricultural sector, I see that it comes to less than 20 % and, as any of us can work out, this may conceivably have had the consequence, as has been mentioned in the explanatory statement introducing the agricultural budget, of raising the question of the upper limit.

We must now be clear about one thing, ladies and Gentlemen. We are not in a position to use the budget to make agricultural policy; indeed, that is not the budget's purpose. We must first change the other things which have given rise to this unsatisfactory agricultural policy or make it seem the inevitable result of certain other political attitudes and legal provisions of the market regulations.

So much for the attempt — I will not raise the question of whether it is a good one, I can think of no better at present, nor can the committee on Budgets — to avoid supplementary budgets and at the same time to implement our guidelines in this area. I would therefore ask you, ladies and gentlemen, to consider

very carefully how this point is to be decided tomorrow. That is a matter for the House, as no-one can dispute. It is also a mistake to assume that one of my colleagues from my political group was speaking for the group on this point. I am not now speaking on behalf of my colleagues in the group, but as the chairman of the Committee on Budgets. I merely wanted to add this because the colleague who drew this conclusion has reacted in the predictable way, although he was aware that the facts were otherwise. However, that does not matter now; it is a not infrequent occurrence in political debate, but matters must be set right.

And now to the other point on which there is a difference of opinion between us and the Commission, and possibly also the Council. We have a motion calling for the commitment appropriations provided in Chapter 100 to be removed. I made a brief comment on this yesterday. The Committee on Budgets, and Parliament to on the basis of the guidelines which Parliament decided on at the instigation of the Committee on Budgets, are unreservedly in favour of an annual budget; the amount of the payment appropriations will therefore be decisive for the financial year. The commitment appropriations also concern future financial years but do not represent any payment appropriations for the current year or any future financial year. Since Chapter 100 is, in fact, only a reserve chapter for transfers to other chapters, items or lines in the course of the financial year, Chapter 100 cannot in the view of the Committee on Budgets include any commitment appropriations, but only those things which really will be transferred from Chapter 100 to payment appropriations in other sections of the budget.

That is the reason for the motion now before us. Mr Shaw yesterday drew attention to it. In view of the debate which we have had I too have felt obliged to explain these matters rather more clearly and to ask colleagues to consider very carefully what decisions they will take tomorrow in this regard.

Mr President, that is what I had to say on the amendments and the matters to which they refer. I have one final plea, that those who believe that we should have supplementary budgets in future, apart from those cases which we have considered to be inevitable and unpredictable, should say so loud and clear, for there is no point in hiding these things from one another, first unanimously deciding upon guidelines to reject supplementary budgets and then, when it comes to practical organization of the budget, attempting to do away with such preconditions in order to bring supplementary budgets back in.

That, colleagues, is my request. I consider it urgently necessary for us to operate on the basis which we have decided as binding guidelines, for in so doing we shall also induce the Commission as also the Council, to consider these matters rather more closely.

*(Applause)*

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — Mr President, the chairman of the Budgets Committee very properly paid a tribute to the secretariat of that committee for the work they have done. I hear the rapporteur say 'Hear, hear!' because he knows better than anybody that what the chairman said, that they went to the limits of physical existence, is indeed true. I think it lies in my mouth to pay a tribute also to the rapporteur and to my chairman, who could not exactly pay a tribute to himself: I do this with sincerity, because many of us marvel at the physical resilience with which he drives himself hour after hour in the chair. And along with our vice-chairman, Mr Aigner, and others, whatever the political differences may be, as a relative newcomer, I am extremely impressed by the education that my senior colleagues on the Budgets committee display in these matters.

But I think I must also make the comment that, in all frankness, what happened on Tuesday, with voting on matters by the dozen which we knew little about, and which in the nature of things we could give proper consideration to in the time available is very unsatisfactory. There is no point in my taking up the time of this Parliament now by going into ideas for a reform of this particular situation, because that is really a matter for our directly-elected successors, but I hope that things that have been necessarily haphazard with the dual mandate will in future reflect the considered view of our successors.

Having said that, I am bound to say that the budget resolution in itself, which we discussed on Friday, was properly thought out, and on this there can be no objections.

But Mr President, I speak, I had better say, not on behalf of the Socialist Group, but with the benevolent permission of the Socialist Group, at this stage on the general issue of budgetary strategy to pursue a problem that bothers some of us greatly, and this is the problem of the loss of efficiency and the cost due to the timing of decision-making in the Community. Now here I think that the legacy that we bequeath our directly-elected successors is a cause for some dismay. It is not a subject on which one can make eloquent speeches, let alone rant: I simply go back to what Mr Tugendhat himself said at 4 minutes to 11 this morning. He said that if decisions on certain matters had been taken earlier, the whole situation would have been quite different; and at 11 o'clock, the Commissioner referred to items approved later than expected, which in fact threw whole programmes out of gear. The question that I want to put, first of all to Mr Tugendhat and secondly to Mr Eyskens, is this: How in future are we going to make the timing of decisions a little less hectic and a bit more ordered? That is the question that I would put both to the Commission and to the Council.

Now, having put this question, let us reflect as a Parliament that there is a bit of a mote in our own eye, and

so my next question, again to both the Commission and the Council, is: 'What items of business, in their opinion, are unnecessarily gummed up by our lack of decision here in Parliament? For example, do they complain about the length of time that Parliament has taken over data-processing? Are there time-lags in other matters, and is one answer to put a time-tag of three months on each Commission proposal to the Parliament and to say to the Parliament quite frankly: 'If we hear nothing from you within three months, silence will be taken as acquiescence'?

Of course, I say that in the knowledge that, in our own Parliament, some of us think that delay is a very formidable form of opposition, and I know that some of my colleagues might ask me: Well, what on earth was I up to in the Scotland and Wales Bill last year? But this is not quite the point, because the issue in the European Parliament is a little different from legitimate delayings tactics in our own Parliament, which is, perhaps, the only form of opposition in certain circumstances available to us.

Again, I ask this of the Commission: What items are currently gummed up in the Council? (I hope the interpreters can interpret 'gummed up' in the sense in which it is meant, which is: delayed really on purpose, or even not on purpose). For example, do the Commission think that the Export Bank proposals are unnecessarily gummed-up in Council? The aerospace proposals (which I personally consider unreal): are they unnecessarily gummed up in Council? And aid to non-associated developing countries: is that gummed up in Council? Because I am not sure that gumming up is a very efficient way of conducting European business, though it may be legitimate in the House of Commons — I do not presume to speak of other peoples' Parliaments. Because one thing that has struck me in the last 18 months is that whatever one's views on the JET proposals may be, the costs of delay must themselves now be very substantial, and heaven help us when it comes to the enlargement of the Community, because we are decided only to be indecisive and adamant for drift, along an old British saying.

Here again, I want to know the position — and I am telescoping this for time reasons: how do the Council and the Commission see in the future our directly-elected successors being able to indicate precisely what the follow-up of their activities is? Because I say quite frankly that during the direct elections, when some of us are campaigning — not necessarily for ourselves, because I shall probably not be a candidate — there will be a problem, because people are going to say: Well, what is the end product, what is the follow-up of all the work that you have done on the budget and other matters? At the moment this is far from clear. Perhaps it is not just simply an information problem; it is to do with a great many other things and in particular it is due to the fact that for

**Dalyell**

opposing propositions, thinks that on the whole they do not want to give offence, they do not necessarily want to have a fight and so, in fact, they will say very little.

Now, I reply to this that an explanation of opposition is better than supposed inaction. If you are against it, then explain, why, because, come direct elections, a lot of people will want to know the reasons for the opposition of the Council — which may be for the best of reasons, and I speak as the man who in the last budget debate was far more friendly to the Council than anybody else, but I do think that there is a real problem.

During the three days of the Budgets Committee's meeting on Monday, Tuesday and Friday, I learnt a great deal, and in particular I learnt a great deal from colleague Spinelli. In fact, one might say that never did a gamekeeper become poacher to such advantage. Following what Mr Spinelli said on Tuesday and again on Friday, I want to pose this question to the Commission — of which I have given them notice — and to Mr Eyskens, if he would care to comment on it: he may not. The question for the Commission is this: is it feasible even to attempt to alter agricultural appropriations, given that the level of expenditure results not from the budgetary procedure but from the annual price-review, from the volume of production influenced by the weather, and from world market conditions? In other words, are we in fact on agriculture wasting our own and other peoples' time? Does it not, depend on matters that are wholly outside our control?

The trouble basically is this: when politicians start pretending that they can do things and alter events over which they have in fact little power, we then get into all sorts of political trouble, and in our own interests it is better to be candid and frank, from the word go. If we can do very little about these agricultural appropriations it would be not only more honest, but certainly to the advantage of the politicians, to say so and say so bluntly. Therefore I expect some kind of answer on that.

I now go back to Mr Tugendhat, because in answer to Lord Bruce yesterday evening he made an unscripted and — perhaps on that account and on other accounts — a very interesting intervention, because many of the most interesting interventions are those that are unscripted. He used the analogy of the loaves. Ah, he said rhetorically to us if we cannot get the whole loaf, isn't it better to have a quarter of a loaf, or a half a loaf? Well, I am not so sure that the answer to this question is as obvious as the Commission think. There are many circumstances in which it may be better to have no loaf at all rather than half a loaf, because half a loaf can, honestly, quite frequently be something of an idiotic mucked-up programme. Indeed, I think that the analogy of the loaves is deeply misleading. I would say to the Commission, if

they are going to conduct this argument by analogy it would be better to use another example. Let us leave the bread out of it and turn to motor-cars, because a more exact analogy would be this: if you cannot have the whole motor-car, don't you want a quarter of it, or a half of it?

*(Laughter)*

I see Mr Tugendhat and Mr Strasser laughing, but that of course is often the truth of the matter in the energy field. If I may pursue this, if you cut back a carefully thought-out, non-overbid energy programme it might be like saying, Oh well, you want the whole motor-car, but we are going to take the ignition system out because we cannot afford that. That really does explain something of the ridiculousness of the propositions with which we are often faced.

I will just put one final question to the Commission. Is there a situation where the Commission is saying, Ah, we cannot spend money because there has been no basic legislative decision taken, the Council have not decided? If so, then this really is a system of buck-passing and a vicious circle. As I say, I am the man who has defended the Council and there may be very good reasons why the Council has not decided. Doesn't it all boil down to the fact it is really time that someone got down to a system of time-limits in our work, that when things are stretched out, they are often overtaken by events?

If I speak with some passion on this, I was the man on the Budgets Committee, along with the secretariat and along with colleagues, who did a heck of a lot of work on the Export Bank. Now what I have learned from this is that it may or may not be a good idea — people in Brussels say that it is a good idea — but if it is a good idea, cannot we have a decision on it? It is no good postponing the matter.

Therefore I end on this question of being decisive and business-like about the timing of events. I leave the questions as I have put them.

Finally, and absolutely finally — I am not, I hope, an offensive man and Mr Eyskens will take this in the spirit that it is given, because the British were worse than the Belgians have been on this matter — of course he had to go back for a cabinet meeting last night, but I do not think that our directly-elected successors are going to understand this kind of excuse given to them in the way we would take it. The question really arises: how is it that Mr Tindemans, who has lectured us all on being good Europeans, cannot arrange his cabinet meetings at a time which does not conflict with crucial business in the European Parliament involving one of his Cabinet colleagues? Now I say that with a certain gentleness because I think that, if we are to take this Parliament and this budgetary procedure seriously, someone somewhere — and who better to start with than the best European Prime Minister of us all? I mean, if it had been Mr Callaghan or someone else I might not have said this —

*(Laughter)*

**Dalyell**

Mr Tindemans lectures us all on being good Europeans and then cannot even organize his own cabinet had better improve the arrangement to fit in with the European Parliament.

Well, I leave it at that, but I think there is something of a baby there that ought not to be thrown out with the bath-water. The Council Presidency must learn to live with the European Parliament.

I say it gently.

**IN THE CHAIR : MR MEINTZ***Vice-President*

**President.** — I call Mr Notenboom to speak on behalf of the Christian-Democratic Group.

**Mr Notenboom.** — (NL) Mr President, quite justifiably and understandably we have been discussing today the expenditure in the 1978 budget. On behalf of the Christian-Democratic Group I should like to devote a few words to the revenue for the 1978 budget because it plays a very special role in this budget, all the more so since this is the first budget which is to be completely financed from own resources, and no longer partly from national contributions in the way that members of a football club might pay their club subscriptions.

The Council's experts are now considering what technical rules will have to be drawn up for the Community to enjoy financial autonomy as from 1 January 1978. Of course, it is own resources which must ensure our financial autonomy. It is therefore worthwhile remembering that the Council Decision of 21 April 1970 stipulates that as from 1 January 1975 the Community budget is to be completely financed from the Community's own resources and that national contributions by the Member States are to be replaced by Community VAT. Unfortunately it was only in May this year, almost four years after the relevant proposal had been submitted by the Commission, that the Council was able to establish the common basis for VAT. The lack of this common basis in the Sixth Directive meant that financing the Community from own resources had to be postponed until 1 January 1978. I must add here that there is still no common VAT and that there are numerous derogations and exceptions from the concept of a truly uniform basis of assessment.

But a common basis has been established for setting up a system of own resources and this is a great step forward. This Parliament waived this in order to request consultation on the, for us, somewhat disappointing content of the Sixth Directive as a means of achieving fiscal harmonization. Parliament did this to avoid further delay in financing from own resources. Now at least three Member States will have had to bring their national legislation into line with the Sixth

Directive by 1 January 1978. Of course this gives them very little time, and I am still wondering whether they will succeed.

Today we are discussing the first reading of the budget and we still do not know whether these three Member States will in fact get that far. It is clear that the delay in amending national legislation partly occurred because the implementing provisions for VAT have still not been established and the Member States are clearly waiting for them. After initial exploratory talks with the Council on the content of the implementing provisions, experts are now busy with a procedure which to me appears dangerous. We have heard rumours from the press, amongst others, that a simple statistical calculation is to replace the tax actually paid by the European tax payer as a basis for the VAT transfer.

Secondly, it appears that this flat-rate VAT will be paid into the Community's coffers — not automatically as European funds — but as cash requirements requested by the Community.

Now my group, and the Committee on Budgets appreciate only too well that undertakings subject to VAT payments, especially the small and medium-sized undertakings, do not wish to be subject to yet another administrative burden because, in the difficult situation in which these undertakings find themselves, this would be an additional heavy imposition. We understand this. If these are the Council's preoccupations then they are mine as well.

We therefore support efforts to prevent any extra administrative burden. But in my opinion this does not have to result in the idea of proper own resources being abandoned. If this is equivalent to further payment according to cash requirements, then in fact all we have left is financial control exercised by the Council without any genuine link between the fiscal source on the one hand and the Community budget on the other. We are, therefore, threatening to drift a long way away from true financial autonomy for the Communities, although the Council itself established the principle for this seven years ago by its Decision of 21 April 1970. In this context, let me recall that it was this prospect of financial autonomy, which after all is intended to reduce the control functions of the national Parliaments, which in the initial stage required an increase in Parliament's powers and in the second stage intensified the need for direct elections to the European Parliament.

Reasoning along these lines and taking amount of background, Parliament's right of existence depends on circumstances which at first sight seem to be of a technical nature. The technical provisions being drawn up at the moment and which are difficult to comprehend are closely linked with the great political issue of a directly elected Parliament. Arguing along these lines, and by passing the legal and financial

## Notenboom

experts, I call directly on the Members of the Council and their Belgian President to ensure that on 1 January 1978 a financial system is set up by which, as the Council itself intends, genuine financial autonomy can be achieved, and then to draw up the new Financial Regulation, especially as it relates to the application of the new budgetary powers of this Parliament. This is an urgent request. We consider that Parliament can accept no further postponement otherwise we shall be losing ground. And the time might come when the European Parliament would have to take its destiny into its own hands.

The Community must not stray from the path it has taken towards true financial autonomy and the Council must rapidly take the requisite measures. And here I would ask for the unremitting support of the Commission. During the last part-session, on 13 October, we discussed the technical provisions for which I was the rapporteur. Mr Davignon, deputizing for Mr Tugendhat, supported the point of view — the unyielding point of view of this Parliament — with the words: 'I think we have reached the end of the line'. Mr Davignon admitted this way that the Commission shared the European Parliament's concern. Since then I have learned from press reports that Commissioner Tugendhat has expressed satisfaction with the Council's present activities. I hope there is no discussion between Mr Davignon and Mr Tugendhat and that the Commission will continue to give full support to the longstanding efforts of the Commission and Parliament to achieve financial autonomy.

Finally, let me also say that our group attaches great importance — although I digress somewhat — to the new European unit of account being established as the budgetary unit of account. In the Committee on Budgets we have been learning how to use this over the last few months, and I have the impression that all my colleagues enjoy working with the new European unit of account because it is realistic and can play an important part in unifying Europe and in achieving genuine financial autonomy.

I sincerely hope that the Council, which is facing difficult tasks, as I realize only too well, can manage to find a reasonable compromise.

A lot must happen, then, between the first budgetary reading in this Parliament and the second in December, and this causes me great concern.

Given support from the Commission, the perseverance of this Parliament and a statesman like attitude from the Council, I hope that, positive and reasonable decisions can be taken for the benefit of Europe.

*(Applause)*

**President.** — We turn to the motions for resolutions. I call Mr Spinelli to speak on behalf of the Communist and Allies Group.

**Mr Spinelli.** — *(I)* Mr President, in transmitting to the Council the budget as revised at the first reading, Parliament prefaces the document with a resolution — still in the form of a motion — tabled by Mr Shaw. Though much has already been said about it, I think it would be useful to dwell on it a little longer, because the resolution expresses Parliament's overall political view of the budget.

The resolution consists of a series of important points which I think will be adopted. However, it also contains some gaps, and serious ones at that, which I would suggest Parliament fills by means of a few amendments. We should be careful in fact, when faced with crucial problems, not to create the impression of hesitancy and vagueness. Since Mr Shaw has put considerable effort — which I greatly appreciate — in to dealing with this difficult document and has managed to improve it substantially as compared with the Council's text, I hope that he will, together with the rest of the House, note very carefully the amendments that I propose.

I shall review them very briefly, beginning with a point that seems to me important, that is paragraph 9 of the motion for a resolution which stresses the need for the budget to be decided in the light of Community goals and not merely on the basis of a maximum rate. Yesterday I explained, and so will not repeat myself how, the reasons why it is important that this point should be absolutely clear. Let me, therefore, just read you the text that I propose should be substituted for paragraph 9: 'stresses once again that the budget should be decided on the basis of the comparison between the overall financial possibilities of the Community and the distribution between the Community, national and local resources on the one hand, and the needs and goals of the Community on the other; the determination of the maximum rate as required by Article 203 (9) can therefore be no more than one, and not the only, point of reference'. This amendment, I believe, will eliminate any misunderstanding as to what we want to state and emphasize.

Further on, in paragraph 12, inter-institutional dialogue is mentioned. Mr Shaw, very tactfully, had written that on the basis of the new inter-institutional balance the Council should be prepared to enter into a real dialogue. I remember having said in this House, at the last part-session, but one what the dialogue in which I took part was really like. I do not want to return to the subject now. I believe, however, that instead of saying simply 'enter into a real dialogue', which is a rather abstruse way of putting it, one which no ordinary European citizen will understand, we should say clearly that it is Parliament's view that

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Council should develop a genuine dialogue with the European Parliament on budgetary policy and that the guidelines and preliminary alternatives defined by each of the two institutions should be put forward, explained and discussed jointly. I recall that at a meeting with the Council at which we had before us the preliminary guidelines which the Council had drawn up at the Coreper stage, the Council had refused to discuss these guidelines or to explain to us the reasons behind them. That is certainly not what we understand by 'dialogue'! And this is why in the resolution we must have something more than a mere invitation to real dialogue.

In paragraph 30, in addition to my earlier proposal which has been incorporated in Mr Bangemann's text, I suggest that we add another point which I have made on various occasions in my speeches and which is now contained in the following amendment: 'calls on the Commission to bear in mind that, having regard to the considerations set out in paragraph 1 above, the 1% rate of VAT revenue will be reached within the next few years and that the Commission should therefore take steps to prepare without delay, pursuant to Article 201 (EEC), Article 173 (EAEC) and Article 2 of the Treaty of 22 April 1970, the introduction of new Community proposals aimed at correcting, by appropriate methods of progressive taxation, the inequitable nature of present Community taxation'.

Mr Notenboom has reminded us that it took us four years to achieve finally the introduction of a common basis of assessment for VAT, and establish, perhaps, at last a new Community tax. Probably in another few years we shall have to think what we should do beyond this 1% and so we ought to start thinking about it now and considering how we can attain a more socially fair type of taxation.

Finally, I am glad that Mr Shaw's motion for a resolution explicitly refers to the Council's and Commission's commitment, contained in the commentary on the agricultural policy chapters, to modify the agricultural regulations. I stress that to 'modify the agricultural regulations does not mean that there is to be a 'ceiling'.

In our last amendment the intention is to obtain from the Council an undertaking that during 1978 it will adopt regulations altering all the existing or future monetary compensatory amounts into amounts which are both limited in duration and of a depressive nature. This is hinted at in some of the amendments, in the text of the draft budget and in the resolution itself, but only as the expression of a wish. I, on the other hand, would like to add: 'in 1978'. In the course of a year the Council and Commission should be able to gradually diminish and limit in duration the present compensatory amounts.

While expressing our dissatisfaction with the overall balance of the budget in the points we have already

made or shall be making, we can nevertheless say that it will at least provide the Commission with a starting point for more forceful and more dynamic action to promote the progress of Europe. Had these points not been made, and the corresponding amendments not been tabled, I think we should still have before us a day-to-day management budget, a budget not only defective but altogether inadequate to the problems which the Community and our countries have to face.

*(Applause from certain quarters)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, this is positively my last intervention in this debate, and I hope that the House will feel able to bear with me as I deal with some of the important points which have been raised, particularly in the last three-quarters of an hour.

I start by reverting to the aspect which has continually marked this debate, namely the attitude of the Commission to its own proposal. I make no apologies for reverting to this because it is important in itself. It is also important, I think, that there should be not misunderstanding between Parliament and the Commission, or indeed between the three Institutions. I would be very loth to think that there could be accusations of a breach of faith, or anything of that nature in the future.

I would therefore like to explain exactly our view, both in general and in relation to a particular point that has been raised. Where we are dealing with a new action for which the Council has not yet taken the final decision on the regulations involved — some of Mr Spinelli's questions for instance related mainly to these — the Commission puts its best estimates into the preliminary draft budget. But it is then inevitably required to work on two fronts at once.

The budget authority has to scrutinize the budget. Separately, the Council in its role as legislative authority, goes on examining the regulations and decisions on which the actions are based. First, this process takes an unpredictable length of time. We may hope for a rapid passage with the Parliament and the Council — and are then disappointed. The fault here — I think it is best to be frank on these occasions — does not lie wholly with the Council. Sometimes proposals take a longer time than we have expected to emerge from Parliament — I speak from painful experience in that regard. But the Council has before it a long string of proposals. I would emphasize those concerning the energy sector, industry and the Export Bank, and there are certainly other examples. Wherever the delay occurs, whether it occurs in the Council or in Parliament or in both, the result is the postponement of the start of the action, and thus a reduction in the estimated expenditure for the coming year.

### Tugendhat

Secondly, this process can — and often does — lead to changes in our proposals. I can assure you that the Commission defends its proposals with all possible vigour. I certainly do not think that we overlook the support which Parliament can give. But as I said earlier in a previous intervention, we cannot change the powers of the Council conferred by the Treaty, and we have to decide on the most effective course of action. We cannot take each and every item to the last ditch. We cannot treat all items as if each were equally and absolutely essential. We have to balance the damage to the proposal in question against the importance of other business before the Council and our overall chances of success. This is a problem which anybody who has been involved in political life — as people here have — must appreciate. We sometimes have to choose those of our proposals which we feel have a better chance as against those that have a lesser chance. We have to choose between those which are vitally important and which we do not want to prejudice and those which can perhaps survive until another year. It is never an easy choice. It is always disagreeable. But I think this is a distinction which all of us, at one time or another, have had to make.

When the Council remains hostile to our proposals, and it is clear even before the final decision is taken that we will only get half a loaf — dare I maintain that analogy for one moment? — or even just the crust, we cannot pretend that the situation is otherwise. We may therefore have to reduce, in the course of the budget procedure, our original estimates. However, this is not a failure of political will. It is the reflection of budgetary responsibility in the context of the Community's legislative process.

Mr Dalyell was unhappy with the analogy of the loaf and half a loaf, and talked about how people sometimes want or need a car, and the choice is between whether you have the car or whether you do not — you do not have half the car. We must not become too involved in verbal niceties, but sometimes we need a car and believe that the car that we need for the function we have — if I might keep to British examples — is a Jaguar, but circumstances dictate that we have to make do with a Mini, and it is sometimes better to have the Mini rather than no car at all.

*(Laughter)*

There are circumstances where perhaps one should turn one's back on both, but I think that the analogy in a practical world of practical politics is not an entirely invalid one.

An example to which I should like to draw attention in this respect is that raised by Mr Notenboom. This does, I think, illustrate some of the problems which we have to face. We in the Commission have done all that we can to see that the 1970 decision on own resources is fully and correctly implemented. Mr Notenboom himself rightly refers to the problems of VAT collection. I remember very vividly the press

conference which was held after the Council meeting on this subject. I have not read all the newspaper reports, but I remember very clearly what I actually said. I said then that I thought that the Presidency had been up against a very difficult situation, and that there had been a very strong chance that a decision would not be reached. I said I was glad that a decision had been reached, but I expressed at that time — the first occasion on which I had the opportunity to do so — my regret that the decision departed so far from the proposal which we had originally put forward.

I say again that I regret that the decision departed so far from the proposal which we had put forward. I also repeat that I think it was touch-and-go whether a decision was going to be reached at all, and that it was better to have the system in place on 1 January 1978 on this basis, than not to have it at all. It is, I think, an illustration of the way in which one does sometimes have to settle for less than one would like and these are practical and unpleasant and difficult problems. Mr Notenboom himself, in his important speech on this subject, referred to the problems of getting three Member States ready to collect by 1 January. We are all aware, I think, that when one has nine Member States with very different internal problems, and very different perceptions of what is possible within their own political structure, these practical and difficult matters do sometimes blur the clear political outlines.

So far as the issue of payment as the resources arise is concerned, which I think is another matter he was referring to, we agree that this is of fundamental importance to the principle of financial autonomy and we will certainly stand firm on this issue. These matters must be discussed in with the Council and I hope very much that we — that is the Commission and the Parliament — will be defending the same principle on that occasion.

A final point which I would like to deal with before I sit down, Mr President, concerns specific proposals that were addressed to me about agriculture and the budgetary process. Clearly, the way in which agriculture is organized in the Community presents very considerable difficulties so far as the application of budgetary disciplines and budgetary techniques are concerned, and we would, I think, be fooling ourselves if we pretended otherwise. The open-ended nature of the commitments means that it is very difficult indeed to treat agriculture in the way that we can treat some other programmes which do not operate on the same basis. There is also, of course, the fact that when the original estimates are made, those who make them have a very imprecise idea indeed about what the harvest will be, both in Europe and in the rest of the world, and what, therefore, the European price-levels on the market will be, what the import prices will be, what the export opportunities will be and so on. It is therefore, and I think there is no getting away from it, very difficult to maintain disciplines of the sort that we do maintain in other areas.

**Tugendhat**

That, in my view, is not an argument for giving up the ghost. I myself have written articles — one particularly — putting forward some ideas of how I believe this process could be improved. I do believe that there are a number of changes which could be effected within the Commission, and some of the decisions we have in fact taken. I think that the effort which the Parliament makes both through the Committee on Budgets itself, and the sub-committee on control which also has a very important role to play in this area, and the fact that we recognize the very considerable difficulties which arise, ought to act as a spur both to the Commission with its internal procedures, and the Parliament in its watch-dog and overseeing role. These should act as an inspiration rather than as a cause for absolute and undue depression.

But the last thing I would wish to do, especially at the end of a long day like this, is to leave the House with any misapprehension that I either suffer under any delusions about what present situation, or that I do not accept that both we, the Commission, and also we, the three European Institutions, have a long way to go and could do better.

*(Applause)*

**President.** — I call Mr Eyskens.

**Mr Eyskens, *President-in-Office of the Council.*** — *(NL)* Mr President, ladies and gentlemen, I must say that I am most impressed with the thoroughness of this debate and the enormous amount of work which has been accomplished. This morning I noticed Mr Shaw hidden behind a wall of reports, documents and papers. I have never seen anything like that in the Belgian Parliament.

*(Laughter)*

I also know that the Committee on Budgets has got through an enormous amount of work. Mr Lange said in this context that they reached the limits of physical endurance. So I should like to pay tribute to what has been achieved. I find it extremely useful for a draft budget to have been analysed in such a critical manner.

Mr Dalyell is dissatisfied because the procedure is inevitably slow. I think that Mr Tugendhat has said something about this which we should take to heart. There is now a permanent 'trialogue' between three institutions and more specifically a dialogue between the two branches of the budgetary authority, Parliament and Council. It is rather like a table-tennis match. The situation gives rise to all kinds of objections but despite this we are still able to meet our deadlines. This means that a vote on the budget will be possible before the end of the year.

I shall not comment on Mr Dalyell's reference to the fact that the Prime Minister of Belgium, Mr Tindemans, called a Cabinet meeting at a time which coin-

cided with a meeting here. I would suggest that Mr Dalyell make his comment in writing to the Belgian Prime Minister if he thinks it will achieve anything.

Mr President, ladies and gentlemen, I am unable this evening to give you the Council's definite opinion. It must still confer on 22 November. Only then can it draw up its final opinion. So all I can do here is assure you of my goodwill and that of all nine Ministers. However, you are aware that this goodwill refers more specifically to various policy items and aspects and that if we draw up a balance sheet, then the outside world frequently has the impression that this goodwill turns sour. That is a statement of fact. It is not intentionally so. It can always be explained and stems partly from the fact that majorities must be gained on the basis of qualified votes. This makes everything very difficult. Furthermore, the crisis is not yet over, alas, and this fuels any divergence of opinions. And this at a time when we need convergent opinions in order to meet the crisis.

I heard several times yesterday and today that the Commission's preliminary draft budget represents the absolute minimum.

I cannot anticipate what the Council will decide on 22 November but what I do know is that the non-compulsory expenditure in the draft budget shows an increase of 31 % over 1977 for payment appropriations and that if your amendments are accepted it will rise to 60 %. This figure of 60 % is four times the maximum percentage increase of 13.6 %. I am aware that a debate is to take place on the validity of this percentage increase and I hope it will be within the framework of the consultation procedure which is to be held at the beginning of November, but if we keep to the maxims of the previous years then I must say that when we tot up all your amendments, your proposed percentage increase is extremely high.

I will admit that the economic climate and the opinion now adopted by most governments on current economic problems are quite different from what they were six months ago. In particular, the idea that we need a proper policy to revive the economy is gaining ground. The Council of Economic and Finance Ministers emphasized this last week. Last time I said that the draft budget proposed by the Council was based on the principle of selective thrift. I would now add to this that I believe the time has come for us to start thinking about measure to boost certain sectors, for as much as this does not stand out clearly enough in the present draft budget. I shall indeed defend this attitude at the Council meeting of 22 November.

But of course, selective thrift and selective boosts are not contradictory, they are complementary. I believe that some appropriations should be channelled in different directions. In doing this we need to be more

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thrifty in our approach to certain items so that more appropriations can be entered under other items.

We must indeed clearly emphasize that the budget is not just an accounting exercise. It is the basic instrument of European policy. There can be no doubt about that. The council must also be seen to believe this. I have the impression that you are rather sceptical about this, and that is putting it mildly. But if we say that the budget must be the basic instrument for the policy then I think that you must understand the term 'budget' in its Anglo-Saxon sense, that is, that it is an instrument of fiscal policy. And if you talk of fiscal policy you are not talking simply about expenditure but also about revenue. We must be constantly making this link. Mr Spinelli referred to this as well. Of course, during the short period of my presidency, I have noted with regret that the two branches of the budgetary authority as they exist at present place their emphasis quite differently.

Parliament of course emphasizes expenditure and the Council emphasizes revenue or at all events the problem of ensuring that sufficient revenue is raised to meet proposed expenditure. This brings me to the conclusion, which you share, that the way in which the institutions work at present, with this duality in the budgetary authority, leads to permanent schizophrenia and constant frustration. Whether we are Members of Parliament or Council, if we wish to remain objective — and we must be courageous enough to remain objective — we must analyse every item in the budget in terms of income and expenditure. That means that whenever expenditure is proposed we must mentally consider the revenue to cover it. And the Council, which may concern itself excessively with the revenue aspect, must also take due account of the other aspect, expenditure as an instrument of the economic and social policy.

I hope we can cure this schizophrenia attitude during the consultation procedure. I have spoken to President Colombo about this matter. I entertain high hopes not only with regard to the consultation on the financial Regulation on 7 November but also the dialogue between Parliament and Council when we discuss your amendments on 22 November.

I should also like to draw attention to the fact that today we helped to establish the European Court of Auditors which has extended powers on the control of expenditure and verification of revenue as well as advisory powers. Now that this control body has become operational I believe that we can jettison any mistrust either side may have felt now that we can refer to this new and important control body whenever we wish to do so.

Mr President, ladies and gentlemen, a large number of important decisions must be taken. Many of these are about to be taken. Mr Notenboom spoke about the ups and downs of the Sixth Directive on VAT. I can

tell you that the Council will be drawing up a draft regulation as soon as possible and in any case will propose common guidelines and submit these to Parliament. As regards the European unit of account, to which we all, including the Council, attach great importance, the Finance Ministers will, I hope, come up with a constructive final solution at their meeting of 21 November. Should they not succeed, their technical experts have already taken precautionary measures. The budget can easily be reworded in the old unit of account and we would then continue temporarily with the old unit of account.

I shall not expand any further on the importance of consultation on the Financial Regulation and the importance of the dialogue deriving from the consultation procedure.

I should like to make one remark on paragraph 59 of the motion for a resolution in Mr Shaw's report where Parliament congratulates the Council for having recognized that the budget may contain legislative provisions. This sentence seems very strange to me. As far as I know the Council has never said that the budget may contain legislative provisions.

In the motion for a resolution the Committee on Budgets also proposes, on the basis of the Commission proposal, that for a number of sections of the budget differentiated appropriations should also be entered. The Council also considers that the commitment authorizations and differentiated appropriations should be introduced by regulation and not through the budget. This is the Council's point of view, but I should add that this matter is included in the agenda for the consultation meeting of 7 November.

A lot of attention has been paid to the agricultural sector. I will not go into detail here. Mr Lange has drawn up a very important proposal. Now we can speak of a 'Lange reserve'.

*(Laughter)*

He wishes to have entered under Chapter 100 some 1 400m EUA which is approximately 20 % of the appropriations remaining in the agricultural fund. I should like to point out that the Commission had not included such a reserve in its preliminary draft budget. Furthermore, at the moment I cannot give the Council's opinion on the justness or desirability of this proposal. However, I would remind you that in its explanatory statements annexed to the draft budgets for 1975 and 1976, the Council did not accept proposals of this nature from the Commission. At that time the Council felt that no useful estimates could be drawn up of expenditure connected with adjustments to farm prices. Moreover, it could well be that this reserve might be attractive to the Council of Agriculture Ministers simply because it is available. I am aware that this would also have the effect of a ceiling, that it has advantages and disadvantages. The debate

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on this matter is certainly not over and in any case the Council will debate this with due seriousness and attention. I do believe that it is an important and innovative project.

I have also heard a lot of criticism of the common agricultural policy. I have already said on previous occasions that the root problems of the common agricultural policy should not be discussed as a budgetary matter. And here we touch on an important point. I heard several of you say yesterday or this morning: we must use the budgetary policy and the appropriations which we fix as a means of coercing ministers to pursue a certain policy if they cannot or will not do so of their own accord. This would result in a kind of animosity between the 'budget makers' and the Ministers. Some years ago when we discussed the Werner plan there was a discussion between the 'monetarists' and the economists. The opinions then were that economic structures would have to adjust to monetary requirements by means of monetary integration and that therefore the economic policy would necessarily be defined by a particular monetary policy. I feel that the pursuit of a particular budgetary policy will not, alas, make the various specialist Councils of Ministers follow a certain policy. I think that the heart of the problem is political and that Community policy must be discussed in the appropriate Council of Ministers, although I accept that if we estimate the budgetary appropriations at too low a level this will undoubtedly restrict the possibilities of a Community policy.

With reference to the social sector, by adopting all the commitment authorizations requested by the Commission for the European Social Fund for 1978, the Council proved that it is taking seriously the social policy for 1978. Thus, 569.5m EUA were set aside and as a result of a proposed amendment, another 8 million have been added to this figure to combat unemployment among women in the EEC. The Council did not agree with the payment appropriations requested by the Commission. It felt that in view of the previous pattern of payments the Commission's estimates would be difficult to implement.

In Chapters 50, 51 and 52, the Council agreed to 3m EUA and a contingency reserve of 100 million in Chapter 100. That is not so bad. However, I should add, and I believe that it is important, that the Council has declared itself ready to review once more the requirements of the Social Fund for 1978. Any shortfall in payment appropriations can be made good by a supplementary budget or an amending letter.

Pending a Council decision on policy guidelines for the Community Regional Policy from 1978 onwards, the Council, without in any way anticipating the decisions which will be taken on these policy guidelines, temporarily set aside for Chapter 100 a commitment authorization of 389m EUA and a payment appropriation of 140m in the draft budget for 1978. This repre-

sents a repeat of the 1977 appropriations. The Council also maintained the 1977 budgetary nomenclature. Furthermore, the Council entered in Chapter 55 the payment appropriation requested by the Commission of 250m EUA to cover commitments for 1978.

The Council also took note of the European Parliament's request that the consultation procedure should be opened if the Council intends to depart from the European Parliament's opinion. In view of Parliament's requests and the demands made when the policy guidelines proposed by the Commission were being discussed, the European Parliament might well accept at this stage the option adopted by the Council on 20 July on appropriations for the Regional Fund for 1978, on the understanding that this matter would be discussed in detail during the coming consultation procedure in the light of decisions taken by the appropriate Council of Ministers. With regard to the energy policy, the Council had a difficult task if only because the Community energy policy had not been clearly mapped out when we were drawing up the draft budget. At that time there were few proposals from the Commission, or none at all. This has changed. As most of you are aware, a decision was taken today by the appropriate Council of Ministers on the site of the JET project and the necessary appropriations have been entered in Chapter 100. I believe that now this problem will soon be solved once and for all.

As regards the industrial policy, the Council's opinion is favourable. This is shown in the amendments submitted since 20 July which have added 15m EUA for two sectors which are facing great difficulty: shipbuilding and the textile industry. This increases the commitment authorizations to 15.8m compared with 18.5m in 1977. I know this is a reduction but in any case this is considerably less than the enormous reduction contained in the figures you heard at the meeting of 20 July. The same is true of the payment appropriations which have now increased from 12.3m in 1977 to 15.8m.

Some of you have emphasized the symbolic significance of the budgetary activities of Parliament and Council if, as we all hope, direct elections take place in 1978.

At the previous meeting the Council sharply cut back the proposed appropriations to, I think, 1m EUA. I personally believe that as it becomes more likely that direct elections will in fact take place in 1978 then the Council will have to make a gesture and revise its decision upwards.

I was going to make a number of comments on the development policy but time is getting on. I would emphasize that in its proposals on development policy the Council has done much more than in 1977, although I shall not go into details. 228m have been set aside as commitment authorization as against only 15.8 million in 1977. Understandably this is less than

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the 257 million proposed by the Commission. And 97.5 million have been set aside as payment appropriations for the development policy which is exactly the amount the Commission asked for. The Council will shortly be considering the problem of food aid and in particular the problem of skimmed milk powder and I hope it will look at the matter constructively.

Mr President, ladies and gentlemen, I have always been of the opinion that if we objectively compare figures, then we shall see the difference between the preliminary draft budget submitted by the Commission and the draft budget fixed by the Council is not so large over a whole range of items and that the picture looks totally different if we compare the 1978 with the 1977 budget. It is of course worth our while to look at the pattern of increase. I am aware that in four essential areas we must try to find a compromise by mutual goodwill, dialogue and consultation. I am referring here to the Social Fund where certain projects may be given greater emphasis and more support, possibly as a result of redistributing the appropriations available. Then the Regional Fund, where as a result of your amendments the discrepancy of 350 million is of course enormous. This is an important point which we must discuss. Thirdly, the industrial policy where the Council could probably make a greater effort. And finally the energy policy. These are four important policy areas. My colleagues and I will have to spare no pains to take constructive decisions in these fields. Although, let me repeat, the opinion adopted by the Council on 20 July was already very favourable over a whole range of matters. In any case no one has any interest in bringing matters to a standstill. Our discussion of these matters must be a true dialogue on 22 November and possibly again in December at the second reading. This budget is very important, not only because of all the problems connected with it but also because 1978 is very important for two reasons.

Firstly, because we are facing the biggest economic crisis since the end of the Second World War. As a result, the European Community must also demonstrate its will to tackle the crisis on behalf of the European citizen who is not an abstract concept but a creature of flesh and blood, in other words on behalf of the average man in Europe.

Secondly, because direct elections are imminent. I believe that we cannot seriously expect anything from the European electors if they have the impression that the European Communities have no policy or spend money like water. This is also an important aspect. We must not give future European electors the impression that the European unit of account and thus the currencies which are linked to it are thrown around casually and without any true purpose. On the contrary, we must prove by our deeds that the European Community is alive and well and that it can

daily contribute to the solution of the daily problems of all our European citizens.

*(Applause)*

**President.** — I call Mr Shaw.

**Mr Shaw, rapporteur.** — Mr President, I would like to sum up: I have been present throughout the whole of the debate and have heard every speech. I think that the quality of the debate that we have had this year is a tribute to this House. I feel that this debate has been serious, and has shown that every speaker has looked into his subject with a great deal of care and has had some very positive, constructive things to say.

I am very grateful for the tone set by the President-in-Office, Mr Eyskens, in indicating that the goodwill of the Council was with us and would be evident in our negotiations for a conclusion to this budgetary procedure. One fully understands that the Council, as well as ourselves, has problems in reaching agreement. I was very glad that he made the points that we have heard time and again in this debate: firstly, that the economic climate has changed somewhat — and I am sure that that is right.

It may be partly due to this change that we were somewhat shocked at the start of our deliberations on the draft budget. Clearly, we started our deliberations at a later stage than the Council; obviously, we must now see if we can find a way forward together. It is clear from Mr Eyskens' speech tonight that this is what we must try and do.

I was also glad to hear that he had in mind four big areas in which to seek agreement. But perhaps the most significant thing he said — in my view, certainly — was his insistence that the budget was a basic instrument of European policy and not just an accounting exercise. Although those words are often heard in this House, I had not felt that the concept was often considered in that way in the other half of the budgetary authority. I was thus very glad to hear him say this, because clearly our basic concepts are coming closer and closer together.

Yesterday — it actually seems longer ago! — at about six o'clock the President-in-Office said a few words to us before he had to leave. I should like to say in parentheses that I fully understood why he had to leave us, and I thank him for being with us throughout the day today. Mr Eyskens seemed to indicate yesterday an impression that, to a large extent, Parliament's amendments did little more than restore the figures proposed initially by the Commission.

Had he heard some of the remarks last night by Mr Meintz or Lord Bruce, or indeed the whole of my own speech? I cannot remember the stage at which he left, but certainly one theme was repeated today by Mr Price and I think Mr Aigner mentioned it too. This theme was that the committees examined the expendi-

**Shaw**

ture programmes very critically indeed, with a sense of priority as to what could, under the circumstances, be left out, and what inevitably had to be put in if we were to have any purpose in this budget. This came out in speech after speech. As I said to Mr Meintz in particular, it is very difficult when you are comparing these things, all of which have a special place in people's hearts, to decide deliberately on the various priorities. I think we can excuse ourselves from any accusation here : we treated this matter seriously and I believe that the course of this debate has proved this fully.

In addition, he referred again yesterday to the noncompulsory / compulsory aspect. I was rather sorry he did, because I personally see less and less point in talking about non-compulsory and compulsory expenditure, particularly when we all now agree that the budget is a political instrument.

What we are seeking in our budgetary procedure is to fix the budget in the light of the needs and the goals of the Communities. When we get round the table and discuss matters that is what we talk about, the real needs of the Communities, and less and less, I hope, as to whether an item is compulsory or non-compulsory. It is my hope, and I have said it on many occasions, that this difference will gradually die from malnutrition and ill-usage, through not being used at all. I believe that it is ultimately not a question of compulsory or non-compulsory, it is a question of fixing the budget in the spirit of goodwill, bearing in mind the goal and objective that I have demonstrated, looking at the various policies on their merits and with regard to the needs of the present situation.

Mr President, several people talked about EUA. I will not go into it any further because in fact, the President-in-Office himself went into it. I will not even voice the queries I had in mind as to what progress was being made, although I am bound to say that the little warning that he gave did lead me to fear the worst, but perhaps I am getting a little too old and lack a certain optimism in these matters.

Mr Spinelli has made several contributions. They were aimed mainly, if I may say so, directly at the Commission. Therefore I will not reply to those points because I think Mr Tugendhat answered them. I am sorry to note — I must say this — that the amendments he has proposed to my resolutions are virtually the same in spirit as the ones we discussed fairly, and at great length, during our meeting in Brussels last week. Quite honestly I do feel sorry that he has felt bound to do that again. However, it is his right to do so, and I am afraid that we shall have to spend a long time this evening discussing them all again.

As regards the agricultural policy — the President-in-Office has talked about this in considerable detail and I will not do so myself, but I would just say that

certain speakers appeared to feel that I had not really appreciated (that the size of the percentage of the agricultural expenditure was due to the fact that other European policies had not been created. I did in fact make that very point in my speech yesterday, and agree with them entirely. I also agreed with them, and how right they were, when they pointed out the need to rid the agricultural section of the budget of expenditure that did not relate to agriculture at all : things like MCA's and food aid and the like.

I would just say one word about Mr Lange's amendment. It is, of course, a financial control amendment, rather than an agricultural amendment. It has been proposed, as he so clearly stated earlier on today, to try and get rid of the performance of supplementary budgets that we have every year. Of course there might be an absolutely exceptional year, even if we pass this amendment, when we might have to have a supplementary one. But it would certainly be entirely unforeseen and unexpected. What we are trying to do is get rid of the 'annual' aspect of the supplementary budget with regard to agriculture expenditure.

I am trying to set a record for brevity for a rapporteur in winding up, Mr President. I know you will be pleased at that, and others may take a lesson from it for future years.

As far as Lord Bruce's speech is concerned, I thank him again for the very kind references that he made to my work as rapporteur, particularly since they come from someone who had the job to do last year. He did, I notice, characterize me as saying that this was a very good budget, but — I have read my speech — I cannot see anywhere that I did in fact say that it was a very good budget. I certainly said 'but' many times, and that many things needed to be done. But he went on to one point which the Commission did answer, namely why was it the Commission changed its mind? May I say this : in the Committee on Budgets itself, I said to the Commission, 'Several months have gone by since you prepared your original document. Circumstances in those months, through delays and one thing and another, must have changed. It would assist us and it would assist the committees if you would be quite frank with us and tell us which are the areas now, four months, later in which there have been changes', and honestly, candidly and helpfully they told us. And I really do think that it is not fair to them if they do this in this very helpful way and we then turn round and say : 'Well there you are, you cannot stick to your guns on this, that or the other'. I think frankly, what they were doing was showing that they were honest men, and frankly, I took a good deal more cognisance of their general approach to the budget, because they were prepared to do that, than if they had not been prepared to do so. Because if anybody told me that there would be no changes in four months, I frankly would not believe them.

**Shaw**

Now, I come to Mr Bangemann. He made, as I would expect from him, a thoughtful speech, in which he described the budgetary machinery as he saw it and he pointed out the paradox that the European Parliament places emphasis on increasing expenditure whereas many national Parliaments are seeking to cut back. They are actually beginning to reverse this process, but I accept the point that he is making. I also accept his answer to that paradox, namely, that the European Community is at a very different stage of development from that of our Member States. Clearly, we must, if we are to expand our European purpose, begin to take on policies that in the past have been taken on nationally, and if we do this, it means that we as a Community, have got to find additional revenue for the resulting additional expenses. Mr President, one word about staff: my good friend, Mr Howell — alas he is not here at the moment — launched a vigorous attack on bureaucracy last night, I was interested to hear his attack, because he indicated the instinctive opposition that there is to any increase in staff. But I have to say, as rapporteur, that I cannot just rely on my instinctive opposition to increased staff. I have to do my best to look at the facts and to see what they are. And it is in that light that I came to the conclusion that I should ask my Committee on Budgets for certain additional staff for the Commission. I am grateful to them, because they accepted my words and supported me.

I have said a word about the Social Affairs Committee and Mr Meintz. It was Mrs Kellett-Bowman who also stressed the need for priorities that has been established by this committee, and Mrs Dunwoody made a good point too. She referred to the slowness of implementation in the past by many national Governments: how true that is, when you look at the Social Fund and the problems connected with its implementation. So far as the Regional Fund is concerned, I will say little, except that I thought the case was very well put by the rapporteur, Mr Delmotte, Mr Fuchs also made a good point about the need for continuing effort, as did Mr Corrie, pointing to the very relevant needs in this area of local fishing communities that are now having to find work in alternative industries.

It was nice too to hear the intervention by Mr Giolitti, saying that he would emphasize the special significance of the Regional Fund and describing it as the heart of the budget.

There are many sectors which those interested may call the heart of the budget. I feel, however, that the power-house of the budget is perhaps the Committee on Energy and Research. We have to produce, otherwise we do not have any resources to spend on other things. That is why I welcome so much the words of Lord Bessborough, Mr Normanton, Mr Noè and Mr Flämig. I am sorry if there were certain shortcomings in one or two of the wordings in the amendments, but

I hope that we have got those right, because they are very important indeed.

We come to the Committee on Economic and Monetary Affairs. They did their duty simply by saying that this budget was out of balance in the way that the funds are spent. I am bound to say that I think every single person in this Chamber would agree with this.

Development aid is something, I believe, that we in this Parliament have made especially close to our hearts. We have, I hope, been in accord within the Committee on Budgets in supporting the views of that committee, which Mr Price explained as the need for us to take our responsibilities seriously, if we are to show that we really care about these very important matters. Again, Lord Reay pointed out that the cost of storing surpluses makes it nearly as cheap to give away or distribute those surpluses in the form of aid.

I am trying to rush things and I know I have missed out many important contributions, but I should finally like to deal with a point raised by Mr Broeksz and Miss Flesch. They raised the point concerning the beef question involving 30m EUA. I placed it on record that the reasons for our action — they may not like it, but it is just one of the many things we have done to try and bring everything into the budget — were tied up with budgetization. If we are going to look at the matter as a whole, every year, we have got to have everything in, so that we can look at it as a whole, without putting things in by a side door on other occasions.

To conclude, Mr President: I believe that we have had a very worthwhile and constructive debate. I thank the President-in-Office for the constructive way in which he has contributed at its close, and I look forward, if need be — it may after all be accepted in its entirety! — to our later consultation. I assure him that the goodwill that he has expressed exists with us as well. I would also like to thank Commissioner Tugendhat for the way that he has come in, at each stage of the debate, to give his views about the debates that have taken place, section by section. I think that has been very helpful to us, and I feel that, with the debate and his reactions to it, we had a much better picture than we would have had without his contributions.

Finally, Mr President, I would just like to say a word or two of thanks — thanks to the spending committees for working as they have never worked before to make this debate, as I believe it has been, so successful; and thanks to my chairman on the Committee on Budgets. I suspect I am always unpopular when I give him thanks, because he is a very modest man — even now he is hiding behind his books — but in fact he has done a lot of work and he has kept us on the right road and seen that we got through our business. I am very grateful to him. All rapporteurs of the budget will know what I mean when I say I could not have got through without him.

**Shaw**

I would like also to thank the members of the Committee on Budgets but, especially — and I echo the words of Lord Bruce, because he knows the form — the staff of the Committee on Budgets. I believe that we could not have a better staff, and that is not a rash thing to say on my part, because I genuinely believe it. They work as hard as anyone can, and they give advice that you can entirely rely upon. I am indeed very grateful to them. Alas, their task is a long way from completed yet.

At this stage perhaps I could thank the staff of Parliament as well — the interpreters, the translators, the printers, the compilers and distributors of documents. I have been here all weekend preparing for this, Mr President, and I can tell you that, when I retired to bed, the lights in certain rooms of this establishment were still on and people were still working so that this debate could take place on Monday and Tuesday. I thank them all.

I hope, Mr President, that this debate will result in a constructive advance and a substantial change in the draft budget as it exists today.

*(Applause)*

**President.** — Mr Shaw, on behalf of the entire Assembly, I should like to congratulate you on the excellent job you have done and express my admiration for your patience and attention throughout our debate.

*(Applause)*

I would remind the House that during the vote tomorrow the rapporteur alone may take the floor to give a brief explanation of the opinion of the Committee on Budgets.

Does anyone else wish to speak?

The debate is closed.

*7. Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Wednesday, 26 October 1977, with the following agenda:

9.30 a.m.: Submission and discussion of supplementary reports from the Committee on Budgets

10. a.m.: Voting on:

- Sections I, II, IV and V of the draft general budget of the European Communities for 1978
- Draft amendments concerning appropriations in the 'Commission' section of the draft budget
- Proposed modifications concerning appropriations in the 'Commission' section of the draft budget
- Motions for resolutions contained in the reports by Mr Shaw and Mr Cointat

The sitting is closed.

*(The sitting was closed at 7.40 p.m.)*

## SITTING OF WEDNESDAY, 26 OCTOBER 1977

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## IN THE CHAIR : MR COLOMBO

*President*

*(The sitting opened at 9.40 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 of proceedings are approved.

2. *Documents received*

**President.** — I have received the following documents :

(a) from the Council, a request for an opinion on the proposal from the Commission to the Council for

a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1978 (Doc. 350/77).

This has been referred to the Committee on Economic and Monetary Affairs ;

(b) from the committees, the following reports :

— report by Mr Evans, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on health hazards of asbestos (Doc. 344/77) ;

— report by Mr Santer, on behalf of the Committee on Social Affairs, Employment and Education, on the conclusions to be drawn from the Tripartite Conference on 27 June 1977 (Doc. 345/77) ;

— report by Mr Scelba, on behalf of the Political Affairs Committee, on the granting of special rights to the citizens of the European Community pursuant to the decision of the Paris Summit Conference in December 1974 (paragraph 11 of the final communiqué) (Doc. 346/77) ;

## President

- report by Mr Cousté, on behalf of the Committee on Economic and Monetary Affairs, on the Sixth report by the Commission on competition policy (Doc. 70/77) (Doc. 347/77);
- Report by Mr Veronesi, on behalf of the Committee on Energy and Research, on the proposal from the Commission to the Council for a decision laying down a multi-annual research and development programme in the field of primary raw materials (indirect action) (1978-81) (Doc. 348/77);
- Report by Mr Edwards, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council for a first programme of research projects in the field of medical and public health research (Doc. 349/77).

### 3. Petitions

**President.** — At the request of the Committee on the Rules of Procedure and Petitions, Petition No 13/75, submitted by Mr Struppek and others, on the protection of the basic rights of Turks living in the Federal Republic of Germany, has been forwarded to the Commission, pursuant to Rule 48 (4) of the Rules of Procedure.

### 4. General budget of the European Communities for 1978 (conclusion of debate)

**President.** — The next item is the supplementary report by the Committee on Budgets on the draft general budget of the European Communities for 1978.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Mr President, the Committee on Budgets met yesterday under the chairmanship of Mr Lange to examine the last amendments.

As regards the budget of Parliament and the budgets of the Council and the other Institutions, I have three further points to communicate to the House.

First of all, the Committee on Budgets looked at two series of amendments submitted by myself on behalf of my political group and signed by the chairman of all the groups. These concern the rates of mission-expenses for staff. The first series concerns the increase of these rates to take account of the evolution of prices over the last 16 months; the second deals with the indexing of the rates in line with the weighting factor applied to salaries. Of these amendments, the Committee on Budgets approved the two which relate to Parliament. It went on to approve the other eight amendments concerning the other four Institutions — Council, Commission, Court of Justice and Economic and Social Committee based on the standardization of mission-expenses for all the staff of the Communities. The Committee on Budgets there-

fore recommends the House to adopt these amendments concerning mission-expenses.

The Committee on Budgets also made some modification to the proposals of the enlarged Bureau relating to Parliament staff; it consequently referred the matter by letter of 24 October to the President of our Parliament. You replied, Mr President, on 25 October to the effect that on a number of proposals the enlarged Bureau agreed with the Committee on Budgets but that with regard to other small amendments it had been unable to take up a position.

