

Annex

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Report of Proceedings

from 4 to 5 October 1973

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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.

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IN THE CHAIR: MR BERKHOUWER

President

(The sitting was opened at 10.35 a.m.)

President. — The sitting is open.

1. *Resumption of session*

President. — I declare resumed the session of the European Parliament adjourned on 20 September 1973.

2. *Apologies for absence*

President. — An apology for absence has been received from Lord Bessborough, who regrets his inability to attend this part-session.

3. *Petition No 2/73*

President. — Pursuant to Rule 48 (3) and (4) of the Rules of Procedure the Political Affairs Committee examined Petition No 2/73 on Chile, referred to it on 20 September 1973 in Luxembourg, and decided unanimously that the petition was couched in terms such that no further action could be taken.

4. *Documents received*

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

(a) from the Council of the European Communities, requests for an opinion on:

- the proposal from the Commission of the European Communities to the Council for a scientific and technological policy programme (Doc. 166/73).

This document has been referred to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on Budgets for its opinion;

- the proposal from the Commission of the European Communities to the Council for a directive on the organization of an intermediate survey as part of a programme of surveys on the structure of agricultural holdings (Doc. 167/73).

This documents has been referred to the Committee on Agriculture as the com-

mittee responsible and to the Committee on Budgets for its opinion;

- the Communication from the Commission of the European Communities to the Council on initial implementation of the 'Guidelines and Priorities for a Community Energy Policy' (Doc. 168/73).

This document has been referred to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on External Economic Relations for its opinion;

- the proposal from the Commission of the European Communities to the Council for a directive amending for the fifth time the Council Directive of 27 June 1967 concerning the approximation of the laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances (Doc. 169/73).

This document has been referred to the Committee on Public Health and the Environment as the committee responsible and to the Legal Affairs Committee for its opinion;

- the proposal from the Commission of the European Communities to the Council for a regulation on the control of concentrations between undertakings (Doc. 170/73). This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Legal Affairs Committee for its opinion;

- the proposal from the Commission of the European Communities to the Council for a regulation concerning the application, for the year 1974, in favour of developing countries, of generalized tariff preferences in respect of certain products falling within Chapters 1 to 24 of the Common Customs Tariff (Doc. 171/73).

This document has been referred to the Committee on Development and Cooperation as the committee responsible and to the Committee on External Economic Relations and the Committee on Agriculture for their opinions;

- the proposal from the Commission of the European Communities to the Council for a directive concerning the harmonization of excise duties on mineral oils (Doc. 172/73).

This document has been referred to the Committee on Budgets as the committee

President

responsible and to the Committee on Energy, Research and Technology for its opinion;

— the proposal from the Commission of the European Communities to the Council for a regulation amending Council Regulation (EEC) No 1496/68 of 27 September 1968 on the definition of the customs territory of the Community (Doc. 173/73). This document has been referred to the Committee on External Economic Relations;

— the proposal from the Commission of the European Communities to the Council for a regulation increasing the Community tariff quota for certain eels falling within sub-heading No ex 03.01 A II of the Common Customs Tariffs (Doc. 174/73).

This document has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion;

— the proposal from the Commission of the European Communities to the Council for a regulation on measures to be taken in the agricultural sector following the raising of the central rate of the Dutch florin (Doc. 176/73).

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

— the proposal from the Commission of the European Communities to the Council for a regulation fixing the target price and the intervention price for olive oil for the 1973/1974 marketing year (Doc. 179/73).

This document has been referred to the Committee on Agriculture;

(b) from the Commission of the European Communities:

— the report of the ECSC Auditor for the financial year 1972 (Doc. 180/73).

This document has been referred to the Committee on Budgets;

(c) from the Joint Parliamentary Committee for the Association with Turkey:

— the recommendation adopted by this Committee on 10 September 1973 in Istanbul (Doc. 181/73).

(d) from the Committees, the following reports:

— Report by Mr Georges Spénale on behalf of the Committee on Budgets on the communication from the Commission of the European Communities to the Council (Doc. 124/73) on the strengthening of the budgetary powers of the European Parliament (Doc. 175/73);

— Report by Mr Alain Terrenoire on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council (Doc. 138/73) for a transfer of funds from one chapter to another within Section III—Commission—of the budget of the European Communities for the financial year 1973 (Doc. 177/73);

— Report by Mr Fernand Delmotte on behalf of the Committee on Regional Policy and Transport on the proposals from the Commission of the European Communities to the Council (Doc. 152/73) for

I. a decision on the creation of a Committee for Regional Policy

II. a financial regulation to special provisions to be applied to the European Regional Development Fund

III. a regulation establishing a Regional Development Fund (Doc. 178/73).

5. Authorization of reports

President. — I would inform the House that I have authorized the Committee on Development and Cooperation, at its own request, to draw up the following reports:

— a report on the Memorandum from the Commission of the European Communities to the Council on the future sugar policy of the Community, on imports of sugar from the developing countries specified in particular in Protocol No 22 to the Act of Accession and on the Community's position at the second session of the United Nations Sugar Conference (COM (73) 1177 fin.);

The Committees on Agriculture and External Economic Relations have been asked for their opinions.

— a report on relations between the EEC and India, with particular reference to speeding up negotiations on the conclusion of a trade cooperation agreement with the country in question.

The Committee on External Economic Relations has been asked for its opinion.

6. Decision on urgent procedure

President. — I propose that Parliament decide to deal by urgent procedure with reports not submitted within the time-limit laid down in the rules of 11 May 1967.

Are there any objections?

The adoption of urgent procedure is agreed.

7. Allocation of speaking time

President. — In accordance with the usual practice and pursuant to Rule 31 of the Rules of Procedure I propose that speaking time be allocated as follows:

- 15 minutes for the rapporteur and one speaker for each political group;
- 10 minutes for other speakers;
- 5 minutes for speakers on amendments.

However, in the case of Mr Spénale's report on the budgetary powers of Parliament I propose that, exceptionally, speaking time be allocated as follows:

- 45 minutes for the rapporteur and rapporteur for an opinion;
- 30 minutes for one speaker on behalf of each political group;
- 15 minutes for other speakers;
- 5 minutes for speakers on amendments.

Are there any objections?

That is agreed.

8. Order of business

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

Pursuant to the instructions given me by Parliament at its sitting of 20 September 1973 I prepared the draft agenda which has been distributed, but in view of subsequent developments I propose that Parliament now adopt the following order of business:

This morning and afternoon from 3. p.m. to 7 p.m. and, if necessary, from 9 p.m.

- Report by Mr Spénale on the strengthening of the budgetary powers of the European Parliament.

Friday, 5 October 1973

8.30 a.m.

- Meeting of the enlarged Bureau
- Meetings of political groups

10.30 a.m.

— Question Time

It is understood that Question Time will not exceed 60 minutes and that no topical debate will be held, so that we can move on to the vote on Mr Spénale's report at 11 a.m. precisely.

11 a.m.

Spénale report (vote)

— Report by Mr Terrenoire on a transfer of funds within Section III 'Commission'.

The Committee on Budgets has asked for this report to be dealt with by a vote without debate.

Are there any objections?

Mr Lückner. — (D) The interpreting system is not working!

President. — Mr Lückner, I shall continue in German as the interpreters are still encountering some technical difficulties.

I ask the House to bear with me.

I take it, then, that everyone agrees with the draft agenda I have just read out.

All the voting on Mr Spénale's report will take place tomorrow starting at 11 a.m.

I call Mr Lückner.

Mr Lückner. — (D) Mr President, excuse me if I express doubts as to whether it would be useful to follow the agenda in the order in which you have proposed Parliament. I have understood that the deadline for tabling amendments is four o'clock this afternoon.

President. — Mr Lückner, for the moment we are concerned only with the order of business.

Mr Lückner. — (D) All right, then I should like to comment on your suggestion that the voting on the Spénale report, which of course also includes Mr Kirk's opinion on behalf of the Political Affairs Committee, should begin at 11 o'clock tomorrow morning.

Mr President, I should like to propose that we very seriously consider changing that. I believe that the matter is so important that we should begin voting on it as early as possible tomorrow morning. We all know our methods and the difficulties that face most of us as members of two parliaments. I feel it would be better for Parliament if we did not begin voting at 11

Mr Lücker

o'clock—which might become 11.30—but to start earlier and then possibly put question time at the end of tomorrow's agenda. That would be the suggestion I have to make, and one of the principal reasons why I make it is that a meeting of the Bureau is also scheduled for tomorrow morning. This meeting will of course clash with the final discussions which we will have to have in the groups before we proceed to the vote in this house. I should therefore be grateful if my suggestion could be accepted.

President. — Mr Lücker, may I remind you of the first paragraph of Rule 47A of the Rules of Procedure:

'A question time shall be set aside at the commencement of the second or the third sitting day during a part-session...'

I call Mr Vals on a point of order.

Mr Vals. — (*F*) Mr President, your proposal to start the vote tomorrow at quarter to ten is acceptable to me. The Socialist Group will agree to any proposal to hold the vote tomorrow morning. Mr Lücker's proposal is therefore perfectly acceptable to us.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, I cannot share your concern, for Rule 28 of the Rules of Procedure expressly states that the time of voting is fixed in agreement with the groups. This right figures higher in Parliament's power of free decision; if Parliament fixes the time of voting in this way, question time must automatically take second place because this is clearly what Rule 28 means.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Following on Mr Fellermaier's remarks just now, an unfortunate precedent would be set if you in the chair, Sir, were to fix the time of the vote. The debate may in point of fact finish earlier or it may finish later. There may be members waiting or there may not be members waiting. I suggest that, as has just been said, there should be a discussion on whether or not it is right to fix a time for a vote to be taken. If there is agreement in this House, then of course so be it. That means that Parliament has then decided that it should be so. But I would really regret the precedent being set, that the Chair should decide when the vote is to be taken without discussion or consultation.

President. — I take it that the chairmen of all the groups now agree to my proposal.

The vote on Mr Spénale's report will therefore commence at 9.45 tomorrow morning, on the understanding that question time will begin at 10 o'clock precisely.

Are there any objections?

That is agreed.

I call Mr Dewulf.

Mr Dewulf. — (*NL*) Before we commence our debates here in Luxembourg I should like to thank the Secretary-General and also, in particular, the staff for the tremendous effort they have put into making it possible, here in Luxembourg too, for the *vebatim* report to be available to members of Parliament before the end of the part-session.

(*Applause*)

President. — I call Mr Broeks.

Mr Broeks. — (*NL*) Mr President, my motion for a resolution is down on the agenda for discussion and now you have informed us that it will be put back until Strasbourg.

This I must deplore as it was expressly agreed with the Political Affairs Committee that the committee's report would be dealt with during the present part-session. I expressly requested this as I had hoped that the resolution could be adopted before the meeting of the Council. It will now be accepted after the Council meeting. I understand that the Political Affairs Committee's difficulties are connected with paragraph 3 of the motion. I am prepared to delete paragraph 3 of the motion, so that this can be discussed later in the Political Affairs Committee and they can deliver an opinion on it. The first two paragraphs of the resolution could then be accepted now. In these we express our dissatisfaction as to the fact that the Council has not yet taken a decision and we ask the Council to fix a date now on which this decision may indeed be taken.

Mr President, if this is possible, I should therefore like to withdraw paragraph 3 and have the motion for a resolution dealt with now.

President. — Mr Broeks, if I understand correctly no report or motion yet exists.

I call Mr Giraud.

Mr Giraud. — (*I*) Mr President, I should just like to assure you and Mr Broeks, and my other colleagues, that the Political Affairs Committee has indeed studied the motion for a resolution put forward by Mr Broeks. At the meeting

Mr Giraud

concerned, with the full agreement of all those present—including those of the same political persuasion as Mr Broeks— a more detailed study was thought to be necessary, particularly in regard to paragraph 3 of the motion, and it was accordingly agreed to defer the examination of the motion for a resolution till the next plenary part-session to enable the rapporteur to make a more detailed study of Mr Broeks's proposals so that a satisfactory conclusion can be reached.

It is only lack of time which has prevented the Political Affairs Committee from completing its work.

President. — After what Mr Giraud has said, I would also point out to Mr Broeks that the Political Affairs Committee, in agreement with the Socialist Group, has informed me that Mr Broeks's motion will be placed on the agenda for the part-session of 15 to 19 October.

If, however, the committee wishes to able a motion for a resolution which can be voted on rapidly without debate, I am prepared to arrange for it to be dealt with during this part-session.

I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, it is quite true that it was proposed in the Political Affairs Committee that Mr Broeks's motion should not be discussed during the present plenary sittings because of paragraph 3, but to postpone this till we met at Strasbourg. But if Mr Broeks withdraws his paragraph 3 there can be no objection to our putting the remainder of Mr Broeks's proposal to the vote during this part-session. I do not think that this gives any rise to difficulty and paragraph 3 can then be dealt with anew at the next meeting of the Political Affairs Committee with a view to further discussion at Strasbourg. But I should like to ask you to allow a vote to be taken in the Political Affairs Committee today on Mr Broeks's paragraphs 1 and 2 in view of the fact that a unanimous standpoint was reached on this; the rest can be discussed later.

President. — Mr Broeks, if the Political Affairs Committee is in a position to table a paper rapidly which can be dealt with by urgent procedure without debate, then we shall consider it.

Mr Broeks. — (NL) Mr President, I can submit a motion myself. Does this still have to go to the Political Affairs Committee first or is it sufficient that it be submitted direct to Parliament?

President. — Mr Broeks, it should first be agreed with the chairman of the Political Affairs Committee and the members concerned.

I call Mr Kirk.

Mr Kirk. — On this subject, the only point I wanted to make was that, as it was my group which originally objected, I am most grateful to Mr Broeks for withdrawing paragraph 3, and we will of course vote for the amended version.

Mr Vals. — (F) No French translation!

President. — I shall say something in Dutch, Mr Vals, in order to check whether the Dutch-French interpretation is working:

'Ik stel op prijs, dat de heer Vals hier aanwezig is.'

Did you get that, Mr Vals? I was bidding you welcome!

(Laughter)

Mr Vals. — (F) Mr President, I am very happy to hear your words of welcome, but I would be even happier to hear what Mr Broeks, or indeed you yourself, have to say regarding the agenda!

(Laughter)

President. — I'm doing the best I can to proceed with our business!

I call Mr Behrendt.

Mr Behrendt. — (D) Mr President, I should like to come back to what you said just now that we will begin voting at 9.45 and have question time at 10 o'clock tomorrow morning. I immediately asked for the floor but you went on to something else. That is not meant as a criticism, but I must revert to this question.

President. — I thought that the House had unanimously agreed to hold the vote on Mr Spénale's report at 9.45 tomorrow morning. Do you wish to re-open the matter, Mr Behrendt?

Mr Behrendt. — (D) Mr President, you have said that the European Parliament is holding a special sitting today in view of the document submitted by the Commission on Parliament's budgetary powers. That is what we have to discuss. You have referred to the agenda, and said, 'it says here that question time must begin at 10 a.m.'. But, Mr President, I should like to point out that we have decided to make an exception by having question time tomorrow, contrary to the agenda. If then we have question time tomorrow as an exception, we can of

Mr Behrendt

course set a time other than 10 a.m. That is my view. Our views may differ on this point.

A request has been made to bring forward the voting. I consider it farcical to begin voting at 9.45 and to interrupt it at 10.00 for question time since, as we all, voting on all the amendments and on Mr Spénale's motion for a resolution cannot be completed between 9.45 and 10.00. I believe that a large majority of the members of this House are of the opinion that if we are to begin at 9.45, we should go through all the amendments and the whole of the resolution and then have question time.

Mr President, I would ask you to establish whether this is the case.

President. — I think there is little difference between my interpretation and that of Mr Behrendt. Parliament has an annual session divided into part-sessions. Now, according to Rule 47A:

'A question time shall be set aside at the commencement of the second or third day during a part-session...'

Parliament is now holding a part-session in Luxembourg. Tomorrow will be the second day of this part-session and we shall therefore have question time then.

Unless I am mistaken, we decided to begin the vote on Mr Spénale's report at 9.45 a.m. and to commence question time after that vote. I repeat, after that vote. It may therefore be a little later than 10 o'clock.

(Laughter)

The House will appreciate that the rules are there to be applied, but applied flexibly.

I think we can now move on to Mr Spénale's report on the strengthening of budgetary powers.

In order to ensure that our work can proceed properly, I propose that we close the general debate this afternoon or possibly at the beginning of the evening.

If, however, we are not able to close this afternoon's sitting at 7 p.m., we shall break off until 9 p.m.

The vote on the motion for a resolution will be held tomorrow morning in accordance with the decision just taken.

Are there any objections?

That is agreed.

I propose that the time-limit for tabling amendments be fixed at 4 p.m. today.

I call Mr Lücker.

M. Lücker. — (D) I base my argument on the assumption, Mr President, that this special sitting, or sitting as you correctly define it, was called so that we might urgently deal with Mr Spénale's report. And I would point out, Mr President, that we did not have the Spénale report in its final version and in all languages until this morning. During the last few days we have been able to discuss this matter on the basis of oral reports from the members of the Committee on Budgets, but we did not receive the text until this morning, and I do not believe it is fair to ask that all amendments must be tabled by 4 o'clock this afternoon. Would it be possible to defer this deadline until this evening at the earliest, so that the amendments could be available in all languages for the beginning of the group meetings tomorrow morning? I cannot judge whether that is technically possible.

Mr Fellermaier. — (D) At what time this evening?

Mr Lücker. — (D) Mr Fellermaier, I find it very difficult to name a time. We in the groups have scarcely an opportunity to meet during the day, and it could be that there is a need for this. In any event, I would say that the amendments should be tabled by 8 o'clock this evening at the latest.

President. — May I suggest a compromise. I propose that, bearing in mind the technical requirements and the fact that our proceedings may continue until 7 p.m., the final deadline for tabling amendments be put back from 4 p.m. to 6 p.m.

I call Mr Spénale.

Mr Spénale. — (F) Mr President, we should not forget that the Committee on Budgets is still concerned by these amendments. If they are substantial, should the committee not have a chance to meet?

President. — That is precisely why we must finish by 7 p.m., so that your committee can meet if necessary. I would therefore be very grateful if Mr Lücker could agree to a 6 p.m. deadline.

Mr Lücker. — (D) Mr President, under the circumstances I must accept. I only hope it will work.

President. — Are there any more comments on the agenda?

The agenda is adopted.

9. *Strengthening the budgetary powers of the European Parliament*

President. — The next item is a debate on the report drawn up by Mr Spénale on behalf of the Committee on Budgets on the communication from the Commission of the European Communities to the Council on the strengthening of the budgetary powers of the European Parliament (Doc. 175/73).

I assume that the rapporteur, Mr Spénale, and the rapporteur for an opinion, Mr Kirk, have agreed on a division of the 45 minutes at their disposal.

I call Mr Spénale, who has asked to present his report.

Mr Spénale, rapporteur. — (F) Thank you, Mr President, for calling me to speak. Mr Kirk, I shall try to leave you at least half of the time which is at our disposal.

Ladies and gentlemen, you will no doubt remember that at the time of the April 1970 agreements, the Commission of the European Communities dissociated itself from the reform which had been made, declaring that it was inadequate, and leaving the responsibility to the Council alone. It added that it would draw up by 1972 new proposal for Parliament's budgetary powers, the provisions of which should be put into effect before the 1975 budget. The Council undertook to examine these proposals under the procedure laid down in Article 23b of the treaty.

On 12 June last, the Commission fulfilled its undertakings, a little behind schedule, by submitting to the Committee on Budgets Doc. 1000/73 on the strengthening of Parliament's budgetary powers. On 5 July, this House, following a policy debate, voted almost unanimously in favour of a resolution in which it restated its fundamental position and underlined its agreement in principle with the proposals on the creation of new own resources and the setting up of a European Court of Auditors. It also expressed reservations on the subject of budgetary powers themselves, especially on the procedure applicable to acts with financial implications. Our resolution also provided for the creation of a working party composed of members of the Political Affairs Committee and the Committee on Budgets. This working party was to examine together with the Commission

the proposals which Parliament itself could make regarding the extension of its budgetary powers, and in the light of which the Commission has undertaken to reconsider its original proposals.

In spite of the holidays, the work has been pursued actively, and as rapporteur I must thank the members of the working party, in particular its chairman Mr Giraudo, and Mr Kirk, rapporteur of the Political Affairs Committee, for the clarity of the discussions, for their openness and for the quality of the contributions, which made these contacts worthwhile for all concerned, even when differences became apparent, and perhaps especially when differences became apparent. Benefiting from this work and from that which has been carried out in the Committee on Budgets under the able chairmanship of Mr Aigner, the report which I have drawn up analyses the different aspects of the question of budgetary powers in a way which may seem rather lengthy in the context of the limited time which you have at your disposal, but which in terms of the subject itself is perhaps little more than a summary. I only hope that it will serve to launch in the right manner the debate on a problem which is urgent but which is of exceptional importance for the future of the institutions of the Communities.

We are here, in fact, because on 1 January 1975 the beginning of the system of own resources will herald a fundamental change for the Communities, the most significant since the Treaty of Rome, for the system of financial contributions from the Member States kept the Communities in a state of what might almost be described as parental dependence on the Member States. The creation of our own resources is an act of emancipation. At that date, what will the balance between the institutions be? More particularly, what will be the budgetary powers of the European Parliament? This is the question which has been put to us. To answer it we must take a large number of factors into consideration, especially consistent attitudes within the Assembly, principles observed in our national democracies, Community structures and the imbalance of powers between the institutions.

On the first point, I should like to say that when the European Parliament is asked to state what budgetary powers it would itself claim, it would be dangerous for it to make proposals which claimed less than has been claimed in the past. These self-set limits could be interpreted as a renunciation of aims which we have always declared. The consistent position of our Parliament, which goes back quite a long way, has been to declare that when own resources

Mr Spénale

become a reality, the European Parliament should have the last word on their creation and their utilization. If for any reason on 1 January 1975 there should be any limitation of this principle, this evidently could not arise from Parliament itself, and other institutions will be responsible. The difference between what we ask for and what we will be given will remain the basis of our future demands.

I thank President Scelba, who fought so hard in 1970 in the Committee for Finance, for having said this so firmly and clearly before the Political Affairs Committee.

The principles observed in our national democracies must, for their part, be used to promote the development of the Communities whenever they converge, as they are mentioned in the preambles to the treaties, and it is impossible to see how it would be possible to justify the adoption of contradictory principles at Community level. They are basically convergent, apart from a few minor variations, and they lead one to affirm that in the final period, which means the period which begins on 1 January 1975, the European Parliament shall have the normal budgetary powers of a parliament, even if the parliamentary institution should one day come to have a different structure, another name and other functions perhaps more important than budgetary powers.

On the factual level and, so to speak, as a counterbalance, we must recognize the specific nature of the Community's institutional structures and admit that the way in which powers can be allotted must take these into account, while not compromising the final objective. In other words, the budgetary decision-making procedures must today and tomorrow be adapted to the Community's institutional structures, considered furthermore as evolutionary.

I must dwell on these structures for a moment, in particular those of the Council. The discussions showed that there is surprising confusion on this point, and incredibly varied conceptions of the character of the institutions and their development prospects. The most urgent priority in this respect would be to clear all misunderstanding as to the nature of the Council of Ministers as an institution. In fact it is a hybrid institution, with several functions, which has the duties of a parliament, the responsibilities of a government, the methods of international negotiations, and procedures which are collegiate, anonymous and secret. For this reason, some people, impressed by these powers, see the Council (potentially at least) as a sort of second chamber, a *Bundesrat*, an international Soviet, or an American Senate, and come up with arguments of a parliamentary

nature in its favour. I would add straight away that to my knowledge there is no chamber in the world representing States at a community level which has the powers enjoyed by the Council, and even less so its deliberating methods and decision-making processes.

Other people, influenced by its title and its methods, see it as a governmental institution and naturally defend the Council's duties from the point of view of its executive responsibility.

Still others, considering the negotiation which precedes any decision on the unanimity which is necessary for it, see the Council only as an intergovernmental institution, a sort of institutionalized international conference, with a presidency which changes by rota, from which each national delegation must take its orders and report to the national parliaments. The latter would then, through the intermediary of governments, be the real parliamentary institutions of the Community, without there being any need to increase the powers of a Community Parliament, which in any event exists only through the national parliaments from which it is created and from which it appoints its Members.

If we take the sum of these three conceptions, although they are hardly such as to make amalgamation possible, we are led to conclude that there are no changes to be made, own resources or no own resources, economic union or no economic union, to the inter-institutional imbalance which we have, because the Council must keep its parliamentary and at the same time its governmental powers, and because, moreover, it is the Community's only vehicle for national wills. As to the question of whether these national wills are defined by procedures which respect parliamentary democracy, this concerns the national parliaments in individual countries and individual cases, and not the European parliamentary institution.

We shall not allow ourselves to be detained by the third interpretation, even though it has some support here, considerable support at that, because it totally contradicts the spirit of the Treaties of Rome and Paris. It would also lead to a question which we would no doubt have to consider, that is, whether since 1 January 1973 we have evolved any further towards a Community or towards a free trade association.

The other two conceptions, however, according to which the Council is a European institution, of an executive nature to some and a parliamentary nature to others, can be argued on the basis of the Treaties of Rome. I do not mention the Treaty of Paris here, because we shall once more come across the heterogenic nature of the Communities. For the ECSC the

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executive power is entirely in the hands of the Commission, as is the budgetary power, the Council having a normal parliamentary function, which is to raise the upper limit of own resources in cases of need, and Parliament having a consultative function and auditing duties. On the other hand, when the European Community began, a confusion of powers was no doubt inevitable, and is essentially budgetary in origin. To the extent that common policies could only be financed by financial contributions it was natural that the Council, where national wills were expressed, should decide the use of the contributions, that it should at the same time receive legislative powers and that in order to implement them it should set up quorum regulations. For these reasons, the ECSC was born a responsible adult, whereas the EEC was born a minor and had to accept the absolute authority of its tutors, who decided what funds it would be granted and what use it should make of them.

On 1 January 1975 the legal position changes. The Community will then have its own resources *de jure*, and thus reaches its political majority, as the President-in-Office of the Council at the time, Mr Harmel, solemnly declared in 1970. From that date, the accumulation of governmental and parliamentary powers which have characterized the Council must also disappear. It is a law of biological evolution that in primitive or embryonic organisms a single organ can have the function of several organs in a more highly developed organism. We think that this Community should become a more highly developed organism. The history of our States also shows that confusion of powers is dangerous. Rule by an Assembly, where the parliament takes over governmental duties often leads to inefficiency. But if the government keeps its legislative duties, democracy is endangered. Then there is also the question of the size of the budget. The imbalance which has existed could be satisfactory as long as the principal concern was to manage an agricultural policy within the scope of the financial contributions and the limits of a customs barrier. But now that the Community's duties are becoming more varied and more numerous, we should learn from our national experiences so as to avoid exposing Europe to either of those risks and allow it to play its proper role in the world. We must overcome the ambiguity; the Council cannot remain a hermaphrodite, the time has come for our States to choose a sex for it. If the choice were to make it a chamber representing the States, as some people see it, our Assembly would have to be accorded governmental powers. If the choice were to give it governmental rights, as other

people think, our Assembly should receive total parliamentary duties, sharing them with no-one. Our relationship with the Council would then have to be re-assessed by finding a balance corresponding to the situation in the Community and to recent developments. In any event, this is a subject to which this Assembly, with its Political and Legal Affairs Committees would do well to turn its attention from now on, and for a long time, no doubt, if it wishes to exercise gradually the influence which it should have on the evolution of the institutions of the Communities. It will be a long journey.

Meanwhile, we have the arguments of one side or the other, but it seems safe to say that neither one point of view nor the other justifies the Council, under the system of own resources, in continuing to decide on its own, without appeal, how these resources are to be used, and retaining for itself, again without appeal, the legislative power. If we see it as a sort of Assembly of the States, we should remember that the *Bundesrat* does not decide on its own and without appeal the expenditure of the Federal Republic—I must point out that these examples are not of my own choosing. If we see it as a governmental institution we must remember that even in cases like that of France, where the government alone may propose new expenditure, only the parliament may make the decision. It seems then that the principles observed in our national democracies agree that the European Parliament should have the last word on acts giving rise to new revenue or new expenditure.

After such an introduction, anyone might expect proposals claiming an unlimited and permanent right to the last word. In fact, the proposals which we have submitted, and whose outlines were developed during the preparatory work with the working party and the committees, have attempted to take into account as far as possible our colleagues' views, insofar as they do not run contrary to our permanent objectives or the principles according to which our institutions should evolve. Close analysis of the proposals will therefore show that although we have respected the principle of the last word, we are still looking for a balance, for cooperation between the institutions and for joint decisions.

I should now like to illustrate this by considering the proposals contained in the motion for a resolution which you have before you. We have defined budgetary power—it is a classical definition—as the right to create revenue, approve expenditure to discuss and adopt the budget and to supervise its implementation.

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The creation of resources poses the problem of the budgetary autonomy of the Communities. This problem has been solved in principle, but not in terms of resources. Article 4 of the decision of 21 April 1970 states that as from January 1975 the budget of the Communities shall be financed entirely from the Communities' own resources. This is the principle of budgetary autonomy. If we look at the way things work in the ECSC, we can see that this principle is not only acknowledged but also put into practice, for in the ECSC the Council of Ministers can decide by a two-thirds majority to raise the ceiling of the ECSC levy so as to adapt the needs of the Community's policies to its resources. The same is not true of the EEC, even after the 1970 agreements, since we are unable to adapt common resources to meet the requirements of common policies by common procedures.

We shall therefore propose here—and we are grateful to the Commission for having done so before us—that new resources should be made available to the Communities on a proposal from the Commission with the prior unanimous consent of the Council. We think that such a procedure should be acceptable to everyone. The need to obtain the prior unanimous consent of the Council means that nothing can be decided unless all the States are first in agreement. As you can see in our motion for a resolution these procedures must be such as to allow the governments of Member States to refer the matter to their national parliaments as and when required to do so by their constitutions.

It seemed to us that an immediate decision could be taken on the financial needs of the Communities from 1975 onwards. We proposed that if necessary for a given financial year, the annual percentage of VAT could be raised above 1% but must remain below 2%, and only if the Council were unanimous on this point.

In this way we would have a three-fold VAT system:

- under the budgetary procedure, if we remain below 1%; the Council needs a two-thirds majority and the Assembly a simple majority;
- with the unanimous consent of the Council if it is necessary to exceed 1% without exceeding 2%;
- if it is necessary to exceed 2%, the procedure in Article 201 is used, i.e. consultation of the Member States in accordance with their respective constitutional requirements.

Those are the proposals made on the creation of resources.

With regard to new expenditure, which is probably the most important and most difficult part of the debate, we pointed out straight away that Parliament alone can agree to new expenditure. But it seemed to us that the proposals from the Commission, according to which decisions with financial implications spread over a number of years would go through a second reading, after which, irrespective of the majorities shown, Parliament still would not have the last word, were not in keeping with the consistent position of this House. We thought that however long the procedure, however many stages it had, there should in the last instance be a time when, even under harsh quorum rules, Parliament should have the last word. Taking into account the proposals from the Commission and from certain of our colleagues, in particular the Political Affairs Committee, according to which there would be a conciliation stage before the institutions voted, we have provided that a conciliation committee would meet in order to find a solution whenever this House and the Council did not agree on acts having financial implications.

As we shall have, I think, an opportunity to discuss in greater detail the statute of this conciliation committee and the consequences of the proposals which it will make, I shall simply say that here lies the greatest difference of opinion which still exists between certain of us. According to one formula, this conciliation committee would make proposals which would then come before the Council and Parliament; if these proposals were not adopted by the Council or by Parliament, the problem would once more come before the conciliation committee, which would make new proposals and submit them once more to the Council and Parliament, and so on until they were accepted by the Council and Parliament.

It is true that this procedure makes it unnecessary to know by what quorum the Council and Parliament would arrive at their decisions, since neither institution would be predominant; to some extent, the proposals from the conciliation committee would be binding, for even if they were not accepted, they would be drawn up again, but it would be impossible to get away from them.

It is on that point that we will our most important and probably our most difficult debate.

I would add that the conclusions reached concerning the effective powers of Parliament will logically condition the proposals to be adopted

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on Parliament's powers within the budgetary procedure. It is obvious that if at the time when new expenditure is authorized Parliament has the last word or can conduct its business with the prospect of having it, it needs fewer powers during the budgetary period. It would be very unhealthy for an institution which has been able to use its influence correctly at an earlier stage in the procedure to use the budgetary procedure to question common policies from time to time.

But, on the other hand, if Parliament does not receive sufficient powers when recurrent expenditure is created, i.e. on acts with financial implications, there must be a moment when it can debate these matters and consequently more powers in the budgetary procedure itself. In the proposals we can make on the budgetary procedure, there is therefore something which is not final; if insufficient satisfaction is given as regards the creation of new expenditure, we must become uncompromising as regards the budgetary period and say that, as all expenditure is the result of the treaties or acts concerned with their implementation, including administrative expenditure and expenditure on staff (for there would be no administrative expenditure, expenditure on staff or staff regulations if there were no treaties or prior decisions to fix them), we must immediately abolish the distinction between the two categories of expenditure and demand that Parliament can exercise its right of modification on the whole of the budget. The present distinction between the two categories of expenditure can only be acceptable after 1 January 1975 if, regarding the creation of own resources, satisfactory solutions are found which recognize the European Parliament's right to the last word.

As for the budgetary procedure, we have thanked the Commission for proposing a modification to Article 203. In fact, I think an error had crept into the treaties: when Parliament's proposed modifications do not increase the overall expenditure of an institution, at present a qualified majority in the Council is required to reject these proposals; in the final procedure, the qualified majority of the Council would have been needed to accept these proposals. In other words, the budgetary procedure would have been less favourable in the final period than in the interim period, when there were still financial contributions. We think that this proposal by the Commission should be retained.

We also think that when the effect of Parliament's proposals is to increase the burden borne by an institution, the Council should be able to reject this proposal with the smallest majority, i.e. by a simple majority, but that it is not enough to say that if it has not been accepted,

it is rejected. A majority should at least have to be against a proposal from Parliament, otherwise the proposal could be rejected simply because the Council did not examine our proposals within the required time, or because a minority in favour would be more powerful than the majority in the Council and the other institutions taken together. That must not be allowed, it must in any event be rejected, even though by the smallest possible majority.