Finally, the Committee on Budgets had approved a resolution, or at least had decided to put forward a resolution, approving the appropriations of the Council, the Economic and Social Committee and the Court of Justice without any particular remarks. Now that the Committee has adopted a series of amendments concerning mission-expenses, however, the motion for a resolution will have to be slightly reworded to state that the appropriations can be approved subject to a number of adjustments, which will, I hope, be upheld by the Parliament.

I put this proposal orally, Mr President, since it has not been possible for the administrative services to modify the motion for a resolution in the short time since 11 o'clock yesterday evening.

**President.** — I call Mr Shaw.

**Mr Shaw, general rapporteur.** — Mr President, it is the custom that the Committee on Budgets meets on the night before the voting day to consider last-minute amendments to the budget which have been tabled since its last meeting. That has happened. As Mr Cointat said, we finished at 11 p.m. The consideration of these amendments lasted fairly late, and therefore it is necessary for me to give an entirely oral report rather than a written report.

As Mr Cointat has stated, the first item which exercised us was that relating to the mission expenses of the staff of the Institutions. He and the chairmen of the political groups decided to table amendments to all the sections of the budget, and two of them concern the section for which I am responsible, namely the Commission section. These are Amendments Nos 330 and 331. The decision of the Committee on Budgets was made in principle on all the amendments and that decision was taken by 14 votes in favour, none against and 5 abstentions. The effect is to increase expenditure by nearly 1 1/2 million EUA for the Commission.

Next, the committee examined an amendment tabled by Mr Lange, following a decision in principle at the last meeting of the committee. This amendment, No 325, seeks to freeze any extra expenditure for the external representation offices of the Community beyond 1977 levels. The committee ratified its previous decision of principle by supporting Mr Lange's

## Shaw

draft amendment unanimously. The Commission will, as I understand it, be presenting us with a report on these external offices and new activities in the external representation field at the end of the year.

We do not want to be awkward on this, Mr President, but we did feel that, if there were a lot of new offices coming into being, we should have more detailed information before we finally sanctioned the payment.

On Amendment No 235, concerning the continuation of the North Sea Dialogue, and No 233, concerning the Community system of guaranteed incomes for workers during retraining, the committee noted that it had already examined other amendments covering these items.

On Amendment No 327, tabled by Mrs Dunwoody and other members of the Socialist Group, seeking to enter commitments of 100 million EUA for Chapter 53, concerning new activities of the Social Fund, the committee gave a negative opinion, because it had already examined a different amendment from the Social Affairs Committee and because it felt that the authors of this amendment went a little further than either the Commission or the committee concerned were prepared to go.

I should point out, Mr President, that in our deliberations we are nearly always guided by the conclusions of the appropriate committee because we know that these committees have this year gone into the budget in great depth with Commission representatives.

Mr Aigner and the Christian-Democratic Group tabled Amendment No 326 to increase payment and commitment appropriations for Article 945, which covers the Community contribution towards schemes concerning developing countries carried out by non-governmental organizations such as the churches, the Red Cross, etc. Although the Committee had discussed this matter before, it was felt that this amendment took account of the views of the Committee on Development and Cooperation. Furthermore, the Commission informed us that the appropriations were needed. For that reason the amendment was approved unanimously by 23 votes in favour and with only 1 abstention.

Next, Mr Holst and other members of the Danish delegation revised their amendment, No 130 to Article 293, covering subsidies to non-governmental organizations pursuing humanitarian aims and promoting human rights. The changes involved eliminated some of the anxieties of the Committee on Budgets that this aid might jeopardize the independence of some of these organizations. This amendment eventually was given a favourable opinion with 18 votes in favour, 1 against and 1 abstention.

One other matter was examined, and that is Item 3333, which covers the physical protection measures of the JRC establishments. Both Mr Krieg and I have

amendments down on this on behalf of our respective committees, and I know Mr Noè in particular was very worried about this matter, because he had a word with me yesterday. Both amendments seek the same ends — namely, to give adequate support for improvements in security arrangements at the Joint Research Centre, which, I think everybody in this House will agree, is vitally necessary at this time. The only different is one of technique and of drafting.

Firstly, there was a slight error in the preliminary draft budget, which in the remarks talks of 'extra temporary staff' when in fact the necessary security work will be given to security firms by way of contract.

Secondly, the Committee on Budgets took a general view as regards the use of commitments, and that is outlined in the justification to my amendment No 308, where we state that commitments should not be used for such matters as staff and administrative expenditure. Commitments should only be entered in cases where activities spreading over several years are involved. Therefore, Mr President, we tabled an amendment which, while not affecting the overall payment for this item, sought to enter commitments only for investment and to remove them for administrative and staff expenditure. That is the position.

Mr Flämig came to us last night and stated the preoccupation of his committee, which wished to see the situation in the preliminary draft budget restored. However, in view of the important questions of budgetary principle involved, it was decided that the Committee on Budgets would not alter its amendment but would seek the support of the House on it, in order that this matter might be brought up during the negotiations between the Council and Parliament and in the presence of the Commission. I think I can say that I got overall agreement from the Institutions on this point, and I can assure Mr Noè that, at the end of the day, all will be well. I must therefore repeat that an amendment of the Committee on Budgets does not, in any way, reduce the possibilities for strengthening the security arrangements at the Joint Research Centre.

Finally, Mr President, in many amendments — and this is by way of a reminder — we see the phrase 'commitment appropriations' being used. This is — I state again — contrary to the view of Parliament, but in view of the fact that the original preliminary draft budget was drawn up with this phrase, and in view of the speed with which amendments have been made, such a phrase has continued to be used in many of the amendments. And rather than change it all in detail, I am sure the House will understand that we hold to our view that the correct term is 'commitment authorizations'. The discussion on which phrase will be used in the future has still to take place under the consultation procedure with the Council.

**Shaw**

After the general discussion, we then considered the amendments to my resolution. I will report briefly on these when we come to them.

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

*5. General Budget of the European Communities for 1978 (vote)*

**President.** — We shall now consider the draft amendments and proposed modifications to the general budget of the European Communities for 1978, after which we shall vote on the motions for resolutions contained in the report by Mr Shaw on the draft general budget for 1978 and the reports by Mr Cointat on Sections I, II, IV and V of the 1978 draft general budget.

I would first draw attention briefly to the relevant procedural rules. Appropriations will be taken section by section, chapter by chapter and article by article, and those appropriations on which no draft amendments or proposed modifications have been tabled will be approved without a formal vote. All proposed modifications and draft amendments will be put to the vote, unless their authors have withdrawn them, in the order of the budgetary nomenclature and on the basis of the appropriations to which they relate.

If several draft amendments or proposed modifications refer to the same article, the one that departs furthest from the draft budget will be put to the vote first. If they depart to the same extent from the draft budget, they will be put to the vote in the order in which they were tabled.

In order to preserve the budgetary balance, votes on individual sections of proposed modifications or draft amendments will not be permitted: in this way, we shall avoid the danger that items of expenditure are approved while the corresponding entries on the other side are rejected, and *vice versa*. For the same reason, it will not be possible to amend proposed modifications or draft amendments.

Proposed modifications, relating to compulsory expenditure, require for their adoption a majority of the votes cast, whereas draft amendments, relating to non-compulsory expenditure, require the votes of a majority of the current Members of Parliament — that is to say, at least 100 votes. Draft amendments are marked with an asterisk to draw your attention to the qualified majority required.

After the vote on the various articles, chapters and sections, the revenue, accordingly modified, will be adopted.

In order not to obstruct the counting of the votes, all those who are not Members of Parliament but whose duties require their presence in the Chamber are asked not to occupy the places reserved for Members. Any movement in the Chamber which might disturb the voting process must also be avoided.

Since over 300 draft amendments and proposed modifications have been tabled, it is essential that we adhere to the arrangements which I announced on Monday. To save time, I myself will indicate the point of view of the Committee on Budgets on each text as it is put to the vote, and will call the rapporteur only if he wishes to furnish additional information. Finally, if any votes by roll-call are requested, they will be held after the other votes on the draft amendments and proposed modifications have taken place.

In the spirit of these remarks and also in accordance with our agenda, we shall first proceed to vote on the texts relating to Sections I, II, IV and V of the draft general budget of the European Communities, relating to the Parliament, the Council, the Court of Justice and the Court of Auditors. We shall then take the draft amendments concerning the section relating to the Commission. After that, we shall vote on the proposed modifications of expenditure relating to the section of the budget concerning the Commission, since these do not require the same qualified majority but only an absolute majority of the votes cast. Finally, we shall consider the motions for resolutions contained in the reports by Mr Shaw and Mr Cointat on behalf of the Committee on Budgets.

We begin with *Section I: Parliament, Title I*. On the *list of posts*, the following five draft amendments have been tabled<sup>1</sup>:

- Nos 250, 259 and 268, tabled by Mr Cointat on behalf of the Committee on Budgets;
- No 236/rev./II, tabled by all the political groups, on which the Committee on Budgets has expressed a favourable opinion;
- No 237/rev., tabled by Mr Fellermaier on behalf of the Socialist Group, Mr Klepsch on behalf of the Christian-Democratic Group, and Mr Durieux on behalf of the Liberal and Democratic Group.

These draft amendments can be considered jointly.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) You have just stated that the Committee on Budgets gave a favourable opinion on all but one of the amendments. I would recall that, in agreement with the tablers of Amendment No 237/rev., the Committee on Budgets requested that this latter amendment should be held over. Consequently, as agreed with the tablers of the amendment, we shall take our decision in December, and in your letter of 25 October, Mr President, you state that the enlarged Bureau approves this procedure. I would therefore ask that the amendment be held over and not be voted on today.

**President.** — I call Mr Fellermaier.

<sup>1</sup> For the texts of draft amendments and proposed modifications, see Annex.

**Mr Fellermaier.** — (*D*) Mr President, the tablers of this amendment agree with the rapporteur of the Committee on Budgets that this amendment should be voted on not today but in the final voting in December. The amendment is therefore not to be withdrawn as per the Rules of Procedure, but simply set aside for a later vote.

**President.** — I put draft Amendment No 250 to the vote.

Draft Amendment No 250 is adopted by 122 votes to 0 with no abstentions.

I put draft Amendment No 259 to the vote.

Amendment No 259 is adopted by 122 votes to 0 with no abstentions.

I put draft Amendment No 268 to the vote.

Draft Amendment No 268 is adopted by 122 votes to 0 with no abstentions.

I put to the vote draft Amendment No 236/rev./II.

Draft Amendment No 236/rev./II is adopted by 122 votes to 0 with no abstentions.

At the request of the Committee on Budgets, draft Amendment No 237/rev. is held over.

On Item 1110, Mr Cointat has tabled draft Amendment No 257 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 257 is adopted by 122 votes to 0 with no abstentions.

On Item 1301, two draft amendments, Nos 329 and 328, have been tabled by all the political groups.

I put Amendment No 329 to the vote.

Draft Amendment No 329 is adopted by 121 votes to 0 with 1 abstention.

I put draft Amendment No 328 to the vote.

Draft Amendment No 328 is adopted by 121 votes to 0 with 1 abstention.

On Item 1490, Mr Cointat has tabled draft Amendment No 251 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 251 is adopted by 121 votes to 0 with 1 abstention.

We proceed to *title II*.

On Articles 220 and 222, Mr Fellermaier, on behalf of the Socialist Group, Mr Klepsch, on behalf of the Christian-Democratic Group, and Mr Durieux, on behalf of the Liberal and Democratic Group, have tabled draft Amendment No 238.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (*F*) Mr President, the problem is the same as that concerning Amendment No 237/rev., which we had a moment ago. This amendment, too, should be held over.

**President.** — With the agreement of its authors, Amendment No 238 is held over.

On Item 2940, Mr Cointat has tabled Amendment No 252 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 252 is adopted by 118 votes to 1, with no abstentions.

On Item 2990, the Committee on Budgets has tabled draft Amendment No 253. I put this text to the vote.

Draft Amendment No 253 is adopted by 119 votes to 0 with no abstentions.

We proceed to *Title III*.

On Article 374, Mr Cointat has tabled draft Amendment No 254 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 254 is adopted by 120 votes to 1, with no abstentions.

On Article 375, Mr Cointat has tabled draft Amendment No 255 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 255 is adopted by 120 votes to 0, with no abstentions.

We proceed to *Title X*.

On Chapter 100, Mr Cointat has tabled draft Amendment No 256 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 256 is adopted by 121 votes to 0, with no abstentions.

On Article 1001, the following two draft amendments have been tabled:

— No 232/rev., by the chairmen of the political groups;

— No 258, by Mr Cointat on behalf of the Committee on Budgets.

I put to the vote draft Amendment No 232/rev., which, with regard to the remarks, departs furthest from the text.

Draft Amendment No 232/rev. is adopted by 115 votes to 0 with three abstentions.

By reason of this adoption, draft Amendment No 258 becomes void.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (*F*) Mr President, I do not entirely agree with you. Amendment No 258 does not become void: in fact, although it corresponds to the previous amendment it does contain one variation in that it provides for the blocking of appropriations; consequently, it contains an addition to the previous amendment. I would therefore ask you, Mr President, to call a vote on Amendment No 258, which blocks the appropriations until such time as there is full need for them. This is the position of the Committee on Budgets and it is the only point on which it differs from the chairmen of the political groups. I did not

**Cointat**

ask to speak just now, Mr President, since I have no objection to the amendment put forward by the political groups; on the other hand, I feel that Amendment No 258 allows these appropriations to be blocked and consequently goes a little further.

**President.** — Mr Cointat, I do not find in the text of the amendment the term 'block' which you have used, but I see that the justification differs. Having approved one justification, we cannot go on to adopt the other.

**Mr Cointat, rapporteur.** — (F) Mr President, I apologize for expressing myself badly. In reality, what the Community on Budgets asks for is that such a large appropriation should not be open to arbitrary use and that consequently it should not be blocked but should be subject to *control* by the bodies responsible for the utilization of this appropriation. The vote on the previous amendment was quite valid, but we ask that this control by the responsible bodies should be added, thereby meeting the concern of the political groups and of the Committee on Budgets.

**Mr President.** — I call Mr Lange.

**Mr Lange, Chairmen of the Committee on Budgets.** — (D) This year we subjected the funds made available to the political groups for information, etc., in preparation for direct elections, to the general control of Parliament, and this should be continued in 1978. In other words, the appropriations should be subject not to independent control by the political groups but to general control by Parliament.

**President.** — I put to the vote the remarks from draft Amendment No 258, which, if adopted, will be integrated in the amendment we have just adopted. The remarks to draft Amendment No 258 are adopted by 115 votes to 0 with three abstentions.

Since there are no further amendments to Section I: 'Parliament', the whole of this section, as modified by the votes already taken, stands adopted.

We proceed to *Section II: 'Council', Title I.*

On Item 1301, the political groups have tabled two draft amendments: Nos 332 and 333.

I put draft Amendment No 332 to the vote.

Draft Amendment No 332 is adopted by 117 votes to 0, with no abstentions.

I put draft Amendment No 333 to the vote.

Draft Amendment No 333 is adopted by 117 votes to 0, with 1 abstention.

On Annex I, Section II, Mr Cointat has tabled, on behalf of the Committee on Budgets, two draft amendments on the list of posts: Nos 260 and 261.

I put draft Amendment No 260 to the vote.

Draft Amendment No 260 is adopted by 116 votes to 1, with two abstentions.

I put draft Amendment No 261 to the vote.

Draft Amendment No 261 is adopted by 115 votes to 1, with two abstentions.

On Item 1301, the political groups have tabled two draft amendments: Nos 336 and 337.

I put draft Amendment No 336 to the vote.

Draft Amendment No 336 is adopted by 116 votes to 1, with 1 abstention.

I put draft Amendment No 337 to the vote.

Draft Amendment No 337 is adopted by 116 votes to 1, with 1 abstention.

We proceed to *Title II.*

On Article 220, Mr Cointat has tabled draft Amendment No 263 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 263 is adopted by 119 votes to 0, with no abstentions.

We proceed to *Title X.*

On Chapter 100, Mr Cointat has tabled draft Amendment No 262 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 262 is adopted by 117 votes to 1, with 2 abstentions.

Since there are no further draft amendments to *Section II: 'Council'*, the whole of this section, as modified by the votes already taken, stands adopted.

We proceed to *Section IV: 'Court of Justice', Title I.*

On Item 1301, the political groups have tabled two draft amendments: Nos 335 and 334.

I put draft Amendment No 335 to the vote.

Draft Amendment No 335 is adopted by 121 votes to 0, with no abstentions.

I put draft Amendment No 334 to the vote.

Draft Amendment No 334 is adopted by 121 votes to 0, with no abstentions.

Since there are no further amendments to *Section IV: 'Court of Justice'*, the whole of this section, as modified by the votes already taken, stands approved.

On *Section V: 'Court of Auditors'*, no draft amendments have been tabled. Section V therefore stands adopted in its entirety.

We proceed to *Section III: 'Commission'*. We shall first vote on the draft amendments relating to revenue.

On Article 100, Mr Shaw has tabled two draft amendments on behalf of the Committee on Budgets: Nos 264 and 265.

I put draft Amendment No 265 to the vote.

Draft Amendment No 265 is adopted by 121 votes to 1 with no abstentions.

I put draft Amendment No 264 to the vote.

Draft Amendment No 264 is adopted by 120 votes to 2 with no abstentions.

**President**

On Article 110, Mr Shaw has tabled draft Amendment No 239 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 239 is adopted by 120 votes to 1 with no abstentions.

On Article 120, Mr Shaw has tabled draft Amendment No 269 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 269 is adopted by 123 votes to 0 with no abstentions.

On Article 130, Mr Shaw has tabled draft Amendment No 270 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 270 is adopted by 123 votes to 0 with no abstentions.

On Article 941, the Committee on Budgets has tabled draft Amendment No 241. I put this text to the vote.

Draft Amendment No 241 is adopted by 121 votes to 2 with no abstentions.

On Article 942, the Committee on Budgets has tabled draft Amendment No 240. I put this text to the vote.

Draft Amendment No 240 is adopted by 123 votes to 0 with no abstentions.

On Chapter 94, the Committee on Budgets has tabled draft Amendment No 242 seeking to insert a new Article 943. I put this text to the vote.

Draft Amendment No 242 is adopted by 124 votes to 0 with no abstentions.

On Chapter 94, the Committee on Budgets has tabled draft Amendment No 243 seeking to insert a new Article 944. I put this text to the vote.

Draft Amendment No 243 is adopted by 121 votes to 3 with no abstentions.

On Article 950, Mr Shaw has tabled draft Amendment No 244 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 244 is adopted by 124 votes to 0 with no abstentions.

On Article 990, Mr Shaw has tabled draft Amendment No 245 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 245 is adopted by 122 votes to 0 with no abstentions.

The division on revenue will be modified in accordance with the results of the vote on expenditure. We proceed to the division on *expenditure*.

On the *list of posts*, the Committee on Budgets has tabled draft Amendment No 315/rev. I put this text to the vote.

Draft Amendment No 315/rev. is adopted by 120 votes to 2 with no abstentions.

On the list of posts, Mr Shaw has tabled draft Amendment No 246/rev. on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 246/rev. is adopted by 118 votes to 0 with 2 abstentions.

On the list of posts, Mr Shaw has tabled draft Amendment No 247/rev. on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 247/rev. is adopted by 116 votes to 2 with no abstentions.

On the list of posts, Mr Shaw has tabled draft Amendment No 248/rev. on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 248/rev. is adopted by 117 votes to 2 with no abstentions.

We proceed to *Title I*.

On Item 1301, the political groups have tabled draft Amendments Nos 330 and 331.

I put draft Amendment No 330 to the vote.

Draft Amendment No 330 is adopted by 118 votes to 0 with 1 abstention.

I put draft Amendment No 331 to the vote.

Draft Amendment No 331 is adopted by 118 votes to 0 with 1 abstention.

On Article 145, Mr Cointat and others have tabled, on behalf of the Group of European progressive Democrats, draft Amendment No 158, on which the Committee on Budgets has delivered a negative opinion. I put this text to the vote.

Draft Amendment No 158 is rejected by 4 votes in favour to 110 against and 5 abstentions.

We proceed to *Title II*.

On Chapter 21, I have draft Amendment No 220, tabled by Mr Corrie and Mr Osborn, on behalf of the European Conservative Group, and draft Amendment No 185, tabled by Mr Yeats and others, on behalf of the Group of European Progressive Democrats. The Committee on Budgets has expressed a favourable opinion on Amendment No 220.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Mr President, I believe there is some confusion here. I think that the Committee on Budgets — and here I address the general rapporteur — gave a favourable opinion on Amendment No 185 but did not give an unfavourable opinion on Amendment No 220. I would ask Mr Shaw to clarify this question.

**President.** — I call Mr Shaw.

**Mr Shaw, general rapporteur.** — Mr President, the position is that last night an amendment came before us which, in fact, took up all the other amendments; we agreed to it, but the purpose there was that we should have further control on it. If we pass No 325, which is the new one, this means that we can go ahead with these offices, if need be, but that there

## Shaw

must be a freezing of the appropriations for the rental of external offices until we have had a chance to approve what is happening. So I would suggest that we know the spirit of the further amendments but that, if we accept this No 325, this will give the Commission a chance to go ahead with its present occupation of properties and at the same time with its plans for expansion. But it does mean that we shall have to unfreeze before those plans for expansion can be brought into being.

**President.** — Mr Shaw, do you consider draft Amendments Nos 220 and 185 to be covered by draft Amendment No 325?

**Mr Shaw, general rapporteur.** — Mr President, No 325 will have this effect on the others, but there is no reason why the others should not be voted on, because they deal specifically with Northern Ireland.

*(Laughter)*

**President.** — I call Mr Yeats.

**Mr Yeats.** — Mr President, there appears to be some confusion about this, because, as I understand the justification to Amendment No 325 that the rapporteur has just mentioned, this refers only to Lisbon and Madrid. It has nothing whatever to do with Belfast. It is a totally different matter.

**President.** — I put draft Amendment No 220 to the vote.

Draft Amendment No 220 is not adopted (51 votes for, 44 against and 7 abstentions).

I put draft Amendment No 185 to the vote.

Draft Amendment No 185 is rejected by 73 votes for, 44 against and 3 abstentions.

On Item 2100, Mr Lange has tabled draft Amendment No 325 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 325 is adopted by 118 votes to 2, with no abstentions.

On Article 251, Mr Shaw has tabled draft Amendment No 249 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 249 is adopted by 118 votes to 0 with 2 abstentions.

On Article 266, I have draft Amendment No 180, tabled by Mr Yeats and others on behalf of the Group of European Progressive Democrats, and draft Amendment No 301, tabled by the Committee on Budgets.

I put draft Amendment No 180 to the vote.

Draft Amendment No 180 is rejected by 10 votes for, 105 against and no abstentions.

I put draft Amendment No 301 to the vote.

Draft Amendment No 301 is adopted by 118 votes to 2 with no abstentions.

Draft Amendment No 202, tabled by the Liberal and Democratic Group, has been withdrawn.

On Item 2729, I have the following 4 draft amendments:

- No 23, by Mr Spinelli and others;
- No 79, tabled by Mr Schuijt on behalf of the Political Affairs Committee;
- No 184/crr., tabled by Mr Cointat and others on behalf of the Group of European Progressive Democrats; and
- No 271, tabled by Mr Shaw on behalf of the Committee on Budgets.

The Committee on Budgets has expressed a favourable opinion on Amendment No 79.

I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — *(D)* Mr President, it would not be entirely correct to say that the Committee on Budgets delivered a positive opinion on this amendment. It agreed to the amount but, and this is the important point, partly blocked the appropriation with its Amendment No 271. So this amendment cannot be described as having been approved by the Committee on Budgets.

**President.** — I call Mr Shaw.

**Mr Shaw, general rapporteur.** — I suggest the position would be resolved if we took 271 first, because that takes in the principle with which we agree, the difference lying — and this is why we put down our own amendment — in the blocking arrangement that we applied. In principle we agree with them all, but the only amendment that we agree to is No 271, because that includes the blocking mechanism.

**President.** — By voting first on the principle of blocking appropriations, Members might be prompted not to vote on that of entering these appropriations.

I call Mr Aigner.

**Mr Aigner.** — *(D)* Mr President, if you put draft Amendment No 271 to the vote, all the others would fall.

**President.** — The draft amendments which depart furthest from the text are those concerning appropriations that are not blocked.

I therefore put draft Amendment No 79 to the vote.

Draft Amendment No 79 is rejected with 17 votes for, 103 against and 5 abstentions.

I call Mr Shaw.

**Mr Shaw, general rapporteur.** — I think that there was just a little confusion on the last vote. Could I be allowed to express the view of the committee before each vote on these, since they are so complicated?

**President.** — I call Mr Spinelli.

**Mr Spinelli.** — (I) I withdraw draft Amendment No 23, since it is equivalent to that which has just been rejected.

**President.** — Draft Amendment No 23 is accordingly withdrawn.

I put draft Amendment No 271 to the vote.

Draft Amendment No 271 is adopted by 116 votes to 2 with 7 abstentions.

Since draft Amendment No 271 has been adopted, draft Amendment No 184/corr. falls.

On Article 282, I have 2 draft amendments :

- No 2, tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs ; and
- No 160, tabled by Mr Cointat and others on behalf of the Group of European Progressive Democrats. The Committee on Budgets has expressed a favourable opinion on draft Amendment No 2.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Mr President, Amendment No 160 is withdrawn.

**President.** — Draft Amendment No 160 is accordingly withdrawn.

I put draft Amendment No 2 to the vote.

Draft Amendment No 2 is adopted by 120 votes to 3 with no abstentions.

On Article 283, Mr Shaw has tabled draft Amendment No 272 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 272 is adopted by 119 votes to 4 with no abstentions.

On Article 288, I have 3 draft amendments :

- No 273, tabled by Mr Shaw on behalf of the Committee on Budgets ;
- No 224, tabled by Mr Aigner on behalf of the Christian-Democratic Group ; and
- No 159, tabled by Mr Cointat on behalf of the Group of European Progressive Democrats.

I call Mr Klepsch.

**Mr Klepsch.** — (D) I wish to withdraw the draft amendment tabled by Mr Aigner on behalf of the Christian-Democratic Group.

**President.** — Draft Amendment No 224 is accordingly withdrawn.

I put draft Amendment No 273 to the vote.

Draft Amendment No 273 is adopted by 116 votes to 4 with 2 abstentions.

Draft Amendment No 159 accordingly falls.

On Article 291, I have 2 draft amendments : Nos 267 and 274, tabled by the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — So far as No 267 is concerned, Mr President, the committee voted in favour of it — naturally, as it is our amendment. But I must say that I personally am going to abstain, because it deals with the Common Market telephone directories and I have voted against this in previous years. However, I make it quite clear that the Committee on Budgets voted in favour.

**President.** — I put draft Amendment No 267 to the vote.

Draft Amendment No 267 is rejected, with 43 votes for, 62 against and 4 abstentions.

I put draft Amendment No 274 to the vote.

Draft Amendment No 274 is rejected, with 49 votes for, 68 against and 3 abstentions.

Draft Amendment No 235, which refers to Article 293 and pursues the same aim, has been withdrawn.

On Chapter 29, I have received two draft amendments proposing the insertion of a new Article 293 :

- No 130/rev., by Mr Holst and other ; and
- No 275, tabled by Mr Shaw on behalf of the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, I just want to point out that the two amendments are about different subjects and, as each proposed the insertion of a new article, both articles have unfortunately taken on the number 293. It is a pure technicality, and I would suggest, subject of your ruling, that they can both be taken.

**President.** — I put draft Amendment No 130/rev. to the vote.

Draft Amendment No 130/rev. is adopted by 104 votes to 15, with 2 abstentions.

I put draft Amendment No 275 to the vote.

Draft Amendment No 275 is adopted by 120 votes to 0 with 2 abstentions.

We proceed to *Title III*, on which Mr Shaw has tabled draft Amendment No 276 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 276 is adopted by 121 votes to 0, with no abstentions.

On Item 3010, I have two amendments :

- No 183, tabled by Mr Yeats and others on behalf of the Group of European Progressive Democrats ; and
- No 277, tabled by Mr Shaw on behalf of the Committee on Budgets.

**President**

I call Mr Cointat.

**Mr Cointat.** — (*F*) Mr Yeats's amendment is withdrawn.

**Mr President.** — Draft Amendment No 183 is accordingly withdrawn.

I put draft Amendment No 277 to the vote.

Draft Amendment No 277 is adopted by 121 votes to 0, with no abstentions.

On Item 3021, the Committee on Social Affairs, Employment and Education has tabled draft Amendment No 122, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 122 is adopted by 119 votes to 0, with one abstention.

On Item 3030, the Committee on Social Affairs, Employment and Education has tabled draft Amendment No 123, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 123 is adopted by 121 votes to 0, with no abstentions.

On Item 3031, the Committee on Social Affairs, Employment and Education has tabled draft Amendment No 125, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 125 is adopted by 119 votes to 2, with no abstentions.

On Article 304, I have two draft amendments :

- No 25/rev., by Mr Spinelli and others ; and
- No 177, tabled by Mr Yeats and others on behalf of the Group of European Progressive Democrats.

The Committee on Budgets has expressed a negative opinion on both these draft amendments.

I put draft Amendment No 25/rev. to the vote.

Draft Amendment No 25/rev. is rejected with 14 votes for, 103 against and no abstentions. Draft Amendment No 177 accordingly falls.

On Item 3050, I have three draft amendments :

- No 26, by Mr Spinelli and others ;
- No 127, by Committee on Social Affairs, Employment and Education ; and
- No 179, tabled by Mr Yeats and others on behalf of the Group of European Progressive Democrats.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — The one the Committee on Budgets voted in favour of was that of the Committee on Social Affairs, No 127. So the Committee on Budgets is in favour of No 127 as distinct from Nos 26 and 179.

**President.** — I put draft Amendment No 127 to the vote.

Draft Amendment No 127 is adopted by 116 votes to 0, with no abstentions. Draft Amendments Nos 26 and 179 consequently fall.

On Item 3051, three draft amendments have been tabled :

- No 27, by Mr Spinelli and others ;
- No 128, by the Committee on Social Affairs, Employment and Education ; and
- No 178, by Mr Yeats and others on behalf of the Group of European Progressive Democrats.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — It is not that we were against any of them, but we did establish the principle, which I have stated on several occasions, that, where possible, we supported the committee concerned with the subject, so that, in preference, we usually took that committee's amendment. We supported No 128.

**President.** — I put draft Amendment No 128 to the vote.

Draft Amendment No 128 is adopted by 115 votes to 2, with no abstentions. Nos 27 and 178 consequently fall.

On Item 3052, two draft amendments have been tabled :

- No 28/rev. by Mr Spinelli and others ; and
- No 233, by the Committee on Social Affairs, Employment and Education.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Here we preferred Mr Spinelli's and we voted for his amendment.

**President.** — I put draft Amendment No 28/rev. to the vote.

Draft Amendment No 28/rev. is adopted by 109 votes to 2, with no abstentions. No 233 consequently falls.

On Article 306, two draft amendments have been tabled :

- No 129/rev. by the Committee on Social Affairs, Employment and Education ; and
- No 175/rev. by Mr Yeats and others on behalf of the Group of European Progressive Democrats.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — We are for No 129, Sir. I think that the other one would be pointless, unless Mr Yeats takes a contrary view.

**President.** — I put Amendment No 129/rev. to the vote.

**President**

Draft Amendment No 129/rev. is adopted by 110 votes to 2, with 2 abstentions. No 175/rev. consequently falls.

On Article 307, the Committee on Social Affairs, Employment and Education has tabled draft Amendment No 142, on which the Committee on Budgets has expressed a favourable view. I put this text to the vote.

Draft Amendment No 142 is adopted by 105 votes to 5, with no abstentions.

On Article 316, Mr Klinker has tabled draft Amendment No 149/rev. on behalf of the Committee on Agriculture.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, I think it only fair to point out that the Committee on Budgets were in favour of this by 7 votes to 6, with three abstentions. This is a very narrow majority, and I think Parliament is entitled to those figures.

**President.** — I put draft Amendment No 149/rev. to the vote.

Draft Amendment No 149/rev. is adopted by 109 votes to 2, with 1 abstention.

On Item 3200, Mr Krieg has tabled, on behalf of the Committee on Energy and Research, draft Amendment No 89/rev., on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 89/rev. is adopted by 113 votes to 0, with no abstentions.

On Item 3201, Mr Krieg has tabled, on behalf of the Committee on Energy and Research, draft Amendment No 91/rev., on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 91/rev. is adopted by 112 votes to 1, with no abstentions.

On Article 321, two draft amendments have been tabled:

- No 44/rev. by Mr Spinelli and others; and
- No 93/rev. by Mr Krieg on behalf of the Committee on Energy and Research.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, here again we gave preference to Mr Krieg's amendment on behalf of the spending committee. That does not mean to say that we disapproved of Mr Spinelli's amendment, but we felt it right to support the committee.

**President.** — I put draft Amendment No 93/rev. to the vote.

Draft Amendment No 93/rev. is adopted by 110 votes to 0, with no abstentions. No 44/rev. consequently falls.

On Article 322, two draft amendments have been tabled:

- No 45/rev. by Mr Spinelli and others; and
- No 95/rev./II by Mr Krieg on behalf of the Committee on Energy and Research.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Again, Mr President, we supported the Committee on Energy and Research as the committee concerned.

**President.** — I put draft Amendment No 95/rev./II to the vote. Draft Amendment No 95/rev./II is adopted by 105 votes to 1, with 3 abstentions. No 45/rev. consequently falls.

On Chapter 32, Mr Krieg has tabled, on behalf of the Committee on Energy and Research, draft Amendment No 96/rev., seeking to insert a new Article 323, on which the Committee on Budgets has expressed a favourable view. I put this text to the vote.

Draft Amendment No 96/rev. is adopted by 109 votes to 0, with no abstentions.

On Item 3240, two draft amendments have been tabled:

- No 30/rev. by Mr Spinelli and others; and
- No 98/rev. by Mr Krieg on behalf of the Committee on Energy and Research.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Once again, we support Mr Krieg for the same reasons.

**President.** — I put draft Amendment No 30/rev. to the vote. Draft Amendment No 30/rev. is rejected with 10 votes for, 100 against and no abstentions.

I put draft Amendment No 98/rev. to the vote.

Draft Amendment No 98/rev. is adopted by 109 votes to 0, with no abstentions.

On Article 324, two draft amendments have been tabled, seeking to insert a new Item 3241:

- No 31/rev. by Mr Spinelli and others; and
- No 100/rev. by Mr Krieg on behalf of the Committee on Energy and Research.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, the Committee on Budgets supported Mr Krieg's amendment, for the reasons I have already given, rather than Mr Spinelli's.

**President.** — I put draft Amendment No 31/rev. to the vote.

Draft Amendment No 31/rev. is rejected with 9 votes for, 102 against and no abstentions.

**President**

I put draft Amendment No 100/rev. to the vote.

Draft Amendment No 100/rev. is adopted by 112 votes to 0, with no abstentions.

On Article 324, two draft amendments have been tabled, both proposing the insertion of a new Item 3242 :

— No 32/rev. by Mr Spinelli and others ; and

— No 102/rev. by Mr Krieg on behalf of the Committee on Energy and Research.

**Mr Shaw, general rapporteur.** — Mr President, again for the same reason that, wherever possible, we like to support the committee concerned, which, we believe, has gone into the subject very thoroughly : we support Mr Krieg.

**President.** — Mr Spinelli withdraws his amendment.

I put draft Amendment No 102/rev. to the vote.

Draft Amendment No 102/rev. is adopted by 109 votes to 0, with no abstentions.

On Chapter 32, two draft amendments have been tabled, both proposing the insertion of a new Article 325 :

— No 33/rev. by Mr Spinelli and others ; and

— No 104 by Mr Krieg on behalf of the Committee on Energy and Research.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — We support Mr Krieg's amendment.

**President.** — Mr Spinelli withdraws his Amendment No 33/rev.

I put draft Amendment No 104 to the vote.

Draft Amendment No 104 is adopted by 109 votes to 1, with no abstentions.

On Chapter 32, the Committee on Budgets has tabled draft Amendment No 266. I put this text to the vote. Draft Amendment No 266 is adopted by 109 votes to 1, with no abstentions.

On Chapter 33, Mr Shaw has tabled draft Amendment No 302 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 302 is adopted by 110 votes to 0, with no abstentions.

On Item 3333, three draft amendments have been tabled :

— No 105/rev. by Mr Krieg on behalf of the Committee on Energy and Research ;

— No 308 by Mr Shaw on behalf of the Committee on Budgets ;

— No 106/rev./corr. by Mr Krieg on behalf of the Committee on Energy and Research.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, I am sorry, but this is a complicated matter which I referred

to in my remarks at the beginning of today's proceedings. We had a long and detailed discussion last night on this. It was complicated by the fact that the preliminary draft budget was, in small but important ways, not in order or correct, and therefore misled the authors of the amendments. I would ask that the opinion of the Committee on Budgets and my own amendment be supported, on the clear understanding that last night all parties agreed that the necessary adjustments would be made to this amendment before December enabling it to satisfy all parties. Everyone agrees on the objective. If my amendment, No 308, could be adopted on that understanding, I should be most grateful.

**President.** — Does Mr Krieg accept what Mr Shaw has just said ?

**Mr Krieg.** — (F) Yes, Mr President.

**President.** — I put draft Amendment No 308 to the vote.

Draft Amendment No 308 is adopted by 110 votes to 0, with no abstentions. Draft Amendments Nos 105/rev. and 106/rev./corr. consequently fall.

On Item 3351, Mr Lange has tabled draft Amendment No 316 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 316 is adopted by 106 votes to 0, with no abstentions.

On Item 3352, Mr Guerlin has tabled, on behalf of the Committee on the Environment, Public Health and Consumer Protection, draft Amendment No 1/rev., on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 1/rev. is adopted by 106 votes to 0, with no abstentions.

On Article 335, Mr Guerlin has tabled three draft amendments on behalf of the Committee on the Environment, Public Health and Consumer Protection : Nos 81, 82 and 88, on all three of which the Committee on Budgets has expressed a favourable opinion.

I put draft Amendment No 81 to the vote.

Draft Amendment No 81 is adopted by 106 votes to 0, with no abstentions.

I put the first part of draft Amendment No 88 to the vote.

The first part of draft Amendment No 88 is adopted by 106 votes to 0, with no abstentions.

I put draft Amendment No 82 to the vote.

Draft Amendment No 82 is adopted by 106 votes to 0, with no abstentions.

**President**

I put the second part of draft Amendment No 88 to the vote.

The second part of draft Amendment No 88 is adopted by 105 votes to 0, with no abstentions.

On Item 3361, two draft amendments have been tabled :

— No 107/rev./corr. by Mr Krieg on behalf of the Committee on Energy and Research ; and

— No 309 by the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, they are identical except that we take out of commitments anything to do with staff, because staff does not come into commitments. We prefer, as the Committee on Budgets, our own amendment, No 309.

**President.** — Does Mr Krieg maintain his draft amendment ?

**Mr Krieg.** — (F) Mr President, I withdraw my amendment, since its object is achieved by the amendment of the Committee on Budgets.

**President.** — Draft Amendment No 107/rev./corr. is accordingly withdrawn.

I put draft Amendment No 309 to the vote.

Draft Amendment No 309 is adopted by 105 votes to 0, with no abstentions.

On Item 3362, two draft amendments have been tabled :

— No 110/rev./corr. by Mr Krieg on behalf of the Committee on Energy and Research ; and

— No 304 by the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Here again, Mr President, they are exactly the same amendments, except that we in the Committee on Budgets felt we had to tidy up Mr Krieg's amendment, because you cannot have staff commitments. That is the only difference.

**President.** — Does Mr Krieg maintain his draft amendment ?

**Mr Krieg.** — (F) No, Mr President.

**President.** — Draft Amendment No 110/rev./corr. is accordingly withdrawn.

I put draft Amendment No 304 to the vote.

Draft Amendment No 304 is adopted by 105 votes to 0, with no abstentions.

On Article 336, Mr Krieg has tabled three draft amendments on behalf of the Committee on Energy and Research : Nos 228/corr., 121/rev. and 120.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — We are in favour of all three, Mr President.

**President.** — I put draft Amendment No 228/corr. to the vote.

Draft Amendment No 228/corr. is adopted by 104 votes to 0, with no abstentions.

I put draft Amendment No 121/rev. to the vote.

Draft Amendment No 121/rev. is adopted by 104 votes to 0, with no abstentions.

I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.**

— (D) Mr Shaw, I am not sure whether Amendment No 120, as formulated here, does not in fact mean that commitment appropriations should be entered in Chapter 100. This is in our opinion not permissible. In view of this we cannot support the amendment. If it means that these commitment appropriations should be entered under Item 3363, we agree, but the text as a whole is not formulated in this way, since it refers to Title 10, Chapter 100. In accordance with our general decision, no commitment appropriations are to be entered in Chapter 100.

**President.** — I call Mr Shaw.

**Mr Shaw, general rapporteur.** — Mr President, of course Mr Lange is quite right. Perhaps I may assist Parliament by saying that at a late hour when we discussed these matters we agreed all three amendments in principle. He has with his eagle eye spotted a weakness in the drafting that might lead to confusion. I will promise him that the matter will be cleaned up before it is finished. On that assurance, perhaps, we can support Mr Krieg.

**President.** — But don't you consider, Mr Shaw, that, as a result of the adoption of the first two amendments, this third draft amendment becomes void ?

**Mr Shaw, general rapporteur.** — I will accept your view, Mr President, if Mr Krieg believes that it is pointless. However, we were anxious to support him.

**President.** — We cannot leave the decision to Mr Krieg.

I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.**

— (D) Mr President, it is my impression that these commitment appropriations are sought by the committee and that this was basically the position of the Committee on Budgets. The commitment appropriations only have to be entered under the appropriate item and this will settle the matter. We could support the amendment and it would then be finished with. You could also consider the matter settled on the basis of the two preceding votes.

**Lange**

That was the point to which Mr Shaw was referring. There should be no commitment appropriations entered in Chapter 100; the commitment appropriations should be entered under the appropriate item.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (*D*) We still have to vote on the third amendment, but this has to be changed by the rapporteur, since, as Mr Lange has explained, this amount of one million in commitment appropriations must be entered under the appropriate item.

**President.** — Both draft amendments, Nos 121/rev. and 120, seek to enter a commitment appropriation of 2 500 000 EUA. Once we have voted on the first, the second becomes groundless.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** Mr President, I think you are absolutely right: there is no need for the third amendment.

**President.** — On Item 3364, two draft amendments have been tabled:

— No 116/rev./corr. by Mr Krieg on behalf of the Committee on Energy and Research; and

— No 310 by the Committee on Budgets.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, this is exactly the point I made earlier — namely, that the Committee on Budgets could not accept an amendment that put commitments in for staff. We have therefore adopted the same amendment without the commitments for staff, and the Committee on Budgets advocates its own amendment, No 310, which in all other respects is the same as Mr Krieg's.

**President.** — Is Mr Krieg prepared to withdraw his amendment?

**Mr Krieg.** — (*F*) Yes, Mr President.

**President.** — Draft Amendment No 116/rev./corr. is accordingly withdrawn.

I put draft Amendment No 310 to the vote.

Draft Amendment No 310 is adopted by 102 votes to 0, with no abstentions.

On Item 3371, two draft amendments have been tabled:

— No 112/rev./corr. by Mr Krieg on behalf of the Committee on Energy and Research; and

— No 311 by the Committee on Budgets.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, the same remarks apply. I hope Mr Krieg does not think that we are trying to make things difficult for him, but

we have certain principles that we apply in the Committee on Budgets, and I am afraid his amendments just happen to run foul of them, so we felt we had to alter them. I would ask him if he would not mind withdrawing his own amendment and supporting ours, for we are trying to achieve exactly the same object as he is. The Committee on Budgets therefore voted in favour of No 311.

**President.** — Mr Krieg, are you prepared to withdraw your amendment?

**Mr Krieg.** — (*F*) Yes, Mr President.

**President.** — Draft Amendment No 112/rev./corr. is accordingly withdrawn.

Draft Amendment No 311 to the vote.

Draft Amendment No 311 is adopted by 100 votes to 0, with no abstentions.

On Item 3520, three draft amendments have been tabled:

— No 34 by Mr Spinelli and others;

— No 83 by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection; and

— No 174 by Mr Yeats and others on behalf of the Group of European Progressive Democrats.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — The Committee on Budgets welcomed all three amendments but nonetheless felt, as is their practice, that they should support the Committee on the Environment, Public Health and Consumer Protection, so we gave the vote to No 83.

**President.** — Since Mr Spinelli and Mr Yeats have withdrawn their respective amendments, I put draft Amendment No 83 to the vote.

Draft Amendment No 83 is adopted by 102 votes to 2, with no abstentions.

On Article 353, four draft amendments have been tabled:

— No 37 by Mr Spinelli and others;

— No 84 by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection;

— No 173 by Mr Yeats and others on behalf of the Group of European Progressive Democrats;

— No 190 by Lord Bethell and Mr Spicer on behalf of the European Conservative Group.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Here again, Mr President, the Budget Committee gave its support to the spending committee, the Committee on the Environ-

## Shaw

ment, Public Health and Consumer Protection, and therefore it voted for No 84. I would, if I may, ask the other proposers of amendments if they would be so kind as to withdraw their amendments in favour of that committee.

**President.** — Since Mr Spinelli, Mr Yeats, Lord Bethell and Mr Spicer have withdrawn their respective amendments, I put draft Amendment No 84 to the vote.

Draft Amendment No 84 is adopted by 102 votes to 2, with no abstentions.

On Item 3540, Mr Spinelli and others have tabled draft Amendment No 36, on which the Committee on Budgets has expressed a negative opinion. I put this text to the vote.

Draft Amendment No 36 is rejected, with 8 votes for, 95 against and no abstentions.

On Item 3541, two identical draft amendments have been tabled :

- No 38 by Mr Spinelli and others ; and
- No 85/corr. by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — As usual, Mr President, we gave our vote to the committee concerned, the Committee on the Environment, Public Health and Consumer Protection — that is to say, No 85/corr.

**President.** — Since Mr Spinelli has withdrawn his amendment, I put draft Amendment No 85/corr. to the vote.

Draft Amendment No 85/corr. is adopted by 102 votes to 2, with no abstentions.

On Item 3550, two identical draft amendments have been tabled :

- No 86 by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection ; and
- No 161 by Mr Cointat and others on behalf of the Group of European Progressive Democrats,

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Again, Mr President, the committee gave its vote to the Committee on the Environment, Public Health and Consumer Protection — No 86.

**President.** — Since Mr Cointat has withdrawn his amendment, I put draft Amendment No 86 to the vote.

Draft Amendment No 86 is adopted by 102 votes to 2, with no abstentions.

On Article 355, three draft amendments have been tabled :

- No 35/corr. by Mr Spinelli and others ;
- No 87/rev. by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection ; and
- No 162 by Mr Cointat and others on behalf of the Group of European Progressive Democrats.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, these are three equally good amendments, but, as enunciated before, we gave our preference to the Committee on the Environment, Public Health and Consumer Protection — namely, No 87/rev.

**President.** — Since Mr Spinelli and Mr Cointat have withdrawn their respective amendments, I put draft Amendment No 87/rev. to the vote.

Draft Amendment No 87/rev. is adopted by 100 votes to 2, with one abstention.

On Article 359, three draft amendments have been tabled :

- No 39 by Mr Spinelli and others ;
- No 172 by Mr Yeats and others on behalf of the Group of European Progressive Democrats ; and
- No 278 by Mr Shaw on behalf of the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, we have tabled our own amendment and we are naturally in favour of it. Ours maintains the position, except that it freezes it, while the other two amendments intend to increase. We are against the other two amendments ; we are for our own, No 278.

**President.** — Since Mr Spinelli and Mr Yeats have withdrawn their respective draft amendments, I put draft Amendment No 278 to the vote.

Draft Amendment No 278 is adopted by 104 votes to 0, with one abstention.

The proceedings will now be suspended for a quarter of an hour. The House will rise.

*(The sitting was suspended at 12 noon and resumed at 12.20 p.m.)*

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

On Item 3611, Mr Krieg has tabled, on behalf of the Committee on Energy and Research, draft Amendment No 114, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 114 is not adopted (96 votes for, 0 against, and no abstentions).

*(Comments)*

**President**

On Item 3620, Mr Spinelli and others have tabled draft Amendment No 46/rev./corr., on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 46/rev./corr. is adopted by 112 votes to 2, with no abstentions.

On Item 3621, Mr Krieg has tabled, on behalf of the Committee on Energy and Research, draft Amendment No 119/rev./III, on which the Committee on Budgets expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 119/rev./III is adopted by 116 votes to 0, with no abstentions.

On Item 3701, two draft amendments have been tabled:

— No 3/rev. by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has expressed a favourable opinion; and

— No 49/rev. by Mr Spinelli and others.

Since Mr Spinelli has withdrawn his amendment, I put draft Amendment No 3/rev. to the vote.

Draft Amendment No 3/rev. is adopted by 110 votes to 0, with three abstentions.

On Item 3702 two draft amendments have been tabled:

— No 7/rev. by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has expressed a favourable opinion; and

— No 66/rev. by Mr Spinelli and others.

I put draft Amendment No 66/rev. to the vote.

Draft Amendment No 66/rev. is rejected, with 10 votes for, 103 against and no abstentions.

I put draft Amendment No 7/rev. to the vote.

Draft Amendment No 7/rev. is adopted by 110 votes to 0, with two abstentions.

On Article 370, three draft amendments seeking to add a new Item 3703 have been tabled:

— No 5/corr. by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs;

— No 170 by Mr Cointat and others on behalf of the Group of European Progressive Democrats; and

— No 50 by Mr Spinelli and others.

The Committee on Budgets has expressed a favourable opinion on all three draft amendments.

I put draft Amendment No 5/corr. to the vote.

Draft Amendment No 5/corr. is adopted by 120 votes to 0, with two abstentions. Draft Amendments Nos 170 and 50 consequently fall.

On Item 3710, two draft amendments have been tabled:

— No 8/rev. by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has expressed a favourable opinion; and

— No 51/rev. by Mr Spinelli and others.

I put draft Amendment No 8/rev. to the vote.

Draft Amendment No 8/rev. is adopted by 124 votes to 0, with one abstention. Draft Amendment No 51/rev. consequently falls.

On Item 3711, two identical draft amendments have been tabled:

— No 6 by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs; and

— No 52 by Mr Spinelli and others.

The Committee on Budgets has expressed a favourable opinion on both these draft amendments.

I put draft Amendment No 6 to the vote.

Draft Amendment No 6 is adopted by 124 votes to 1, with one abstention. Draft Amendment No 52 consequently falls.

On Article 373, Mr Shaw has tabled draft Amendment No 279 on behalf of the Committee on Budgets. I put this text to the vote. Draft Amendment No 279 is adopted by 125 votes to 1, with one abstention.

On Article 374, Mr Spinelli and others have tabled draft Amendment No 58/rev., on which the Committee on Budgets has expressed a negative opinion. I put this text to the vote.

Draft Amendment No 58/rev. is rejected, with 10 votes for, 117 against and two abstentions.

On Article 375, the Committee on Budgets and the Committee on Economic and Monetary Affairs have tabled three draft amendments: Nos 280, 281 and 282.

I put draft Amendment No 281 to the vote.

Draft Amendment No 281 is adopted by 127 votes to 0, with one abstention.

I put draft Amendment No 280 to the vote.

Draft Amendment No 280 is adopted by 124 votes to 3, with one abstention.

I put draft Amendment No 282 to the vote.

Draft Amendment No 282 is adopted by 127 votes to 0, with one abstention.

On Article 390, four draft amendments have been tabled:

— No 9 by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs;

— No 115 by Mr Krieg on behalf of the Committee on Energy and Research;

**President**

— No 222 by Mr Cifarelli and Mr Bangemann on behalf of the Liberal and Democratic Group, which has been withdrawn ; and

— No 283 by Mr Shaw on behalf of the Committee on Budgets. I put draft Amendment No 283 to the vote.

Draft Amendment No 283 is adopted by 127 votes to 3, with one abstention. Draft Amendments Nos 9 and 115 consequently fall.

On Item 3920, two identical draft amendments have been tabled :

— No 131 by the Committee on Social Affairs, Employment and Education ; and

— No 284 by Mr Shaw on behalf of the Committee on Budgets.

I call Mr Shaw.

**Mr. Shaw, general rapporteur.** — Mr President, my own amendment is withdrawn.

**President.** — Draft Amendment No 284 is accordingly withdrawn. I put draft Amendment No 131 to vote.

Draft Amendment No 131 is adopted by 124 votes to 4, with one abstention.

On Article 393, Mr Schuijt has tabled, on behalf of the Political Affairs Committee, draft Amendment No 80, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 80 is adopted by 124 votes to 2, with one abstention.

On Chapter 39, three draft amendments proposing the insertion of a new Article 395 have been tabled :

— No 53 by Mr Spinelli and others ;

— No 201/corr. by Mr Baas on behalf of the Liberal and Democratic Group, which has been withdrawn ; and

— No 285 by the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, we did examine these amendments and we preferred a token entry. We therefore put down an amendment to that effect : a token entry instead of a specific sum of money.

**President.** — I put draft Amendment No 53 to the vote.

Draft Amendment No 53 is rejected, with 8 votes for, 120 against and no abstentions.

I put draft Amendment No 285 to the vote.

Draft Amendment No 285 is not adopted (92 votes for, 18 against and one abstention).

We proceed to *Title IV*.

On Chapter 42, the Committee on Budgets has tabled draft Amendment No 286. I put this text to the vote.

Draft Amendment No 286 is adopted by 126 votes to 1, with one abstention.

On Title IV, Mr Shaw has tabled, on behalf of the Committee on Budgets, draft Amendment No 294 proposing the insertion of a new Chapter 43. I put this text to the vote.

Draft Amendment No 294 is adopted by 126 votes to 1, with one abstention.

On Title IV, the following have been tabled :

— proposed Modification No 150 by Mr Klinker on behalf of the Committee on Agriculture ;

— proposed Modification No 164 by Mr Cointat and others on behalf of the Group of European Progressive Democrats ;

— draft Amendment No 289 by the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, we are all seeking the same thing, but the Committee on Budgets' amendment, which, of course, the committee favoured, seeks to do it by way of amendment rather than by way of modification, which leaves us with greater authority.

**President.** — Since Mr Cointat and Mr Klinker have withdrawn their respective proposed modifications, I put draft Amendment No 289 to the vote.

Draft Amendment No 289 is adopted by 126 votes to 0, with two abstentions.

On Title IV, the following have been tabled :

— draft Amendment No 287 by the Committee on Budgets ;

— proposed Modification No 165 by Mr Cointat and others on behalf of the Group of European Progressive Democrats ; and

— proposed Modification No 151 by Mr Klinker on behalf of the Committee on Agriculture.

I put draft Amendment No 287 to the vote.

Draft Amendment No 287 is adopted by 126 votes to 0, with two abstentions. Proposed Modifications Nos 165 and 151 consequently fall.

On Title IV, the following have been tabled :

— draft Amendment No 288 by the Committee on Budgets ; and

— proposed Modification No 152 by Mr Klinker on behalf of the Committee on Agriculture.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, the principle involved is the same. We want to do it by way of amendment rather than by modification, so we prefer No 288.

**President.** — I put draft Amendment No 288 to the vote.

Draft Amendment No 288 is adopted by 126 votes to 0, with no abstentions. Proposed Modification No 152 consequently falls.

On Article 490, two draft amendments have been tabled :

- No 10 by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs ; and
- No 290 by Mr Shaw on behalf of the Committee on Budgets.

I call Mr Shaw.

**Mr Shaw, general rapporteur.** — I withdraw my amendment.

**President.** — Draft Amendment No 290 is accordingly withdrawn. I put draft Amendment No 10 to the vote.

Draft Amendment No 10 is adopted by 121 votes to 6, with no abstentions.

On Article 491, Mr Shaw has tabled draft Amendment No 291 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 291 is adopted by 119 votes to 8, with no abstentions.

On Article 492, two draft amendments have been tabled :

- No 54 by Mr Spinelli and others ; and
- No 292 by Mr Shaw on behalf of the Committee on Budgets.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — I would have withdrawn my own in favour of Mr Spinelli's amendment, except that I am putting it forward on behalf of the Committee on Budgets, and our justification is fuller. Nonetheless, the texts are the same, so I support No 292.

**President.** — Since Mr Spinelli has withdrawn his draft amendment, I put draft Amendment No 292 to the vote. Draft Amendment No 292 is adopted by 118 votes to 7, with no abstentions.