But the most important point as regards the budgetary procedure is the proposal made by the Commission to classify among the expenditure coming under Parliament's right of amendment all expenditure automatically resulting from previous regulations.

We are grateful to the Commission for making that proposal. We shall simply say that we cannot be satisfied with the Commission's promise to make proposals each year to classify expenditure in this way. This category would include social policy, food aid and all sorts of things which will develop in future, and this is a real possibility for developing budgetary powers. But in my view we must see that the Council too agrees to this procedure in future and sets criteria, without which we cannot make allowances that on the annual proposal from the Commission the Council will accept that Parliament's budgetary power should develop in this manner from one year to the next, with no other form of procedure.

The last point is the supervision of the implementation of the budget.

We consider this extremely important. But we would say that we are not only concerned with how money has been spent, if the others decide on their own how it will be spent. One might even wonder whether it would not be a contradiction to say that certain institutions decide how the money is to be spent and then others will supervise whether these decisions have been implemented. We would thus become a sort of supervisory agent for the other institutions, something between a Court of Auditors and a political institution. However, insofar as we have real powers, it would be normal for us to give a discharge and for us to be given supervisory powers.

We are grateful to the Commission for proposing that an Audit Court for the Communities should be set up. The Committee on Budgets also wishes to see this brought about; Mr Aigner has also written the preface to a very interesting book on this subject for the directorate of documentation, advocating this.

By way of a conclusion, I shall say that we have tried to produce balanced and reasoned work as

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far as possible, enabling everyone to receive the assurances which the present interim period makes necessary, without forgetting that many of our Members here are new, and that we cannot rush things.

We would now ask the Commission to note the proposals accepted by this Assembly, then to make separate proposals on the creation of resources, budgetary powers and supervisory powers, so that if one or other of these sections is rejected, this does not involve the rejection of them all.

We would ask the Council not to adopt these proposals without consulting Parliament. If what was done in 1970 was not satisfactory, this is probably because there was no such consultation then. The Council took our resolutions, shut itself away, brought out a text and said no more to us about it. When establishing the powers of an institution, one should at least discuss them with it. This time, we would like the Council to consult us a little before adopting its provisions.

Finally, I hope that the Assembly will be sufficiently unanimous, or at least have a sufficiently large majority for our proposals to have the backing which is necessary, and that when the time comes for our own resources, this institution, the only one which represents the peoples of the Communities at this level, has real budgetary powers.

(Applause)

President. — I thank Mr Spénale for his introduction and for keeping exactly to his speaking time.

I call Mr Kirk, rapporteur for an opinion.

Mr Kirk. — Mr President, Mr Spénale quite rightly recalled in the course of his speech the history of this matter in detail, but he left out one part of that history which I think it would be proper for me to refer to in beginning what I have to say, and that is the major role which he himself has played in the whole of this affair.

Long before we joined the Community or this Parliament we had heard from afar of the battles that he was leading on behalf of parliamentary control of the budget—battles which came, I suppose, to their climax last December in Luxembourg with the motion of censure on the Commission and certainly in the long discussions that we have been having in July and in September of this year which have led to the document which is now before you.

I have had ample opportunity to appreciate the clarity of mind and even more the tenacity of

purpose with which Mr Spénale approaches budgetary matters. Our discussions have been greatly helped, if I may say so, by the presence and indeed participation of the Commission and Mr Cheysson himself from time to time. They have produced—rather, I must admit, to my surprise—almost complete unanimity.

There remain one or two points on which the Political Affairs Committee and the Committee on Budgets diverge. One in particular, to which Mr Spénale has referred, is a point of capital importance. But on the general necessity for the rapid and drastic strengthening of the budgetary powers of Parliament, in the light of the introduction of the Community's own resources which is now little more than a year away, there has been no divergence of opinion at all. On that we are all agreed, and I think on that every member of this Parliament is agreed.

Our disagreements, such as they are, have been tactical rather than strategic. I myself am convinced that we can today and tomorrow in discussion and in voting reach a solution to these problems which will, if acceptable to the other two institutions of the Community, change very considerably the balance of forces within the Community, and change it to the advantage of this Parliament.

From that point of view then, Sir, today's debate is certainly the most importance we have held since the enlargement of the Community and perhaps the most important for many years before that. From what we decide, and from the stand that we take, a great deal of the future shape of this Community could begin to emerge.

I speak today not as chairman of a political group—Mr Pounder will be speaking on behalf of the European Conservative Group later on—but as rapporteur for the Political Affairs Committee. It might therefore be as well if I began by reminding Parliament what the role of my committee is in this matter.

Our concern as a committee has been throughout to ensure that such proposals as the Committee on Budgets put forward would fit in with the longer term proposals for parliamentary powers generally, which cover matters other than purely budgetary matters. I did not regard it as any of my business as rapporteur to enter into the technical details of drawing up or indeed controlling the budget of the Community. That is the task of the Committee on Budgets. I regarded it as my duty—and I think Mr Giraud, who presided over the working party, felt the same way—to ensure that in those areas which had implications other than budgetary implications—and this applied particularly in the field of legislation—the proposals which Mr

Mr Kirk

Spénale put forward on behalf of his committee were ones which the Political Affairs Committee saw as fitting in with its long-term purpose.

It is our committee's intention in a short time to produce proposals covering the whole institutional range and the whole field of parliamentary powers. What we are concerned with today is to make sure that when we do that we already have, as it were, a ready-made piece of the machinery available in the proposals put forward by the Committee on Budgets.

It is for that reason that the opinion attached to this report, beginning on page 73 of the English text, may appear to some of you to be slightly unbalanced. On the vitally important question of the development of own resources we limit ourselves to a single paragraph—a paragraph which makes a point which indeed is made in the resolution, namely that the consent of national parliaments is still involved in the creation of new resources.

I guess Mr Spénale can quite rightly say that the question of own resources is from his point of view—and indeed from the point of view of Parliament as a whole—one of the most important if not the most important that we are discussing today. This does not mean that I do not have views, or that my political group does not have views, or even indeed that the members of the Political Affairs Committee in their individual capacity do not have views on this vital matter. It means that we did not think it proper that we as a Political Affairs Committee should try and tell the Committee on Budgets how to do its job. That was none of our business, and on that aspect of the matter we have accordingly remained almost completely silent.

On the other hand, on the second of Mr Spénale's three major sections, that concerning acts with financial implications, we have in fact enlarged quite considerably upon what has been said, and it is there, of course, that problems arise which Parliament will have at a later stage tomorrow morning to resolve.

Because almost any act of this Community has financial implications, what we decide in connection with acts with financial implications will in effect bind us when we come to deal with the whole question of Parliament's legislative powers; and that must be a matter with which the Political Affairs Committee is very deeply concerned indeed. It is on that matter alone, as Mr Spénale quite rightly says, that there is a major divergence between the two committees. The divergence arises over the difficult problem of the last word.

Mr Spénale and the Committee on Budgets, with a logic that cannot be faulted, say that it is the

representatives of the people, and they alone, who must be some mechanism—and he has always said quite frankly in discussing this that he is not bound to any particular formula...

President. — May be if you moved a bit closer to your microphone...

Mr Kirk. — Perhaps if I move slightly to the left, is that better? It's not my habit to move too far to the left in these matters...

(Laughter)

Mr Vals. — *(F)* Mr President, technically, for it to work, it seems that one of the microphones should be switched off. If Mr Kirk would speak into his, the interpreters could continue.

Mr Kirk. — I was saying that Mr Spénale, throughout the whole of our discussions, has quite openly said that he is not wedded to any particular formula. But the one thing that he has insisted on all the way through is that at the end of the day the last word must be with this Parliament.

Now logically one cannot fault the argument. Of course it is correct. But politics sometimes is not logical. Politics, as we say in my country, is the art of the possible, and the question that the Political Affairs Committee has to ask itself was not whether this was logical, but whether it was possible.

Could we imagine at this stage in the development of the Community that the Council would take or indeed the Commission recommend to the Council, so drastic a step as to give the final control of all legislative matters—because that is what we are dealing with—to Parliament alone, however difficult the barrier placed in its way. The Political Affairs Committee—by a majority, not unanimously—was of the opinion that this was not possible, and that what we should aim for was co-decision in another form.

We are not prepared, any more than Mr Spénale, to give the last word to the Council. I would oppose that and so, I believe, would every Member of this Parliament. If we cannot then anticipate having the last word ourselves, then we are driven to one conclusion only, i.e. that nobody must have the last word at all!

It was for that reason that we proposed in our opinion—and I believe I will not be prophesying too far when I say an amendment will be tabled today to this effect—not just the creation of a conciliation committee as Mr Spénale has proposed in his document, but that that committee should have the task of thrashing out the answer to this problem and reporting its conclusions to

Mr Kirk

its two constituent bodies for their ratification. It is there that the decision should be worked out between Council and Parliament.

This body has very proper and reputable constitutional ancestors. In my own parliament, in the parliament of the Federal Republic, in the United States Senate, similar bodies exist. Some of them have the power to take the final decision, others only have the power to recommend to their constituent bodies what should be done. But in all of them the task is to work out a solution which is bound to be a compromise. If the proposals of the Political Affairs Committee, which will come forward in an amendment today and be debated tomorrow morning, are accepted, Parliament will be in fact proposing a form of co-decision which I accept will be very difficult to implement but is much more likely to be acceptable to the institutions of the Community at this stage than the proposals put forward by Mr Spénale in paragraph 14.

It could also be said that, in addition to the reputable constitutional ancestry which these proposals have in our own countries, they have a reputable ancestry within the Community as well. It after all has not passed without notice in the Community that the Council of Ministers, having by a gentlemen's agreement decided never to have a majority vote on anything, meets for hour after hour all through the night to try and find a solution. We merely wish to be cut in on this type of marathon, not because we are masochists, but because we feel that in this way we can gain very real influence, authority, and indeed I would go so far as to say power for this Parliament in the process of decision-making.

That is, as I say, the major difference between us. It is a difference of tactics—the aim is the same. The aim is power and influence for Parliament, and I think it right that we should put these two divergent views before Parliament and let it decide which of these two courses of action it wishes to adopt.

It may be as well if I refer briefly to one or two other matters which are the concern of the Political Affairs Committee, though on which there is now no divergence of view between us.

There was the question of global rejection of the budget. Members may recall that when we debated this matter in July there was a slight altercation between Mr Spénale and myself. He has come forward in his proposals with a compromise which is agreeable to both committees, i.e. that there should be a right of global rejection of the budget, but there should also be the right of individual rejection.

I believe that by giving the right of individual rejection, one—in practice, if not in theory—virtually eliminates the dangers I foresaw in right of global rejection. It is much more likely that Members dissatisfied with items in the budget will move merely to take out one head or one sub-head, rather than saying: 'I don't like that particular part of the budget, I'm going to vote against the whole thing.' I think we will find that the solution put forward here is a practical one which both asserts the right of Parliament and also will work in the long term.

So in dealing with the main question that concerns the Political Affairs Committee we have opted for co-decision as we see it rather than for co-decision as the Committee on Budgets sees it.

On the question of the supervision of expenditure, there is no difficulty at all. Everybody wants an effective Court of Auditors. Everybody wants an effective committee of this Parliament working with the Court of Auditors. Everybody wants the Court of Auditors to be completely independent, but to be here to advise and help us in our work.

I believe the solution put forward here is a good one. The only comment that we in the Political Affairs Committee have to make is that, quite rightly, appointments must be made in agreement with Parliament. We would go somewhat further and suggest that the Court's appointment should be made by means of a system of hearing of candidates, whom Parliament would have to pass.

This is, of course, based on the 'advise and consent' clause of the United States' Constitution. I place some emphasis on it because when, at a later stage, we have—as we are bound to claim and, I hope, achieve—some say in the appointment of the Commission, a similar kind of procedure might be very effective.

I think I can limit myself to that, because I know that there is a very large number of Members who wish to speak in this very important debate. I would end as I began by stressing once again that, in the view of the Political Affairs Committee and certainly of its rapporteur, the implications of what we do here today and tomorrow go far beyond implementation of the budget on 1 January 1975. We may well set the pattern for the relations between the institutions of our Community for many years to come, and I am grateful indeed that the Political Affairs Committee has given me the opportunity to play a small part in the framing of these proposals.

President. — I call Mr Ortoli to state the Commission's position.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President, I have been struck by the quality of the speeches which we have heard, and I shall speak briefly because the procedure which you have adopted allows me to do so. I would remind you that we gave a lengthy exposé of our proposals to this Parliament at its July part-session. We stated the reasons for them and the overall pattern into which they fit, and which will, I think, develop in other ways whatever decisions you reach in your opinion and whatever the final conclusions are.

What I really wanted to say on behalf of my colleagues was how much we appreciated the way in which this work has been done. We have held many meetings, the work has been carried out, I believe, in great depth, and I think questions have been raised which, from the Commission's point of view, are extremely important. There is talk of a dialogue: once again, I do not know what the result of this work will be, but one thing is certain: working in this way helps to improve the Commission's relations with Parliament. I think that makes it easier for your Parliament to see what it is and what it can do.

I say this independently of any opinion you are called upon to adopt, but I would from now on like to thank the rapporteur and the committees for the way we have cooperated in this matter. If the case arises, of course, my colleague Mr Cheysson and myself will speak in this debate. (Applause)

President. — Thank you for that statement, Mr Ortoli.

I now call Mr Aigner on behalf of the Christian-Democratic Group.

Mr Aigner. — (D) Mr President, honourable Members, ladies and gentlemen, may I first extend my very real thanks, and that of all my group, to Mr Spénale for his report and his excellent work.

Your expert knowledge and personal commitment, Mr Spénale, together with your flexible attitude, have revealed a number of parallels in our ideas and, if I may say so, have led us all to a general agreement, apart from a few minor differences of opinion—one of which, however, is decisive. Otherwise we are in complete agreement, particularly in respect of the end need for balance.

I also thank Mr Kirk for his interest in this matter and I think Mr Spénale will agree that our thanks must be extended to his entire group. I must admit that I think we were all a little

afraid how it would out, how to achieve integration first with the six, and now with three new Member States, with a Conservative Group without opposition, Socialists, etc. I must say that I was, and we all are, surprised at the intense and spontaneous interest you have shown in our work; you have made such an important contribution to this question that we may say your presence did not aggravate matters but rather was a great help. In this question of the extension of our Parliament's powers your attitude brought to mind the phrase once spoken by another Briton: 'We are a nation governed by a parliament'. I feel this should also apply to the Community, not today of course, but tomorrow. This is where we recognize the importance of your traditions and your experience.

I note, as the first point of difference, that you accept the conciliation committee as the ultimate authority, without giving the last word to anyone. Surely that shows that pragmatism—your constitution, unlike ours, evolved pragmatically—works at least as well as the written constitutions of other nations which go into every last detail and sometimes have to be modified three or four times a year.

Since Mr Ortoli, President of the Commission, spoke earlier, I would also like to thank the Commission and especially you, Mr Cheysson. You took part in nearly all our difficult deliberations, described your position and attitude and yet managed to prevent us, with our rather more far-reaching proposals—for I do not deny that we considered all the proposals submitted to us by the Commission inadequate—from being at loggerheads with the Commission; on the contrary we won the Commission's support, in the form of new proposals.

Why, Mr Cheysson, do we all find your proposals quite inadequate? I think it is because they simply did not take account of the main issue, which is the imbalance in the Community. What is the use of a second reading between the Council in its present legal status and the Parliament as it stands? There is no point in a second or third reading unless the partners of this dialogue have the same rights. A second reading, without a change in legislative powers, without strengthening the position of Parliament, would be meaningless. The main point in our whole discussion is, therefore, how to persuade the Council no longer to act as the sum of national interests but finally to become a Community institution.

According to the Community's constitution, the Council was to be as much a Community institution as Parliament. Unfortunately, in practice this is not so. That is understandable, however,

Mr Aigner

and I do not blame it for this. The ministers, who are officially appointed by their governments, by their national parliaments, certainly could not suddenly support European formulas without having European legitimation, for they would be afraid to lose their support in the national parliaments and governments. So I do not blame them. This imbalance derives from the system of the treaties.

The European Parliament, however, is organized according to groups, i.e., it transcends national limits. It is based on public and not private decision-making procedure. There is not anonymity. We are responsible for our statements in public and before our people. Even if I as a German take up French or Italian interests, I may represent them at home in my own constituency and say: that is the European formula. The imbalance both in terms of legitimation and of the institutions simply compels us to concentrate on the real issue, namely how to strengthen Parliament's legal position.

I also admit that it was very difficult for the Commission, and no easier for us, to pick out one aspect and decide it at a time when the final constitution of the Community has not yet taken shape; for neither the Commission nor we ourselves are a constituent assembly. That is the problem. We have to presume a form of constitution which necessarily and methodically incorporates the question of budgetary powers.

Moreover, as Mr Kirk said, we expect further proposals for reform from the Commission in respect of revision of the treaties, as the Paris Summit Conference had promised the people of Europe. I would like to stress one point in particular, on behalf of my group.

Mr President, following the Council decision of 21 April 1970 on the replacement of Member States' financial contributions by the Community's own resources, both the Commission and the Council proposed to strengthen the European Parliament's budgetary powers accordingly. This cannot be done unless the treaties are revised. And the debates in all the national parliaments were based on the assumption that Parliament's legal position can only be strengthened by a revision of the treaties. You can read up the debates in the national parliaments, stating that this was a precondition, a *conditio sine qua non* of the national parliaments' approval of the Community's financial autonomy.

My group also considers it essential for this House, if it is to obtain real budgetary powers, to have a part in legislation and legislative acts with financial implications. This is the case not just here but in the national parliaments too. More than ninety percent of budgets are fixed

by advance legislation; but the national parliaments have a part in the legislation, we do not. And if budgetary power only extended to the other five or ten percent, we could simply proceed to the agenda. Consequently that is the decisive issue: how should one formulate this Parliament's share in legislative acts?

Mr President, on behalf of my group I would like to remove one error. Various press agencies, including *Agence Europe*, recently stated that my group had shifted its position on Parliament's last word with regard to budgetary powers. May I state expressly in the name of my group that in our resolution—and it was my motion for a resolution too, Mr Spénale, as you will surely confirm, and I remember the first reading in this House when I made just that criticism before the Commission—we adopted the legal stand, which is based on the currently valid legal position, that in budgetary procedure we have the right to reject the budget as a whole or, as we put it now, in individual parts. No-one must question this last word on budgetary matters. That is our demand and that of this group.

The question of participation in legislative acts is a different one. Mr President, I would be grateful if this question was finally incorporated into the constitutional structure of this Community. On behalf of my group I may state that we can only accept a federative structure for Europe. If one speaks of Europe's identity today, one cannot dismiss or put in question the identity of the Member States or even the European regions. That is to say, our constitutional model for this Community must include the so-called two-chamber system: the Chamber of States on the one hand, in which the national States are represented, and on the other hand the freely elected European Parliament.

Mr Spénale, if I accept this model, however, neither the Council nor the Parliament can have the last word regarding legislative powers. That is why I have much sympathy for the proposals of the Political Affairs Committee and Mr Kirk regarding a conciliation committee. And I am most grateful to you, Mr Spénale, although you originally took a different view, for adopting our views and accepting the idea of the conciliation committee as such. I would not like to call it an arbitration committee, as it was called in the German translation, for that would mean that the committee members were not free but had to represent the opinion of their body. What we want is a conciliation committee which takes account of the views, the various ideas and attitudes of the representatives of the two institutions; that is, we want finally to depart from the situation which continually arose in the dialogue with the Council, where the Council

Mr Aigner

listens to our opinion but the President of the Council is then unable to consider it because the decision-making procedure was completed in advance in the Council as a collective body. Open warfare on the one side, entrenched positions on the other, that is not a dialogue, at least not one leading up to decisions.

Although I accept the conciliation committee in principle, this still leaves the question—and here I come to the main issue of our whole discussion—of how the conflict is to be solved, if Council and Parliament have equal rights; for conflict is bound to arise if we are to have a vital Community, in which Parliament will perhaps be more progressive while the Council is more restrained. Our proposal, which we will formulate in detail this afternoon, is what I proposed in the committee, namely that theoretically the Council of Ministers should retain the last word. During the first and second phase, I will therefore accept Paragraph 14, the first and second alternative, where Mr Spénale states that any body with a larger majority can override the other body. If the conciliation committee reaches a conclusion and refers it back to the Council and Parliament, the conflict will of course have to be resolved during a final stage. Mr Kirk suggests one should simply leave the matter open. This will then force the conciliation committee to reach a conclusion.

I do not yet know what final decision my group will reach this afternoon. But I quite agree with Mr Spénale that unless this conflict is solved there is a great risk that the Community resolve will be blocked because one Council vote can in practice render the entire progress of the Community illusory.

Our, or rather my idea—I should qualify it—tends in fact in a different direction. I would say: let us in theory leave the Council the last word, but on two conditions—and I am most grateful that the Political Affairs Committee also considers these conditions a minimum requirement for such a solution—firstly: the last meeting must be a public one if the Council theoretically retains the last word; and secondly, the Council unanimity required to override a strong majority in Parliament no longer exists if there is even one abstention. Mr President, I cannot imagine a three-quarters or two-thirds majority in this House in spite of the groups, the political tendencies or the national groups without at least one Council Member supporting this majority. But if this one Council member abstained—he need not even vote against—this would force the Council to engage in a dialogue leading up to a decision.

In theory the Council has the last word. In practice, if one Council Member abstained this would

not then be the only way out of an *impasse* as it is now—for that is what abstentions in the Council come to at present—but a means of forcing a dialogue, and then a dialogue leading up to a decision, with Parliament. That is why I consider this a realistic solution which the Commission must approve; it is a way of strengthening Parliament without laying too much theoretic value on the Council's legal status.

Mr President, I believe the following consideration also proves the logic and necessity of such a balance: in Paragraph 9 of the motion for a resolution your Committee on Budgets rightly suggests that the question of the Community's own resources cannot be answered without consultation with the national parliaments.

You know that our motion for a resolution also differs from the Commission's original proposals. The Commission had proposed more: 'The Council, acting on a proposal from the Commission and by agreement with the Assembly, may make provision for new resources for the Community or amend the assessment basis for the Community's existing resources. The Council shall act unanimously and the Assembly by a majority of its Members and of three fifths of the votes cast.'

Mr President, even if I were to go so far as to add up the total funds of all the Member States and declare them to be European funds, it would be quite impossible for the Community institutions alone, without consulting the national parliaments, to grant the Community priority rights to unlimited access to these resources. A federative state structure does not allow a smaller unit to be arbitrarily weakened by the larger. Consequently, as we stated quite clearly in both committees and in Mr Spénale's resolution, the national parliaments must have a say, according to their constitutions, on own resources and, for example, on the question of raising the VAT rate from 1 to 2⁰/₁₀.

As Mr Spénale has rightly said: if I reduce this sovereignty, this autonomy of the Commission, I must at least give it a limited freedom of movement with which it can have some access to the necessary funds. And I agree with Mr Spénale that if the Member States pay 1⁰/₁₀ VAT, this will prove inadequate in a few years. Estimates of the amount which 1⁰/₁₀ would produce vary. You know that there is still a great deal to be settled, such as the basis of assessment. Some estimates vary by 30 or 40⁰/₁₀. But let us assume that 1⁰/₁₀ really would amount to 6 or 7 thousand million units of account. Today, on the basis of the 1974 draft budget, we have financial resources of about 8 thousand million units of account for this Community. We cover the Community's

Mr Aigner

requirements by Member States' contributions—which will no longer be so as from 1 January 1975—, customs duties, agricultural levies and the 1% VAT. But we must assume that the duties will be constantly reduced, because of the system of preferences, the liberalization of world trade, etc., and agricultural levies will fall too. Now, for the first time, the world market price for cereals is higher than the agricultural price level in the Community. Regional policy, development policy, these are all issues with which we will be faced in the next two or three years. If we want to give the Community sufficient room for manoeuvre, 1% will not be enough; we need 2%. There was a proposal to leave it at that level. We did not agree and I am most grateful to Mr Spénale for saying 'no' to the proposal. Now I must make the national States understand that the financial development of the Community can only take place within a precise framework. I think that 2% VAT would be acceptable here.

Mr President, I would like to add a last point. And I would ask you, Mr Spénale, to consider it here with us. If we allow Parliament the last word in legislative procedures with 3/4 of the votes, then the sum of so and so many legislative acts might create a financial total so great that the 2% VAT and the other revenues can no longer finance these legislative Community acts. Without realizing it we would then have gone beyond the framework which we set the national states.

Mr Spénale would rightly say: 'yes, for that is the case today too'. If, for example, the Council of Ministers decides upon legislative acts, and the total funds of one thousand million are not adequate, as happened in the case of Supplementary Budget No. 4, then the national parliaments would simply have to approve supplementary amounts. All right. But they still have critical powers and can draw the appropriate conclusions with regard to their government or its members. This would not be the case if we left the last word with a majority in this Parliament. That would run contrary to the federative structure of the Community. And that is why I think it would be better to choose a method by which we can force the Council of Ministers into a dialogue leading up to a decision on an equal basis with this Parliament. This would strike a balance between the delaying element in the national States and the progressive element of the European Parliament, which would also lead to a balance between the institutions.

I would like to conclude here, Mr President. We do not want conflict with the Council or the Commission. The Commission is our natural

partner. What we want is a dialogue leading to a decision between Parliament and the Council on an equal basis, in which the Commission can play the part assigned to it by its constitution.

Finally, Mr President, may I say that our position has obtained some support, in fact yesterday, when the national representatives of our group met in Namur. We know that this reform—whether what you suggested, Mr Spénale, or our proposal—can only be achieved with the support of the national parliaments. That is why I say to all the groups: what we are proposing here must and can only be proposed with the support of our national parliaments and our parties. I request, therefore, that acting in close concert with the national parliaments and national parties, we should move towards a solution which will take us a step forward in Europe.

Many thanks.

Applause)

President. — The Socialist Group has informed me that it has allocated the 30 minutes' speaking time at its disposal as follows:

— 10 minutes for Mr Vals, group chairman;

— 20 minutes for Mr Patijn and Mr Gerlach.

I call Mr Vals, first speaker on behalf of the Socialist Group.

Mr Vals. — (*F*) Mr President, ladies and gentlemen, on behalf of my group and before giving the floor to my friends Mr Patijn and Mr Gerlach, who will be speaking on specific problems and technical aspects of Mr Spénale's report, I shall merely draw attention briefly to the importance for the future and the highly political nature of the text before us.

Like the President of the Commission, I shall be very brief. Indeed my task has been eased by the fact that Mr Spénale, whose competence in this field is generally acknowledged, has for many months defended the positions of my political group.

We now have a text which, whilst it may not be unanimously approved by the House, will, according to what we have just heard from Mr Aigner, the first spokesman, secure a sufficient measure of agreement to ensure a comfortable majority. This text, if it is adopted by the Council, will contain the seeds from which may grow a true political community in which the repre-

Mr Vals

sentatives of the peoples of the Community, namely the European Parliament, may initiate but also retain control over the various policies. Many things have been said, as you know, about the balance between the institutions of our Community. Moreover, the most vehement reactions have come from the countries which have recently joined our Community, and I do not think I am exaggerating when I say that this criticism has been strong enough, if not to prevent, at least to delay the entry of one of them into the Communities: I mean of course Norway.

This institutional imbalance and the particular technocratic features which have become associated with our Community can no longer be tolerated in view of the extent to which relations have intensified between our countries, and it is essential, while awaiting the achievement, no doubt still remote but desired by many of us, of European political union, that within the Community, at least in the budgetary field, there should be genuine democratic control.

In the particular area with which we are concerned today, which constitutes the first stage in the establishment of this control, we must as a parliament be able to vet and instigate amendments to proposals which sometimes leave us in doubt that they are in the real interests of the peoples we represent.

The last time I spoke on this subject, I pointed out to the Commission that this point was extremely important to us. I am happy to learn from the President and from the Commissioner responsible in the first instance for the discussions which took place between Parliament and the Commission that the atmosphere surrounding these contacts was excellent.

I had stated that we should judge the Commission on the proposals made to us following the debate which is taking place today. I should like to restate the opinion of my group on this subject: we shall judge the conduct of the Commission on concrete proposals.

I shall conclude by saying that we, the socialists, are issuing a solemn warning: we shall not tolerate the granting to Parliament of powers which fall short of what our Assembly expects and which fail to give us the power of decision on Community affairs which the peoples of our States demand.

(Applause)

President. — Since Mr Vals did not quite use up all his speaking time, Mr Patijn and Mr Gerlach together have 23 minutes.

I call Mr Patijn on behalf of the Socialist Group.

Mr Patijn. — *(NL)* Mr President, as the chairman of my group, Mr Vals, has just outlined, we are at the present moment faced with a particularly important decision. The European Parliament is talking about its own powers. We could go so far as to say that this is a decision wider in its scope than the powers of Parliament itself. It concerns the whole of the institutional development of the Community, of an organization for economic cooperation towards European union, whatever form this may take.

The Socialist Group therefore attaches great importance to this debate and to the decisions that we are about to take as we are taking a further step on the road to this European union, whatever this may eventually comprise. We are already quite aware that the present institutional structure as anchored in the Treaties of Rome and Paris is quite insufficient for the purpose of constructing a truly European Community. If in the next few days we are therefore going to talk about the budgetary and other powers of this Parliament, we must do so in the light of the development that I have just outlined. Only against this background can we really justify the decisions that we are now going to take.

It will not surprise you that the Socialist Group has looked forward with some excitement to the proposals that the Commission is to submit. You will remember that a fellow-member of my group, Mr Spénale, last year even threatened to put to the vote a motion of no confidence in the Commission as the Commission appeared to remain in default. It did not come to this, but it was an indication of how great the importance is that we attach to the decisions that we shall be taking tomorrow.

The Socialist Group is able to associate itself with the general outlines of the Commission's June proposals regarding budgetary powers. We consider that these proposals in principle agree with what was arranged in 1970, when the Commission promised that it would submit proposals to extend the budgetary powers of Parliament. Yet a large majority in the Socialist Group was of the opinion that the prospect outlined in the Commission's proposals was too restricted. In our opinion the Committee on Budgets was therefore right in proceeding to develop these proposals further, amongst which the matter in particular of approving expenditure is an entirely new element and one that we welcome.

And now for the report itself. Let me start by heartily congratulating on behalf of the Socialist Group the Committee on Budgets on the enormous task which it has fulfilled. I should here once again like to stress how the rapporteur in particular, Mr Spénale, has fought not only

Mr Patijn

during this summer but in past years as well for the powers of this Parliament, especially when Parliament's budgetary rights were at stake. In addition we are also grateful to the Political Affairs Committee and its rapporteur, Mr Kirk, and also to the working party of the two committees who so ably supported it.

The report that has been submitted to us breaks down into four parts: the motion for a resolution, the explanatory statement, the working hypotheses and the opinion of the Political Affairs Committee as drafted by Mr Kirk. On the last three matters I shall say little so that I can concentrate entirely on the motion for a resolution. Besides, it is clear that, if there are differences between the text of the resolution and the working hypotheses, which as I hope and expect will be working hypotheses not only for Parliament but also for the Commission, the resolution will have to be taken as a point of departure.

Is there no German translation? Is there a German translation now? I think that we shall have to go back to the old building after all, Mr President. I am happy to go on but there is no sense whatever in doing so if there is no translation.

President. — The German is not yet coming through. Wait a moment, Mr Patijn.

Mr Patijn. — (NL) Mr President, may I suggest that you initiate a lunch interval at this stage.

President. — The German translation is coming through now.

Mr Patijn. — (NL) On the motion for a resolution, I should like, on behalf of my group, to go through two of the three chapters, the question of audit...

President. — Ladies and gentlemen, I note that the English interpretation is not working properly. I therefore have no choice but to suspend the sitting for lunch.

May I ask the House for proposals as to when we can resume.

I call Mr Lücker.

Mr Lücker, chairman of the Christian-Democratic Group. — (D) Mr President, the European Conservative Group and my own would like to meet again this afternoon for an hour, as we decided early this morning that amendments to the Spénale report should be submitted by 6 o'clock this evening since it is quite possible that Mr Spénale would like to examine the

whole situation once again in the Committee on Budgets. For this reason I should like to ask that this afternoon's sitting be scheduled for 4 o'clock, so that we still have an hour after 3 o'clock for consultation with the groups.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Naturally the political groups' wish should be respected. However, given that we have limited our own speaking time, I feel that we should bring things forward as follows: lunch break until 2 p.m., group meetings from 2 p.m. and plenary sitting at 3 p.m. Otherwise, Mr Lücker, I fear we should be letting ourselves in for a night sitting, which is something that should be avoided as far as possible given the significance of the topic.

President. — I call Mr Lücker.

Mr Lücker. — (D) Mr President, I should very much like to take up the suggestion made by my colleague Mr Fellermaier. I had already considered it, but as you know, there is a working lunch today in which a great many Members are taking part. It is quite impossible to allow only one hour for the working lunch. Therefore, although I fully understand Mr Fellermaier's point of view, I should like to ask him to agree to continue the plenary sitting at 4 o'clock so that we have time between 3 o'clock and 4 o'clock to complete our deliberations in the political groups.

Mr Fellermaier. — (D) Agreed.

Mr Lücker. — (D) Thank you very much.

President. — I call Mr Kirk.

Mr Kirk. — I was only going to say, sir, that since there is still no English translation and in the course of the morning there has not been French translation, Dutch translation and German translation, the matter is probably in the hands of a higher power than ours as to when we meet at all.

(Laughter)

President. — We shall therefore suspend the sitting until 4 p.m.

I would remind the House that the deadline for tabling amendments still stands at 6 p.m.

The House will rise.

(The sitting was suspended at 1 p.m. and resumed at 4 p.m.)

President. — The sitting is resumed.

10. Statement by the President on the situation in Chile

President. — In agreement with the political groups I wish, as President of this Parliament, to express our horror at the trial of political prisoners in Chile and our full support for the step taken by Mr Waldheim, Secretary-General of the United Nations, in requesting the Chilean Government to refrain from putting Louis Corvalan, Secretary-General of the Communist Party of Chile, on trial and to act accordingly in any other such cases which may arise.

11. Statement by the President

President. — I would inform the House that, in view of the various technical incidents which have affected the simultaneous interpreting system and impeded our work this morning, even obliging us to suspend the sitting, I have sent a telegram to the authorities responsible, in this case the Luxembourg minister Mr Büchler. I shall now read the next of the telegram:

'To my great regret and despite the assurances of your architects and technicians, I have again today had occasion to note that the simultaneous interpreting system was not working satisfactorily in the Chamber of the European Parliament. We have had to interrupt the sitting several times. I must convey to you my disappointment and concern, and ask you kindly to take the necessary technical steps immediately to ensure that our proceedings can take place under proper working conditions.'

12. Strengthening the budgetary powers of the European Parliament (cont.)

President. — The next item is continuation of the debate on the report drawn up by Mr Spénale on behalf of the Committee on Budgets on the communication from the Commission of the European Communities to the Council on the strengthening of the budgetary powers of the European Parliament. I would remind the House that the Socialist Group has divided its speaking time among three speakers and that we shall now be hearing Mr Patijn, then Mr Gerlach, for ten minutes each.

I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I naturally feel like asking for compensation in the form of

extra time in order to have my speech heard, due to the fact that there is a gap of three hours. I have not in fact included this. I only hope that the European technological Community will once again be established so that we may be able to meet without hindrance. But, loyal as I am, I shall under your guidance restrict myself to the 10 minutes that you have still kindly allotted me. In my contribution I had come to discussing the motion for a resolution itself. And I do think it is a pity that I have to do this at the present moment, while the groups whom we had allowed an extra hour's meeting time have evidently not yet returned from their deliberations. I shall nevertheless not hold up proceedings further and shall continue with my address, though I am sorry that the Conservatives and the Christian Democrats are not present.

As to the motion for a resolution I should like to deal with two main points on behalf of my group; the question of auditing will then be spoken to by Mr Gerlach. In the first place I should like to talk about the creation of own resources. As a group, we concur with the principle laid down in this that the Community will as from 1 January 1975 be able to have disposal over its own resources by a Community procedure. We are aware of the fact that in 1970 we, and Parliament concurred with this, took it upon ourselves to finance the Community entirely by means of own revenue. The procedure that has been framed for this purpose in paragraphs 5 to 9 inclusive we can approve in principle. But we were somewhat surprised to find that in section. A one paragraph, paragraph 9, suggests something quite different. If it is a matter of making own resources available to the Community, then in our opinion it cannot at this stage be stated that the annual percentage of VAT. may in the future perhaps be able to lie between 1 and 2%. In our opinion this basis is wrong. In 1970 we went along with a percentage of 1% with the knowledge that the estimates of Community expenditure justified a percentage of this kind, but at the same time knowing that we were unlikely to require the whole of this percentage. The Community now wishes to collect an advance by jacking up this percentage from 1 to 2%, or at least creating a possibility of doing so. Our group is of the opinion that this passage is out of place in the resolution. Revenue must be given to the Community to the extent that there seems to be a need for it. In our opinion paragraph 9, which refers to this additional own revenue, should be scrapped in its entirety. An amendment to this effect has just been tabled by our group.

I then come to the passage about which other speakers have already said that it will be likely to take up the best part of our debates and

Mr Patijn

which is particularly important. Why is the paragraph on approval of expenditure so important, because in fact, as Mr Kirk has stated, we shall thereby be taking an advance on the legislative powers of the Community. Mr Kirk did not want to do this. Because we wish to approve the Community's expenditure by the procedure indicated here, we are of the opinion that we should do so, but precisely for the opposite reasons. So we consider ourselves bound in principle by this procedure for the future as well, if next year we are once again going to start discussing the legislature. But why have we proposed this procedure? Why has this point been included in the report? Because we had received only very limited indications on the part of the Commission as to the way in which the Commission envisages the legislative powers. If for the second stage of economic and monetary union a second-reading procedure which is binding as to nothing comes to be adopted we would consider this quite unsatisfactory and we are therefore particularly happy that paragraphs 10 to 14 inclusive have been taken up into this passage by Mr Spénale and the Committee on Budgets. Together with Mr Aigner of the Christian-Democratic Group I am convinced that the Commission's proposal is quite insufficient. We as a group can therefore align ourselves with a large majority with the procedures of paragraphs 10 to 14 inclusive, and we shall submit merely an editorial amendment to paragraph 13 which does not in fact essentially alter the procedure.

We consider ourselves fortunate that Mr Spénale has, with his inventive genius, offered us the solution of paragraph 14, which the large majority of our group has been able to accept.

As far as confirmation of the budget is concerned, I can be brief. We can associate ourselves with the proposals and see no need for further amendments in this case.

Perhaps I may further briefly make just one final remark before leaving the floor to my friend Gerlach to talk about auditing. The majority of the Socialist Group, as you will have noticed from my address, go along with the proposed resolution, subject to the amendments we have put forward. We are nonetheless convinced that upon this resolution being adopted the work has only been half done. In the first place the Commission has to state its opinion on our proposals, and we hope that it can adopt these proposals as its own. We hope that the Commission will in this matter too be able to comprehend and accept its responsibilities. After that the battle with the Council and the governments of the Member States commences. We are sure that this will be a difficult battle to get what we want accepted by the Council

and to get all governments to fall in with this. But from the budgetary powers of 1970 and the battle that we had on this account in 1969 we have learned that Parliament can play an important role in this. A great role has been reserved for Parliament and of the governments we ask only that they fully understand what it means if they were once again to put this democratic control so long demanded by the parliamentarians into cold storage.

(Applause)

President. I would ask all Members kindly to remain seated and not to move about in the Chamber.

I call Mr Gerlach on behalf of the Socialist Group.

Mr Gerlach. — (D) Mr President, ladies and gentlemen. One thing that has arisen from all the discussions we have held on the budgetary powers of the European Parliament is agreement on the fact that the concept of budgetary powers should not be too narrowly defined, including as it does the following stages in budgetary procedure: Community regulations concerning finance, the fixing of Community income, i.e. own resources, discussion and formulation of the budgetary plan, in the light of multiannual financial forecasts, and finally the simultaneous and subsequent control of the implementation of the budget. I should like to limit my remarks largely to this final aspect.

We all know that the European budget as laid down by the Council and Assembly, looks quite different from the executed budgetary plan which emerges at the end of a financial year in budgetary accounts. Budgetary control is often regarded by the parliamentary bodies of our Member States as tiresome and secondary, and the same goes for the Administration of the European Parliament. And even if lately there has been a change of heart about the use of public funds, this must still be stressed. So-called public poverty requires better criteria for establishing budgetary priorities, and here I would raise the apparent contradiction between the omnipotence of the powers of formulating the budget—the *a priori* power—and subsequent control of the execution of the budget—the *a posteriori* power. It should be an exclusive duty of our Assembly to scrutinize the efficacy of the funds earmarked for individual Community policies on the basis of the experience of the last budget, in order to work out for ourselves the criteria necessary for us to work on the formulation of budgetary plans in full awareness of the facts. In the final analysis it does not depend on whether the council acts by this or that majority, but rather that we should have

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our say in the budgetary sector on the basis of well-founded technical competence. During all the arguments about a new institutional balance in the budgetary sector it should not be forgotten that we still have work to catch up on and structural changes—also involving the Secretariat—are necessary if further tasks are to be dealt with.

However, back to the starting point—the control of the European budget. It was brought home to us this year how important it is to have not only subsequent but also simultaneous control of community finance—by four supplementary budgets which together amounted to 20% of the yearly budget. I do not want to go into details here—for example, by discussing the butter affair. The fact is that the flood of work involved in individual community policy from the budgetary point of view can no longer be dealt with. And here I definitely include the European Parliament. Thus it would only be logical for the European Parliament to continue to demand simply the creation of a European Court of Auditors, which can alone as an independent body—in conjunction with the control by the European Parliament—ensure that it is not merely a self-sufficient bureaucracy which takes decisions at the European level, taking decisions against the wishes of our people and making the taxpayer defray the expense without any guarantee that his money will be spent soundly and economically. This is particularly so for a system of own resources, it makes no difference whether community income goes under the name of taxes, contributions or own resources. The valuable activity and experience of the Audit Offices of our Member States suggests that a body of this sort would be useful as a guarantor at community level. Even the commission has recognised this after initial hesitation and as a result has proposed that a European Court of Auditors should be set up in the context of its proposals on the strengthening of the budgetary powers of the European Parliament.

In order to ensure that the activity of this Court of Auditors corresponds to our wishes from the outset, however, it seems to me that the commission's proposals need to be supplemented and made more precise in the details of Article 22a and b.

Thus, the Commission in Article 22a(2) should take up the proposal that the members of the Court of Auditors should be elected from amongst people who are particularly well qualified for the work. It should not be merely a question of office.

In order to make it clear that the members of the Court of Auditors are independent, they

should only have their appointment revoked by the Court of Justice on a demand from the Council or Assembly—not the Commission, which as the executive body of the community is bound to be most subject to control. Accordingly Article 20a(7) should be formulated differently.

The present wording of the commission's proposed Article 22c seems to me to be much too centered on accountancy rather than the principles of effective public financial control. It is not merely a question of the Court of Auditors checking the accounts of the community bodies and policies, it is above all a question—this is the main basis for its creation—of its being given the power to check the organizations in the Member States responsible for the raising of community income and community expenditure. Furthermore, it should be made clear in this Article that all documents which the Court of Auditors considers necessary should be made available at its seat so that a comprehensive judgment can be given on disputed budgetary transactions, which may not always be apparent in ordinary budgetary accounts.

Finally, the Court of Auditors should draw its justification from the fact that its work must lead to sound financial management Community operations. By this I mean principally that community work, and in particular the work of the European Parliament, should constantly be examined to determine to what extent it could be carried out with fewer staff and less material.

In order to stress that the Court of Auditors that we want should not be a passive body it must be made clear that the Court of Auditors can take its own initiatives and can report at all times on matters of particular significance to the community bodies. It should be called to account particularly when submitting reports to the council and the Assembly. Here we have an important request by this House that it should be able to rely on this body in carrying out its work, allowing for the fact that the independence of a European Court of Auditors must not be affected.

In Article 22d of the Commission's proposal mention is made of the Statute of the European Court of Auditors. In my view, this Statute must contain the following elements:

1. It should govern the relations between the Court of Auditors and the bodies for the internal control of the communities;
2. It should lay down the conditions under which the member states should take over auditing work within their own sector on behalf of the European Court of Auditors;

Mr Gerlach

3. Finally it should establish that until the entry into force of Statute, the regulations of the present Audit Board are still to be used in so far as they are compatible with Articles 22 and 22c.

This means that we can already take a step towards the European Court of Auditors, which has its roots in the present European Audit Board. We should not wait until all the legal, technical and perhaps even political barriers have been pushed aside, but should already take a step towards more effective control of community finance. In conclusion, the European budget should not hide elusively behind opaque veils. The community should learn from the mistakes of the Member States and should be in the vanguard of healthy public financial control, which is fully accessible and does not repeat or exceed the mistakes made by the Member States.

Ladies and gentlemen, this time it is not a case of finding the lowest common denominator—as it has been in so many community policies—but rather of finding the highest. However, in the formulation of a future European Court of Auditors, the widest possible range of stipulations emerging from the constitutions of the member states should be taken into account. Only then, when the Parliament is ready to assume its control duties—and above all when it is capable of doing so—and protect the budgets of the institutions and its own budget from undue expenditure—only then can it demand increased budgetary powers. I should like today to draw attention to a danger—and now I am expressing my personal opinion—I am afraid that we have already lost sight of the standards of responsible budgetary management.

(Applause)

President. — I call Mr Rossi on behalf of the Liberal and Allies Group.

Mr Rossi. — *(F)* Mr President, ladies and gentlemen, our group would first of all like to pay tribute to the two rapporteurs, both to Mr Kirk for his very substantial contribution and to Mr Spénale for the perseverance and finesse with which he has for years handled the problem of Parliament's budgetary powers.

Mr President, I do not think I need to bring the problem into focus; that has already been done by the rapporteurs. I shall merely present two initial observations.

The first is that we are in an extraordinary situation, since we have before us a budget 97% of which is beyond our control and 3% within

our grasp. This budget has been compared with an iceberg 95% of which is below the surface. It seems to me that this is a situation we should get ourselves out of.

Second observation: in 1970, when we were already defending the budgetary powers of Parliament, our concern was the dual one of the control and autonomy of Community finances. We had to give pride of place to autonomy and to be more amenable where control was concerned. Now our task is to correct this anomaly.

But we also know that there are problems internal to Member States and institutional difficulties, and for this reason our group does not wish to adopt an extreme position but will endeavour to pick out the concrete factors which will make progress possible and enable Parliament effectively to perform the function which is proper to it.

Therefore, Mr President, I should first of all like to point out what is for our group the importance of the new resources. To begin with the amendments proposed in article 20 on the form under which the new internal resources are to be created, we say that shortfalls are likely to occur. Leaving aside funds required for aid to agriculture, which will affect the volume of the levies, the double tariff reduction due both to the tariff reductions and at the same time to the enlargement of the Community show us that over the next decade the Community resources on which our calculations were based in 1970 will diminish. We must therefore think in terms of the new resources and on this point, moreover, we share the view of Mr Spénale in proposing that the maximum VAT rate should be increased from 1 to 2%. Other formulae could have been envisaged, but this one would certainly be the most straightforward from the point of view of the relations between Europe and the countries of which it consists. At all events it seems of paramount importance to bear in mind that we are at present living on a budget of 5,000 million u.a. which represents approximately 1% of VAT, and if we wish to advance beyond that with all the ambitions we may have in the field of the environment, social policy, regional policy and research, it is easy to see that the 1% formula envisaged will soon prove adequate. I think, moreover, like Mr Spénale, that, while retaining the principle of unanimity in the Council and the double majority in Parliament, it would be more appropriate, where the new resources are concerned, for the Assembly to have the final say. Indeed, politically we feel, like Mr Spénale, that it would be preferable for the ministers to take their decision first and

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to obtain the necessary authority within their national political framework. The position of Parliament would thus become more straightforward. I am moreover convinced that the parliamentary control which would flow from this would be much more concrete and more effective than that which has so far been exercised on the national contributions to the Community budget. But we understand that from the point of view of procedure, it would be difficult to obtain from public opinion in our countries authority to impose new taxes. This is why—as I have said before and will say again—we support the realistic solution proposed by the rapporteur of increasing the possibility of new resources to 2%. After this problem of new resources, on which I wanted to be brief, while stressing the need to face up to it, for it will be an even more thorny problem before very long, I should like to deal with the problem of control.

President. — Would those of you who are speaking in small groups do so outside if possible? You are drowning the speaker's voice.

Mr Rossi. — (*F*) Thank you Mr President. I was saying, on the subject of control, that one of the most serious objections which have so far been raised in connection with European integration is undoubtedly the relative obscurity in which Community business is conducted and in particular the secrecy which surrounds the decisions of the Council of Ministers. To remedy this, first of all the Vedel Group, then the Commission proposed in turn that Parliament should be given the power of a suspensive veto or the power to force a second reading. The second reading solution has the advantage of not requiring any revision of the treaties, for it fits within the normal development of the consultative power Parliament exercises, but on this point I wonder why this proposal only envisages decisions of principle having particular financial implications extending over several years. I am not one of those who want Parliament to be debating these questions from one year's end to another, but there are a certain number of problems which we should be here to discuss. I think a yardstick could be found here and I should like the Commission to make us a proposal on this matter. Nevertheless, Parliament could not consider the second reading solution as complete and sufficient in itself, especially when we reflect that the new proposals on powers have been drawn up with an eye to the extension of our legislative powers. From this point of view proposals need to be submitted by next year, I think, so that they can be considered in the report on

the transformation of relations between the Member States as a whole into a European Union.

Then there is the highly controversial problem of the final say and codecision.

First of all, our group clearly approves, as I have just said, of the second reading proposal in the event of disagreements between the Council and Parliament. Speaking here on behalf of my group and not in a personal capacity, I would point out that my group expresses a definite preference for the 'non-stop' codecision procedure proposed by Mr Kirk.

Of course we are aware of the difficulties. Let me mention just two of them. There is the difficulty of assessing in what way the Council of Ministers has taken a negative position on a proposal of the Assembly. Who could make this assessment? And how?

The second difficulty seems to me to relate to the fact that both the President of the Council of Ministers and the President of the European Parliament are bound by the deliberations of the Council and Parliament respectively, and that their area of manoeuvre is very narrow.

But the point at which Mr Kirk's proposal becomes revolutionary is when he proposes that the Council meetings should not be limited to the members of that body, but that in addition to the ministers representing the nine Member States they should include, if I understand the proposal correctly, representatives from the different political groups in Parliament. Here the proposal acquires fundamental importance, for this would enable us to penetrate the obscurity surrounding the decisions of the Council of Ministers, which from the institutional point of view would without a doubt be a considerable step forward.

It is in this connection that our group rather considered this debate between the last word and codecision to be, if not a false problem, then a problem which we had to try to 'dedramatize'. Indeed, if we opt for the 'last word' approach, we must be clear in our minds that the idea of a three to one majority in the House is a pretty hypothetical solution, when dealing with subjects which are so controversial that such a majority is hardly ever likely to occur. But also, and especially, let me say this again, open access to the decision-making process of the Council and the last word of Parliament, in the last analysis, each produce results, from the point of view of the rights of Parliament, which are much the same.

On the other hand, our group attributes great importance to the phrase preceding the disagree-

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ment which we have just been discussing and in particular to the fact of ensuring that, where proposals having financial repercussions are concerned, we should be consulted before the Council and before the governments have begun to draw up their positions.

I now come to the question of the adoption of the budget.

Parliament has always interpreted the Treaty of April 1970 as conferring the prerogative of wholesale rejection of the budget. Some have already compared this formula in a way to a nuclear deterrent, saying that the rejection of the budget would have such grave consequences that the House could never exercise this power. For this reason it would perhaps be more appropriate for Parliament to keep to rejecting those parts of the budget on which no agreement could be reached with the Council. This approach is certainly a judicious one, but perhaps it does not conform to the spirit of the Treaty. In spite of everything, I think it would be a good thing and I have already heard several speakers refer to this this morning—to consider a possible amendment to the Treaty on this point.

A quick word about the interpretation given by the Political Affairs Committee to the application of article 149 in cases where the revision procedure in accordance with article 266 is not possible. This proposition comes up against some appreciable obstacles, since article 149 speaks of proposals, while the Treaty, with regard to the Budget, consistently uses the term 'draft'. It seems a little unrealistic therefore to say that the budget submitted by the Commission could not be amended by a unanimous decision of the Council. I am not optimistic over the reception the Court of Justice might give to any petition placed before it.

Finally, before concluding, I should like to say something about the Court of Auditors.

Our group indeed thinks that the European Parliament should be involved in the appointment of members of the Court of Auditors, for example through the Committee on Budgets. It also approves the proposal according to which the Court would have to submit to Parliament not only the annual report on proceedings of the previous year but also a programme indicating the financial studies envisaged for the following year. We feel indeed that this idea extent imitates the happy innovation of the programme of activities of the Commission and could thus make a major contribution to the prevention of fiscal fraud which seriously threaten the smooth conduct of Community

affairs and at the same time seriously damage its image in public opinion.

I shall conclude with two observations.

Firstly, the powers of Parliament present more than anything a problem of information. There is thus a need to avoid the discrepancy between information from members on a particular subject and the reality of facts and procedures. A short time indeed after the submission to Parliament of a proposal from the Commission (this is true both for the budget and for more day-to-day matters) the proposal is generally amended and redrafted, changed by groups of experts and ad hoc committees which means that the text on which Parliament has to express its opinion is not the final one and frequently reduces our deliberations to a mere legal formality.

Secondly, it is a historical fact that the powers exercised by parliaments come to them through budgetary powers: the right to vote on taxes, the right to control defence matters. We must follow this path: for this Parliament it is the normal process whereby we may gain the features of a real representative body of European democracy. But we must also ask ourselves if it is still true that it is on the strength of their budgetary powers that parliaments still decide upon their budgetary options and steer the administrative and political courses of Member States. It is true that parliaments influence public finance through their legislative powers. The Council of Ministers at Community level however performs a deliberative function and takes the vast majority of decisions with financial implications, and these do not come under the control of Parliament. We should therefore be making real progress if only Parliament could be involved in the exercise of legislative power in a more substantial manner than through its present consultative functions. This development might take place more rapidly than we think if Member States and the Community institutions showed their determination to give effect to paragraph 16 of the communiqué of the Paris Summit. Within this perspective our group remains open to any suggestions whereby Parliament could be associated less sporadically with the process of deliberation which would be reflected in the granting of powers of codecision in the preparation of Community legislation.

We have today the opportunity of forcing a breach in the present situation in which the Council of Ministers alone holds absolute power of decision. Now that the concept of pluralistic democracy has become a reality and the parliamentary function has become critically important, we, the European Parliament, must show

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great vigilance. Let us ensure that responsibilities which are being delegated daily are transferred from the national parliaments to the European Parliament and not from the national parliaments to the Council of Ministers. Perhaps the openness of the decision-making process to which I referred earlier could be a means of taking over a first phase of this control. Failing this my fears of a loss of democracy as the Communities develop would prove to be well founded and the hesitation of the national authorities to delegate new powers to us would then be justified.

(Applause)

President. — I call Mr Pounder on behalf of the European Conservative Group.

Mr Pounder. — Mr President, ladies and gentlemen, there can be absolutely no doubt in the minds of any of us here today that this debate centres on the most important and fundamental issue facing this Parliament at this time, a fact that you, sir, have already amply recognized through the very generous time allocation which you have made to those who wish to participate in this debate. I hope, sir, not to abuse the right which you have given us.

As my colleague Mr Kirk said earlier today, the subject matter of this debate, the need to strengthen the budgetary powers of Parliament, is almost certainly one of the most vital issues ever to come before this House. But at the outset, sir, on behalf of the European Conservative Group, I would like to express appreciation to Mr Spénale for the tremendous amount of work and thought which he has given to his report. I believe that this document in time will be regarded as one of the historic reports to be presented to this Parliament. It represents a firm basis for the powers which everyone in this House seeks to acquire for this institution.

I realize that there are probably quite a number of people in this Chamber who would have preferred to see even more radical proposals contained in the report. But the fact of the matter is, as Mr Kirk states in his excellent opinion, that the strengthening of the powers of Parliament is and will be a continuing process and that what we are considering today is but the first, albeit very important, stage of that process. If this Parliament is to evolve as an effective forum, then we must secure the right to play a full part in decisions right across the spectrum of measures which have financial implications. If the political institutions of the Community are to enjoy the understanding of the general public—and remember, without that

understanding there can be no progress—then it is right that where the Council reaches a decision concerning a proposal of the Commission, amendments to which may well have been proposed by Parliament, then that decision should be reached in public or at any rate not in conditions of secrecy. For secrecy breeds mystery and mystery breeds public hostility. It may be quite wrong that this should be the pattern, but I think everyone of us in this Parliament is a politician of sufficiently long standing and experience to know that it is one of the quirks of public life that secrecy somehow is interpreted by our constituents as something mysterious and therefore something which arouses their instinctive hostility. But the cornerstone of parliamentary efficacy expressed in practical terms lies in the need for the establishment and enforcement of a meaningful conciliation procedure: without provision for this all our efforts could be barren and sterile.

Now in this matter, the European Conservative Group fully supports the concept envisaged and detailed by Mr Kirk in his opinion, and in due course we will be tabling an amendment to give effect to that concept.

Ladies and gentlemen, the real yardstick by which any proposal should be judged is simplicity of operation and clarity of purpose. By both of these criteria Mr Kirk's suggestion of an automatic conciliation procedure in the event of disagreement between the Council and Parliament, coupled with a clear-cut procedure for that conciliation, is laudable and worthy of support. If the institutions of the Community are to be effective we must then acknowledge, as Mr Spénale brilliantly elucidates in his explanatory statement, that sometimes in the past decisions affecting expenditure were taken in a cavalier manner. Financial forecasts have sometimes been pretty inaccurate. Financial management has on occasion been haphazard. Supervision has sometimes been inadequate, and instances of fraud have been all too frequent.

By any yardstick, Mr Spénale's indictment is a swingeing one. But there is surely no-one in this Parliament who could stand and disagree with the strictures which Mr Spénale has detailed. That being so, these practices must not be allowed to continue. Thus, we must ensure that the necessary remedies right across the board which have been detailed should be effective.

For this to occur. Parliament must be vigorous and at the same time sensitive to public opinion. Personally, I am confident that it will be possible to inject the changes which are urgently sought and which are known and acknowledged

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to be urgently required. Arbitrary decisions of great importance determined in secret tend to create public suspicion. Inadequate financial forecasting as highlighted by the need for the subsequent introduction of massive supplementary budgets gives an unfavourable impression to the general public. The apparently haphazard supervision of expenditure as manifest in regrettably frequent instances of fraud results in general public disenchantment with the Community. There is no-one in this Chamber who is not familiar with the maxim 'no taxation-without representation'. Yet as matters stand, this Parliament appears to have been prepared in the past to accept limitations of its powers which no national parliament would tolerate for one moment. But of course it was not then quite so important because our national parliaments retained national fiscal control.

But we are now moving into a new ball game and Parliament must exert its undoubted influence. Gone are the days when this House can or should merely make hostile noises of protest before finally acquiescing with docility.

No-one is going to give us powers. Mr Spénale has said this on many occasions both in committee and indeed in plenary session. Nobody is going to give us powers as an *ex gratia* expression of generosity. I do not think this has ever happened in the development of any parliamentary democracy in our own countries and it is certainly not going to happen here.

We must therefore know the powers the we seek and we must be prepared, quite remorselessly, not to shrink from the challenge of obtaining those powers. As the day of 1 January 1975 draws ever nearer, after which the Community will be financed from its own resources, let us for a moment examine the situation which could arise on that date in relation to parliamentary expression of opinion. I know there are Members of this House who claim that a national parliament cannot refuse to ratify the national contribution made to the Community as this debt is comparable to one resulting from an international agreement. Even though that be the case, a very serious situation indeed will arise in January 1975 as the Community moves away from the concept of national contribution and enters the domain of own resources.

As things stand at present, a situation would then exist which simply could not be accepted were we considering our national budgets in our national parliaments. Unless changes are made, there will be no parliamentary and therefore no democratic involvement, unless the power of co-decision in the determination of the Com-

munity's revenue and expenditure is vested equally in this House and the Council.

I realize that we are not directly elected by the voters in our own countries, and I would venture to suggest that there are probably few people in this House who do not look forward to the day when direct elections take place. But for now, we, sitting in this European Parliament, are the only persons in the Community who have direct and total responsibility to the electorate of the Member States. It is therefore absolutely vital for the democratic development of the Community that this House should have a say in the finances of the Community which is no less than that which would pertain in our own national parliaments.

I turn now to one of the two specific joints in Mr Spénale's report on which my group has particular thoughts. I refer first of all to Paragraph 9 and to the fixing of a rate of VAT. There is so much uncertainty about the sum which 1% of value added tax would raise—and our information is that 1% would be sufficient for several years to come, and that is frankly the best estimate which is available—that my group feels this is not the time to embark upon a discussion about a 2% VAT level, when there is so much uncertainty, very grave uncertainty, about forecasting procedures and a host of possibilities which could upset these forecasts. Let us set that against the fact that all that is required at the moment is less than one half of 1% of VAT.

I think, as does the European Conservative Group, that Paragraph 9 is really a subject for another day. We will therefore, in due course, support the amendment tabled on the order paper—I think it is No. 3—which seeks to delete that paragraph.

I said a few moments ago, Mr President, that in due course the European Conservative Group will be expressing very clearly in amendment form its views on Paragraph 14. I think that Mr Kirk's report and his speech earlier today—although I realize he was speaking on behalf of the Political Affairs Committee—indicate fairly clearly the lines along which the European Conservative Group is thinking.

May I make now some reference to the section in Mr Spénale's report which concerns the proposal for a Court of Auditors. We all recognize that the present auditing procedures and methods are inadequate. It is essential that a Court of Auditors as outlined in the Commission's proposals be established and be established quickly. But it is also vitally important that the Court should be clothed with sufficient powers and administrative machinery to ensure that it

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will be able effectively to detect and expose financial frauds and irregularities regardless of of the Community activity in which they may arise. There is no system at present which really effectively detects and punishes fraud, yet frauds do exist, perhaps on a sizeable scale, and such a situation creates gnawing discontent amongst our constituents, understandably and rightly so.

It is absolutely necessary, of course, that the members of the Court of Auditors should be appointed in agreement with Parliament. Mr Kirk made reference this morning to the American advise and consent procedure, with which I think we are all familiar. This procedure may well provide an adequate model for the ascertainment of the parliamentary agreement which we seek. However, in making this assertion, it should be clearly understood and recognized that the Court should be absolutely independent of national or political pressures.

During the July part-session this Parliament kindly accepted an amendment from the European Conservative Group to the effect that the Court of Auditors should report to and be at all exercise of its rights of control. This means that Parliament should have the right to request the Court to examine expenditure whenever Parliament considers this to be necessary. It should thus be possible for the Court not merely to engage in historical auditing functions, important though these are. What is surely even more important is that the Court should be empowered to investigate in depth matters which may come to light during a current period. Whether those matters concern irregularities or not is irrelevant. It could equally be a case where Parliament has requested the Court to examine a category of expenditure. The European Conservative Group considers that Parliament should have this right to request the Court to make these examinations whenever Parliament so decides.

I would conclude by submitting to this House, Mr President, that Mr Spénale's report and the tremendously important issues which are raised therein give us an unrivalled opportunity to set in motion a sequence of events which will ultimately lead to the establishment of a truly effective Parliament. There are some honourable Members in this House may be critical of various aspects of Community policy, whether it be the agricultural policy or the Social Fund or the projected Regional Fund. Right across the policy spectrum there are bound to be differences of personal opinion. But as a Parliament, I do not believe that we should become over-involved in detailed matters of policy while there is an overriding issue which we must

pursue with single-mindedness and determination until we have acquired meaningful powers. All else is of secondary importance. We must subordinate our individual partisan passions, preferences and prejudices. We share one goal which transcends all else: we want to make the Community really effective, truly democratic, and in this we have a vital role to play. The goal can only be attained, however, if this House acquires real power and influence. It should also be remembered that in the final analysis we in this House are the custodians of the hopes and aspirations of our constituents. Today marks a first landmark along that road. We must seize the opportunity and hope that history will regard this day, and indeed tomorrow's vote, as perhaps the most important thing that this Parliament has ever done.

(Applause)

IN THE CHAIR: MR BURGBACHER*Vice-President*

President. — I call Mr Bourges on behalf of the Group of Progressive European Democrats.

Mr Bourges. — (F) Mr President, colleagues, the Group of Progressive European Democrats has participated actively in the Political Affairs Committee and Committee on Budgets in the preparation of this important debate today. On behalf of my Group I should like to pay tribute to our rapporteurs, Mr Spénale and Mr Kirk, whose personal activity and fruitful work have made it possible for us to hold a useful discussion and to achieve a broad consensus on a subject which is a vital but difficult one.

The positions of my group are motivated by the wish to reconcile wisdom with urgently needed progress in the process of European integration. Certain suggestions which have been made by previous speakers testify to their desire, which is also ours, to readjust Parliament's responsibilities in such a way that this House can fully assume its role and be closely involved in the common venture in accordance with the wishes expressed by the Heads of State or Government as the Paris Conference in October 1972. Our concern is to strengthen the powers of control of our institution and to increase our influence on Community decisions.

It is within this context we feel that the proposals which have been submitted to us on budgetary matters should be considered and they should also be considered in the light of future developments towards European union taking into account the effective development

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of relations between the institutions over recent years. We can only express our satisfaction at the role our Assembly has played in developing close cooperative links with other institutions and in consolidating its mission and prerogatives. We have to acknowledge, and I am glad of this, that, thanks to our insistence and determination, there are fortunately no issues on which we have not had the opportunity of expressing our opinion and of calling upon the Council and the Commission to render us an account of action taken on our resolutions.

To indicate the direction in which, as the texts on which the Community is founded stand, we should be channelling our efforts to secure a fruitful dialogue with the other institutions I shall refer to the procedures adopted jointly with the Council for the preparation and adoption of the budget and for dealing with proposals with financial implications. These procedures, as we must realize, have not fully taken effect. Certainly they are relatively recent but we think that their application which Parliament must ensure will give to this House the means of exercising on the most crucial affairs of the Community the power of control which the heads of state solemnly ask it to assume.

In the same order of ideas I should like to stress that the Group of Progressive European Democrats attributes great importance to the measures which the Commission and Council were called upon to take by the Paris Summit to improve their relations with the Parliamentary institution. I think, Mr President, that it is your duty to ensure that they are put into effect and in this my group assures you its support and confidence.

The observations I have sought to make on the means at the disposal of this House to assume its role and which I know are relevant, will not distract our attention from the adjustments which will be made to the Community when European union is achieved. This prospect which is close at hand must give us a sense of pragmatism. This is not a doctrine but an adjustment to legal and political realities and an indication of our desire to perform a useful function.

This is the reason why, without ruling out limited alterations to the existing treaties, the time does not seem to have come to apply fundamental reforms which would upset relations between institutions and would in any case have to be carefully adjusted to allow for a totally new situation which would arise with the creation of European union. This is why, Mr President, it does not seem to us to be either the obvious or appropriate thing to do at this

time to take away powers from the national parliaments and in so doing create the need for constitutional reforms in certain cases in order to make available new Community resources. The problem will no doubt arise in these terms in the near future and we have this well in mind. European union is a major venture with which we resolutely identify. We are so firm in our conviction that we have no doubt when the time comes that the representatives of our peoples in our Member States will give their consent, as they did when the treaties setting up the Communities were ratified, to the transfer of rights conferred on them by their various constitutions.

I should like to add to these considerations, Mr President, our concern to contribute all in our power, in accordance with the wishes expressed by the Heads of State or Government, to achieving the maximum degree of effect in the conduct of Community affairs. From this point of view, the proposals which have been submitted to us for adoption are in our opinion cumbersome and contain a certain number of drawbacks without representing any particular advantage for Parliament, whereas they constitute a certain risk of sometimes slowing down the decision-making process by calling on the Council to reconsider compromises which may have been secured with difficulty.

We fully approve of the creation of a Court of Auditors. It would in our opinion need to be a body having real moral authority and functioning independently for the benefit of Community institutions. Parliament has more than once shown the importance which it attributes to control of all income and all expenditure. The prestige of the new institution, its composition and its terms of reference would need to provide a guarantee of effective control over the administration of Community funds.