On Article 493, two draft amendments have been tabled :

- No 293 by Mr Shaw on behalf of the Committee on Budgets ; and
- No 55 by Mr Spinelli and others.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, for the same reason we support No 293.

**President.** — Since Mr Spinelli has withdrawn his amendment, I put draft Amendment No 293 to the vote.

Draft Amendment No 293 is adopted by 116 votes to 9, with no abstentions.

On Chapter 49, the Committee on Budgets has tabled draft Amendment No 305 seeking to insert a new Article 494. I put this text to the vote.

Draft Amendment No 305 is adopted by 116 votes to 6, with no abstentions,

We pass to *Title V*.

On Article 500, three draft amendments have been tabled :

- No 56 by Mr Spinelli and others ;
- No 132 by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has expressed a favourable view ; and
- No 191 by Mrs Kellett-Bowmann on behalf of the European Conservative Group.

Since Mr Spinelli and Mrs Kellett-Bowman have withdrawn their respective draft amendments, I put draft Amendment No 132 to the vote.

Draft Amendment No 132 is adopted by 114 votes to 1, with one abstention.

On Article 501, three draft amendments have been tabled :

- No 59 by Mr Spinelli and others, on which the Committee on Budgets has expressed an unfavourable opinion ;
- No 192 by Mrs Kellett-Bowman on behalf of the European Conservative Group ; and
- No 133 by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has expressed a favourable opinion.

Since Mrs Kellett-Bowman has withdrawn her amendment, I put draft Amendment No 59 to the vote.

Draft Amendment No 59 is rejected, with 27 votes for, 78 against and no abstentions.

I put draft Amendment No 133 to the vote.

Draft Amendment No 133 is adopted by 115 votes to 1, with one abstention.

On Article 502, the Committee on Social Affairs, Employment and Education has tabled draft Amendment No 134, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 134 is adopted by 116 votes to 1, with no abstentions.

On Article 503, the Committee on Social Affairs, Employment and Education has tabled draft Amendment No 135, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

**President**

Draft Amendment No 135 is adopted by 118 votes to 1, with no abstentions.

On Article 510, three draft amendments have been tabled :

- No 60/rev. by Mr Spinelli and others ;
- No 137/corr. by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has expressed a favourable opinion ; and
- No 193 by Mrs Kellett-Bowman on behalf of the European Conservative Group.

Since Mrs Kellett-Bowman has withdrawn her amendment, I put draft Amendment No 60/rev. to the vote.

Draft Amendment No 60/rev. is rejected, with 19 votes for, 99 against and no abstentions.

I put draft Amendment No 137/corr. to the vote.

Draft Amendment No 137/corr. is adopted by 116 votes to 1, with 1 abstention.

On Article 511, the Committee on Social Affairs, Employment and Education has tabled draft Amendment No 138/corr., on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 138/corr. is adopted by 118 votes to 0, with no abstentions.

On Article 520, two draft amendments have been tabled :

- No 61/rev. by Mr Spinelli and others ; and
- No 139 by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has expressed a favourable opinion.

Since Mr Spinelli has withdrawn his amendment, I put draft Amendment No 139 to the vote.

Draft Amendment No 139 is adopted by 117 votes to 1, with no abstentions.

On Title V, three draft amendments have been tabled :

- No 67/rev. by Mr Spinelli and others ;
- No 140/corr. by the Committee on Social Affairs, Employment and Education ; and
- No 327 by Mrs Dunwoody and others on behalf of the Socialist Group (this draft amendment replaces No 221, tabled by Mr Dondelinger and others on behalf of the Socialist Group, which has been withdrawn).

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, we support the Committee on Social Affairs in pursuance of our policy. We believe that, on the evidence, they have looked into these matters and they have given deeply considered opinions. So we support No 140/corr. We did not, in fact, vote on No 67/rev., because

we felt that we would stick to No 140. With regard to No 327, the committee was against it because we felt that the matter had been considered by the Committee on Social Affairs and that we should stick with their amendment. — That is to say, we are in favour of No 140, we are against No 67, we are against No 327.

**President.** — I put draft Amendment No 327 to the vote.

Draft Amendment No 327 is rejected, with 53 votes for, 65 against and no abstentions.

Since Mr Spinelli has withdrawn his amendment, I put draft Amendment No 140/corr. to the vote.

Draft Amendment No 140/corr. is adopted by 115 votes to 0, with no abstentions.

Before proceeding to the consideration of Chapter 55, I would point out that the order of voting differs slight by from that in which these texts have been distributed.

On Chapter 55, I have a number of draft amendments, which I propose, for the sake of clarity, to classify as follows :

First of all, draft Amendments Nos 12/rev. and 171, both relating to the appropriations of Chapter 55 as a whole ; then draft Amendments Nos 189, 306, 307 and 71/rev., all four concerning the budgetary nomenclature ; and draft Amendments Nos 317 and 73/rev., both relating to appropriations for measures to encourage investment in industry, the trades and the service sector. These will be followed by draft Amendments Nos 318 and 72, both relating to appropriations for measures to encourage infrastructure investment ; then draft Amendments Nos 317 and 74/rev., both relating to appropriations for interest rebates ; and finally, draft Amendments Nos 75/rev. and 320, both relating to the appropriations of the new Article 561, 'other Regional Fund measures'.

The Committee on Budgets has delivered a favourable opinion on draft Amendment No 12/rev.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Mr President, it is not possible to vote appropriations before having voted on the budgetary nomenclature. We therefore have to vote first on Amendment No 189, by Mr Scott-Hopkins, and Amendments Nos 306 and 307, by the Committee on Budgets, which are solely concerned with nomenclature. Only after this nomenclature has been decided on can we go on to enter appropriations against the corresponding items.

**President.** — I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, on the contrary : if we vote on Amendment No 12/rev., that is not affected by any changes in the nomenclature.

**Lord Bruce of Donington**

The existing nomenclature will quite suffice for the consideration of Amendment No 12/rev.

**President.** — Since we are dealing with a problem of a specifically budgetary nature, I should like to hear the view of the general rapporteur.

**Mr Shaw, general rapporteur.** — I am bound to say that I think Lord Bruce is right on that particular point, but I would much prefer, having got my papers in the order indicated by you, to continue with them in that order, because I must confess I get confused and I should think that everybody else will get confused unless we follow that procedure.

**President.** — We must therefore make an effort to proceed in orderly fashion.

I propose that we first vote on draft Amendment No 171, which is the one that would make substantial changes in the budgetary allocations and which therefore departs furthest from the text. What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, there are two involved — namely, Nos 171 and 12/rev. The Committee on Budgets supports the amendment of the Regional Policy Committee, No 12/rev., for the reasons that I have mentioned throughout the morning.

**President.** — I put to the vote draft Amendment No 171, tabled by Mr Yeats and others on behalf of the Group of European Progressive Democrats.

Draft Amendment No 171 is rejected, with 21 votes for, 95 against and 5 abstentions.

I put to the vote draft Amendment No 12/rev., tabled by the Committee on Regional Policy, Regional Planning and Transport.

Draft Amendment No 12/rev. is adopted by 118 votes to 0, with 3 abstentions.

We proceed to the draft amendments concerning the nomenclature. I call Mr Shaw.

**Mr Shaw, general rapporteur.** — The Committee on Budgets voted in favour of No 306, but did not vote on the other amendments.

**President.** — I put to the vote draft Amendment No 189, drafted by Mr Scott-Hopkins and Lord Bessborough on behalf of the European Conservative Group.

Draft Amendment No 189 is rejected, with 4 votes for, 116 against and 2 abstentions.

I put to the vote draft Amendment No 306, tabled by the Committee on Budgets.

Draft Amendment No 306 is not adopted (77 votes for, 38 against and 4 abstentions).

I put to the vote draft Amendment No 307, tabled by the Committee on Budgets.

Draft Amendment No 307 is not adopted (72 votes for, 32 against and 2 abstentions).

We proceed to draft Amendment No 71/rev., tabled by Mr Spinelli and others.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — The Committee on Budgets did not vote on this, because they preferred their own amendment, No 306. So no opinion has been given by the Committee on Budgets.

**President.** — Mr Spinelli has withdrawn draft Amendments Nos 71/rev. and 73/rev.

We proceed to draft Amendment No 317, tabled by Mr Shaw on behalf of the Committee on Budgets.

I call Mr Shaw.

**Mr Shaw, general rapporteur.** — I think what happens here, Mr President, is that this must fall, since the earlier amendments did not get a sufficient majority. So, I withdraw this.

**President.** — Draft Amendment No 317 is accordingly withdrawn. Draft Amendments Nos 72, tabled by Mr Spinelli and others; and 318, tabled by Mr Shaw on behalf of the Committee on Budgets, are also withdrawn.

I call Mr Cointat.

**Mr Cointat.** — (F) Mr President, I merely wanted to say, in order to lighten your task, that all the amendments concerning Chapter 55 automatically fall as a result of the adoption of Amendment No 12/rev.

**President.** — You are quite right, Mr Cointat. If there are no objections, Amendments Nos 74/rev., 319, 75/rev. and 320 must therefore be regarded as having been withdrawn.

On Chapter 59, three draft amendments have been tabled:

- No 141 by the Committee on Social Affairs, Employment and Education;
- No 163, by Mr Cointat and others on behalf of the Group of European Progressive Democrats; and
- No 295, by Mr Shaw on behalf of the Committee on Budgets.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — They are identical, of course, and we sympathize with all three, but we do honestly believe that the justification given by the committee is much better than the other two justifications. Therefore, we support Amendment No 295.

**President.** — Draft Amendments Nos 141 and 163 are withdrawn. I therefore put Draft Amendment No 295 to the vote.

**President**

Draft Amendment No 295 is adopted by 118 votes to 0, with no abstentions.

As has already been decided, the vote on Titles VI, VII and VIII will be taken later. Proposed modifications to these titles not directly connected with draft amendments will be put to the vote after the vote on draft amendments to other titles of the draft budget. We proceed to *Title IX*.

On Title IX, Mr Shaw has tabled draft Amendment No 296 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 296 is adopted by 116 votes to 0, with no abstentions.

On Title IX, Mr Shaw has tabled draft Amendment No 298 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 298 is adopted by 116 votes to 0, with no abstentions.

On Chapter 90, Mr Shaw has tabled draft Amendment No 297 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 297 is adopted by 115 votes to 0, with no abstentions.

On Item 9211, the following have been tabled :

- proposed Modification No 156, by Mr Klinker on behalf of the Committee on Agriculture ;
- proposed Modification No 314, By Mr Shaw on behalf of the Committee on Budgets ;
- by Mr Cointat and others on behalf of the Group of European Progressive Democrats :
  - proposed modification No 167 ;
  - proposed Modification No 168 ;
  - draft Amendment No 169 ;
- proposed Modification No 20/rev./corr., by Mr Price on behalf of the Committee on Development and Cooperation.

The Committee on Budgets has expressed a favourable opinion on proposed Modification No 156.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — Mr President, we have got through the amendments and modifications very well so far. I do not know whether Mr Klinker would be prepared to make a clean sweep, given that our object is just the same. The Committee on Budgets has gone into this very thoroughly and supports proposed Modification No 314, which is our own text. We cannot, therefore, be in favour of No 156, although our general objectives are, of course, exactly the same.

**President.** — The Committee on Budgets has accordingly expressed a favourable opinion on proposed Modification No 314.

Proposed Modifications Nos 156, 167, 168 and 20/rev./corr. and draft Amendment No 169 are withdrawn.

I put proposed Modification No 314 to the vote.

Proposed Modification No 314 is adopted.

On article 930, two draft amendments have been tabled :

— No 15/rev./corr. by Mr Price on behalf of the Committee on Development and Cooperation ; and

— No 78/rev. by Mr Spinelli and others.

What is the rapporteur's view ?

**Mr Shaw, general rapporteur.** — I am for No 15/rev./corr.

**President.** — Mr Spinelli has withdrawn his draft amendment.

I put draft Amendment No 15/rev./corr. is adopted by 113 votes to 1, with no abstentions.

On Item 9310, Mr Price has tabled, on behalf of the Committee on Development and Cooperation, draft Amendment No 21/rev./com., on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 21/rev./corr. is adopted by 112 votes to 2, with no abstentions.

On Article 931, Mr Spinelli and others have tabled draft Amendment No 77 seeking to add a new Item 9311, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 77 is rejected, with 13 votes for, 99 against and two abstentions.

On Item 9410, Mr Price has tabled, on behalf of the Committee on Development and Cooperation, draft Amendment No 22/corr. on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Draft Amendment No 22/corr. is adopted by 114 votes to 0, with no abstentions.

On Article 943, Mr Shaw has tabled draft Amendment No 299 on behalf of the Committee on Budgets. I put this text to the vote. Draft Amendment No 299 is adopted by 114 votes to 1, with no abstentions.

On Article 945, four draft amendments have been tabled :

- No 326, by Mr Aigner on behalf of the Christian-Democratic Group ;
- No 231, by Mr Price on behalf of the Committee on Development and Cooperation ;
- No 18/rev./II by Mr Price on behalf of the Committee on Development and Cooperation ; and

**President**

— No 229 by Mr Aigner on behalf of the Christian-Democratic Group.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, the Committee on Budgets last night approved No 326 unanimously, and I suggest that if this one be adopted, the other three amendments fall.

**President.** — I call Mr Cointat.

**Mr Cointat.** — (*F*) Unfortunately, although the Committee on Budgets gave a favourable opinion on Amendment No 326 increasing the appropriation, it also gave a favourable opinion on Amendment No 231, by Mr Price, reducing the appropriation. I admit that this is not a very rational position, but I am obliged to say that there are in fact two favourable opinions from the Committee on Budgets, one in favour of an increase and the other in favour of a reduction!

**President.** — I call Mr Price.

**Mr Price.** — The Committee on Development and Cooperation reduced the payment appropriation, although it increased the commitment appropriation, because that puts back the figures exactly as the Commission originally had them in its budget. But I very much agree with Mr Shaw, the rapporteur of the Committee on Budgets, on a technical point: if No 326 were to be carried — and it should be put first, because it is furthest away — then the other amendments would naturally fall.

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (*D*) The Committee on Budgets did vote on the amendment on which Mr Price has just spoken in the absence of any representatives from the committee concerned. In the evening — and it is the last order and therefore the last decision which counts — the Committee on Budgets adopted Amendment No 326; so we the Committee on Budgets adopted Amendment No 326; so we do not need to discuss the other amendment any further.

**President.** — I put draft Amendment No 326 to the vote.

Draft Amendment No 326 is adopted by 109 votes to 1, with 7 abstentions. Draft Amendments Nos 231, 18/rev./II and 229 consequently fall.

We proceed to *Title X*.

On Chapter 100, Mr Lange has tabled draft Amendment No 300 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 300 is not adopted (86 votes for, 23 against and 7 abstentions).

On Chapter 100, Mr Lange has tabled draft Amendment No 321 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 321 is not adopted (65 votes for, 32 against and 10 abstentions).

We proceed to the legislative part of the budget, on which Mr Shaw has tabled draft Amendment No 303 on behalf of the Committee on Budgets. I put this text to the vote.

Draft Amendment No 303 is adopted by 111 votes to 0, with no abstentions.

We can now proceed to the consideration of *Titles VI, VII and VIII*, on which the vote, as announced earlier, had been deferred and on which proposed modifications have been tabled.

On *Titles VI and VII*, Mr Spinelli and others have tabled proposed Modification No 64/rev./II, on which the Committee on Budgets has expressed a favourable opinion.

I call Mr De Koning on a point of order.

**Mr De Koning.** — (*NL*) Mr President, I would ask Parliament to refer Amendment No 64/rev./II by Mr Spinelli, to the Committee on Agriculture. It concerns a very important, radical matter which the Committee on Agriculture has not yet had an opportunity to discuss.

**President.** — Reference to committee is impossible, because during the vote on the budget the normal procedure is not applied.

I call Mr De Koning.

**Mr De Koning.** — (*NL*) Mr President, I would point out that Rule 32(1) (b) is quite clear on this point and states that under a procedural motion reference to committee can be moved.

If you are correct and it is indeed true that special rules exist for this debate on the budget, I would ask you to request the Committee on the Rules of Procedure and Petitions to look into the matter with a view to amending Rule 32(1) (b) if necessary.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (*D*) Mr President, honourable members, I believe that the contradiction here is only superficial. If the amendment is referred to the committee, the committee will examine it and possibly take account of the outcome of this examination in later deliberation, but in that case it will practically have been rejected as far as the budgetary procedure is concerned, which is by no means the intention.

**President.** — I call Mr Yeats.

**Mr Yeats.** — Mr President, on this point I would suggest that the movers of this procedural motion should have regard to Rule 32 (2), which says:

## Yeats

"The above matters", which include this question of moving reference to a committee, "shall take precedence over the main question, the discussion of which shall be suspended while they are being considered." There is no main question, there is no discussion, we are in a state of voting on the budget. Therefore this procedural motion simply does not apply!

**President.** — I accordingly put proposed Modification No 64/rev./II to the vote.

Proposed Modification No 64/rev./II is adopted.

On Item 6001, Mr Shaw has tabled, on behalf of the Committee on Budgets, proposed Modification No 322, providing for compensation relating to Item 9202. I put this text to the vote.

Proposed Modification No 322 is adopted.

On Items 6010 to 6019, Mr Scott-Hopkins and Lord Bessborough have tabled proposed Modification No 204 on behalf of the European Conservative Group. I put this text to the vote.

Proposed Modification No 204 is rejected.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — We withdraw proposed Modifications Nos 205 to 219 inclusive, Sir. I think that might help the House on a little.

**President.** — Proposed Modifications Nos 205 to 219 are accordingly withdrawn.

Proposed Modification No 323, tabled by Mr Shaw on behalf of the Committee on Budgets, makes provision for compensation under Item 6201. I put this text to the vote.

Proposed Modification No 323 is adopted.

On Article 629, Mr Cointat and others have tabled, on behalf of the Group of European Progressive Democrats, proposed Modification No 157, on which the Committee on Budgets has expressed a negative opinion. I put this text to the vote.

Proposed Modification No 157 is rejected.

Mr Shaw has tabled, on behalf of the Committee on Budgets, proposed Modification No 324, which makes provision for compensation under Item 6401. I put this text to the vote.

Proposed Modifications No 324 is adopted.

On Chapter 78, Mr Spinelli and others have tabled proposed Modification No 65/rev. I put this text to the vote.

Proposed Modification No 65/rev. is rejected.

We proceed to Title VIII.

On Article 800, the Group of European Progressive Democrats has tabled proposed Modification No 187.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — The committee voted against.

**President.** — I put proposed Modification No 187 to the vote.

Proposed Modification No 187 is rejected.

On Item 8104, three proposed modifications have been tabled:

— No 62/rev. by Mr Spinelli and others;

— No 225, by Mr Aigner on behalf of the Christian-Democratic Group; and

— No 312 by the Committee on Budgets.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — As the Commission had said it could not now spend the money because of the delays, we tabled our own modification, No 312, which, we felt, was more appropriate under the circumstances.

**President.** — I put proposed Modification No 62/rev. to the vote.

Proposed Modification No 62/rev. is rejected. Proposed Modification No 225 consequently falls.

I put proposed Modification No 312 to the vote.

Proposed Modification No 312 is adopted.

On Item 8105, three proposed modifications have been tabled:

— No 63/rev. by Mr Spinelli and others;

— No 226, by Mr Aigner on behalf of the Christian-Democratic Group; and

— No 166, by Mr Cointat and others on behalf of the Group of European Progressive Democrats.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — We voted in favour of No 63/rev.

**President.** — I put proposed Modification No 63/rev. to the vote. Proposed Modification No 63/rev. is adopted. Proposed Modifications Nos 226 and 166 consequently fall.

On Item 8200, Mr Spinelli and others have tabled proposed Modification No 68, on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote. Proposed Modification No 68 is adopted.

On Item 8202, proposed Modification No 86, tabled by the Christian-Democratic Group, has been withdrawn.

On Item 8302, two proposed modifications have been tabled:

— No 69/rev. by Mr Spinelli and others (this proposed modification has been withdrawn); and

**President**

— No 313 by the Committee on Budgets.

I put proposed Modification No 313 to the vote.

Proposed Modification No 313 is adopted.

On Article 830, Mr Klinker has tabled, on behalf of the Committee on Agriculture, proposed Modification No 155, on which the Committee on Budgets has expressed a favourable view. I put this text to the vote.

Proposed Modification No 155 is adopted.

On Item 8321, Mr Spinelli and others have tabled proposed Modification No 70/rev. I put this text to the vote.

Proposed Modification No 70/rev. is rejected.

We now proceed to the consideration of proposed Modification No 203, tabled by Mr Scott-Hopkins and Lord Bessborough on behalf of the European Conservative Group, which concerns the nomenclature of Title VIII. I would point out that its adoption will have its effect upon the votes just taken on this same title.

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — I shall abstain, but the Committee on Budgets as a whole voted against.

**President.** — I put proposed Modification No 203 to the vote.

Proposed Modification No 203 is rejected.

We proceed to *Title IX*.

On Item 9201, Mr Price has tabled, on behalf of the Committee on Development and Cooperation, proposed Modification No 19/rev., on which the Committee on Budgets has expressed a favourable opinion. I put this text to the vote.

Proposed Modification No 90/rev. is adopted.

On *Section III*: 'Commission', no further draft amendments or proposed modifications have been tabled. Section III, thus amended, therefore stands adopted, together with the modifications resulting from the votes that have been taken.

We now proceed to the division '*Revenue*'. I put this text to the vote.

The division '*Revenue*' is adopted, on the understanding that it shall be modified in accordance with the votes already taken.

I have received no proposal for a rejection of the draft general budget as a whole. I therefore put to the vote the amended draft general budget of the European Communities for the financial year 1978 as a whole, together with the proposed modifications that have been adopted.

The draft general budget is adopted.

Pursuant to the provisions of the internal rules of procedure for the consideration of the draft general budget, this document will be annexed to the minutes of proceedings of this sitting and forwarded to the Council.

We shall now consider the motions for resolutions contained in the reports by Mr Shaw (Doc. 341/77) and Mr Cointat (Docs. 340/77, 338/77 and 339/77). We shall begin with the motion for a resolution contained in the report by Mr Shaw on the draft general budget of the European Communities for the financial year 1978.

I put the preamble and paragraphs 1 to 8 to the vote.

The preamble and paragraphs 1 to 8 are adopted.

On paragraph 9, I have Amendment No 7, tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi and seeking to re-word this paragraph as follows:

9. Stresses, once again, that the budget should be decided on the basis of a comparison between the overall financial possibilities of the Community and the distribution between Community, national and local resources on the one hand, and the needs and goals of the Community on the other; the determination of the maximum rate as required by Article 203 (9) can therefore be no more than one, and not the only, point of reference;

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — Mr President, we discussed this matter in principle and one amendment last Friday. We discussed it again in an amended form last night. On both occasions, the principle and this particular amendment were rejected by the Committee on Budgets. I adhere to that view: I am against it.

**President.** — I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put paragraphs 9 to 11 to the vote.

Paragraphs 9 to 11 are adopted.

On paragraph 12, I have Amendment No 8, tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi and seeking to re-word this paragraph as follows:

12. Requires that the Council should enter into a real dialogue with the European Parliament on budgetary policy, in the context of which the preliminary guidelines and alternatives defined by each of the two institutions will be put forward, explained and discussed jointly;

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — The same applies: I am against.

**President.** — I put Amendment No 8 to the vote.

Amendment No 8 is rejected.

I put paragraphs 12 to 29 to the vote.

Paragraphs 12 to 29 are adopted.

On paragraph 30, I have Amendment No 9, tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi and seeking to add a sub-paragraph (d) worded as follows:

**President**

(d) to bear in mind that, having regard to the considerations set out in paragraph 1, the 1 per cent rate of VAT revenue will be reached within the next few years and that the Commission should therefore take steps to prepare without delay, pursuant to Article 201 of the EEC Treaty, Article 173 of the EAEC Treaty and Article 2 of the Treaty of 22 April 1970, the introduction of new Community proposals aimed at correcting, by means of appropriate methods of progressive taxation, the inequitable nature of present Community taxation;

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — The same applies: I am against.

**President.** — I put Amendment No 9 to the vote. Amendment No 9 is rejected.

I put paragraphs 30 to 49 to the vote.

Paragraphs 30 to 49 are adopted.

On paragraph 50, I have two amendments:

— Amendment No 1, tabled by the Liberal and Democratic Group and seeking to re-word this paragraph as follows:

50. Considers that, owing to the fact that EAGGF expenditure accounts for more than three-quarters of the Community budget, a serious imbalance constantly reappears in the draft budget, because the common agricultural policy is the only policy that has been developed in the past 15 years, and that it should be supplemented by the common regional and social policies required to make it fully effective;

— Amendment No 12, tabled by the Committee on Budgets and seeking to re-word this paragraph as follows:

50. Considers that, owing to the fact EAGGF expenditure accounts for more than three-quarters of the Community budget, a serious imbalance constantly reappears in the draft budget, because the common agricultural policy is the only policy that has been developed in the past 15 years, and that it should be supplemented by the other major common policies;

I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, we withdraw all our proposed amendments, most of which are identical with those the Committee on Budgets itself proposes.

**President.** — The amendments tabled by the Liberal and Democratic Group are accordingly withdrawn.

I put Amendment No 12 to the vote.

Amendment No 12 is adopted.

On paragraph 51, two amendments have been tabled:

— Amendment No 2, tabled by the Liberal and Democratic Group and seeking to re-word this paragraph as follows:

51. Believes that the need for an effective common agricultural policy cannot be contested, but that greater flexibility must be sought, especially in the application of Titles 6 and 7, in order to take account of unforeseeable and natural fluctuations in agricultural production and a better balance between the products peculiar to the different regions of the Community;

this amendment has been withdrawn;

— Amendment No 11, tabled by the Committee on Budgets and seeking to re-word this paragraph as follows:

51. Believes that the need for an effective common agricultural policy cannot be contested, but that greater flexibility must be sought, especially in the application of Titles 6 and 7, in order to take account of natural fluctuations in the Community's agricultural production;

I put Amendment No 11 to the vote.

Amendment No 11 is adopted.

On paragraph 52, two amendments have been tabled:

— Amendment No 3, tabled by the Liberal and Democratic Group and seeking to re-word this paragraph as follows:

52. Calls for the avoidance, by means of production better oriented to take account of Community and external markets, of persistent structural surpluses which entail a waste of resources;

this amendment has been withdrawn;

— Amendment No 14, tabled by the Committee on Budgets and seeking to re-word this paragraph as follows:

52. Calls for the avoidance, by means of production better oriented to take account of Community and external markets, of persistent structural surpluses which entail a waste of resources;

I put Amendment No 14 to the vote.

Amendment No 14 is adopted.

On paragraph 53, I had Amendment No 4, tabled by the Liberal and Democratic Group and seeking to add the following to this paragraph:

... and does not distort competition within the meaning of Article 92 of the EEC Treaty;

This amendment has now been withdrawn.

I put paragraph 53 to the vote.

Paragraph 53 is adopted.

On paragraph 54, two amendments have been tabled:

— Amendment No 5, tabled by the Liberal and Democratic Group and seeking to re-word this paragraph as follows:

54. Demands that a better balance be secured between the EAGGF Guarantee and Guidance sections so as to ensure that market support and structural policies are more consistent;

this amendment has been withdrawn;

— Amendment No 13, tabled by the Committee on Budgets and seeking to re-word this paragraph as follows:

**President**

54. Demands that a better balance be secured between the EAGGF Guarantee and Guidance sections so as to ensure that market support and structural policies are more consistent;

I put Amendment No 13 to the vote.

Amendment No 13 is adopted.

On paragraph 55, two amendments have been tabled:

— Amendment No 6, tabled by the Liberal and Democratic Group and seeking to re-word this paragraph as follows:

55. Hopes that monetary compensatory amounts will not become a permanent feature of the budget, that efforts will be made to phase them out and that the relevant expenditure which does not result from the Common Agricultural Policy will no longer be charged to the EAGGF;

this amendment has been withdrawn;

— Amendment No 10, tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi and seeking to re-word this paragraph as follows:

55. Calls on the Council to request of the Commission and subsequently adopt during 1978 regulations changing all present or future monetary compensatory amounts into decreasing amounts applicable for a limited period only;

What is the rapporteur's view?

**Mr Shaw, general rapporteur.** — We have discussed this, and I am against it.

**President.** — I put Amendment No 10 to the vote.

Amendment No 10 is rejected.

I put paragraph 55 to the vote.

Paragraph 55 is adopted.

We shall now consider paragraphs 56 to 65. I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) I must draw your attention to the fact that the penultimate paragraph must be modified to take account of the votes which have just taken place.

**President.** — I put paragraphs 56 to 65 to the vote, subject to the modifications which, as Mr Lange has just reminded us, must be made to paragraph 64 as a result of the votes just taken.

Paragraphs 56 to 65 are adopted.

I put to the vote the whole of the motion for a resolution contained in the report by Mr Shaw (Doc. 341/77).

The resolution is adopted<sup>1</sup>.

I call Mr Schuijt on a point of order.

**Mr Schuijt.** — (NL) Mr President, we have now adopted a number of amendments, among them a number which provide for the blocking of appropriations. Last year, as you yourself and many others in this Parliament very well know, such blocking caused a great number of difficulties, since there are many and diverse procedures in this Parliament, the existence of which generates major difficulties and which even paralyses some departments. I am extremely concerned about preparations for direct elections. I would therefore ask the Bureau to reconsider how the powers of the bodies of this Parliament can be precisely defined so that next year, when it comes to unblocking, we shall not have the same difficulties as we have had during the past year.

**President.** — I take note of Mr Schuijt's statement, which will be discussed by the Bureau with a view to taking whatever decisions or other measures may be necessary.

We shall now consider the motions for resolutions contained in the reports by Mr Cointat.

I put to the vote the motion for a resolution contained in the report (Doc. 340/77) concerning *Section I: 'Parliament'*, it being understood that the figures at the end of the resolution shall be rectified in accordance with the votes that have been taken.

The resolution is adopted<sup>1</sup>.

I put to the vote the motion for a resolution contained in the report (Doc. 338/77) concerning *Section II: 'Council'* and *Section IV: 'Court of Justice'*.

The resolution is adopted<sup>1</sup>.

Finally, I put to the vote the motion for a resolution contained in the report (Doc. 339/77) concerning *Section V: 'Court of Auditors'*.

The resolution is adopted<sup>1</sup>.

We have thus reached the end of the vote on the draft general budget of the Communities for 1978. Although working under the pressure of time, the Assembly has, I think, demonstrated the importance it attaches to its responsibilities.

I wish to thank all Members who have taken part in the debate and the vote. In particular, I wish to thank the rapporteurs, Mr Cointat and Mr Shaw, the chairman and members of the Committee on Budgets and the draftsmen of opinions.

(Applause)

I would also emphasize the active participation in our work by the Commission and the President of the Council.

<sup>1</sup> OJ C 280 of 21. 11. 1977.

<sup>1</sup> OJ No C 280 of 21. 11. 1977.

**President**

Finally, on your behalf as well as on my own, I thank all our staff members who, in many and varied capacities — in the linguistic, technical and other services — by working by night as well as by day, have contributed to the smooth progress of our work.

*(Applause)*

I call Mr Shaw.

**Mr Shaw, general rapporteur.** — Mr President, I did myself offer a lot of thanks yesterday evening, but I would again like to endorse all that you yourself have said. But there is one thing, Sir, that you cannot say, because it relates to yourself. I think the way that we have got through today's business has been quite remarkable and is a tremendous credit to the way that you have lead us. Simply, Mr President, I will say on behalf of all of us, thank you.

*(Applause)*

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — *(D)* The rapporteur has taken the words out of my mouth, but no matter, I agree entirely with what he has said.

I would like to stress that we should express especial gratitude, not only to those officials who help us directly with our work, but also to those whom we, here in the House and in our committee, have kept working late into the night — our interpreters and translators, without whom we should not have achieved so much, and also the sessional service, which has had to ensure that, apart from the documents prepared by the Secretariat, everything we have looked at today was submitted ready, as it were for printing.

I believe, Mr President, that this budget debate has again shown that under certain conditions this House may be faced with a sudden heavy load of work which overstretches everyone. Our thanks are due to all these people for the willingness with which they have worked.

*(Applause)*

#### 6. *Dates of the next part-session*

**President.** — There are no other items on the agenda.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 14-18 November 1977.

Are there any objections?

That is agreed.

#### 7. *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 proceedings are approved.

#### 8. *Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting was closed at 2.30 p.m.)*

ANNEX

PROPOSED MODIFICATIONS  
and DRAFT AMENDMENTS

relating to the draft general budget of the European  
Communities for the 1978 financial year \*

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\* 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 1978

(Doc. 341/77)

Draft Amendment No 1 rev.  
tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 33 — Expenditure on research and investment
- Article 335 — Indirect action — programme
- Item 3352 — Biology and health protection (radiation protection)

Expenditure unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Amend the remarks as follows :

Sub-items 33521 and 33529 : Add 2 C posts to be taken from Item 3372 (Staff awaiting assignment to a post)

JUSTIFICATION

Acting on the basis of the decision of 15 March 1976 (OJ No. L 74/76) adopting the programme, which provided for a staff complement of only 68, the Council has kept the staff for the biology programme to this ceiling of 68 without fully taking into account the budgetary implications of its own decision of 21 October 1976 (OJ No. L 79/77, p. 465).

Since from the budgetary standpoint the staff requested is fully justified — the Commission has put into effect the Council's decisions — the committee takes the view that the staff ceiling for 1978, that is to say 70 and not 68, ought to be reinstated. This operation involves merely the transfer of the two posts in question, entered under Item 3372 'staff awaiting assignment to a post', to Item 3352 'biology and health protection'. There is no need to amend the establishment plan.

Draft amendment No 2  
tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure  
Chapter 28 — Subsidies for balancing budgets  
Article 282 — European Communities' Institute for Economic Analysis and Research  
Enter an appropriation of 3 050 000 EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

On 11 March 1976 the European Parliament approved the Commission's proposal for a European Community's Institute for Economic Analysis and Research. Parliament recognized the need for an independent institute to which economic, monetary, industrial and social problems constantly arising from the process of European integration could be referred for study at Community level. The Council's decision is expected in the very near future. The project is to be implemented in 1977, and an appropriation of 1 m u.a. (1 200 000 EUA) was entered in the 1977 budget. This initial appropriation should therefore be supplemented by the funds requested in order to allow work on the establishment of the institute to be pursued and to enable it to get its activities under way in 1978.

\* \* \*

Draft amendment No 3 rev.  
tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 37 — Expenditure in the industrial and transport sectors  
Article 370 — Projects in the data-processing sector  
Item 3701 — Second programme  
Enter an appropriation of 1 700 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments of 2 920 000 EUA for 1978 and therefore add the following remarks :  
Article 235 of EEC Treaty.

Council resolution of 15 July 1974 on the improvement of the competitiveness of the data-processing sector.

This appropriation is to cover expenditure under the proposal presented to the Council by the Commission on 22 September 1975 (OJ No. C 14 of 21. 1. 1976, p. 5) relating to :

- a project for the development of a common real-time programming language (LTPL project),
- a group of data-processing projects on software portability,

- a number of applications projects and studies on the data-processing sector,
- the payment of experts and related miscellaneous and secretarial services.

The appropriation for commitment for 1978 is 2 920 000 EUA.

The likely schedule of payments relative to commitments is as follows :

*(in EUA)*

Commitments	Payments		
	1978	1979	1980
1978 : 2 920 000	1 700 000	940 000	280 000

### JUSTIFICATION

On 14 September 1977, on the occasion of an oral question, the European Parliament criticized the Council for its lack of political will and protested against the cut-back in the modest sums requested by the Commission. At the very least, the appropriations earmarked for the projects approved by the Council on 26 July 1977, that is to say all the projects except the one for the development of a common real-time programming language (LTPL project), should be reinstated in the draft budget.

\* \* \*

Draft amendment No 5/corr.

tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

#### (A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Article 370 — Projects in the data-processing sector

Create the following new item :

Item 3703 — Support for a joint applied research project on very highly integrated circuits

Token entry

#### (B) *Revenue*

Unchanged

#### (C) *Remarks*

*New item*

EEC Treaty: Article 235

Council Resolution of 15 July 1974

Proposal for a four-year programme submitted on 9 November 1976 (Doc. COM(76) 524)

This item is to cover expenditure arising from a joint applied research project on very highly integrated circuits. The aims of the programme are :

- product standardization and rationalization,
- collaborative rationalization of technical specification for the purchase of equipment,
- pooling of the results of advanced basic research,
- optimization of the use of available resources,
- payment of experts and related miscellaneous or secretarial services (Text of the preliminary draft budget)

## JUSTIFICATION

When approving the four-year programme for data processing, the European Parliament recognized the need for a Community project on the creation of a European integrated circuits capacity and urged the Commission to submit specific proposals at the earliest possible date. The Commission assured the European Parliament of its intention to submit a proposal on this subject at the end of the year. This item should therefore be reinstated in the 1978 budget, with a token entry against it.

\* \* \*

Draft amendment No 6  
tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 37 — Expenditure in the industrial and transport sectors
- Article 371 — Operations in the aerospace sector
- Item 3711 — Aids to the aerospace industry

Make a token entry

(B) *Revenue*

Unchanged

(C) *Remarks*

Article 235 of the EEC Treaty

The Commission informed the Council and Parliament of its initial proposals for aerospace policy in Document COM (75) 475 final, and along these lines a Commission proposal is being drawn up for jointly financing an aeroplane optimization programme on criteria of economy and designed to reduce nuisances ; this scheme is to gradually replace national arrangements for the financing of research and development (including production tooling) in connection with programmes for large civil transport aircraft.

(Text of the preliminary draft budget)

## JUSTIFICATION

The European Parliament approved the Commission's proposal for an action programme in the aerospace sector on 6 July 1976. The situation of the European aerospace industry in the face of competition from American industry justifies Community action, the form of which, however, remains to be defined and the financing requirements for which it is not at the moment possible to quantify. Furthermore, apart from the specificity of this sector, the state of the European aerospace industry is not such as to warrant Community action under Article 375 of the budget.

\* \* \*

Draft amendment No 7 rev.  
tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

- Title 10 — Other expenditure
- Chapter 100 — Provisional appropriations

Enter an appropriation of 1 000 000 EUA (see remarks)

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Add the following note :

Item 3702 — Implementation of the four-year development programme for the data-processing sector 1 000 000 EUA (payment appropriation) (3 000 000 EUA for commitment)

## JUSTIFICATION

On 15 September 1977 the European Parliament approved a Commission proposal for a four-year development programme for the data-processing sector in the Community. As is pointed out in the resolution adopted by the European Parliament, every effort should be made to ensure that the objective of establishing a viable and competitive Community-based data-processing industry by the early 1980's is given practical effect.

It is therefore necessary to enter the appropriations required to launch the four-year programme (appointment of project leaders, negotiation of contracts, etc.) as soon as it is adopted by the Council, a decision that is expected in the course of 1978.

As far as the implementation proper of the four-year programme is concerned, the Commission would propose commitment appropriations for 1979 totalling 18 000 000 EUA, payments being spread over a period of three years.

\* \* \*

Draft amendment No 8 rev.

tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

## Section III — Commission

*(A) Expenditure*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Enter 11 070 000 EUA (see remarks)

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Add the following note :

Item 3710 — Operations in the aerospace sector, technological research 11 070 000 EUA (payment appropriations) (28 720 000 EUA in commitment appropriations).

## JUSTIFICATION

On 6 July 1976 the European Parliament approved the Commission's proposal for an action programme in the aerospace sector. In its resolution Parliament pointed to the urgent need to get a common industrial policy under way in order to increase the competitiveness of the aerospace industry on the international market.

At the European Parliament's request, and in anticipation of specific proposals from the Commission, 8 000 000 EUA were entered in the 1977 budget under Chapter 100.

On 26 July 1977 the Commission submitted an action programme for aeronautical research (Doc. COM (77) 362 final) covering the construction of both airframes and helicopters, for the implementation of which the appropriations required should be entered under Chapter 100.

\* \* \*

Draft amendment No 9  
tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 39 — Other expenditure on specific projects undertaken by the Institution  
Article 390 — Research projects in the field of technology and industry  
Make a token entry

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

JUSTIFICATION

The purpose behind this new Commission project is to provide a Community financial contribution to the implementation of industrial research projects initiated by private persons or undertakings in the Member States.

The innovatory capacity of small and medium-sized undertakings and their irreplaceable role in stimulating competition are generally accepted.

Provided that Community financial contributions are in fact allocated to projects that increase the productivity of such undertakings, this action should be supported by the European Parliament and the token entry ought therefore to be reinstated.

\* \* \*

Draft amendment No 10  
tabled by Mr Müller-Hermann on behalf of the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Chapter 49 — European Export Bank  
Article 490 — Contribution to the starting capital of the EEB

(B) *Revenue*

Unchanged

(C) *Remarks*

Add to remarks :

Article to enable an initial contribution to be made to the capital of the European Export Bank.  
(Text of the preliminary draft budget).

JUSTIFICATION

On 9 May 1977 the European Parliament approved the Commission's proposal for a regulation setting up a European Export Bank. Notwithstanding the European Parliament's reservations and its request that the Commission's proposed regulation be amended, Parliament did approve the principle of setting up a European Export Bank that could contribute effectively to the competitiveness of Community exports on world markets.

\* \* \*

Draft amendment No 12 rev.

tabled by the Committee on Regional Policy, Regional Planning and Transport

Section III — Commission

(A) *Expenditure*

Title 5 — Social and regional funds

Chapter 55 — European Regional Development Fund

Payment appropriations : increase by 275m EUA

(B) *Revenue* : increase by 135m EUA

(C) *Compensation* : reduce Title 10 — Chapter 100 — Provisional appropriations by 140 m EUA

(D) *Remarks*

Enter a commitment of 352 000 000 EUA for 1978 and therefore add the following remarks :  
The appropriations intended to finance investment in industry, the trades and the service sector, and infrastructures are based on the following regulations :

- Regulation (EEC) No. 724/75 of 18 March 1975 establishing a European Regional Development Fund ;
- Financial Regulation of 18 March 1975 supplementing the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities (75/184/Euratom, ECSC, EEC) ;
- Council Decision of 18 March 1975 to apply Regulation (EEC) 724/75 establishing a European Regional Development Fund to the French overseas departments.

The general objective is to correct the major regional imbalances in the Community by means of a contribution to the financing of investments in industry, the trades and the service sector that are economically sound and qualify for State regional aids (each investment project exceeding 50 000 EUA) provided that at least ten jobs are created or safeguarded. The contribution made under European regional policy to the financing of infrastructure investments is designed to improve the conditions for setting up and developing new activities in the Community's least-favoured regions.

Appropriations for commitment for 1978 amount to 750 m EUA <sup>1</sup>.

The timetable of payments relative to the commitments is as follows :

Commitments	Payments					TOTAL		
	1975/77	1978		1979		1980		
	m u.a.	m u.a.	m EUA	m u.a.	m EUA	m EUA	m u.a.	m EUA
1975/ 1977 m u.a. 1 300 m EUA	850	325	250	125	96	—	1 300	346
1978 m EUA 750			275		283	192		750
			525					

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

## JUSTIFICATION

1. The Heads of State or of Government, meeting in Paris in October 1972, attached 'high priority' to the implementation of a Community regional policy and invited 'the Community institutions to set up a Regional Development Fund'. The *principle* of this Fund, which was established in March 1975, is *immutable*, whatever the outcome of the review of the basic regulation scheduled to take place before 1 January 1978.

The 1978 appropriations for the ERDF should therefore be entered against the *chapter concerning this Fund*, as suggested by the Commission. However, 'pending a Council decision on the basic issues ... the Council has, as a precaution, entered a commitment appropriation of 398 m EUA in Chapter 100'. This entry against Chapter 100, which relates to '*provisional appropriations*' is not acceptable. Nor is the token entry against the chapter on the Fund.

2. The Commission proposed a commitment appropriation of 650 m EUA against Chapter 55 (ERDF: Community measures in support of national regional policies) and a further commitment appropriation of 100 m EUA against Chapter 56 (ERDF: Specific Community measures). The existence of Chapter 56, which was not included in the 1977 budgetary nomenclature, depends on the Council's decision on the specific measures proposed in the context of the review of the Regulation on the Fund. In our view these specific measures represent a normal extension of the activities of the Fund. Given the present circumstances, therefore, this appropriation of 100 m EUA should also be entered against Chapter 55.

The Committee on Regional Policy, Regional Planning and Transport therefore proposes that at the first reading, the 750 m EUA proposed by the Commission in respect of the ERDF should be reinstated under *Chapter 55*.

3. The Council 'has entered a commitment appropriation of 398 m EUA ... thereby *repeating* the 1977 appropriations'. This is a very debatable point.

The appropriations for 1976 (500 m u.a.) and 1977 (500 m u.a.) are considered as *initial* appropriations fixed by the Paris Summit in December 1974. The 1978 appropriation must therefore be *larger* to take account of the 'high priority' given by the Heads of State or of Government to the development of a Community Regional Policy.

To provide a *reference basis*, the appropriations laid down in 1974 must be *converted* into European units of account and *adjusted* to take account of the high rate of inflation since 1974.

(a) The 500 m u.a. *fixed in December 1974* must be converted into European units of account on the basis of the *exchange rates for December 1974* and weighted in accordance with the *national quotas* laid down in the Regulation on the Fund.

The appropriation for 1977 would then represent 423.16 m EUA. (See Table I)

The Council has arrived at a lower figure because it used as its basis the exchange rates for 1 *February 1977* instead of those applying at the time of the decision (December 1974). Moreover, its system of weighting is not based on the quotas fixed by the Regulation but on the commitment appropriations remaining available to each country at 31 *December 1976*. This approach is arbitrary since the commitment appropriations available are not always used and do not necessarily have to be used during the year concerned.

(b) *Adjustments* to take account of inflation between the end of 1974 and the end of 1977 must also be *weighted* on the basis of the national quotas fixed in the Regulation on the Fund. The *rates of inflation* are calculated in accordance with the index of prices based on *gross fixed capital formation* as interventions by the Fund are intended to boost investment in the various regions.

If these criteria are applied, the Council's proposed *repetition* of the appropriations for 1976 and 1977 (fixed in 1974) would call for a sum of 643.5 m EUA in 1978 (as opposed to 398.3 m EUA). (See Table II)

This appropriation is roughly the same as that fixed by the Commission for interventions on the basis of sub-quotas (Chapter 55).

4. Moreover, experience gained in the course of the Fund's first two years of operation has shown that appropriations are inadequate. During that period, *all* the commitment appropriations for the two financial years (a total of 800 m u.a.) were used up. 'Indeed, applications *exceeded* the total amount of appropriations for commitment available and a good many *useful projects* submitted to the Fund by the Member States could have been financed by it if the necessary resources had been entered in the budget' (Preliminary Draft Budget, Volume 7, Section III, page 66).

In view of this, the appropriations for the ERDF must be increased after the initial period. The sum of 100 m EUA proposed by the Commission for specific measures (Chapter 56) represents a minimum for the normal development of the activities of the Fund under the existing regulation and should be entered against Chapter 55.

TABLE I

**Comparison of EUA values of the appropriation of 500 m u.a. fixed at the end of 1974**

	<i>Committee on Regional Policy</i>		<i>Council</i>	
	Amounts based on national quotas as laid down in the Regulation on the Fund (fixed at the end of 1974)		Commitment appropriations available at 31. 12. 1976	
	m u.a.	m EUA <sup>1</sup>	m u.a.	m EUA <sup>2</sup>
B	7.4	8.2	8.6	10.5
DK	6.4	6.8	6.5	7.4
D	31.7	38.3	53.1	72.7
F	74.4	74.0	70.9	70.5
IRL	32.3	25.1	29.5	19.0
I	200.0	152.5	191.8	123.6
L	0.5	0.5	0.5	0.7
NL	8.4	9.7	6.3	8.2
GB	138.9	108.1	132.8	85.7
EEC	500.0	423.2	500.0	398.3

<sup>1</sup> Rate in December 1974

<sup>2</sup> Rate at 1. 2. 1977

TABLE II

**Adjustment of the 1977 appropriation to take account of inflation**

	1977		Rate of inflation 1974/1977	1978 m EUA Amounts indexed on the basis of national quotas
	m u.a.	m EUA <sup>1</sup>		
B	7.4	8.2	31.51	10.8
DK	6.4	6.8	27.31	8.6
D	31.7	38.3	31.98	97.7
F	74.4	74.0	10.66	42.4
IRL	32.3	25.1	64.86	41.5
I	200.0	152.5	65.82	252.8
L	0.5	0.5	31.07	0.7
NL	8.4	9.7	28.28	12.4
GB	138.9	108.1	63.49	176.7
EEC	500.0	423.2	—	643.5

<sup>1</sup> The national amounts expressed in u.a. have been converted into national currencies at the exchange rates for the unit of account fixed in September 1971 and then into EUA at the rates in force in December 1974.

\* \* \*

Draft amendment No 15 rev. / corr.

tabled by Mr Price on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

Chapter 93 — Financial and technical cooperation with non-associated developing countries

Article 930 — Financial cooperation with non-associated developing countries

Increase expenditure by 2 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments of 80 000 000 EUA for 1978 and therefore add the following remarks :  
Based on the Council Resolution of 16 July 1974 on financial and technical aid to non-associated developing countries and the Commission Communication to the Council on financial and technical aid from the Community to non-associated developing countries, 1976-80 (Doc. COM (75) 95 final of 5 March 1975). The Council decided that this operation should be financed under the 1976 budget after the proposal had been amended by the European Parliament.

The appropriation is primarily for financing agricultural and food development schemes in non-associated developing countries, in particular the poorest countries in Latin America and Asia.

In certain specific cases, operations to promote regional cooperation may also be considered. The appropriation for commitment authorized for 1978 is 80 000 000 EUA.

The timetable of payments relating to the commitment is as follows :

(in EUA)

Commitment	Payments		
	1978	1979	1980
1978 : 80 000 000	10 796 000 <sup>1</sup> 32 000 000	5 040 000 <sup>1</sup> 24 000 000	24 000 000
Total	42 796 000	29 040 000	24 000 000

<sup>1</sup> Re-entry of part of the appropriations committed in 1976 but not paid out by 31 December 1977

### JUSTIFICATION

The Commission's proposal for expenditure in 1978 in respect of non-associated countries takes account of the delays that have occurred in utilizing the 1976 and 1977 needs. A sum of 10 796 000 EUA committed in 1976 has had to be re-entered as it was not paid out by 31 December 1977, and in the light of this the Commission proposes a new commitment of 32 000 000 EUA for 1978, as part of a new programme. Of this new commitment, the Council has accepted 30 000 000 EUA for 1978 only against 45 m u.a. in 1977. Thus the *new* commitment to the non-associated countries is considerably less than it was in 1977. Given the responsibilities of the Community to these countries, which are in some cases very poor, and the need to establish some balance between aid to countries connected to the Community by agreements such as Lomé, and also to non-associated countries, the Council's reduction is unacceptable to Parliament.

In its Communication to the Council of 5 March 1975, the Commission proposed a five year timetable starting in 1976. Owing to delays and prevarications by the Council, the amounts committed in 1976 and 1977 were not the proposed 100 m u.a. and 120 m u.a., but 20 m u.a. and 45 m u.a. respectively.

In the face of the needs of the countries concerned, these amounts are very small. It should be remembered that the Community's aid to countries connected to it by the Lomé agreement totals over 8 000 000 EUA, which does not appear in the budget. It is necessary to establish a balance in

aid programmes, and it is therefore right to begin programming a larger quantity of aid to non-associated developing countries.

It is however necessary to plan this expenditure over a number of years; for this reason the Parliament supports the Commission's proposal to use commitment appropriations.

\* \* \*

Draft amendment No 18 rev. II  
tabled by Mr Price on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

- Title 9 — Cooperation with developing countries and non-member states  
Chapter 94 — Specific measures for cooperation with developing countries  
Article 945 — Community contribution towards schemes concerning developing countries carried out by non-governmental organizations (NGOs)

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Delete the remarks and replace by the following :

Based upon the Commission Communication to the Council of 6 October 1975 (Doc. COM(75) 504 final of 6 October 1975) and the decision on financing taken by the budgetary authority in connection with the adoption of the budget for the financial year 1976 (entering of an appropriation of 2.5 million u.a. against Article 938).

The objective is the financing, jointly with the NGOs, of microprojects to benefit the poorest sections of the population in developing countries, whether associated or not.

The appropriation for commitment authorized for 1978 is 6 000 000 EUA.

The timetable of payments relating to the commitment is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 6 000 000	4 000 000	1 000 000	1 000 000

Based on the Commission Communication to the Council of 6 October 1975 (Doc. COM(75) 504 final).

In addition, this appropriation will enable a subsidy to be paid to the committee established by the NGOs for liaison amongst themselves and between the NGOs and the Commission for the purpose of implementing cofinancing operations referred to above.

Furthermore, an indicative amount of 100 000 EUA can be allocated from this item to finance campaigns undertaken by the NGOs in the Member States to educate public opinion in the matter of development.

JUSTIFICATION

The non-governmental organizations have proved over the years to be one of the most efficient means of channelling aid to developing countries. Although the Council has accepted (and increased) the amount authorized for 1978, this does not overcome the problem posed by the need to plan ahead longer than for one year only. For this reason, Parliament supports the Commission's proposed use of commitment appropriations, and therefore proposes to reinstate the Commission's original payments schedule.

\* \* \*

Proposed modification No 19 rev.  
tabled by Mr Price on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9  
Chapter 92 — Food aid  
Article 920  
Item 9201 — Food aid in cereals — 1978 programme  
Increase expenditure by 16 590 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments of 124 725 000 EUA for 1978 and therefore add the following remarks :  
This item is to cover the supply in 1978 of 1 135 000 t of cereals to developing countries, including 772 000 t under the Convention referred to in Item 9200.

The appropriation for commitment authorized for 1978 is 124 725 000 EUA. The timetable of payments relating to the commitment is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
124 725 000	101 950 000	22 775 000	—

JUSTIFICATION

On 15 November 1976, the European Parliament approved the Commission's proposal for a Three-Year Food Aid Programme (Doc. 407/76) which envisaged the supply by the Community of a *minimum* of 1 077 000 tonnes per annum. The Parliament stressed the great and growing needs of the countries concerned, and welcomed the concept of medium-term planning which was proposed, in that it enabled the supplier and beneficiary countries to plan their needs well in advance. The concept of medium-term planning was accepted by the Council on 9 June 1976, and the Community has restated its acceptance of medium-term planning at the North-South dialogue. The Council's cut vitiates the purpose of this planning.

The Commission's proposal envisages a small increase in Community actions (from 720 500 t to 772 000 t) under the terms of the Food Aid Convention, and an increase outside the Convention of 363 000 t. Despite a good harvest in India, the global need for cereals is continuing to rise ; the Parliament therefore supports the proposed increase in cereal food aid.

Experience gained in food aid distribution to date is that the time-scale of one year is inadequate to complete deliveries, and that a degree of flexibility is essential if the operation is to be efficient. A longer time period also enables beneficiary countries to plan their production in advance. For this reason, the Parliament supports the use of commitment appropriations as proposed by the Commission.

\* \* \*

Proposed modification No 20 rev./corr.  
tabled by Mr Price on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states  
Chapter 92 — Food aid

Article 921 — Food aid in milk products  
 Item 9211 — 1978 skimmed milk powder programme  
 Increase expenditure by 60 070 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments of 76 050 000 EUA for 1978 and therefore add the following remarks :  
 This item is to cover the supply in 1978 of 150 000 t of skimmed milk powder to developing countries, particularly those in most need, to help make up their food shortfall.  
 The appropriation for commitment authorized for 1978 is 76 050 000 EUA.  
 The timetable of payments relating to the commitment is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
76 050 000	60 070 000	15 980 000	—

## JUSTIFICATION

One hundred and fifty thousand tonnes of skimmed milk powder was authorized for developing countries in both 1976 and 1977. The Commission proposal is for the same quantity to be supplied in 1978. This proposal is based on the needs of some of the poorest countries in the world.

Experience gained in food aid distribution to date is that the time limit of one year is inadequate to complete deliveries. A longer time period also enables developing countries to plan their production in advance. India, for example, under the Flood Programme, which is of five years duration, has asked the Community to guarantee supplies of skimmed milk powder at the 1977 level in order to plan its own production.

For this reason, the Parliament supports the use of commitment appropriations as proposed by the Commission.