These, Mr President and colleagues, are the observations I wished to present on behalf of my group; they will be reflected in our votes or in the submission of amendment proposals during this debate.

(Applause)

President. — I call Mr Lenihan on behalf of the Group of Progressive European Democrats.

Mr Lenihan. — Mr President, I would like to support the remarks of Mr Bourges in recommending a pragmatic approach to this problem of strengthening the powers of the European Parliament and in particular strengthening the budgetary powers. It is the concern of all of us that we have a substantial increase in the

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Parliament's budgetary powers which must begin by 1 January 1975 and should increase step by step until full European union has been achieved. This must be the objective. The manner of achieving that objective is the question on which there is some disagreement.

In my view there is no point in seeking the illusion of parliamentary power unless we have the reality, and in this respect we must face the fact that nation states exist and national parliaments exist at the present time. How then should we approach the problem? The most important immediate aspect is to get this Parliament more involved in decision-making as regards financial expenditure. It is in this area before decisions are reached where we can give most practical help, and I feel that the suggestion put forward this morning by Mr Kirk is a substantial step in this direction, namely, that some form of consultation council, representative of Parliament and the Council of Ministers, should be established to sort out budgetary differences that arise between Parliament and the Council of Ministers. I believe furthermore that the procedure under which proposals eventually come here to the Parliament from the Commission is at the moment inadequate, and that, if such proposals came directly to Parliament from the Commission and then proceeded with Parliament's opinion on the Commission proposals to the Council of Ministers, and if this could be written into the Treaty, we would have a much improved situation.

I mention these two aspects because in my view it is in power sharing and co-decision that we can make progress in this Parliament. We must realize that as far as the Community as a whole is concerned there are three institutions, and these institutions must evolve as a coordinated whole: each of these institutions has its place and has a contribution to make, and the Council of Ministers and this Parliament should, in my view, be involved, as somebody mentioned, in a bi-cameral manner in the decision-making process. Similarly the Commission must continue to have its powerful and effective role to play. It is in the coordination of the three institutions rather than creating a confrontation situation between either or all of the three institutions that we can make real progress in the Community as a whole.

Our Group believes that the proposal in subparagraph (c) of paragraph 14 allowing for Parliament by the majority of 75% to have the final say in regard to proposals could at this stage of the development of Europe's institutions could give rise to an unnecessary confrontation situation, and that it would be far better now to establish a conciliation machinery

in which genuine power sharing and genuine decision-making could be arrived at between Parliament and the Council of Ministers prior to any final decision.

Similarly, in regard to the setting up of the supervisory machinery, the Court of Auditors, our group feels very strongly that this Court should be independent, should be of a really quasi-judicial nature, and for that reason we are opposed to some amendments put down that would in some way tie it over-closely to Parliament or to governments or to parties. Once established, the European Court of Auditors should be a truly independent Court and act in a truly judicial manner. These views are put forward in order to ensure that we proceed genuinely on a step-by-step basis, and that we do not move into any situation that might give rise to a confrontation between the institutions of the Community. We have much progress to make between now and 1980; progress in the field of achieving economic and monetary union, progress in the achievement of a real social policy, progress in establishing on a firm and permanent basis a regional policy. All of these very important matters must move step by step along with the reform of Parliament and the improvement of Parliament's powers in every area as well as the budgetary area. We must, between now and 1 January 1975, take the first step by improving our situation in regard to increase budgetary powers with the development of the own resources system of revenue: but it is very important that, in doing that, we set up a machinery within the Community whereby we can supervise the important decisions—and the important decisions are the decisions made on expenditure—before they are made. It is by being in on these decisions through some conciliation machinery and through a system that will enable proposals to come us first and, through us, to the Council of Ministers and, in the event of a difference, to this conciliation machinery, that is, by being in on the practical continuous decision-making by which expenditure is allocated, that we can make a real contribution towards the powers of this Parliament rather than by an alternative system which may appear logical but may easily set up a confrontation between this Parliament and the other important institutions of the Community.

All the institutions are important: the Council of Ministers is important, the Commission is important, Parliament is important. We should evolve towards an executive that really means something and we should participate in the decisions by the Commission and the Council. It is in that way that we can make progress towards the future, and it is in that direction

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that I feel at this stage we should bend all our energies. Thank you, Mr President.

President. — I call Mr Brinkhorst.

Mr Brinkhorst, Member of the Council of the European Communities. — (NL) Mr President, I am glad to make use of my entitlement as a Member of the Council to speak before the European Parliament. Except for the occasion when a former member of this Parliament, Mr Vredeling, at present minister of Defence in the Dutch government, briefly took his leave, this is the first time since the Dutch government took office in May this year that a minister of the crown has been able to address you. A minister who has European affairs as his special responsibility. Since under present procedures discussion in the Council takes place behind closed doors, I appreciate it all the more greatly to be able to put some thoughts before you. In doing so I am no doubt anticipating thoughts that amongst others have been aired by Mr Kirk with regard to conciliation procedures, and which have also just been supported further by Mr Rossi. Through my being here the Dutch government wishes to emphasize the importance that it attaches to the debate on budgetary powers. Nearly all speakers have correctly emphasized that this debate is of unusually great importance for the future of the European Communities. I should like to think of it being in fact a test case on the structure that the European Communities will acquire in the years to come. In the government statement and in the recent speech from the throne by the Queen of the Netherlands emphasis was placed on the fact that for the Dutch government strong but above all democratic institutions are a necessary condition for the bringing about of a European union. Democracy at European level is a condition for the exercising of legitimate authority at European level. This is not a question of institutional dogmatics. This Holland of ours has often been reproached for being a land of theologians, who are considered to be of the strictest. But it is bitter necessity for control to be exercised over those who have authority. Only then can the risk of estrangement be circumvented and only then can the citizens—particularly for the new generations for whom brotherly coexistence in Europe is a fact, and who have had no part in the disagreements amongst brothers in the past—be found ready to harness themselves to a true European integration. In the light of this fact I should like to deal further with the relationship between the Council and the European Parliament, a relationship which is indeed one quite different from that between the Commission

and the European Parliament, there being a direct and daily connection with this institution. We welcome the fact that growth has taken place in the past 10 years in mutual cooperation between the Council and European Parliament. On the part of the Dutch government I express the wish to state that we wish to make every effort for the coming about of a true dialogue between the Council and the individual members of the Council on the one hand and the European Parliament on the other hand, in the process of which increasingly more responsibility will be granted to the European Parliament, particularly at a legislative level also. Only by a transfer of power from a national to a European scale can we prevent existing democracy at a European level from being eroded. For the Dutch government there is an unbreakable bond between the extension of the Community in the direction of European union and the expansion of the European Parliament's powers. I should once again like to emphasize that this must not be seen as an attempt to seek cover, but as a proof of our conviction that European citizens are entitled to decide over their own future. Seen in this light the budgetary powers of the European Parliament, to which the Commission's proposals are at present limited, occupy an essential position. It has already been said in Mr Spénale's report that there is a clear connection between the budgetary and legislative powers of the European Parliament. In the same way that we shall devote ourselves to improving the legislative powers, we shall also strive to improve the budgetary powers. And as we see it today, this cannot mean other than true budgetary rights. The Council has moreover, in our view, also assumed a political obligation to do so in the declaration that it made on the occasion of the Treaty of 22 April 1970.

Mr President, I spoke of the necessary support of the people. There has recently been increasingly more talk of the need to arrive at the development of an own European identity. The Dutch government supports this aim. This also comprises a need to delineate the composition that such a European identity should have. We have too long neglected to make a choice among the various possibilities that arise with regard to the development of European integration. The time has come to speak clearly of the political aims of Europe. Because the process of European integration has too long already been enacted within a political vacuum. The Dutch government is of the opinion that the European Community should grow into a civil power, that is to say a power that is aware of its responsibilities in the world and does not avoid these. Not in the sense of a superpower, participating in 'big power games', but much more a power

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making its constructive contribution to world-wide developments in the field of trade and development aid. A power, too, that stands out by proper management of steadily shrinking natural resources, by a reconception of the quality of existence. And by a harmonious balance between the desire for equality for all and individual freedom and between social justice and individual development capabilities. Only such a Europe offers the opportunity both of an internal dynamic development and of acceptance of its external responsibilities in the world. Only such a Europe will be in a position to apply its great power to aims that can be based on a wide consensus of its citizens. Only such a Europe can form an element of stability and progress, instead of the former element of uncertainty, dividedness and inequality.

Mr President, I appreciate the opportunity of making this short statement, so that you can take note of the spirit in which I am attending your debate of today and tomorrow, the great importance of which must once again be emphasized, on budgetary powers.

(Applause)

President. — Thank you very much indeed for that statement, Mr Brinkhorst.

I call the rapporteur, Mr Spénale.

Mr Spénale, rapporteur. — (F) I just wish to introduce a point of order.

I should like to ask the members of the Committee on Budgets to meet at the end of the sitting, since about ten amendments have been presented to us and some of these clearly are beyond the capacity of your rapporteur to reply personally. I must therefore ask the committee for its opinion.

Thank you, Mr President, for allowing me to make this announcement. I gladly invite the authors of the amendments to attend the meeting if they wish to present any explanations.

President. — Thank you, Mr Spénale. We shall take note of that.

I call Mr Dewulf.

Mr Dewulf. — (NL) Mr President, I am particularly pleased to be called upon to speak as a Flemish European after the Secretary of State from Holland. I should first like to make some general remarks, then to make a proposal as regards budgetary powers, then subsequently volunteer some views on legislative powers, and end on a political note. Mr President, the European Parliament is now about to take a decisive

step regarding the enlargement of its powers, a decisive step the thanks for which are due to ourselves, to the continued efforts of this Parliament, to the authoritative rapporteurs and to spokesmen such as Mr Furler, Mr Scelba, Mr Spénale, Mr Aigner and Mr Kirk, who have done all the groundwork leading up to this crucial moment. Thanks to the clear promises that we have forced from the Executive, this Parliament is now faced with the peculiar fact that we on the one hand accordingly occupy a strong position, but on the other hand must consider wisely and with due reflection how far we can proceed technically.

What precisely is the strong position of the European Parliament? On the one side the due date of 1975 as regards the system of own resources. This due date has imposed a coercive calendar on the Council. On the other side, the Council has had to admit and has put its seal to the promise that it will amend the Treaty in order to meet the demands of the European Parliament.

There can be no doubt that the Executive's proposals on the one hand meet up with the logic of the moment and on the other hand with the tactical evaluation of the way in which this limited amendment to the Treaty can now bring this Parliament a good deal further. I think I am right to say that the question has now arisen for us, as it had for the Commission, of how from this strong position we can define our attitude to the greatest effect but yet with the greatest wisdom.

Will Parliament use this opportunity of in this way capturing a strong position for that further progress to which so many speakers have already alluded, or shall we, as we say in Flanders, want to bite off more than we can chew, and in the rather artificial atmosphere we sometimes get in here, want to progress too dogmatically, too theologially with proposals that in the game between the institutions are virtually *a priori* unacceptable to the Council, so that we shall eventually find ourselves back here in the same frustrating position?

If we choose the first hypothesis: to procede wisely from a strong position, we must of course first consider—the rapporteurs have given us a particularly good deal of help in this respect—whether the Commission's proposals, even though they be limited in their extent due to the present situation, are substantial and consistent. After the first debate that we had after the formation of the working party I feel that, on reading and hearing what the rapporteurs, Mr Spénale and Mr Kirk had to say, fundamental agreement has now been reached on the

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plan put forward by the Commission, subject to some particularly interesting proposed amendments. It is a good thing that we are now fundamentally transmitting on the same wavelength to the Council.

Yet, I should first like to make a comment on the budgetary powers, a point on which Mr Spénale has written little in his report, on which today he once again seems to have said little and which was not sufficiently brought into the light of day in the Commission's document either, Mr Cheysson.

It surprises me indeed that, in a very discreet way, a nonetheless essential point regarding Parliament's general budgetary powers continues to be left in nebulous vagueness from which the Council will profit in the long run, namely this subtle difference, laid down unilaterally by the Council, between so-called automatic or obligatory and non-automatic or non-obligatory expenditure. It is said, the Commission says, Mr Spénale says. 'We are sorry about it, it is relatively artificial and we hope that within a very short time this subtle difference will be done away with.' In this debate today on budgetary powers we shall have to discuss this matter more deeply and more fundamentally. Why? Because this difference, in the way that it is now made, undoubtedly sets a very clear limit both to the European Parliament's budgetary powers in the strict sense of the word and to its potential budgetary powers. Because, before we start talking about legislative powers—I shall do this too in the second part of my argument—which lie somewhere further up the river as far as budgetary methods are concerned, we shall nevertheless have to do some very clear speaking on the actual powers in relation to the budget itself. We cannot declare ourselves agreed on so-called *ad hoc* agreements which were a feature of the previous budgetary procedures in April 1970. I indeed believe that we must now make concrete progress in three directions. First and foremost we must reach agreement on the objective criteria according to which automatic is distinguished from non-automatic and obligatory from non-obligatory expenditure. On the other hand, it must be our express wish that non-obligatory expenditure shall not unnecessarily be restricted in favour of automatic or obligatory expenditure. In other words, and I say this to the Council, we cannot accept the procedures under the so-called Harmel List of 1970, in which the Council unilaterally and broadly laid down everything on which it should decide alone and sovereign. The third aspect of this matter is that we can no longer accept any regulations that automatically, and therefore automatically obligatorily, lay down the financial consequences once and for all in conjunction with the decisions taken.

To make this clearer, let us take a quick look at these criteria. What expenditure is automatic or obligatory? First of all, that proceeding from the EAGGF guarantee machinery. Secondly, that proceeding from the Guidance section of the EAGGF or financial packages decided upon in consequence of a formal decision by the Council, for example within the framework of the Euratom longterm programme. But then all other expenditure would be non-automatic and non-obligatory, such as administrative expenditure in cases I and II, operating expenditure in cases III, the expenditure of the Social Fund and all to soon—as from the next budgetary year—that of the Regional Fund? To get some idea of the importance of this aspect of the budget debate and of the budgetary powers, I have worked out after a quick calculation that at present already 12.7% of the total budget could be brought within this non-obligatory category of expenditure. If the regional fund is added to this, we arrive at a good 22%, nearly a quarter of the total budget, which expenditure would therefore not be obligatory and lie within the scope of the European Parliament's potential powers. And what is yet more important in the near future: this kind of expenditure will evidently be the most rapidly growing in the next few years. The time may well come when the non-obligatory expenditure may even comprise 50% of the budget.

This is why it is so important for Parliament's potential powers at budgetary level—the arrangement that Mr Scelba made some time ago with the Commission comes to mind amongst other things—to be appreciably extended here. The Council must undertake in the future no longer to promulgate two kinds of provisions, that is to say automatic machinery and figures that are laid down definitively, *ex cathedra*, in the form of a regulation.

I now come to the second part of my argument. If we as a European Parliament were to associate ourselves with what Mr Kirk and the European Conservative Group proposed with such great dynamism when they entered this Parliament, namely that Parliament must make use of the powers that lie within its reach—and therefore on a budgetary level also—the question would then arise of whether there is room for legal or legislative powers. Mr President, I want to be quite realistic in this matter; it is evident that the Council will make no concession whatever in this sector, legally at least. We must therefore firstly consider carefully what we can attain without amending the Treaty and that is already a lot—I would remind you of Mr Scelba's proposals—and then, as far as amendment of the Treaty itself is concerned, we must above all from the point of view of legislative powers take

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a direction and create a precedent that take us further on the road to political and European Union. We are consequently all agreed that at the present stage at least a mediation or conciliation machinery must be instituted if there should be no agreement between the Council and Parliament on legislative transactions with financial consequences.

The question that is central to the point is to know how and in what spirit such conciliation procedure must be pursued. Not dogmatically! It is not a matter of considering whether the Council or whether Parliament should have the last word. We must not be afraid of clearly following this line. We are concerned here with a joint decision by the Council and Parliament. Mr Spénale asks, as if on grounds of doctrine and principle, that the last word be with Parliament, but structurally speaking he awards this to the Council because the parliamentary machinery is so cumbersome and hard to set in motion. In some of his proposals Mr Aigner gives the last word to the Council *de jure*, but *de facto* gives this to the European Parliament.

Now, to press on dogmatically like this to the last word is not relevant in present circumstances to either party. I therefore fully support the creative proposals made by Mr Kirk and the European Conservative Group, to promote compromise, discussion between the two institutions, with the committee concerned in such discussion playing the central part. Mr President, although my speaking time is more than up, I should like to end with a final remark that is political in nature. I shall do so in French, because I am now addressing myself to the chairman of the Socialist Group.

(The speaker continues in French). It is clear—and I say this for the benefit of the chairman of the Socialist Group—that the press is currently following our debates with interest. And as the press is not always informed of the technical aspects of the problem, it could easily divide us up into purists and hardliners on the one hand, and moderates and softliners on the other.

The Socialist Group—perhaps I should not make this remark but it is in my nature to be frank—being in opposition in terms of French politics and not having any British Labour politicians in its ranks in terms of European politics might feel freer to defend a position which in public opinion would be that of the purists and hardliners. On the other hand I prefer the position of the British Conservatives who are conducting a 'Battle of Britain' of a new kind, and I pay tribute to their wisdom and courage.

President. — I call the rapporteur, Mr Spénale.

Mr Spénale. — *(F)* No, Mr President, I do not wish to speak as rapporteur. I would simply like to reply to the remark which has just been addressed to the Socialist Group whom I alone am representing on this bench, but I will stand down for the moment for Mr Fabbrini whose turn it is. I will speak later on.

President. — Mr Spénale, I shall enter your name on the list of speakers.

I call Mr Fabbrini.

Mr Fabbrini. — *(I)* Mr President, fellow Members, we have followed and shall continue to follow with great interest the debate, which in many respects is not new, on this engrossing question which has been taken up by our Parliament on a number of occasions.

I should like to begin by repeating today what we have said on other occasions, and that is that we shall not fail to give our support to any proposal which is aimed at increased democratic control in the Community. The concept of strengthening democratic processes in the Community goes far beyond mere changes in the existing relationship between its various institutions. To us democracy means full, active, authoritative and wholehearted participation in the decision-making process of the whole body of the people in every country in the Community. This participation is already limited enough in the affairs of individual States, but, as everyone must agree, in Community affairs it is completely non-existent. And it is with this broader aspect that our political group is concerned in considering the question we are discussing today. We hold to the belief, which has been expressed in other circumstances, that we must be active in working within the limits of our possibilities for a redistribution of power. In other words, to the belief which maintains, and in our judgement maintains legitimately, that a large part of the powers which are today vested in the Council should be transferred to the European Parliament, and that no power held by national parliaments should be transferred to Community institutions, neither to Parliament nor, less still, to the Council, until the part played by democratic processes in Community affairs has been radically strengthened and there has been a profound change of direction in the economic and social policies of the Community itself.

It is from this standpoint, as I have just said, that we base our judgement on the documents now under study, above all of the proposal by the Commission, on which, or so it seems to me, there has been very little discussion. This proposal by the Commission is completely unac-

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ceptable to us. In our opinion it aggravates the problem, not solves it. It aggravates the differences between Parliament and the Council, and it aggravates relations between Community institutions and national parliaments. It would in fact introduce, if it should be accepted, two radical changes in article 201 and the Treaty of Luxembourg. Provision is made in fact for an increase in the rate pertaining to own resources, which means for the most part an increased rate of VAT, whereas the Treaty of Luxembourg laid down very explicitly that the rate of increase should not exceed 1%. And lastly it takes away from national parliaments the right to approve or not Community provisions both for the establishment of additional own resources and any increase in the rate applying to existing own resources.

I was saying then that the Commission's proposal aggravates the differences between Parliament and the Council, and above all those between the institutions of the Community and national parliaments—I said so in July and I want to repeat it today—for the simple reason that it deprives national parliaments of additional powers but maintains substantially unchanged all the powers of the Council of Ministers, since they would hardly be abated at all by the second reading procedure, which has been proposed, a procedure which would not even scratch the surface of the Council's power of decision. So I must reiterate that because of these considerations we have been, still are, and always shall be utterly opposed to any proposal, from whatever quarter, which takes this particular line, of withdrawing powers from national parliaments and vesting them in the Council. This is our position. We hold the view that this Parliament should have been much firmer and more decisive in its opposition to the Commission's proposals, certainly firmer and more decisive than it has shown itself to be up to now from the speeches made by members of other political groups.

Having said this, I should like to present a few comments which I feel it is my duty to make about today's debate, in particular about some of the arguments developed by Mr Kirk in the first place, and then by Mr Aigner. Mr Kirk said this morning, and he meant it as a joke, that it was not his habit to move to the left, and that he only did so now for technical reasons. I do not think that he needed to tell us that; that moving to the left is not one of his habits it is easy enough to see from the contents of his report, and also from what he said this morning. We had all understood perfectly well that this was not his habit, and his reports today, both written and oral, merely confirm it. Mr Kirk said, repeating a saying which is not only used in

England but in other countries too, that politics is the art of the possible. We say it in Italy too, and I should think it is said almost everywhere. True, politics is the art of the possible, but it often happens that dangerous defeatist tendencies hide behind the possible, or what is assumed to be possible. What is possible, or thought to be possible, is always the result of subjective assessments, so that what is considered possible becomes a kind of umbrella for sheltering under in a spirit of resignation and surrender. It seems to me that Mr Kirk, both in his oral and his written report, has in fact shown us an example of this spirit of defeatism and surrender. I can see that he is surrendering, but I can understand why, and I also feel moved to express to him my moral support. I also understand well the statement made this morning by Mr Spénale, when he said that Parliament must be very careful about the danger of putting up proposals which appear to be or in fact may be a step backwards when compared with what Parliament has stood out for up till now, since by doing this it would lessen its chances of playing a more decisive part in finding a satisfactory solution to this particular problem, and in a more general sense to other problems as well, and would increase the strong resistance which we always meet in the Council every time we bring up the question of transferring some of its powers to the European Parliament. To quote from Mr Kirk's report, 'What your Rapporteur attempts to do in this paper...'—this is a kind of preamble to his subsequent proposals—'...is to set out proposals which, substantially, extend the real powers of the Parliament concerning both acts with financial implications and which are realistic in terms of acceptability to the Council.' He goes on to say that 'the Parliament must move some distance towards obtaining the power of the purse at the beginning of 1975, but it is naive to imagine that it will be able to obtain everything it would ideally desire in this respect.' And then again he continues: 'It...'—meaning the Commission—'...is faced with the immediate need of securing a system of effective Parliamentary control for the 1975 budget, and clearly the less radical the proposals the more chance there is of their acceptance by the Council.' Well, it seems to me that these two extracts from Mr Kirk's opinion which I have read out, which he reiterated in so many words this morning, show that attitude of surrender which I mentioned earlier on. Because if, in the investigation we are conducting, we accept as a basis what he is suggesting, and try to discover what might appear to be realistic and so acceptable to the Council, if in our investigations we adopt the principle suggested by Mr Kirk, that the less radical the changes proposed the more chance there is of

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their acceptance by the Council, in my view we shall only acquire the illusion of increased power which later on in his report Mr Kirk says he is anxious to avoid. Like this, we shall be going cap in hand for a few crumbs of power to the Council, because we should always be looking for proposals which the Council would be likely to consider realistic, and for that reason alone would be able to accept. Our view on the other hand is that to be realistic does not mean giving way, or adopting a defeatist attitude: we think that being realistic means in fact being fully aware that when it comes to the question of the powers of the Parliament—today we are talking about budgetary powers, but in the future, as Mr Kirk has himself said, we shall have to raise the question of legislative powers—, on this question we are and always shall be in a position of acute conflict with the Council of Ministers. It is a conflict between those who express their legitimate wishes and demands, as our Parliament does, and those on the other hand who, illegitimately in our view, are unwilling to give away anything, but are anxious to preserve intact the powers accorded them by the Treaties. It is a conflict which will be repeated every time, I say it again, we debate the question of the European Parliament, and it will be difficult to resolve it in this Assembly, within these four walls, unless we can on the help of other bodies in the Community to obtain our just demands. I mean by that in the first place our national parliaments; in this continual conflict which we have with the Council we must have the support of the national parliaments, which surely can no longer tolerate a situation in which powers which are taken away from them, instead of being transferred to the European Parliament which they themselves have elected, are still in the hands of the Council.

When we come to study some sections of the Spénale paper, especially the first section dealing with revenues, we are prepared to accept that point 7 represents a step in the direction which we Communists have always prescribed, both in the debate in July and to the committees concerned, that is to say a direction which recognizes the need to safeguard the rights of national parliaments. But although a step forward has been taken with the inclusion of point 7 in comparison with previous attitudes, we think that this paragraph is still too general and insufficiently clear-cut. It is in any case less precise than the last part of Article 201 of the Treaty in force, and ought in our opinion to be reviewed and given some finishing touches, and the substance of the last part of Article 201 should be inserted for the record.

Regarding point 9 of this motion for a resolution, we feel that the proposals it contains do not

depart from the proposals by the Commission with which I strongly disagreed at the beginning. This applies both to the VAT percentage, in which point 9 suggest an increase, now chargeable—even though the Treaties so far stipulate that, for the time being at least, the rate must not exceed 1%—, and possibly, though here we should like some clarification by the rapporteur, to the procedure which is advocated. Substantially, what we are asking is this: would there be a Community procedure, cutting out the national parliaments, as is advocated in the Commission's proposal for a modification of Article 201, or a procedure which will comply with, or at any rate is intended to comply with, the regulations contained in Article 201 concerning approval by national parliaments of any Community decisions on own resources? In the first case, that is to say if point 9 implies the suppression of the rights of the parliaments, we should be utterly against it. If the second case is true, and that would not happen. then we think that point 9 ought to be reframed so that it incorporates, as I have said, that part of Article 201 which deals with the powers of national parliaments.

Another question, which seems to have been debated here this morning more than others, and about which, though I have not had time to study all the amendments submitted by Members, there appears to be the greatest divergency of opinion, is that of the last word, that is to say, who is to have the last word. Although the machinery he proposes is complicated and not very easy to understand, and something of a hotchpotch, Mr Spénale has suggested conditions, which I will not go through again here, whereby the last word would be conferred on Parliament. Mr Kirk's and Mr Aigner's proposals do not, I think, intend this. Mr Kirk has proposed that the last word should be taken away from the Council but not given to Parliament either. In that case it would accordingly be conferred on the conciliation committee which is envisaged both in Mr Spénale's motion and in the scheme put forward by the Political Affairs Committee. Now we do not feel that this proposal is on the right lines for increasing the powers of the European Parliament. Mr Aigner for his part proposed this morning on behalf of the Christian-Democratic Group, unless I have misunderstood him, though I think that I understood him correctly, that the last word should be left with the Council of Ministers, though on the condition that its final decisions on acts with financial implications should be taken in public, and that its decisions should be unanimous; and when he says unanimous, he rules out the possibility of abstentions, so that if even a single minister abstains there will be no unanimity.

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I find no difficulty in accepting that both the first and the second solution, that is, both Mr Kirk's and Mr Aigner's, would bring about an improvement in the existing procedure. Both instances would in fact allow us to take a tiny step forward; we should be going in the direction of codecision, if Mr Kirk's proposal were to be adopted, and if the second proposal is adopted in the direction of decisions in public by the Council of Ministers. But in my opinion both these solutions, Mr Kirk's and Mr Aigner's, settle for a position which is very far from achieving everything that Parliament has been calling for up till now; one only has to refer to the various resolutions which Parliament has prepared at different times on this delicate subject. So that we cannot approve either Mr Kirk's or Mr Aigner's solution, and we shall urge Parliament to adopt the solution set out in Mr Spénale's motion for a resolution on the last word, which ought, in our opinion, to be given to the European Parliament.

Just before I finish I wish to add two short comments. One of them is on the Court of Auditors. During the debate in July on controls, I stated that we had always been, still were, and always should be in favour of strengthened controls of all kinds over the financial activities of the Community, since we wanted the management of finances to be a model of probity and good sense; for that reason we are in agreement with the proposal for the establishment of a Court of Auditors. On the conciliation committee, we think that the composition proposed by Mr Kirk, although on the large side, is preferable to the one put forward by Mr Spénale, because in the event of a dispute about any matters with financial or budgetary implications between Parliament and the Council we should in fact be faced with a dispute of a political character which could not be resolved by a committee composed of the President of Parliament, the Council and the Commission, but which could on the other hand be resolved only by a political body, by an instrument, a conciliation committee that is, made up in such a way that all the political parties present in this Assembly were represented. This is the proposal we feel we should accept, and accordingly we shall request Mr Spénale to revise what appears on this subject in his motion for a resolution.

Mr President, I have finished, perhaps in less time than I was allowed. Some members may be wondering, after what I have said, what our position is, and how we shall cast our vote when the time comes to do so. I feel that it is too soon for us to be able to decide at the moment, since much will depend on the way in which the basic criticisms we have advanced

are taken into account, and on the subject matter of the amendments still to be presented by other members which we still have to study and assess. So we shall wait and see what happens, and, as I have said, what account is taken of the criticisms I have expressed on behalf of my Group. We can only hope that the waiting is worth while, and that instead of going backwards it will be possible to formulate some concrete improvements on the lines of the criticisms I have presented in the name of my group.

President. — Thank you, Mr Fabbrini, for not using all of your speaking time.

I call Mr Artzinger.

Mr Artzinger. — (D) Mr President, I should like to make two points and the first concerns the Community's financial autonomy, which Mr Spénale has discussed in his report and also in his speech this morning.

I recall a lecturer — when I was studying economics — saying that the State is the only body which can manage to see that all its expenditure is covered by its revenue, that is, that its expenditure is not restricted according to a given amount of income. Later as a politician, I have had to learn that, while this is certainly true in theory, in political practice the levying of taxes is subject to considerable restrictions. The fact remains that the State can create revenue.

What, then is the position as regards our European Community which is supposed to be analogous to a State? Mr Spénale's report gives a historical sketch, then he defines financial autonomy in this way: the power to adapt common resources to the needs of common policies by common procedure. I agree with this definition.

And now we find that, according to the laws in force up to now, the European Parliament and the Community as a whole are not financially autonomous.

The Commission has submitted a proposal designed to correct this—and we appreciate it. We, in the Committee on Budgets, have been reluctant to depart from this proposal. It provided however, that this Parliament should, by majority vote, on a proposal from the Commission with the unanimous consent of the Council, vote the creation of new resources. We in the Committee on Budgets thought that this went too far, and we formulated the provision now contained under paragraph 9 of the resolution.

In our discussion we assumed that we cannot expect to get the national parliaments to concede us an unlimited right to create resources,

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even if this decision can be blocked by a unanimous vote in the Council. I am not discussing here whether this assumption is right or not. Anyway, we in the Committee on Budgets have for this reason departed from the Commission's proposal and made the proposal now found under paragraph 9. Now, to my amazement, I see a proposal for an amendment deleting this subparagraph. This is not the moment to discuss the proposed amendments. But, before we begin discussing individual points, I should like to point out that financial autonomy in the sense described, that is, having the power to create revenue to cover needs, is quite simply an attribute of any genuine State. If we want a European Community which really works, we cannot dispense with this right. God knows, we have already reduced it in paragraph 9 to derisory size, but, to proceed now to delete this, too, would be—if you will excuse the expression—self-castration, no less.

This brings me to my second point, which I am most anxious the Commission should hear. I beg the Commission to understand the point of this debate. Today we are fighting for budgetary powers for the European Parliament. Tomorrow, we shall be fighting for more powers for the Commission. We regard our present campaign as initiating institutional reform. We have been accused of jeopardizing the institutional balance. Well, let me say that I have never noticed any such balance. This morning, the rapporteur, Mr Spénale, gave us an excellent account of the Council's position. In fact, that institution has suffered up to now from an excess of weight which has now to be reduced. I therefore ask the Commission to understand that we are not fighting here for our cause alone; but for its cause as well—*tua res agitur*.

President. — Thank you, Mr Artzinger, for not using all your speaking time.

I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Mr President, in the short time in which I propose to trespass on the patience of Parliament I shall confine myself basically to the two main matters of controversy here, arising respectively out of Articles 13 and 14 and Article 9 of the Resolution. Each raises matters of fundamental importance and each is now the subject of an amendment. However, in order to put my remarks into an appropriate setting may I for a moment make one or two more general propositions by way of background.

I think that the European Parliament should have a greater say in budgetary matters, and not

in these alone. It should have a greater say in legislation generally. I have said before both here and elsewhere that a Parliament lacking a legislative function is a constitutional paradox and even an anomaly. A Parliament, to be effective, needs three requisites: a legislative function; the power to interrogate the executive and bring it to account; and an appropriate function in budgetary and financial matters. This Parliament is making steady progress in all these directions. In the particular context of the European Parliament, however, these functions must fuse with and take account of the rights and functions of national parliaments. I was therefore very glad to hear Mr Aigner's unequivocal statement this morning that any solution in the European Parliament is only possible with the backing of the national parliaments. I would add only this—the backing of the national parliaments depends on the finding of a solution giving them an appropriate participating role.

Mr President, as the rest of my speech must necessarily focus on points of criticism may I say at once that in my view there is a great deal indeed to be commended in this report, along, of course, with Mr Spénale's long and dedicated labours. In particular I welcome Articles 20 to 23; I regard the setting up of an effective and independent Court of Auditors as a very great and welcome step forward.

Coming now to Articles 13 and 14, I agree with the concept of a conciliation committee to seek an appropriate solution in consultation where there are disagreements between institutions of the Community. I do not agree with the concept that this Parliament at the end of the day should automatically prevail over the Council of Ministers, themselves of course responsible to their own national parliaments. Nor of course would I agree with the converse proposition if it were put forward. In particular I do not agree with the formula in Article 14, based as it is on the test of a greater majority as between institutions. It is at best a dubious principle when you are seeking to adjudicate between two institutions essentially disparate in character, in composition and in function. The result is that in Article 14 we have a formula of considerable complexity. It gives the impression of seeking decisions by slide rule instead of the customary simple processes of parliamentary democracy. I certainly cannot see it awaking any responsive echo in ordinary citizens, but I can see it provoking a hostile reaction from those citizens' representatives in the Council of Ministers.

I favour the alternative concept of the conciliation committee as set out in paragraph 21 of the Kirk Report, and now set out in greater detail in his amendment. I would not of course

Sir Derek Walker-Smith

favour a conciliation committee which was able to impose its own decision on the Council and on Parliament, because this would derogate from the powers and status of both. Of course, Mr Kirk's concept does not have this effect. It is true that this conciliation procedure would not in theory tie matters up so neatly as the Spénale solution, but things tied too tightly generally do not breathe too easily. It is also true that the principle is pragmatic. It envisages ultimate agreement if efforts are persisted in. This is surely not an unreasonable assumption amongst reasonable people. But though pragmatic, such conciliation procedures are not peculiar to countries with unwritten constitutions, as the example of the United States procedure shows. I believe it to be a natural procedure for the European Community, which of its nature depends on a permanent and continuing conciliation procedure between nations, between political parties, between interests and between institutions. I therefore advocate these procedures in this context and will support the amendment giving effect to them. I would also support, as I previously said in a more general context, any efforts to get the Council to debate these and all legislative matters as far as possible in public.

I come then to Article 9. I can state my objections shortly, but they are fundamental. It is a basic principle of taxation that you do not levy precepts until you can establish a definite and related need which justifies them. This principle of course is rooted deep in the realities of human nature. People like benefits but do not like paying for them. Therefore the carrot of benefit must always proceed the stick of taxation. This fundamental principle is breached here and flagrantly breached because there is no need so far proved. The figures we have indeed negate such a need. They show that so far we fall short of spending the 1% and we will not reach even that figure for at least some years. It follows it is impossible to establish present need even in remote outline, and that means that as of now this proposition is irrelevant and academic.

Of course it may be that further and indeed substantial expenditure may be incurred in future in the application of regional or social policies, and we all look forward to progress on these lines, but so far, Mr President, there is no ghost or glimmer of any financial assessment of those matters which could remotely justify the doubling of the VAT contribution at this time. Not only is this Article 9 and its proposal irrelevant, it is an irritant to public opinion. Ordinary citizens are bound to resent what they will see as an arbitrary and unnecessary increase in the absence both of benefit and of proved need. If this Parliament comes to be

identified with the role of increase of taxes it certainly will not improve the regard in which it is held. It would be a case of inviting odium in the absence of present necessity and of demonstrable benefits. Mr President, wise men do not do such things and therefore unlike the Communist Group I have no doubts about these matters and shall certainly support the amendment to delete paragraph 9 in the sure and confident belief that the resolution will be the better without it.

(Applause)

President. — I call Mr Bordu.

Mr Bordu. — *(F)* Ladies and gentlemen, colleagues, I am fully aware of the importance of the debate which has begun in this Assembly, especially as it concerns the very life of our institutions. I am also aware of the efforts—of which I approve and which I hope will be continued and developed—which are being made to confer more powers on the European Parliament, so that it may achieve full enjoyment of its democratic prerogatives.

It seems however that the texts submitted to us still contain clauses which seriously jeopardize national independence, particularly—this is the issue we are dealing with today—in the field of taxation. Without going into the technical details of the problem I should like to re-state here our basic policy, which we have defended ever since we took our places in this House. Nobody in our opinion should be able to decide for the French or for any other people. What would happen tomorrow if this were not so? Nations should not be placed under the risk of having imposed upon them a policy or measures, the decision on which was not taken by them but by men whom they did not elect, some of them advocates of social reaction and obscurantism which our peoples want no part of.

As far as we are concerned we say that France's policy should be decided in France and nowhere else. We have not spent decades defending our national independence to abandon it today. Nevertheless, ladies and gentlemen, colleagues, this statement of principle should not lead you to believe that we lack the will to make our contribution to the Community. We are ready today, as we shall be tomorrow, to seek acceptable solutions which strike a balance between the maintenance of national independence and the requirements of a European organization founded on the desire for social progress for the greater good of the workers of the Community, of democracy and of peace. This is tantamount to saying, to conclude this brief intervention, that we consider that national indepen-

Mr Bordu

dence and Community development should be neither in opposition nor in contradiction to one another.

President. — I call Lord O'Hagan.

Lord O'Hagan. — Mr President, I am not a member of either of the two committees of this Parliament which have been dealing with this subject for some months, and I am therefore not qualified to go into some of the detailed questions that the motion for a resolution throws up, as other people have done, nor shall I attempt to deal in my brief remarks with the relationship of this Parliament to the national parliaments and so on.

However, I do wish to intervene briefly, because like other speakers I feel that although the Chamber is half empty and many Members are talking about other things, this is a very important debate in the evolution of this Community. Because by the year 2000 I will still be under sixty and still, I hope, a Member of this Parliament, I have a personal interest as well as an intellectual and emotional commitment to the evolution of the institutions.

I hope that at that time the people in the Community will look back at this as the time when this Parliament stopped being a mere cardboard show pretending to be a Parliament and began to move towards a true role as a genuine Parliament; not like our national parliaments—we have had too much potted history today, too many people thinking back to the recesses in their minds where their history masters at school told them something that stuck in their heads about how parliaments evolved—for this is a quite different sort of parliament, and we can only lose the thread of its proper development if we keep on harking back, if we keep on extrapolating from situations that are not comparable, because we in this Parliament must attempt to fill the gap, the manifest and growing gap left by the other institutions between what they do and what the peoples of the Community want from the Community.

Now, it may be a peculiarly British preoccupation at this moment, especially after today's Labour Party Conference vote at Blackpool, to worry about public opinion in the Member States, but it surely is wrong for so much of today's discussion to have been on the treadmill of procedural devices without thinking what we are trying to do and why we are trying to do it.

Unless we are trying to serve the people of the Community a bit more directly and with a bit more force, we will not remember why we are

negotiating with the other institutions, what we are negotiating for. To someone like myself, who is probably permanently prevented from playing a managerial role inside this institution, it seems to me that sometimes we in this Parliament spend too much time in looking inward and poring on our relationships with the other institutions, when we should in fact be shaking ourselves into a more vigorous relationship with the peoples of the Community.

Now I am not going to spend a long time making such general statements because I want to lead on from that to criticizing what I understand to be the short-circuiting nature of the proposal put forward by Mr Kirk for a conciliation committee. Now I have several fundamental objections to this system. Of course I approve of the new accounting procedure and many of the other things, which I shall not discuss now, but I think that we should just look at what we are doing if we are really going to put the weight of this Parliament behind this conciliation procedure. One of the criticisms that Mr Pounder made of this Parliament was that people did not know what it was doing on their behalf, and he complained, as did others, about things being done in secret; Sir Derek Walker-Smith mentioned the Council in this respect.

What are we doing? We are subjugating the Parliament to a new institution of the Community, apparently, which is going to meet behind closed doors without being directly accountable in the way that I, anyway, and I hope others, feel bodies should be. I as a *non-inscrit* imagine that the group leaders and the magic circle at the top of this Parliament will get hold of this new body, so that the plenary session, the floor, the part of the parliamentary activities that the public read about and know about, will be deprived of its ability to play a direct part in the growing budgetary powers of Parliament.

It seems to me that we should examine a little more thoroughly some of the implications of this hiving off of one of the major growth points in the future institutional development of this Parliament itself because, I think, unless we examine it a bit more carefully, we may regret what we have done. It is for this reason, amongst others, that I shall endorse Mr Spénale's fundamentalist approach—not because I think his mechanics have the answer to the public opinion points that Sir Derek Walker-Smith brought up, but because his point of view is much more in line with what this Parliament should be seeking to do, which is to retain the clear right to more to greater control over budgetary matters. This, I think, is an important merit.

Lord O'Hagan

Now I believe that we should not allow ourselves to think that today is anything but the beginning of a long process, not necessarily of attrition, but not, I hope—and this is a note I detected in Mr Kirk's speech—not, I hope, an extension of the suppliant attitude that this Parliament is liable to take to the other institutions. We must use this acquisition of budgetary powers as a way of knocking into the heads of anybody in the other institutions who is not prepared to accept the proposition that this Parliament is equal to them, and if we start off by downgrading ourselves we are never going to reach that position.

Now I mentioned the dangers of being strangled by history and of looking back too much, but I also think we should beware of what we were told in that very kind and friendly intervention from Mr Brinkhorst because this I felt was not on the right lines at all. I know he is from a government that has a particularly constructive attitude on these matters but even so, all he talked about was a real dialogue with individual Members. What does that mean? Cocktail parties? It is no good at all and we must make sure that the Council is not going to use this conciliation machinery as a system for individual *tête-à-têtes* which would prevent a more genuine institutional relationship growing between our institution and theirs, and I am afraid that my own worries about this were confirmed in part by the intervention of Mr Brinkhorst.

The Council is too inclined to patronize Parliament and appears to think that by talking to us occasionally it can fool us into thinking that it is listening to what we say and it does not do for us to allow ourselves to fall in with them in this regard. I think that the question of budgetary powers is a test of the sincerity of the other institutions as to whether their protestations about their beliefs in the future of the European Parliament are mere words or whether they in fact mean something. We have had some favourable signs from the Commission—their proposals do not go far enough—but the real test will now come with the Council.

Today's signs are not good. If the Council is not prepared to give Parliament increasing powers over the budget, it is denying the evolution of the Parliament as a real institution within the framework of the Community institutions and unless Parliament gets those powers, however slowly, there is little point in indulging in the elaborate series of negotiations and discussions and evolution of procedures that Mr Spénale has been doing for so many years with such great fortitude. Therefore, we must say to the Council, 'We serve notice on you; give us something decent, because if you do not, it shows us that

you don't really want us to do a job'. I feel that we in Parliament, however undemocratic we may be at the moment, have a duty to prepare the way for a more democratic Community because unless it becomes more democratic it will not work.

President. — I call Mr Dich.

Mr Dich. — (DK) Mr President, my dear colleagues. From this position at the far left of the House, allow me to drop a little vinegar, or even a little acid in the European champagne we were served with today. I do this with all the more regret, since in the course of the day the bubble seemed to a great extent to go out of the champagne. Owing to my basic attitude to the European Communities I can obviously not enter into a discussion of the details of the various proposals submitted here. I am all the less able to do this because for me to make a choice between these different solutions would be like making a choice between plague and cholera. Therefore I am obliged to try to say something general about the background of my attitude and that of the many Danish opponents of the European Communities to the basic problems being discussed here today.

The day before yesterday on the first anniversary of the referendum in which the politicians who are in favour of the EEC in Denmark managed to threaten and force and entice a majority of the Danish population to vote Yes, the Danish people celebrated that day with some of the biggest demonstrations which have been seen in Denmark for many years. These demonstrations announced quite clearly that the demonstrators wanted Denmark out of the European Communities as quickly as possible. They did so because the period which has passed since we became Members has been marked for us by an endless chain of broken promises, promises once made to the Danish people.

They did it because none of the promises of better economic conditions, of golden times have been kept other than for some farmers and tradesmen. For the majority of the Danish people this period has meant that the economic burden has increased, prices have risen in the areas which mean most to the least well-placed part of the population. Another of the reasons why—and here I come to what is relevant—the number of opponents of Danish Membership is steadily rising, is also that the promises that Denmark's accession would only mean the most limited surrender of sovereignty have proved to be worth less than the paper they were written on. Even the declaration by the Summit Meeting in Paris clearly showed the way in which a

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majority within the European Communities want the Communities to go. The pro-European Market politicians in Denmark promised the population a definite democratic and parliamentary supervision of what was going to happen in Europe—I suppose it may sound a bit naïve—namely that it should be under the control of the Danish electorate.

I understand that in fact the majority of this Parliament in the votes we have had during the last sittings on the Supplementary Budget agree with me that this supervisory function is lacking in the highest degree, especially as regards the real rulers, the Commission of the European Communities. Of course there are some, as both the Commission's original proposal and Mr Spé-nale's report and the amendments put forward show, who would like to expand the powers of Parliament especially in the budgetary field, supposedly in order to increase thereby parliamentary, or democratic control.

I am sorry to have to say this, but I think that this is an error, an illusion. I am absolutely convinced that it will mean that the actual decisions are going to be still further removed from the ordinary population, from the ordinary people of our country and that European politics, including the important budgetary decisions, will be taken far, far away from individual citizens, and this at a time when more than ever, on behalf of the existence of democracy, there is need for a real democratic decentralization of the decision-making processes. But am I not contradicting myself in this situation by opposing the idea that it should be Parliament, rather than the Council, which takes the most important decisions? From a Danish standpoint I am not. The Danish Parliament adopted a resolution, an extraordinarily important resolution, on 1 February this year by which it secured for itself far-reaching control of what the Danish Government does on Denmark's behalf in the Council.

In addition to a far-reaching duty to provide information to the Parliament in general and the special Market Committee in particular, the Government must also consult the Market Committee on all questions of real significance in connection with Denmark's relations with the European Communities.

Prior to negotiations of this nature the Government must transmit its mandate to the Market Committee and, which is of decisive importance, ensure that there is not a parliamentary majority against this mandate. The Market Committee also has the right at any time to require thorough written questions from the Government on the matters under discussion, especially of course matters which are of current interest in

the given situation. If it appears during the negotiations in the Council that the mandate for negotiations is going to diverge appreciably from what the Government originally submitted to the Parliament and the Market Committee, the Government must once again consult the Market Committee and ensure that there is not a parliamentary majority against any new mandate. I suppose this is not a hundred per cent effective control, because the fact remains that through its Ministers in the Council the Danish Government is in a position to agree to decisions which are binding on Denmark and which the Danish Parliament thereafter is unable to alter. But it is the most far-reaching type of control which is possible now that we have finally become Members of the European Communities. It is obvious that it would not be in the interests of either the Danish people or of the Danish Parliament that this kind of control apparatus should be impaired in favour of an alleged Parliamentary control as here, for instance, with the Communities' budget. This control which partly owing to the very small number of Danish Members of the European Parliament, partly also because the Luxembourg compromise principle of unanimity which as we know is not valid in a parliament, would mean that the so-called control would be completely illusory for Denmark.

Finally I would like to comment in parenthesis in this connection that I have seen with amazement a proposal to amend the Council's decision-making procedure which the Socialist Group, and this I suppose included the Danish Social Democrats, has submitted to Parliament. This proposal aims, as far as I can make out, quite clearly at undermining the principle of unanimity of the Luxembourg settlement. This, together with the possible expansion of Parliament's powers, will completely alter the basis of one of the costliest promises given by the Danish pro-Market politicians before the Referendum of 2 October last year. I am sorry to have to talk about this but I considered it important to bring up these two things in association so that people can understand why I feel myself under an obligation to the increasing number of Danes who want Denmark out of the European Communities. The last Opinion Poll says, incidentally, that this number has now risen to almost half the population.

I am therefore obliged to vote against any proposal which aims at expanding the powers of the European Parliament and thus in reality restricting those of the Council and thereby also the Danish Parliament's opportunities of controlling developments within the Communities. On the other hand I could—I will concede this and I also expressed it during the discussion on

Mr Dich

the supplementary appropriations—have the brilliant idea that the Council's opportunities for control might be secured vis-à-vis the dispositions of the Commission. This is something which is really badly needed. Let me add, finally, that I must admit that as a whole I am more than sceptical as to the possibility of the Danish Parliament and the Danish people exercising any influence or any control over what is happening within the European Communities. I think that I can sum up my attitude to this most concisely by quoting a verse from a little nursery rhyme which was extraordinarily popular in Denmark up to the time of the Referendum last year. I will refrain from singing it, I will simply quote one verse of the song. The first verse goes like this: 'And the fox said to the hen, come in and be my friend, and the end said, before the fox ate it, we little ones must also have our say in what is going on and there's a lot more I should have said now I am inside.'

President. — I call Mr Bersani, and would ask aim to be brief.

Mr Bersani. — (I) Mr President, I shall do my very best to comply with your very proper request. It would be superfluous, I think, to emphasize the importance of the debate in which our Parliament is engaged today. A number of members have already emphasized that it is one of the most important we have had, not only because of the immediate effect of the decisions we are to take but because of the effect these decisions are likely to have if we look further ahead to future constitutional developments in the Community. My colleague Mr Aigner has rightly declared that our debate is full of 'constituent' implications. Our colleagues Mr Spénale, Mr Kirk and Mr Aigner have given us a very full expositions of the range of questions involved in the possible options now before Parliament. In practice, as is so often the case with debates of a highly political character, there are two interlocking or opposing lines: one which is more pragmatic, and is in favour of tackling step by step the knottier aspects of the situation, and the other which is more concerned with being consistent in the universal application of the principles which lie behind what we are doing to bring about a fully democratic Community.

It has been said, and I share this view, that in practice there has been shown to be a difference of opinion on tactics, and not on strategy. There is a clear statement of agreement on the final outcome and basic objectives which we all want, and I feel that from this point of view the debate has resolved a number of doubts

which had arisen when we began our discussion.

Some members must have been wondering which of the two choices would be the most expedient. While we firmly believe in the need to imbue all our actions with that element of consistency which I have already mentioned, I think that we can only hope to organize ourselves better if we are realistic about the actual facts of the situation as it is, and that it will only be later on that we shall be able to determine what is likely to enable us to move forward more quickly. We have of course already had experience in past years of this matter of powers. If President Scelba were here he would have been able to recall for us the activities behind the scenes which as time went on developed round attempts to reach political agreements, which in the end, after a certain amount of trial and error, were brought to a formal conclusion. I feel that if we now look back and analyse from a political standpoint what has happened in the past we can all see what effect this method has had on speeding up agreements on political matters even when we were faced with complicated and difficult situations.

There are some questions on which the majority of us are in agreement. On the other hand there are others on which we hold very divergent views. Let us see what questions we are agreed on. We agree, above all, on the need to make every effort to see that the authority and powers of Parliament are not increased only in regard to matters of direct budgetary concern, but, to a greater extent, also for legislation with financial implications which accordingly directly involves the authority of Parliament. The decisions which we are debating are closely tied up with the important development provided for in the 1970 Treaty for 1 January 1975; this is supposed to authorize full financial autonomy for the Community, as part of its political development, and the establishment of a new system of relationships between the different institutions. We are also in agreement on the question of a controlling body—the Court of Auditors—and on the need for us to draw up a new code of law incorporating these innovations by changes in the Treaties. (In point of fact this was accepted in principle by the Council and Commission when the 1970 Treaty was drawn up.) Alongside these points of agreement there are other points on which our positions remain apart. The main problem, really, is changing the existing powers of the Council of Ministers over budgetary matters and in the field of legislation, particularly legislative decisions with financial implications. At present the Council of Ministers has absolute powers of decision,

Mr Bersani

and this situation must be substantially changed. How can Parliament be brought up to the same level, so that it can play a real part when it comes to decision-making? Whenever this crucial point is discussed, it inevitably leads to a broader discussion on the relationship between the institutions. This was brought out, though with different degrees of emphasis, by all three rapporteurs. Anyone who has a particular constitutional outlook in mind will not only arrive at conclusions based on this outlook but will also attach a political force to them based on the same concept. Whereas if anyone makes his judgement without this kind of standpoint, his decisions and assessments will of course be of a very different scope. We Christian-Democrats have in mind a federal set-up, as my colleague Mr Aigner has said; this envisages a parliamentary system split up into two chambers, with a single executive body. The abolition of the exclusive right to make decisions at present conferred on the Council of Ministers would lead to a new and substantial balance of power with the Parliament.

In this form of set-up, the idea of codecision is no longer—as it may appear to be—a compromise solution, but, in my opinion, effective abolition of the existing structure and the evolution of a different form of constitution altogether.

Discussion of the real nature of the relationship between the institutions, and the debate on the type of federal Community to be established, cannot fail to influence our conclusions. But unfortunately it is fatal to arrive at definite decisions without having first gone into all these matters thoroughly. Besides, the building up of our political system has always happened like this so far, and I referred earlier to the way in which some of the presidents of this Parliament handled matters by using pragmatic methods, and in the end, though they appeared to be giving way on certain points of principle, contributed more than anyone else to creating the coherent system which we have today. Then there is the question of the last word. I believe that we must above all hold firm among ourselves to the principle, which cannot be infringed, that Parliament should have the power to reject the budget *in toto*. This was recognised in 1970, in this Parliament, by the then President-in-office of the Council, Mr Harmel, as will be remembered, in unequivocal terms, and in fact he made reservations about the opinions of some of his colleagues on the Council. This already implied confirmation of the existence of a basic power of decision. There remains the other difficult question, involving the whole matter of procedure, the difference between the

formula proposed by my colleague Mr Spénale and what I might call the Aigner-Kirk formula. The latter, which is based on codecision by Parliament and the Council, was latter made more precise by being tied to certain specific conditions; complete unanimity on the part of the Council, and a public debate between the two institutions, which will oblige the Council to give reasons in public for the position it takes up. (This not only represents a solution of a procedural matter, but by putting the two institutions on the same level it is for us Christian-Democrats a step in the right direction as regards the constitutional character of the Council of Ministers). There is a whole series of amendments on this subject. The political groups have undertaken to find a solution which is sufficiently broadly based to give everyone, including the Council itself, specific responsibilities. Whatever system is chosen—and this applies too to codecision between Parliament and the Council which my group considers to be the most practicable solution in the present situation—must in any case be consistent with the principles proper to a democratic community, and be geared to work towards the full and complete realization of this aim. There must of course be real codecision, without any misunderstandings. Then there is the question of the conciliation committee. We now have a clearer idea of this too. In fact I think the debate has been useful in this respect, that our various propositions have been coming closer together. The idea that there should be a trial period before final approval is given to any changes envisaged in the Treaty is to be welcomed, or at any rate I would suggest that it is not dismissed *a priori*. The period ahead of us can be usefully employed if, by the end of our debate, we have managed to obtain a clearer idea of what we want with a clear majority of parties in favour.

The last question is the one dealt with in paragraph 9 of the motion for a resolution. It opens, up, rightly so in my view, the question of the general financial framework within which the specific question of increased budgetary powers is to be set. It is a matter concerning the policy commitments of the Community, which has not only been enlarged in a geographical sense but also in respect of items of policy which brook no further delay, such as social policy, regional policy and the other major policy fields. I continue to feel, though I realize that there would be much opposition, particularly from public opinion, in our present inflationary situation, that alongside the question of increased authority it is also the right moment to consider, of course with the safeguards implicit in the system proposed, allowing the Community to operate with greater financial scope. I believe that

Mr Bersani

these two things in prospect ought to go forward together.

I should like to conclude by reaffirming my sincere hope that by the end of this debate we shall have had the courage and good sense to reach positive and clear decisions on policy, which will allow us to emerge from the doldrums in which our efforts to create a really democratic community have been lying. By broadening the powers and authority of the Parliament, and setting in motion a process of democratic readjustment of the balance of power and authority between the different institutions, we shall really be able to create a situation which will be a decisive step forward in our advance towards European political union.

Unless there is real progress in this field, there can be no real or lasting success.

13. Change in the agenda

President. — We shall now break off until 10 p.m.

The enlarged Bureau has decided that the proceedings will continue as follows:

- on resumption of the sitting Mr Spénale will reply to the points made by the various speakers during the general debate;
- we shall then consider the amendments, but the vote will not be held until tomorrow morning.

I would also point out that the Committee on Budgets will meet as soon as the sitting has been suspended and that the groups will be meeting from 10 p.m.

I call Mr Spénale.

Mr Spénale. — (*F*) Mr President, thank you for the announcement you have just made but I have sincere doubts on the wisdom of the procedure which has been proposed. Today we shall be discussing the amendments. When somebody says there is nothing more to be said on an amendment we shall pass on to the next, and tomorrow, without any conclusion having been drawn from today's debate, it seems that we shall know how we are to vote. This procedure seems rather eccentric to me. I would have thought that, once an amendment had been discussed, we should take a vote, and, if we stop at midnight having only dealt with ten out of twenty, we should carry on the next day and deal with the remaining ten, but the vote should

be taken when the debate has been concluded. Otherwise I cannot understand how the business can be dealt with under the proposed procedure.

President. — Mr Spénale, I have no authority to change a decision of the Bureau. Parliament, however, may decide otherwise.

I call Sir Tufton Beamish.

Sir Tufton Beamish. — Mr President, I confess that I am very confused and I do not know what procedure we are going to follow. As I understand it we are breaking up now and we are going to come back at ten o'clock, and I also understand that Mr Spénale will make a speech and that all the amendments which we have—I have 13 so far, and I think there are others to come—will be moved and that one opposer only is going to be allowed. Well, that is going to take some two or three hours.

I see I am apparently wrong, but this is what we were told this morning. The President told us this morning that he had decided where the amendments were concerned that one Member might move an amendment, and only one Member might oppose it, and they would each get five minutes. We all heard that.

Is that the procedure which is to be followed tonight? It does seem to me to be an extremely arbitrary procedure and, I would have thought, one which is quite out of accordance with our Rules of Procedure. I would therefore like to ask you exactly what is going to happen this evening when we come back, and also whether Question Time will follow all the voting tomorrow, or whether Question Time will be at ten o'clock as it is meant to be.

President. — I would point out that in the Bureau's opinion tonight's debate should be free and no limit should be placed on the number of speakers.

Question time will not commence until after the vote tomorrow morning, which should be later than 10 o'clock.

I call Mr Aigner.

Mr Aigner. — (*D*) Mr President, ladies and gentlemen, I agree with Mr Spénale.

The amendments overlap to some extent, and we have got to discuss them and explain why a more radical proposal is required, and so on. This is very difficult, and if we separate the explanations from the voting, we shall get very confused. It is unrealistic: I doubt whether we would get anywhere.

Mr Aigner

My feeling about the Bureau's decision is this: this Parliament is sovereign. The Bureau may have reached another decision on some other occasion. But, the fact that we are sovereign means that we are in a position to decide our own agenda. Therefore, I would suggest that we resume at 10 o'clock tonight and deal with the simpler and less controversial amendments. I think we could agree to discuss and vote on these very quickly and then limit the late sitting and break up at 11 o'clock or 11.30. Tomorrow we can deal with the difficult proposals together with the debate and voting. In this way, I think we can keep our heads above water.

President. — Before we can decide that, we must hear the other speakers.

I call Mr Spénale.

Mr Spénale. — (*F*) Mr President, I think that we are facing a double difficulty. On the one hand, as I said earlier, I would find it difficult to return tomorrow after an inconclusive debate today and cast my vote. On the other hand, I think that what has led the Bureau to submit this proposal, in all its wisdom, is that the Groups would in the meantime have to draw up their positions. I am wondering therefore if it would not be possible to reverse the procedure and arrange for the Committee on Budgets to meet this evening since the groups will be meeting at 10 p.m.; in this way their work will be done. Tomorrow morning we can meet at the time the groups should have met. Thus we shall have got through the work in committee and in the Groups and we shall undertake the work in plenary session, as it should be, after the work in committee and in the groups.

President. — I call Mr Behrendt.

Mr Behrendt. — (*D*) Mr President, ladies and gentlemen, the Bureau was assuming that amendments—it seems there are about fifteen of them—would be ready in all six languages by 9 p.m.—otherwise, the debate cannot proceed. If the Committee on Budgets meets now, the groups could let us hear the results of their discussions, which is necessary before we make up our minds. After the Group meetings from 9 to 10 p.m., the debate in the Assembly should be resumed at 10 p.m. Then we can speak in support of our amendments—taking into account the results of the meeting of the Committee on Budgets—and discuss them, which will leave only the voting for tomorrow morning.

You, Mr Aigner, are saying that it will be impossible to vote on everything together tomorrow morning. I feel almost inclined to say that

we should, in that case choose someone—an extraordinary chairman—from the Committee on Budgets, who knows exactly which amendments depart furthest from the original, to prevent complications arising during voting. Anyone who has been in the Chair knows how difficult this is, but it must be possible.

At all events, we consider the best arrangement will be for the Committee on Budgets and the groups to hold discussions now, and the amendments and the remarks by their tablers would follow. Tomorrow morning, from 8.30 to 10 a.m. the groups will meet to decide whether they support or oppose the amendments, so that voting can proceed as quickly as possible.

That is the view of our group. We have considered every possibility. Finally, reluctantly, we have decided on this. Our chairman was not at all happy about it, indeed none of us were, but we could see no other solution.

President. — I would like a decision to be reached.

I call Mr Bersani.

Mr Bersani. — (*I*) Mr President, I agree largely with what my colleague Mr Behrendt has said. If we want to get to the voting stage for tomorrow morning, we have to accept the time shortage as it is. I personally think that the time allotted, though certainly very tight, is enough for the Committee on Budgets and the groups to have further consultations before resuming at 10 p.m. And then, as there is a fixed agenda to be got through from 10 p.m. onwards, we shall be able to see at the end of that what stage we have reached. I feel that, in view of the limited time available, it would be sensible to keep to the agenda agreed by the Bureau, of which my colleague Mr Behrendt has given us the details, without excluding the possibility that towards the end of our discussion, if the point arises, there might be some small changes. But in any case the decision made by the Bureau, all things considered, will give us our only chance of being able to finish our business tomorrow.

President. — I call Mr Aigner.

Mr Aigner. — (*D*) The problem is not merely one of how to conduct the debate. The problem is that voting is going to be so complicated if explanations and voting are completely separated. Therefore, I find Mr Spénale's proposal very attractive and should like to alter my original suggestion, because that we do not know whether all the amendments will be ready in all

Mr Aigner

the languages in time for the meeting of the Committee on Budgets. I should not want there to be complaints—justified complaints—in the Committee on Budgets, because the translations were not there.

I would propose that the Committee on Budgets meet from 9 until 10 o'clock this evening, followed by the groups. We can thus prepare our position and shall not need to hold a late night sitting and we can begin tomorrow morning, preferably half an hour earlier, and discuss and vote on the amendments under pressure of time—and that may be no bad thing. This will be more compact. We must also bear in mind the others in our organization. With regard to night sittings I am not thinking so much about the Representatives, but about the translators and so on. Now, the Committee on Budgets will be sitting until 9 o'clock tonight, at least, perhaps until 10 o'clock; this will be followed by the group meetings—and the interpreters have to be there—and then the night sitting. This is quite unacceptable.

Therefore I suggest that we consider arranging the meeting of the Committee on Budgets for 9 p.m. By that time, all the translations will be ready; then, at 10 o'clock, with the results of the Committee on Budgets meeting known, we can have the group meetings. Tomorrow morning we can begin half an hour earlier and hold concentrated discussions and be clear about how we are to vote.

It is not simply a matter of leading the discussions skilfully but also of Members, who have to vote, being able to understand this subject-matter which for those not in the Committee on Budgets takes considerable time. If we separate these things, it will land us in confusion.

President. — Is that a formal request, Mr Aigner and Mr Spénale?

Mr Spénale. — (F) Yes, Mr President. I agree with Mr Aigner and support his proposal.

President. — I have received a joint request from Mr Aigner and the rapporteur.

Since Parliament's decision is supreme, I consult it on the following proposal:

- at 9 p.m. commencement of the work of the Committee on Budgets;
- at 10 p.m. meetings of political groups;
- no further plenary sitting tonight.

I have also received a request to bring forward the start of tomorrow's proceedings half an hour. As acting President, I would like to go a little further. Since there is no Bureau meeting tomorrow, we could start the sitting at 9 o'clock instead of 10. We would thus gain an hour, and attendance would certainly be better than it would have been tonight.

I put all these proposals to the vote.

They are adopted.

14. Agenda for next sitting

President. — The next sitting will be held tomorrow, Friday, 5 October 1973, with the following agenda:

9 a.m.

— Mr Spénale's report on the budgetary powers of the European Parliament (vote);

— Question Time;

I remind the House that no topical debate will be held following question time;

— Mr Terrenoire's report on a transfer of credits. The Committee on Budgets has asked for a vote without debate.

The sitting is closed.

(The sitting was closed at 7.25 p.m.)

SITTING OF FRIDAY, 5 OCTOBER 1973

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IN THE CHAIR : MR BERKHOUWER

President

(The sitting was opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of 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 of the European Communities, a request for an opinion on the proposal from the Commission of the European Communities to the Council for the annual report on the economic situation in the Community (Doc. 182/73).

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Budgets for its opinion;

- (b) from the committees, the following reports:

— report by Mr Léon Jozeau-Marigné on behalf of the Legal Affairs Committee on the amendment of Rule 33 of the Rules of Procedure of the European Parliament concerning the quorum in plenary sittings and of Rule 41 concerning the quorum in the committees (Doc. 183/73),

— report by Mr André Armengaud on behalf of the Legal Affairs Committee on the proposals from the Commission of the European Communities to the Council for

I. a directive concerning the content, supervision and distribution of the prospectus to be published when securities issued by companies or firms within the meaning of the second paragraph of Article 58 of the Treaty are officially quoted on a stock exchange for the first time,

II. a recommendation concerning the content of the prospectus to be

published when securities issued by States or their regional or local authorities are officially quoted on a stock exchange for the first time.

(Doc. 186/73).

3. *Tabling of a motion for a resolution and reference to committee*

President. — I have received a motion for a resolution from Mr Amendola, Mr Ansart and Mr Dich, on behalf of the non-attached Members of the PCI, Ind. Sin., PCF and SF, concerning the position of the EEC in regard to the events in Chile.

This motion will be printed and distributed as No 185/73, and referred to the Political Affairs Committee.

Are there any comments?

That is agreed.

4. *Membership of committees*

President. — I have received from the Socialist Group a request for the appointment of Mr Van der Hek as member of the Parliamentary Conference of the EEC-AASM Association and of the Joint Committee of the Conference, to replace Mr Broeks. z.

Are there any objections?

This appointment is ratified.

5. *Tabling of a motion for a resolution and vote*

President. — I call Mr Broeks. z.

Mr Broeks. z. — (NL) Mr President, yesterday I made known my intention of tabling a short motion for a resolution which has already been mentioned during this part-session, and I have done so. May I suppose that we shall be dealing with it now?

President. — That is what I promised. In accordance with our decision of yesterday, Mr Broeks. z. has tabled a motion for a resolution on the working methods of the Council. This resolution was adopted unanimously by the Socialist Group, and Mr Broeks. z. is asking that a vote be taken without debate. I therefore consult Parliament on the adoption of urgent procedure.

Are there any objections?

President

The adoption of urgent procedure is agreed.

I accordingly put to the vote the motion for a resolution tabled by Mr Broeks on behalf of the Socialist Group.

The resolution is adopted¹.

6. *Strengthening the budgetary powers of the European Parliament (vote)*

President. — The next item is the vote on Mr Spénale's report on strengthening the budgetary powers of the European Parliament.