The European Parliament has urged the Commission to increase the amounts made available on a number of occasions (Broeks 191/77 and Nielsen 407/76), pointing out that considerable stocks of skimmed milk powder exist in the Community which cost about two-thirds of the amount per tonne necessary to use it as food aid. In its approval of the indicative Three-Year Programme for Food Aid the Parliament welcomed the concept of medium-term planning that enables both supplier countries and beneficiaries to plan their requirements in advance. The Council's refusal to accept the Commission proposal is politically and morally intolerable, and the European Parliament urges the Council in strongest terms to accept the proposal.

\* \* \*

Draft amendment No 21/rev./corr.  
 tabled by Mr Price on behalf of the Committee on Development and Cooperation

## Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states  
 Chapter 93 — Financial and technical cooperation with non-associated developing countries  
 Article 931 — Promotion of trade between the Community and non-associated developing countries  
 Item 9310 — Measures to promote trade between the Community and non-associated developing countries

Increase expenditure by 1 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments of 6 000 000 EUA for 1978 and therefore add the following remarks :

Based on the Council Resolution of 30 April 1974 on promotion of exports from non-associated developing countries and the Commission communication to the Council on financial and technical aid from the Community to non-associated developing countries, 1976-80 (Doc. COM (75) 95 final of 5 March 1975).

The appropriation is for financing a wide range of operations with two main objectives :

- to facilitate the marketing of products from the developing countries on the Community market ;
- to encourage the developing countries to extend their production of exportable goods.

The appropriation for commitment authorized for 1978 is 6 000 000 EUA ;

The timetable of payments relating to the commitment is as follows :

(in EUA)

	Commitments	Payments		
		1978	1979	1980
1978 :	6 000 000	5 000 000	1 000 000	—

## JUSTIFICATION

For the financial year 1977 an appropriation of 5 m u.a. was set aside for the promotion of trade between the Community and the non-associated developing countries. The European Parliament has always stressed the importance of such measures, which are designed :

- to facilitate the marketing of products from the developing countries on the Community market ; and
- to encourage the developing countries to extend their production of exportable goods.

In view of the satisfactory results of Community measures in this field and in order to extend such measures, the 1978 appropriations should amount to at least as much as the appropriations for 1977. The 5 m EUA is to enable non-associated developing countries, for example those which are members of ASEAN (Association of South East Asian Nations, to which Indonesia, Malaysia, the Philippines, Singapore and Thailand belong) to extend their trade with the EEC and thus to expand their economies.

One of the best ways to help the non-associated countries, with possible benefits for the Community as well, is to encourage trade between the two. The Council have accepted this principle, but it is essential to plan for these measures on a longer basis than one year only. For this reason, the Parliament supports the Commission's proposed use of commitment appropriations.

\* \* \*

Draft amendment No 22/corr.

tabled by Mr Price on behalf of the Committee on Development and Cooperation

## Section III — Commission

(A) *Expenditure*

- Title 9 — Cooperation with developing countries and non-member states
- Chapter 94 — Specific measures for cooperation with developing countries
- Article 941 — Training of nationals of non-associated developing countries
- Item 9410 — Scholarships

Increase expenditure by 50 000 EUA

(B) *Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

Under this heading the Community grants scholarships to nationals of non-associated developing countries in order to enable them to take part in advanced vocational training courses at specialized institutes in the Member States, particularly in the management of firms (small and medium-sized) and agricultural undertakings (cooperatives). The European Parliament has always supported measures of this type, which provide the non-associated developing countries with the management potential essential to the development of their economies. The reinstatement of the appropriations initially proposed by the Commission should make it possible to extend these measures, a necessary step in view of the fact that, for example, in the financial year 1976 only 5 nationals of the Member States of ASEAN (the Association of South East Asian Nations, to which Indonesia, Malaysia, the Philippines, Singapore and Thailand belong) were able to benefit from scholarships.

\* \* \*

## Draft amendment No 23

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 27 — Expenditure on publishing and information

Article 272 — Expenditure on the dissemination of information and on participation in public events

Item 2729 — Information projects relating to direct elections to the European Parliament

Increase the appropriations by 4 000 000 EUA.

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The special programme of information on direct elections to the European Parliament by universal suffrage calls for a particular effort. The amended appropriation is the minimum necessary for effective information.

The Commission, as a European political institution, has a duty to provide that information.

\* \* \*

## Draft amendment No 25/rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo, and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 304 — Measures in support of, and with the participation of, movements which could increase the effectiveness of the social policy of the Community

Increase the appropriations by 100 000 EUA

*(B) Revenue*

Alter revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

In previous resolutions and directives the Council has repeatedly stressed the need for action in favour of migrant workers, women and young people. The increase is amply justified by the action programmes indicated by the Commission particularly as regards financial aid to representative organizations of migrant workers, the need to finance action to be prepared and undertaken by the Office for problems of the employment of women and the need to pursue actively programmes already embarked upon. The appropriation entered here is the minimum necessary.

\* \* \*

## Draft amendment No 26

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 305 — Community measures under the employment policy

Item 3050 — Research and action programme on labour market trends

Increase the appropriations by 50 000 EUA.

*(B) Revenue*

Alter revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The Council has already approved the implementation of the programme covered by this item. The Commission rightly states that, given the serious employment market situation, the Community effort must be stepped up, particularly in the sector covered by this item.

\* \* \*

## Draft amendment No 27

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 305 — Community measures under the employment policy

Item 3051 — Cooperation between the national employment services

Increase the appropriations by 150 000 EUA

*(B) Revenue*

Alter revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The aim here is to fully implement the provisions of Article 49 of the EEC Treaty as repeatedly indicated in Council resolutions (the most recent being that of 9 February 1976). The appropriation represents the minimum necessary, and the increase over 1977 takes account of the serious situation on the employment market.

\* \* \*

Draft amendment No 28 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 30 — Expenditure in the social sector  
Article 305 — Community measures under the employment policy  
Item 3052 — Community system of guaranteed incomes for workers during retraining  
Make a token entry

*(B) Revenue*

Unchanged

*(C) Remarks*

Enter the following remarks :

The Commission provided in its social action programme for the creation and development in all the Member States of national systems to guarantee the incomes of workers during occupational retraining with the possible backing of Community aid adjusted to the evolution of Community objectives in the employment sector. The Council did not accept this suggestion. The Commission has stressed its intention of undertaking work in this area and reserves the right to submit appropriate proposals.

## JUSTIFICATION

The implementation of retraining and restructuring programmes at both national and Community level requires Community intervention in support of national aid schemes to guarantee workers' earnings.

It would be desirable for the Commission to submit proposals to the Council at the earliest possible date with a view to adaptation of Community policy to the requirements of the employment market.

\* \* \*

Draft amendment No 30 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the energy policy  
 Article 324 — Aids to demonstration projects under the Community energy programme  
 Item 3240 — Community energy-saving programme  
 Enter an appropriation of 17 000 000 EUA

(B) *Revenue*

Alter revenue accordingly

(C) *Remarks*

Enter commitments for 1978 of 45 000 000 EUA and therefore add the following remarks :

*New Article*

Article 235 of the EEC Treaty

Proposal submitted to the Council on 31 May 1977 (Doc. COM (77) 187 final). Communication to the Council of 24 February 1977 (Doc. COM (77) 39 final).

This appropriation is to cover expenditure arising from Community action on energy saving, in particular :

- heat pumps,
- heat recovery,
- combined production of heat and power,
- energy storage,
- reduction of waste in industry,
- low-energy housing.

The appropriation for commitment authorized for 1978 is 45 000 000 EUA<sup>1</sup>. The probable schedule of payments relative to commitments is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 45 000 000	17 000 000	13 000 000	15 000 000

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

## JUSTIFICATION

The Commission's assessment of the appropriation needed is realistic and will allow only a modest level of financing of investments in the projects provided for under the Community energy-saving programme. The schedule of appropriations for commitment will have to evolve in line with the requirement for a greater Community presence in these projects.

\* \* \*

Draft amendment No 31 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the energy policy

Article 324 — Aids to demonstration projects under the Community energy programme

Add a new item 3241 — Coal gasification and liquefaction

Enter an appropriation of 9 000 000 EUA.

**(B) Revenue**

Alter revenue accordingly

**(C) Remarks**

Enter commitments for 1978 of 16 000 000 EUA and therefore add the following remarks :  
Article 235 of the EEC Treaty.

Proposal submitted to the Council on 31 May 1977 (Doc. COM (77) 187 final). This appropriation is to cover expenditure on Community assistance towards the cost of building and operating pilot plants for coal gasification and liquefaction. The appropriation for commitment authorized for 1978 is 16 000 000 EUA<sup>1</sup>. The probable schedule of payments relative to commitments is as follows :

*(in EUA)*

Commitments	Payments		
	1978	1979	1980
1978 : 16 000 000	9 000 000	3 400 000	3 600 000

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

**JUSTIFICATION**

The amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 32 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

**Section III — Commission****(A) Expenditure**

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the energy policy

Article 324 — Aids to demonstration projects under the Community energy programme

Add a new item 3242 — Exploitation of geothermal resources

Enter an appropriation of 2 000 000 EUA.

**(B) Revenue**

Alter revenue accordingly

**(C) Remarks**

Enter commitments for 1978 of 9 800 000 EUA and therefore add the following comments :  
Article 235 of the EEC Treaty.

Proposal submitted to the Council on 31 May 1977 (Doc. COM(77) 187 final). This item is to cover expenditure relating to the grant of support to undertakings exploiting geothermal energy, both for power and heating purposes.

Under the programme Community assistance to projects will not exceed 40 %. The appropriation for commitment authorized for 1978 is 9 800 000 EUA. The probable schedule of payments relative to commitments is as follows :

*(in EUA)*

Commitments	Payments		
	1978	1979	1980
1978 : 9 800 000	2 000 000	3 800 000	4 000 000

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

## JUSTIFICATION

The development of geothermal energy is an important sector providing an alternative for oil imports. However, problems are created by the use of new technologies, the existence of geological risks and the high investment costs. This appropriation represents a minimum Community commitment by way of financial support for projects to utilize geothermal resources.

There is an urgent need for the Council to adopt the draft regulation presented by the Commission on 31 May 1977.

\* \* \*

Draft amendment No 33 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the energy policy

Add a new article :

Article 325 — Formation of stocks of nuclear fuels

Make a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

*New Article*

EAEC Treaty (Article 72(2)).

Council resolution of 17 December 1974.

Council resolution of 13 February 1975 (OJ No. C 153 of 9.7.1975).

This article covers expenditure relating to the acquisition of uranium for the constitution of Community stocks with a view to ensuring a reasonable security margin for Community users.

## JUSTIFICATION

This amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 34

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 352 — Health protection, hygiene and safety at the place of work

Item 3520 — Health protection, hygiene and safety at the place of work

Increase the appropriation by 325 000 EUA.

(B) *Revenue*

Alter revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The increase in the appropriation is justified by the application of the new programme prepared by the Commission in cooperation with the Consultative Committee on Safety, Hygiene and Health Protection at work.

\* \* \*

Draft amendment No 35/corr.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Add a new Item 3552 — 'Consumer protection and information measures'

Enter an appropriation of 100 000 EUA.

*(B) Revenue*

Alter revenue accordingly

*(C) Remarks**New item*

Council resolution of 24 April 1975 adopting a preliminary programme for a policy of consumer protection and information, in particular points 42, 43, 44 and 45 thereof.

The action is intended to finance pilot schemes for consumer education, to encourage the production and dissemination in the Member States of teaching material, to assist non-governmental institutions and organizations in promoting consumer protection and information and to initiate specific action to increase the awareness of certain sections of the population (teachers, instructors and staff of consumer organizations).

## JUSTIFICATION

This amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 36

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 354 — Community environmental protection measures

Item 3540 — Environmental studies

Increase the appropriation by 200 000 EUA

*(B) Revenue*

Alter revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

Action and appropriations required in the context of the second Community Environmental Action Programme.

\* \* \*

Draft amendment No 37  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 35 — Protection of man and his environment  
Article 353 — Public health studies and measures  
Increase the appropriation by 60 000 EUA

*(B) Revenue*

Alter revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The increase is necessary because this action represents the development of a commitment which the Community began to implement in 1977.

\* \* \*

Draft amendment No 38  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 35 — Protection of man and his environment  
Article 354 — Community environmental protection measures  
Item 3541 — Environmental projects  
Increase the appropriation by 50 000 EUA

*(B) Revenue*

Alter revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

This appropriation represents the minimum necessary for Community environmental action, having regard to the rapid development of projects in this sector.

\* \* \*

Draft amendment No 39  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 35 — Protection of man and his environment  
Article 359 — Grant towards the operation of the European Foundation for the Improvement  
of Living and Working Conditions

Increase the appropriation by 225 000 EUA.

(B) *Revenue*

Alter revenue accordingly

(B) *Remarks*

Unchanged

## JUSTIFICATION

As indicated by the Commission, the grant is based on the estimates forwarded each year by the Board of Directors of the Foundation. The increase also flows from the natural evolution of the expenditure of an Institution which has only recently been set up.

\* \* \*

Draft amendment No 44 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 32 — Expenditure under the energy policy  
Article 321 — Prospecting for uranium deposits

Increase expenditure by 4 400 000 EUA

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Enter commitments for 1978 of 11 500 000 EUA and therefore add the following remarks :  
Euratom Treaty (first and second paragraphs of Article 70). Council Resolution of 17 December 1974 (OJ No C 153 of 9 July 1975, p. 2). Council Decision of 13 February 1975 (OJ No C 153 of 9 July 1975, p. 6). The purpose is to promote the exploitation of uranium in Community territory, thereby ensuring adequate supplies for Community users. In view of the energy objectives for 1985, Community financial support for uranium prospecting projects must be

made available immediately in order to reduce the Community's dependence on producer countries (see Doc. COM (76) 20 of 16 January 1976, on the implementation of the energy policy guidelines set by the European Council at its meeting in Rome on 1 and 2 December 1975). The associated costs of technical and financial assessments are also charged to this item. The appropriation for commitment authorized for 1978 amounts to 11 500 000 EUA<sup>1</sup>.

The likely schedule for payments relative to commitments is as follows :

(in EUA)

Commitments	Payments				
	1976	1977	1978	1979	1980
1976 : 1 000 000	700 000	—	300 000 <sup>1</sup>	—	
1977 : 5 000 000	—	2 000 000	2 000 000	1 000 000	
1978 : 11 500 000	—	—	4 400 000	4 600 000	2 500 000
<b>Total</b>	<b>700 000</b>	<b>2 000 000</b>	<b>6 700 000</b>	<b>5 600 000</b>	<b>2 500 000</b>

<sup>1</sup> Re-entry of appropriations which were carried forward from 1976 to 1977 and will lapse at the end of 1977.

#### JUSTIFICATION

Community participation in the prospection for uranium is important under the energy policy. The appropriation for payment and the schedule of appropriations for commitment represent indispensable financial support by the Community to the undertakings concerned to help defray the costs of prospecting measures.

\* \* \*

Draft amendment No 45 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

#### Section III — Commission

##### (A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 32 — Expenditure under the energy policy  
Article 322 — Aids for coal stocks

Make a token entry.

##### (B) Revenue Unchanged

##### (C) Remarks

Enter the following remarks :

EEC Treaty (Article 235). Council Resolution of 17 December 1974 (OJ No C 153 of 9 July 1975). Council Resolution of 13 February 1975 (OJ No C 153 of 9 July 1975). Communication from the Commission to the Council of 16 January 1976 (Doc. COM (76) 20) on the implementation of the energy policy guidelines drawn up by the European Council at its meeting in Rome on 1 and 2 December 1975, intended to conserve the Community's energy resources. Proposal for a Council Regulation (Doc. COM (77) 77) on a system of Community financial aids to finance cyclical stocks of coal, coke and manufactured fuel.

This Article is intended to cover expenditure connected with Community support to finance coal stocks in order to lessen the heavy cost to producers. Support takes the form of non-repayable subsidies.

<sup>1</sup> This text is binding within the meaning of Article 16(c) of the Financial Regulation of 25.4.1973.

## JUSTIFICATION

The aid provided under this Article for coal production and to compensate for the difficulties resulting from market fluctuations falls within the context of the necessary diversification of energy sources.

However, a greater effort on the part of the Commission would seem to be desirable to calculate the financial limits to be entered in the budget in respect of subsidies to be granted for the constitution of stocks.

\* \* \*

Draft amendment No 46 rev./corr.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
  - Chapter 36 — Expenditure on scientific and technical information and on information management
  - Article 362 — Documentary research, scientific and technical information and documentation
  - Item 3620 — First and second three-year projects
- Increase the appropriation by 1 750 000 EUA.

(B) *Revenue*  
Unchanged(C) *Compensation*

- Title 10 — Other expenditure
  - Chapter 100 — Provisional appropriations
- Delete the following :
- (13) Item 3620 — Documentary research, scientific and technical information and documentation — first and second plans for three-year project
    - 1 750 000 EUA (payment appropriations)
    - (4 500 000 EUA in commitment appropriations)

(D) *Remarks*

Enter commitments of 300 000 EUA for 1978 and therefore add the following remarks :  
Council Decision No 75/200/EEC of 18 March 1975, adopting an initial three-year Community plan of action in the field of scientific and technical information and documentation (STID) (OJ No L 100 of 21 April 1975, p. 18) and the Council Decision concerning the second three-year plan of action.

This appropriation is intended to cover the expenditure on the first three-year project :

- sectoral information systems (Eur-Agris, an environment reference system etc.),
- establishment of the physical telecommunications network (Euronet) by the consortium of the nine national post and telecommunications authorities of the Member States,
- technology and methodology of information,
- encouraging the training of specialists and the instruction of users of scientific and technical information,
- retaining highly-qualified technical experts as consultants for short periods for on-the-spot solving of specific problems concerning compatibility and/or development.

The appropriation for commitment authorized for 1978 amounts to 4 800 000 EUA<sup>1</sup>.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25. 4. 1973.

The probable schedule of payments relative to commitments is as follows :

*(in EUA)*

Commitments	Payments			
	1977	1978	1979	1980
1977 : 2 650 000	1 250 000	1 100 000	300 000	—
1978 : 4 800 000	—	1 750 000	2 050 000	1 000 000
	1 250 000	2 850 000	2 350 000	1 000 000

### JUSTIFICATION

The second plan of action is to enable the new series of projects developed during the first plan to be completed and brought into the operational phase.

The appropriations entered are realistic and necessary primarily to cover the Community's financial commitment for the establishment and administration of the Euronet network.

\* \* \*

Draft amendment No 49 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

#### Section III — Commission

##### (A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 37 — Expenditure in the industrial and transport sectors
- Article 370 — Projects in the data-processing sector
- Item 3701 — Second programme

Enter an appropriation of 4 600 000 EUA.

##### (B) *Revenue*

Adjust revenue accordingly.

##### (C) *Remarks*

Enter commitments for 1978 of 6 615 000 EUA and therefore add the following remarks :  
Article 235 of the EEC Treaty.

Council resolution of 15 July 1974 on the improvement of the competitiveness of the data-processing sector.

This appropriation is to cover expenditure under the proposal presented to the Council by the Commission on 22 September 1975 (OJ No C 14 of 21 January 1976, p. 5) relating to :

- a project for the development of a common real-time programming language (LTPL project) ;
- a group of data-processing projects on software portability ;
- a number of applications projects and studies in the data-processing sector ;
- the payment of experts and related miscellaneous and secretarial services.

The appropriation for commitment for 1978 is 6 615 000 EUA <sup>1</sup>.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

The likely schedule of payments relative to commitments is :

(in EUA)

Commitments	Payments			
	1977	1978	1979	1980
1977 : 9 000 000	2 835 800	2 150 000	3 015 000	1 000 000
1978 : 6 615 000	—	2 450 000	1 985 000	2 180 000
	2 835 800	4 600 000	5 000 000	3 180 000

### JUSTIFICATION

The action stipulated in this item and the corresponding appropriations are essential for an effective commitment by the Community in this sector; they are also a prerequisite for the four-year programme for the development of informatics.

\* \* \*

Draft amendment No 50  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

#### (A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 37 — Expenditure in the industrial and transport sectors  
Article 370 — Projects in the data-processing sector  
Enter a new item 3703 — Support for the joint applied research project on very highly integrated circuits.

Token entry.

#### (B) Revenue

Unchanged

#### (C) Remarks

*New item :*

EEC Treaty : Article 235

Council resolution of 15 July 1974

Proposal for a four-year programme submitted on 9 November 1976 (Doc. COM (76) 524).

This item is to cover expenditure arising from a joint applied research project on very highly integrated circuits.

The aims of the programme are :

- product standardization and rationalization ;
- collaborative rationalization of technical specifications for the purchase of equipment ;
- pooling of the results of advanced basic research ;
- optimization of the use of available resources ;
- payment of experts and related miscellaneous or secretarial services.

### JUSTIFICATION

This appropriation is required to achieve the objectives indicated in the remarks. If these objectives are pursued on a national basis the limitation of scale will prevent real success from being achieved and international competitiveness will never be attained.

\* \* \*

Draft amendment No 51 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 37 — Expenditure in the industrial and transport sectors  
Article 371 — Operations in the aerospace industry  
Item 3710 — Technological research  
Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter commitments for 1978 of 31 000 000 EUA and therefore add the following remarks:  
Article 235 of the EEC Treaty.

Action programme for the European aeronautical sector (Doc. COM(75) 4-75 of 3 October 1975).  
The Commission informed the Council and Parliament of its initial proposals for aerospace policy in document COM (75)475 final, and along these lines a Commission proposal is now being drawn up for research and basic technology programmes on:

- short-term applications, where existing technologies have to be stretched and improved with a view to specific products optimization,
- medium-term applications, where the objectives can be set only by market trends,
- long-term applications where, conversely, it is from evaluation of current scientific and technological research that long-term trends can be derived,
- payment of experts and related miscellaneous or secretarial services.

The appropriation for commitment for 1978 is 31 000 000 EUA<sup>1</sup>.

The likely schedule of payments relative to commitments is:

(in EUA)

Commitments	Payments			
	1977	1978	1979	1980
1977:	8 000 000 *	—	—	—
1978: 31 000 000 *	—	19 000 000	7 000 000	5 000 000

\* This amount has been entered in Chapter 100.

### JUSTIFICATION

Without the remark Item 3710 is incomprehensible.

Draft amendment No 52  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 37 — Expenditure in the industrial and transport sectors  
Article 371 — Operations in the aerospace sector

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

Item 3711 — Aids to the aerospace industry

Make a token entry

(B) *Revenue*

Unchanged

(C) *Remarks*

Article 235 of the EEC Treaty.

The Commission informed the Council and Parliament of its initial proposals for aerospace policy in document COM (75) 475 final, and along these lines a Commission proposal is being drawn up for jointly financing an aeroplane optimization programme on criteria of economy and designed to reduce nuisances; this scheme is to gradually replace national arrangements for the financing of research and development (including production tooling) in connection with programmes for large civil transport aircraft.

### JUSTIFICATION

This item and the accompanying remark must be maintained, since they reflect the commitment to draw up measures to transfer aids from the national to the European level. Since it is aids and not loans that are under consideration, the transfer of this item to the chapter concerned with promoting investments for reconversion would imply abandoning the proposal for placing aids on a Community footing. Further, without such a decision no serious 'European' policy for the aerospace industry will be possible.

\* \* \*

Draft amendment No 53

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 39 — Other expenditure on specific projects undertaken by the Institution

Add the following new article :

Article 395 'Promotion of Community exports to Japan'

Enter an appropriation of 2 000 000 EUA.

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

*New article*

Action based on the declarations of the European Council of 30 November 1976 and 26 March 1977 on the Communities' relations with Japan.

The aim is to restore the balance of trade between the EEC and Japan by augmenting the penetration of European firms into the Japanese market.

### JUSTIFICATION

This amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 54  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Chapter 49 — European Export Bank (EEB)  
Article 492 — Subsidy for balancing the budget of the European Export Bank  
Replace the dash by a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

This budget line is intended to cover the initial outlay of the European Export Bank on installation and equipment.

JUSTIFICATION

The amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 55  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Chapter 49 — European Export Bank (EEB)  
Article 493 — Interest relief grants on loans made by the European Export Bank  
Replace the dash by a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

Budget line to cover possible interest relief granted on loans by the European Export Bank.

JUSTIFICATION

The amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 56  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional funds

Chapter 50 — New social fund — expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 500 — Aid to the agricultural and textiles sectors

Increase the appropriation by 19 000 000 EUA.

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Council Decision of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non-agricultural activities (OJ No L 291 of 28 December 1972, page 158).

Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons employed in the textile and clothing industries (OJ No L 39 of 14 February 1976, page 39).

The commitment appropriations authorized for 1978 amount to 35 000 000 EUA<sup>1</sup>. The provisional timetable for payments relative to commitments is as follows (in EUA):

Commitments		Payments		
		1978	1979	1980
1975-77 *	118 000 000	50 000 000	50 000 000	18 000 000
1978	35 000 000	11 000 000	11 000 000	13 000 000
<b>TOTAL</b>	<b>153 000 000</b>	<b>61 000 000</b>	<b>61 000 000</b>	<b>31 000 000</b>

\* Still outstanding as at 1 January 1978

### JUSTIFICATION

This appropriation provides a realistic financial reflection of the desire to consolidate the fund's resources. As indicated by the Commission, the employment situation requires the efforts which can be made through the Social Fund to be continued. Moreover, the fund's own resources must be consolidated with a view to greater effectiveness.

\* \* \*

Draft amendment No 58 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

### Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Article 374 — Technical regulations governing the manufacture of cars

Enter an appropriation of 1 500 000 EUA

(B) *Revenue*

Increase revenue by 750 000 EUA.

(C) *Compensation*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Reduce appropriations by 750 000 EUA.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

*(D) Remarks*

Enter the following remarks :

Council Resolution of 28 May 1969 on the adaptation to technical progress of directives for the removal of technical barriers to trade.

Council Directive of 6 February 1960 on the type approval of motor vehicles.

This appropriation is to cover expenditure on Community participation in the cost of surveys, experiments and studies in the following fields :

- biocmechanics ;
- accident analysis ;
- vehicle structure.

## JUSTIFICATION

This amendment is justified by the corresponding text of the preliminary draft budget.

\* \* \*

Draft amendment No 59

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

*(A) Expenditure*

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund — expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 501 — Measures for young people

Increase the appropriation by 68 000 000 EUA.

*(B) Revenue*

Adjust revenue accordingly

*(C) Remarks*

Council Decision of 22 July 1975 on intervention by the European Social Fund in favour of persons affected by employment difficulties (OJ No L 199 of 30 August 1975, page 36).

The commitment appropriations authorized for 1978 amount to 179 000 000 EUA<sup>1</sup>. The provisional timetable for payments relative to commitments is as follows (in EUA) :

	Commitments	Payments		
		1978	1979	1980
1975-77 *	144 000 000	61 000 000	62 000 000	21 000 000
1978	179 000 000	58 000 000	58 000 000	63 000 000
<b>TOTAL</b>	<b>323 000 000</b>	<b>119 000 000</b>	<b>120 000 000</b>	<b>84 000 000</b>

\* Still outstanding as at 1 January 1978

## JUSTIFICATION

This appropriation provides a realistic financial reflection of the desire to consolidate the fund's resources. As indicated by the Commission, the employment situation requires the efforts which can be made through the Social Fund to be continued. Moreover, the fund's own resources must be consolidated with a view to greater effectiveness.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

Draft amendment No 60 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Chapter 51 — New Social Fund — expenditure provided for under Article 5 of the Council Decision of 1 February 1971

Article 510 — Measures to improve the employment situation in certain regions, economic sectors or groups of companies

Increase the appropriation by 118 000 000 EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Amend the remarks as follows :

Council Regulation (EEC) No 2396/71 of 8 November 1971 (OJ No L 249 of 10 November 1971), particularly Article 1 (1) and (2).

This aid is designed to solve employment problems arising in certain areas which are less developed or in decline, or through adaptation to technical progress of certain branches of economic activity or in certain groups of undertakings which are forced to cease, reduce or transform their activities.

The appropriations for commitment authorized for 1978 amount to 281 million EUA<sup>1</sup>. The provisional timetable for payments relative to commitments is as follows (in EUA) :

Commitments		Payments		
		1978	1979	1980
1975-77*	428 000 000	185 000 000	180 000 000	63 000 000
1978	281 000 000	90 000 000	90 000 000	101 000 000
<b>TOTAL</b>	<b>709 000 000</b>	<b>275 000 000</b>	<b>270 000 000</b>	<b>164 000 000</b>

\* Still outstanding as at 1 January 1978

JUSTIFICATION

This appropriation is a realistic financial reflection of the desire to consolidate the resources of the Fund. As indicated by the Commission, the employment situation requires the effort which can be made through the Social Fund to be continued. Moreover the Fund must consolidate its own resources to achieve greater effectiveness.

\* \* \*

Draft amendment No 61 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

Chapter 52 — Social Fund — pilot schemes and preparatory studies

Article 520 — Social Fund, pilot schemes and preparatory studies

Increase appropriation by 800 000 EUA.

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Amend remarks as follows :

Article 7 (1) of Regulation (EEC) No 2396/71 of the Council of 8 November 1971 states that 'the Commission may use the appropriations allotted for that purpose in the Community Budget to promote, carry out or give financial assistance to preparatory studies and pilot schemes in order to give guidance to the Council and the Commission in the choice of areas in which the Fund should be able to intervene and to enable the Member States and those responsible for operations to choose the most effective aid and to organize the implementation thereof to the best effect'.

The commitment appropriations authorized for 1978 amount to 1 500 000 EUA<sup>1</sup>. The provisional timetable for payments against commitments is as follows (in EUA);

	Commitments	Payments		
		1978	1979	1980
1975-77 *	660 000	500 000	160 000	—
1978	1 500 000	800 000	500 000	200 000
<b>TOTAL</b>	<b>2 160 000</b>	<b>1 300 000</b>	<b>660 000</b>	<b>200 000</b>

\* Still outstanding as at 1 January 1978

### JUSTIFICATION

The amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Proposed modification No 62 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section

Chapter 81 — Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)

Article 810 — Common measures for the reform of agricultural structures

Item 8104 — Forestry measures for the improvement of agricultural structures

Enter an appropriation of 5 000 000 EUA.

(B) *Revenue*

Adjust revenue accordingly

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

(C) *Remarks*

Enter commitments of 5 000 000 EUA for 1978 and therefore add the following remarks :  
Expenditure against this Item in 1978 arises from the amended proposal for a directive on forestry measures (COM(75) 88) based on Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (OJ No L 94 of 28 April 1970, p. 13).

The intention is to introduce a system for the promotion of forestry measures with the express purpose of reinforcing the measures to improve agricultural structures and, in particular, Directives No 72/159/EEC and 72/160/EEC, and, in a wider context, to make forestry form part of a really effective pattern of land use.

The Commission proposes a system of aid and grants over ten years (to be reviewed after five years) :

- afforestation grant (between 40 and 90 % of the cost ; average : 60 %) ;
- capital grant (240 u.a. per hectare) ;
- grant for the conversion of woodland.

The appropriation for commitment authorized for 1978 is 5 000 000 u.a.<sup>1</sup>.

The estimated schedule of payments relative to commitments is as follows :

Commitments	Payments		
	1978	1979	1980
1978 : 5 000 000	5 000 000	—	—

JUSTIFICATION

The cost shown is based on a series of estimates made by the Commission and is perfectly reasonable having regard to the forecast expenditure for 1978 and the calendar of appropriations for commitment.

This action appears necessary to integrate measures for the improvement of agricultural structures in the sector of incentives in favour of forestry measures.

\* \* \*

Proposed modification No 63 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

- Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section
  - Chapter 81 — Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)
  - Article 810 — Common measures for the reform of agricultural structures
  - Item 8105 — Special aid for young farmers
- Enter an appropriation of 4 000 000 EUA

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Enter commitments of 4 000 000 EUA for 1978 and therefore add the following remarks :  
This item is to cover expenditure arising from the Commission proposal to the Council of 3 December 1974. The Commission proposes to give aid at fixed degressive rates to young farmers

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

(aged no more than forty) while they are implementing a development plan (maximum of five years). Duration of the operation : seven years. The aid is intended to offset the additional expenditure incurred by young farmers who have been farming for only a short time and are implementing a development plan.

The appropriation for commitment authorized for 1978 is 4 000 000 u.a. <sup>1</sup>.

The estimated schedule of payments relative to commitments is as follows :

Commitments	Payments		
	1978	1979	1980
1978 : 4 000 000	4 000 000	—	—

#### JUSTIFICATION

This aid is necessary to offset the growing burden encountered by recently established young farmers who are pursuing a development plan.

\* \* \*

Proposed modification No 64/rev. II

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund — Guarantee Section

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following text :

The Council undertakes to request from the Commission and subsequently to adopt during 1978 amendments to the regulations on agricultural prices as a result of which :

- a. a real and not merely an indicative ceiling will be placed on the commitments of the EAGGF Guarantee Section ;
- b. the procedures and criteria for fixing prices will be changed so as to respect the aforesaid conditions ;
- c. the share of the expenditure of the EAGGF Guarantee Section will be progressively reduced and that of the EAGGF Guidance Section increased.

This remark is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

#### JUSTIFICATION

Viewed against the important and serious aspects of economic policy which the Community is having to face, participation by the Community is only marginal when expressed in terms of figures. There is one exception to this rule which does not concern agricultural policy in the true sense of the term, understood as a guidance policy (the Commission too has made further cuts in the preliminary draft amending letter), but relates in fact to agricultural prices which do not amount to a genuine agricultural policy.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

The Commission when it took office, and the Council also, repeatedly announced that they would adopt a different approach to agricultural policy.

At the present time expenditure for the EAGGF Guarantee Section is compulsory but there is no reason why this type of expenditure should necessarily continue to be incurred and there is no reason why the regulations should remain unchanged.

\* \* \*

Proposed modification No 65/rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 7 — European Agricultural Guidance and Guarantee Fund — Guarantee Section  
Chapter 78 — Monetary compensatory amounts

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following text :

The Council undertakes to adopt in 1978 regulations changing all the monetary compensatory amounts into degressive amounts applicable for a limited period of not more than three years. This remark is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

JUSTIFICATION

This proposed modification is justified by the remarks.

\* \* \*

Draft amendment No 66 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 37 — Expenditure in the industrial and transport sectors  
Article 370 — Projects in the data-processing sector  
Item 3702 — Implementation of four-year development programme for the data-processing sector

Enter an appropriation of 11 000 000 EUA

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Enter commitments for 1978 of 15 000 000 EUA and therefore add the following remarks :

*New Item*

Article 235 of the EEC Treaty.

Proposal laid before the Council on 9 November 1976 (Doc. COM (76) 524). This item is to cover expenditure arising from the programme for improving the competitiveness and generally promoting the data-processing industries :

- standardization,
- coordination of public procurement,
- collaboration between research centres,
- studies on the state of the data-processing sector, employment problems, physical and legal protection of software,
- the payment of experts and related miscellaneous or secretarial services.

The appropriation for commitment for 1978 is 15 000 000 EUA <sup>1</sup>.

The likely schedule of payments relative to commitments is :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 15 000 000	11 000 000	2 000 000	2 000 000

#### JUSTIFICATION

The appropriation is required for the projects envisaged in the Commission proposals submitted to the Council on 9 November 1976.

\* \* \*

Draft amendment No 67 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

#### Section III — Commission

##### (A) Expenditure

Title 5 — Social and Regional Funds

Add a new Chapter 53 — New Social Fund and a new

Article 530 — New operations to deal with the employment situation.

Make a token entry.

##### (B) Revenue

Unchanged

##### (C) Remarks

New aid measures to deal with the employment situation in accordance with the decisions taken in the context of the review of the rules governing the tasks and operations of the European Social Fund (Article 11 of Council Decision (EEC) No 71/66 of 1 February 1971 (OJ No L 28 of 4 February 1971, page 15) on the reform of the European Social Fund.

The Commission proposes in due course to initiate the procedures for entering appropriations in this chapter.

#### JUSTIFICATION

As the Commission has shown, the employment situation requires the continuation of the effort which can be made through the Social Fund.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

Proposed modification No 68  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

- Title 8 — European Agricultural Guidance and Guarantee Fund  
— Guidance Section
  - Chapter 82 — Common measures concerning the marketing and processing of agricultural products (pursuant to the Council Resolution of 25 May 1971)
  - Article 820 — Common measures concerning the marketing and processing of agricultural products (pursuant to the Council Resolution of 25 May 1971)
  - Item 8200 — Producer groups and associations thereof
- Unchanged.

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged except for footnote 1 which is amended as follows :

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

#### JUSTIFICATION

This amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Proposed modification No 69 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

- Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section
  - Chapter 83 — Common measures in particular sectors
  - Article 830 — Fisheries sector
  - Item 8302 — Conversion in the non-industrial inshore fishing sector
- Enter an appropriation of 5 000 000 EUA.

(B) *Revenue*

Unchanged

(C) *Compensation*

- Title 10 — Other expenditure
  - Chapter 100 — Provisional appropriations
- Delete the following paragraph :
- (17) Item 8302 — Conversion in the inshore fishing sector  
5 000 000 EUA (payment appropriations)  
(5 000 000 EUA in commitment appropriations)

(D) *Remarks*

Enter commitments for 1978 of 10 000 000 EUA and therefore add the following remarks .  
Expenditure against this item in 1978 arises from a proposal for a Regulation presented by the Commission to the Council on 28 November 1975 with a view to the reorganization of non-industrial inshore fishing ; it has not yet been adopted.

The aim of this Regulation is to adapt fleets and other fishing equipment to the catch potential of traditional fishing or fish-farming areas, and in this way ensure a fair income for those engaged in non-industrial inshore fishing and prevent over-fishing.

To this end the Commission proposes that the EAGGF Guidance Section contribute to:

- the conversion of fleets and of fish and shellfish farms;
- the conversion and development of conserving and processing facilities;
- retirement from fishing.

The appropriation for commitment authorized for 1978 is 15 000 000 u.a.<sup>1</sup>.

The foreseeable schedule of payments in respect of commitments is as follows:

Commitments	Payments		
	1978	1979	1980
1978 : 15 000 000	5 000 000	5 000 000	5 000 000

#### JUSTIFICATION

In the context of the policy for reconversion and support for the fisheries sector, the aim of this action is to adapt the fleet and other means of production to the potential for exploitation of fish resources so as to guarantee a reasonable income for the population active in the inshore fishing sector and to avoid over-fishing.

\* \* \*

Proposed modification No 70 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

#### Section III — Commission

##### (A) *Expenditure*

Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section

Chapter 83 — Common measures in particular sectors

Article 832 — Fruit and vegetable sector

Item 8321 — Reorganization of horticultural production under glass

Enter an appropriation of 3 500 000 m EUA.

##### (B) *Revenue*

Adjust revenue accordingly

##### (C) *Remarks*

Enter commitments of 3 500 000 EUA for 1978 and therefore add the following remarks:

This item is to cover expenditure arising from a proposal for a regulation submitted by the Commission to the Council. The Commission proposes a non-recurring grant for the demolition of greenhouses and an undertaking that the area under glass will not be increased for a period of six years.

The aim of the operation is to enable producers to give up their horticultural production under glass, which has become too expensive following the rise in energy costs.

The appropriation for commitment to be authorized for 1978 is 3 500 000 u.a.<sup>1</sup>.

The foreseeable schedule of payments is as follows:

Commitments	Payments		
	1978	1979	1980
1978 : 3 500 000	3 500 000	—	—

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

## JUSTIFICATION

The aim of the operation is to reduce the structural surplus production of fruit in the Community, by encouraging conversion of horticultural production under glass, permitting producers to give up production, which has become too expensive following the rise in energy costs.

\* \* \*

Draft amendment No 71 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Add a Chapter 56: European Regional Development Fund — Specific Community measures

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Preface the chapter with the following remarks:

*Chapter 56*

This Chapter concerns contributions under the European regional policy to the financing of specific Community regional development measures differing wholly or in part from the measures referred to in Chapter 55. They include:

- measures involving or supplementing other Community policies and aimed at strengthening or backing up converging efforts under Community policies to correct regional structural imbalances;
- measures necessitated by the repercussions at regional level of other Community policies;
- measures to speed up job creation in the Community's less-favoured regions by providing investors with easier access to the capital market and facilitating the establishment within these regions of foreign investment schemes;
- development measures to be implemented in frontier areas;
- emergency measures to cope with unforeseeable regional situations.

The legal bases are the:

- Draft amendment to Regulation (EEC) No 724/75 establishing a European Regional Development Fund;
- Financial Regulation of 18 March 1975 supplementing the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities (75/184/Euratom, ECSC, EEC);
- Council Decision of 18 March 1975 to apply Regulation (EEC) No 724/75 establishing a European Regional Development Fund to the French overseas departments.

## JUSTIFICATION

This amendment is justified by the corresponding text of the preliminary draft budget.

\* \* \*

Draft amendment No 72  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 5 — Social and Regional Funds  
 Chapter 55 — European Regional Development Fund  
                   Community measures in support of national regional policies

Add a new Article 551: Measures to encourage infrastructure investment

Enter an appropriation of 335 000 000 EUA.

*(B) Revenue*

Adjust revenue accordingly

*(C) Remarks*

The appropriations under this article are to fund the contribution made under the European Regional Policy to the financing of infrastructure investments designed to improve the conditions for setting up and developing new activities in the Community's less favoured regions. The legal basis is mentioned above (see Article 550).

Appropriations for commitment for 1978 amount to 430 000 000 EUA<sup>1</sup>.

The payments schedule is given in the table set out under Article 550.

## JUSTIFICATION

This amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 73 rev.  
 tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

## Section III — Commission

*(A) Expenditure*

Title 5 — Social and Regional Funds  
 Chapter 55 — European Regional Development Fund  
                   Community measures in support of national regional policies

Enter a new Article 550: Measures to encourage investment in industry, the trades and the service sector

Enter an appropriation of 200 000 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Enter commitments of 252 000 000 EUA under Articles 550 and 551 for 1978 and therefore add the following remarks:

The appropriations intended to finance investment in industry, the trades and the service sector under the European regional policy are based on the following regulations:

- Draft amendment to Regulation (EEC) 724/75 establishing a European Regional Development Fund;
- Financial Regulation of 18 March 1975 supplementing the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities (75/184/Euratom, ECSC, EEC);
- Council Decision of 18 March 1975 to apply Regulation (EEC) 724/75 establishing a European Regional Development Fund to the French overseas departments

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

The general objective is to correct the major regional imbalances in the Community by means of a contribution to the financing of investments in industry, the trades and the service sector that are economically sound and that qualify for state regional aids (each investment project exceeding 50 000 EUA) provided that at least ten jobs are created or safeguarded.

Appropriations for commitment for 1978 amount to 220 000 000 EUA.<sup>1</sup>

The payments schedule (in m EUA) gives the total amounts for the previous years and their subdivision under Articles 550 and 551 for 1978 :

Commitments		Payments				
		1975/77	1978	1979	1980	Total
1975/77	1 300 (Chapter 55)	850	325	125	—	1 300
1978	220 (Article 550)	—	80	90	50	220
	430 (Article 551)	—	150	170	110	430

#### JUSTIFICATION

The amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 74 rev.

tabled by Mr Spinelli, Mr Veronesi, Mr Şandri, Mr Masullo and Mr Leonardi

#### Section III — Commission

##### (A) Expenditure

Title 5 — Social and Regional Funds  
Chapter 56 — European Regional Development Fund  
Specific Community measures

Add a new Article 560 : Interest rebates

Enter an appropriation of 25 000 000 EUA.

##### (B) Revenue

Adjust revenue accordingly

##### (C) Remarks

Enter commitments of 50 000 000 EUA for 1978 and therefore add the following remarks :  
This chapter concerns flat rate interest rebates of not more than 5 % of the initial amount of loans made by the European Communities or by the European Investment Bank. The purpose of the rebates is to facilitate the financing of investments that will have a positive impact on the employment situation and economic activity in the regions concerned. Appropriations for commitment amount to 50 000 000 EUA<sup>1</sup>. The payments schedule (in million EUA) is as follows :

Commitments		Payments			
		1978	1979	1980	Total
1978	50	25	8	17	50

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

## JUSTIFICATION

This amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 75 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 56 — European Regional Development Fund  
Specific Community measures

Add a new Article 561 : Other measures

Enter an appropriation of 20 000 000 EUA.

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Enter commitments of 50 000 000 EUA for 1978 and therefore add the following remarks :  
The other specific Community measures contemplated include measures concerning frontier regions, mountain areas and certain other poorer farming areas, acquisitions of interests in undertakings, and studies.

The appropriations for commitment authorized for 1978 amount to 50 000 000 u.a. <sup>1</sup>

The payments schedule (in m EUA) is as follows :

Commitments	Payments			
	1978	1979	1980	Total
1978 50	20	15	15	50

## JUSTIFICATION

The amendment is justified by the corresponding text in the preliminary draft budget.

\* \* \*

Draft amendment No 77  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states  
Chapter 93 — Financial and technical cooperation with non-associated developing countries  
Article 931 — Promotion of trade between the Community and non-associated developing countries

Enter a new item 9311 : EEC subsidy for the operation of the European Agency for Trade and Cooperation with the Developing Countries

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

**(B) Revenue**

Unchanged

**(C) Remarks**

(New item)

Based on the Council Resolution of 30 April 1974 on the promotion of exports from developing countries and 3 March 1975 on the future development of the Community's generalized preferences, on the Commission communication to the Council on financial and technical aid from the Community to non-associated developing countries 1976-80 (Doc. COM(75) 95 final of 5 March 1975) and on the proposal for a Council regulation on the establishment of a European Agency for Trade Cooperation with the Developing Countries (Doc. COM(76) 505 final of 8 October 1976).

The aim of this operation is to provide the Commission with an appropriate structure, under its Control, to carry out all the duties relating to the promotion of exports from non-associated developing countries and the Community's generalized system of preferences.

### JUSTIFICATION

This amendment is justified by the corresponding text of the preliminary draft budget.

\* \* \*

Draft amendment No 78 rev.  
tabled by Mr Spinelli, Mr Veronesi, Mr Sandri, Mr Masullo and Mr Leonardi

Section III — Commission

**(A) Expenditure**

Title 9 — Cooperation with developing countries and non-member states  
Chapter 93 — Financial and technical cooperation with non-associated developing countries  
Article 930 — Financial cooperation with non-associated developing countries  
Increase the appropriation by 2 000 000 EUA.

**(B) Revenue**

Adjust revenue accordingly

**(C) Remarks**

Enter commitments of 80 000 000 EUA for 1979 and therefore add the following remarks :  
Based on the Council Resolution of 16 July 1974 on financial and technical aid to non-associated developing countries and the Commission Communication to the Council on financial and technical aid from the Community to non-associated developing countries, 1976-80 (Doc. COM(75) 95 final of 5 March 1975). The Council decided that this operation should be financed under the 1976 Budget after the proposal had been amended by the European Parliament.

The appropriation is primarily for financing agricultural and food development schemes in non-associated developing countries, in particular the poorest countries in Latin America and Asia.

In certain specific cases, operations to promote regional cooperation may also be considered.

The appropriation for commitment authorized for 1978 is 80 000 000 EUA<sup>1</sup>.

The timetable of payments relative to the commitment is as follows :

Commitments	Payments		
	1978	1979	1980
1978 : 80 000 000	10 796 000 32 000 000	5 040 000 24 000 000	24 000 000

Re-entry of part of the appropriations committed in 1976 but not paid out as of 31 December 1977

#### JUSTIFICATION

This aid is primarily intended to cover the food needs, in the broad sense of the term, of the non-associated developing countries. As the Commission's calculations show, the level of payment appropriations scheduled for 1978 is explained by the fact that no payments were made in 1976 while payments in respect of 1977 are also delayed.

\* \* \*

Draft amendment No 79

tabled by Mr Schuijt on behalf of the Political Affairs Committee

Section III — Commission

#### (A) Expenditure

- Title 2 — Buildings, equipment and miscellaneous administrative expenditure
  - Chapter 27 — Expenditure on publishing and information
  - Article 272 — Expenditure on the dissemination of information and on participation in public events
  - Item 2729 — Information projects relating to direct elections to the European Parliament
- Increase appropriations by 4 000 000 EUA

#### (B) Revenue

Increase revenue accordingly

#### (C) Remarks

The information campaign to be conducted by the Commission in the period leading up to the date of the direct elections, which are to take place in May or June 1978, is of outstanding importance.

It is essential that adequate funds be allocated to this campaign. In its resolution of 11 May 1977, the European Parliament expressed the view that 'the appropriations entered in the Community's 1977 budget (1 000 000 EUA) were grossly inadequate in view of the scale of the operations to be undertaken in the nine Member States and the fact that they are aimed at a potential electorate of 180 million people.'

It noted, furthermore, that 'the first programme drawn up by the Commission relates exclusively to the appropriations currently available and covers only the initial stages of the overall effort to be undertaken.'

The European Parliament therefore stated, in the abovementioned resolution, that 'the Commission should draw up an overall and more detailed programme — possibly with the assistance of organizations specializing in this field — as soon as possible and in any case not later than 31 July 1977, containing financial estimates which should also be taken into account in the 1978 draft budget'.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16(c) of the Financial Regulation of 25 April 1973

Draft amendment No 80  
tabled by Mr Schuijt on behalf of the Political Affairs Committee

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 39 — Other expenditure on specific projects undertaken by the Institution  
Article 393 — Expenditure on cultural action  
Increase appropriations by 80 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

In its preliminary draft budget the Commission had proposed that an appropriation of 180 000 EUA be entered under Article 393 for expenditure connected with cultural action.

The Council has cut this appropriation to 100 000 EUA.

The Political Affairs Committee considers it necessary to restore this appropriation to the level requested by the Commission.

\* \* \*

Draft amendment No 81  
tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 33 — Expenditure on research and investment  
Article 335 — Indirect action — programme  
Enter the following budget line :  
Item 3358 — Irradiated fuel reprocessing

Token entry

(B) *Revenue*

None

(C) *Remarks*

*ex-Item 3338 :*

'The programme proposal is in preparation within the Commission.

The programme objective is to contribute to the solution of technological and environmental problems which currently hamper the development of irradiated fuel reprocessing operations'.  
(text of the preliminary draft)

JUSTIFICATION

The entry of this budget line is required to cover a new and necessary project which, not only from the technical point of view but also from that of environmental protection, would allow the Commission to stimulate necessary research activities in the field of irradiated fuel reprocessing. This draft amendment is accompanied by another draft amendment that provides for 1 000 000 EUA to be entered under Chapter 100, so that the project may be got under way rapidly following the Council's decision, and without the need for a supplementary budget in the course of the financial year.

\* \* \*

Draft amendment No 82  
 tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
 Chapter 33 — Expenditure on research and investment  
 Article 335 — Indirect action — programme

. . .

Enter the following budget line :

Item 3359 — Phasing-out of nuclear installations

Token entry

(B) *Revenue*

None

(C) *Remarks*

*ex-Item 3339*

'The programme proposal is in preparation within the Commission.

The programme objective is to assess solutions which enable nuclear installations to be rendered harmless from the safety and environmental point of view after being shut down for good.'

(text of the preliminary draft)

JUSTIFICATION

A very important objective underlies this new project. Since the earliest nuclear plants are already approaching the end of their useful life, since the Commission has already submitted to the Council a communication on a Community plan of action on radioactive wastes (Doc. 255/77), and since an own-initiative report on Community provisions on the dismantling of nuclear power stations is already in preparation at the European Parliament, the Committee on the Environment feels bound to encourage and support the Commission in this new Community project by requesting the reinstatement of this budget line with a token entry against it.

This draft amendment is accompanied by another draft amendment that provides for the entry of 500 000 EUA under Chapter 100, to enable the project to be got under way rapidly as soon as the Council has taken a decision on it.

\* \* \*

Draft amendment No 83  
 tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
 Chapter 35 — Protection of Man and his Environment  
 Article 352 — Health protection, hygiene and safety at the place of work  
 Item 3520 — Health protection, hygiene and safety at the place of work

Increase appropriations by 325 000 EUA

(B) *Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The sharp increase in this appropriation by comparison with previous years is due partly to the transfer to Item 3520 of 50 % of the expenditure entered up to 1977 under Article 351, namely 240 000 EUA for certain projects in the field of human toxicology, and partly to the implementation of a first action programme on 'hygiene and safety at the place of work'. This is an important programme which would call for considerable expenditure on meetings of experts and consultants as well as on studies and comparative analyses.

The committee considers that this project should be given full support and insists, therefore, that the appropriations be increased by 325 000 EUA to bring them up to the total of 850 000 EUA originally requested.

\* \* \*

## Draft amendment No 84

tabled by Mr Guerlin on behalf of the Committee for the Environment, Public Health and Consumer Protection

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of Man and his Environment

Article 353 — Public Health Studies and Measures

Increase appropriations by 60 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

In view of the meagre resources available and the need to define a Community strategy for counteracting and preventing social diseases, the Committee on the Environment, Public Health and Consumer Protection takes the view that the appropriations requested by the Commission for the development of measures which only got off the ground in 1977 and which cannot fail to improve public health should be reinstated.

\* \* \*

## Draft amendment No 85/corr.

tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of Man and his Environment

Article 354 — Community Environmental Protection Measures

Item 3541 — Environmental Projects

Increase appropriations by 50 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The projects financed under this item, which are based on environmental studies, are in their initial stages and are therefore expanding rapidly. The appropriations requested by the Commission should therefore be reinstated with a view to creating greater public awareness of the situation.

\* \* \*

Draft amendment No 86

tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of Man and his Environment

Article 355 — Consumer Protection and Information

Item 3550 — Consumer Protection studies

Increase appropriations by 70 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The implementation of the preliminary programme for a consumer protection and information policy, a field in which much still remains to be done, calls for a modest increase in appropriations. The protection of the health, safety and economic interests of consumers is becoming increasingly important in the life of our citizens. This is a problem which the European Communities cannot ignore.

\* \* \*

Draft amendment No 87 rev.

tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of Man and his Environment

Article 355 — Consumer Protection and Information

Add the following new item :

Item 3552 — Consumer Protection and Information Measures

Enter an appropriation of 100 000 EUA against this item.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

*New Item*

Resolution of the Council of Ministers of 24 April 1975 adopting a preliminary programme for a consumer protection and information policy and in particular points 42, 43, 44 and 45 thereof.

These measures are intended to provide financial support for pilot studies in consumer education, to promote the production and dissemination of teaching materials in the member countries, to assist non-governmental institutions and organizations in their work of furthering consumer protection and information and to undertake specific public awareness campaigns (academic personnel and instructors; officials of consumer organizations).

#### JUSTIFICATION

It is absolutely essential for the Commission to be able to continue with the implementation of the preliminary programme for consumer education which the Council approved in its resolution of 14 April 1975. The measures involved are intended to place educational materials at the disposal of children, young people and adults in order to enable them to act as informed consumers, capable of making an enlightened choice between the various goods and services and aware of their rights and responsibilities.

\* \* \*

Draft amendment No 88

tabled by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 1 500 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following remarks :

— Irradiated fuel reprocessing (3358) 1 000 000 EUA

— Phasing-out of nuclear installations (3359) 500 000 EUA

#### JUSTIFICATION

In view of the need to undertake practical measures to find a solution to the technical problems which, from the environmental point of view, are extremely pressing, the Committee on the Environment, Public Health and Consumer Protection takes the view that the provisional appropriations and Items 3358 and 3359, which were entered in the preliminary draft budget but deleted by the Council, should be reinstated in the 1978 budget.

\* \* \*

Draft amendment No 89/rev.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 32 — Expenditure under the Energy Policy  
Article 320 — Projects in the hydrocarbons sector  
Item 3200 — Community technological development projects

Increase appropriations by 7 000 000 EUA in payment appropriations

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Increase commitment appropriations for 1978 by 10 000 000 EUA and therefore add the following remarks :

Regulation No 3056/73 of 9 November 1973 on the support of Community projects in the hydrocarbons sector (OJ No L 312, 13 November 1973, p. 1).

Council Decision of 19 December 1974.

Council Decision of 25 March 1976.

These appropriations are for the promotion of technological development activities directly connected with prospecting, exploitation, storage and transport in the hydrocarbons sector.

This is a programme of support to the promoters, by means of loans, loan guarantees or subsidies repayable under certain conditions, to help them to develop new techniques in prospecting for and storage and transport of hydrocarbons. The programme calls for a Community assistance to approved projects to a maximum of 49.9 %.

The associated costs of technical and financial assessments occasioned by these operations are also charged to this Item, as are costs arising from symposia to ensure that results are more fully utilized.

The appropriation for commitment authorized for 1978 amounts to 35 000 000 EUA <sup>1</sup>.