I have just received, five minutes ago, the numerous amendments which have been tabled. I think they will simplify the voting. Be that as it may, question time must take place today, and I should not like it to begin later than 11.30 a.m. I therefore ask all Members to do everything in their power to finish the voting on Mr Spénale's report by 11.30. It would be particularly regrettable if question time could not be held through Parliament's fault.

I call the rapporteur.

Mr Spénale, rapporteur. — (F) Mr President, I wanted to reply yesterday evening at the end of the debate, but at this stage I think it would be better to refrain.

President. — We shall now consider the motion for a resolution.

On the preamble and paragraphs 1 to 8, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

They are adopted.

On paragraph 9, I have two amendments:

Amendment No 4, tabled by Mr Fellermaier on behalf of the Socialist Group, deleting this paragraph;

Amendment No 14, tabled by Mr Aigner on behalf of the Christian-Democratic Group, worded as follows:

Paragraph 9

Insert the following at the end of the paragraph:

'...from 1.1.1975 until 31.12.1979 at the latest, however, the annual variation in the share of each Member State in own resources must not exceed 2% in comparison with the previous year;'

Pursuant to Rule 29(4) of the Rules of Procedure we shall first take Amendment No 4 deleting the committee's text.

I call Mr Fellermaier to move his amendment.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I can best justify the the socialist group's amendment by recalling that section 4 of the decision by the Member States expressly refers to a level of VAT of 1%. We believe we should stick to this level in the initial stages of the new financial agreement. We also believe that paragraph 9, as it has been worded until now—'a level of between 1 and 2% can be fixed'—could, in a new way, arouse an impression of greed. In addition to all this, we feel the psychological effects on the ratification procedures required by the national parliaments should not be underestimated. In view of the lack of time and the call by the President, I shall refrain from offering any further arguments in favour of the amendment, unless a debate should become necessary.

President. — I call Mr Aigner to move his amendment.

Mr Aigner. — (D) Mr President, I would like to refer briefly to the socialist group's amendment; on behalf of my group, I would like to say that I regret that it has been deleted. May I briefly refer to the debate. The original attitude of the Commission was that the Community should have totally unrestricted financial autonomy. We were never of this opinion and supported instead limited autonomy within limited financial boundaries, which should be fixed jointly with the national parliaments. However, if I agree to this, then this amendment, in the form in which we tabled it and it appears in Mr Spénale's resolution, is not a new measure for creating money, but rather a limitation of the room for manoeuvre which we, Parliament and Council, have for supporting the Community's autonomy. If you cancel this section, then you will have limited this room for manoeuvre and I do not need to mention what the financial situation would look like at the 1% rate if the customs duties and price adjustment levies are reduced. If you delete paragraph 9, as you propose, then you cannot support any new Community activities in this House. Thank you.

President. — What is the rapporteur's position?

Mr Spénale. — (F) Mr President, the Committee on Budgets has twice adopted a position on this text. On the first occasion it approved it; on the

¹ OJ C 87 of 17. 10. 1973.

Mr Spénale

second occasion it rejected it after discussions with the political groups. The Socialist Group, to which I belong, was by a large majority in favour of rejecting it. I personally shall—with a certain regret—abstain because, as I would remind you, it was envisaged at the 1965 discussions that half of the Community's own resources, which did not even include VAT, would be returned to the Member States because they were excessive. Today, with 1% of VAT we are going to be short of funds very soon. This solution had advantages in the medium term. Personally, I shall abstain.

President. — Mr Spénale, would you clearly state what your committee's position was?

Mr Spénale. — (F) At first, it approved it; yesterday evening it rejected it.

President. — So it accepted Amendment No 4 by Mr Fellermaier?

Mr Fellermaier. — (D) Yes.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, may I just address a few words to Mr Aigner? It is definitely not the intention of the Socialist Group, who tabled this amendment, to question the fact that by 1975 the Community will be financed entirely by its own resources. We tabled this amendment because we did not wish to commit the Community already at this stage to obtaining these own resources from VAT. It is quite possible that when the time comes, other resources will be available to the Community. Thus we fully endorse the principle of financing the Community from its own resources, but at this stage we do not wish to commit ourselves to a possible increase in VAT in a resolution dealing exclusively with the question of procedure.

This is why the Socialist Group proposes that paragraph 9 be deleted. Yesterday the vast majority of the Committee on Budgets was in favour of our amendment.

President. — Does anyone else wish to speak?

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I assume the House agrees that, in view of the result of the vote on Amendment No 4, Amendment No 14 is void.

After paragraph 9, I have Amendment No 15, tabled by Mr Aigner on behalf of the Christian-Democratic Group and worded as follows:

Paragraph 9a (new):

A new paragraph worded as follows to be inserted after paragraph 9:

'9a. Endorses the Commission's proposal that the European Community should have the right to take up loans subject to a qualified majority decision of the Council and the agreement of the European Parliament;'

I call Mr Aigner to move his amendment.

Mr Aigner. — (D) Mr President, amendment No 14 has still to be considered. However, this of course—and I think there is some confusion here—ceases to apply in view of the deletion of paragraph 9. Paragraph 9a is another matter: this replaces paragraph 9, which has been deleted. There is just one point I would like to make about this. The committee was in favour of this amendment yesterday. This could merely be a misunderstanding. The relevant wording of the German text is, at any rate, wrong.

Mr President, may I make a correction, may I say how the text should have been worded here? It runs: 'endorses the Commission's proposal that the European Community should have the right to take up loans subject to a qualified majority decision of the Council and the agreement of the European Parliament.' If this wording, at least as it appears in the German text, is retained, then the Council could say: they think they do not have the right to raise loans. What we want here for these loans is a qualified majority of the Council and Parliament. I therefore ask that the wording be changed appropriately.

President. — What is the rapporteur's position?

Mr Spénale. — (F) The Committee on Budgets has adopted this text unanimously.

President. — Does anyone else wish to speak?

I put Amendment No 15 to the vote.

Amendment No 15 is adopted.

On paragraph 10, I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraph 10 to the vote.

Paragraph 10 is adopted.

On paragraph 11, I have Amendment No 6, tabled by Mr Kirk on behalf of the European

President

Conservative Group. Examination of this amendment shows that all that is required is to bring the English text into line with the other languages. In accordance with the usual practice the Secretariat will ensure that this is done. I therefore assume Mr Kirk agrees that this amendment is void.

Does anyone wish to speak?

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

On paragraph 12, I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

On paragraph 13, I have five amendments:

Amendment No 12, tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

Paragraph 13

Replace this paragraph by the following;

'13. Proposes therefore that, in the event of failure to reach an agreement

- (a) a Conciliation Committee be set up to which would be entrusted the task of arriving at an acceptable solution, the committee in question to be composed of

The Chairman of the Council of the European Communities and the President of the European Parliament,

The responsible members of the Council of the European Communities,

An equal number of members of the European Parliament who would be nominated in accordance with a procedure to be adopted by Parliament for that purpose.

The European Commission would be entitled to attend the meetings of the Committee and to participate in its discussions in an advisory capacity;

- (b) The solution proposed by the Conciliation Committee would be implemented by the Council after ratification (within a maximum period of 30 days from the date of its adoption by the Conciliation Committee) by the Council by a qualified majority and by the Parliament by a majority of its members and a simple majority of the votes cast;
- (c) In the event of the rejection of the solution proposed by the Conciliation Committee by either the Council or the Parliament, the matter in dispute would, after an exchange of views between Council and Parliament to form the subject of a debate in plenary session, be referred again to the Conciliation Com-

mittee and the procedure set out above would be repeated.'

Amendment No 18, tabled by Mr Aigner on behalf of the Christian-Democratic Group and worded as follows:

Paragraph 13

This paragraph should read as follows:

'13. Proposes therefore that, in the event of failure to reach an agreement

- (a) a conciliation committee be set up to which would be entrusted the task of arriving at an acceptable solution, the committee in question to be composed of the President of the Council of the European Communities and the President of the European Parliament,

the responsible members of the Council of the European Communities,

an equal number of members of the European Parliament who would be nominated in accordance with a procedure to be adopted by Parliament for that purpose.

The Commission would be entitled to attend the meetings of the Committee and to participate in its discussions in an advisory capacity;

- (b) the solution proposed by the conciliation committee would be implemented by the Council after ratification (within a maximum period of 30 days from the date of its adoption by the conciliation committee) by the Council by a qualified majority and by the Parliament by a majority of its members and a simple majority of the votes cast;
- (c) in the event of the rejection of the solution proposed by the conciliation committee by either the Council or the Parliament, the matter in dispute would—after an exchange of views between Council and Parliament in the form of a debate in plenary session—be referred again to the conciliation committee;
- (d) in the event of no agreement being reached at the second attempt, and in the event of the Commission endorsing Parliament's views, Parliament's opinion, established by a majority of half its members plus one and two thirds of the votes cast, can only be modified by the Council acting unanimously.

Unanimity cannot be achieved if even a single member of the Council abstains.

The Council must meet in public on this occasion.'

Amendment No 5, tabled by Mr Patijn on behalf of the Socialist Group and worded as follows:

Paragraph 13

This paragraph should read as follows:

'13. Proposes therefore that a coordination council should be set up with equal representation of Parliament and the Council, to seek, in the presence of the Commission, an acceptable solution in the event of failure to reach an agreement.'

President

Amendment No 19, tabled by Miss Flesch and Mr Durieux on behalf of the Liberal and Allies Group and worded as follows:

Paragraphs 13 and 14

Replace these two paragraphs by the following text:

'Proposes therefore that a coordination council be set up to seek and formulate a common stand.

It shall comprise:

- the President of the European Parliament
- the President-in-Office of the Council of the European Communities
- the President or a Member of the Commission of the European Communities
- the responsible Members of the Council of the European Communities
- an equal number of Members of the European Parliament who would be nominated in accordance with a procedure to be adopted by Parliament.

Amendment No 9, tabled by Mr Lenihan on behalf of the Group of Progressive European Democrats and worded as follows:

Paragraph 13

Replace 'coordination council' by 'conciliation council'.

Pursuant to Rule 29(4) of the Rules of Procedure we shall first take Amendment No 19, which departs furthest from the committee's text.

I call Miss Flesch to move her amendment.

Miss Flesch. — (*F*) Mr President, I should like to say a few words in introduction of this amendment, since it has been tabled here but has not been commented on by Mr Rossi, the spokesman of our group, for the good reason that it did not yet exist.

As Mr Rossi stated, some of us in the Liberal and Allies Group are certainly very sympathetically disposed towards the proposal of the Committee on Budgets, towards the solution proposed by the rapporteur, Mr Spénale. I would even say that our sympathy is sentimental, one of conviction. On the other hand, Mr President, we have wondered whether it was realistic to believe that such a solution could be agreed to by the other institutions of our Community. It was these more realistic considerations which prompted us to reflect on the matter and, in the light of yesterday's discussions, to table amendment No 19.

This amendment deviates from the amendments tabled by Mr Kirk and Mr Aigner on two specific points.

The first point is the composition of the coordination council and in particular the role to be

assigned to the Commission in this council. The coordination council is not a body in which voting will take place. By definition it is a body that should engage in conciliation, consultation. We considered it absolutely essential that the Commission should be represented there on the same basis as the other Community institutions and that it was undesirable to diminish its role even if such diminution were in appearance only. That is why the President or a member of the Commission would be present in the coordination council in the form that we propose it should take.

The second point of deviation relates to procedure. Amendment No 19 institutes a coordination council and goes no further. You are no doubt going to ask me, ladies and gentlemen, what will happen if, by chance or misfortune, the coordination council does not come to an agreement. If agreement is reached in the coordination council there will be no difficulty: each institution will proceed in accordance with the provisions of the Treaty and the agreement will enter into effect accordingly. If no agreement is forthcoming, Mr President, we believe that the institutions should also proceed according to the rules laid down at present by the Treaty. You will immediately point out that this is to a certain extent a retrograde step since the last word remains with the Council. I am perfectly aware of this, Mr President, but we do believe that the coordination council as such is a considerable political innovation. Why? It will oblige the institutions to get together and conduct discussions and in particular it will ensure that the basic arguments receive publicity. The debates of the coordination council will not be public; nevertheless, its conclusions and the discussions it conducts will influence the debates held within our Parliament and they are public. The discussions of the coordination council will oblige the Council of the Communities to defend the position it adopts with arguments based on substance, not only on procedure. This will ensure that the debates of the Council of the Communities are clear and receive publicity—and that is what we want. The pressure that will make itself felt to oblige the coordination council to arrive at an agreement is, to our mind, the same both in a procedure which provides for consultation and then the normal functioning of the Treaty rules and in a procedure which provides for endless toing and froing if there is no agreement. The pressure of public opinion will make itself felt in exactly the same way.

Finally, Mr President, we believe that amendment No 19 which institutes a coordination council and goes no further falls within the

Miss Flesch

provisions of the Treaties. We thus avoid the need to amend the Treaties, for such modifications would certainly give rise to very serious difficulties and, I fear, would very likely not be adopted the way things stand at present. All these considerations, Mr President, ladies and gentlemen, have prompted the Liberal and Allies Group to table amendment No 19.

President. — Does the rapporteur agree with me that Amendment No 19 departs furthest from the original text, and that if it is adopted the other amendments become void?

Mr Spénale. — (F) Mr President, this amendment is indeed the one that deviates most from the initial proposal made by the Committee on Budgets since all the other amendments do at least provide for the text coming from the coordination council to be passed on to the institutions concerned: the Council and Parliament. In the text proposed by the Liberal and Allies Group, there is no provision for this consultations at all; the coordination committee becomes the institution with the power of decision. That is why—and I much regret it, as I have a tremendous amount of respect for Miss Colette Flesch in view of all the work on which we have been associated in many different circumstances—my views are for the first time very far removed from hers. I must say that to accept the Liberals' text would be an extraordinary renunciation on our part of the principle we have always held so far. The Committee on Budgets rejected it yesterday evening by a large majority: there were twenty of us present of whom two voted in favour and all the rest against. I should like to recall the arguments put forward, since they are valid in part for the other amendments still to come. Parliament must not relinquish its role as a permanent petitioner and, particularly today it must be very careful. We are told that law evolves; this is true, but it evolves when there are new and important circumstances. As regards budgetary law, we shall never see another change like this one. Yesterday we had no resources of our own; on 1 January 1975, the date we are discussing, we shall have our own resources. This period has been called the final period and if, at the start of this final period, Parliament gives up its right to having the last word on the generation of expenditure those who come after us will be deprived of an argument as well.

As regards the other argument, Miss Flesch, about making proposals which will be more likely to be favourably received by the other institutions, I really wonder whether this proposal does have a greater chance of being favourably received by the Council. This should

not be our criterion. But if it were I should still be doubtful whether this proposal would be more acceptable to the Council. For the Council, too would then be subordinated in a very irksome manner to the conclusion of the coordination committee, i.e., none of the present institutions would have the power of the last word and the committee would be the most important institution. The Committee on Budgets has delivered its opinion by a large majority; I would ask Parliament to endorse that committee's opinion.

President. — I call Mr Aigner.

Mr Aigner. — (D) One brief point, Mr President. I agree, on behalf of my group, with what Mr Spénale has said. I indeed understand, Miss Flesch, the temptation to say that if this debate were visible, that at least would represent a good deal of progress. However, the imbalance remains, and just as an impropriety remains improper regardless of whether it is hidden or open or visible, so this imbalance remains improper too.

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, it may not seem necessary to some Members, but I think it is necessary to say this; if, with this new conciliation procedure, it is known in advance that if it fails we shall go back to the old system, it is clear that none of the institutions are going to be very keen to accept conciliation.

A procedure cannot be very strong if it is known in advance that in the case of its failure a return will be made to the old system.

President. — Does anyone else wish to speak?

I put Amendment No 19 to the vote.

Amendment No 19 is rejected.

To make matters as clear as possible, I think we should split the voting on the following amendments. The first matter is the membership of the organ responsible for finding compromise solutions. This matter is dealt with in Amendments Nos 5, 18(a) and 12(a). Amendments Nos 12 and 18 are identical in this respect.

I first call Mr Patijn to move Amendment No 5.

Mr Patijn. — (NL) Mr President, the amendment which I wish to move on behalf of the Socialist Group does not constitute any major deviation from the original text of paragraph 13. On the whole it corresponds to the proposals put forward by Mr Kirk and Mr Aigner.

Mr Patijn

I felt, however, that my text was somewhat simpler, with the advantage that it leaves the membership of the coordination council open to further discussion, without committing us to a final decision at this stage. The purpose of the amendment is to make perfectly clear what was in fact unclear in the original text, namely that the members of the coordination council should be Members of Parliament and of the Council of Ministers, since it is these two institutions which have the final say. I would point out, although this is not quite clear in my amendment, that in my opinion the coordination council should be composed of all Members of the Council and an equal number of Members of Parliament.

It is clear that the Commission would not participate in the voting, but would be present to help the coordination council to find the solutions required.

I hope that by stipulating a membership consisting of all Members of the Council and an equal number of Members of Parliament I have made it quite clear that there must be a distinction between the Council and Parliament on one hand, and the Commission on the other.

I remain in favour of this amendment, because I should like to discuss its implementation in the form proposed by Mr Aigner and Mr Kirk. I am not entirely convinced that the membership which they propose is the best. I would prefer to discuss this question at a later date, and for the time being just make sure that a coordination council is established. Its membership can be decided later.

President. — What is the rapporteur's position?

Mr Spénale. — (F) Mr President, I can if you wish explain the course of events in the Committee on Budgets.

We had reserved sub-paragraph (a) of amendments 12 and 18 for examination together with Mr Patijn's amendment. Mr Patijn's amendment was voted on and adopted almost unanimously.

In my opinion, save for a few matters of wording, it fully meets the wishes of the originators of amendments 18 and 12. But it is up to them to say what they think.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, on the basis of what Mr Patijn has just said, I can say on behalf of my group that we have no objections to this simplified wording, because it retains the substance of the matter. However, I am

particularly grateful for the statement that all members of the Council are meant, so that the wording cannot be taken to imply an 'empty chair' policy. That is why Mr Kirk and we ourselves wanted a perhaps more complicated but at the same time clearer wording, but now that it has become apparent that we are all in agreement may I say on behalf of my group that we too accept this wording.

President. — Does Mr Kirk agree that if Amendment No. 5 is adopted, it could become the first subparagraph of paragraph 13?

Would he then maintain subparagraphs (b) and (c) of Amendment No. 12?

I call Mr Kirk.

Mr Kirk. — That would be my understanding, Mr President. The intention would be to replace the first paragraph in my amendment and Mr Aigner's amendment by the amendment that Mr Patijn has just moved on behalf of the Socialist Group.

I would have preferred to have it spelt out in a little more detail but, like Mr Aigner, in the light of the explanation that Mr Patijn has given—and as it is absolutely clear that every Member State must be represented in this council—I think that, in the interests of getting through the business speedily and not wasting time, I would be prepared to accept Mr Patijn's paragraph in place of my first paragraph.

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President it is not my intention to approve or disapprove of an amendment, but to restate the matter.

Whatever happens, from the moment it is present as a member or otherwise (it does not matter which, I do not wish to discuss the question now, the Commission will retain its power to make proposals.

Mr Patijn has actually said that the Commission could be present without actively participating or at least adopting a position, since it would be the Council and Parliament that would pronounce on matters.

I should like to point out that one of the Commission's characteristics, its main characteristic even, is that it is a body that makes proposals, it is *par excellence* a proposal-making body. In consequence it will be useful if, when we consider what we are going to do, it is borne in mind that it should not effect the Commission's

Mr Ortoli

powers as a proposal-making body. To take an example, we may find it desirable in this body to state the proposals that we would make and which might be those on which the agreement could possibly be concluded.

President. — I call Mr Lückner.

Mr Lückner. — (D) Thank you, Mr President. I am very grateful, after the statement by Mr Ortoli, that we have an assurance that Mr Patijn's text, which we are now adopting, will not prejudice the Commission's right of proposal or initiative. I can even envisage that the Council and Parliament, who will be represented in this conciliation committee, might well even request the Commission to make proposals, and I am moreover fairly certain that the fact that the Commission will have no voice in this conciliation committee will strengthen and not restrict the committee's conciliatory powers.

However, Mr President, you appear to have made a mistake. If I understood the German translation properly, you said to the Assembly that an adoption of the Patijn text would in fact involve doing without subparagraphs (b) and (c) in amendments 12 and 18...

President. — No, no, no!

Mr Lückner. — (D) That is what it sounded like in the German translation.

President. — I said just the opposite; that they would remain.

Mr Lückner. — (D) That is all right then. I just wanted to clear up the misunderstanding.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) I am in full agreement with what my colleague Mr Lückner has just said and on behalf of my group, Mr Ortoli, I would like to confirm expressly that we do of course support an unrestricted right of proposal, particularly in the complex situation of mediation between Council and Parliament.

Now, Mr President, Mr Aigner asked Mr Patijn whether we mean all members of the Council. I think we should meet Mr Aigner's request, which I support, by means of the following insertion: 'therefore proposes that a conciliation committee be set up, which shall consist of all members of the Council and an equal number of Members of Parliament...' and leave what follows as it is. In this way we do justice to the request, and politically we also have the necessary clarification, and I think the House should

have no difficulty in accepting this compromise, which is in fact simply an addition.

President. — What is the rapporteur's position?

Mr Spónale. — (F) Mr President, I agree with what Mr Fellermaier has just said, but I should like to ask whether it is necessary to put that in the form of a specific amendment when we are simply making known the intentions of this House to the Commission, which has to work on the basis of the positions we adopt? The Commission is present here, has heard what has been said, and is acquainted with the more or less general feelings of this House on the matter in question. We could therefore leave the text as it is; the Commission would still know what our intentions were.

President. — I call Miss Flesch.

Miss Flesch. — (F) Mr President, on behalf of the Liberal and Allies Group, I should just like to say that, in view of the explanatory remarks made by Mr Patijn and especially in view of the fact that it is understood that all members of the Council will take part in the coordination committee, the Liberal and Allies Group can agree to this amendment. I should especially like to confirm, for the benefit of the Commission, that in our minds too it is absolutely clear that the Commission will retain all its rights to make proposals. If that were not self-evident it should be stated and that is why I wished to do so now.

President. — Does anyone else wish to speak?

I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

We shall now take Amendment No 12, tabled by Mr Kirk.

We have to consider whether paragraph 13, as modified by Amendment No 5, should be supplemented by subparagraphs (b) and (c) of Amendment No 12.

I call Mr Patijn on a point of order.

Mr Patijn. — (NL) Mr President, on a point of order. By adopting Amendment No 5 and deleting the first paragraph of Amendment No 18 and subparagraph (a) of Amendment No 12, could we now close the debate on paragraph 13 and move on to paragraph 14, so that we could then consider subparagraphs (b) and (c) of Amendment No 12 and subparagraphs (ii), (iii) and (iv) of Amendment No 18 and all amend-

Mr Patijn

ments to paragraph 14? That would be much simpler. Now that paragraph 13 has been adopted, could we not go on to paragraph 14? That would make it much easier.

President. — No, of course not. That would be too easy.

Subparagraphs (b) and (c) of Amendment No 12 by Mr Kirk have not yet been dealt with, and it depends what Mr Kirk wishes to do about them.

I call Mr Kirk.

Mr Kirk. — Sir, I wish to move subparagraphs (b) and (c) to paragraph 13, not paragraph 14. (At a later stage, I am moving an amendment which is bound to delete paragraph 14, and so is Mr Aigner.)

The point of these two paragraphs is to set out in some detail the procedure to be followed by the conciliation committee. Such a committee would, one hopes, reach a compromise acceptable to both its constituent bodies, as I explained yesterday, and it is suggested that both those constituent bodies should then ratify—or not ratify, as the case may be—the decision of the conciliation committee, or the proposals of the conciliation committee, in the form of voting which is a present customary under the Treaty. That means in the case of the Council by the qualified majority laid down, in the case of Parliament by a majority of its members and a simple majority of the votes cast. That is the formula at present under Article 203.

We then foresee the possibility of the solution not being acceptable to either of the constituent bodies. And at that point it is suggested that the matter should form the subject of an exchange of views in public between Council and Parliament before being referred back to the conciliation committee.

I must say at this point, Mr President, that I prefer Mr Aigner's wording to mine. I think it makes the position very much clearer. I would therefore only move paragraph (b) of my amendment and hope that he will move paragraph (c) of his. In that case we should get a better solution than we have at the moment.

President. — If I understand correctly, Mr Kirk is maintaining paragraph (b) of his amendment and withdrawing paragraph (c).

Mr Kirk. — My paragraph (c) would be delete if Mr Aigner moves his paragraph (c), which I would vote for and prefer.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, Mr Kirk's subparagraph (b) and subparagraph (b) in my amendment say the same thing. We could in fact vote on them together. What Mr Kirk meant is that if my amendment is voted on, subparagraph (c) in both my amendment and in his are the same until the final section, where our wording carries on to (d), while his reaches a conclusion.

I also now propose that we vote on (b) jointly and then on (c). We agreed yesterday in committee to vote first on Mr Kirk's (c), which goes further, and then on paragraph (c) in my proposal. Mr Kirk, I think we shall have to proceed like that, because otherwise we will lose the coherence.

President. — And then your subparagraph (d) at the end.

Mr Aigner. — (D) And finally subparagraph (d), that is correct, Mr President.

President. — I call Mr Vals.

Mr Vals. — (F) Mr President, I asked to speak because I was wondering if there had not been a translation error. I have before me Mr Kirk's amendment and that of Mr Aigner; however, in the translation I have been given the two points (b) are identical.

This made me wonder why Mr Kirk was asking Mr Aigner—at least according to what I understood from the translation—to endorse his point of view. I can very well understand the point of view adopted by Mr Aigner.

President. — I call Mr Schuijt.

Mr Schuijt. — (NL) Mr President, might I point out that in the amendment by Mr Kirk and the amendment by Mr Aigner, the Dutch text speaks of an arbitration committee? From the legal point of view, the work 'arbitration' is a stronger term than 'conciliation'. When I look at the other texts I get the impression that the sense is a 'conciliation committee' and not an 'arbitration committee'. May I thus request that the Dutch text of these amendments be corrected accordingly?

President. — I think Mr Schuijt is right.

I call Mr Dewulf.

Mr Dewulf. — (NL) Mr President, on a point of order. By adopting Amendment No 5, we have automatically incorporated into the Dutch text the term 'conciliation committee'.

President. — Mr Schuijt and Mr Dewulf are both right. We shall take it into account that in the rest of the text the term used will be 'conciliation' and not 'arbitration'.

I call Mr Lange.

Mr Lange. — (D) Mr President, please excuse me. What is meant is not an arbitrator between the Council and Parliament, but mediation, mediation which must then be decided upon by both the Council and Parliament. The correct expression is conciliation council or conciliation committee, and I tried earlier to describe it as a textual matter, but did not succeed in making myself heard. We must say conciliation committee then, as it appears in the amendments by Mr Aigner and Mr Kirk. This textual change must be made, otherwise, despite all the reassurances which have been made here, this conciliation, this arbitration committee will turn into a super-Parliament.

President. — Gentlemen, I think we are agreed on this.

Once again, what is the rapporteur's position?

Mr Spénale. — (F) I just wanted to ask the Members who formulated the amendment if there is not a mistake in their wording. Was it really their intention to say: 'the solution proposed by the coordination committee would be implemented by the Council', etc.? In my view, the implementation of these decisions is a matter for the Commission.

If this wording has been chosen intentionally—and I have nothing against it *a priori*—I would ask the Members concerned to explain it; the text must be clear.

President. — I call Mr Lücker.

Mr Lücker. — (D) I think I can fully reassure Mr Spénale. I am, in fact, in complete agreement with the heart of his question. I would suggest, Mr President, that we simply say 'the solution proposed by the conciliation committee shall become effective after...' I think that makes it perfectly clear, because we too agree that it is the Commission which is then responsible for its implementation.

President. — In French, that would be: '*entrent en vigueur*'?

Mr Lücker. — (D) Yes.

President. — I call Mr Kirk.

Mr Kirk. — That probably is the best solution, if I may be allowed to amend it in that way.

President. — We therefore all agree.

I put Amendment 12, subparagraph (b), to the vote.

Amendment 12, subparagraph (b), is adopted.

I call Mr Aigner.

Mr Aigner. — (D) Mr President, we must of course now stick with Mr Kirk's amendment, because it departs furthest. If subparagraph (c) of Mr Kirk's amendment is adopted, then subparagraph (d) of ours would automatically become void; so first we must vote on Mr Kirk's subparagraph (c).

President. — I call Mr Kirk.

Mr Kirk. — I think the simplest way out of this is for me simply to withdraw my subparagraph (c) so that we can vote on Mr Aigner's (c). I am quite prepared to do that, provided we don't vote on (d) as well, because on (d) we do not necessarily agree.

President. — Mr Kirk withdraws subparagraph (c) of Amendment No 12 and supports Amendment No 18, subparagraph (b).

What is the rapporteur's position?

Mr Spénale. — (F) There is nothing for me to say, Mr President. It is clear. The committee has adopted it.

President. — I call Mr Christensen.

Mr Christensen. — (DK) I intend to make some more general remarks about the voting later but there is one thing I do not quite understand and that is the background of Mr Kirk's withdrawal of his subparagraph (c), since in reality, as far as I can see, that would be the final word on paragraph 13 since it would mean leaving out subparagraph (d). Now if (d) is rejected here in this House we will then still lack, if I may say so, a concluding comment in paragraph 13.

Therefore I would like to ask Mr Kirk what his real motive is in withdrawing his subparagraph (c) in favour of Mr Aigner's subparagraph (c).

President. — I call Mr Bourges.

Mr Bourges. — (F) Mr President, I should like to draw the attention of this House to the need

Mr Bourges

for using the same terminology. When we approved Mr Patijn's amendment, at least in the French text, we created a *conseil de concertation*. We then adopted paragraph (b) of the amendment proposed by Mr Kirk, who spoke of a *commission de conciliation*. I suppose that the same institution is intended. The same words should therefore be used in each paragraph.

President. — I can reassure Mr Bourges. Now that Mr Patijn's amendment has been adopted, this term will be used in the rest of the Dutch text.

Mr Behrendt. — (D) Mr Kirk, I have a question for you. In the translation it sounded as if you would withdraw your paragraph (c) and (d) would thus become void. I can only see sense in that by assuming that if you withdraw (c) you are at the same time in favour of paragraph (d) in Mr Aigner's amendment. Otherwise it would be pointless.

President. — I call Mr Kirk.

Mr Kirk. — Can I reply first to Mr Christensen and then to Mr Behrendt?

Mr Christensen, the point here is that the Aigner text, as it affects the way in which the matter would be handled when it came back to Parliament, is, in my view, certainly better than mine. According to my text, the matter in dispute would, after an exchange of views between Council and Parliament, form the subject of a debate in plenary sitting. That would mean that we would first of all have an exchange of views, and then a debate on the exchange of views. This seems a highly cumbersome procedure, and I can't quite think how I drafted it that way. Mr Aigner's text states that the matter in dispute would, after an exchange of views between Council and Parliament in the form of a debate in plenary session, and so on. This is really what I meant, and it is very much better.

The other significant difference between the two is, of course, that if we adopt Mr Aigner's text we leave out the last few words of mine. I agree that for greater clarity I would prefer to have them in. Nevertheless, if the matter is referred back to the conciliation committee, it follows automatically that the procedure will be gone through again, even if we adopt Mr Aigner's paragraph (d).

In reply to Mr Behrendt, the point that I made—and I hope this time—we will get it absolutely right—is that I am quite prepared to withdraw in favour of Mr Aigner's (c), for the reasons that I have just given, but on condition that we

then have a separate discussion on paragraph (d), on which I do not agree with Mr Aigner and which I wish to vote against.

President. — I call Mr Bourges.

Mr Bourges. — (F) Mr President, this debate is a complicated one and I must all the same support what Mr Patijn said a moment ago. In paragraph 13 we determined the composition of the committee. In this same paragraph too there is discussion of the problem of conciliation procedure, which is the subject of paragraph 14 in the motion for a resolution. We are now blithely voting on the proposals of subparagraphs (b), (c), etc... we are suddenly going to discover that paragraph 14 no longer has any *raison d'être*. I am not so sure that this is a very proper method to adopt in respect of the Commission's proposals.

(Applause from the Socialist Benches)

President. — I call Mr Lücker.

Mr Lücker. — (D) Mr President, just two remarks. It would of course be simpler for all of us if we were to vote today on the basis of the text prepared yesterday by the Committee on Budgets. At that time paragraphs 13 and 14 were condensed, so to speak, and if I remember rightly it was suggested that if paragraph 13 were adopted in the Aigner version, as happened at the meeting yesterday evening, then paragraph 14 could be deleted. The procedure now is really rather complicated, since we are debating and voting here as if there had been no meeting of the Committee on Budgets.

I would have preferred it, Mr President, if we had voted on the basis of Mr Spénale's report this morning. You have chosen a different procedure, which is your prerogative. I have nothing against that, but we must now be prepared to accept the somewhat cumbersome consequences. However, I think we could agree to Mr Kirk's proposal, which is a compromise and makes the whole thing a lot easier; all he is saying, after all, is that he wants a separate vote on Mr Aigner's subparagraphs (c) and (d) and that they should be discussed again. We can agree to that.

There is something else that I would like to refer to, and that is my second point. Only one small word is involved, but it could have important consequences. In subparagraph (c) the German text reads: 'in the event of the rejection of the solution proposed by the conciliation committee by the Council and Parliament'. I assume that this should read 'by the Council or Parliament'. We also have to set the procedure in

Mr Lücker

motion if one of these two Community bodies rejects what the conciliation committee proposes. We have to take that into consideration. I assume, that the responsible committee draftsmen agree to this...

Mr Gerlach — (D) And/or!

Mr Lücker. — (D) 'And/or' would be better still! May I then add something to the proposal, Mr President? Mr Gerlach has made the suggestion, which I consider better still, that we should say: 'and/or'. That makes it absolutely clear.

President. — What is the rapporteur's position?

Mr Spénale. — (F) Mr President, I should like to tell Mr Lücker that he should have addressed his criticisms to me and not to the chair. If we do not possess a text from the Committee on Budgets it is because it was not possible to get rid of amendments nos. 12 and 18 since the Committee on Budgets is not able, without the agreement of the draftsmen of these amendments—which are the political groups—to prevent them from being laid before the House. That is the first thing.