The likely schedule for payments vis-à-vis commitments is as follows :

Commitments	Payments					
	1975	1976	1977	1978	1979	1980
1974 : 25 000 000	25 000 000	—	—	—	—	—
1975 : 25 000 000	500 000	15 700 000	8 000 000 <sup>1</sup>	—	—	—
1976 : 28 000 000	—	—	13 000 000 <sup>2</sup>	15 000 000 <sup>3</sup>	—	—
1977 : 50 000 000	—	—	15 000 000	token entry	15 000 000	20 000 000
1978 : 35 000 000	—	—	—	15 000 000	11 000 000	9 000 000
<b>Total :</b>	<b>25 500 000</b>	<b>15 700 000</b>	<b>36 000 000</b>	<b>30 000 000</b>	<b>26 000 000</b>	<b>29 000 000</b>

<sup>1</sup> Re-entry of appropriations which, having been carried forward from 1975 to 1976, lapsed at the end of 1976

<sup>2</sup> Carried forward from the financial year 1976

<sup>3</sup> Appropriations for re-entering

JUSTIFICATION

The appropriations requested are necessary for the continuation of this programme, which covers part of the cost of European technological projects in the hydrocarbons sector. The Committee on Energy and Research believes that the project is of considerable importance for the exploitation of the Community's indigenous hydrocarbon resources, without which it would be impossible to reduce dependence on imported sources of energy. The sum requested would bring the total appropriations for this action up to the minimum required to enable the Commission to meet its contractual obligations.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

Draft amendment No 91/rev.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 32 — Expenditure under the Energy Policy  
Article 320 — Projects in the hydrocarbons sector  
Item 3201 — Joint projects in prospecting for hydrocarbons
- Enter appropriations of 9 000 000 EUA in payment appropriations

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitment appropriations for 1978 of 25 000 000 EUA and therefore add the following remarks :

In its proposal of 29 November 1974 (OJ No C 18 of 25 January 1975, p. 3), the Commission submitted to the Council a draft regulation granting financial support to oil exploration firms under the Community's energy supply policy. This operation will encourage prospecting for oil in high-seas zones or at great depths. The associated costs for technical and financial assessments occasioned by these operations are also charged to this Item, as are, in particular, costs arising from the work of the Panel on studies preparatory to stratigraphic exploration.

The commitment appropriation authorized for 1978 is 25 000 000<sup>1</sup>.

The likely schedule of payments vis-à-vis commitments is as follows :

*(in EUA)*

Commitments	Payments				
	1976	1977	1978	1979	1980
1976 : 1 000 000	1 000 000	—	—	—	—
1977 : 25 000 000	—	9 000 000	—	8 000 000	—
1978 : 25 000 000	—	—	9 000 000	8 000 000	8 000 000
<b>Total :</b>	<b>1 000 000</b>	<b>9 000 000</b>	<b>9 000 000</b>	<b>16 000 000</b>	<b>8 000 000</b>

JUSTIFICATION

As it is impossible for the European economy to dispense with oil and natural gas, it is obvious that all possible steps should be taken to encourage prospecting for indigenous hydrocarbons if the Community is to reduce its dependence on imported sources of energy. Where the risk is high, particularly with prospecting at depth in the high seas, Community financial assistance is required.

\* \* \*

Draft amendment No 93 rev.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 32 — Expenditure under the Energy Policy  
Article 321 — Prospecting for uranium deposits

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

Increase appropriations by 4 400 000 EUA in payment appropriations

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments for 1978 of 11 500 000 EUA and therefore add the following remarks: Euratom Treaty (first and second paragraphs of Article 70). Council Resolution of 17 December 1974 (OJ No C 153 of 9 July 1975, p. 2). Council Decision of 13 February 1975 (OJ No C 153 of 9 July 1975, p. 6). The purpose is to promote the exploitation of uranium in Community territory, thereby ensuring adequate supplies for Community users. In view of the energy objectives for 1985, Community financial support for uranium prospecting projects must be made available immediately in order to reduce the Community's dependence on producer countries (see Doc. COM (76) 20 of 16 January 1976, on the implementation of the energy policy guidelines set by the European Council at its meeting in Rome on 1 and 2 December 1975).

The associated costs of technical and financial assessments are also charged to this Item.

The appropriation for commitment authorized for 1978 amounts to 11 500 000 EUA<sup>1</sup>.

The likely schedule for payments vis-à-vis commitments is as follows:

*(in EUA)*

Commitments	Payments				
	1976	1977	1978	1979	1980
1976: 1 000 000	700 000	—	300 000 <sup>1</sup>	—	
1977: 5 000 000	—	2 000 000	2 000 000	1 000 000	
1978: 11 500 000	—	—	4 400 000	4 600 000	2 500 000
<b>Total:</b>	<b>700 000</b>	<b>2 000 000</b>	<b>6 700 000</b>	<b>5 600 000</b>	<b>2 500 000</b>

<sup>1</sup> Re-entry of appropriations which were carried forward from 1976 to 1977 and will lapse at the end of 1977

### JUSTIFICATION

A vigorous nuclear programme constitutes an essential part of the Community's energy policy. Limited uranium reserves are known to exist in the territories of certain Member States and, with prospecting such as would be financed by this action, larger reserves could be discovered. This is particularly important at present as sufficient uranium imports from third countries could not be guaranteed in the long term.

\* \* \*

Draft amendment No 95 rev./II  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 32 — Expenditure under the energy policy  
Article 322 — Aids for coal stocks

Make a token entry

(B) *Revenue*

Unchanged

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

*(C) Remarks*

*Add the following remarks:*

'EEC Treaty (Article 235).

Council Resolution of 17 December 1974 (OJ No C 153 of 9 July 1975).

Council Resolution of 13 February 1975 (OJ No C 153 of 9 July 1975).

Communication from the Commission to the Council of 16 January 1976 (Doc. COM (76) 20), implementation of the energy policy guidelines drawn up by the European Council at its meeting in Rome on 1 and 2 December 1975, intended to conserve the Community's energy resources.

Proposal for a Council regulation (Doc. COM(77) 77) (on a system of Community financial aids to finance cyclical stocks of coal, coke and manufactured fuel).

This article is intended to cover expenditure connected with Community support to finance coal stocks in order to lessen the heavy cost to producers.

Support takes the form of non-repayable subsidies.'

## JUSTIFICATION

This action, which was strongly approved by the Committee on Energy and Research and the European Parliament, in the report by Mr Osborn (Doc. 226/77), is intended to assist Community coal and coke producers to maintain stocks. At present Community coal producers are adversely affected by both cheap imports of coal from third countries and the low level of economic activity in the steel industry. If this financial assistance for stocks of Community coal is not granted to coal and coke producers in the near future, further pits may have to be closed, thereby making it impossible for coal, the Community's cheapest domestic source of energy, to reach its 1985 target of 250 000 000 tce. It is proposed that, as a minimum, the token entry requested in the preliminary draft general budget be reinstated.

\* \* \*

Draft amendment No 96/rev.

tabled by Mr Krieg on behalf of the Committee on Energy and Research

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the Energy Policy

Insert the following new article:

Article 323 — Use of coal in power stations

Enter an appropriation of 8 000 000 EUA in payment appropriations

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Enter a commitment appropriation of 25 000 000 EUA for 1978 and therefore add the following remarks:

'*New Article*

Article 235 of the EEC Treaty

Proposal submitted to the Council on 31 December 1976 (COM (76) 648 fin.2). The appropriation is intended to cover expenditure arising from the grant of support to operators of power stations with a view to encouraging the construction, conversion or modernization of their plants for the use of coal instead of liquid fuels. Support is limited to the extra costs due to these appropriations.

The appropriation for commitment authorized for 1978 is 25 000 000 EUA<sup>1</sup>. The likely schedule of payments relative to commitments is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 25 000 000	8 000 000	10 000 000	7 000 000

#### JUSTIFICATION

In view of the particularly serious situation facing the Community's coal producers, the programme to be financed by these appropriations could make a significant contribution to the Community's coal industry while reducing dependence on imported hydrocarbons for electricity generation by encouraging Community electricity producers to convert existing plants or build new plants which would generate electricity from coal. It is hoped that this action, which was welcomed by the European Parliament (Bessborough report Doc. 45/77), OJ No C 133 of 6. 6. 1977, page 18) will be adopted by the Council before the end of this year.

\* \* \*

Draft amendment No 98 rev.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

#### Section III — Commission

##### (A) Expenditure

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 32 — Expenditure under the Energy Policy
- Article 324 — Aids to demonstration projects under the Community Energy Programme
- Item 3240 — Community energy saving programme

Enter appropriations of 5 000 000 EUA in payment appropriations

##### (B) Revenue

Increase revenue accordingly

##### (C) Remarks

Enter commitments for 1978 of 10 000 000 EUA and therefore add the following remarks :  
Article 235 of the EEC Treaty.

Proposal submitted to the Council on 31 May 1977 (COM(77) 187 final). Communication to the Council of 24 February 1977 (Doc. COM(77) 39 final). This appropriation is to cover expenditure arising from Community action on energy saving, in particular :

- heat pumps,
- heat recovery,
- combined production of heat and power,
- energy storage,
- reduction of waste in industry,
- low-energy housing.

The appropriation for commitment authorized for 1978 is 10 000 000 EUA<sup>1</sup>. The likely schedule of payments relative to commitments is as follows :

Commitments	Payments		
	1978	1979	1980
1978 : 10 000 000	5 000 000	2 000 000	3 000 000

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

## JUSTIFICATION

It is generally held that it is less costly to save energy than to develop new sources of energy. This programme would enable the Community to carry out action in the fields of heat pumps, heat recovery, low energy dwellings, energy economies in industry, energy storage and the combined production of heat and power. The rational use of energy constitutes an essential element in the Community's plan to reduce dependence on imported sources. The Committee on Energy and Research believes that the appropriations requested would enable a start to be made in this programme during the course of 1978.

\* \* \*

Draft amendment No 100 rev.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 32 — Expenditure under the Energy Policy

Enter the following new item :

Item 3241 — Coal gasification and liquefaction

Enter appropriations of 3 000 000 EUA in payment appropriations

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments for 1978 of 8 000 000 EUA and therefore add the following remarks :

'Article 235 of the EEC Treaty.

Proposal submitted to the Council on 31 May 1977

(Doc. COM(77)187 final)

This appropriation is to cover expenditure on Community assistance towards the cost of building and operating pilot plants for coal gasification and liquefaction.'

The appropriation for commitment authorized for 1978 is 8 000 000 EUA<sup>1</sup>.

The likely schedule of payments relative to commitments is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 8 000 000	3 000 000	2 500 000	2 500 000

## JUSTIFICATION

Coal gasification and liquefaction could be of considerable assistance to the coal industry as well as providing an important source of indigenous hydrocarbon fuels. The European Parliament favours research and development in the field of coal exploration and liquefaction in two reports by Mr Burgbacher (Doc. 325/74, OJ No C 155 of 9. 12. 74, page 71, and Doc. 407/75, OJ No C 100 of 3. 5. 76, page 10). This action would provide Community assistance towards the operating costs for coal gasification and liquefaction pilot plants. The proposed amendment would provide a minimum in enabling this programme to get under way.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

Draft amendment No 102 rev.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the Energy Policy

Insert a new item :

Item 3242 — Exploitation of geothermal resources

Enter appropriations of 2 000 000 EUA in payment appropriations

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitments for 1978 of 7 000 000 EUA and therefore add the following remarks :  
Proposal submitted to the Council on 31 May 1977 (Doc. COM(77)187 final). This item is to cover expenditure relating to the grant of support to undertakings exploiting geothermal energy, both for power and heating purposes. Under the programme Community assistance to projects will not exceed 40 %.

The appropriation for commitment authorized for 1978 is 7 000 000 EUA<sup>1</sup>.

The likely schedule of payments relative to commitments is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 7 000 000	2 000 000	3 000 000	2 000 000

JUSTIFICATION

Geothermal energy could be of considerable interest in certain areas in the Community both for power and heating purposes. This item would assist the exploitation of the Community's geothermal resources.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

\* \* \*

Draft amendment No 104  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the Energy Policy

Insert a new Article 325 — Storage of nuclear fuel

Reinstate the token entry

(B) *Revenue*

Revenue remains unchanged

(C) *Remarks*

Add the following remarks :

*'New Article*

Euratom Treaty (second paragraph of Article 72)

Council Resolution of 17 December 1974

Council Resolution of 13 February 1975 (OJ No C 153 of 9 July 1975)

This Article is to cover expenditure relating to the purchase of uranium to build up Community stocks in order to provide Community users with a reasonable safety margin.'

## JUSTIFICATION

The importance of uranium stocks, to provide a reserve for the Community's nuclear installations, became evident during the past year when uranium supplies from usually reliable third countries were interrupted. The Committee on Energy and Research considers it important that the token entry for this article be reinstated.

\* \* \*

Draft amendment No 105 rev.

tabled by Mr Krieg on behalf of the Committee on Energy and Research

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Article 333 — Joint Research Centre and other activities

Item 3333 — Physical protection measures of the JRC establishments

Reinstate appropriations of 4 455 000 EUA in payment appropriations broken down as follows :

Sub-item 33331 Staff expenditure 1 000 000

Sub-item 33332 Administrative expenditure token entry

Sub-item 33333 Technical operating expenditure 50 000

Sub-item 33334 Investments 3 405 000

Sub-item 33335 Contracts

Sub-item 33339 Reserve staff token entry

(B) *Compensation*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Reduce appropriations by 4 455 000 EUA in payment appropriations

(C) *Revenue*

Revenue remains unchanged

(D) *Remarks*

Replace the second paragraph of the remarks with the following text :

'The appropriations cover :

*Sub-item 33331* : expenditure in respect of an average of 14 temporary staff members to reinforce the present security teams.

*Sub-item 33333* : expenditure on the maintenance and operation of the monitoring installations and the protected areas.

*Sub-item 33334* : expenditure on investments, including in particular :

— the erection or reinforcement of fences ;

— the construction of a perimeter track ;

- tree-felling in and lighting of a wide peripheral zone, with buildings resited as necessary ;
- the reinforcement or construction of access facilities and the installation of the requisite remote-control devices ;
- the installation of electronic detection, inspection, monitoring and alarm networks and the requisite premises.'

#### JUSTIFICATION

These appropriations would cover the costs incurred by the JRC in conforming to the International Energy Agency's recommendations concerning the protection of nuclear materials. The IAEA's standards are already being applied in the Federal Republic of Germany, and will shortly be applied in Italy, while their application is at present being studied in Belgium and the Netherlands. The Committee on Energy and Research believes that Community institutions should set an example as far as nuclear protection measures are concerned, and is therefore proposing the re-establishment of credits entered under this heading in the Preliminary Draft General Budget.

\* \* \*

Draft amendment No 106 rev./corr.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

#### (A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 33 — Expenditure on research and investment
- Article 333 — Joint Research Centre and other activities
- Item 3333 — Physical protection measures of the JRC establishments

#### *Commitment appropriations*

Enter appropriations of 5 500 000 EUA in commitment appropriations broken down as follows :

- Sub-item 33331 1 000 000
- Sub-item 33332 token entry
- Sub-item 33333 50 000
- Sub-item 33334 4 450 000
- Sub-item 33335 —
- Sub-item 33339 token entry

#### (B) *Revenue*

Unchanged

#### (C) *Remarks*

Replace the second paragraph of the remarks by the following text :

'The appropriations cover :

*Sub-item 33331* : expenditure in respect of an average of 14 temporary staff members to reinforce the present security teams.

*Sub-item 33333* : expenditure on the maintenance and operation of the monitoring installations and the protected areas.

*Sub-item 33334* : expenditure on investments, including in particular :

- the erection or reinforcement of fences ;
- the construction of a perimeter track ;
- tree-felling in and lighting of a wide peripheral zone, with buildings resited as necessary ;
- the reinforcement or construction of access facilities and the installation of the requisite remote-control devices ;
- the installation of electronic detection, inspection, monitoring and alarm networks and the requisite premises.'

## JUSTIFICATION

These appropriations would cover the costs incurred by the JRC in conforming to the International Energy Agency's recommendations concerning the protection of nuclear materials. The IAEA's standards are already being applied in the Federal Republic of Germany, and will shortly be applied in Italy, while their application is at present being studied in Belgium and the Netherlands.

The Committee on Energy and Research believes that the Community institutions should lead the way as regards nuclear safety measures and, therefore, it proposes the reinstatement of the appropriations earmarked under this heading in the preliminary draft general budget.

\* \* \*

Draft amendment No 107 rev. / corr.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

## Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 33 — Expenditure on research and investment
- Article 336 — Indirect action — programme
- Item 3361 — Primary raw materials

Enter appropriations of 2 000 000 EUA in payment appropriations broken down as follows :

*Primary raw materials*

Sub-item 33611	Staff	254 300
Sub-item 33612	Administrative expenditure	126 900
Sub-item 33615	Contracts	1 595 800
Sub-item 33619	Reserve staff	23 000
Item 3361	Total	2 000 000

*Commitment appropriations*

Enter appropriations of 8 000 000 EUA in commitment appropriations broken down as follows :

Sub-item 33611	254 300
Sub-item 33612	126 900
Sub-item 33615	7 595 800
Sub-item 33619	23 000

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Delete the sentence beginning 'As this a new programme ...' and replace with the following :

'The appropriations cover :

*Sub-items 33611 and 33619* : particularly staff expenditure in respect of 7 Community servants of Categories A (4), B (1) and C (2).

*Sub-item 33612* : particularly expenditure arising from missions, formal meetings and certain studies.

*Sub-item 33615* : expenditure arising from contracts which the Commission intends to conclude in pursuance of this project.'

## JUSTIFICATION

This project would enable the Community to develop new techniques for the exploration and mining of mineral resources. It seems obvious that every possible effort should be made to develop the Community's indigenous mineral resources, particularly at a time when primary raw material prices are increasing rapidly.

\* \* \*

Draft amendment No 110 rev./corr.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 33 — Expenditure on research and investment  
Article 336 — Indirect action — programme  
Item 3362 — Long-term forecasts and assessments

Enter appropriations of 532 600 EUA in payment appropriations broken down as follows :

*Long-term forecasts and assessments*

Sub-item 33621	Staff	367 200
Sub-item 33622	Administrative expenditure	52 800
Sub-item 33625	Miscellaneous expenditure	79 400
Sub-item 33629	Reserve staff	33 200

*Commitment appropriations*

Enter appropriations of 632 600 EUA in commitment appropriations broken down as follows :

Sub-item 33621	367 200
Sub-item 33622	52 800
Sub-item 33625	179 400
Sub-item 33629	83 200

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Delete the sentence beginning 'As this is a new programme ...' Replace with the following :  
'Sub-items 33621 and 33629 : particularly staff expenditure in respect of 10 Community servants of Categories A (6), B (1) and C (3)  
*Sub-item 33622* : particularly expenditure arising from missions and meetings  
*Sub-item 33625* : expenditure arising from contracts which the Commission intends to conclude in pursuance of this project.

JUSTIFICATION

It is important for the Community to define long-term priorities and objectives in the field of science and technology as well as to coordinate the work of different research institutes. The Committee on Energy and Research believes that the modest sums requested in the Preliminary Draft General Budget are justified and should be reinstated.

\* \* \*

Draft amendment No 112 rev./corr.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 33 — Expenditure on research and investment  
Article 337 — Indirect action — miscellaneous activities and coordinated projects  
Item 3371 — Implementation of coordinated projects

Increase appropriations by 740 000 EUA in payment appropriations broken down as follows :

Sub-item 33711	Staff	300 300
Sub-item 33712	Administrative	172 300
Sub-item 33715	Contracts	240 9000
Sub-item 33719	Reserve staff	27 200

*Commitment appropriations*

Increase appropriations by 900 000 EUA in commitment appropriations, broken down as follows :

Sub-item 33711	300 300
Sub-item 33712	172 300
Sub-item 33715	400 200
Sub-item 33719	27 200

(B) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations

Reduce appropriations by 40 000 EUA in payment appropriations

(C) *Revenue*

Increase revenue accordingly

(D) *Remarks*

1) Delete the second paragraph of the remarks, replacing it with the following :

'Several coordinated projects are planned in the following fields :

- Continuation of COST Projects 61a, 64b and 68 ;
- Town planning ;
- Chemical industry materials ;
- Oceanographic and meteorological network ;
- Medical research — congenital anomalies,
  - cellular ageing,
  - extra-corporal oxygenation ;
- Food technology
- Remote sensing of marine pollution.

The appropriations cover :

*Sub-items 33711 and 33719*: particularly staff expenditure in respect of 9 Community servants of Categories A (4), B (2) and C (3).

*Sub-item 33712*: particularly expenditure arising from missions and meetings.

*Sub-item 33715*: expenditure arising from contracts which the Commission intends to conclude pursuant to this resolution.

Re-investment from the participation of non-Member States in these coordinated projects is estimated at 250 000 EUA.'

2) Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations

Delete the following :

Item 3371 — Implementation of the coordinated programme COST 68  
40 000 EUA.

JUSTIFICATION

Coordinated projects are a particularly economical means of carrying out research and development. The various projects financed by these appropriations are useful and involve relatively modest expenditure which the Committee on Energy and Research considers entirely justifiable. This amendment would reinstate appropriations for these actions.

Draft amendment No 114  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
  - Chapter 36 — Expenditure on scientific and technological information and on information management
  - Article 361 — Dissemination, circulation and utilization of scientific and technical knowledge
  - Item 3611 — Assessment and utilization of the research findings
- Enter appropriations of 200 000 EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Remarks remain unchanged

JUSTIFICATION

These appropriations are to be used for converting the results of research into useful products, processes and services. It is complementary to the other direct and indirect research programmes. The lack of credits in this field could delay exploratory action until 1978. The sum of 200 000 in Chapter 36 could permit work to begin in this field. Appropriations of 150 000 EUA remain in Chapter 100.

\* \* \*

Draft amendment No 115  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
  - Chapter 39 — Other expenditure on specific projects undertaken by the Institution
  - Article 390 — Research projects in the field of technology and industry
- Reinstate token entry

(B) *Revenue*

Revenue remains unchanged

(C) *Remarks*

Remarks remain unchanged

JUSTIFICATION

This project aims at encouraging companies, particularly small and medium sized companies, to develop techniques for the rational use of energy and raw materials as well as environmental protection, new technologies, the creation of new jobs and increased competitiveness. The section on the conservation and rational use of energy is of particular interest in view of the high, and frequently wasteful, consumption of energy by smaller firms.

\* \* \*

Draft amendment No 116 rev./corr.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 33 — Expenditure on research and investment
- Article 336 — Indirect action — programme
- Item 3364 — Uranium ore prospecting and processing

Enter appropriations of 800 000 EUA in payment appropriations broken down as follows :

Sub-item 33641	Staff	112 900
Sub-item 33642	Administrative expenditure	30 900
Sub-item 33645	Contracts	646 000
Sub-item 33649	Reserve staff	10 200

*Commitment appropriations*

Enter appropriations of 3 000 000 EUA in commitment appropriations broken down as follows :

Sub-item 33641	112 900
Sub-item 33642	30 900
Sub-item 33645	2 846 000
Sub-item 33649	10 200
Total	3 000 000

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Delete the sentence beginning 'As this is a new programme...' Replace with the following :  
'Sub-item 33641 and 33649: particularly staff expenditure in respect of 3 Community servants of Categories A (2) and C (1)

Sub-item 33642: Sub-item 33642: expenditure arising from missions and meetings.

Sub-item 33645: expenditure arising from contracts which the Commission intends to conclude in pursuance of this project.

JUSTIFICATION

The Committee on Energy and Research has consistently expressed the belief that all possible should be done to contribute to the improvement of Community self sufficiency in nuclear fuels and prospecting for uranium deposits, including research and development in this field.

A secure supply of uranium is necessary for the expansion of the Community's nuclear programme, without which dependence on imported energy sources cannot be reduced. This programme would carry out research into prospecting methods and techniques.

\* \* \*

Draft amendment No 119 rev. II  
tabled by Mr Krieg on behalf of the Committee on Energy and Research  
Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 36 — Expenditure on scientific and technical information and on information management

Item 3621 — Activities supplementary to the three-year projects  
 Increase appropriations by 200 000 EUA in payment appropriations

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Increase the commitment appropriations by 375 000 EUA and therefore amend the remarks as follows :

Council Decision of 18 March 1975 (OJ No L 100 of 21.4.1975, p. 18).

This appropriation is intended to cover the expenditure on activities supplementary to the three-year project, particularly :

- the application and adaptation of multilingual and computer translation systems with a view to a systematic removal of language barriers,
- conversion to the norms and features of the Euronet network of the various bodies of data now in existence or being developed in the Community Institutions,
- preparation of specific activities relating to the dissemination of information on social and educational matters,
- cost of rental and maintenance of equipment required for treating the Community data systems to enable them to be connected up to Euronet.

The appropriations for commitment authorized for 1978 amount to 1 025 000 EUA<sup>1</sup>.

The probable schedule of payments relative to commitments is as follows :

(in EUA)

Commitments	Payments			
	1977	1978	1979	1980
1977 : 650 000	500 000	85 000	75 000	—
1978 : 1 025 000	—	625 000	400 000	—
	500 000	700 000	475 000	—

JUSTIFICATION

This item would cover expenditure involved both in the application and adaption of automatic translation systems, aimed at reducing the number of translators required and speeding up translation times, and the conversion to the norms and features of the 'Euronet' network of the various bodies of data in existence or being developed within the Community Institutions. Early feasibility studies on computerized translation systems proved to be very positive, and are being evaluated at present by CREST.

As far as conversion to the Euronet network is concerned, it would be quite illogical for the Community to set up a data network to which the existing bodies of data in the Community Institutions would effectively be denied access.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25.4.1973.

\* \* \*

Draft amendment No 120  
 tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure  
 Chapter 100 — Provisional appropriations

*(B) Revenue*

Revenue remains unchanged.

*(C) Remarks*

Add the following remarks :

Item 3363 — Enter commitment appropriation of 2 500 000 EUA.

## JUSTIFICATION

The Committee on Energy and Research believes that public uncertainty over the safety of nuclear installations constitutes a major impediment to the development of nuclear capacity in the Community. Research on safety is, therefore, essential if nuclear power is to become acceptable to the general public.

\* \* \*

Draft amendment No 121 rev.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

## Section III — Commission

*(A) Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Add appropriations of 1 000 000 EUA in payment appropriations

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Add the following remark :

Item 3363 — Light-water reactor safety 1 000 000 EUA (2 500 000 EUA in commitments)

## JUSTIFICATION

The Committee on Energy and Research believes that public uncertainty over the safety of nuclear installations constitutes a major impediment to the development of nuclear capacity in the Community. Research on safety is, therefore, essential if nuclear power is to become acceptable to the general public.

\* \* \*

Draft amendment No 122  
tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 30 — Expenditure in the social sector  
Article 302 — Tasks entrusted to the Institution to promote exchanges of young workers  
Item 3021 — Expenditure relating to the second programme  
Enter an appropriation of 120 000 EUA

(B) *Revenue*

Increase revenue by 90 000 EUA

(C) *Compensation*

Chapter 100 'Provisional appropriations' new line, reduce the amount by 30 000 EUA.

(D) *Remarks*

Delete the words: 'An appropriation of 30 000 EUA has been entered in Chapter 100'.

## JUSTIFICATION

Provision should be made for the continuation of the programme for the exchange of young workers in the context of the Commission's measures to promote training and provide more information for young workers. This appropriation is designed in particular to prevent a hiatus between the first and second programmes.

\* \* \*

## Draft amendment No 123

tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 303 — Community measures to improve workers' living conditions

Item 3030 — Contribution to private projects on better housing for handicapped workers

Reduce the appropriation by 200 000 EUA

(B) *Revenue*

Reduce revenue accordingly

(C) *Remarks*

Enter commitments of 560 000 EUA for 1978 and therefore add the following remarks: This item is intended to encourage, at national level, the construction of housing specially designed for handicapped workers. The Community will also take steps to communicate the results to the authorities and other interested bodies in other Member States (Article 117 (1) of the EEC Treaty).

The commitment appropriations authorized for 1978 amount to 560 000 EUA<sup>1</sup>

(in EUA)

Commitments	1976	1977	1978	1979	1980
560 000	—	—	200 000	160 000	200 000

## JUSTIFICATION

By their very nature, projects of this kind, which are important to the human side of the Communities' activities, will extend over a number of years and cannot be initiated unless financing is assured for several years at the outset. For this reason it is proposed that the commitment appropriations be restored and the payment appropriations reduced.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

Draft amendment No 125  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 30 — Expenditure in the social sector  
Article 303 — Community measures to improve workers' living conditions  
Item 3031 — Contribution to pilot projects on better housing for migrant workers  
Reduce payment appropriations by 230 000 EUA

(B) *Revenue*

Reduce revenue accordingly

(C) *Remarks*

Enter appropriations for 1978 of 560 000 EUA and therefore add the following remarks :  
Council Resolution of 9 February 1976 on an action programme for migrant workers and members of their families (OJ No C 34 of 14 February 1976, p. 2).

The Commission intends to contribute to the financing of works to modernize hostels or family housing for migrant workers.

The commitment appropriations authorized for 1978 amount to 560 000 EUA <sup>1</sup>

(in EUA)

Commitments	Payments			
	1977	1978	1979	1980
1978 : 560 000		170 000	185 000	205 000

JUSTIFICATION

Migrant workers — specifically mentioned in the ECSC and EEC Treaties — are a permanent feature of Community life.

Measures to improve housing for migrant workers, like the measures mentioned in the previous item, can be undertaken only if they can extend over a number of years. Hence the need for this commitment appropriation and for the reduction in payment appropriations for 1978 since, when deleting the commitment appropriations, the Council also increased the payment appropriations for 1978.

\* \* \*

Draft amendment No 127  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 30 — Expenditure in the social sector  
Article 305 — Community measures under the employment policy  
Item 3050 — Research and action programme on labour market trends  
Increase expenditure by 50 000 EUA

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

Since the Communities' scope for contributing to the solution of the problems of general unemployment is already very limited, the Commission must have at its disposal all the funds which it knows it can use. For this reason it is proposed that the appropriations requested should be reinstated.

\* \* \*

## Draft amendment No 128

tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 305 — Community measures under the employment policy

Item 3051 — Cooperation between the national employment services

Increase expenditure by 150 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

All Community activities already under way in the employment field are extremely important at the present time. In this case too the Committee on Social Affairs, Employment and Education proposes that the appropriations requested by the Commission should be restored.

\* \* \*

## Draft amendment No 129/rev.

tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 306 — Pilot research projects on action to combat poverty

Increase payment appropriation by 640 000 EUA

**(B) Revenue**

Increase revenue accordingly

**(C) Remarks**

Enter commitment appropriations of 5 000 000 EUA<sup>1</sup> and therefore add the following comments :

(in EUA)

Commitments	Payments					
	1975	1976	1977	1978	1979	180
1975 : 2 500 000	462 000	1 784 000 <sup>b</sup>	180 000 <sup>a</sup>	—	—	—
1976 : 2 485 000	—	—	1 491 000 <sup>b</sup>	994 000	—	—
1977 : 3 500 000	—	—	990 000 <sup>a</sup>	1 270 000	1 264 000	—
1978 : 5 000 000	—	—	—	640 000	2 616 000	1 744 000
				2 904 000		

a = against a payment appropriation of 1 170 000 EUA for 1977

b = automatic carry-over

### JUSTIFICATION

The Committee on Social Affairs fully supports the Commission insofar as the payment appropriations for 1978 are concerned.

The results obtained by the programme at present in operation justify its continuation in the form of a supplementary programme. For this reason the commitment appropriations requested by the Commission should be restored.

\* \* \*

Draft amendment No 130

tabled by Mr Holst, Mr Andersen, Mr Dahlerup, Mr Dinesen, Mr Jakobsen, Mr Kofoed and Mr Petersen

Section III — Commission

**(A) Expenditure**

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 29 — Subsidies and financial contributions

Enter the following new article :

Article 293 — Subsidies to non-governmental organizations pursuing humanitarian aims and promoting human rights

Enter an appropriation of 200 000 EUA

**(B) Revenue**

Increase revenue accordingly

**(C) Remarks**

*New article*

Appropriation to cover subsidies to non-governmental organizations pursuing humanitarian aims and promoting human rights

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

## JUSTIFICATION

The appropriations are intended to cover subsidies to organizations which, without being connected with any government, are campaigning for the observance of human rights and pursuing humanitarian aims. A prominent example of such organizations is Amnesty International (its 'special fund' appears to be particularly well qualified for support).

The debate in the European Parliament of 11 May 1977 on human rights indicates that such an initiative could rely on the Commission's support.

\* \* \*

Draft amendment No 131  
tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 39 — Other expenditure on specific projects undertaken by the Institution  
Article 392 — Educational measures  
Item 3920 — Implementation of the education programme  
Increase appropriations by 500 000 EUA

(B) *Revenue*

Increase revenue by 500 000 EUA

(C) *Remarks*

Unchanged

## JUSTIFICATION

The present economic crisis shows the very close interdependence between the economic sphere and education. The programme adopted by the Council of Ministers for Education on 9 February 1976 should therefore be implemented. Furthermore, the programme assumes added importance in view of the forthcoming European elections in the spring of 1978.

\* \* \*

Draft amendment No 132  
tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 50 — New Social Fund  
Article 500 — Aid to the agricultural and textiles sectors  
Increase the payment appropriation for 1978 by 19 000 000 EUA

(B) *Revenue*

Increase revenue by 13 000 000 EUA

(C) *Compensation*

Reduce the amount set aside under paragraph 15 of Chapter 100 by 6 000 000 EUA

*(D) Remarks*

Council Decision of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non-agricultural activities (OJ No. L 291 of 28 December 1972, p. 158)

Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industries (OJ No. L 39 of 14 February 1976, p. 39). The commitment appropriations authorized for 1978 amount to 35 million EUA<sup>1</sup>. The provisional timetable for payments against commitments is as follows (in EUA):

Commitments		Payments		
		1978	1979	1980
1975-77*	118 000 000	50 000 000	50 000 000	18 000 000
1978	35 000 000	11 000 000	11 000 000	13 000 000
<b>Total</b>	<b>153 000 000</b>	<b>61 000 000</b>	<b>61 000 000</b>	<b>31 000 000</b>

\* Still outstanding as at 1 January 1978

## JUSTIFICATION

Having regard to all the measures decided upon by the Council under the framework of the Social Fund, and to the resolutions adopted by the European Parliament on 21 April and 12 May 1977<sup>2</sup>, the Committee on Social Affairs, Employment and Education considers it essential to proceed with all the measures put forward by the Commission and to retain the allocation of funds to the individual articles proposed by it. It also considers that it is not sound budgetary policy to hold part of the appropriations in reserve under Chapter 100. Accordingly, it proposes the transfer of all the amounts entered under Chapter 100 (15) to the headings concerned, at the same time reinstating in full the appropriations requested by the Commission

\* \* \*

Draft amendment No 133  
tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

*(A) Expenditure*

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund

Article 501 — Measures for young people

Increase the payment appropriation for 1978 by 68 000 000 EUA

*(B) Revenue*

Increase revenue by 36 000 000 EUA

*(C) Compensation*

Reduce the amount entered under paragraph 15 of Chapter 100 by 32 000 000 EUA

*(D) Remarks*

Council Decision of 22 July 1975 on intervention by the European Social Fund in favour of persons affected by employment difficulties (OJ No. L 199 of 30 August 1975, p. 36)

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973  
<sup>2</sup> OJ No. C 118 and C 133 1977

The commitment appropriations authorized for 1978 amount to 179 million EUA<sup>1</sup>. The provisional timetable for payments against commitments is as follows (in EUA):

Commitments		Payments		
		1978	1979	1980
1975-77*	144 000 000	61 000 000	62 000 000	21 000 000
1978	179 000 000	58 000 000	58 000 000	63 000 000
<b>Total</b>	<b>323 000 000</b>	<b>119 000 000</b>	<b>120 000 000</b>	<b>84 000 000</b>

\* Still outstanding as at 1 January 1978

### JUSTIFICATION

Having regard to all the measures decided upon by the Council under the framework of the Social Fund, and to the resolutions adopted by the European Parliament on 21 April and 12 May 1977<sup>2</sup>, the Committee on Social Affairs, Employment and Education considers it essential to proceed with all the measures put forward by the Commission and to retain the allocation of funds to the individual articles proposed by it. It also considers that it is not sound budgetary policy to hold part of the appropriations in reserve under Chapter 100. Accordingly, it proposes the transfer of all the amounts entered under Chapter 100 (15) to the headings concerned, at the same time reinstating in full the appropriations requested by the Commission.

\* \* \*

Draft amendment No 134  
tabled by the Committee on Social Affairs, Employment and Education

#### Section III — Commission

##### (A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 50 — New Social Fund  
Article 502 — Measures for handicapped persons

Increase the payment appropriation for 1978 by 3 000 000 EUA

##### (B) *Revenue*

Increase revenue by 3 000 000 EUA

##### (C) *Remarks*

Council Decision of 27 June 1974 on action by the European Social Fund for handicapped persons (OJ No. L 186 of 9 July 1974, p. 22)

The operations must be integrated (i.e. training or vocational training must be combined with rehabilitation and operations to lead to employment) and must take the form of temporary pilot schemes

The provisional timetable for payments against commitments is as follows (in EUA):

Commitments		Payments		
		1978	1979	1980
1975-77*	41 500 000	18 000 000	18 000 000	5 500 000
1978				
<b>Total</b>	<b>41 500 000</b>	<b>18 000 000</b>	<b>18 000 000</b>	<b>5 500 000</b>

\* Still outstanding as at 1 January 1978

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973 (OJ No. C 118 and C 133/1977)

## JUSTIFICATION

Having regard to all the measures decided upon by the Council under the framework of the Social Fund, and to the resolutions adopted by the European Parliament on 21 April and 12 May 1977<sup>1</sup>, the Committee on Social Affairs, Employment and Education considers it essential to proceed with all the measures put forward by the Commission and to retain the allocation of funds to the individual articles proposed by it. It therefore proposes that the appropriations requested by the Commission be reinstated in full.

\* \* \*

Draft amendment No 135  
tabled by the Committee on Social Affairs, Employment and Education

## Section III — Commission

(A) *Expenditure*

Title 5 — Regional and Social Funds

Chapter 50 — New Social Fund

Article 503 — Measures for migrant workers

Increase the payment appropriation for 1978 by 8 000 000 EUA.

(B) *Revenue*

Increase revenue by 5 000 000 EUA.

(C) *Compensation*

Reduce the amount entered under paragraph 15 of Chapter 100 by 3 000 000 EUA.

(D) *Remarks*

Amend the remarks as follows :

Council Decision of 27 June 1974 on action by the European Social Fund for migrant workers (OJ No L 185 of 9 July 1974, p. 20).

The commitment appropriations authorized for 1978 amount to 16 million EUA<sup>2</sup>. The provisional timetable for payments against commitments is as follows (in EUA) :

Commitments	Payments		
	1978	1979	1980
1975-77*	47 000 000	20 000 000	7 000 000
1978	16 000 000	5 000 000	6 000 000
<b>Total</b>	<b>63 000 000</b>	<b>25 000 000</b>	<b>13 000 000</b>

\* Still outstanding as at 1 January 1978

## JUSTIFICATION

Having regard to all the measures decided upon by the Council under the framework of the Social Fund, and to the resolutions adopted by the European Parliament on 21 April and 12 May 1977<sup>1</sup>, the Committee on Social Affairs, Employment and Education considers it essential to proceed with all the measures put forward by the Commission and to retain the allocation of funds to the individual articles proposed by it. It also considers that it is not sound budgetary policy to hold part of appropriations in reserve under Chapter 100. Accordingly, it proposes the transfer of all the amounts entered under Chapter 100 (15) to the headings concerned, at the same time reinstating in full the appropriations requested by the Commission.

\* \* \*

<sup>1</sup> OJ No C 118 and C 133/1977

<sup>2</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

Draft amendment No 137/corr.  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Regional and Social Funds  
Chapter 51 — New Social Fund  
Article 510 — Measures to improve the employment situation in certain regions, economic sectors or groups of companies

Increase the payment appropriation for 1978 by 118 000 000 EUA

(B) *Revenue*

Increase revenue by 68 500 000 EUA

(C) *Compensation*

Reduce the amount entered under paragraph 15 of Chapter 100 by 49 500 000 EUA

(D) *Remarks*

Amend the remarks as follows :

Council Regulation (EEC) No 2396/71 of 8 November 1971 (OJ No L 249 of 10 November 1971), particularly Article 1 (1) and (2).

This aid is designed to solve employment problems arising in certain areas which are less developed or in decline, or through adaptation to technical progress of certain branches of economic activity or in certain groups of undertakings which are forced to cease, reduce or transform their activities.

The appropriations for commitment authorized for 1978 amount to 281 million EUA<sup>1</sup>. The provisional timetable for payments against commitments is as follows (in EUA):

Commitments		Payments		
		1978	1979	1980
1975-77*	428 000 000	185 000 000	180 000 000	63 000 000
1978	581 000 000	90 000 000	90 000 000	101 000 000
<b>Total</b>	<b>709 000 000</b>	<b>275 000 000</b>	<b>270 000 000</b>	<b>164 000 000</b>

\* Still outstanding as at 1 January 1978

### JUSTIFICATION

Having regard to all the measures decided upon by the Council under the framework of the Social Fund, and to the resolutions adopted by the European Parliament on 21 April and 12 May 1977<sup>2</sup>, the Committee on Social Affairs, Employment and Education considers it essential to proceed with all the measures put forward by the Commission and to retain the allocation of funds to the individual articles proposed by it. It also considers that it is not sound budgetary policy to hold part of appropriations in reserve under Chapter 100. Accordingly, it proposes the transfer of all the amounts entered under Chapter 100 (15) to the headings concerned, at the same time reinstating in full the appropriations requested by the Commission.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

<sup>2</sup> OJ No C 118 and C 133/1977

Draft amendment No 138/corr.  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Regional and Social Funds

Chapter 51 — New Social Fund

Article 511 — Measures for handicapped persons not eligible to receive aid under Article 4

Increase the payment appropriation for 1978 by 19 500 000 EUA.

(B) *Revenue*

Increase revenue by 10 500 000 EUA.

(C) *Compensation*

Reduce the amount entered under paragraph 15 of Chapter 100 by 9 000 000 EUA.

(D) *Remarks*

Enter commitments for 1978 of 19 500 000 EUA and therefore add the following remarks:  
Council Regulation (EEC) No 2396/71 of 8 November 1971, particularly Article 1 (3).

Operations in favour of handicapped persons who may be able to pursue professional or trade activity after medical rehabilitation and vocational training or retraining.

The commitment appropriations authorized for 1978 amount to 19 500 000 EUA<sup>1</sup>:

The provisional timetable for payments against commitments is as follows:

(in EUA)

	Commitments	Payments		
		1978	1979	1980
1975-77 *	50 000 000	17 500 000	20 000 000	12 500 000
1978	19 500 000	19 500 000	token entry	token entry
<b>Total</b>	<b>69 500 000</b>	<b>37 000 000</b>	<b>20 000 000</b>	<b>12 500 000</b>

\* Still outstanding as at 1 January 1978

JUSTIFICATION

Having regard to all the measures decided upon by the Council under the framework of the Social Fund, and to the resolutions adopted by the European Parliament on 21 April and 12 May 1977<sup>2</sup>, the Committee on Social Affairs, Employment and Education considers it essential to proceed with all the measures put forward by the Commission and to retain the allocation of funds to the individual articles proposed by it. It also considers that it is not sound budgetary policy to hold part of appropriations in reserve under Chapter 100. Accordingly, it proposes the transfer of all the amounts entered under Chapter 100 (15) to the headings concerned, at the same time reinstating in full the appropriations requested by the Commission.

\* \* \*

<sup>1</sup> See provisions contained in Article 16a of the Financial Regulation giving definition of commitment appropriations.

<sup>2</sup> OJ No C 116 and C 133/1977

Draft amendment No 139  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Regional and Social Funds  
Chapter 52 — Social Fund — Pilot schemes and preparatory studies  
Article 520 — Social Fund — Pilot schemes and preparatory studies  
Increase the payment appropriation for 1978 by 800 000 EUA.

(B) *Revenue*

Increase revenue by 300 000 EUA.

(C) *Compensation*

Reduce the amount entered under paragraph 15 of Chapter 100 by 500 000 EUA.

(D) *Remarks*

Amend the remarks as follows :

Article 7 (1) of Regulation (EEC) No 2396/71 of the Council of 8 November 1971 states that 'the Commission may use the appropriations allotted for that purpose in the Community Budget to promote, carry out or give financial assistance to preparatory studies and pilot schemes in order to give guidance to the Council and the Commission in the choice of areas in which the Fund should be able to intervene and to enable the Member States and those responsible for operations to choose the most effective aid and to organize the implementation thereof to the best effect'.

The commitment appropriations authorized for 1978 amount to 1 500 000 EUA<sup>1</sup>. The provisional timetable for payments against commitments is as follows (in EUA) :

	Commitments	Payments		
		1978	1979	1980
1975-77 *	660 000	500 000	160 000	—
1978	1 500 000	800 000	500 000	200 000
Total	2 160 000	1 300 000	660 000	200 000

\* Still outstanding as at 1 January 1978

#### JUSTIFICATION

Having regard to all the measures decided upon by the Council under the framework of the Social Fund, and to the resolutions adopted by the European Parliament on 21 April and 12 May 1977<sup>2</sup>, the Committee on Social Affairs, Employment and Education considers it essential to proceed with all the measures put forward by the Commission and to retain the allocation of funds to the individual articles proposed by it. It also considers that it is not sound budgetary policy to hold part of appropriations in reserve under Chapter 100. Accordingly, it proposes the transfer of all the amounts entered under Chapter 100 (15) to the headings concerned, at the same time reinstating in full the appropriations requested by the Commission.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

<sup>2</sup> OJ No C 118 and C 133/1977

Draft amendment No 140/corr.  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Regional and Social Funds  
Enter a new Chapter 53 :  
— New Social Fund — new operations  
Enter a new Article 530 :  
— New operations to deal with the employment situation  
Make a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

*New article*

New aid measures to deal with the employment situation in accordance with the decisions taken in the context of the review of the rules governing the tasks and operations of the European Social Fund (Article 11 of Council Decision (EEC) No 71/66 of 1 February 1971 (OJ No L 28 of 4 February 1971, p. 15) on the reform of the European Social Fund).

The Commission proposes, in due course, to initiate the procedures for entering appropriations in this chapter.

JUSTIFICATION

In view of the advanced state of preparations for measures in the field in question, the Committee on Social Affairs insists, for both budgetary and political reasons, that at least the token entry be retained in the budget, so as to make it as easy as possible to open an appropriation in the course of the 1978 financial year.

\* \* \*

Draft amendment No 141  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Regional and Social Funds  
Chapter 59 — Aid to disaster victims in the Community  
Enter an appropriation of 5 000 000 EUA

(b) *Revenue*

Increase revenue by 5 000 000 EUA

(C) *Remarks*

Unchanged

JUSTIFICATION

The Communities should be in a position to come to the aid of disaster victims immediately, without having to go through the budgetary procedures necessary to open an appropriation.

\* \* \*

Draft amendment No 142  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 307 — European Trade Union Institute

Enter an appropriation of 500 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following sentence :

This appropriation is intended as a flat-rate annual contribution to the financing of the Institute.

JUSTIFICATION

The Council in adopting the Social Action Programme committed itself to helping the trade union organizations to set up a European Trade Union Institute. The European Trade Union Confederation has demonstrated that it is now ready to avail itself of the Communities' financial aid.

It has adopted its statute, approved a document setting out the role and operation of the Institute, and also prepared a draft budget. In order to commence and continue functioning, the Institute needs a minimum contribution of 500 000 EUA from the Community.

\* \* \*

Draft amendment No 149/rev.  
tabled by Mr Klinker on behalf of the Committee on Agriculture

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 31 — Expenditure in the agricultural sector

Article 316 — Community action relating to the vocational training of farmers

Increase expenditure by 81 100 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

The European Training and Promotion Centre for Farming and Rural Life (CEFPAR) plays a very useful information role in rural areas, especially for the benefit of women and young people.

The appropriations entered on different budget lines in previous budgetary years were as follows :

Financial year 1975: — Payments	125 000	UA
Financial year 1976: — Payments	78 000	UA
Financial year 1977: — Authorized appropriation	100 000	UA
— Amount converted into EUA according to rate No 1	121 000	EUA
Draft budget for the financial year 1978	50 000	EUA

To enable the Centre to continue the effective action which it has carried out up to now, an appropriation of 131 100 EUA should be entered in Article 316 instead of the 50 000 EUA shown at present.

\* \* \*

Proposed modification No 150  
tabled by Mr Klinker on behalf of the Committee on Agriculture

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous

Create the following new heading and enter the following appropriation :

Chapter 43 — Accession compensatory amounts

Article 430 — Accession compensatory amounts granted in respect of intra-Community trade  
30 m EUA

(B) *Compensation*

Title 7 — EAGGF Guarantee Section

Chapter 75 — Accession compensatory amounts

Article 750 — Accession compensatory amounts granted in respect of intra-Community trade  
30 m EUA

Delete this article and the relevant appropriation

(C) *Remarks*

This appropriation is to cover the accession compensatory amounts provided for in Article 55 of the Act of Accession

JUSTIFICATION

The alignment of agricultural prices between the Community as originally constituted and the three 'new' Member States is to be completed by 1 January 1978. The accession compensatory amounts must therefore be abolished by this date, but on account of the usual delays in payment an appropriation of 30 m EUA has to be entered.

However, since the 30 m EUA are a left-over from the period required by the new Member States to adjust their economies to the Common Agricultural Policy, they should not be entered under Title 7 'EAGGF — Guarantee Section' of the draft budget since henceforth the Common Agricultural Policy will apply in full to all the Member States without discriminating between the old and the new. For this reason appropriations relating to accession compensatory amounts are *transferred* from Title 7 'EAGGF — Guarantee Section' to Title 4, 'miscellaneous'.

\* \* \*

Proposed modification No 151  
tabled by Mr Klinker on behalf of the Committee on Agriculture

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous

Create the following new lines and enter the following appropriations :

Chapter 44 — Monetary compensatory amounts

Article 440 (new article) — Monetary compensatory amounts in respect of inter-Community trade

Item 4400 (new item) — Monetary compensatory amounts on imports paid or levied by importing Member States 1 1036 m EUA

Item 4401	(new item) — Monetary compensatory amounts on imports paid by exporting Member States on behalf of importing Member States	130 m EUA
Item 4402	(new item) — Monetary compensatory amounts on exports paid or levied by exporting Member States	424.1 m EUA
Article 441	(new article) — Monetary compensatory amounts in respect of trade with non-Community countries	
Item 4410	(new item) — Portion of monetary compensatory amounts granted on imports over and above the levy	129.2 m EUA
Item 4411	(new item) — Monetary compensatory amounts on exports	20.6 m EUA

(B) *Compensation*

Title 7	— EAGGF Guarantee Section	
Chapter 78	— Monetary compensatory amounts	
Article 780	— Monetary compensatory amounts in respect of intra-Community trade	
Item 7800	— Monetary compensatory amounts on imports paid or levied by importing Member States	1 103.6 m EUA
Item 7801	— Monetary compensatory amounts on imports paid by exporting Member States on behalf of importing Member States	130 m EUA
Item 7802	— Monetary compensatory amounts on exports paid or levied by exporting Member States	424.1 m EUA
Article 781	— Monetary compensatory amounts in respect of trade with non-Community countries	
Item 7810	— Portion of monetary compensatory amounts granted on imports over and above the levy	129.2 m EUA
Item 7811	— Monetary compensatory amounts on exports	20.6 m EUA

— Delete these articles and items and the relevant appropriations.

(C) *Remarks*

— Insert the following remarks:

*Chapter 44**Article 440 (former Article 780)*

The appropriations under this article provide for the monetary compensatory amounts charged or granted on intra-Community trade in accordance with Council Regulation (EEC) No 974/71 of 12 May 1971 on certain short-term economic measures to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States (OJ No L 106 of 12. 5. 1971, p. 1), as last amended by Regulation (EEC) No 557/76.

*Item 4400 (former Item 7800)*

Monetary compensatory amounts in respect of imports are charged by Member States with an appreciated currency and granted by Member States with a depreciated currency.

*Item 4401 (former Item 7801)*

Monetary compensatory amounts in respect of imports into Member States with a depreciated currency may be granted by exporting Member States. The reference here is to imports into Italy and the United Kingdom from the other Member States and to imports into Ireland from the United Kingdom (Art. 2a of Regulation No 974/71).

*Item 4402 (former Item 7802)*

Monetary compensatory amounts in respect of exports are charged by Member States with a depreciated currency and granted by Member States with an appreciated currency.

*Article 441 (former Article 781)*

*Item 4410 (former Item 7810)*

The portion of compensatory amounts which exceeds the import levy is at present, owing to the suspension of Article 4a (2) of Regulation No 974/71, expenditure chargeable to the EAGGF. The appropriation for this item covers this category of expenditure.

*Item 4411 (former Item 7811)*

This appropriation covers the monetary compensatory amounts paid for exports to non-member countries pursuant to Regulation (EEC) No 974/71.

The monetary compensatory amounts which Member States with a depreciated currency deduct from refunds on exports to non-member countries pursuant to Regulation (EEC) No 974/71 continue to be taken into account by deduction from the refunds in the sectors concerned, since the recording of these amounts in separate accounts presents serious practical difficulties.

## JUSTIFICATION

Appropriations for compensatory amounts should be kept separate from those for agricultural expenditure proper. The cost of compensatory amounts is not due to the normal functioning of the agricultural policy but to difficulties encountered by the Member States in the economic and monetary field.

Appropriations for compensatory amounts are therefore *transferred* from Title 7, EAGGF, Guarantee Section, to Title 4, miscellaneous.

\* \* \*

Proposed modification No 152  
tabled by Mr Klinker on behalf of the Committee on Agriculture

## Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous

Create the following new headings and enter the following appropriation :

Chapter 45 — Expenditure resulting from the application of different exchange rates

Article 450 (new Article) — Expenditure resulting from the application of different exchange rates 600 m EUA

(B) *Compensation*

Title 7 — EAGGF, Guarantee Section

Chapter 79 — Expenditure resulting from the application of different exchange rates

Article 790 — Expenditure resulting from the application of different exchange rates 600 m EUA

— Delete this article and the relevant appropriation

(C) *Remarks*

— Enter the following remarks :

*Article 450 (former Article 790)*

This entry covers additional charges resulting from the application, in respect of budget conversions, of the EUA rates, whereas the prices and rates applicable under the agricultural policy are converted at representative rates.

In the 1977 budget these additional charges were the result of applying, within the context of the budget, rates corresponding to the parities declared to the International Monetary Fund.

In 1976, this effect was incorporated in each budgetary line

## JUSTIFICATION

The use of different exchange rates when converting units of account for transactions under the Common Agricultural Policy into national currencies (employing representative rates) or when converting national currencies for budgetary expenditure into the budgetary unit of account (employing budgetary rates) is translated in the budget by a purely accounting difference called 'double rate effect'.

This difference arises not from the normal functioning of the Common Agricultural Policy but results above all from the instability which affects the currencies of the Member States.

For this reason the appropriations for expenditure resulting from the application of different exchange rates should be transferred from Title 7, EAGGF, Guarantee Section, to Title 4, miscellaneous.

\* \* \*

Proposed modification No 155  
tabled by Mr Klinker on behalf of the Committee on Agriculture

## Section III — Commission

(A) *Expenditure*

- Title 8 — EAGGF — Guidance Section
- Chapter 83 — Common measures in particular sectors
- Article 830 — Fisheries sector
- Create a new Item 8303 — Surveillance of the Community fishing zone
- Add a 'token entry'.

(B) *Revenue*

Unchanged

(C) *Remarks*

Item 8303 : This item is intended to cover all the expenditure arising from action undertaken by the Community to strengthen surveillance of the Community fishing zone.  
An appropriation will be entered under this item at a later date when the Community has taken the necessary action in this area.

## JUSTIFICATION

It is important for the European Community to be able to exercise the most effective possible surveillance of its fishing zone and it must take all necessary action to this end with a view to protecting its fish resources.

Such action will also enable the Community to present a united front to third countries.

\* \* \*

Proposed modification No 156  
tabled by Mr Klinker on behalf of the Committee on Agriculture

## Section III — Commission

(A) *Expenditure*

- Title 9 — Cooperation with developing countries and non-member states
- Chapter 92 — Food aid
- Article 921 — Food aid in milk products
- Item 9211 — 1978 skimmed milk powder programme
- Increase expenditure by 228.5 m EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Item 9211 : this item is intended to cover the delivery to developing countries, especially those in greatest need, of 200 000 tonnes of skimmed milk powder in 1978 to help make up their food shortfall.

## JUSTIFICATION

In 1976 the needs put forward by the developing countries amounted to 201 195 tonnes of milk powder. Because economic and demographic conditions have not changed significantly since then it is reasonable to assume that the milk powder needs of the developing countries are still in the order of 200 000 tonnes. For this reason, and as a token of its solidarity with the most deprived countries, the Community must make an additional effort and increase its aid in 1978 from 150 000 to 200 000 tonnes of milk powder.

On the basis of the 171.37 m EUA shown in the preliminary draft budget with a view to financing aid of 150 000 tonnes, the appropriations needed to supply 200 000 tonnes of milk powder to the developing countries can be assessed at 228.5 m EUA.

\* \* \*

Proposed modification No 157  
tabled by Mr Cointat, Mr Terrenoire, Mr Yeats, Mr Liogier and Mr Hunault, on behalf of the Group of European Progressive Democrats

## Section III — Commission

*(A) Expenditure*

Title 6 — EAGGF — Guarantee Section  
Chapter 62 — Milk and milk products  
Article 629 — Financial contribution by milk producers — 211 600 000 EUA

Delete this article

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Delete the remarks

## JUSTIFICATION

The Group of European Progressive Democrats remains opposed to the co-responsibility levy on dairy farmers. This levy is unjust in that it imposes a selective penalty exclusively on milk producers. The application of the co-responsibility levy, which hits farmers particularly hard at the moment, constitutes a first step in the process of undermining the common agricultural policy under the adroit pretext of finding markets for the milk powder surpluses.

The Group of European Progressive Democrats calls upon the Commission, as it has done consistently in the past, to abandon this approach and draw up an overall policy in the field of proteins.

\* \* \*

Draft amendment No 158  
 tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 1 — Expenditure relating to persons working with the Institution  
 Chapter 14 — Expenditure on social welfare  
 Article 145 — Building loans

Enter an appropriation of 1 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

This appropriation is to cover the grant of mortgage loans to Community officials at subsidized rates. (Text of the preliminary draft)

JUSTIFICATION

For the 1976 financial year the Council had already cut the appropriations requested by the Commission by half, allocating only 1 000 000 u.a. to this heading.

For the 1977 financial year the Council had refused to earmark any funds at all, and is now adopting the same attitude for the 1978 budget.

It is known that in 1976 the ECSC funds made available to officials proved to be too low to cover a large proportion of the loan applications, even though very strict criteria had been adopted in order to preserve the social character of this measure.

We believe that the entry of an extremely modest appropriation of 1 000 000 EUA is fully justified, even if one does not take into account the fact that this is not a non-repayable expenditure, but a loan subject to interest the whole of which will be returned to the budget within a maximum period of 25 years.

\* \* \*

Draft amendment No 159  
 tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings equipment and miscellaneous administrative expenditure  
 Chapter 28 — Subsidies for balancing budgets  
 Enter a new Article 288 : — European University Institute

Make a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

This appropriation is intended to finance the Convention setting up a European University Institute of 19 April 1972 (OJ No C 29 of 9 February 1976) once the subsidy to be paid out of the general budget of the European Communities to balance the budget of the European University Institute has been amended in respect of the financing of the Institute's budget. (Text of the preliminary draft budget)

## JUSTIFICATION

The creation of a budget line for the European University Institute in Florence is a practical proposal designed to enable Parliament to exercise better control over its appropriations by virtue of their entry into the budget. It also leads to an appreciable improvement in budgetary clarity.

This proposal is, moreover, in line with one contained in Mr Cointat's report on the inter-institutional dialogue on certain budgetary matters, which was adopted by Parliament at the June 1977 part-session.

\* \* \*

Draft amendment No 160  
tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure  
Chapter 28 — Subsidies for balancing budgets  
Article 282 — European Communities' Institute for Economic Analysis and Research  
Enter appropriations of 3 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

## JUSTIFICATION

The Commission's proposal concerning this Institute was submitted to the Council on 10 October 1975. The European Parliament delivered its opinion on 11 March 1976. On 21 April 1976 the Commission amended its original proposal.

This project is intended to meet a real need, mainly for study at Community level of economic, monetary, industrial and social problems arising from the process of European integration and research into long-term problems connected with the Community's development and policies.

The project should therefore be got under way and the appropriations entered in the 1978 budget since the period elapsing between the decision and its implementation is beginning to be rather long.

\* \* \*

Draft amendment No 161  
tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 35 — Protection of man and his environment  
Article 355 — Consumer protection and information  
Item 3550 — Consumer protection studies  
Increase appropriations by 70 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The defence of consumer interests is acquiring increasing importance in the life of our citizens. It is a problem that the European Community cannot ignore. Adequate funds must therefore be earmarked for consumer protection and information.

\* \* \*

## Draft amendment No 162

tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 355 — Consumer protection and information

*Create a new Item 3552: Consumer protection and information measures.*

Enter an appropriation of 100 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks**New item*

Resolution of the Council of Ministers of 24 April 1975 adopting a preliminary programme for a consumer protection and information policy and in particular points 42, 43, 44 and 45 thereof.

These measures are intended to provide financial support for pilot projects in consumer education, to promote the production and dissemination of teaching materials in the member countries, to assist non-governmental institutions and organizations in their work of furthering consumer protection and information and to undertake specific public awareness campaigns (academic personnel and instructors; officials of consumer organizations).

(Text of the preliminary draft budget)

## JUSTIFICATION

The justification is contained in the remarks.

It is generally recognized that the question of consumer education is assuming growing importance in the Community. Defying all logic, the Council has deleted the budget line corresponding to this measure.

\* \* \*

## Draft amendment No 163

tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

## Section III — Commission

*(A) Expenditure*

Title 5 — Social and Regional Funds

Create a new chapter.

Chapter 59 — Aid to disaster victims in the Community

Enter appropriations of 5 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Article 400 of the budgets for previous financial years covered disaster aid both outside and inside the Community. Since the 1977 budget the former Article 400 has been split between the present Chapter 59 and Article 951.

(Text of the preliminary draft budget)

#### JUSTIFICATION

If the Community wants to show its solidarity with victims of disasters and other natural catastrophes in the Community, then it must clearly earmark appropriations for aid to victims of such disasters. This was in fact the policy adopted by the Community in connection with the 1976 drought, the Friuli earthquake and the floods in the south-west.

It is precisely the purpose of this amendment to render possible prompt Community action, although it is recognized that after an initial contribution it might be necessary to resort to a supplementary budget if it is decided that aid ought to be supplied on a larger scale.

The adoption of this relatively modest budget contribution will therefore in no way undermine the prerogatives of the budgetary authority.

\* \* \*

Proposed modification No 164

tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 7 — EAGGF — Guarantee Section

Chapter 75 — Accession compensatory amounts granted in respect of intra-Community trade

Article 750 — Accession compensatory amounts granted in respect of intra-Community trade

Delete this chapter and article and the relevant appropriations

(B) *Compensation*

Title 4 — Repayments and aids to Member States and miscellaneous

Create the following new lines and enter the following appropriations :

Chapter 43 — Accession compensatory amounts granted in respect of intra-Community trade

Article 430 — Accession compensatory amounts granted in respect of intra-Community trade

Enter appropriations of 30 000 000 EUA

(C) *Remarks*

Enter the following remarks under Article 430 :

This appropriation is to cover the accession compensatory amounts provided for in Article 55 of the Act of Accession.

#### JUSTIFICATION

Appropriations for compensatory amounts should be kept separate from those for agricultural expenditure proper. The cost of compensatory amounts is not due to the normal functioning of the agricultural policy, but rather to difficulties encountered in the economic and monetary field.

Appropriations for compensatory amounts are therefore transferred from Title 7, EAGGF, to Title 4, 'miscellaneous'.

\* \* \*

Proposed modification No 165  
 tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 7	— EAGGF — Guarantee Section
Chapter 78	— Monetary compensatory amounts
Article 780	— Monetary compensatory amounts in respect of intra-Community trade
Item 7800	— Monetary compensatory amounts on imports paid or levied by importing Member States
Item 7801	— Monetary compensatory amounts on imports paid by exporting Member States on behalf of importing Member states
Item 7802	— Monetary compensatory amounts on exports paid or levied by exporting Member States
Article 781	— Monetary compensatory amounts in respect of trade with non-Community countries
Item 7810	— Portion of monetary compensatory amounts granted on imports over and above the levy
Item 7811	— Monetary compensatory amounts on exports

Delete this chapter, these articles and items and the relevant appropriations

(B) *Compensation*

Title 4 — Repayments and aids to Member States and miscellaneous

Create the following new lines and enter the following appropriations :

	<i>Amount to be entered</i>
Chapter 44 — Monetary compensatory amounts	
Article 440 — (new article) — Monetary compensatory amounts in respect of intra-Community trade	
Item 4400 — (new item) — Monetary compensatory amounts on imports paid or levied by importing Member States	1 271 000 000 EUA — 167 400 000 EUA
Item 4401 — (new item) — Monetary compensatory amounts on imports paid by exporting Member States on behalf of importing Member States	130 000 000 EUA
Item 4402 — (new item) — Monetary compensatory amounts on exports paid or levied by exporting Member States	138 000 000 EUA — 562 100 000 EUA
Article 441 — (new article) — Monetary compensatory amounts in respect of trade with non-Community countries	
Item 4410 — (new item) — Portion of monetary compensatory amounts granted on imports over and above the levy	129 200 000 EUA
Item 4411 — (new item) — Monetary compensatory amounts on exports	20 600 000 EUA

(C) *Remarks*

Enter the following remarks :

*Article 440* (formerly Article 780)

The appropriations under this article provide for the monetary compensatory amounts charged or granted on intra-Community trade in accordance with Council Regulation (EEC) No 974/71

on certain short-term economic measures to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States, as last amended by Regulation (EEC) No 557/76.

*Item 4400*

Monetary compensatory amounts in respect of imports are charged by Member States with an appreciated currency and granted by Member States with a depreciated currency.

*Item 4401*

Monetary compensatory amounts in respect of imports into Member States with a depreciated currency may be granted by exporting Member States. The reference here is to imports into Italy and the United Kingdom from the other Member States and to imports into Ireland from the United Kingdom (Art. 2a of Regulation No 974/71).

*Item 4402*

Monetary compensatory amounts in respect of exports are charged by Member States with a depreciated currency and granted by Member States with an appreciated currency.

*Article 441 (formerly Article 781)*

*Item 4410*

The portion of compensatory amounts which exceeds the import levy is at present, owing to the suspension of Article 4a (2) of Regulation No 974/71, expenditure chargeable to the EAGGF. The appropriation for this item covers this category of expenditure.

*Item 4411*

This appropriation covers the monetary compensatory amounts paid for exports to non-member countries pursuant to Regulation (EEC) No 974/71.

The monetary compensatory amounts which Member States with a depreciated currency deduct from refunds on exports to non-member countries pursuant to Regulation (EEC) No 974/71 continue to be taken into account by deduction from the refunds in the sectors concerned, since the recording of these amounts in separate accounts presents serious practical difficulties.

### JUSTIFICATION

Appropriations for compensatory amounts should be kept separate from those for agricultural expenditure proper. The cost of compensatory amounts is not due to the normal functioning of the agricultural policy but to difficulties encountered in the economic and monetary field.

Appropriations for compensatory amounts are therefore transferred from Title 7, EAGGF, Guarantee Section, to Title 4, 'miscellaneous'.

In the draft budget the entries relating to monetary compensatory amounts are net figures broken down into imports and exports. These entries do not reflect the total revenue and expenditure resulting from monetary compensatory amounts, which detracts from budgetary transparency and precision.

This amendment brings out clearly the total revenue and the total expenditure resulting from monetary compensatory amounts. The net expenditure, in other words the cost to the Community budget of monetary compensatory amounts charged and granted on trade within the Community, remains the same.

\* \* \*

Proposed modification No 166

tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 8 — EAGGF — Guidance Section

Chapter 81 — Common measures for the reform of agricultural structures (pursuant to the Council resolution of 25 May 1971)

Article 810 — Common measures for the reform of agricultural structures  
 Item 8105 — Special aid for young farmers

Enter an appropriation of 4 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

This item is to cover expenditure arising from the Commission proposal to the Council of 3 December 1974. The Commission proposes to give aid at fixed degressive rates to young farmers while they are implementing a development plan (maximum of five years).

The aid is intended to offset the additional expenditure incurred by young farmers who have been farming for only a short time and are implementing a development plan. It is therefore essential that the Commission should have funds that will enable it to get this project under way as quickly as possible.

\* \* \*

Proposed modification No 167

tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

Chapter 92 — Food aid

Article 921 — Food aid in milk products

Item 9211 — 1978 skimmed milk powder programme

Enter appropriations of 20 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

This item is to cover the supply in 1978 of 150 000 tonnes of skimmed milk powder to developing countries, particularly those most in need, to help make up their food shortfall.

The Community holds in stock more than 1 300 000 tonnes of skimmed milk powder. The absorption capacity of the world market is minimal, whereas the requirements of the developing countries are far from being met.

In view of the quantities of skimmed milk which the Community still holds in stock and the needs of the developing countries, it appears justified that the Community, which adopted its 200 000 tonne programme in March 1976, should sustain its effort.

These appropriations can allow the project to get under way rapidly. The remaining appropriations necessary to finance this programme, in other words 151 370 000 EUA, are entered as a reserve under Chapter 100.

\* \* \*

Proposed modification No 168  
 tabled by Mr Cointat, Mr Terrenoire and Mr Yeats on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

Chapter 92 — Food aid

Article 921 — Food aid in milk products

Item 9211 — 1978 skimmed milk powder programme

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Replace the second paragraph by the following text :

The appropriation for commitment authorized for 1978 is 189 300 000 EUA

The timetable of payments relating to a commitment is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
189 300 000	171 370 000	17 930 000	

JUSTIFICATION

This item is to cover the supply in 1978 of 150 000 tonnes of skimmed milk powder to developing countries, particularly those in most need, to help make up their food shortfall.

The Community holds a stock of more than 1 300 000 tonnes of skimmed milk powder. The absorption capacity of the world market is minimal, whereas the requirements of the developing countries are far from being met.

In view of the quantities of skimmed milk which the Community still holds in stock and the requirements of the developing countries, it appears justified that the Community, which adopted its 200 000 tonne programme in March 1976, should sustain its effort.

\* \* \*

Draft amendment No 169  
 tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 151 370 000 EUA

(B) *Revenue*

Increase revenue accordingly

*(C) Remarks*

Add a new paragraph :

Item 9211 — 1978 skimmed milk powder programme : 151 370 000 EUA.

## JUSTIFICATION

The entry under Chapter 100 of the additional appropriations required to finance the milk powder food aid programme will enable the Community to show its genuine determination to come to the assistance of the countries in greatest distress and will avoid the need for a supplementary budget for a measure that is totally predictable.

\* \* \*

Draft amendment No 170

tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Article 370 — Projects in the data-processing sector

Create a new Item 3703 : Support for a joint applied research project on very highly integrated circuits

Make a token entry.

*(B) Revenue*

Unchanged

*(C) Remarks*

*New item*

Article 235 of the EEC Treaty

Council Resolution of 15 July 1974

Proposal for a four-year programme submitted on 9 November 1976 (Doc. COM(76) 524)

This item is to cover expenditure arising from a joint applied research project on very highly integrated circuits.

The aims of the programme are :

- product standardization and rationalization,
- collaborative rationalization of technical specifications for the purchase of equipment,
- pooling of the results of advanced basic research,
- optimization of the use of available resources,
- payment of experts and related miscellaneous or secretarial services.

## JUSTIFICATION

The European Parliament has always shown the keenest interest in the creation of a European integrated circuits capability, in particular by urging the Commission to put forward practical proposals.

The insertion of a budgetary line with a token entry against it is therefore a political act demonstrating Parliament's will in this sector.

\* \* \*

Draft amendment No 171  
tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 55 — European Regional Development Fund  
Increase appropriations by 400 m EUA

(B) *Revenue*

Increase revenue by 260 m EUA

(C) *Compensation*

Delete in Chapter 100, point (16) 'Regional Fund', the appropriation of 140 m EUA

(D) *Remarks*

Increase the draft budget commitment appropriations (398 m EUA under Chapter 100) by 1 102 m EUA and therefore add the following remarks :

The appropriation for commitment authorized for 1978 is 1 500 000 000 EUA.

The estimated schedule of payments against commitments is as follows .

Commitments	Payments				
	1975/77	1978	1979	1980	Total
1975/77 1 300 m u.a.	850	325 250	125 96	— —	1 300 m u.a. 346 m EUA
1978 1 500 m EUA	—	400	800	300	1 500 m EUA
		650			

JUSTIFICATION

The Council has proposed commitment appropriations of 398 m EUA and payment appropriations of 140 m EUA for the Regional Fund in the 1978 Budget both of which are entered in Chapter 100. This amendment puts back these appropriations in Chapter 55 — there is no question as to the existence of the Regional Fund. The commitment appropriations must be 1 500 m EUA if the Fund is to be adequate to meet the real needs of the underdeveloped regions. This figure corresponds with the original proposals of the Commission allowing for inflation and the natural expansion of the Fund after three years. The increase in the payment appropriations is to allow a faster flow of funds to the regions so that development can be speeded up and unemployment reduced.

The Regional Fund provides a ready means for Community aid in reducing unemployment, particularly in the underdeveloped regions where unemployment levels are highest. Regional Fund aid for infrastructure projects creates employment in construction and allied fields and aid for industrial projects also creates direct employment in the industries being established.

\* \* \*

Draft amendment No 172  
tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment  
 Article 359 — Grant towards the operation of the European Foundation for the Improvement  
 of Living and Working Conditions

Increase appropriations by 255 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

This amendment puts back the appropriations proposed by the Commission — 2 555 000 EUA. These appropriations are necessary if the Foundation is to properly undertake the activities for which it is responsible.

\* \* \*

Draft amendment No 173  
 tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
 Chapter 35 — Protection of man and his environment  
 Article 353 — Public health studies and measures

Increase appropriations by 60 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

This amendment puts back the appropriations proposed by the Commission. They are necessary if any progress is to be made in solving the problems arising out of such 'social diseases' as nicotine poisoning, drug addiction and absenteeism.

\* \* \*

Draft amendment No 174  
 tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
 Chapter 35 — Protection of man and his environment

Article 352 — Health protection, hygiene and safety at the place of work

Item 3520 — Health protection, hygiene and safety at the place of work

Increase appropriations by 325 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

### JUSTIFICATION

This amendment puts back the amount proposed by the Commission — 850 000 EUA. These appropriations are necessary to ensure the success of the action programme concerned with hygiene and safety at work, the health of the worker, job enrichment etc. under the Environmental Action Programme and the Social Action Programme

\* \* \*

Draft amendment No 175/rev.

tabled by Mr Yeats, Mr Comtat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 306 — Pilot research projects on action to combat poverty.

Increase payment appropriations by 640 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter commitment appropriations of 5 000 000 EUA<sup>1</sup> for 1978 and therefore add the following comments :

Commitments	Payments					
	1975	1976	1977	1978	1979	1980
1975 : 2 500 000	462 000	1 784 000	180 000 a	—	—	—
1976 : 2 485 000	—	—	1 491 000 b	994 000	—	—
1977 : 3 500 000	—	—	990 000 a	1 270 000	1 240 000	—
1978 : 5 000 000	—	—	—	640 000	2 616 000	1 744 000
				2 904 000		

a = against a payment appropriation of 1 170 000 ua for 1977

b = automatic carry-over

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

## JUSTIFICATION

The Council deleted the commitment appropriations of 5m EUA proposed by the Commission for 1978. This amendment puts back these commitment appropriations and sets aside an extra 640 000 EUA as payment appropriations for 1978.

There is no justification for stopping the Community's policy to combat poverty. Poverty does exist and this programme is one of the clearest ways of showing the Community's human face.

Thus the programme should be continued.

\* \* \*

Draft amendment No 177

tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 304 — Measures in support of and with the participation of movements which could increase the effectiveness of the social policy of the Community.

Increase appropriations by 100 000 EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

## JUSTIFICATION

This amendment puts back the Commission proposal for 300 000 EUA. It is to support movements concerned with migrant workers, handicapped persons and women — groups which were accorded priority under the social action programme.

\* \* \*

Draft amendment No 178

tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 305 — Community measures under the employment policy

Item 3051 — Cooperation between the national employment services

Increase appropriations by 150 000 EUA

(B) *Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

This amendment puts back the Commission proposal for 400 000 EUA. It is necessary for the organization of training courses for national officials so that they can properly implement Community policies.

\* \* \*

## Draft amendment No 179

tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

## Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 305 — Community measures under the employment policy

Item 3050 — Research and action programme on labour market trends

Increase appropriations by 50 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

This amendment puts back the Commission proposal for 450 000 EUA. This expenditure is necessary to harmonize the methods of compiling employment statistics in the Member States. Because of the use of different methods it is impossible to compare e.g. unemployment statistics in the different Member States. A common system is necessary so that the Community can have uniform data. Such data is essential for Community action against unemployment.

\* \* \*

## Draft amendment No 180

tabled by Mr Yeats, Mr Herbert and Mr Nolan, on behalf of the Group of European Progressive Democrats

## Section III — Commission

*(A) Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 26 — Expenditure on studies, surveys and consultations

Article 266 — Regional studies at the request of the Member States

Increase appropriations by 160 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Unchanged

## JUSTIFICATION

The Irish and British Governments have decided to increase cooperation in the Irish border region. Two limited studies have already been proposed on communications in the Derry-Donegal region and fishing in the Irish Sea. Both studies have been approved for Community financial aid.

The extra expenditure will allow for more comprehensive socio-economic studies of the whole Irish border region to be undertaken with financial assistance from the Community.

The proposed appropriations are 340 000 EUA. The increase will raise this to 500 000 EUA.

\* \* \*

Draft amendment No 183

tabled by Mr Yeats, Mr Cointat and Mr Terrenoire, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 301 — Tasks entrusted to the Commission in the field of vocational training

Item 3010 — European Centre for the Development of Vocational Training

Increase appropriations by 202 500 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

## JUSTIFICATION

The European Centre for the Development of Vocational Training was set up in 1975 and is situated in Berlin. It depends on Community funding to exist. If its budget is cut back it cannot carry on its current level of activities and will not be able to undertake new activities.

This increase puts back the amount proposed by the Commission giving a total of 3 002 500 EUA.

\* \* \*

Draft amendment No 184/corr.

tabled by Mr Cointat, Mr Terrenoire and Mr Yeats, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 27 — Expenditure on publishing and information

Article 272 — Expenditure on the dissemination of information and on participation in public events

Item 2729 — Information projects relating to direct elections to the European Parliament

Increase appropriations by 2 000 000 EUA, which remain frozen on the line

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

In the last sentence replace 'concertation' by agreement'

Add the following sentence : 'this appropriation to be released with the agreement of Parliament'

## JUSTIFICATION

Since direct elections are to be held in the near future it is important to make arrangements for an information campaign that will ensure maximum participation by the electorate.

The minimum amount needed to ensure that the public in the Member States is adequately informed on direct elections is 3 000 000 EUA. These funds would be used by the Commission working in conjunction with all organizations concerned with preparations for the electoral campaign and would in particular cover subsidies to the political parties.

The Group of European Progressive Democrats does not propose that the appropriations requested by the Commission be reinstated in their entirety, since it has noted that, in particular, in the energy sector, the Commission has frequently gone back on its initial estimates following discussion with the Council.

Moreover, it is preferable that the European Parliament itself should receive a higher allocation of funds for this information campaign.

\* \* \*

Draft amendment No 185

tabled by Mr Yeats, Mr Herbert and Mr Nolan, on behalf of the Group of European Progressive Democrats

Section III — Commission

*(A) Expenditure*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 20 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Amend (5) as follows :

(5) Art. 210 — Rent : Luxembourg Office 494 000 EUA  
Northern Ireland Office, 20 000 EUA

## JUSTIFICATION

This increase in appropriations is to provide for the rental of premises in Northern Ireland for a Commission Press and Information sub-office. Northern Ireland is the most turbulent region of the Community. While the activities of the Community offer many hopes and opportunities for finding a solution to many of its basic problems, the Community is not widely known in this region. The presence of a Commission Press and Information sub-office in Northern Ireland would increase the awareness of the Community and its role in contributing to a peaceful solution

\* \* \*

Proposed modification No 186  
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

- Title 8 — European Agricultural Guidance and Guarantee Fund
    - Guidance Section
  - Chapter 82 — Common measures concerning the marketing and processing of agricultural products
  - Article 820 — Common measures concerning the marketing and processing of agricultural products (pursuant to the Council Resolution of 25 May 1971)
  - Item 8202 — Marketing and processing of agricultural products
- Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Expenditure against this item in 1978 arises from the application of Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed (OJ No L 51 of 23 February 1977). This instrument provides for aid, over a period of five years, for public, semi-public or private investment projects.

The purpose of the measures is to improve the conditions under which agricultural products are processed and sold, so that the processing and selling sectors can offer reasonable prices to producers of basic agricultural products, create a greater and more regular demand for agricultural products, improve export channels and facilitate marketing of agricultural products from the remoter areas of the Community.

The appropriation for commitment authorized for 1978 is 160 000 000 EUA<sup>1</sup>. The estimated schedule of payments against commitments is as follows :

Commitments	Payments		
	1978	1979	1980
1978 : 160 000 000	4 000 000	16 000 000	140 000 000

JUSTIFICATION

The amount of aid proposed for 1978 in this sector — aid for projects which will improve the conditions under which agricultural products are processed and marketed — compares badly with commitment appropriations in previous years. In 1977 commitment appropriations were 171.2 m u.a. and in 1976 they were 235.47 m u.a. (Item 8202 in 1977).

The commitment appropriations of 80 m EUA are totally inadequate to meet the demand in this sector. At the very least they need to be doubled to 160 m EUA. Year after year excellent projects have been refused aid from the Community because of a lack of funds.

This amendment will not result in any increase in expenditure in 1978.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16(c) of the Financial Regulation of 25 April 1973

Proposed modification No 187  
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

- Title 8 — European Agricultural Guidance and Guarantee Fund  
— Guidance Section
- Chapter 80 — Projects for the improvement of agricultural structures provided for under Art. 13 of Regulation No 17/64/EEC
- Article 800 — Projects for the improvement of agricultural structures provided for under Art. 13 of Regulation No 17/64/EEC

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Expenditure to be incurred in 1978 under this item arises from the application of Regulation No 17/64/EEC and Article 6 (4) of Regulation (EEC) No 729/70. Pursuant to Regulation (EEC) No 729/70 such part of the annual amount of 325 million u.a. as is not used for common measures and special measures is to be used for the EAGGF financing, as to 25 % of eligible expenditure actually incurred, of projects for the improvement of agricultural structures.

In 1978 the common and special measures will take up the entire amount of 325 m u.a. allotted to the Guidance Section of the EAGGF; consequently, new commitments will have to be otherwise provided for in 1978.

The appropriation for commitment authorized for 1978 is 50 000 000 <sup>1</sup>. The estimated schedule of payments against commitments is as follows :

Commitments		Payments			
		1977	1978	1979	1980
1977	91 200 000 (+ 80 000 000) entered against Item 8202 in 1977	6 000 000 (8000 000)	14 000 000 12 000 000	22 000 000 18 000 000	49 200 000 42 000 000
1978	50 000 000	—	—	15 000 000	35 000 000
<b>TOTAL</b>	<b>221 200 000</b>	<b>14 000 000</b>	<b>26 000 000</b>	<b>55 000 000</b>	<b>126 200 000</b>

JUSTIFICATION

This amendment inserts 50 m EUA in commitment appropriations where a token entry exists. These appropriations are necessary to finance such individual projects as rural infrastructure (water, electricity, roads), drainage, making good flood damage, and reforestation. Such projects are not covered by Regulation (EEC) No 355/77 (Budget Item 8202).

Such projects have been financed in the past under Art. 13 of Regulation 17/64/EEC but are now totally excluded from Community aid unless appropriations are provided for here.

This amendment will not result in any increase in expenditure in 1978.

\* \* \*

<sup>1</sup> This text is binding within the meaning of Article 16(c) of the Financial Regulation of 25 April 1973.

Draft amendment No 189  
tabled by Mr Scott-Hopkins and Lord Bessborough on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

- Title 5 — Social and Regional Funds
- Chapter 55 — European Regional Development Fund
- Replace Chapter 55 by the following two chapters :
- Chapter 55 — European Regional Development Fund  
Community measures in support of national regional policies
- Article 550 — Measures to encourage investment in industry, the trades and the service sector
- Article 551 — Measures to encourage infrastructure investment
- Chapter 56 — European Regional Development Fund  
Specific Community measures
- Article 560 — Interest rebates and exchange rate guarantees
- Article 561 — Other measures

(B) *Revenue*

Unchanged

(C) *Remarks*

None

JUSTIFICATION

The budgetary entry for appropriations in respect of the European Regional Development Fund is not adequately subdivided and does not differentiate between the various Commission activities in this field. A division into four new articles will better reflect the Fund's activities.

The distribution of appropriations among these new articles should take account of the estimates forwarded by the Commission.

The Commission, which is responsible for the implementation of the Budget, will be able to make transfers within and between Chapters 55 and 56 in accordance with the Financial Regulation.

\* \* \*

Draft amendment No 190  
tabled by Lord Bethell and Mr Spicer, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
  - Chapter 35 — Protection of man and his environment
  - Article 353 — Public health studies and measures
- Increase appropriations by 60 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

This amendment reinstates the Council's cut-back in the appropriations for this article, a cut-back for which the Council gave no reason.

In restoring these appropriations the European Conservative Group has particularly in mind the need to provide sufficient means for the development of a Community strategy against drugs and drug addiction.

\* \* \*

Draft amendment No 191  
tabled by Mrs Elaine Kellett-Bowman on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 50 — New Social Fund  
Article 500 — Aid to the agricultural and textiles sectors  
Increase the payment appropriation for 1978 by 19 000 000 EUA

(B) *Revenue*

Increase revenue by 13 000 000 EUA

(C) *Compensation*

Transfer the reserve of 6 000 000 EUA under Chapter 100 (15) to Article 500

JUSTIFICATION

In view of the continuing serious difficulties of the textile industry, the Council was wrong both to reduce appropriations for this article and to transfer further appropriations out of this article and into Article 100. Accordingly this amendment transfers from Chapter 100 (15) to Article 500 the appropriation in question, and reinstates in full the appropriations requested by the Commission.

\* \* \*

Draft amendment No 192  
tabled by Mrs Elaine Kellett-Bowman on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 50 — New Social Fund  
Article 501 — Measures for young people  
Increase the payment appropriation for 1978 by 68 000 000 EUA

(B) *Revenue*

Increase revenue by 36 000 000 EUA

(C) *Compensation*

Transfer the reserve of 32 000 000 EUA from Chapter 100 (15) to Article 501

JUSTIFICATION

In view of the continued deterioration in the youth employment situation, the Council was wrong both to reduce appropriations for this article and to transfer further appropriations out of this article

and into Article 100. Accordingly this amendment transfers from Chapter 100 (15) to Article 500 the appropriation in question, and reinstates in full the appropriations requested by the Commission.

\* \* \*

Draft amendment No 193  
tabled by Mrs Elaine Kellett-Bowman on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 5 — Regional and Social Funds  
Chapter 51 — New Social Fund  
Article 510 — Measures to improve the employment situation in certain regions, economic sectors or groups of companies

Increase the payment appropriation for 1978 by 118 000 000 EUA

(B) *Revenue*

Increase revenue by 68 500 000 EUA

(C) *Compensation*

Transfer the reserve of 49 500 000 EUA under Chapter 100 (15) to Article 510

JUSTIFICATION

In view of the widening prosperity gap between the regions, the Council was wrong both to reduce appropriations for this article and to transfer further appropriations out of this article and into Article 100. Accordingly this amendment transfers from Chapter 100 (15) to Article 500 the appropriation in question, and reinstates in full the appropriations requested by the Commission.

\* \* \*

Draft amendment No 201/corr.  
tabled by Mr Baas on behalf of the Liberal and Democratic Group

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 39 — Other expenditure on specific projects undertaken by the Institution  
Add a new Article 395: Promotion of Community exports to Japan  
Enter an appropriation of 2 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Entry in the 1978 draft budget of an appropriation of 2 000 000 EUA to finance a number of specific measures for the promotion of Community exports to Japan

JUSTIFICATION

The proposed action is intended to encourage and support the efforts of European undertakings to penetrate the Japanese market by improving the information available on this difficult market, by developing contacts between business circles and supporting certain trade activities.

\* \* \*

Draft amendment No 202  
tabled by the Liberal and Democratic Group

Section III — Commission

(A) *Expenditure*

Title 2

Chapter 27 — Expenditure on publishing and information

Article 272 — Expenditure on the dissemination of information and on participation in public events

Item 2720 — Expenditure on the dissemination of information, popularization and participation in public events

Increase appropriations by 2 400 000 EUA.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Purchase and distribution of 80 000 copies of the Common Market telephone directory.

JUSTIFICATION

This directory, produced at the suggestion of Jean Rey when he was President of the Commission, not only comprises many pages of information on the European Communities, but is also one of the best ways of making the key sectors and political and administrative circles in our Member States aware of the reality of Europe; the directory is also a useful and valuable reference work.

\* \* \*

Proposed modification No 203  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 8 EAGGF, Guidance Section

Chapter 80 Projects for the improvement of agricultural structures provided for under Article 13 of Regulation No 17/64/EEC

Article 800 Projects for the improvement of agricultural structures provided for under Article 13 of Regulation No 17/64/EEC

Chapter 81 Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)

Article 810 Common measures for the reform of agricultural structures

Item 8100 Modernization of farms

Item 8101 Cessation of farming and reallocation of land for structural improvement

Item 8102 Vocational guidance and training

Item 8103 Mountain and hill farming in certain less-favoured areas

Item 8104 Forestry measures for improvement of agricultural structures

Item 8105 Special aid for young farmers

Chapter 83 Common measures in particular sectors

Article 831 Beef and veal sectors

Item 8310 Premiums to encourage the development of beef and veal production

Article 832 Fruit and vegetable sector

Item 8320 Statistical surveys of fruit trees

Item 8321 Reorganization of horticultural production under glass

Item 8322 Reorganization of fruit production

Article 834 Farm structure sector

Item 8340	Farm structure survey
Article 835	Wine sector
Item 8350	Conversion premium
Article 836	Milk sector
Item 8360	Premium for the non-marketing of milk and for the conversion of dairy herds
Item 8361	Premiums for the cessation of dairy farming
Chapter 88	Appropriations set aside in previous financial years to finance expenditure in Chapters 81 to 83

Delete the above chapters, articles and items and related appropriations (i.e. excluding Chapter 83, Article 830, Items 8300, 8301, Article 837, and Item 8370 and related appropriations).

(B) *Compensation*

Title 8 EAGGF — Guidance Section

Create the following new headings and enter the following appropriations :

Chapter 80	European Rural Development Fund	
Article 800	Projects for the improvement of agricultural structures provided for under Article 13 of Regulation No 17/64/EEC	26 000 000 EUA
Article 801	Common measures for the reform of agricultural structures	
Item 8010	Modernization of farms	54 200 000 EUA
Item 8011	Cessation of farming and reallocation of land for structural improvement	1 200 000 EUA
Item 8012	Vocational guidance and training	5 500 000 EUA
Item 8013	Mountain and hill farming in certain less-favoured areas	103 000 000 EUA
Item 8014	Forestry measures for improvement of agricultural structures	Token entry
Item 8015	Special aid for young farmers	—
Article 802	Beef and veal sector	
Item 8020	Premiums to encourage the development of beef and veal production	13 200 000 EUA
Article 803	Fruit and vegetable sector	
Item 8030	Statistical surveys of fruit trees	—
Item 8031	Reorganization of horticultural production under glass	—
Item 8032	Reorganization of fruit production	4 200 000 EUA
Article 804	Farm structure sector	
Item 8040	Farm structure survey	
Article 805	Wine sector	
Item 8050	Conversion premium	33 000 000 EUA
Article 806	Milk sector	
Item 8060	Premium for the non-marketing of milk and for the conversion of dairy herds	123 900 000 EUA
Item 8061	Premiums for the cessation of dairy farming	—
Article 808	Appropriations set aside in previous financial years to finance expenditure in Chapter 80	Token entry

JUSTIFICATION

The creation of a *European Rural Development Fund*, by bringing together most existing appropriations in the EAGGF, Guidance Section, into a single Fund will :

1. Rationalize the Community's aid for structural reform ;
2. Facilitate the necessary coordination with the Regional Development Fund and the Social Fund, since the problems of depressed rural regions are not solely agricultural.

Proposed modification No 204  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section

Chapter 60 — Cereals

Article 601 — Intervention in respect of cereals

Reduce expenditure under this article by 87 400 000 EUA and break down the items as follows :

6010	Premiums for the incorporation of common wheat in animal feed	token entry
6011	Production refunds for potato starch	11 850 000
6012	Other production refunds	39 975 000
6013	Aid for durum wheat	93 000 000
6014	Carry-over payments	24 750 000
6015	Buying-in and subsequent operations	81 000 000
6016	Specific intervention measures other than buying-in or subsequent operations	11 250 000
6019	Other intervention	375 000
	<i>Article 601 — Total</i>	<u>262 200 000</u>

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 87 400 000 EUA

(D) *Remarks*

Add a paragraph worded as follows : —

( ) Article 601 : Intervention in respect of cereals 87 400 000 EUA

JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 205  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section

Chapter 61 — Rice

Article 611 — Intervention in respect of rice

Reduce appropriations by 250 000 EUA

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 250 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 611 : Intervention in respect of rice 250 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

## Proposed modification No 206

tabled Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

## Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section  
Chapter 62 — Milk and milk products  
Article 621 — Intervention in respect of skimmed milk

Reduce expenditure under this article by 338 750 000 EUA and break down as follows :

6210	Aid for skimmed milk powder for use in animal feed	366 300 000
6211	Aid for liquid skimmed milk for use in animal feed	197 625 000
6212	Aid for skimmed milk processed into casein	83 250 000
6213	Private storage	token entry
6214	Public storage and special disposal measures	369 075 000
6218	Food aid from public stocks of skimmed milk powder	token entry
6219	Other intervention	token entry

<i>Article 621 — Total</i>	1 016 250 000
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(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 338 750 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 621 : Intervention in respect of skimmed milk 338 750 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 207  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

## Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section  
Chapter 62 — Milk and milk products  
Article 622 — Intervention in respect of butter and cream

Reduce expenditure under this article by 157 950 000 EUA and break down as follows :

6220	Private storage	31 500 000
6221	Public storage and special disposal measures for butter stocks	390 750 000
6223	Special measures for absorbing surpluses of butterfats	51 600 000
6228	Food aid from public stocks of butter	token entry
6229	Other intervention	token entry
	<i>Article 622 — Total</i>	<u>473 850 000</u>

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 157 950 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 622 : Intervention in respect of butter and cream 157 950 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 208  
 tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section

Chapter 62 — Milk and milk products

Article 623 — Intervention in respect of other milk products

Reduce expenditure under this article by 9 000 000 EUA and break down as follows :

6230	Storage of cheese	7 500 000
6231	Financial contributions to the supply of school milk	19 500 000
6239	Other intervention	token entry
	<i>Article 623 — Total</i>	27 000 000

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 9 000 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 623 : Intervention in respect of other milk products 9 000 000 EUA

JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 209  
 tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section

Chapter 63 — Oils and fats

Article 631 — Intervention in respect of olive oil

Reduce expenditure under this article by 71 875 000 EUA and break down as follows :

6310	Production aid	200 625 000
6311	Storage	11 250 000
6319	Other intervention	3 750 000
	<i>Article 631 — Total</i>	215 625 000

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 71 875 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 631 : Intervention in respect of olive oil 71 875 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 210  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section  
Chapter 63 — Oils and fats  
Article 633 — Intervention in respect of colza, rape seed and sunflower seeds

Reduce expenditure under this article by 23 950 000 EUA and break down as follows :

6330	Production aid	71 100 000
6331	Storage	750 000
6339	Other intervention	token entry

<i>Article 633 — Total</i>		<u>71 850 000</u>
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(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 23 950 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 633 : Intervention in respect of colza, rape seed and sunflower seeds 23 950 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities

going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 211  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6	— EAGGF — Guarantee Section	
Chapter 63	— Oils and fats	
Article 634	— Intervention in respect of other seeds falling within heading 1201 of the Common Customs Tariff	
Reduce expenditure under this article by 1 550 000 EUA and break down as follows :		
6340	Aid for cotton seed	300 000
6341	Aid for soya seed	375 000
6342	Aid for flax seed	3 975 000
6343	Aid for other oilseeds	token entry
	<i>Article 634 — Total</i>	4 650 000

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 1 550 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 634: Intervention in respect of other seeds falling within heading 1201 of the Common Customs Tariff 1 550 000 EUA

JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 212  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section

## Chapter 64 — Sugar

## Article 641 — Intervention in respect of sugar

Reduce expenditure under this article by 51 625 000 EUA and break down as follows :

6410	Denaturing premium	1 875 000
6411	Refunds for use in the chemical industry	token entry
6412	Reimbursement of storage costs	145 575 000
6413	Public storage	750 000
6414	Measures in respect of sugar produced in the French overseas departments	6 675 000
6415	Sugar import subsidy	token entry
6419	Other intervention	token entry
<i>Article 641 — Total</i>		<u>154 875 000</u>

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 51 625 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 641 : Intervention in respect of sugar 51 625 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

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## Proposed modification No 213

tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

## Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section

Chapter 65 — Beef and veal

Article 651 — Intervention in respect of the storage of beef and veal

Reduce expenditure under this article by 40 475 000 EUA and break down as follows :

6510	Private storage	24 750 000
6511	Public storage	96 675 000
<i>Article 651 — Total</i>		<u>121 425 000</u>

(B) *Revenue*

Unchanged

*(C) Compensation*

Title 10 — Other expenditure  
 Chapter 100 — Provisional appropriations  
 Increase appropriations by 40 475 000 EUA

*(D) Remarks*

Add a paragraph worded as follows :  
 ( ) Article 651 : Intervention in respect of the storage of beef and veal 40 475 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 214  
 tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

## Section III — Commission

*(A) Expenditure*

Title 6 — EAGGF — Guarantee Section  
 Chapter 66 — Pigmeat  
 Article 661 — Intervention in respect of pigmeat  
 Reduce appropriations by 4 500 000 EUA

*(B) Revenue*

Unchanged

*(C) Compensation*

Title 10 — Other expenditure  
 Chapter 100 — Provisional appropriations  
 Increase appropriations by 4 500 000 EUA

*(D) Remarks*

Add a paragraph worded as follows :  
 ( ) Article 661 : Intervention in respect of pigmeat 4 500 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 215  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section  
Chapter 68 — Fruit and vegetables  
Article 681 — Intervention in respect of fresh fruit and vegetables

Reduce expenditure under this article by 24 375 000 EUA and break down the items as follows :

6810	Withdrawal compensation and buying-in	49 350 000
6811	Processing and distribution operations	3 000 000
6812	Compensation for promotion of Community citrus fruits	12 525 000
6813	Compensation for the processing of oranges	8 250 000
6819	Other interventions	token entry
<i>Article 681 — Total</i>		73 125 000

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 24 375 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 681 : Intervention in respect of fresh fruit and vegetables 24 375 000 EUA

JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 216  
tabled by Mr Scott-Hopkins and Lord Bessborough on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 6 — EAGGF — Guarantee Section  
Chapter 69 — Wine  
Article 691 — Intervention in respect of wine

Reduce expenditure under this article by 30 750 000 EUA and break down the items as follows :

6910	Aid for private storage	42 450 000
6911	Aid for restorage of table wines	1 500 000
6912	Distillation of wine	48 225 000
6919	Other intervention	75 000
<i>Article 691 — Total</i>		92 250 000

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 30 750 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 691 : Intervention in respect of wine 30 750 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 217

tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 7 — EAGGF — Guarantee Section  
Chapter 70 — Tobacco  
Article 701 — Intervention in respect of tobacco

Reduce expenditure under this article by 58 100 000 EUA and break down the items as follows :

7010	Premiums	167 175 000
7011	Storage	6 900 000
7019	Other intervention	225 000

<i>Article 701 — Total</i>		174 300 000
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(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 58 100 000 EUA

(D) *Remarks*

Add a paragraph worded as follows :

( ) Article 701 : Intervention in respect of tobacco 58 100 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities

going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

Proposed modification No 218  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Add a paragraph, worded as follows :

( ) Article 721 Intervention in respect of alcohol : token entry

JUSTIFICATION

The appropriations to be entered in Article 721 cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification introduces a token entry in Chapter 100, to enable a reserve to be entered.

\* \* \*

Proposed modification No 219  
tabled by Mr Scott-Hopkins and Lord Bessborough, on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 7	— EAGGF — Guarantee Section	
Chapter 73	— Other sectors or products subject to common market organization	
Article 730	— Intervention in respect of fibre, flax and hemp	
Reduce expenditure under this article by 3 750 000 EUA and break down the items as follows :		
7300	Intervention in respect of fibre flax	9 900 000
7301	Intervention in respect of hemp	1 350 000
	<i>Article 730 — Total</i>	<u>11 250 000</u>

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 3 750 000 EUA

*(D) Remarks*

Add a paragraph worded as follows :

( ) Article 730 : Intervention in respect of fibre, flax and hemp 3 750 000 EUA

## JUSTIFICATION

The appropriations entered in this article cannot possibly be calculated with any degree of accuracy. Firstly, there are the unknown variables influencing supply and demand which affect quantities going into intervention. Secondly the prices for the 1978/1979 marketing year will not be decided by the Council for another six months. Accordingly, this modification reduces intervention appropriations by a quarter, and transfers this quarter to Chapter 100 as a reserve, for use if and when necessary.

\* \* \*

## Draft amendment No 220

tabled by Mr Corrie and Mr Osborn, on behalf of the European Conservative Group

## Section III — Commission

*(A) Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase appropriations by 150 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Add a paragraph worded as follows :

( ) New offices abroad — Belfast office (Title 2) 150 000 EUA

## JUSTIFICATION

Northern Ireland is the most troubled region in the Community, yet it is a region in which the Community is not well known. Local opinion suggests that the Community is reluctant to face up to its social and economic responsibilities in this troubled region. A Commission office in Belfast would help to redress this grievance.

In his reply to a supplementary question from Mr Fletcher on 13 October 1976 at Strasbourg, Commissioner Thomson suggested that only the absence of a budget allocation prevented the opening of a Commission office in Belfast.

\* \* \*

## Draft amendment No 221

tabled by Mrs Dunwoody, Mr Adams, Mr Albers, Mr Carpentier, Mr Delmotte, Mr Dondelinger, Mr Dinesen, Lady Fisher, Mr Kavanagh, Mr Lezzi, Lord Murray and Mr Schreiber, on behalf of the Socialist Group

*(A) Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Unchanged

*(B) Revenue*

Unchanged

*(C) Remarks*

Insert a new paragraph worded as follows :

( ) Chapter 53 — Social Fund

(100 000 000 EUA in commitment appropriations)

## JUSTIFICATION

It is necessary to ensure that there are appropriations available to provide for any possible extensions of the actions of the Social Fund in certain sectors, or the opening of new areas or forms of action, which may follow from the re-examination of the rules of the Fund and decisions of the Council of Social Ministers' October meeting.

\* \* \*

Draft amendment No 222

tabled by Mr Cifarelli and Mr Bangemann, on behalf of the Liberal and Democratic Group

Section III — Commission

*(A) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 39 — Other expenditure on specific projects undertaken by the Institution

Article 390 — Research projects in the field of technology and industry

Enter an appropriation for payment for 1978 of 2 000 000 EUA

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Promotion of research projects of industrial interest

## JUSTIFICATION

In its resolution of March 1977 (PE 48.462) the Parliament stressed the urgent need to take measures for the promotion of research projects of industrial interest. The Commission had already emphasized the desirability of such measures in the context of its fourth programme of medium-term economic policy. This is the purpose of the Commission's proposal which meets the wishes of CREST, CERD and UNICE and must be considered as a trial. The proposed action is aimed in particular at small and medium-sized undertakings.

\* \* \*

Draft amendment No 224

tabled by Mr Aigner on behalf of the Christian Democratic Group

Section III — Commission

*(A) Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 28 — Subsidies for balancing budgets

Add the following new article :

Article 288 — University Institute in Florence

Increase appropriations by 1 EUA

**(B) Revenue**

Increase revenue accordingly

**(C) Remarks**

Following the amendment of the Convention setting up a European University Institute, this appropriation is intended to cover the subsidy to be paid from the general budget of the European Communities to balance the budget of the Institute.

**JUSTIFICATION**

To safeguard the European character of the Institute it is desirable for the Community as such to contribute to its budget. It is important in this connection to note the Commission's statement that 'in the context of the further development of the European Parliament's budgetary powers, it is desirable for the latter to be able also to control the expenditure of the European University Institute'.

The appropriation for commitment authorized for 1978 is 5 000 000 EUA<sup>1</sup>.

The estimated schedule of payments relative to commitments is as follows:

Commitments	Payments		
	1978	1979	1980
1978 : 5 000 000	5 000 000	—	—

**JUSTIFICATION**

The cost shown is based on a series of estimates made by the Commission and is perfectly reasonable having regard to the forecast expenditure for 1978 and the calendar of appropriations for commitment.

This action appears necessary to integrate measures for the improvement of agricultural structures in the sector of incentives in favour of forestry measures.

\* \* \*

Proposed modification No 225

tabled by Mr Aigner on behalf of the Christian Democratic Group

Section III — Commission

**(A) Expenditure**

Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section  
Chapter 81 — Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)

Article 810 — Common measures for the reform of agricultural structures

Item 8104 — Forestry measures for the improvement of agricultural structures

Enter an appropriation of 5 000 000 EUA.

**(B) Revenue**

Adjust revenue accordingly

**(C) Remarks**

Enter commitments of 5 000 000 EUA for 1978 and therefore add the following remarks:

Expenditure against this Item in 1978 arises from the amended proposal for a directive on forestry measures (COM (75) 88) based on Article 6 of Council Regulation (EEC) No 729/70 of

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

21 April 1970 on the financing of the common agricultural policy (OJ No L 94 of 28 April 1970, p. 13).

The intention is to introduce a system for the promotion of forestry measures with the express purpose of reinforcing the measures to improve agricultural structures and, in particular, Directives No 72/159/EEC and 72/160/EEC, and, in a wider context, to make forestry form part of a really effective pattern of land use.

The Commission proposes a system of aid and grants over ten years (to be reviewed after five years):

- afforestation grant (between 40 and 90 % of the cost; average : 60 %);
- capital grant (240 u.a. per hectare);
- grant for the conversion of woodland.

\* \* \*

Proposed modification No 226  
tabled by Mr Aigner on behalf of the Christian Democratic Group

Section III — Commission

(A) *Expenditure*

Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section  
Chapter 81 — Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)

Article 810 — Common measures for the reform of agricultural structures

Item 8105 — Special aid for young farmers

Enter an appropriation of 4 000 000 EUA

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Enter commitments of 4 000 000 EUA for 1978 and therefore add the following remarks:

This item is to cover expenditure arising from the Commission proposal to the Council of 3 December 1974. The Commission proposes to give aid at fixed degressive rates to young farmers (aged no more than forty) while they are implementing a development plan (maximum of five years). Duration of the operation: seven years. The aid is intended to offset the additional expenditure incurred by young farmers who have been farming for only a short time and are implementing a development plan.

The appropriation for commitment authorized for 1978 is 4 000 000 EUA<sup>1</sup>.

The estimated schedule of payments relative to commitments is as follows:

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 4 000 000	4 000 000	—	—

JUSTIFICATION

This aid is necessary to offset the growing burden encountered by recently established young farmers who are pursuing a development plan.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

\* \* \*

Draft amendment No 228/corr.  
tabled by Mr Krieg on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 33 — Expenditure on research and investment  
Article 336 — Indirect action programme  
Add a new item 3363 : — Light-water reactor safety  
Make a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

*New item :*

The programme proposal is in preparation within the Commission.  
It will be based on the Council Resolution of 22 July 1975 on the technological problems of nuclear safety (OJ C 185/75 of 14 August 1975).  
The project objective is to contribute to solving technological safety problems affecting light-water reactors, notably in fields only partially or incompletely covered by the various programmes in progress within the Community.

JUSTIFICATION

The Committee on Energy and Research considers that public anxiety concerning the safety of nuclear installations is a serious obstacle to the development of the Community's nuclear capacity. Research on reactor safety is therefore essential if nuclear energy is to be made acceptable to the general public.

\* \* \*

Draft amendment No 229  
tabled by Mr Aigner on behalf of the Christian Democratic Group

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states  
Chapter 94 — Specific measures for cooperation with developing countries  
Article 945 — Community contribution towards schemes concerning developing countries carried out by non-governmental organizations (NGOs)

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following remarks :

Based upon the Commission communication to the Council of 6 October 1975 (Doc. COM (75) 504 final of 6 October 1975) and the decision on financing taken by the budgetary authority in connection with the adoption of the budget for the financial year 1976 (entering of an appropriation of 2.5 million u.a. against Article 938).

The objective is the financing, jointly with the NGOs, of microprojects to benefit the poorest sections of the population in developing countries, whether associated or not.

The appropriation for commitment authorized for 1978 is 12 000 000 EUA.

The timetable of payments relating to the commitment is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 12 000 000	4 500 000	4 500 000	3 000 000

A sum of 37 000 EUA should be made available from the above total for a subsidy for the running of the NGO liaison committee. In addition, an indicative amount of 100 000 EUA could be used from this item to finance activities carried out in the Community by NGOs and arousing public interest in the problems of development.

#### JUSTIFICATION

The non-governmental organizations have proved over the years to be one of the most efficient means of channelling aid to developing countries. Although the Council has accepted (and increased) the amount authorized for 1978, this does not overcome the problem posed by the need to plan ahead longer than for one year only. For this reason, the Parliament supports the Commission's proposed use of commitment appropriations.

The NGOs have also asked for a liaison committee to be established. The cost of this to the Community is low, and the Parliament supports the proposal in principle, which should be financed from the above funds.

\* \* \*

Draft amendment No 231  
tabled by Mr Price on behalf of the Committee on Development and Cooperation

#### Section III — Commission

##### (A) *Expenditure*

- Title 9 — Cooperation with developing countries and non-member states
- Chapter 94 — Specific measures for cooperation with developing countries
- Article 945 — Community contribution towards schemes concerning developing countries carried out by non-governmental organizations (NGOs)

Reduce expenditure by 500 000 EUA

##### (B) *Revenue*

Reduce revenue accordingly

##### (C) *Remarks*

Unchanged

#### JUSTIFICATION

The Council has increased the amount authorized for payment in 1978 by 500 000 EUA, but rejected the principle of commitment over three years. The most efficient and effective use of funds, however, enabling all parties to plan ahead, depends upon a programme spread over a number of years. In view of this, Parliament believes that the amount for 1978 should be reduced to the amount originally proposed by the Commission, but that this should be conditional upon the acceptance of commitment appropriations.

\* \* \*

Draft amendment No 232/rev.  
tabled by the chairmen of the Political Groups of the European Parliament

Section I — Parliament

(A) *Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Article 1001 — Provisional appropriations  
Enter an appropriation of 9 680 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter the following remark :

'Appropriation to cover the European Parliament's contribution to information on elections to the European Parliament by direct universal suffrage'

JUSTIFICATION

An appropriation of 3 m u.a. was entered under this heading in 1977 (budget of Parliament, Chapter 100, Article 1001), with an allocation of 2 m u.a. to the political groups and 1 m u.a. for general information, to the Directorate-General for Information (10 000 u.a. of this sum was subsequently allocated to non-attached Members).

It is the unanimous view of the chairmen of the political groups that for 1978 the appropriation under this heading should be raised to 9 680 000 EUA, with an allocation of 1 000 000 EUA to the political groups and 4 840 000 EUA to general information.

\* \* \*

Draft amendment No 233  
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 30 — Expenditure in the social sector  
Article 305 — Community measures under the employment policy  
Item 30.52 — Community system of guaranteed incomes for workers during retraining  
Make a token entry

(B) *Revenue*

Unchanged

(C) *Remarks*

The Commission included, in the social action programme, the introduction or development in all Member States of national schemes to maintain the incomes of workers being retrained, possibly including Community aid adjusted to the Community's employment objectives at any given time. The Council did not adopt this proposal. The Commission states its intention to continue its work in this connection and reserved the right to present proposals, where appropriate.

## JUSTIFICATION

The European Parliament has repeatedly pointed out that the chances of success of retraining measures, which are so vital at this time of unemployment, depend essentially on the continuity of financing, as was demonstrated by experience within the framework of the ECSC Treaty. Parliament therefore considers that, pending the submission of specific projects, a token entry at least should be maintained for 1978.