The second thing is that on an important point of Mr Aigner's amendment the Committee on Budgets gave 8 votes for, 8 votes against with 3 abstentions. Consequently to have adopted elements from a text would have been to give majority approval to a text that had not received it. This being so I decided that I would not be helping matters if I tabled a supplementary amendment which I should have had to explain in full.

President. — Thank you, Mr Spénale, for your word of explanation.

Does anyone else wish to speak?

I put to the vote subparagraph (c) of Mr Aigner's Amendment No 18, which Mr Kirk has accepted.

Amendment No 18, subparagraph (c), is adopted.

I ask Mr Aigner whether we must still vote on subparagraph (d) and whether, if that text is adopted, Paragraph 14 should then be considered void.

I call Mr Aigner.

Mr Aigner. — (D) Mr President, please excuse me. This material really is rather complicated, and Members who were not present during the discussions are having a hard time of it. I hope they will be patient. Certain things simply cannot be put in a less complex way. May I now

say categorically that if we adopt subparagraph (d), paragraph 14 will of course be deleted, because this subparagraph amalgamates paragraphs 13 and 14.

President. — I call Mr Fellermaier, with Mr Aigner's consent.

Mr Fellermaier. — (D) Mr Aigner, subparagraph (d) is no substitute for the original paragraph 14, because at the end of subparagraph (d), where it says, 'if even a single member... abstains,' etc., the wording is completely different from that in paragraph 14. So whatever happens we must have a separate vote on paragraph 14, following 13(d).

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, this objection is valid only if subparagraph (d) is not adopted as it stands. It can of course, be adopted in a different way, that is more or less in the form discussed yesterday in the Committee on Budgets. I can perhaps, in my capacity as rapporteur, make the following comments on the outcome of these discussions in the committee: In paragraph (d) the second line of the sentence reading—I shall read it out slowly—'and in the event of the Commission endorsing Parliament's views' was deleted; the reason for this—and I cite the committee — is that by doing so would be making the Commission to all intents and purposes the final judge and thus elevating it into a position that neither I nor, I am sure, anyone else would like to see. We do not want in any way to reduce the position accorded to it in the Treaty.

There were difficulties, Mr Spénale—this is what you said—with the outcome of the vote in the sentence in the second paragraph 'if even a single member abstains etc.' I believe—though this is something we should not actually be arguing about — that it should say 'with 8 votes'. It is an amendment to shorten, to delete, and it failed to win a majority. And if an amendment fails to win a majority, the sentence concerned remains unchanged. In other words, it was not deleted, because the amendment to that effect failed to win a majority. But let us not argue over this. In any case, for procedural reasons which I accept, this sentence is up for discussion again today.

Mr President, one more thing on this subject: this subparagraph (d) supplements the conciliation procedure, which Mr Kirk's amendment wanted to close by the permanent repetition of the mediation procedure, by saying that the continual pressure to achieve a solution would

Mr Aigner

render the final word, or the final stage, unnecessary.

That may be possible in this or that case under English law. Common sense prevails there. But a similar attitude in the Community has yet to develop. That is why I and my group feel it would be dangerous if a final settlement is not found in the conciliation procedure—that could lead to the Community being forced to a standstill. That is the reason for sub-paragraph (d), for if the conciliation procedure is twice repeated, and there is still no result, then what we are proposing here in sub-paragraph (d) would take over. Mr President, please excuse me for having attempted yet again to make this clear.

President. — I call Mr Spénale.

Mr Spénale. — (F) Mr President, I wish to state that we voted in the committee first on the first sub-paragraph, then on the second and finally on the third. What you have said in respect of the third sub-paragraph, Mr Aigner, is certainly correct in your mind, but it is otherwise in mine. For the following reason. You stated that, in respect of (d) a vote was taken on an amendment designed to delete it and it was not approved because there were 8 votes for and 8 votes against. This was not the case, we voted on (d), no amendment was drafted and the result of the voting was 8 votes for and 8 votes against. The sub-paragraph did not therefore go through...

Mr Aigner. — (D) Mr Spénale, there was a amendment deleting paragraph 2, tabled by Mr Patijn.

Mr Spénale. — (F) No, we discussed (d) and there were 8 votes for and 8 votes against. If I had submitted this morning a text from the committee the (d) would not have been on it. It is therefore preferable that matters should remain clear as they are at present.

Personally speaking I would add that the fact that (d) was voted on does not in my opinion imply the deletion of paragraph 14, since your proposal, Mr Aigner, covers, if I may say so, what was in paragraph 14 under point (b): Parliament decides on matters by half plus one of its Members and by two thirds of the votes cast while the Council's decisions are passed unanimously.

That is why Mr Patijn was not entirely wrong when he said it was already the subject of paragraph 14. But that does not mean that point (c) has already been removed and that no one has the right to propose its retention. The voting on your sub-paragraph (d) does not necessarily

entail the deletion of paragraph 14. If it did, I fear you would no longer have a majority.

President. — I call Mr Christensen.

Mr Christensen. — (DK) Well, things are not getting any easier, the confusion is just about complete, but perhaps we are getting confused at an increasingly high level, or so at least we might hope. As far as I can see, the position is now that we are to vote on sub-paragraph (d). What we are now discussing is, if sub-paragraph (d) is adopted, does this exclude the possibility of paragraph 14 (c)? I think it does and I will return to this later but I would now like to add that I am against sub-paragraph (d) for the following reasons: in sub-paragraph (d) the Parliament is for the first time accepting a right of veto in the Council, against the Treaty. I am not going to discuss here whether or not it is reasonable for the Council to have adopted a right of veto at the moment which does not accrue to it in accordance with the Treaty. But I would find it absolutely reprehensible if by adopting sub-paragraph (d) Parliament should subscribe to this right of veto which at present is a fact in the Council. In the coming votes I shall base mine quite simply on the premise that I do not want something to be accepted here with regard to these budgetary powers which involves alterations in the Treaty—and I think that the full consequence of sub-paragraph (d) would be an amendment to the Treaty because it is laid down in black and white that there must be unanimity in the Council.

President. — I call Mr Kirk.

Mr Kirk. — Mr President, can I explain very briefly why my group is not prepared to vote for paragraph (d), whether it has the second sentence in or not. It is rather important to know whether it includes the second sentence, because, if it does, it gives the last word to Parliament and, if it doesn't it gives the last word to the Council. There is therefore a very considerable difference of principle in this.

In either case, however, we would not be prepared to accept it, for the reasons that I gave yesterday. I do not believe it is realistic at this stage in our development to imagine that the Council would accept Parliament having the last word in these financial matters, and indeed by projection—because we are doing this with the intention of carrying it through in all our legislative procedure—in all other matters referred by Council to Parliament.

Equally, I am not prepared to accept a situation where the Council has the last word. It is for

Mr Kirk

that reason that I have argued all along for the necessity to avoid a last word. The only way one can do that is by voting against paragraph (d) and the whole of paragraph 14. Once that is done, the pressure which Mr Aigner mentioned is brought to bear on the conciliation committee and on both institutions to reach an agreement.

I am not pessimistic as he appears to be about the spread of Anglo-Saxon commonsense on the continent of Europe. I believe it started a very long time ago, when Saint Willibrord first came here and converted the Luxembourgers, and it is still going on. I believe that this is a system that can work perfectly well in this institution, and there is no other system that will.

President. — I call Miss Flesch.

Miss Flesch. — (*F*) Mr President, I would just like to say that we too believe—and would like to make this clear—that the fact of having voted in favour of sub-paragraph (d) does not necessarily entail the deletion of paragraph 14. That, as Mr Spénale has said, affects a certain number of votes.

Mr Fellermaier. — (*D*) Very good!

President. — I call the rapporteur, Mr Spénale.

Mr Spénale. — (*F*) Mr President, before voting takes place I should like to have a reply from Mr Aigner and from his Group on whether, a vote in favour of his paragraph (d) implies that paragraph 14 is completely deleted. The way in which the vote goes will depend on the reply that is given.

President. — Would Mr Aigner like to answer Mr Spénale's question?

Mr Aigner. — (*D*) Mr President, I tried to speak earlier to answer Mr Spénale. May I say that what Mr Spénale says is quite right, that sub-paragraph (c) of paragraph 14 remains in substance as it is. We shall have to vote on this. That is obvious, because this is not a conclusive stage. The only difference is that it cannot remain a part of paragraph 14, but—and this is a textual question—will have to be added to paragraph 13, which already contains the other parts of the procedure.

May I say one more thing, Mr President. In tabling this amendment, my group wants to see both bodies, Parliament and Council, at the same level of decision-making. We can achieve this by the single vote veto. This is something which is, after all, provided for in the Treaty.

It is the basic element in the Treaty, in Article 148, I believe.

At this point, Mr President, I would categorically like to say what Mr Kirk has said, and that is that both of the final paragraphs must be retained, otherwise the whole thing will no longer function. Here I support the opinion that if this Parliament gets a 3/4 majority, then at least one Council Member will have to be present to support this political wish, because otherwise Parliament will not get a 3/4 majority. However, if that is the case, the Council then cannot outvote Parliament. But it will not put it to the vote, because it would lose. What it in fact would do is return to a dialogue with this Parliament leading to a decision. That is the idea which lies behind this amendment. And it is this amendment that we now have to vote on. Then we must vote on what Mr Spénale has said and if that version is then adopted, it will, as I have said, have to be added on.

President. — I call Mr Christensen.

Mr Christensen. — (*DK*) It comes as a surprise now—and that is why I have asked to speak on a point of order—to hear Mr Aigner proposing that sub-paragraph (c) should be attached to sub-paragraph (d) if (d) is adopted, for if that happens and sub-paragraph (c) is retained in its full version then there is a state of contradiction between sub-paragraph (d) and the last part of paragraph 14(c), in that we first ask for a final decision and then for a final, final decision, and we cannot do that. Either it must be the Council in accordance with sub-paragraph (d) which has the last word, or it must be Parliament and therefore Mr Aigner must choose to stick to sub-paragraph (d) and reject sub-paragraph (c), otherwise he will be exposing this Parliament as a parliament which adopts things which are really illogical and in sharp contradiction to each other. It is as if we were a football club playing off semi-finals and finals. How many finals are there supposed to be?

President. — Does the rapporteur agree that Amendment No 18 (d) should be put to the vote sub-paragraph by sub-paragraph?

Mr Spénale. — (*F*) Yes, Mr President, I agree. I just wanted to say that Mr Aigner's point; (d) and point (c) of paragraph 14 are not incompatible. The difficulty is that it seems as if paragraph 13 is being put into effect and that afterwards paragraph 14 will be put into effect. No, if sub-paragraph 14 (c) is retained, when Parliament pronounces on a matter it has two-thirds or three-quarters of the votes cast. If it has three-quarters of the votes cast, it has the last

Mr Spénale

word. If it has two-thirds, the Council can step aside provided there is unanimity. Two procedures are not going to be applied in rapid succession. There is a single consultation and it is possible to know from the quorum what will happen next.

President. — Does anyone else wish to speak?

I put to the vote the first subparagraph of paragraph (d) of Amendment No 18.

The first subparagraph is adopted.

I call Mr Spénale.

Mr Spénale. — (*F*) For the sake of clarity I should like it to be understood that the words 'and in the event of the Commission endorsing Parliament's views' in the text we have just adopted, are to be deleted.

Is this in fact so, Mr President?

President. — Yes, certainly.

Mr Spénale. — (*F*) Thank you.

President. — I put to the vote second subparagraph of paragraph (d) of Amendment No 18.

The second subparagraph is adopted.

I put to the vote the third subparagraph of paragraph (d).

The third subparagraph is adopted.

I put to the vote paragraph 13 so amended.

Paragraph 13 is adopted.

I am informed by Mr Lenihan that he withdraws Amendment No 9.

I call Mr Broeks on a point of order.

Mr Broeks. — (*NL*) Mr President, I do not think that is any longer necessary. I did believe that paragraph 13 could not be put to the vote before we voted on paragraph 14, because the latter is complementary to the former. Now we have only adopted half of it. But it is done now.

President. — How that paragraph 13 is adopted, I would ask Mr Aigner, who has tabled Amendment No 17 deleting paragraph 14 what his position is.

Mr Aigner. — (*D*) Mr President, may I return to what we said on this point before the vote. Paragraph 14(c) of the motion concerns the question of the final say for Parliament. This could be appended to the proposal which has

now been adopted by Parliament. I personally ask you not to adopt this amendment, because if, on the one side, we are unwilling to accept the Council having more power than Parliament, then we cannot expect the Council, for its part, to accept a parliamentary preponderance. This is what I said yesterday. You cannot demand a European identity and ignore the identities of the national Member States.

And for this reason I believe that it should be our aim to achieve a dialogue leading to a decision on the same level, and that, now that the House has adopted this proposal, is what we have succeeded in pushing through. Mr Spénale, we should leave it at this attempt. You say no, I want more. That is what this House now has to vote on.

However, Mr President, if Mr Spénale's amendment to retain 14 (c) is not adopted, then whole of paragraph 14 must be deleted.

President. — What is the rapporteur's position?

Mr Spénale. — (*F*) Mr President, this debate shows how difficult these things are.

I admit that, personally, if we had been able to think this over carefully and if the text was to remain as it is now, with, as Mr Kirk himself said, the Council having the final word, I should regret not having voted in favour of Mr Kirk's text, because if we are not going to be able to maintain the principle of the Assembly having the final word, it certainly should not be granted to the Council. The only reason that we voted for Mr Aigner's text was because of this hope; otherwise we should have preferred the other text. For this reason it would perhaps have been better to begin with 14, and then we would have known how to vote on the earlier parts.

Logically, sub-paragraph 14(c) should be retained. I formally draw the Assembly's attention to the fact that, if it is not, the basis of all Parliament's principles will be destroyed and our successors will be deprived of the possibility of reclaiming the final word in the future. In fact we are asking now for the final word, and if we relinquish it now, we will never be able to get it back in the future, because, there will not be any further fundamental changes in the Community's supply of resources.

(Applause from various quarters)

President. — Because of Question Time, I would ask all speakers to be as brief as possible.

I call Mr Patijn.

Mr Patijn. — (NL) Mr President, in view of what Mr Spénale has just said, I shall be very brief.

In my general introduction yesterday, I mentioned that the vast majority of the Socialist Group was in favour of paragraph 14. Today the majority of the members of our group are in favour of retaining sub-paragraph (c). And why? Because we feel that, if Parliament is now deciding what its own powers are to be, it would, by dropping sub-paragraph 14(c), imply that it does not after all want to have the final say. I should be extremely sorry if paragraph 14(c) were dropped, not because of the present, but because of Parliament's future role in the Communities; to be a real Parliament, we must have the powers which we demand now. I do most strongly urge you to adopt paragraph 14(c). The vast majority of the Socialist Group will vote in favour of it.

(Applause from the benches of the Socialist Group)

President. — I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, I feel that Mr Patijn is over-simplifying matters. We too are in principle in favour of giving Parliament the final say, but the decision which we must take is only a provisional one as regards budgetary powers. But the legislative powers which must follow in order to give purpose and meaning to the decisions which we take today are far more important. Today we take a pragmatic stand in order to enable Parliament to play a part with the Council in this first phase of budgetary powers. In the Political Affairs Committee, however, we shall, on the basis of Mr Kirk's report and my own report, shortly go a step further in plenary sitting and ask for legislative powers to be conferred on Parliament when the Treaty is changed. Thus it is not fair to make out that in principle we are not in favour of giving Parliament the final say. Under present circumstances we feel that the intermediate solution proposed in Mr Aigner's amendment is politically the most viable formula for obtaining a true strengthening of Parliament's powers.

Finally, I would urge you to vote in any case on Mr Kirk's Amendment No 13 and Mr Aigner's amendment No 17, both proposing that paragraph 14 be deleted, but that is incidental. I wish to explain the Christian Democrats' attitude towards the question of strengthening Parliament's powers. Parliament should, in principle, have the final say, but in the present situation, we feel that in the initial phase, the

Council and Parliament should operate on an equal footing as regards budgetary powers.

President. — I urge you all to ensure that we can begin Question Time at 11.30. If that does not come about, it is not my fault and no blame shall be attached to me, because I am doing all in my power to see that we can begin at 11.30.

I call Mr Christensen.

Mr Christensen. — (DK) Mr President, thank you for the recommendation and I shall try to comply with it but I would not wish to leave it unsaid that it may be the fault of this Parliament and its Bureau that we have landed in a situation in which we are almost reduced to an hysterical treatment of these matters. I would like to draw attention to this. But I would say that there was apparently a misunderstanding between myself and Mr Aigner because I thought that Mr Aigner meant that we were to include paragraph (c) when he was putting his arguments the last time. What he thought—this was how I understood it—was that this might well be done if people wanted to do it but he apparently thinks like me that if we do it we will be being completely illogical in our decision-making procedure here, in which I agree with him, and therefore I must reject the idea of doing so. I reject it all the more because I am thereby standing by my own logical view that I do not desire amendments in the Treaty at this time. If we put in paragraph (c) we also find ourselves illogically in a situation where we have to alter the Treaty and I hardly have to tell anyone in this Assembly that this probably means that we would be one Member State the less.

I can also draw your attention to the fact that in the last analysis we are talking about a parliament's budgetary powers, about more power for the Parliament. We are really going about things back to front, because it might really have been more a question of making this into a Parliament, which it is not, not even in the sense of the Treaty. There it is still simply an assembly with all the problems which that entails.

May I say in conclusion that it is as Mr Bertrand said, I do not think that this is a final discussion. We shall have an opportunity to talk about it once, twice and perhaps three more times and I hope that these opportunities will enable us to talk about how we can define what this conciliation body is to comprise, because if everything we do not agree on is to be referred to this conciliation body I think there will be chaos from the very beginning. But I do not want to cross that bridge before I come to it.

Mr Christensen

President. — Gentlemen, we must now reach a decision on paragraph 14. To begin with, I shall ask whether Mr Kirk and Mr Aigner are maintaining their amendments or withdrawing them. That seems to me to be the most important question now.

Mr Kirk is signalling that he is maintaining his amendment deleting paragraph 14.

I call Mr Aigner.

Mr Aigner. — (D) Mr President, I hope we are not going to lose our patience now. This is the final point to be discussed; the others will be dealt with quickly, but this is the decisive point for the whole picture, and for this reason I ask you not to become impatient because of the few minutes needed for this particularly decisive point.

(Applause)

I am very grateful that Mr Christensen admitted that he was wrong. I noticed immediately that he must simply have misunderstood me, and that is why I did not react.

Now to the amendment itself.

Mr President, may I briefly say once again that we must differentiate. These are two different kettles of fish. We also have section 18. Here we say quite categorically that as far as the budget is concerned we still demand, on the basis of existing rules, that this Parliament has the right to the final say, to reject or not to reject the budget, or to reject or not reject parts of it. Let us not forget that. Nobody can alter that, there can be no doubt about that.

But here we have something completely new. Here we are dealing with legislative power, albeit limited by the passage—because we included this line into the budgetary procedure—'laws... which have significant financial repercussions'. Of course that is not a separate process. It is the beginning of legislative power.

I would really like to ask you to consider this because, among other things, Mr Spénale, it affects not only the constitution of this Community, but also the constitutions of our Member States. If we assume this legislative power, that is demand the final say, and then—may I take example—enact a market regulation of 2000 million u.a., then, in accordance with the formula 'European law has priority over national law', that market regulation is binding on each and every member state. That is clear. Now, sufficient such regulations could add up to a sum which would cost the Member States so much that the constitution on which this Treaty is based would no longer permit it. Today you

rejected the application to raise the level of VAT to which the Community is entitled to 20%, and have thus denied the Community room for manoeuvre. Now, if we were to enact a whole series of such regulations, using our 'final say', and the Community found itself facing legally-binding debts which far exceeded what 1% VAT enabled it to pay, then the member states would have to meet the bills. That is constitutionally unacceptable, not only for the Community, but also for the individual member states, and for that reason I feel we should, in theory, leave things as they stand: the Council has the final say, but in practice we can force the Council into a dialogue with Parliament. I therefore move that amendment No 17 to delete paragraph 14 be adopted.

President. — I see that Mr Kirk and Mr Aigner wish to maintain the amendment deleting the whisk of paragraph 14.

I call Mr Bourges.

Mr Bourges. — (F) Mr President, on behalf of our group, we have tabled an Amendment proposing that paragraph 14 (c) be deleted. For the reasons already discussed by the previous speakers, it ties in with the proposals by Mr Kirk and Mr Aigner; I shall not insist on this point.

I merely wish to make two comments.

First, may I draw the attention of the whole Assembly to the need to make a coherent resolution. I must ask my colleague Mr Spénale, who has, I know, a clear and logical mind, if he really thinks the provisions of paragraph 14 (c) are compatible with the point we have reached on the procedure decided by the Parliament.

Let me remind you of the details.

First, we begin the procedure. Then it is found that the institutions disagree; a coordination council is set up. If the council reaches an agreement and there is no opposition from any institution, the matter is settled.

But if either the Council or Parliament disagrees, an initial procedure has been established, which provides that they can, acting by a certain majority, take a final decision.

If the second conciliation stage fails, a third procedure is introduced, where the Parliament must take its decision by a majority of half its members plus one, and its opinion must be followed by the Council, unless the latter is unanimously opposed to it.

But now it is being proposed that a fourth stage should be introduced. In the event that the

Mr Bourges

Parliament's opinion is not followed by the Council, by all the members present, the matter would have to be referred back, to the Assembly, which would have the final word, on condition that it took its decision by a majority of half its members plus one and three quarters of the votes cast. If this was not achieved, no one can tell us how the matter will be concluded.

I think, Mr President, that it would be reasonable and logical for the procedure not be too cumbersome, and to keep to the provisions which have just been adopted in Article 13.

Secondly, like Mr Christensen, Mr Kirk and Mr Aigner, I do not want it to be said that the peoples of Europe have given up the hope of their Parliament ever having sovereign powers, merely because the rules of procedure in the treaty were not adjusted on a particular point. This would not be true. Other procedures, which Mr Bertrand mentioned, are applied in this respect, particularly in relation to the progress towards European union, following the Paris Summit. Our Parliament will in any case have to deliver an opinion, since it is expected to submit a report. We shall express in this report our firm and unshakeable determination that the European Parliament shall have these rights in the future. I therefore cannot accept that our vote shall express Mr Spénale's deplorable renunciation.

President. — I call Mr Vals.

Mr Vals. — (F) Mr President, we should be considering the text and not giving our opinion on the intentions.

As Mr Spénale rightly said, we should have adopted Mr Kirk's and not Mr Aigner's amendment. At any rate, with common sense which is not perhaps British, but is certainly a characteristic of the Languedoc, I do not share Mr Kirk's hopes. I refer, Mr Kirk, to the agreement which would be achieved by the coordination council. If we adopted your text, the debate would remain open and the wheels would continue to turn, while neither Parliament nor the Council would have the final word. On the other hand, with Mr Aigner's amendment, as adopted by Parliament, the Council would still have the final word, whatever Mr Bertrand says about principles.

What is more, and this is where your attitude worries me, you delete the phrase stating that in the event of failure to reach an agreement, the decision remains with the Parliament, in paragraph 14 of Mr Spénale's motion. This is where the final word comes in, and not in your amendments. You ask for this passage to be deleted, and this is what will remain one day!

Gentlemen, when it comes to amending Articles 203, 204, 206 and 209 of the EEC Treaty and the corresponding Articles in the ECSC Treaty, in accordance with this resolution, to which you ask that reference should be made, we may be criticized for having deleted the passage in paragraph 14 giving the final decision to the Parliament, as you are requesting with paragraph (c).

I would say to Mr Bourges that there seems to have been a misunderstanding about this procedure. It may seem complicated, but it is, in fact, very simple. I am not blowing my own trumpet, but as early as 1965 I submitted a report to Parliament on the budgetary powers, providing for certain majorities which would allow Parliament the last word. At that time, Parliament voted in favour of this principle.

So, Mr Bourges, there are three possible courses of action when the conciliation procedure breaks down.

The first possibility is a simple majority in Parliament; the Council then decides by a qualified majority, as provided.

Mr Bertrand — (F) It is still provided now!

Mr Vals. — (F) Yes, Mr Bertrand, but I am explaining to Mr Bourges that there is no complication, it is the same vote that we are discussing!

Firstly, if, in this vote, Parliament acts by a simple majority, it is sufficient that the Council have a qualified majority; secondly, if Parliament acts by a majority of half its members plus one and with two thirds of the votes, the Council can only oppose it by a unanimous decision; thirdly, if Parliament acts by a majority of half its members plus one and three quarters of the votes cast, the decision is final.

I can assure you that we are as realistic and pragmatic as you are on this matter; do you think that when the Council opposes the decisions taken by the Parliament it would be possible to obtain a majority of three quarters of the votes cast, with Parliament acting by a majority of half its members plus one? We know perfectly well that as soon as there is governmental opposition of any kind, this text will be impossible to apply, because we will not obtain a majority of three quarters of the votes cast. But, Mr Bertrand, we will have upheld the principle which you want to see deleted, namely that, in case of failure of the conciliation process, the decision rests with the Parliament! (Applause from the benches of the Socialist Group)

President. — I call Miss Flesch.

Miss Flesch. — (F) Mr President, as a logical result of the procedure adopted by the Parliament following the various votes, Parliament must have the final word.

I regret that I cannot agree with Mr Aigner's reasoning. It seems to me valid in a system like West Germany's, where one might hope for such equality between the *Bundestag* and the *Bundesrat*. But in our institutional structure, the Council is very different from the *Bundesrat*. That is why I think that, in the system that we are about to vote on, Parliament must have the final word, and I agree entirely with what Mr Spénale and Mr Vals have said.

(Applause from the benches of the Liberal and Allies Group and the Socialist Group)

President. — I call Mr Bourges.

Mr Bourges. — (F) Mr President, Mr Vals was arguing within the context of the proposed paragraph 14 in the committee's resolution. But we are not working on the same hypothesis, paragraph 13 on which we have just voted changes the position considerably. There is not one vote, and depending on the result of this vote, one of the three hypotheses in paragraph 14, there is a succession of procedures. To such an extent is this true that sub-paragraph (d) begins: 'in the event of no agreement being reached at the second attempt...' Paragraph 14(c) must therefore be reworded to comply with the preceding provisions, and this is a fourth conciliation procedure. I think that this is so.

Mr Cousté. — (F) I agree.

Mr Fellermaier. — (F) No.

President. — I call Mr Bertrand.

Mr Bertrand. — (NL) The manner in which Mr Vals presents the problem amounts of course to a political standpoint for which one can have the respect that it deserves. No one disputes this. But the endeavours made by us, the Christian Democrats, have been deliberately aimed at taking a first step at this time by way of the first phase of co-management or co-decision towards the phase of legislative co-responsibility in respect of the entire body of decisions with financial implications that are taken within the Community, and other expenditure. That is why we wish at this time to adhere to the decision made by Mr Aigner as it has been set out in paragraph 13.

Sub-paragraphs (a) and (b) in paragraph 13 have been taken over from paragraph 14; on that there is no difference of opinion. That has been taken over. But there still remains sub-paragraph (c). If we state that Parliament's decision can, after the second attempt at conciliation, be nullified by the Council acting in unanimity, and if we add the rider that where there is abstention there is no unanimity, to all intents and purposes Parliament has the last word. You all heard yesterday the statement made by the Netherlands' State Secretary, who very clearly demonstrated what the viewpoint is of one government at the moment in respect of the powers which Parliament must obtain in the future. Well, it is enough for that government to abstain from voting in the Council in order to give Parliament the last word in budgetary matters. In the present phase I think that this is, as a transitional measure, the most advantageous decision if we are to achieve a politically tenable solution. I wanted to bring this to Mr Val's attention, for we must not try here to outdo each other in European-mindedness. We all want the same thing in Parliament, apart perhaps from one small group or another, or one or two members.

The large majority wishes, on the basis of the decisions taken by the Paris Summit Conference, to arrive at a well balanced relationship between the institutions of the Community, and to bring about a reorganization of the institutions of the Community so that the latter, duly strengthened, may make it possible, after the 1978 Summit Conference, to progress in balanced fashion towards a political European union. On that point we are all agreed in this assembly; there are no differences of opinion here. At the moment we only differ in what we believe should be the tactics for keeping future options open and for avoiding wrong moves that might make further action impossible.

And we have the impression, rightly or wrongly, that what the Socialists are asking is at this moment such a dangerous step that further development could within a few months be placed in jeopardy. That is something we wish to avoid. And that explains our position, as reflected in Mr Aigner's viewpoint. It is indeed our belief that paragraph 14 has become void and should be deleted. It no longer fits in with what we have just been voting on.

President. — I think everyone has now had a chance to speak. I shall therefore call Mr Spénale to round the matter off, after which we shall take the vote on the amendments by Mr Kirk and Mr Aigner.

President

What is the rapporteur's position regarding these two amendments?

Mr Spénale. — (F) Mr President, I must say first of all that the committee was not able to examine the amendments because this was done in such a hurry. Clearly the political groups had a supreme opportunity, when the amendment deleting paragraph 14 was proposed, to put forward a claim that as point (c) was not deleted, it would have to be discussed and I think that this debate was in fact necessary.

I should like to say to Mr Bourges that it is obviously the way in which we discussed the matter which gave him the impression that paragraph 13 is to be applied first and then paragraph 14.

No. After the second attempt at conciliation, the Assembly delivers its opinion. If it obtains a majority of half its members plus one, and three-quarters of the votes cast, it has the final word, assuming that (c) is maintained. If it has a majority of half its members plus one and two thirds of the votes, the Council decides by unanimous agreement. This is what has been decided so far.

Attempts have been made to bring this debate up to a more exalted level and also to deviate from the main point. There are, I admit, possible implications, with which we must concern ourselves. We are in fact debating budgetary powers and I should like to say that if, with all the arguments that we have heard in this budgetary debate, the positions that have been taken up by Member States and by everyone here, we now relinquish, ourselves, the right to have the final word, we shall be doing something which will have repercussions on future debates. In so far as the legislative power rests with the Council and we cannot therefore oblige the Council to change its decisions, but we would have the final word on acts with financial implications, in other words the manner of paying (or not paying) the expenditure arising from these decisions, it is indeed a power of co-decision that we are establishing, because it would have the final word on any matter connected with the regulations. If we have the final word on budgetary affairs, because we have power, the matter will be discussed. Believe me, it is not necessary to write this down. If you have these powers, you will have your legislative powers. But if we do not have sufficient budgetary powers at present, what are your arguments for obtaining legislative powers? You are already in the process of weakening your future resolutions. To those who seem to be saying that times have changed, I say that they are changing fast. On 5 July 1973, not so

long ago, this Assembly voted on a text regarding the exact point we are discussing, the creation of new expenditure, and this text provided that the final word should rest with Parliament in respect of the financial implications of any new measure. That is what you voted on on 5 July, the ink is scarcely dry! And are we now going to reverse our decision? I am saying to you that when one really has the will to do something, as you have, one at least puts it forward. And if it does not succeed, at least others will be responsible. As long as we are not the ones who gave in and weakened the arguments of this Assembly for the future, because there is not likely to be any new and rapid change in the Community's budgetary resources. This final period begins very soon, ladies and gentlemen, it is not long to 1 January 1975. What you do today will have a great influence on the future of the Communities, and on other aspects.

(Loud Applause from the benches of the Socialist Group)

President. — Does the House agree that Mr Aigner should speak again?

(Mixed reactions)

Mr Vals. — (F) Yes, of course!

(Laughter)

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, there are just two things I want to say.

Mr Spénale, the Committee on Budgets yesterday deleted paragraph 14 by a large majority; there were, I think, only 3 or 4 votes against. That is my first point.

My second point: I accept your passionate support of this 'final say' completely. But if you are already reckoning with the possibility that you cannot achieve it, and if you also bear in mind that this House has no constitution-making powers but is now prejudging something and that no-one knows what final form this Community is going to take—then we should not aim too high, but should demand only what we can achieve; and devote ourselves with passion to that.

President. — I now put to the vote Amendments Nos 17 and 13, tabled by Mr Aigner and Mr Kirk respectively.

Amendments Nos 17 and 13 are adopted.

(Applause from the centre and right)

President

By the adoption of these amendments paragraph 14 is deleted.

Accordingly, Amendments Nos 8 and 10 are void.

Mr Radoux. — (F) Can we have the details of the voting?

President. — No, it would be contrary to the Rules of Procedure.

I call Mr Christensen on a point of order.

Mr Christensen. — (DK) As far as I can gather the President has already anticipated the question I wanted to ask when he said that he could not clarify the voting figures. I think it is a very strange way of taking a parliamentary vote if one cannot explain how many were in favour, how many against and how many abstained from voting. If this cannot be done in accordance with the present Rules of Procedure I request that these Rules of Procedure be changed and be put right.

President. — This point should be considered, but that does not change the decision which has just been taken.

After paragraph 14, I have Amendment No 16, tabled by Mr Aigner on behalf of the Christian-Democratic Group, inserting a paragraph 14a worded as follows:

Paragraph 14a (new):

Insert the following new paragraph after paragraph 14:

'14a. Endorses the Commission's proposal that Parliament's agreement shall be required in determining the ECSC levy rate and urges in addition that in determining the operational expenditure of the ECSC budget Parliament's agreement shall also be indispensable.'

I call Mr Aigner to move his amendment.

Mr Aigner. — (D) Mr President, I am quite prepared to withdraw this amendment if the Commission makes a statement on the matter.

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, the Commission has already announced, when presenting its report, that it undertakes to seek Parliament's agreement when fixing the ECSC levy rate and also the operational expenditure in the budget. It will naturally adhere to this undertaking.

Mr Aigner. — (F) I withdraw my amendment.

President. — Amendment No 16 is withdrawn. On paragraphs 15 to 17, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these paragraphs to the vote.

Paragraphs 15 to 17 are adopted.

After paragraph 17, I have Amendment No 1, tabled by Mr Spénale, inserting a paragraph 17a worded as follows:

Paragraph 17

Insert a second sub-paragraph (17a) worded as follows:

'17a. Endorses the Commission's proposal relating to Article 203 (5a), first paragraph, and stipulating that where proposed modifications presented by the Parliament do not have the effect of increasing the total amount of the expenditure of an institution, the Council, in the final period, must, as in the transitional period, act by a qualified majority in rejecting and not in accepting the proposed modification.'