\* \* \*

Draft amendment No 235  
tabled by Mr Fellermaier on behalf of the Socialist Group

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous operating expenditure  
Chapter 29 — Subsidies and financial contributions

Enter the following new article :

Article 293 : Special subsidies

Enter an appropriation of 150 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

This appropriation is to cover an operational subsidy to an independent, international commission, which it was decided to set up on 28 September 1977 and which is to consider the problem of the continuation of the North-South dialogue.

## JUSTIFICATION

The commission, which was proposed by President of the World Bank Mr McNamara and which is to be chaired by Nobel Peace Prize laureate Willy Brandt, is to submit a report on the future course of the North-South dialogue in the spring of 1979 to Secretary-General of the UN Kurt Waldheim, who will in turn forward it to governments and international institutions.

In order to carry out its work the Commission will require approximately 2 000 0000 EUA, all of which will have to come in the form of donations.

Since it is also in the interest of the European Communities that such a report should be drawn up by a number of internationally recognized persons, it is proposed that Parliament and the Commission should each contribute 150 000 EUA to the expenses under the general budget of the European Communities for 1978.

\* \* \*

Draft amendment No 236/rev. II

tabled by Mr Fellermaier on behalf of the Socialist Group

Mr Klepsch on behalf of the Christian-Democratic Group

Mr Durieux on behalf of the Liberal and Democratic Group

Mr de la Malène on behalf of the Group of European Progressive Democrats

Mr Rippon on behalf of the European Conservative Group

Mr Amendola on behalf of the Communist and Allies Group

## Section I — Parliament

*List of temporary posts*

- add one C 1 post and one C 3 post :
- post conversions : 1 B 3 to B 2
- 3 A 7 to A 6
- 2 A 5 to A 4

(A) *Expenditure*

Increase expenditure by 69 650 EUA

(B) *Revenue*

Increase revenue accordingly : 51 950 EUA <sup>1</sup>

(C) *Remarks*

Enter the following text :  
Strengthening of the political group secretariats.

## JUSTIFICATION

The preparation of the organization of the campaign for direct elections and the strengthening of the press services of certain groups together with the need to make a number of promotions which were not provided for in the draft estimates justify these new posts and post conversions.

## FINANCIAL STATEMENT

## BUDGET FOR ONE C 1 POST

<i>EXPENDITURE</i> — Chapter 11, Article 110 — Item 1100	52 000 EUA
— Item 1101	4 500 EUA
— Item 1102	8 200 EUA
— Item 1130	3 100 EUA
— Item 119	1 850 EUA
Total	69 650 EUA
<i>REVENUE</i> — Chapter 40	14 100 EUA
— Chapter 41	3 600 EUA
Total	17 700 EUA

\* \* \*

Draft amendment No 237/rev.

tabled by Mr Fellermaier, on behalf of the Socialist Group  
Mr Klepsch, on behalf of the Christian-Democratic Group  
Mr Durieux, on behalf of the Liberal and Democratic Group

## Section I — Parliament

(A) *Expenditure**List of posts*

- Add to the list of posts the following new posts : 6 LA 4 <sup>2</sup>, 6 LA 5, 1 C 1, 6 C 3/2 secretaries in C 2, 3 C 3/2 clerks in C 2, 1 D 3/2 in D 2.

<sup>1</sup> + 17 700 EUA from proceeds of taxation on salaries

<sup>2</sup> The LA 4 and LA 5 posts are reviser posts.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Additional staff for the translation, reproduction, distribution and mail departments, in particular for use by the political groups, in connection with the activities associated with preparations for the campaign leading up to the elections to the European Parliament.

## JUSTIFICATION

It is essential for the European Parliament and its organs to have at their disposal a larger translation department, with corresponding increases in the staff of the reproduction, distribution and mail departments.

This is particularly necessary for the preparation, translation and distribution of documents and press releases in the campaign leading up to elections to the European Parliament by direct universal suffrage.

The posts requested, which are equivalent to the minimum structure required to achieve the objective in question, would break down as follows :

- translation (6 languages) 6 × 1 LA 4 — 6 × 1 LA 5 — 6 × 1 C 3/2
- 1 C 1 (translation, reproduction, distribution coordination and planning)
- 2 C 3/2 and 1 D 3/2: reproduction, distribution
- 1 C 3/2 mail-telex.

(in EUA)

	1100	1101	1102	1103	1130	1131	TOTAL	Weight- ing	Revenue	
									Chap. 40	Chap. 41
<i>Translators</i>										
6 LA 4	178 400	15 000	26 400		5 400	1 800	227 000	15 900	47 000	12 000
6 LA 5	150 300	12 600	22 200		4 500	1 500	191 100	13 400	35 800	10 100
6 C 3/2 secretaries	56 800	4 800	8 400	3 000	1 700	500	75 200	5 100	3 400	3 800
1 C 1 secretary	12 100	1 000	1 800	500	400	100	15 900	1 100	1 200	800
<i>Reproduction distribution</i>										
2 C 3/2 clerks	19 000	1 600	2 800		500	200	24 100	1 700	1 200	1 300
1 D 3/2	7 300	600	1 100		200	100	9 300	700	300	500
<i>Mail/telex</i>										
1 C 3/2 clerk	9 500	800	1 400		300	100	12 100	900	600	700
	433 400	36 400	64 100	3 500	13 000	4 300	554 700	38 800	89 500	29 200

for 9 months — amounts rounded off

to the nearest hundred EUA *Expenditure*: 554 700 EUA + 38 800 EUA = 593 500 EUA

*Revenue*: 89 500 EUA + 29 200 EUA = 118 700 EUA

\* \* \*

Draft amendment No 238  
 tabled by Mr Fellermaier, on behalf of the Socialist Group  
 Mr Klepsch, on behalf of the Christian-Democratic Group  
 Mr Durieux, on behalf of the Liberal and Democratic Group

Section I — Parliament

(A) *Expenditure*

- Title 2 — Buildings, equipment and miscellaneous administrative expenditure
- Chapter 22 — Movable property and associated expenditure
- Article 220 — Office machinery
  - Increase this appropriation by 6 250 EUA
- Article 222 — Technical equipment and installations
  - Increase this appropriation by 6 250 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Typewriters and reproduction equipment or additional staff for the translation and reproduction-distribution departments.

JUSTIFICATION

The additional staff provided for under Amendment No 270/237 for a translation, reproduction and distribution department will give rise to the need for additional equipment not earmarked in the preliminary draft budget. Its total cost may be roughly estimated at the additional expenditure figures entered above.

\* \* \*

Draft amendment No 239  
 tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Statement of Revenue*

- Title 1 — Own Resources
  - Chapter 11 — Levies and other duties provided for under the common organization of the market in sugar (Article 2 (a) of the Council Decision of 21 April 1970)
  - Article 110 — Levies and other duties provided for under the common organization of the market in sugar (Article 2 (a) of the Council Decision of 21 April 1970)
- delete the items

(B) *Remarks*

Unchanged

JUSTIFICATION

Under the own resources system, the breakdown of estimates of receipts by a Member State is purely statistical in nature; therefore, it does not have a place in the budget itself at all but rather in the Explanatory Statement.

\* \* \*

Draft amendment No 240  
 tabled by the Committee on Budgets  
 Budgets

III — Commission

(A) *Statement of revenue*

Chapter 94 — Borrowing and lending  
 Article 942 — Community borrowings  
 — unchanged

(B) *Remarks*

Enter the following remarks :

Council Regulation (EEC) No 397/75 of 17 February 1975

*This entry represents the authorization given to the Commission by the budgetary authority, in respect of the financial year under consideration, to contract loans to aid Member States with balance of payments difficulties caused by the increase in the price of petroleum products.*

The maximum amount authorized for such loans for the financial year under consideration is 3 000 million US dollars.

This entry also covers any revenue arising from the EEC's claims on recipients of Community loans.

Annex II to Section III, Commission, of the general budget sets out all capital transactions and related debt management.

*This remark is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.*

JUSTIFICATION

The remark must make clear that the *authorization to borrow and lend* is given each year to the Commission by the budgetary authority. The remark must be binding since it lays down, in accordance with the basic regulation, the ceiling for borrowings/loans authorized for each financial year.

\* \* \*

Draft amendment No 241  
 tabled by the Committee on Budgets

Section III — Commission

(A) *Revenue*

Chapter 94 — Borrowing and lending  
 Article 941 — Euratom borrowings  
 — unchanged

(B) *Remarks*

— Enter the following remark :

*EAEC Treaty (Article 172 (4))*

Council Decision of 29 March 1977 (OJ No L 88 of 6 April 1977)

*This entry represents the authorization given to the Commission by the budgetary authority, for the financial year under consideration, to contract loans to help finance power stations.*

The maximum amount authorized for such loans for the financial year under consideration is 500 million EUA.

This entry also covers any revenue arising from Euratom's claims on recipients of Euratom loans.

Annex II to Section III, Commission, of the general budget sets out all capital transactions and related debt management.

This remark is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

#### JUSTIFICATION

The remark must make clear that the *authorization to borrow and lend* is given each year to the Commission by the budgetary authority. The remark must be binding since it lays down, in accordance with the basic regulation, the ceiling for borrowings/loans authorized for each financial year.

\* \* \*

Draft amendment No 242  
tabled by the Committee on Budgets

Section III — Commission

#### (A) *Statement of revenue*

Estimate of Commission revenue for the financial year 1978

Title 9 — Miscellaneous revenue

Chapter 94 — Borrowing and lending

Create a new Article 943: Community borrowing to finance industrial investment.

#### (B) *Remarks*

Add the following to the remarks column :

'Commission communication to the European Council of investment and loans in the European Community (COM (77) 300 final) of 15 June 1977.

Resolution of the European Parliament on the inter-institutional dialogue relating to certain budgetary questions of 15 June 1977 (Doc. 119/77, page 5).

This heading represents the authorization given to the Commission by the budgetary authority to contract loans in order to finance support of investments of Community interest in the sectors of energy, industrial reconversion and infrastructures, taking account of their regional impact. The maximum amount authorized for such loans is 1 000 million EUA. This entry also covers any revenue arising from the EEC's claim on recipients of such loans. Annex II to Section III — Commission of the General Budget sets out all capital transactions and related debt management.

This remark is binding within the meaning of Article 16c of the Financial Regulation of 25 April 1973.'

#### JUSTIFICATION

On 15 June 1977, the Commission launched an important proposal for the creation of loans to finance Community investment, the so-called 'Ortoli' loans.

The Commission had observed that, despite the massive investment needs of the Community (250 000 million EUA in the energy sector alone, up until 1985), the fixed capital formation effort within the Community had seriously declined in the 1970's. The European Council, on 25 March 1977, decided on the launching of a Community effort to stimulate investment.

It was agreed that instruments other than those already available (EIB loans, Community loans for countries with balance of payments difficulties and EURATOM loans) were necessary. Therefore, the Commission proposed a mechanism based on a loan ceiling of 1 000 million EUA without any limits on time.

Whilst this proposal has yet to receive a favourable reaction from the Council of Ministers despite the original impulsion from the European Council, the author of this amendment believes that Parliament should underline the urgency of a renewed Community investment effort in addition to the structural policies financed by the current account of the Community budget, which he believes to be insufficient in themselves to meet the tasks which the Community has assigned to the different social, regional and industrial policies.

Furthermore, it is vital at this stage that the European Parliament should underline the need for full budgetization of investment activities, so that the budgetary authority retains the ultimate responsibility.

The European Parliament has been unambiguous on this point. In its resolutions of 11 July 1975 (OJ No C 179/46 of 6 August 1975), 13 May 1976 (Doc. 97/76, 26 June), 10 May 1977 (OJ No C 133/21 of 6 June 1977) and 15 June 1977 (Doc. 119/77) the Parliament has clearly called for the development, rationalization and budgetization of Community lending and borrowing activities in order to stimulate the level of investment. It is now time to put these intentions into effect.

\* \* \*

Draft amendment No 243  
tabled by the Committee on Budgets

Section III — Commission

(A) *Revenue*

- Chapter 94 — Borrowing and lending  
— add an article 944 with the following heading :  
‘European Export Bank borrowings’  
— make a token entry

(B) *Remarks*

- enter the following remark :  
‘This entry represents the authorization given to the EEB by the budgetary authority to borrow funds.  
The maximum amount authorized for such borrowing in the financial year under consideration is ... EUA’.

#### JUSTIFICATION

In connection with the dialogue on certain budgetary questions (Doc. 119/77), Parliament took the view that ‘an additional budgetary line must be included authorizing and setting a ceiling on borrowings by the EEB’ (page 10). As in the case of the other Community borrowing and lending operations, a token entry should be made against this line. The maximum amount authorized for such borrowing and lending should appear in the remarks ; since the EEB is still not operational, it is impossible to set a precise ceiling.

\* \* \*

Draft amendment No 244  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Statement of revenue*

- Title 9 — Miscellaneous revenue  
Chapter 95 — Miscellaneous revenue  
Article 950 — Amend heading to read :  
‘Revenue from investments and loans, bank interest and other items  
— bank interest.’

(B) *Remarks*

Unchanged

#### JUSTIFICATION

The heading in the draft budget at Article 950 is misleading as now worded. The draft amendment improves the wording and, by rearranging the presentation, adds to budgetary clarity.

\* \* \*

Draft amendment No 245  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Statement of revenue*

- Title 9 — Miscellaneous revenue
- Chapter 99 — Other miscellaneous revenue
- Article 990 — Amend heading to read :  
'Repayments of duties and charges on research operations by the French and Italian Governments.'

(B) *Revenue*

Delete the token entry

(C) *Remarks*

Add the following remarks :

'This article was initially created to accommodate some relatively large receipts which are now utilized by the "re-use procedure".'

JUSTIFICATION

Since the revenue for which this line was initially created is now utilized by the 're-use procedure', this line may be deleted from the 1979 budget. Pursuant to the financial regulation, however, it ought to remain for the 1978 budget, in view of the figure in the 1976 column.

\* \* \*

Draft amendment No 246  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

*List of posts*

Delete 6 LA 5 posts, 7 LA 6 and 7 LA 7 posts

(A) *Expenditure*

Reduce the Commission's expenditure by 456 800 EUA

(B) *Revenue*

Reduce revenue accordingly

JUSTIFICATION

The Council accorded approximately one quarter of the posts requested by the Commission for the 1978 financial year in drawing up the draft budget. Of the 126 (100 permanent and 26 temporary) posts created, no less than 40 were for linguistic staff (interpreters and translators). Of these 40, 20 were destined to cover the transformation of auxiliary into temporary posts and 20 permanent posts were added.

In view of the stringency with which the Council claims to have treated the administrative budget of the Commission and in view of the need to spread extra staff evenly between the services and because approximately 180 posts in the linguistic bracket remain vacant, it is proposed to delete the extra 20 linguistic posts and to free resources which could be used to permit the Commission to recruit extra staff in sectors where the need appears far greater.

\* \* \*

## FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows :

*Expenditure*

## Title 1 — Chapter 11 — Staff

			<i>EUA</i>
Article 110			
Item 1100	— Basic salaries	reduce this appropriation by	284 000
Item 1101	— Family allowances	reduce this appropriation by	26 000
Item 1102	— Expatriation allowances	reduce this appropriation by	36 000
Item 1130	— Insurance against sickness	reduce this appropriation by	8 000
Item 1131	— Insurance against accidents	reduce this appropriation by	1 900
Item 1141	— Annual leave travel expenses	reduce this appropriation by	5 000
Article 119	— Weightings	reduce this appropriation by	25 000
			<hr/>
Total reduction under Chapter 11			385 900
			<hr/>

## Title 1 — Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer

Item 1211	— Travel expenses Staff (including members of the family)	reduce this appropriation by	3 700
Item 1221	— Installation, resettlement and transfer allowances (staff)	reduce this appropriation by	62 000
Item 1231	— Removal expenses Staff	reduce this appropriation by	36 000
Article 124	— Temporary daily subsistence allowances	reduce this appropriation by	45 000
Article 129			4 700
			<hr/>
Total under Chapter 12			151 400
			<hr/>
Total under Chapters 11 and 12			537 300
			<hr/>

*Revenue*

Title 4	— Deductions from staff remuneration		
Chapter 40	— Proceeds of taxation on salaries, wages and allowances of officials and other servants		
Article 400	— Proceeds of taxation on salaries, wages and allowances of officials and other servants		
	reduce this appropriation by		61 400
Chapter 41	— Staff contributions to the pension scheme		
Article 410	— Staff contributions to the pensions scheme		
	reduce this appropriation by		19 100
			<hr/>
			80 500
			<hr/>

Draft amendment No 247  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

*List of posts*

Add 115 posts to be divided up as follows : 8 A6, 15 B1, 17 B2, 16 B3, 2 B4, 2 B5, 20 C1, 18 C2, 17 C3.

(A) *Expenditure*

Increase expenditure by 1 890 200 EUA

(B) *Revenue*

Increase revenue accordingly

JUSTIFICATION

The author of this amendment has seriously examined the requests made by the Commission and the extremely brief explanation by Council as to why it has agreed to the creation of only one-quarter (126) of the posts requested by the Commission. In view of the explanations provided and in view of the economy which is proposed for the linguistic services, it is proposed that three particular aspects of the Commission's structure be strengthened.

(i) *Security control — EURATOM*

Under the agreement between the Community and the International Atomic Energy Agency of 21 April 1977, the Commission has been given responsibility for the control of security on stocks and movement of nuclear substances. These extra responsibilities require qualified staff. For this reason, it is proposed to recruit the following : 8 A, 25 B and 10 C officials. This is the minimum necessary in order to carry out the work of inspection and control confided in the Commission by Council this year.

(ii) *EAGGF (DG 6)*

The immense tasks allocated to the Community in the context of the Common Agricultural Policy require a large number of executive staff to carry out basic implementation work. At present, administrators within DG 6 are not given the opportunity to carry out conceptual work which might lead to improvements in the policy, because they have to devote too much time to the more mundane tasks of management. It is, therefore, proposed to create 17 B and 20 C posts to relieve the work load and to strengthen the different sectoral services.

(iii) *Infrastructure general services*

Certain of the Communities' general services require immediate strengthening in view of growing tasks. In particular, the general secretariat administration and the Budget DG require extra support in the B and C categories, simply to maintain the present effort. It is, therefore, proposed to create 10 B and 25 C posts (approximately one-half the original requests from the Commission).

It is to be noted that the author of this amendment has limited himself to three specific areas. An increase would be exclusively in categories B and C except for the security control unit. The approach has been selective in contrast to the arbitrary cut made by Council.

FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows :

*Expenditure*

## Title 1 — Chapter 11 — Staff

			<i>EUA</i>
Article 110			
Item 1100	— Basic salaries	increase this appropriation by	1 113 000
Item 1101	— Family allowances	increase this appropriation by	104 700
Item 1102	— Expatriation allowances	increase this appropriation by	138 800
Item 1130	— Insurance against sickness	increase this appropriation by	30 000
Item 1131	— Insurance against accidents	increase this appropriation by	7 400
Item 1141	— Annual leave travel expenses	increase this appropriation by	28 700
Article 119	— Weightings	increase this appropriation by	103 000
Total under Chapter 11			1 525 600

## Title 1 — Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer

Item 1211	— Travel expenses Staff (including members of the family)	increase this appropriation by	21 000
Item 1221	— Installation, resettlement and transfer allowances (staff)	increase this appropriation by	244 000
Item 1231	— Removal expenses Staff	increase this appropriation by	207 000
Article 124	— Temporary daily subsistence allowances		190 000
Article 129			18 000
Total under Chapter 12			680 000
Total under Chapters 11 and 12			2 205 600

*Revenue*

Title 4	— Deductions from staff remuneration		
Chapter 40	— Proceeds of taxation on salaries, wages and allowances of officials and other servants		
Article 400	— Proceeds of taxation on salaries, wages and allowances of officials and other servants		
Increase this appropriation by			240 400
Chapter 41	— Staff contributions to the pension scheme		
Article 410	— Staff contributions to the pension scheme		
Increase this appropriation by			75 000
			315 400

Draft amendment No 248  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

*List of posts*

Amend the establishment plan by the following upgradings :

Category A	plus 34 A4	minus 34 A5
	plus 14 A6	minus 14 A7
Category B	plus 4 B1	minus 4 B2
Category C	plus 26 C1	minus 26 C2
	plus 13 C2	minus 13 C3

(A) *Expenditure*

Increase expenditure by 86 400 EUA

(B) *Revenue*

Increase revenue accordingly

JUSTIFICATION

For several years, the Commission has suffered from the absence of a coherent career policy. It is reasonable that the European Communities should offer prospects of career development to its officials if it is to continue to attract competent individuals. Over a long period of time, and largely because of the lack of outward mobility of officials, bottlenecks have developed in certain categories which means that many people who have been in a certain grade for a long period of time have had no possibility of career development, however talented or senior they may be.

The Commission is now pursuing improvements in recruitment policy and internal mobility which encourages the author of this amendment to propose that at least part of the requests for upgradings made by the Commission in the preliminary draft should be granted.

In the draft budget of Council the requests made by the Commission were scarcely satisfied. Council agreed to one-third of the requests made originally in the preliminary draft supplementary budget for 1977 and one-quarter of the requests for regradings in the 1978 preliminary draft. This amounted to 61 extra promotion possibilities. In the view of the Commission this is far from sufficient to overcome the bottlenecks and new possibilities should be given.

Council has provided no explanation as to why it was so meagre with the Commission's requests. On the Commission's side, adequate explanations have been provided, in the budget and also in supplementary reports on the problems of career development in the Commission.

In the view of the author of this amendment, the proposals made are the absolute minimum necessary to open up reasonable career prospects for a large number of officials.

FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows :

*Expenditure*

Title 1 — Chapter 11 — Staff

		<i>EUA</i>
Article 110		
Item 1100	— Basic salaries	increase this appropriation by 79 500
Item 1101	— Family allowances	increase this appropriation by 7 600
Item 1102	— Expatriation allowances	increase this appropriation by 9 700
Item 1130	— Insurance against sickness	increase this appropriation by 2 400
Item 1131	— Insurance against accidents	increase this appropriation by 500
Article 119	— Weightings	increase this appropriation by 9 200
	Total under Chapter 11	108 900

*Revenue*

## Title 4 — Deductions from staff remuneration

Chapter 40 — Proceeds of taxation on salaries, wages and allowances of officials and other servants

Article 400 — Proceeds of taxation on salaries, wages and allowances of officials and other servants

Increase this appropriation by 17 200

Chapter 4 Staff contributions to the pension scheme

Article 410 Staff contributions to the pension scheme

Increase this appropriation by 5 300

22 500

\* \* \*

## Draft amendment No 249

tabled by Mr Shaw on behalf of the Committee on Budgets

## Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 25 — Expenditure on formal and other meetings

Article 251 — Committees

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Add the following paragraph :

The precise list of these committees is contained in an annex to this section of the budget.

## JUSTIFICATION

The list of the committees concerned and certain information on the nature of reimbursements made to the experts are given by the Commission in the explanatory volume accompanying the preliminary draft budget. It would be desirable to include this list and information in the budget.

\* \* \*

## Draft amendment No 250

tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

## Section I — Parliament

*Establishment plan*

Complete the establishment plan as follows :

+ 1 B 5/4 (at B 5)

**(A) Expenditure**

Increase expenditure by 11 000 EUA<sup>1</sup>

**(B) Revenue**

Increase revenue accordingly. + 9 700 EUA<sup>2</sup>

**(C) Remarks**

Unchanged

## JUSTIFICATION

The day nursery does not at present have a full time qualified nurse. It has become urgently necessary to remedy this situation.

<sup>1</sup> Breakdown by item :

1100 :	8 000 EUA
1101 :	700 EUA
1102 :	1 200 EUA
1130 :	300 EUA
1131 :	100 EUA
119 :	700 EUA
<hr/>	
<i>Expenditure :</i>	11 000 EUA
Chap. 40 :	800 EUA
Chap. 41 :	500 EUA
<hr/>	
Revenue :	1 300 EUA

<sup>2</sup> + 1 300 EUA from proceeds of taxation on salaries

\* \* \*

## Draft amendment No 251

tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

## Section I — European Parliament

**(A) Expenditure**

Title 1 — Expenditure relating to persons working with the Institution  
 Chapter 14 — Expenditure on social welfare  
 Item 1490 — Other expenditure  
 Increase appropriations by 72 000 EUA

**(B) Revenue**

Increase revenue accordingly

**(C) Remarks**

Unchanged

## JUSTIFICATION

The operation of the day nursery must be improved. It has now become essential to install it in more adequate premises than those available at present.

The full time services of a qualified nurse have also become essential.

A satisfactory solution to these problems will have to be found next year.

The increase requested is purely indicative, corresponding to half the appropriations at present entered against this item. Its purpose is to stress the urgent need for a remedy to an unsatisfactory situation. There is an entry in the estimates (Item 1010 for the rental and installation of a new day nursery) but that programme will take two years to implement. Urgent solutions must be found in the meantime.

\* \* \*

Draft amendment No 252  
 tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section I — European Parliament

\* \* \*

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous operating expenditure  
 Chapter 29 — Subsidies and financial contributions  
 Article 294 — Scholarships  
 Item 2940 — Scholarships granted for research and study

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

The enlarged Bureau and the Committee on Budgets have agreed to increase the monthly value of the Schuman grants from 16 000 to 20 000 FB. They have also agreed not to reduce the present number of grants which stands at 25.

This decision was taken after the adoption of Parliament's estimates in June; the resulting financial consequences are therefore not shown in the estimates. Provision must now be made for them before definitive adoption of the budget of the Communities of which the estimates of Parliament are the first section.

\* \* \*

Draft amendment No 253  
 tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous operating expenditure  
 Chapter 29 — Subsidies and financial contributions  
 Article 299 — Other subsidies and financial contributions towards inspection costs  
 Item 2990 — Subsidies and financial contributions towards the cost of group visits  
 Increase expenditure by 310 545 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

Requests for group visits are constantly on the increase.

Furthermore, it is necessary to take into account the increase in travelling costs and the decisions of the enlarged Bureau of 27 May 1977 under which the allowance for certain groups of visitors was increased.

\* \* \*

Draft amendment No 254  
 tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section I — European Parliament

(A) *Expenditure*

Title 3 — Expenditure resulting from the Institution carrying out special functions  
 Chapter 37 — Expenditure relating to certain institutions and bodies  
 Article 374 — Share of expenditure of the Audit Board  
 Cancel the appropriation of 850 000 EUA entered

(B) *Revenue*

Reduce revenue accordingly

(C) *Remarks*

Cancel the remarks

JUSTIFICATION

Until the financial year 1977, half the appropriations for the Audit Board were entered in the estimates of Parliament and half in the estimates of the Council.

The creation of the Court of Auditors has changed this situation. The budget now includes a separate section relating to the revenue and expenditure of the Court of Auditors.

\* \* \*

Draft amendment No 255  
 tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section I — European Parliament

(A) *Expenditure*

Title 3 — Expenditure resulting from the Institution carrying out special functions  
 Chapter 37 — Expenditure relating to certain institutions and bodies  
 Article 375 — Share of the expenditure of the ECSC auditor  
 Cancel the appropriation of 149 300 EUA entered

(B) *Revenue*

Reduce revenue accordingly

(C) *Remarks*

Cancel the remarks

JUSTIFICATION

Until the financial year 1977, half the appropriations for the ECSC auditor were shown in the estimates of Parliament and half in the estimates of the Council.

The creation of the Court of Auditors changes this situation. The budget now includes a separate section relating to the revenue and expenditure of the Court of Auditors.

\* \* \*

Draft amendment No 256  
tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section I — European Parliament

(A) *Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase expenditure by 5 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following remarks :

'Indicative estimate of the appropriations required to rent, fit out and furnish the additional installations and premises in Strasbourg, Luxembourg and Brussels with a view to the operation of the Parliament elected by direct universal suffrage. These appropriations are frozen and can only be used after the Committee on Budgets has delivered a favourable opinion'.

JUSTIFICATION

As indicated by the rapporteur in the report on the draft estimates approved by the Committee on Budgets and the Parliament on 13 June 1977, it is difficult to calculate the amounts needed to meet expenditure resulting from rental, fitting out and furnishing of the installations which will be used by the elected Parliament. It is however certain that additional appropriations will be required to cover the rental, fitting out and furnishing of the additional premises which will have to be provided to enable the 410-member Parliament to pursue its activities under normal conditions.

The proposed appropriation is purely indicative. It does not reflect a precise calculation but has been set at 5 000 000 EUA because the present appropriation entered for the same requirements in respect of a 198-member Parliament is similar in scale (5 050 000 EUA for the rental, fitting out and furnishing of buildings).

\* \* \*

Draft amendment No 257  
tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 1 — Expenditure relating to persons working with the Institution  
Chapter 11 — Staff  
Article 111 — Other staff  
Item 1110 — Auxiliary staff  
Increase this appropriation by 55 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter the following remarks against this item :

'Appropriation required for the recruitment of two teams of auxiliary staff (duplicator operators) during four weeks in Strasbourg and four days in Luxembourg.

This appropriation may be used as the need arises.'

## JUSTIFICATION

In 1977, the increase in the activities of the reproduction and distribution section already revealed the need to use the reproduction workshops in Strasbourg during four weeks each year. The same urgent requirement has arisen for the Luxembourg workshops.

The proposed increase will only enable the growing requirements for the reproduction of texts in the Parliament's own workshops to be partially met. The most important change in the present situation must consist in a reduction in the number of texts to be reproduced, especially when the texts are not those of the European Parliament.

If no such reduction were envisaged it would be necessary to provide for an endless growth and development of the reproduction workshops which cannot be envisaged and is out of the question because of the resulting serious impact on the establishment plan and appropriations.

\* \* \*

Draft amendment No 258  
tabled by Mr Cointat on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Article 1001 — Provisional appropriations  
Enter an appropriation of 9 680 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter the following remark against this appropriation :

'Amount intended to cover the European Parliament's contribution to information on election by direct universal suffrage. Use of these appropriations is subject to control by the responsible bodies of Parliament (this provision also to apply to the giving of a discharge) according to the procedure fixed by joint agreement between the Bureau and the Committee on Budgets; this procedure was applied to the identical credits in respect of the 1977 financial year.'

## JUSTIFICATION

This draft amendment is identical to that tabled by the chairmen of the political groups (PdA 270/232/rev.).

An addition has been made to the remarks to underline the need for control by the bodies of Parliament over the utilization of this appropriation.

\* \* \*

Draft amendment No 259  
tabled by Mr Cointat on behalf of the Committee on Budgets

Section I — Parliament

*List of posts*

Add the following posts :

1 A 5/4 (A 4)  
1 A 7/6 (A 6)  
2 C 3/2 (C 3)

*(A) Expenditure*

Increase expenditure by 59 800 EUA

*(B) Revenue*

Increase revenue accordingly : 49 300 EUA <sup>1</sup>

## - JUSTIFICATION

At its meeting of 18 October 1977, the Committee on Budgets once again agreed on the need for a quantitative and qualitative strengthening of its secretariat and for a single secretariat to be maintained for the Committee on Budgets and its control subcommittee for the reasons of substance already explained in many reports adopted by Parliament.

The increase in the establishment plan of the secretariat of the Committee on Budgets is intended to meet the growing work load resulting from the establishment of the Court of Auditors.

\* \* \*

## FINANCIAL STATEMENT

*Expenditure*

## Title 1 — chapter 11 : staff — Article 110

Item 1100 — basic salaries	44 500 EUA
1101 — family allowances	3 600
1102 — expatriation allowances	7 700
1130 — sickness insurance	1 500
Article 116 — weighting	4 500
	<hr/>
	59 800 EUA

*Revenue*

## Title 4

Chapter 40 : proceeds of taxation on the salaries, wages and allowances of officials and other servants	7 500
41 : staff contributions to the pension scheme	3 000
	<hr/>
	10 500

\* \* \*

## Draft amendment No 260

tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

## Section II — Annex I — Economic and Social Committee

List of posts — add the following to the establishment plan :

1 A 4, 1 B 1, 1 C 1, 1 C 3/2 (C 3)

<sup>1</sup> + 10 500 EUA from proceeds of taxation on salaries

(A) *Expenditure*

Increase expenditure by 53 500 EUA \*

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Unchanged

## JUSTIFICATION

The level of activity of the secretariat of the Economic and Social Committee is on the increase, in particular following the acquisition by the Committee of the right of initiative as a result of the recommendations made some years ago by the Conference of Heads of State or Government.

The establishment plan of the E.S.C. has been expanded over these past few years at a slower pace, so that it does not fully correspond to the needs associated with the increase in activity. These new posts, added to those allowed by the Council when it drew up the draft budget, meet only about half the requests put forward by the E.S.C. with respect to its establishment plan needs for the next financial year.

## FINANCIAL IMPLICATIONS

## \* BREAKDOWN BY ITEM

<i>Expenditure</i> — Chapter 11, Article 110 — Item 1100	48 600 EUA
— Item 1101	4 200 EUA
— Item 1102	7 200 EUA
— Item 1130	1 400 EUA
— Item 1131	600 EUA
— Item 119	4 500 EUA
<b>Total</b>	<b>66 500 EUA</b>
 <i>Revenue</i> — Chapter 40	 9 800 EUA
— Chapter 41	3 200 EUA
<b>Total</b>	<b>13 000 EUA</b>

\* \* \*

## Draft amendment No 261

tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

## Section II — Annex I — Economic and Social Committee

List of posts — amend the establishment plan as follows :

+ 5 C 4 ; — 5 C 5 ;  
+ 2 D 1 ; — 2 D 3/2.

(A) *Expenditure*

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

## JUSTIFICATION

For several years staff in the lower career bracket of these categories have been denied advancement despite their proficiency at work.

These changes meet only half of the requests put forward by the Economic and Social Committee, as regards conversions both from D 3/2 into D 1 and from C 5 into C 4.

\* \* \*

Draft amendment No 262  
tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section II — Annex I — Economic and Social Committee

Title 10 — Other expenditure  
Chapter 100 — Contingency appropriations

(A) *Expenditure*

Add an appropriation of 100 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following remarks against this entry :

'Appropriation necessary for the operation of the secretariat restaurant. Half of this appropriation (50 000 EUA) is frozen. It will be released by the budgetary authority after examining detailed plans to be submitted by the ESC.'

JUSTIFICATION

Since its preliminary draft budget was drawn up, the Economic and Social Committee has rented new premises, including a large area already used as a restaurant by the institutions that had previously used the building.

It is, moreover, readily understandable that the Committee, the only Community institution still without its own restaurant, should increasingly feel the need for one.

\* \* \*

Draft amendment No 263  
tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section II — Annex I — Economic and Social Committee

Title 2 — Buildings, equipment and miscellaneous operating expenditure  
Chapter 22 — Movable property and ancillary expenses  
Article 220 — Office machinery

(A) *Expenditure*

Add an appropriation of 29 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

Under Items 2200 'Initial equipment' and 2201 'Renewals' the Council has earmarked an appropriation of 16 000 EUA. The Economic and Social Committee had originally estimated its

requirements under these two headings at 30 000 and 60 000 EUA respectively. It considered these appropriations indispensable in the light of the appreciable increase in its workload and the technical problems raised by the need to produce documents to very short deadlines. It is therefore justifiable to accept at least 50 % of the Committee's estimates and to increase the appropriation of 16 000 EUA fixed by the Council to 45 000 EUA.

The additional 29 000 EUA are to be allocated as follows :

9 000 EUA to Item 2200 and

20 000 EUA to Item 2201

This allocation is justified in particular by the fact that the funds under Item 2201 are needed to cover the replacement of very obsolete offset machinery.

\* \* \*

Draft amendment No 264

tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Statement of revenue*

Title 1 — Own resources

Chapter 10 — Levies, premiums, supplementary or compensatory amounts, additional amounts or part 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)

Article 100 — Levies, premiums, supplementary or compensatory amounts, additional amounts or part 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)

Increase revenue by 30 million EUA

(B) *Remarks*

—

#### JUSTIFICATION

The estimate of revenue concerning levies was calculated on the basis of the special arrangement resulting from reductions in the levy on beef originating in ACP states. These reductions, based on the safeguard clause, should in principle be exceptional in nature. However, the safeguard clause was abrogated on 1 April 1977 and the exceptional nature of these measures was found to be more apparent than real. From the point of view of budgetary technique, these reductions in levy are equivalent in fact to a contraction of revenue and expenditure and therefore could be regarded as contravening the principle of budgetary universality : they play a role in subsidizing exports which ought to be financed from the general budget.

From the point of view of the security and stability of the receipts of ACP States' exporters of beef, a definitive solution is preferable to the periodic renewal of exceptional measures.

Furthermore, these reductions in levies became difficult to reconcile with the common agricultural policy in so far as their exceptional character became permanent.

\* \* \*

Draft amendment No 265

tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Statement of revenue*

Title 1 — Own resources

Chapter 10 — Levies, premiums, supplementary or compensatory amounts, additional amounts or part 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)

Article 100 — Levies, premiums, supplementary or compensatory amounts, additional amounts or part 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)

Delete the items

(B) *Remarks*

Unchanged

#### JUSTIFICATION

Under the own-resources system, the breakdown of estimates of receipts by Member States is purely statistical in nature; therefore, it does not have a place in the budget itself at all but in the explanatory statement.

\* \* \*

Draft amendment No 266  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the energy policy

— amend the heading of Item 3291 to read:

'Euratom loans'

(B) *Revenue*

— unchanged

(C) *Remarks*

— enter the following remark:

*EAEC Treaty (Article 172 (4))*

*This entry represents the authorization given to the Commission by the budgetary authority, for the financial year under consideration, to contract loans to help finance nuclear power stations.*

The upper limit on total authorized loans for the financial year under consideration is 500 million EUA.

Community guarantee

Should the recipient of a loan default and the related guarantees cannot be brought into operation in time, having regard to the due dates, the Commission would use its cash resources to provisionally service the debt of the Community under its direct legal obligations to the lenders.

Any actual expenditure which the Community might ultimately have to incur where the abovementioned guarantees have not operated is charged to this article; the Community would then have to take action against the defaulting debtors.

All capital transactions, and the management of the related indebtedness, are set out in Annex II to Section III, Commission, of the general budget.

This remark is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

## JUSTIFICATION

The expenditure heading of the budget should cover the *loans* granted by the Community and not the borrowings contracted by it, which are covered under the revenue heading (the English text of the draft budget already has 'Euratom *loans*').

The remark must make clear that the *authorization to borrow and lend* is given each year to the Commission by the budgetary authority. The remark must be binding since it lays down, in accordance with the basic regulation, the ceiling for borrowings/loans authorized for each financial year.

\* \* \*

Draft amendment No 267  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2 — buildings, equipment and miscellaneous administrative expenditure

Chapter 29 — subsidies and financial contributions

Article 291 — subsidies to European movements

Increase the appropriations by 1 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Complete the text as follows :

'This appropriation of 1 m EUA will be frozen until the European Parliament has adopted a programme for the publishing and distribution of a European telephone directory.'

## JUSTIFICATION

The Committee on Budgets considers that a subsidy of this kind can be granted for the purchase and distribution of a number of copies of common market telephone directories. It also wonders whether this initiative should not in future be taken over by the national telephone companies and structured to provide an effective instrument of information.

\* \* \*

Draft amendment No 268  
tabled by Mr Cointat, rapporteur on behalf of the Committee on Budgets

Section I — Parliament

*List of posts*

+ 1 A7/6 (A7)

+ 1 B3/2 (B3)

+ 1 C3/2 (C3)

to set up a data-processing department

*(A) Expenditure*

Increase expenditure by 44 700 EUA \*

*(B) Revenue*

Increase expenditure accordingly: 36 900 EUA <sup>1</sup>

## JUSTIFICATION

The enlarged Bureau considers it desirable to set up within the Secretariat a data-processing coordination department.

Although the rapporteur is in principle in favour of setting up this department, he can give only partial support to the proposals submitted with regard to the establishment required. In his opinion the initial core of data-processing staff should be fairly small, pending a careful study to establish the correct size of such a department within the Secretariat.

## FINANCIAL IMPLICATIONS

## BREAKDOWN BY ITEM

<i>Expenditure</i> — Chapter 11, Article 110 — Item 110	33 000 EUA
— Item 1101	2 800 EUA
— Item 1102	4 800 EUA
— Item 1130	1 000 EUA
— Item 1131	400 EUA
— Item 119	700 EUA
<b>Total</b>	<b>44 700 EUA</b>
<i>Revenue</i> — Chapter 40	5 600 EUA
— Chapter 41	2 200 EUA
<b>Total</b>	<b>7 800 EUA</b>

\* \* \*

Draft amendment No 269  
tabled by Mr Shaw on behalf of the Committee on Budgets

*(A) Statement of revenue*

- Title 1 — Own resources
- Chapter 12 — Customs duties and other duties referred to in Article 2 (b) of the Council Decision of 21 April, 1970
- delete the Items

*(B) Remarks*

Unchanged

## JUSTIFICATION

Under the own resources system, the breakdown of estimates of receipts by a Member State is purely statistical in nature; therefore, it should not appear in the budget proper.

\* \* \*

<sup>1</sup> + 7 800 EUA from proceeds on taxation on salaries

Draft amendment No 270  
tabled by Mr Shaw on behalf of the Committee on Budgets

(A) *Statement of revenue*

- Title 1 — Own resources  
Chapter 13 — Value-added tax provided for in Article 4 of the Council Decision of 21 April 1970  
Article 130 — Value-added tax provided for in Article 4 of the Council Decision of 21 April 1970  
— delete the Items

(B) *Remarks*

Enter under the remarks the breakdown shown in Article 130. The text of the remarks should therefore be completed as follows :

Belgium . . . . .	239 358 679
Denmark . . . . .	110 737 779
Federal Republic of Germany . . . . .	1 500 806 427
France . . . . .	1 124 573 101
Ireland . . . . .	37 141 864
Italy . . . . .	713 261 349
Luxembourg . . . . .	8 253 748
Netherlands . . . . .	308 139 908
United Kingdom . . . . .	636 226 372

JUSTIFICATION

Under the own-resources system, the breakdown of estimates of receipts by a Member State is purely statistical in nature ; therefore, it should not appear in the Budget proper.

\* \* \*

Draft amendment No 271  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 2 — Buildings, equipment and miscellaneous administrative expenditure  
Chapter 27 — Expenditure on publishing and information  
Article 272 — Expenditure on the dissemination of information and on participation in public events  
Item 2729 — Information projects relating to direct elections to the European Parliament  
Increase appropriations by 4 000 000 EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following sentence to the remarks :

2 000 000 EUA are to remain blocked until the European Parliament has accepted the information programme proposed by the Commission.

JUSTIFICATION

The Committee on Budgets endorses the views put forward by the Political Affairs Committee (PdA 79) in its proposed changes to the remarks and in the justification of its amendment. However, it considers it essential to block half the requested appropriations (2 000 000 out of 4 000 000), firstly to

encourage the Commission to present an information programme and secondly to enable the responsible bodies of Parliament to evaluate the Commission's proposals.

\* \* \*

Draft amendment No 272  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure  
Chapter 28 — Subsidies for balancing budgets  
Article 283 — Subsidy for the running of the European Foundation  
Enter an appropriation of 500 000 EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Amend and complete the remarks as follows :

'This budget line has been entered pending a possible Council decision to establish a European Foundation. This appropriation is frozen. It will be released by the Parliament once the European Institutions have adopted the provisions relating to the creation of this foundation'.

#### JUSTIFICATION

The European Parliament supports the creation of the European Foundation proposed in the report by Mr Tindemans on European Union published more than 18 months ago.

It is inadmissible for the Commission to be required to present a further report on this matter and, to encourage a rapid decision by the Institutions, it is proposed to enter an actual figure in the budget for the financial year 1978 instead of the token entry proposed by the Commission and approved by the Council so that preliminary work on the setting up of the Foundation can begin in 1978.

\* \* \*

Draft amendment No 273  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure  
Chapter 28 — Subsidies for balancing budgets  
Article 288 — European University Institute  
Enter an appropriation of 1 000 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Complete the remarks as follows :

'This appropriation is intended to cover — following the amendment of the Convention of 19 April 1972 (OJ No C 29 of 9 February 1976) setting up the European University Institute in

respect of the financing of the Institute's budget — the subsidy to be paid from the general budget of the European Communities in order to balance the budget of the European University Institute. These appropriations will be frozen until Parliament has examined the estimates and programme of the University for 1978'.

#### JUSTIFICATION

It is clear that the proposed appropriations correspond to about one fifth of the total expenditure of the Institute in 1978. However, since the amendment of the administrative instruments governing the Institute will take a great deal of time, it seems realistic to effect partial budgetization for the 1978 financial year.

\* \* \*

Draft amendment No 274  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous operating expenditure

Chapter 29 — Subsidies and financial contributions

Article 291 : Special subsidies to European Movements

Enter an appropriation of 300 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following :

'This appropriation is to cover an operational subsidy to an independent, international commission, which it was decided to set up on 28 September 1977 and which is to consider the problem of the continuation of the North-South dialogue. The appropriation is to be frozen until such a time as the European Parliament has received further information on the progress of the commission.'

#### JUSTIFICATION

The commission, which was proposed by President of the World Bank, Mr McNamara, and which is to be chaired by Nobel Peace Prize laureate, Willy Brandt, is to submit a report on the future course of the North-South dialogue in the spring of 1979 to Secretary-General of the UN, Kurt Waldheim, who will in turn forward it to governments and international institutions.

In order to carry out its work the commission will require approximately 2 000 000 EUA, all of which will have to come in the form of donations.

Since it is also in the interest of the European Communities that such a report should be drawn up by a number of internationally recognized persons, it is proposed that the Commission should contribute 300 000 EUA to the expenses under the general budget of the European Communities for 1978. Nevertheless it is proposed to freeze these appropriations on the line until Parliament and its committees have received fuller information on progress so far.

\* \* \*

Draft amendment No 275  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure  
Chapter 29 — Subsidies and financial contributions  
Create a new Article 293 — Subsidy for non-governmental organizations of European interest  
in the field of science and technology

Enter an appropriation of 60 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following :

'New Article : This appropriation is intended to cover subsidies to non-governmental international organizations of European interest in the field of science and technology'

JUSTIFICATION

The Commission provided a full justification for this item together with additional information as to how the appropriations would be used.

In particular, it seems that non-governmental organizations in the area of science and technology are frequently consulted by the Commission in the development of scientific and technological policy — an important growth area for Community activities.

Council deleted this item with no explanation whatsoever. In the absence of any explanation, it is proposed to reinstate the full amount.

This could be of particular help to small and medium-sized industries and thus assist in improving European industrial competitiveness.

\* \* \*

Draft amendment No 276  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Amend to read as follows :

'Community policies in regard, particularly, to research, technology, industry, the social sector, the environment and the supply of energy and raw materials'.

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

JUSTIFICATION

The present wording of Title 3 — expenditure on specific projects undertaken by the Institutions — does not make it clear that it covers such major issues as expenditure in regard to research, technology, industry, the social sector, the environment and the supply of energy and raw materials. The amended Title would add to budgetary clarity and transparency by enabling the reader to grasp immediately the broad scope of expenditures under the Title.

\* \* \*

Draft amendment No 277  
 tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
 Chapter 30 — Expenditure in the social sector  
 Article 301 — Tasks entrusted to the Commission in the field of vocational training  
 Item 3010 — European Centre for the Development of Vocational Training  
 Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Add the following sentence to the remarks column :

'Three-quarters of this appropriation is to be frozen until such a time as the European Parliament has given a discharge to the Centre with respect to the 1975 General Budget.'

JUSTIFICATION

Following certain comments arising from the report of the Audit Board for 1975 and from the Committee on Budgets' report, the European Parliament withheld a discharge for this Centre with respect to the 1975 budget. In view of the concern expressed at that time which has still not been clarified, it is proposed to freeze three-quarters of the appropriations until such a time as the outstanding matters relating to the 1975 budget have been clarified.

\* \* \*

Draft amendment No 278  
 tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
 Chapter 35 — Protection of man and his environment  
 Article 359 — Project towards the operation of the European Foundation for the Improvement of Living and Working-Conditions

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Add the following sentence to the remarks column :

'Three-quarters of this appropriation is to be frozen until such a time as the European Parliament decides otherwise, and after the Institutions have taken a specific decision on the establishment plan of the Foundation for 1978.'

JUSTIFICATION

It will be recalled that the Commission published the budget and establishment plan of the Foundation for 1978 before the budgetary authority had considered them. It was also proposed that

the establishment plan should be increased — this proposal was accepted by the European Parliament.<sup>1</sup>

Now it is again proposed to increase the establishment plan including those posts which were specifically disapproved of by the European Parliament (deputy directors).

In view of the fact that the European Parliament has not had time, as yet, to pronounce on the renewed proposal from the Commission, it is intended to freeze three-quarters of the appropriations until the consultation has been completed.

\* \* \*

Draft amendment No 279  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Article 373 — Financial operations in transport infrastructure projects

Increase expenditure by 1 million EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following sentence to the remarks column :

'This amount to be frozen until such a time as decided otherwise by the European Parliament, following a decision on the projects presented.'

JUSTIFICATION

For two successive years a token entry has been proposed for this line. Given the importance of the proposals, it is time that some amount was included in the budget and that the amount should be sufficient to examine the best means of launching Community support for projects with Community interest. The amount proposed should be interpreted as an encouragement for the Council to decide at last on the support for projects of Community interest in transport infrastructure.

The amount should be frozen until unfrozen by the European Parliament following a Council decision.

\* \* \*

Draft amendment No 280  
tabled by the Committee on Budgets and the Committee on Economic and Monetary Affairs

Section III — Commission

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Article 375 — Community reorganization and redevelopment operations in connection with crises in certain industrial sectors

Item 3750 — Loan interest rebates

(A) *Expenditure*

Enter an appropriation of 3 million EUA

<sup>1</sup> Report of Mr Lezzi on behalf of the Social Affairs Committee.

**(B) Revenue**

Increase revenue accordingly

**(C) Remarks**

Enter an appropriation for commitment of 15 million EUA

The probable schedule of payments against commitments is as follows :

(in EUA)

	Commitments	Payments		
		1978	1979	1980
1978	15 000 000	3 000 000	7 000 000	5 000 000

### JUSTIFICATION

With this draft amendment the Committee on Budgets endorses the views put forward by the Committee on Economic and Monetary Affairs. However, it has tabled new amendments reflecting decisions based on the desire for budgetary clarity.

\* \* \*

Draft amendment No 281

tabled by the Committee on Budgets and the Committee on Economic and Monetary Affairs

Section III — Commission

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Article 375 — Community reorganization and redevelopment operations in connection with crises in certain industrial sectors

Add the following items 3750 and 3751 :

Item 3750 — Loan interest rebates

Item 3751 — Investment premiums

**(A) Expenditure**

Unchanged

**(B) Revenue**

Unchanged

**(C) Remarks**

Unchanged

### JUSTIFICATION

This amendment is justified for reasons of budgetary clarity.

\* \* \*

Draft amendment No 282  
tabled by the Committee on Budgets and the Committee on Economic and Monetary Affairs

Section III — Commission

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 37 — Expenditure in the industrial and transport sectors  
Article 375 — Community reorganization and redevelopment operations in connection with crises  
in certain industrial sectors  
Item 3751 — Investment premiums

(A) *Expenditure*

Enter an appropriation of 15 million EUA

(B) *Revenue*

Unchanged

(C) *Compensation*

Title X, Chapter 100 (Article 375): delete 15 million EUA

(D) *Remarks*

Unchanged

JUSTIFICATION

With this draft amendment the Committee on Budgets endorses the views put forward by the Committee on Economic and Monetary Affairs. However, it has tabled new amendments reflecting decisions based on the desire for budgetary clarity.

\* \* \*

Draft amendment No 283  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 39 — Other expenditure on specific projects undertaken by the Institution  
Article 390 — Research projects in the field of technology and industry

Enter appropriations of 5 million EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following sentence to the remarks column of the budget :

'This amount should be frozen until such a time as decided otherwise by the European Parliament, following a decision on the Commission's proposals.'

JUSTIFICATION

This item is important since the innovative process of industrial firms and their capacity for innovation need to be encouraged in order to withstand non-European competition.

Although the Commission is not yet in a position to provide figures for this item, it is suggested that an amount of 5 million EUA frozen on the line should be included in order that the work of the

CREST and the Advisory Committees will be spent in enabling the Community to make some contribution in 1978.

\* \* \*

Draft amendment No 284  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 39 — Other expenditure on specific projects undertaken by the Institution  
Article 392 — Educational measures  
Item 3920 — Implementation of the education programme  
Increase expenditure by 500 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

The Committee on Budgets supports the intention of the Committee on Social Affairs, Employment and Education. However, in tabling this amendment it seeks to draw attention to the problem of priorities within the Community's education programme. In particular, it is felt that the present action involves far too many dispersed activities. The Committee on Budgets believes that it is necessary to use the limited appropriations in such a way as to maximize the effectiveness of the action.

\* \* \*

Draft amendment No 285  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 39 — Other expenditure on specific projects undertaken by the Institution  
Add a new Article 395 — Promotion of Community trade with Japan  
Make a token entry.

(B) *Revenue*

—

(C) *Remarks*

—

JUSTIFICATION

The Committee on Budgets considers it essential to add this article and considers that the Commission should be asked to prepare at an early date a programme dealing in particular with analysis of the markets and patterns of exports and imports to and from Japan.

\* \* \*

Draft amendment No 286  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous — amend the heading of Chapter 42 to read :  
'Community lending'

(B) *Revenue*

— unchanged

(C) *Remarks*

— enter the following remark :

Council Regulation (EEC) No 397/75 of 17 February 1975 concerning Community loans (OJ No L 46, 20 February 1975, p. 1)

This heading represents the authorization given to the Commission by the budgetary authority, for the financial year under consideration, to lend funds to Member States in balance of payments difficulties caused by the increase in prices of petroleum products.

The loan operations authorized for the financial year under consideration are limited to US \$ 3 000 million.

Community guarantee

If the other operations provided for by the financial mechanism for these loans cannot be brought into play in time, in view of the due dates, the Commission will temporarily use its funds to service the debt incurred by the Community, by virtue of its direct legal obligation to the lenders.

Any expenditure which the Community may finally have to bear if the other operations provided for by the financial mechanism for these loans fail are charged to this chapter. The Community will then have to exercise its right to bring proceedings against the debtors. Annex II to Section III, Commission, of the general budget outlines all capital operations and debt management.

This remark is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

JUSTIFICATION

The expenditure heading of the budget should cover the *loans* granted by the Community and not the borrowings contracted by it, which are covered under the revenue heading.

The remark must make clear that the *authorization to borrow and lend* is given each year to the Commission by the budgetary authority. The remark must be binding since it lays down, in accordance with the basic regulation, the ceiling for borrowings/loans authorized for each financial year.

\* \* \*

Draft amendment No 287  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
— Create the following new lines and enter the following appropriations :

Chapter 44 — Monetary compensatory amounts  
Article 440 — (new article) — Monetary compensatory amounts in respect of intra-Community trade

Item 4400	— (new item) — Monetary compensatory amounts on imports paid or levied by importing Member States	1 103.6 m EUA
Item 4401	— (new item) — Monetary compensatory amounts on imports paid by exporting Member States on behalf of importing Member States	130 m EUA
Item 4402	— (new item) — Monetary compensatory amounts on exports paid or levied by exporting Member States	— 424.1 M EUA
Article 441	— (new article) — Monetary compensatory amounts in respect of trade with non-Community countries	
Item 4410	— (new item) — Portion of monetary compensatory amounts granted on imports over and above the levy	129.2 m EUA
Item 4411	— (new item) — Monetary compensatory amounts on exports	20.6 m EUA
<b>(B) Compensation</b>		
Title 7	— EAGGF Guarantee Section	
Chapter 78	— Monetary compensatory amounts	
Article 780	— Monetary compensatory amounts in respect of intra-Community trade	
Item 7800	— Monetary compensatory amounts on imports paid or levied by importing Member States	1 103.6 m EUA
Item 7801	— Monetary compensatory amounts on imports paid by exporting Member States on behalf of importing Member States	130 m EUA
Item 7802	— Monetary compensatory amounts on exports paid or levied by exporting Member States	— 424.1 m EUA
Article 781	— Monetary compensatory amounts in respect of trade with non-Community countries	
Item 7810	— Portion of monetary compensatory amounts granted on imports over and above the levy	129.2 m EUA
Item 7811	— Monetary compensatory amounts on exports	20.6 m EUA
— Delete these articles and items and the relevant appropriations.		

**(C) Remarks**

—

**JUSTIFICATION**

The Committee on Budgets endorses the proposal made by the Committee on Agriculture (PDM 151). However, since it considers that the problem is essentially one of budgetary nomenclature, its view is that this proposal should be tabled in the form of a draft amendment, on the basis of the provisions of the financial regulation stipulating that the budgetary nomenclature shall be fixed by the budgetary authority during the procedure for adoption of the budget.

\* \* \*

Draft amendment No 288  
tabled by the Committee on Budgets

Section III — Commission

**(A) Expenditure**

Title 4 — repayments of aid to Member States and other aid

Enter the following new line with the appropriation as shown :

Chapter 45 — expenditure resulting from the application of different conversion rates

Article 450 (new article — expenditure resulting from the application of different conversion rates) 600 m EUA

(B) *Compensation*

Title 7 — EAGGF guarantee section  
 Chapter 79 — expenditure resulting from the application of different exchange rates  
 Article 790 — expenditure resulting from the application of different exchange rates  
 600 m EUA

— Delete this Article and the appropriation shown against it

(C) *Remarks*

Enter the following remarks :

*Article 450* (former Article 790)

This entry is intended to cover the additional costs resulting from the application, for conversions within the budget, of the EUA rates, whereas the prices and rates in respect of the agricultural policy are converted according to the representative rates.

In the 1977 budget additional costs were shown resulting from the application within the budget of rates corresponding to the IMF declared parities.

In 1976 this effect was distributed between the various budget lines.

## JUSTIFICATION

The Committee on Budgets shares the Committee on Agriculture's view that this proposal is necessary (PDM 152). However, since the problem is one of budgetary nomenclature the Committee on Budgets considers that this proposal should take the form of a *draft amendment* on the basis of the provisions of the financial regulation stipulating that the budgetary nomenclature shall be fixed by the budgetary authority during the procedure for adoption of the budget.

\* \* \*

Draft amendment No 289  
 tabled by the Committee on Budgets

## Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
 Create the following new headings and enter the following appropriation :  
 Chapter 43 — Compensatory amounts on accession  
 Article 430 — Compensatory amounts on accession granted in respect of intra-Community trade  
 30 000 000 EUA

(B) *Compensation*

Title 7 — EAGGF Guarantee Section  
 Chapter 75 — Compensatory amounts on accession  
 Article 750 — Compensatory amounts on accession granted in respect of intra-Community trade  
 30 000 000 EUA

Delete this article and the relevant appropriation.

(C) *Remarks*

—

## JUSTIFICATION

The Committee on Budgets endorses the proposal made by the Committee on Agriculture (PDM 150). However, since it considers that the problem is essentially one of the budgetary nomenclature, its view is that this proposal should be tabled in the form of a *draft amendment*, on the basis of the provisions of the financial regulation stipulating that the budgetary nomenclature shall be fixed by the budgetary authority during the procedure for adoption of the budget.

\* \* \*

Draft amendment No 290  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Chapter 49 — European Export Bank  
Article 490 — Contribution to the starting capital of the European Export Bank  
Insert a token entry.

(b) *Revenue*

Unchanged

(C) *Remarks*

Add the following sentence to the end of the remarks:

'This appropriation should enable an initial contribution to be made to the capital of the European Export Bank.'

JUSTIFICATION

After a careful study of the Commission's proposals, the European Parliament gave a favourable opinion to the European Export Bank. It is therefore felt necessary for the wherewithal to be provided for the Commission so that work may be started in 1978 on the setting up of the Bank.

It is a matter of disappointment that Council states it will be unable to reach a decision even during 1978 and this despite the fact that the proposal was laid before it on 17 February 1976.

It was initially proposed that the endowment capital would amount to 100 million u.a. A token entry for 1978 would seem more realistic in view of Council's dilatory behaviour.

\* \* \*

Draft amendment No 291  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Chapter 49 — European Export Bank  
Article 491 — EEC guarantee for the European Export Bank's borrowings  
Insert a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

Add the following:

'Under Article 6 of the proposal for a Council Regulation, the Bank's borrowings are guaranteed by the Community.'

JUSTIFICATION

Council deleted the token entry included in the budget for this item and replaced it by a dash. Should Council reach a decision on this project in 1978, and the proposal has been with Council since February 1976, it would be necessary to launch a supplementary budget for this item were dashes, rather than token entries, to remain on the line. Since the conditions laid down by the European Parliament for supplementary budgets have not been met it is proposed to avoid this possibility by means of including a token entry.

\* \* \*

Draft amendment No 292  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Chapter 49 — European Export Bank  
Article 492 — Subsidy for balancing the budget of the European Export Bank  
Insert a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

Add the following :

'Heading to cover the initial outlay of the European Export Bank on installation and equipment.'

JUSTIFICATION

Council deleted the token entry included in the budget for this item and replaced it by a dash. Should Council reach a decision on this project in 1978, and the proposal has been with Council since February 1976, it would be necessary to launch a supplementary budget for this item were dashes, rather than token entries, to remain on the line. Since the conditions laid down by the European Parliament for supplementary budgets have not been met it is proposed to avoid this possibility by means of including a token entry.

\* \* \*

Draft amendment No 293  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Chapter 49 — European Export Bank  
Article 493 — Interest relief grants on loans made by the European Export Bank  
Insert a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

Add the following :

'Heading to cover possible interest relief granted on loans by the European Export Bank.'

JUSTIFICATION

Council deleted the token entry included in the budget for this item and replaced it by a dash. Should Council reach a decision on this project in 1978, and the proposal has been with Council since February 1976, it would be necessary to launch a supplementary budget for this item were dashes, rather than token entries, to remain on the line. Since the conditions laid down by the European Parliament for supplementary budgets have not been met it is proposed to avoid this possibility by means of including a token entry.

\* \* \*

Draft amendment No 294  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous  
Create new Chapter 43 — 'Community lending (statement of expenditure) to finance industrial investment'

Insert a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

Add the following to the remarks column :

'Commission communication to the European Council on investment and loans in the European Community (COM (77) 300 final) of 15 June 1977.

Resolution of the European Parliament on the inter-institutional dialogue relating to certain budgetary questions of 15 June 1977 (Doc. 119/77, page 5).

This heading represents the authorization given to the Commission by the budgetary authority to lend funds in support of investments, of Community interest, in the sectors of energy, industrial reconversion and infrastructures, taking account of their regional impact.

The loan operations authorized for the financial year under consideration are limited to 1 000 million EUA.

Annex II to Section III — Commission of the General Budget sets out all capital transactions and related debt management.

This remark is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.'

#### JUSTIFICATION

On 15 June 1977, the Commission launched an important proposal for the creation of loans to finance Community investment, the so called 'Ortoli' loans.

The Commission has observed that, despite the massive investment needs of the Community (250 000 million EUA in the energy sector alone, up until 1985), the fixed capital formation effort within the Community had seriously declined in the 1970's. The European Council, on 25 March 1977, decided on the launching of a Community effort to stimulate investment.

It was agreed that instruments other than those already available (EIB loans, Community loans for countries with balance of payments difficulties and EURATOM loans) were necessary. Therefore, the Commission proposed a mechanism based on a loan ceiling of 1 000 million EUA without any limits on time.

Whilst this proposal has yet to receive a favourable reaction from the Council of Ministers, despite the original impulsion from the European Council, the author of this amendment believes that Parliament should underline the urgency of a renewed Community investment effort in addition to the structural policies financed by the current account of the Community budget, which he believes to be insufficient in themselves to meet the tasks which the Community has assigned to the different social, regional and industrial policies.

Furthermore, it is vital at this stage that the European Parliament should underline the need for full budgetization of investment activities, so that the budgetary authority retains the ultimate responsibility.

The European Parliament has been unambiguous on this point. In its resolutions of 11 July 1975 (OJ No C 179/46 of 6 August 1975), 13 May 1976 (Doc. 97/76, 26 June), 10 May 1977 (OJ No C 133/21 of 6 June 1977) and 15 June 1977 (Doc. 119/77) the Parliament has clearly called for the development, rationalization and budgetization of Community lending and borrowing activities in order to stimulate the level of investment. It is now time to put these intentions into effect.

Draft amendment No 295  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 59 — Aid to disaster victims in the Community  
Enter an appropriation of 5 million EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged

JUSTIFICATION

As in previous years, it is necessary that the Community makes some provision for indicating its solidarity with populations in the Community affected by disasters and other 'natural phenomena'. The Commission inserted 5 million EUA in its preliminary draft and Council deleted the amount replacing it by a token entry. In the view of the Commission and the author of this draft amendment, the amount proposed is the minimum necessary to provide emergency aid for a disaster of any magnitude. Whilst it might well be necessary to have recourse to a supplementary budget in the case of a major disaster, the inclusion of appropriations on the budgetary line enables immediate action to be taken.

In 1977 the Commission has made use of the funds voted by the European Parliament to aid the south-western region of France and the Tuscan region of Italy, severely affected by adverse weather. Council has not been consistent in its attitude to this item, as it has accepted in its draft that appropriations be included on the line for Article 950 'Community aid to disaster victims in developing and non-member countries'. Whilst agreeing that the Community should give help to non-member countries it should certainly not deny support to Community members.

\* \* \*

Draft amendment No 296  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states (Chapters 90 and 91)

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following remark :

'Chapters 90 and 91 are set aside for the appropriations of the European Development Fund (EDF)'.

JUSTIFICATION

In its resolutions of 13 May 1976 and 15 June 1977 Parliament came out in favour of the budgetization of the EDF.

The 1977 budget as adopted by the budgetary authority lays down in the remarks to Title 9 that Chapters 90 and 91 are to be set aside for EDF appropriations.

The purpose of this amendment is to confirm this position and to permit EDF appropriations to be entered in the budget when the new ACP Association Convention is concluded.

\* \* \*

Draft amendment No 297

tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

Chapter 90 — Cooperation with the ACP states linked to the EEC by the Convention of Lomé

Enter a new Article 909 with the following heading :

'Operating costs of the Commission delegations in the ACP states'

Enter an appropriation of 2 450 000 EUA

(B) *Revenue*

Unchanged

(C) *Compensation*

Delete Article 943 and Item 9430, as well as the appropriation of 2 450 000 EUA entered at Item 9430

(D) *Remarks*

Enter the following remarks :

'This action is based on Article 31 of Protocol No 2 of the Convention of Lomé which requires the installation of Commission delegations in these states or groups of states. The appropriation entered covers solely the actual operating costs of the headquarters and the cost of the personnel employed by the Commission at the headquarters.'

#### JUSTIFICATION

The Control Subcommittee of Parliament observed that the management of the appropriation related to the operation and the personnel cost of Commission delegations was unsatisfactory from the budgetary, fiscal and administrative viewpoints as well as being unsatisfactory on the personnel plane. When discharge for the financial year 1975 was being considered<sup>1</sup>, the Commission was called on to prepare the incorporation of the European Agency for Cooperation into the central administrative and budgetary structures of the Community.

This amendment is designed to create the budgetary conditions which would enable the Commission to carry out the reforms recommended by the discharge authority.

\* \* \*

Draft amendment No 298

tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

<sup>1</sup> Doc 165/77, Aigner report, page 18

Enter a new Chapter 90 with the following heading :

'Cooperation with the ACP states linked to the EEC by the Convention of Lomé.'

Enter a new Article 900 with the following heading :

'Aid to ACP states for the export of agricultural products envisaged at Article 2, paragraph 2 (a), of the Convention of Lomé.'

Enter a new Item 9001 with the following heading :

'Actions intended to favour the export to the EEC of beef originating in ACP states.'

Enter an appropriation of 30 million EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter the following remarks :

'Actions to be undertaken by the Community on the basis of Article 2, paragraph 2 (a), of the Convention of Lomé.'

#### JUSTIFICATION

This amendment is intended to provide a definitive solution to the problem of the stability of ACP states' receipts arising from the export of beef. Following the abrogation of the safeguard clause on 1 April 1977, it is in effect necessary to envisage the replacement of the exceptional measures of reducing the levy by a more stable arrangement for these exports towards the Community.

Such an arrangement ought to be made by the Community on the basis of Article 2, paragraph 2 (a), of the Convention of Lomé.

The appropriation should be blocked until Parliament has the possibility of examining the measures proposed for its implementation.

\* \* \*

Draft amendment No 299

tabled by Mr Shaw on behalf of the Committee on Budgets

#### Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

Chapter 94 — Specific measures for cooperation with developing countries

Article 943 — Replace the heading by the following :

'Operating expenditure of the Commission delegations in the southern Mediterranean countries linked to the EEC by Cooperation Agreements'

— Enter an appropriation of 1 200 000 EUA

— Delete Item 9431

(B) *Receipts*

Unchanged

(C) *Compensation*

Reduce the appropriation in Chapter 100 by 1 200 000 EUA and delete Paragraph 18 in the Remarks on that chapter relating to Item 9431.

(D) *Remarks*

Enter the following remarks :

'Based on the economic and financial cooperation agreements concluded between the European Economic Community and the Maghreb countries (Algeria, Morocco, Tunisia), the Mashreq countries (Egypt, Jordan, Lebanon, Syria) and Israel.

Application of the financial protocols to the agreements signed with the above countries requires the establishment of Community delegations in each country.'

#### JUSTIFICATION

The Control Subcommittee of Parliament observed that the management of the appropriations related to the operation and the personnel cost of Commission delegations was unsatisfactory from the budgetary, fiscal and administrative viewpoints as well as being unsatisfactory on the personnel plane. When discharge for the financial year 1975 was being considered<sup>1</sup>, the Commission was called on to prepare the incorporation of the European Agency for Cooperation into the central administrative and budgetary structures of the Community.

This amendment is designed to create the budgetary conditions which would enable the Commission to carry out the reforms recommended by the discharge authority.

\* \* \*

Draft amendment No 300  
tabled by Mr Lange on behalf of the Committee on Budgets

Section III — Commission

#### (A) *Expenditure*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Increase the appropriations by 1 395.7 million EUA

#### (B) *Revenue*

Increase revenue accordingly

#### (C) *Remarks*

Add the following new remark :

Reserve for Chapters 60 to 74 to avoid the need for a supplementary budget. This reserve represents a maximum ceiling. Appropriations may not be transferred to items with token entries.

#### JUSTIFICATION

This reserve represents 20 % of the appropriations in Chapters 60 to 74 (EAGGF Guarantee Section, excluding the monetary compensatory amounts, compensatory amounts on accession and expenditure resulting from the use of different exchange rates), as shown in the Letter of Amendment to the draft general budget approved by the Council on 7 October 1977. The Committee on Budgets approved these appropriations at its meeting of 17/18 October 1977.

The reserve is calculated to avoid the need for a supplementary budget for the EAGGF Guarantee Section. It represents the *maximum* ceiling.

The entry of appropriations in Chapter 100 maintains the Parliament's existing authority to approve the budget in this sector too.

Moreover, following the entry into force of the system of own resources on 1 January 1978, Community tax payers cannot be expected to accept a change in the percentage of the basis of assessment of value added tax during the current financial year; a change of that kind would be necessary if supplementary budgets were submitted.

\* \* \*

<sup>1</sup> Doc 165/77, Aigner report, page 18

Draft amendment No 301  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 26 — Expenditure on studies, surveys and consultations

Article 266 — Regional studies at the request of the Member States

Increase appropriations by 160 000 EUA

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Add the following to the text :

An appropriation of 160 000 EUA is frozen on the line to be unfrozen by the European Parliament, after the programmes of studies for the Irish border regions have been submitted to it.

#### JUSTIFICATION

The Committee on Budgets considers comprehensive socio-economic studies on the whole of the Irish border regions to be particularly worthwhile and recent studies in the Derry-Downal region and fishing in the Irish Sea have taken place with the support of Community financial aid.

In order to encourage further work in this area it is proposed to increase appropriations under this Article from 340 000 EUA to 500 000 EUA. So that the European Parliament may be informed on the individual studies undertaken it is proposed to freeze the extra appropriations, which will be unfrozen when the programme of studies has been approved.

\* \* \*

Draft amendment No 302  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

(A) *Expenditure*

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

(D) *Legislative section of the budget*

Replace the text which follows Chapter 33 by the following text :

*'Decision authorizing the Commission to make certain transfers*

In accordance with Article 101 (2) and (3) of the Financial Regulation applicable to the budget of the European Communities, the *budgetary authority* authorizes the Commission to effect the following transfers, if the need arises :

(a) *Joint Research Centre*

The Commission shall decide on transfers between Articles and between items within the total appropriations entered under Articles 330, 331 and 332, provided that they relate to actions financed according to the same budgetary scale.

Such transfers may not have the effect of increasing or reducing, by more than 7 % in commitment appropriations and payment appropriations, the original appropriation entered in each item of Articles 330, 331 and 332.

However, these transfers must not have the effect of exceeding the financial ceiling on JRC programmes.

(b) *Indirect actions*

The Commission shall decide on transfers between Articles and between items within the total appropriations entered under Articles 335 and 336 (indirect action programmes).

Such transfers may not have the effect of increasing or reducing, by more than 7 % in commitment appropriations and payment appropriations, the original appropriations entered in the budget under each item of Articles 335 and 336.

However, these transfers must not have the effect of exceeding the financial ceiling on each of these programmes.'

## JUSTIFICATION

The Committee on Budgets points out that despite the decision taken by Parliament on the proposal relating to the Financial Regulation of the European Communities giving Parliament the authority to effect transfers which is vested in it under the new Treaty of 22 July 1975, the Commission of the European Communities and the Council base (page 149a of the draft budget) the rules for transfer on a procedure which excludes intervention by Parliament. It is therefore essential to alter that decision which in any case cannot be taken unilaterally by the Council without consulting the other partner in the budgetary authority, namely Parliament.

The present Financial Regulation gives Parliament the right to participate in the decision on certain transfers. The proposed amendments to the Financial Regulation which are still being considered by the Institutions would give Parliament a general right to be consulted and the final say on all non-compulsory expenditure. Consequently adoption of the Council's text in its present form might place it at variance with the revised Financial Regulation.

\* \* \*

Draft amendment No 303  
tabled by Mr Shaw on behalf of the Committee on Budgets

## Section III — Commission

(A) *Expenditure*

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

(D) *Legislative part of the budget*

Insert the following text after Section III, Commission :

'Decision in regard to the fixing of the list of budgetary lines to which the distinction between commitment authorizations and payment appropriations applies.

In accordance with Article 1, paragraph 3, of the Financial Regulation applicable to the budget of the European Communities, the Budgetary Authority fixes, as follows, the list of budgetary lines to which the distinction between commitment authorizations and payment appropriations applies.

<i>Chapters, Articles &amp; Items</i>	<i>Heading</i>
3030	Pilot projects — handicapped workers
3031	Pilot projects
306	Pilot research into action to combat poverty
3200	Hydrocarbons sector — Community technological development projects
3201	Hydrocarbons sector — Joint projects in prospecting for hydrocarbons
321	Prospecting for uranium
323	Use of coal in power stations
3240	Community energy-saving programme
3241	Coal gasification and liquefaction
3242	Exploitation of geothermal resources
Chap. 33	Expenditure on research and investment
3620	Documentary research — first and second three-year projects
3621	Activities supplementary to the three-year project
3701	Data-processing sector — Second programme
3702	Implementation of the four-year development programme for the data-processing sector
3710	Basic research
Chap. 50/51	Social Fund
Chap. 52	Social Fund — Schemes and studies
Chap. 55/56	Regional Development Fund
Title 8	EAGGF — Guidance Section
Chap. 92	Food Aid
930	Financial cooperation with non-associated developing countries
9310	Measures to promote trade between the Community and non-associated developing countries
932	Measures to encourage regional or subregional integration between developing countries
9450	Cofinancing of schemes carried out by NGOs in developing countries
Chap. 96	Protocols — Mediterranean countries'

#### JUSTIFICATION

In accordance with the principle that the list of budgetary lines in which commitment authorizations might apply may be decided during the budgetary procedure, the Committee on Budgets considers that the lines in which the distinction between commitment authorizations and payment appropriations for the 1978 financial year apply should be specified by way of amendment.

\* \* \*

Draft amendment No 304  
tabled by the Committee on Budgets

Section III — Commission

(A) (i) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 33 — Expenditure on research and investment  
Item 3362 — Long-term forecasts and assessments

Enter appropriations of 532 600 EUA in payment appropriations broken down as follows:

Sub-item 33621	Staff	367 200
Sub-item 33622	Administrative expenditure	52,800
Sub-item 33625	Miscellaneous expenditure	79 400
Sub-item 33629	Reserve staff	33 200

(A) (ii) *Commitments*

Enter commitments of 179 400 for sub-item 33625 'miscellaneous expenditure'.

(B) *Revenue*

Adjust revenue accordingly

(C) *Remarks*

Delete the sentence beginning 'As this is a new programme ...'

Replace with the following :

*Sub-item 33621 and 33629* : particularly staff expenditure in respect of 10 Community servants of Categories A (6), B (1) and C (3)

*Sub-item 33622* : particularly expenditure arising from missions and meetings

*Sub-item 33625* : expenditure arising from contracts which the Commission intends to conclude in pursuance of this project.'

## JUSTIFICATION

It is important for the Community to define long-term priorities and objectives in the field of science and technology as well as to coordinate the work of different research institutes. The Committee on Budgets believes that the modest sums requested in the Preliminary Draft General Budget are justified and should be reinstated.

The Committee on Budgets supported the intention of the Committee on Energy and Research in tabling its amendment No 110/rev. but believes it necessary to table a new amendment deleting commitments from those lines which concern exclusively staff and administrative expenditure, and enabling commitments to be entered only for those items of a multi-annual character.

\* \* \*

Draft amendment No 305  
tabled by the Committee on Budgets

## Section III — Commission

(A) *Expenditure*

Title 4 — Repayments and aids to Member States and miscellaneous

Chapter 49 — European Export Bank

— add an Article 494 with the following heading :

'Loans granted by the European Export Bank'

— make a token entry

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following remark :

'This entry represents the authorization given to the EEB by the budgetary authority to grant loans.

The loan operations authorized for the financial year under consideration are limited to ... EUA.'

## JUSTIFICATION

In connection with the dialogue on certain budgetary questions (Doc. 119/77), Parliament took the view that 'an additional budgetary line must be included authorizing and setting a ceiling on borrowings by the EEB' (page 10). As in the case of the other Community borrowing and lending

operations, a token entry should be made against this line. The maximum amount authorized for such borrowing and lending should appear in the remarks; since the EEB is still not operational, it is impossible to set a precise ceiling.

\* \* \*

Draft amendment No 306  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 5 — Social and Regional Funds
- Chapter 55 — amend the heading as follows :
  - Chapter 55 European Regional Development Fund
  - 'Community measures in support of national regional policies'
  - add an Article 550 with the following heading :
    - 'Measures to encourage investment in industry, the trades and the service sector'
  - add an Article 551 with the following heading :
    - 'Measures to encourage infrastructure investment'

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

#### JUSTIFICATION

The purpose of this amendment is to *amend the nomenclature* proposed by the draft budget. When the 1977 budget was adopted, Parliament and the Commission agreed on the need to break down expenditure under the Regional Fund into separate articles; such a breakdown enables the budgetary authority to assess, with a full knowledge of the facts, the appropriations allocated to each of the sectors of activity covered by the Fund.

The division of the new ERDF into two separate sections (quota and non-quota sections) is an additional argument in favour of a further breakdown of the nomenclature.

The Commission, which is responsible for the implementation of the budget, has full discretion to make any transfers of appropriations within Chapter 55 which may be required during the financial year. Such transfers would have to be notified, for information, to the budgetary authority.

\* \* \*

Draft amendment No 307  
tabled by the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 5 — Social and Regional Funds
  - add a Chapter 56 with the following heading :
    - European Regional Development Fund
    - 'Specific Community measures'
  - add an Article 560 with the following heading :
    - 'Interest rebates'
  - add an Article 561 with the following heading :
    - 'Other measures'

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

## JUSTIFICATION

The purpose of this amendment is to *amend the nomenclature* proposed by the draft budget.

When the 1977 budget was adopted, Parliament and the Commission agreed on the need to break down expenditure under the Regional Fund into separate articles; such a breakdown enables the budgetary authority to assess, with a full knowledge of the facts, the appropriations allocated to each of the sectors of activity covered by the Fund.

The division of the new ERDF into two separate sections (quota and non-quota sections) is an additional argument in favour of a further breakdown of the nomenclature.

The Commission, which is responsible for the implementation of the budget, has full discretion to make any transfers of appropriations within Chapter 55 which may be required during the financial year. Such transfers would have to be notified, for information, to the budgetary authority.

\* \* \*

Draft amendment No 308

tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) (i) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Article 333 — Joint Research Centre and other activities

Item 3333 — Physical protection measures of the JRC establishments

Reinstate appropriations of 4 455 000 EUA in payment appropriations broken down as follows :

Sub-item 33331 Staff expenditure 1 000 000

Sub-item 33332 Administrative expenditure token entry

Sub-item 33333 Technical operating expenditure 50 000

Sub-item 33334 Investments 3 405 000

Sub-item 33335 Contracts

Sub-item 33339 Reserve staff token entry

(A) (ii) *Commitments*

Item 3333 — Physical protection measures of the JRC establishments

Sub-item 33334 Investments

Enter commitments of 4 450 000 EUA

(B) *Compensation*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Delete point 9 of the remarks 'Item 3333: Physical protection measures for the JRC establishments'.

Reduce appropriations by 4 455 000 EUA in payment appropriations (5.5 million EUA in commitment appropriations).

(C) *Revenue*

Unchanged

(C) *Remarks*

Replace the second paragraph of the remarks with the following text :

'The appropriations cover :

*Sub-item 33331* : expenditure in respect of an average of 14 temporary staff members to reinforce the present security teams.

*Sub-item 33333* : expenditure on the maintenance and operation of the monitoring installations and the protected areas.

*Sub-item 33334* : expenditure on investments, including in particular :

- the erection or reinforcement of fences ;
- the construction of a perimeter track ;
- tree-felling in and lighting of a wide peripheral zone, with buildings resited as necessary ;
- the reinforcement or construction of access facilities and the installation of the requisite remote-control devices ;
- the installation of electronic detection, inspection, monitoring and alarm networks and the requisite premises.'

## JUSTIFICATION

These appropriations would cover the costs incurred by the JRC in conforming to the International Energy Agency's recommendations concerning the protection of nuclear materials. The IAEA's standards are already being applied in the Federal Republic of Germany, and will shortly be applied in Italy, while their application is at present being studied in Belgium and the Netherlands. The Committee on Budgets believes that Community institutions should set an example as far as nuclear protection measures are concerned, and is therefore proposing the re-establishment of credits entered under this heading in the Preliminary Draft General Budget.

The Committee on Budgets supported draft amendments No 106/rev. and 105/rev. of the Committee on Energy and Research. However, in amalgamating these texts account is taken of the fact that commitments should not be used for such matters as staff and administrative expenditure. They should only be employed in cases where activities spreading over several years are involved. For that reason it was decided to table a separate amendment.

Furthermore, it was also agreed that all commitments should be included on the operational lines of the budget and not under Chapter 100 which is a provisional Chapter for payments only.

\* \* \*

Draft amendment No 309  
tabled by the Committee on Budgets

## Section III — Commission

(A) (i) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Article 336

Item 3361 — Primary raw materials

Enter appropriations of 2 000 000 EUA in payment appropriations broken down as follows :

*Primary raw materials*

Sub-item 33611	Staff	254 300	EUA
Sub-item 33612	Administrative expenditure	126 900	EUA
Sub-item 33615	Contracts	1 595 800	EUA
Sub-item 33619	Reserve staff	23 000	EUA
Item 3361	Total	2 000 000	EUA

(A) (ii) *Commitments*

Enter 7 895 800 EUA in commitments for sub-item 33615 'Contracts'

(B) *Revenue*

Increase revenue accordingly

*(C) Remarks*

Delete the sentence beginning 'As this is a new programme ...' and replace with the following :  
 'The 2 000 000 EUA is to remain frozen until unfrozen by the European Parliament when the examination of the programme has been completed.

The appropriations cover :

*Sub-items 33611 and 33619* : particularly staff expenditure in respect of 7 Community servants of Categories A (4), B (1) and C (2).

*Sub-item 33612* : particularly expenditure arising from missions, formal meetings and certain studies.

*Sub-item 33615* : expenditure arising from contracts which the Commission intends to conclude in pursuance of this project.'

## JUSTIFICATION

This project would enable the Community to develop new techniques for the exploration and mining of mineral resources. It seems obvious that every possible effort should be made to develop the Community's indigenous mineral resources, particularly at a time when primary raw material prices are increasing rapidly.

The Committee on Budgets supported the aims outlined in the programme, for which it has already given a generally favourable opinion, and therefore supported the general intention of the Committee on Energy and Research and Mr Aigner and the Christian Democratic Group in amendments No 107/rev. and 227.

However, it was decided to table a new amendment on behalf of the Committee on Budgets given the necessity of limiting commitments to activities of a multi-annual nature and excluding staff and administrative appropriations from their ambit.

Furthermore, it was decided to support the demand for freezing the appropriations for the programme until Parliament had approved it, and until Council had taken Parliament's observations into account.

\* \* \*

Draft amendment No 310  
 tabled by the Committee on Budgets

## Section III — Commission

*(A) (i) Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Item 3364 — Uranium ore prospecting and processing

Enter appropriations of 800 000 EUA in payment appropriations broken down as follows :

Sub-item 33641	Staff	112 900
Sub-item 33642	Administrative expenditure	30 900
Sub-item 33645	Contracts	646 000
Sub-item 33649	Reserve staff	10 200

*(A) (ii) Commitments*

Enter 2 846 000 EUA in commitments for sub-item 33645 'Contracts'

*(B) Revenue*

Increase revenue accordingly

*(C) Remarks*

Delete the sentence beginning 'As this is a new programme ...'

Replace with the following :

*Sub-item 33641 and 33649* : particularly staff expenditure in respect of 3 Community servants of Categories A (2) and C (1).

*Sub-item 33642* : particularly expenditure arising from missions and meetings.

*Sub-item 33645*: expenditure arising from contracts which the Commission intends to conclude in pursuance of this project.

#### JUSTIFICATION

The European Parliament has frequently expressed the belief that all possible should be done to contribute to the improvement of Community self-sufficiency in nuclear fuels and prospection for uranium deposits, including research and development in this field.

A secure supply of uranium is necessary for the expansion of the Community's nuclear programme, without which dependence on imported energy sources cannot be reduced. This programme would carry out research into prospecting methods and techniques.

The Committee on Budgets supported the intention behind the Committee on Energy and Research's amendment No 116/rev. but considered that a new amendment should be tabled to enter commitments only for those lines concerning multi-annual activities and to exclude those concerning staff and administrative expenditure.

\* \* \*

Draft amendment No 311  
tabled by the Committee on Budgets

#### Section III — Commission

##### (A) (i) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution  
Chapter 33 — Expenditure on research and investment  
Article 337 — Indirect action, miscellaneous activities and coordinated projects  
Item 3371 — Implementation of coordinated projects

Increase appropriations by 740 000 EUA in payment appropriations broken down as follows :

Sub-item 33711	Staff	300 300
Sub-item 33712	Administrative expenditure	172 300
Sub-item 33715	Contracts	240 900
Sub-item 33719	Reserve staff	27 000

##### (A) (ii) *Commitments*

Enter commitments of 400 200 EUA for sub-item 33715 'Contracts'.

##### (B) *Compensation*

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Delete subparagraph (11) Item 3371 'Implementation of coordinated project COST 68'.  
Reduce appropriations by 40 000 in payment appropriations (60 000 EUA in commitment appropriations).

##### (C) *Revenue*

Increase revenue accordingly

##### (D) *Remarks*

Delete the second paragraph of the remarks, replacing it with the following :

'Several coordinated projects are planned in the following fields :

- Continuation of COST Projects 61a, 64b and 68 ;
- Town planning ;
- Chemical industry materials ;
- Oceanographic and meteorological network ;
- Medical research — congenital anomalies,
  - cellular ageing,
  - extra-corporal oxygenation ;
- Food technology
- Remote sensing of marine pollution.

The appropriations cover :

*Sub-items 33711 and 33719* : particularly staff expenditure in respect of 9 Community servants of Categories A (4), B (2) and C (3).

*Sub-item 33712* : particularly expenditure arising from missions and meetings.

*Sub-item 33715* : expenditure arising from contracts which the Commission intends to conclude pursuant to this resolution.

Re-investment from the participation of non-Member States in these coordinated projects is estimated at 250 000 EUA.

#### JUSTIFICATION

Coordinated projects are a particularly economical means of carrying out research and development. The various projects financed by these appropriations are useful and involve relatively modest expenditure which the Committee on Budgets considers justifiable.

The Committee on Budgets supports the intentions of the Committee on Energy and Research in tabling amendment 112/rev. However, the Committee on Budgets decided to table a modified amendment for two reasons :

- (i) commitments should only be entered where multi-annual activities are concerned and should not be included for staff and administrative costs ;
- (ii) *all* commitments (and not just a partial amount) should be included on the operational lines of the budget and not in Chapter 100, which is reserved for provisional payment appropriations exclusively, for reasons of budgetary clarity.

\* \* \*

Proposed modification No 312  
tabled by the Committee on Budgets

#### Section III — Commission

##### (A) *Expenditure*

- Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section  
Chapter 81 — Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)  
Article 810 — Common measures for the reform of agricultural structures  
Item 8104 — Forestry measures for the improvement of agricultural structures

Unchanged

##### (B) *Revenue*

Unchanged

##### (C) *Remarks*

Enter commitments of 5 000 000 EUA for 1978 and therefore add the following remarks :

Expenditure against this Item in 1978 arises from the amended proposal for a directive on forestry measures (COM (75) 88) based on Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (OJ No L 94 of 28 April 1970, p. 13).

The intention is to introduce a system for the promotion of forestry measures with the express purpose of reinforcing the measures to improve agricultural structures and, in particular, Directives No 72/159/EEC and 72/160/EEC, and, in a wider context, to make forestry form part of a really effective pattern of land use.

The Commission proposes a system of aid and grants over ten years (to be reviewed after five years) :

- afforestation grant (between 40 and 90 % of the cost ; average : 60 %) ;
- capital grant (240 u.a. per hectare) ;
- grant for the conversion of woodland.

The appropriation for commitment authorized for 1978 is 5 000 000 EUA<sup>1</sup>.  
The estimated schedule of payments relative to commitments is as follows:

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 5 000 000		5 000 000	

#### JUSTIFICATION

The figure of 5 m EUA for commitments is based on estimates made by the Commission. However, given that under the proposed scheme payment is only made the year following the application of the measure and in view of the fact that it is extremely unlikely that the programme will be adopted before 1 January 1978, it is not proposed by the Committee on Budgets to enter payment appropriations on the line in 1978 but rather to open the line for commitments, to be paid out in 1979.

This action appears necessary to integrate measures for the improvement of agricultural structures in the sector of incentives in favour of forestry measures.

\* \* \*

Proposed modification No 313  
tabled by the Committee on Budgets

#### Section III — Commission

##### (A) Expenditure

Title 8 — European Agricultural Guidance and Guarantee Fund — Guidance Section  
Chapter 83 — Common measures in particular sectors  
Article 830 — Fisheries sector  
Item 8302 — Conversion in the non-industrial inshore fishing sector  
Enter an appropriation of 5 000 000 EUA

##### (B) Revenue

Unchanged

##### (C) Compensation

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Delete the following paragraph :  
(17) Item 8302 — Conversion in the inshore fishing sector 5 000 000 EUA (payment appropriations)  
(5 000 000 EUA in commitment appropriations)

##### (D) Remarks

Enter commitments for 1978 of 10 000 000 EUA and therefore add the following remarks :  
Expenditure against this Item in 1978 arises from a proposal for a Regulation presented by the Commission to the Council on 28 November 1975 with a view to the reorganization of non-industrial inshore fishing ; it has not yet been adopted.

The aim of this Regulation is to adapt fleets and other fishing equipment to the catch potential of traditional fishing or fish-farming areas, and in this way ensure a fair income for those engaged in non-industrial inshore fishing and prevent over-fishing.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

To this end the Commission proposes that the EAGGF Guidance Section contribute to :

- the conversion of fleets and of fish and shellfish farms ;
- the conversion and development of conserving and processing facilities ;
- retirement from fishing.

The appropriation for commitment authorized for 1978 is 10 000 000 u.a. <sup>1</sup>

The foreseeable schedule of payments in respect of commitments is as follows :

*(in EUA)*

Commitments	Payments		
	1978	1979	1980
1978 : 10 000 000	5 000 000	5 000 000	

#### JUSTIFICATION

In the context of the policy for reconversion and support for the fisheries sector, the aim of this action is to adapt the fleet and other means of production to the potential for exploitation of fish resources so as to guarantee a reasonable income for the population active in the inshore fishing sector and to avoid over-fishing.

The Committee on Budgets supports this action and recognizes that the amounts should be made available on the budgetary line. In view of the discussion that took place at the Committee on Budgets and after hearing from representatives of the Commission it is proposed to fix commitments for 1977/78 at 10 m EUA, as opposed to 5 m EUA in the draft budget as changed by the letter of amendment.

\* \* \*

Proposed modification No 314  
tabled by Mr Shaw on behalf of the Committee on Budgets

#### Section III — Commission

##### (A) Expenditure

- Title 9 — Chapter 92 — Food aid
- Article 921 — Item 9211 — 1978 skimmed milk powder programme
- Enter an appropriation of 189 300 000 EUA.

##### (B) Revenue

Increase revenue accordingly

##### (C) Remarks

Enter commitments of 252 400 000 EUA for 1978 and therefore add the following remarks :

This item is to cover the supply in 1978 of 200 000 tonnes of skimmed milk powder to developing countries, particularly those in most need, to help make up their food shortfall.

The appropriation for commitment authorized for 1978 is 252 400 000 EUA.

The schedule of payments against commitments is as follows :

*(in EUA)*

Commitments	Payments		
	1978	1979	1980
252 400 000	189 300 000	63 100 000	

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

A sum of 63 100 000 EUA, corresponding to the supply of 50 000 tonnes of skimmed milk powder is to remain frozen ; it will be released by the Parliament when the Commission reports on the state of implementation of its supply programme.

#### JUSTIFICATION

The Committee on Budgets endorses the justification of draft amendment 20/rev. tabled by the Committee on Development and Cooperation. However, it considers it necessary to increase by 25 % (or 50 000 tonnes) the quantity of milk powder proposed by that committee (150 000 tonnes). The appropriations needed for the purchase and supply of the additional 50 000 tonnes will not be released by the European Parliament until the Commission has reported on the state of implementation of its supply programme.

\* \* \*

Draft amendment No 315  
tabled by the Committee on Budgets

Section III — Commission

#### *Establishment plan*

Add 25 C grade posts broken down as follows :

8 C1

8 C2

8 C3

replacing 25 local staff posts

#### (A) *Expenditure*

Title 1 — Expenditure relating to persons working with the Institution  
Reduce expenditure by 21 600 EUA.

#### (B) *Revenue*

Decrease revenue accordingly

#### JUSTIFICATION

The requests for regrading are justified by the evolution of technical processes and requirements. Since the end of 1974 and throughout 1975 there was a substantial change in the use of reproduction processes in the workshops in that the Commission's services increasingly replaced duplication by offset printing.

In 1975 this situation was highlighted by the workshop production figures since the number of duplicated pages fell to  $\pm$  62 000 000 while the number printed by the offset process rose to  $\pm$  321 000 000.

Production in 1975 showed an increase of  $\pm$  55 % over 1973 in the case of offset printing and a reduction of  $\pm$  38 % in the case of duplication. Consequently, as this situation evolved, workshop personnel assigned to the duplication sector and responsible for the performance of tasks classified in grade D were transferred, after a course of professional training, to the various branches of the offset sector where they were responsible for grade C tasks.

This reclassification of technical duties is therefore essential to ensure stringent conformity with Annex I to the Staff Regulations. Twenty-five C grade posts must be created to replace 25 local staff posts.

There being more than 500 local staff currently employed in the Commission, this amendment represents no more than 5 % of the category. Far larger schemes involving transformations of posts have been undertaken in the other Institutions.

It is also proposed that the administration of the Commission present proposals to review the situation of the remaining local staff for the 1979 financial year.

## FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows:

*Expenditure*

## Title 1 — Chapter 11 — Staff

	<i>EUA</i>
Article 110	
Item 1100 — Basic salaries	increase this appropriation by 157 000
Item 1101 — Family allowances	increase this appropriation by 15 000
Item 1102 — Expatriation allowances	increase this appropriation by 18 000
Item 1112 — Local staff	reduce this appropriation by 203 000
Item 1130 — Insurance against sickness	increase this appropriation by 4 000
Item 1131 — Insurance against accidents	increase this appropriation by 1 000
Item 1141 — Annual leave travel expenses	increase this appropriation by 5 000
Article 119 — Weightings	increase this appropriation by 12 000
	<hr/>
	Total increase under Chapter 11 9 000
	<hr/>

*Revenue*

## Title 4

— Deductions from staff remuneration

Chapter 40 — Proceeds of taxation on salaries, wages and allowances of officials and other servants

Article 400 — Proceeds of taxation on salaries, wages and allowances of officials and other servants

Increase this appropriation by 20 000

Chapter 41 — Staff contributions to the pension scheme

Article 410 — Staff contributions to the pension scheme

Increase this appropriation by 10 600

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30 600

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\* \* \*

Draft amendment No 316

tabled by Mr Lange on behalf of the Committee on Budgets

## Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investments

Item 3351 — Fusion and Plasmaphysics (including the JET project)

Unchanged

(B) *Revenue*

Unchanged

*(C) Remarks*

Replace the second paragraph of part II by the following text :

'The appropriations for Community participation in the financing of the construction and operation of a large JET device (Joint European Torus) belonging to the TOKAMAK concept amount to 3 029 200 EUA in commitment appropriations and 15 000 000 EUA in payment appropriations. The payment appropriations are to be entered in Chapter 100 until a Council decision has been taken on the JET project.

## JUSTIFICATION

Commitment appropriations provide a *multi-year* financial framework for actions and cannot therefore be entered in Chapter 100 which is an *annual* reserve of provisional appropriations.

\* \* \*

Draft amendment No 317  
tabled by Mr Shaw on behalf of the Committee on Budgets

## Section III — Commission

*(A) Expenditure*

Title 5 — Social and Regional Funds

Chapter 55 — ERDF — Community measures in support of national regional policies

Article 550 (new article) — Measures to encourage investment in industry, the trades and the service sector

— Enter an appropriation for payment of 167 m EUA.

*(B) Revenue*

Unchanged

*(C) Remarks*

— Enter an appropriation for commitment of 220 m EUA and therefore add the following remark :

'The appropriations intended to finance investment in industry, the trades and the service sector under the European Regional Policy are based on the following regulations :

— draft amendment to Regulation (EEC) No 724/75 establishing a European Regional Development Fund ;

— Financial Regulation of 18 March 1975 supplementing the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities (75/184/Euratom, ECSC, EEC) ;

— Council Decision of 18 March 1975 to apply Regulation (EEC) 724/75 establishing a European Regional Development Fund to the French overseas departments.

The general objective is to correct the major regional imbalances in the Community by means of a contribution to the financing of investments in industry, the trades and the service sector that are economically sound and that qualify for state regional aids (each investment project exceeding 50 000 EUA), provided that at least ten jobs are created or safeguarded.

Appropriations for commitment for 1978 amount to 220 000 000 EUA <sup>1</sup>.

The schedule of payments (in m EUA) gives the total amounts for the previous years and their subdivision under Article 550 and 551 for 1978 and subsequent years :

Commitments		Payments				
		1975/77	1978	1979	1980	Total
1975/77	1 300 (Chap. 55)	850	325 250	125 96	—	1 300 m EUA 346 m EUA
1978	220 (Art. 550)	—	80	90	50	220
	430 (Art. 551)	—	150	170	110	430

(D) *Compensation*

1. *Appropriations for payment*

— transfer from Chapter 100	140 m EUA
— transfer from Chapter 55	27 m EUA
	167 m EUA

2. *Appropriations for payment*

— withdraw from Chapter 100	220 m EUA
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### JUSTIFICATION

The Committee on Budgets voted in favour of draft amendment 12/rev. tabled by the Committee on Regional Policy restoring the appropriations proposed by the Commission, i.e. 525 m EUA for payment and 750 m EUA for commitment.

However the Committee on Budgets also wished to restore the breakdown of appropriations (between two separate chapters and four articles) proposed by the Commission <sup>2</sup>.

The implications of the four amendments tabled by the Committee on Budgets are shown in the following table :

	Preliminary draft budget <sup>1</sup>		Draft budget <sup>1</sup>		Regional Committee		Budgets Committee	
	Approp for payment	Approp for commit	Approp for payment	Approp for commit	AP	AC	AP	AC
<i>Chap. 55</i>								
Art. 550	167	220					167	220
Art. 551	313	430					313	430
<i>Chap. 56</i>			390 <sup>2</sup>	398 <sup>3</sup>	525	750		
Art. 560	25	50					25	50
Art. 561	20	50					20	50
<b>TOTAL</b>	<b>525</b>	<b>750</b>	<b>390</b>	<b>398</b>	<b>525</b>	<b>750</b>	<b>525</b>	<b>750</b>

<sup>1</sup> Including letters of amendment

<sup>2</sup> Including 140 m EUA in Chapter 100

<sup>3</sup> Entirely in Chapter 100

The Committee on Budgets, like the Committee on Regional Policy, is therefore proposing an overall increase in appropriations in relation to the draft budget of 135 m EUA in appropriations for payment and 352 m EUA in appropriations for commitment.

<sup>1</sup> This text is binding within the meaning of Article 16(c) of the Financial Regulation of 25 April 1973.

<sup>2</sup> At the express request of Parliament

Draft amendment No 318  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 5 — Social and Regional Funds  
Chapter 55 — ERDF — Community measures in support of national regional policies  
Article 551 (new article) — Measures to encourage infrastructure investments  
— Enter an appropriation for payment of 313 m EUA.

(B) *Revenue*

Increase revenue by 90 m EUA.

(C) *Remarks*

Enter an appropriation for commitment of 430 m *EUA* and therefore add the following remark :

The appropriations under this article are to fund the contribution made under the European Regional Policy to the financing of infrastructure investments designed to improve the conditions for setting up and developing new activities in the Community's less-favoured regions. The legal basis is mentioned above (see Article 550).

The appropriations for commitment for 1978 amount to 430 000 000 *EUA* <sup>1</sup>

The schedule of payments is shown in the table under Article 550.

(D) *Compensation*

1. *Appropriations for payment*  
— withdraw from Chapter 55 223 m *EUA*
2. *Appropriations for commitment*  
— transfer from Chapter 100 178 m *EUA*

### JUSTIFICATION

The Committee on Budgets voted in favour of draft amendment 12/rev. tabled by the Committee on Regional Policy restoring the appropriations proposed by the Commission, i.e. 525 m *EUA* for payment and 750 m *EUA* for commitment

However the Committee on Budgets also wished to restore the breakdown of appropriations (between two separate chapters and four articles) proposed by the Commission <sup>2</sup>.

The implications of the four amendments tabled by the Committee on Budgets are shown in the following table :

	Preliminary draft budget <sup>1</sup>		Draft budget <sup>1</sup>		Regional Committee		Budgets Committee	
	Approp for payment	Approp for commit	Approp for payment	Approp for commit	AP	AC	AP	AC
<i>Chap. 55</i>								
Art 550	167	220					167	220
Art. 551	313	430					313	430
<i>Chap. 56</i>			390 <sup>2</sup>	398 <sup>3</sup>	525	750		
Art. 560	25	50					25	50
Art. 561	20	50					20	50
<b>TOTAL</b>	<b>525</b>	<b>750</b>	<b>390</b>	<b>398</b>	<b>525</b>	<b>750</b>	<b>525</b>	<b>750</b>

<sup>1</sup> Including letters of amendment

<sup>2</sup> Including 140 m *EUA* in Chapter 100

<sup>3</sup> Entirely in Chapter 100

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973

<sup>2</sup> At the express request of Parliament

The Committee on Budgets, like the Committee on Regional Policy, is therefore proposing an overall increase in appropriations in relation to the draft budget of 135 m EUA in appropriations for payment and 352 m EUA in appropriations for commitment.

\* \* \*

Draft amendment No 319

tabled by Mr Shaw on behalf of the Committee on Budgets

(A) *Expenditure*

Title 5 — Social and Regional Funds  
 Chapter 56 — ERDF — Specific Community measures  
 Article 560 (new article) — Interest rebates  
 Enter an appropriation of 25 m EUA

(B) *Revenue*

Increase revenue by 25 m EUA

(C) *Remarks*

Enter an appropriation for commitment of 50 m EUA and therefore add the following remark :  
 This article concerns flat-rate interest rebates of not more than 5 % of the initial amount of loans made by the European Communities or by the European Investment Bank. The purpose of the rebate is to facilitate the financing of investments that will have a positive impact on the employment situation and economic activity of the regions concerned. Appropriations for commitment amount to 50 m EUA. The schedule of payments (in m EUA) is as follows :

Commitments	Payments			
	1978	1979	1980	Total
1978 : 50	25	8	17	50

JUSTIFICATION

The Committee on Budgets voted in favour of draft amendment 12/rev. tabled by the Committee on Regional Policy restoring the appropriations proposed by the Commission, i.e. 525 m EUA for payment and 750 m EUA for commitment.

However the Committee on Budgets also wished to restore the breakdown of appropriations (between two separate chapters and four articles) proposed by the Commission<sup>1</sup>

The implications of the four amendments tabled by the Committee on Budgets are shown in the following table :

	Preliminary draft budget <sup>1</sup>		Draft budget <sup>1</sup>		Regional Committee		Budgets Committee	
	Approp for payment	Approp for commit	Approp for payment	Approp for commit	AP	AC	AP	AC
<i>Chap. 55</i>								
Art. 550	167	220					167	220
Art. 551	313	430					313	430
<i>Chap. 56</i>			390 <sup>2</sup>	398 <sup>3</sup>	525			
Art. 560	25	50					25	50
Art. 561	20	50					20	50
TOTAL	525	750	390	398	525	750	525	750

<sup>1</sup> Including letters of amendment

<sup>2</sup> Including 140 m EUA in Chapter 100

<sup>3</sup> Entirely in Chapter 100

<sup>1</sup> At the express request of Parliament

The Committee on Budgets, like the Committee on Regional Policy, is therefore proposing an overall increase in appropriations in relation to the draft budget of 135 m EUA in appropriations for payment and 352 m EUA in appropriations for commitment.

\* \* \*

Draft amendment No 320  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds  
Chapter 56 — ERDF — Specific Community measures  
Article 561 (new article) — Other measures  
Enter appropriation of 20 m EUA.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Enter an appropriation for commitment of 50 m EUA and add the following remark :  
The other specific Community measures contemplated include measures concerning frontier regions, mountain areas and certain other poorer farming areas, acquisitions of interests in undertakings and studies.  
The appropriation for commitment authorized for 1978 amounts to 50 000 000 EUA <sup>1</sup>  
The schedule of payments (in m EUA) is as follows :

(in EUA)

Commitments	Payments		
	1978	1979	1980
1978 : 50	20	15	50

JUSTIFICATION

The Committee on Budgets voted in favour of draft amendment 12/rev. tabled by the Committee on Regional Policy restoring the appropriations proposed by the Commission, i.e. 525 m EUA for payment and 750 m EUA for commitment.

However the Committee on Budgets also wished to restore the breakdown of appropriations (between two separate chapters and four articles) proposed by the Commission <sup>2</sup>.

<sup>1</sup> This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

<sup>2</sup> At the express request of Parliament.

The implications of the four amendments tabled by the Committee on Budgets are shown in the following table :

	Preliminary draft budget <sup>1</sup>		Draft budget <sup>1</sup>		Regional Committee		Budgets Committee	
	Approp. for payment	Approp. for commit.	Approp. for payment	Approp. for commit.	AP	AC	AP	AC
<i>Chap. 55</i>								
Art. 550	167	220					167	220
Art. 551	313	430					313	430
<i>Chap. 56</i>			390 <sup>2</sup>	398 <sup>3</sup>	525	750		
Art. 560	25	50					25	50
Art. 561	20	50					20	50
<b>TOTAL</b>	<b>525</b>	<b>750</b>	<b>390</b>	<b>398</b>	<b>525</b>	<b>750</b>	<b>525</b>	<b>750</b>

<sup>1</sup> Including letters of amendment

<sup>2</sup> Including 140 m EUA in Chapter 100

<sup>3</sup> Entirely in Chapter 100

The Committee on Budgets, like the Committee on Regional Policy, is therefore proposing an overall increase in appropriations in relation to the draft budget of 135 m EUA in appropriations for payment and 352 m EUA in appropriations for commitment.

\* \* \*

Draft amendment No 321  
tabled by Mr Lange on behalf of the Committee on Budgets

#### Section III — Commission

##### (A) Expenditure

Title 10 — Other expenditure  
Chapter 100 — Provisional appropriations  
Unchanged

##### (B) Revenue

Unchanged

##### (C) Remarks

Delete the indication of commitment appropriations in points 9, Item 3333, 10, Item 3351, 11, Item 3371, 13, Item 3620, 17, Chapter 55, 18, Item 8302. The total figure shown for commitment appropriations must also be deleted.

#### JUSTIFICATION

Commitment appropriations provide a *multi-year* financial framework for actions and cannot therefore be entered in Chapter 100 which is an *annual* reserve of provisional appropriations.

\* \* \*

Proposed modification No 322  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states  
Chapter 92 — Food aid  
Article 920 — Food aid in cereals  
Insert new Item 9202 — Food aid refunds related to Item 9201  
Insert an appropriation of 46 900 000 EUA.

(B) *Revenue*

Unchanged

(C) *Compensation*

Title 6 — European Agricultural Guidance and Guarantee Fund — Guarantee Section  
Chapter 60 — Cereals  
Article 600 — Refunds on cereals  
Item 6001 — Refunds in connection with Community food aid for the current financial year  
Reduce appropriations by 46 900 000 EUA.

(D) *Remarks*

Article 920  
New Item 9202 — This item makes provision for the food aid refunds related to Item 9201

JUSTIFICATION

Budgetary clarity and transparency would be best served by the inclusion of the provision for food aid refunds in the article which relates to the commodities in question. This policy was followed by the Commission in the Preliminary Draft Budget. Council, however, transferred the provision for food aid refunds to Title 6.

This proposed modification does not alter the quantity of food aid being provided for. It merely brings together in the one article the comprehensive provision for food aid in cereals, including the refunds element of 46 900 000 EUA.

\* \* \*

Proposed modification No 323  
tabled by Mr Shaw on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states  
Chapter 92 — Food aid  
Article 921 — Food aid in milk products  
Insert new Item 9213 — Food aid refunds related to Item 9212  
Insert an appropriation of 91 300 000 EUA.

(B) *Revenue*

Unchanged

*(C) Compensation*

- Title 6 — European Agricultural Guidance and Guarantee Fund — Guarantee Section  
 Chapter 62 — Milk and milk products  
 Article 620 — Refunds on milk and milk products  
 Item 6201 — Refunds in connection with Community food aid for the current financial year  
 Reduce appropriations by 91 300 000 EUA.

*(D) Remarks*

- Article 921  
 New Item 9213 — This item makes provision for the food aid refunds related to Item 9212.

## JUSTIFICATION

Budgetary clarity and transparency would be best served by the inclusion of the provision for food aid refunds in the article which relates to the commodities in question. This policy was followed by the Commission in the Preliminary Draft Budget. Council, however, transferred the provision for food aid refunds to Title 6.

This proposed modification does not alter the quantity of food aid being provided for. It merely brings together in the one article the comprehensive provision for food aid in the 1987 butter/buttermilk programme, including the refunds element of 91 300 000 EUA.

\* \* \*

Proposed modification No 324  
 tabled by Mr Shaw on behalf of the Committee on Budgets

## Section III — Commission

*(A) Expenditure*

- Title 9 — Cooperation with developing countries and non-member states  
 Chapter 92 — Food aid  
 Article 922 — Food aid in sugar  
 Insert new Item 9222 — Food aid refunds related to Item 9221  
 Insert appropriations of 1 100 000 EUA.

*(B) Revenue*

Unchanged

*(C) Compensation*

- Title 6 — European Agricultural Guidance and Guarantee Fund — Guarantee Section  
 Chapter 64 — Sugar  
 Article 640 — Refunds on sugar  
 Item 6401 — Refunds in connection with Community food aid for the current financial year  
 Reduce appropriations by 1 100 000 EUA.

*(D) Remarks*

- Article 922  
 New Item 9222 — This item makes provision for the food aid refunds related to Item 9221

## JUSTIFICATION

Budgetary clarity and transparency would be best served by the inclusion of the provision for food aid refunds in the article which relates to the commodities in question. This policy was followed by the Commission in the Preliminary Draft Budget. Council, however, transferred the provision for food aid refunds to Title 6.

This proposed modification does not alter the quantity of food aid being provided for. It merely brings together in the one article the comprehensive provision for food aid in sugar, including the refunds element of 1 100 000 EUA.

\* \* \*