I call Mr Spénale to move the amendment.

Mr Spénale. — (F) Mr President, I shall merely say that this reflects the provisions proposed by the Commission itself which are intended to rectify an error. When the Parliament's proposals for amendments do not increase the expenditure of an institution, the Council must act by a qualified majority to reject our proposals and not to accept them. The Committee adopted this amendment unanimously; I did in any case explain it in my general introduction.

President. — Does anyone else wish to speak?

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

After paragraph 17 I have Amendment No 2, tabled by Mr Spénale, inserting a paragraph 17b worded as follows:

Paragraph 17

Insert a third sub-paragraph (17b) worded as follows:

'17b. Feels that where proposed modifications have the effect of increasing the total amount of the expenditure of an institution, the Council must act by a simple majority in rejecting them and not by a qualified majority in accepting them.'

I call Mr Spénale to move the amendment.

Mr Spénale. — (F) Mr President, this 17b corresponds to the proposals made in the working document, which were approved by

Mr Spénale

the Committee on Budgets. When proposals for amendments increase the expenditure of an institution, the Council must have a simple majority to reject them. It must not simply reject them without considering them. This procedure was unanimously approved by the committee.

President. — Does anyone else wish to speak?

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

On paragraph 18, I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraph 18 to the vote.

Paragraph 18 is adopted.

On paragraph 19, I have Amendment No 7, tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

Paragraph 19

After 'Requests, furthermore, that' insert the words 'in so far as this may be judged necessary.'

I call Mr Kirk to move his amendment.

Mr Kirk. — Very briefly, Mr President, during the course of the proceedings of both the working party and the two committees there has never been clear agreement as to the extent to which Treaty amendments will be necessary in certain cases or whether certain things cannot be done without amending the Treaty, which in view of what some of our Danish colleagues had to say this morning would clearly be much more satisfactory from their point of view. It is simply in order to make the point that we ask that these words be inserted if considered necessary so as to allow those parts of this resolution which can be implemented without amendment to the Treaty to be so implemented and thus save some of our Members time, trouble and possible embarrassment.

President. — What is the rapporteur's position?

Mr Spénale. — (F) The committee has approved Mr Kirk's amendment.

President. — Does anyone else wish to speak?

I put Amendment No 7 to the vote.

Amendment No 7 is adopted.

I call Mr Spénale.

Mr Spénale. — (F) Mr President, I wish to point out that the remaining amendments have been

withdrawn in committee. We have practically finished.

President. — On paragraphs 20 and 21 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these paragraphs to the vote.

Paragraphs 20 and 21 are adopted.

On paragraph 22, I have Amendment No 11, tabled by Mr Bourges and Mr Yeats on behalf of the Group of Progressive European Democrats, and Amendment No 3, tabled by Mr Gerlach on behalf of the Socialist Group.

Are these amendments maintained?

I call the rapporteur.

Mr Spénale. — (F) These two amendments were withdrawn in the committee. The final paragraphs can therefore be put to the vote.

President. — Mr Spénale, you say that the amendments by Mr Gerlach and Mr Bourges have both been withdrawn?

Mr Bourges. — (F) No, Mr President.

Mr Yeats, together with whom I tabled this amendment, tells me that our amendment was accepted in committee, which is not the same as being withdrawn.

(Laughter).

In any case, Mr President, as I have permission to speak, I shall explain our point very briefly...

President. — I read in the minutes of the committee meeting that Amendment No 3 on paragraph 22 was withdrawn to be discussed in committee, as was Amendment No 11.

Mr Bourges. — (F) 'Withdrawn to be discussed in committee' does not mean the same as 'withdrawn'.

Our point is in any case very simple and we consider it sound.

We want the Court to be independent, to be one of the Community institutions and not subordinated to Parliament, or the Council or the Commission. This is our first concern. That is why we do not think the report should specify the conditions for appointing the members of the Court nor do we think it should state that the Court reports only to the Parliament.

Mr Bourges

Our second concern is that the Court should be at the service of all the Community institutions.

I therefore uphold my amendment, which does not betray the spirit of Mr Spénale's resolution, but affirms the complete independence of the members of the Court and states that they should be constantly at the service of all the institutions.

President. — I call Mr Gerlach.

Mr Gerlach. — (D) Mr President, the committee was unfortunately not able to discuss the textual points which Mr Spénale made in the working hypothesis he attached to the document. I made some textual points which also, however, could not be dealt with. This is why I am tabling the supplementary proposal and Amendment No 3 here.

At yesterday's Committee on Budgets meeting Mr Aigner pointed out, not without justification, that we wanted to consider the form, content, powers and legal status of members of the European Court of Justice with representatives of the national audit boards, after the committee's decision. And Mr Aigner proposed that my amendment should serve as a basis for discussion for the committee at future meetings and consultations with representatives of the national audit boards. I have agreed for this reason that my amendment should be virtually withdrawn, at the same time being retained in its entirety as documentary material, on condition that Mr Bourges' amendment is treated in the same way: it should not disappear, or be rejected, or for that matter be withdrawn, but should also be used as material in a further meeting with representatives of the national audit boards.

I move that the amendments be looked at from this viewpoint. If Mr Bourges insists that a vote be taken on his amendment, then I should have to demand that the same apply to mine.

President. — Could Mr Bourges perhaps agree, if there were any chance of his amendment and Mr Gerlach's amendment being withdrawn, although the intentions of Mr Bourges and Mr Gerlach may be positive and worthwhile in themselves, that these amendments should be withdrawn and that they should continue to receive the committee's attention?

If Mr Bourges maintains his amendment, Mr Gerlach must also maintain his. If both gentlemen withdraw their amendments that does not altogether mean that this matter could not be discussed again. I thought that in this way Mr Bourges could do the same as Mr Gerlach.

Mr Yeats. — Mr President, as I understand what happened at the Committee on Budgets last night,

I withdrew consideration of the amendment on the basis of a definite undertaking from Mr Aigner that this matter would be included in the working document to be prepared by the committee.

President. — After Mr Yeats' explanation, I think we can say that all concerned are prepared to withdraw their amendments. This does not mean that the matter will not be placed on the agenda at another time.

I put paragraph 22 to the vote.

Paragraph 22 is adopted.

On paragraphs 23 to 26, I have no amendments or speakers listed.

Does anyone wish to speak?

Paragraphs 23 to 26 are adopted.

Does anyone else wish to speak?

I call Mr Radoux to explain his voting intentions on the motion for a resolution as a whole.

Mr Radoux. — (F) Mr President, in accordance with the practice of this Parliament, it is understood that if we have not accepted the whole resolution it is not because we have abstained or voted against a paragraph. The Socialist Group will therefore vote in favour of the resolution.

Mr Cousté. — (F) Good!

Mr Radoux. — (F) ...But we would of course like to stress, in connection with our vote just now, that we did cast it, and we must express our great disappointment at being outvoted, because we feel it is a defeat for the Parliament.

President. — I call Mr D'Angelosante to state his voting intentions.

Mr D'Angelosante. — (I) Mr President, there are two reasons why we wish to make a statement at the conclusion of this debate.

One is that it was we who contributed to its lengthy progress, interesting but also complex and difficult.

The other—that in this matter of supreme importance we have always, since our entry into this Parliament in 1969, stood for consistent efforts to strengthen and defend the powers of the European Parliament.

We must, however, conclude that the decisions taken in this House, and particularly the last ones deleting paragraph 14 of the Budget Committee's motion for a resolution finally dispel

Mr D'Angelosante

any illusions that adoption of this resolution might give us something more or better than we have had so far.

I see my honourable colleague, Mr Aigner, laughing and I am not at all clear as to his reasons; he has, of course, won, but Mr Aigner's victory has been this Parliament's defeat and this is something that we have noted and from which we shall draw all the consequences.

We are certainly not deceived by the partial and apparently favourable modifications proposed by Mr Aigner and adopted by the House. I do not wish to abuse the time granted to me but I do not believe there is a single member of this House who does not realize that every power can be attributed to Parliament *except* that of controlling the methods by which the Council of Ministers should work, for these are defined by the Treaties. We have thus an extraordinary contradiction: on the one hand we refuse to grant powers to Parliament and on the other we try to dictate procedures to the Council!

There is another major point I should like to stress: in a democratic budgetary procedure, one respecting the will of the peoples of the Community, the role reserved to national parliaments in this procedure is important and rests not only on the national parliaments' constitutions but is sanctioned by Article 201 of the Treaty. And yet, neither in the proposal from the Commission to the Council on the modification of Article 201, nor in the present resolution is there more than a generalized and vague reference to the respect, essential in our view, which should be accorded in this matter to national parliaments.

Mr President, honourable colleagues, we are debating here to what extent powers belonging to national parliaments should be exercised by this or that Community institution. But while we have talked at length about the distribution of powers, not a word has been said of the national parliaments which are thus to be deprived of the essential and paramount powers attributed to them by the respective constitutions; because the reference in paragraph 7, which I find ambiguous, vague and unacceptable in that it refers to governments and not to the Council of Ministers as being a Community institution, is absolutely insufficient.

Time presses and I must refrain from further exposition. But I want to add one last remark. We are in favour of the development of common policies, though, of course, we reserve the right to assess their merits: we are therefore in favour of financing these common policies. But what interests us at this point is the definition of their institutional framework. We do not like the way in which Parliament has voted and we

do not like the way the resolution looks now. We shall therefore vote against the motion.

President. — I would remind the House that explanations of voting intentions must not exceed five minutes. I trust that not everybody is going to take his five minutes, otherwise we shall still be here this evening.

I call Miss Lulling.

Miss Lulling. — (F) Mr President I shall vote in favour of this resolution. But in view of the way I voted just recently, when I abstained, I should like to state that, in voting in favour of this resolution, I am not at all of the opinion that there is any question of it being a bad day or a fiasco for the European Parliament.

When I abstained just now, it was because I felt that 14(c), in the form proposed, would not come to anything, for the following simple reason: this Parliament and its Members did not fall from heaven! It is quite inconceivable that a Parliament that had voted by a majority of two-thirds of the votes cast should find itself confronted by a Council that was unanimously opposed. It is likewise inconceivable that if the Council were unanimously opposed to Parliament it would then be possible to find in this Parliament a majority of three-quarters of the votes cast. If we had really wanted to give the European Parliament the 'last word', it would have been necessary to provide in 14(c) for a vote by simple majority.

But we must remain realistic. A vote passed by two-thirds of the votes cast will not be contradicted, because we have not come down from heaven but are the reflection of the Parliaments of the Member States. In view of this I shall vote in favour of this resolution with a very clear conscience.

President. — I call Mr Christensen.

Mr Christensen. — (DK) This will be very short. We are now having a debate about the premises of the conclusion in Mr Spénale's report and the conclusion is to refer it back for further discussion. It was not a matter of indifference to me on what premises the report was referred back. I am quite satisfied with the changes which have been made and I therefore support the conclusion and I hope that on the basis of a better working arrangement on the part of Parliament in collaboration with the Commission and the Council that we can have one or two more rounds of discussion in order to reach a result satisfactory to us all. Therefore I can vote for the motion for a resolution as a whole.

President. — I call Mr Bersani.

Mr Bersani. — (I) Mr President, I shall vote for the resolution as it emerges at the end of our debate. I am convinced that if our decisions lead to real consequences we shall have brought about a swing towards democracy in the structure and constitution of our Community.

The political meaning of the debate just held has not escaped anybody. If the reduction of the exclusivity of the ultimate powers of decision concentrated until now in the Council—on which we have all found ourselves in agreement—invests our debate and our conclusions with a more immediate political sense, the interpretation so clearly expounded by Mr Bertrand remains nevertheless valid: that the decision adopted concerning paragraph 14 of the motion implicitly means that the last word is with Parliament.

We are here in a political forum where we have to reconcile loyalty to our principles with a realistic assessment of the possibilities. Our common decision, in fact, is concerned with affirming the ultimate aim that the final word rests with this Parliament.

This is why, Mr President, I do not subscribe to certain assessments put forward here, though I appreciate the political motives and expectations which have inspired them, and why I remain convinced that we can vote in favour of a resolution which makes an important contribution to the democratic development of the Community.

President. — I would remind the House that statements of voting intentions are now only permitted on the motion as a whole. I would once more ask you to help me ensure that we can begin Question Time at 12 o'clock.

I call Mr Cousté.

Mr Cousté. — (F) Mr President, we shall vote in favour of this resolution because it strengthens the budgetary powers of our Parliament. This is the clear situation at which we have arrived: we shall control receipts better, allow expenditure better, debate and fix the budget in conditions of consultation which are infinitely superior to anything we could have hoped at the start of our discussions and, finally, control its implementation.

That is why, despite the technical shortcomings of a text that has been debated too quickly, our Group will vote unanimously in its favour, certain of having done something to further the realization of European union.

(Applause from the centre)

President. — I call Mr Spénale.

Mr Spénale. — (F) Mr President, I think that, at this stage of the discussion, your rapporteur should first of all thank all those who have enlivened this debate. Although not all the decisions taken were those I should have wished, the debate has been serious and substantial and I think it has done this House credit as a deliberative body. So my thanks to everybody.

I now turn towards the Commission—which I would also thank for having been present at this debate and for having at times adopted a position—to point out to it the urgency of the work which it is now to undertake. It is necessary that the Council's proposals, which will depend in part on your proposals and, no doubt, on our debates, should be made sufficiently quickly for the new provisions to be in operation, we hope, when the 1975 budget is under discussion. My work as rapporteur ends today, but I shall try none the less to remind you of what still remains to be done.

As regards my vote, I shall abstain. I could not obviously vote against since, if this resolution is adopted, definite and considerable progress will have been made. Yet this motion lacks something which I felt to be essential. Since I can do nothing against it, as we have to deliver our proposals, nor for it at our present stage, I shall abstain and ask my colleagues to excuse me for so doing.

(Loud applause)

President. —Does anyone else wish to speak?

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.¹

On behalf of the House, I would like to thank the rapporteur, Mr Spénale.

(Applause)

I call Mr Radoux.

Mr Radoux. — (F) Mr President, as vice-chairman of the Political Affairs Committee, I should like to thank Mr Kirk as well for having done much to bring this work to a successful conclusion, in the same ways as you have thanked Mr Spénale.

(Applause)

President. — I hope Mr Kirk will also accept my thanks.

¹ OJ C 87 of 17. 10. 1973.

7. Question Time

President. — The next item is Question Time. Before calling the first question on the agenda, I should like to point out that Questions No. 108/73 by Mr Blumenfeld, No. 110/73 by Sir Douglas Dodds-Parker and No. 111/73 by Sir Tufton Beamish have been deferred until a future part-session. As for Question No. 109/73 by Mr Schuijt, he has requested a written answer.

I call Oral Question No. 104/73 by Mr Cousté to the Council of the European Communities.

Subject: Space Conference of 31 July 1973

Can the Council state whether the inter-governmental agreement with the United States authorities (NASA) following the Space Conference of 31 July 1973 was concluded in time, i.e. before 15 August.

Can the Council also indicate whether this agreement was signed by the EEC as such, and give its views on the European space programme as a whole, and in particular on the setting up of the European Space Agency on 1 January 1974?

I call Mr Nørgaard to answer the question.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) Mr President, before I make a brief reply I would like to say that I have listened with great interest to the debate which took place yesterday and today. The only reason why I have not spoken is because the Council has not discussed this matter. But it is obviously of great interest to the Council to know all the viewpoints and interesting arguments which have been put forward and I am grateful for these viewpoints which will be included in the Council's deliberations.

The question from Mr Cousté: even though the problem raised by the honourable Member is outside the competence of the Council I can state that the joint agreement between NASA and ESRO on European participation in the American space programme after the Apollo programme was signed in Washington on Monday, 24 September 1973. The European Community did not sign this agreement. The European Community is not and has never been involved in this collaboration, apart from the fact that the Commission of the European Communities took part as observers in the ministerial meeting of the space conference. The European space body which is expected to be set up in April of next year will be charged with gradually taking over European space projects. The Council feels that this will facilitate the execution of space research programmes which require the broadest possible

collaboration owing to the capacity and economic means which are needed and the possibilities they offer. On the other hand, the Council does not regard itself as competent to discuss a programme which has been accepted within the framework of a government agreement entered into between only some of the Member States of the Community.

President. — I call Mr Cousté to put a supplementary question.

Mr Cousté. — (F) Mr President, the Council has replied to me in the way I expected. But I should like, while thanking the Council for its reply, to use the pretext of this question to say that I think it is essential that the Council, like the Commission, should be associated in an appropriate manner with the work of the European Space Agency. For this work is connected with industrial policy, technological policy and research, sectors which are the concern of the Commission, the Council and the entire Community.

President. — Thank you, Mr Cousté, but I would point out that after the institution to whom the question has been put has given its answer, the author of the question may simply put a brief supplementary question; he must not make any remarks or comments.

I call Oral Question No. 105/73 by Lord O'Hagan to the Council of the European Communities.

Subject: Migrant workers

The Council is asked whether it accepts that the social strains associated with migrant workers demand urgent Community action.

I call Mr Nørgaard to answer the question.

Mr Nørgaard. — (DK) The Council and the Governments of the Member States have long devoted the greatest possible attention to problems associated with the situation of the migrant workers employed within the Community. At its meeting on 9 November 1972 the Council gave the Commission a mandate to establish the basis of assessment for the legal and factual position of foreign workers from countries inside and outside the Community and their families in socio-economic respects, in relation to native workers. The Commission is now in the process of carrying out this study. With reference to the establishment of the social action programme in particular, the Council wants to make decisions as quickly as possible on the proposals in this sphere which the Commission has to submit to it.

President. — Lord O'Hagan, just one short question.

Lord O'Hagan. — May I thank the President-in-Office for that most useful answer and press him by enquiring whether, when the proposals do come from the Commission, the Council will give particular priority to this problem since the problems of migrant workers are a by-product of the prosperity of the Community from which we are all benefiting.

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) I would like to repeat and confirm that the Council will do this: we will put this forward as much as possible when we receive the proposal from the Commission

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Does the President-in-Office agree that standardization of social security benefits throughout the Community, particularly family allowances, unemployment relief and pensions, is an urgent objective. Is this a matter which is under active study?

Mr Nørgaard. — (DK) If I understood the question correctly it concerned fields which have no connection with what is being investigated at present.

President. — I call Sir Douglas Dodds-Parker.

Sir Douglas Dodds-Parker. — Mr President, may I ask the Minister whether—in view of one estimate that the present figure of 10,000,000 migrant workers in the Community may increase by 13,000,000 by 1980 if we are to sustain our growth in prosperity—he will ensure that the Commission's report takes into account the factors that Lord O'Hagan has mentioned, so that we do not have a permanent body of second-class citizens in the Community.

Mr Nørgaard. — (DK) I expect that the Commission will produce a report which will include all the viewpoints which the Commission considers to be of significance in the solution of this question. But it is up to the Commission to produce a report before we can give an opinion on it.

President. — I call Oral Question No. 107/73 by Mr Radoux to the Council of the European Communities.

Subject: Report on European Union

The last paragraph of the Declaration of Heads of State or Government of October 1972 asks the Community institutions to draw up a report on European Union before the end of 1975.

What arrangements has the Council made to implement the procedure to ensure that this request is complied with?

I call Mr Nørgaard to answer the question.

Mr Nørgaard. — (DK) Mr President, the Council has not yet discussed the problem raised by the honourable Member but we will do this in good time for the report on economic union to be worked out within the time limits laid down in point 16 of the declaration from the Summit conference. However, an informal exchange of ideas has already taken place between the Presidents of the European Parliament, the Council and the Commission, and this exchange of views is still taking place.

President. — I call Mr Radoux to put a short supplementary question.

Mr Radoux. — (F) Mr President, I thank the President-in-Office of the Council for his reply and would like to ask him another question.

As I believe the Council has issued a proposal listing the tasks to which it will give priority in the second half of this year, I should like to ask the President-in-Office of the Council whether the question of the report on European Union figures among those tasks.

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) The programme we are working on in this half year refers mainly to the points made by the summit conference which are expected to be finished before the end of this calendar year, whereas the question of European union is not expected to be discussed until 1975. Therefore the priority rating which we in the Danish Presidency have established for this half year concerns in particular the points which according to the summit conference must be finished before 1 January next year. But I should call attention to the fact that the conversations conducted between the President of the Commission, the President of Parliament and the President of the Council on this subject are still going on and will also be taking place today.

President. — I call Oral Question No. 102/73 by Sir Derek Walker-Smith to the Commission of the European Communities.

President

Subject: Accountancy and company practises and procedures in the proposed European Company

The Commission is asked if it will report on the talks which it has had and is continuing to have with the working party of Chartered Accountants of the EEC on the subject of accountancy and company practices and procedures in the proposed European Company and in the context of the directives for the harmonization of national company law.

I call Mr Gundelach to answer the question.

Mr Gundelach, Member of the Commission of the European Communities. — (DK) Mr President, it is the aim of the Commission to inform the Parliament, and naturally in the very first place the Parliamentary committee responsible, as to the talks the Commission has had and will have in the future with the study groups set up by audit organizations in the nine Member States. This naturally also applies to other talks which the Commission is or may be having with interested groups on questions connected with the four directives which are before the Parliament in the field of company law.

These talks cover a number of different technical topics which I will not go into at this point. But it should be noted that both in the talks with the audit organizations and with other organizations one of the main factors included in the discussions on the preparation of proposals for directives in the field of company law is the fundamental fact that there are a number of important differences between the different Member countries as regards legal practice. It is the Commission's aim, with flexibility and negotiations on many sides, to overcome these differences, so that results can be achieved in the field of company law as well.

As regards the audit organizations, it is of course the fourth directive which is concerned. Since this directive is before Parliament and is being discussed in the Parliamentary committees I will simply repeat that it is the most natural thing in the world that the Commission should keep the committees and through them the Parliament informed as to the course of the talks—and not only with the audit organizations.

President. — I call Sir Derek Walker-Smith to put a short supplementary question.

Sir Derek Walker-Smith. — May I ask Commissioner Gundelach to accept my appreciation of that helpful answer and to understand that that appreciation will be reflected in accountancy and financial circles in the nine Member States.

Does he accept that the *Groupe d'Etude* is composed of gentlemen of high professional standards and judgment, and will he take into full

account their observations on all matters in relation to the Fourth Directive on the Statute of the European Company, in particular those matters in which differences of accountancy practice have emerged between the proposals as originally made and the traditional practices of the United Kingdom and some other nations?

Mr Gundelach. — (DK) Mr President, the answer to the supplementary question is in the affirmative: we will take into full account the advice and views we have heard and will hear in the future from the organizations concerned. As regards the audit organization referred to here, I would like to add that our discussions with this organization, which includes representatives from the audit organizations in all nine Member countries, has already led to the fundamental result that we are agreed that work on the Fourth Directive can continue on the basis of the present draft Fourth Directive on condition that a number of practical proposals for amendment can be put through. There are only one or two practical matters outstanding which we are still discussing with the audit organizations but I can assure you that their competence and their willingness to talk will be fully taken advantage of by the Commission.

President. — I call Oral Question No. 103/73 by Mr Brewis to the Commission of the European Communities.

Subject: Patents Office in Munich

What progress is being made in the Patents Office in Munich particularly with regard to processing applications in the English language from outside the Community?

I call Mr Gundelach to answer the question.

Mr Gundelach. — (DK) Mr President, in answer to the question I would like to stress that the European Patents Office in Munich which is to be set up under the Patent Convention, which is probably being signed today or one day soon as a result of a diplomatic conference, will not be a body of the European Communities but an independent body directed by a consultative committee consisting of representatives of the contracting parties of the European Patent Convention.

The Commission is therefore not competent to discuss how applications submitted in English will be treated when the time comes. However, I might call attention to the fact that English is one of the official languages as far as the Convention is concerned, which would lead me to suppose that applications prepared in English will be dealt with on the same footing as applications in the other official languages.

Mr Gundelach

I would also remind you that we are speaking of a Convention whose signatories include not only Member States of the European Communities but also a number of other countries. After the Convention has been signed it will have to be ratified so we cannot expect that the Patents Office in Munich will start operations for at least another two years.

The administrative consequence I have referred to here are the result of the fact that in this case a Convention was chosen as the instrument to use and not the normal legal regulations which implement the decision-making procedure of the Community.

Even though the Commission is not a co-signatory of the Convention, this naturally does not mean that we have not taken an interest in this matter or are not going to take an interest in it. The Convention is based on an original draft on the part of the Commission and as observers we will make our influence felt as much as possible, also with regard to the question raised here, and in a positive sense.

President. — I call Mr Brevis to put a short supplementary question.

Mr Brewis. — May I thank the Commissioner for this full reply and say how glad I am that the Commission is going to take an interest in the patents system, which is very important to Community industry. Will he bear in mind that a large proportion of applications from overseas are likely to be in English and therefore there is likely to be delay and difficulty if a branch office is not established in London? Will he take this matter into account and, if he can influence the decision, please use his influence for that purpose?

Mr Gundelach. — (DK) As the conclusion of my speech will have shown, I am completely clear about the problem and remembering the limitations on our powers of influence, the Commission will use the influence we have to solve the question raised in the manner indicated by the speaker.

President. — I call Sir Tufton Beamish.

Sir Tufton Beamish. — It was encouraging to hear Mr Gundelach say that the Commission is concerned that the convention should work smoothly, although it is not actually competent in the matter. But is he aware that there are two serious anxieties which are widely shared: first of all that excessive time may be taken to deal with patent applications, in which connection lack of English-speaking examiners will

be a contributory factor, and secondly, the likelihood that unjustifiably high fees are going to be charged?

Mr Gundelach. — (DK) Mr President, I as a Commissioner am completely clear about the anxieties mentioned. But I must stress yet again that the administration of the Convention in question, which is a result of the fact that the form of the Convention was chosen, does not fall under the decision-making procedure of the Communities but lies in the hands of the consultative administrative committee set up by the Convention. But as I replied earlier: to the extent that the Commission can help in solving practical problems involved it will do so, because it attaches the greatest importance to the question.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Would the Commissioner accept that this is a very unsatisfactory position? One of course accepts what has happened—one has to. But would he not agree that all the things that my honourable friends have just put to him in the form of questions are absolutely vital? Does he really want an inefficient, expensive machine over which he has no control and the Community has no say? This is not what he wants, surely.

Would he assure the House that he will do more than he has said he will, in order to get an efficient, reasonably cost-based machine working in this very important field of patents? The branch office at London that my honourable friend mentioned is an absolutely essential factor in getting this working properly.

Mr Gundelach. — (DK) Mr President, it was not the Commission's decision that this question should be made the subject of a Convention. It is the decision of the governments and I cannot therefore take responsibility on behalf of the Commission for the consequences. I can only, as I have already done, confirm the Commission's support within the framework of the influence the Commission has had allotted to it in this matter, in solving the problem to which its attention has been called, and of which we are aware, and the importance of which we do not under-estimate. But the question has been put in the hands of the governments themselves and is not dependent on the initiative of the Commission.

President. — I call Mr Müller.

Mr Müller. — (D) Mr Gundelach, would you not agree that general economic experience and

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principles support the view that European subsidiaries are in no way helpful in lowering costs, but are more inclined to push already high cost levels higher still?

Mr Gundelach. — (DK) Mr President, I must admit that I do not fully understand the significance of the question in relation to the question we are discussing here at the moment.

President. — I call Oral Question No. 106/73 by Mr Leonardi to the Commission of the European Communities.

Subject: Study of the Community economy

What use does the Commission intend to make of the 'study of the effects of Community policy on the economies of the Member States and on that of the Community as a whole over the period 1958-72?'

I call Mr Ortoli to answer the question.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President, Mr Leonardi has asked us what further action we intend taking on a study that has been made on the effects of the policy of the Communities on the Member States' economies and on the Community economy as a whole.

In the first place we have passed on a synthesis of this study to Parliament and we shall give it wide publicity.

As regards ourselves, we have already derived a certain number of data from it or ideas for the proposals we have been presenting since the beginning of this year, especially in respect of the regional aspects and the social aspects of the Community's policy.

This document, which as Mr Leonardi knows is rather broad in scope, will obviously continue to guide us, at least on certain points as regards the further proposals we shall be making.

President. — I call Mr Leonardi to put a short supplementary question.

Mr Leonardi. — (I) I thank the President of the Commission and should like to ask him whether, in view of the importance of the subject and of the document drafted by the Commission, he does not think it would be appropriate to offer this House the opportunity of discussing it, by annexing this document to some other document which must be submitted to Parliament, for instance to the annual report or to the motion on regional policy, so that we can hold a debate on it.

Mr Ortoli. — (F) Mr President, Mr Leonardi has read this document and is well acquainted with it.

To be quite frank, I do not believe that it could be made the subject of this discussion. Parliament has received it, it is an informative document that will serve as a guide to everyone in the formulation of their positions and ideas. As for myself, I can tell you that, having read it with great care and interest, I am not convinced that it gives an exact picture on all points of what has happened, but it is indeed a very useful additional aid to our deliberations. But this does not mean that we can, properly speaking, make it the subject of a discussion.

President. — I call Oral Question No. 112/73, No. 113/73 and No. 114/73 by Mr Müller, Mr Walkhoff and Mr Kater to the Commission of the European Communities.

Subject: Manufacture and marketing of aerosol glues

Are 'aerosol glues'¹ also manufactured and marketed in the Member States of the Community?

Subject: Injurious effects of 'aerosol glues'

Can the Commission confirm that the effects of 'aerosol glues' are injurious to health and will it, if necessary, have the products in question checked and tested by experts at the earliest possible date?

Subject: Joint action to prevent the manufacture and marketing of 'aerosol glues'

Will the Commission take steps to prevent the recurrence of cases of deformity such as those caused by Thalidomide and urge all Member States to take joint action against the manufacture and marketing of 'aerosol glues'?

I call Mr Müller.

Mr Müller. — (D) Mr President, to go by our experience in the last question time in this House, questioners prefer to receive individual answers.

President. — I call Mr Gundelach.

Mr Gundelach. — (DK) Mr President, I will try to take a middle road and answer three questions in one but in such a way that each question will be dealt with separately within the same speech because if they are not dealt with as a whole it will be a little difficult to make a consecutive statement.

¹ Recent scientific research in the USA has shown that what are known as 'aerosol glues' may possibly damage chromosomes and cause deformities in new-born babies. When the research results were published, the Consumer Product Safety Commission had all 'aerosol glues' withdrawn from the U. S. market.

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The point of departure of all the questions is the fact that the American Consumer Product Safety Commission decided to have all 'aerosol glues' withdrawn from the market.

The first thing to which attention should be called—and this is the answer to question No. 112/73—is that this type of glue in aerosol tins has been marketed in a number of the nine Member countries of the European Community. But the marketing of the products in question has now been stopped in all the countries concerned on the recommendation of the European Association of Manufacturers of Glues and Adhesives so that there is no risk of injuries while a more thorough investigation of the problem is under way. So the commodity is no longer being marketed within the European Community.

The Commission—and this is the answer to question No 113/73—is naturally aware of the decision taken by the Consumer Product Safety Commission in the United States but it had already been aware of the problem before for other reasons. An investigation has been initiated and it is our intention to discuss the problem with the group of experts who help the Commission, to establish a proposal for a directive with regard to paint, enamel, glue and similar products. The idea is that if detailed investigation shows that these materials have the damaging effects alleged, this will be contained in the directive in question. Before the prospective meeting with this expert group which is taking place at the end of this month, the Commission will be receiving a report from the Association of Manufacturers already mentioned and will naturally include this report and other information in its deliberations on the subject.

The answer to question No. 114/73 is that in cases such as this, where there are no European Community legal provisions to cover them, and the Commission is asked to forbid the sale of given products which must be proved to be dangerous to health, in such cases the Member States are responsible for forbidding the sale of products in so far as they may be proved to constitute a danger to public health. Where at the proposal of the Commission and with the agreement of Parliament, the Council has already approved directives, these directives contain provisions on the procedure to be followed in so far as a Member State or the Commission finds that a product does constitute a danger to health and should therefore be banned.

Thus at present the product in question is not covered by a Community law of this nature,

but one is going to be provided. There is a draft directive in which this product can be included and the question of adding this product to the draft directive will be decided within a very short time, and it follows from my first answer that in the meantime the product will not be marketed. In order to avoid misunderstandings I would like to add that the proposal for a directive of which I am now speaking is not the proposal for a directive which Parliament has already received and which concerns the packaging of aerosol tins specifically. Discussion of this matter must go on, because it includes other aspects. So this does not affect the question we are discussing now, namely the contents of these aerosol tins.

President. — I call Mr Müller to put a short supplementary question.

Mr Müller. — (D) I would like to express my gratitude to the representative of the Commission, and my appreciation, for—and I must admit my surprise—the unexpected speed with which measures have been taken which could possibly save the population of Europe from a great deal of harm. Having said that, I would like to ask whether the Commission shares with us the opinion that something fundamental must be done, in other words that we have to get away from a situation of reacting to difficult and dangerous problems for public health and move to preventive action, for example by introducing compulsory registration of substances which could possibly contain chemicals dangerous to health?

Mr Gundelach. — (DK) I think I should say that the Commission agrees with the speaker that there should be a joint general European law on the basis of which acute problems which arise can be dealt with more speedily and effectively than is the case at present.

President. — I call Mr Walkhoff to put a short supplementary question.

Mr Walkhoff. — (D) Mr Gundelach, until directives on the subject are issued, what suggestions can the Commission give to Member States to prevent the sale of adhesive sprays which, despite the industry's sensible call for shops to discontinue their sale, may nevertheless still be available in many retail as well as wholesale stores?

President. — I call Mr Gundelach.

Mr Gundelach. — (DK) As I explained, as long as there is no common European legal basis,

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it is the responsibility of Member States to keep the products in question off the market if they are suspected of being dangerous to health. The measures which have been taken up to now are that the manufacturers in the European Association are not putting onto the market what supplies are left over or may remain in the different shops and stores. Here the Commission can make what information it has available to the Member States and thus create a basis for decisions to stop any other gaps which may be left. I do not think there are very many of them.

Having said this, I would like to stress that the Commission also regards it as its main task to put into effect the legal basis to which I referred, as quickly as possible, and as I mentioned the question will be the subject of a thorough investigation by the group of experts assigned to the Commission concerning this question, and which also represents all the Member States, later this month. I therefore think I can guarantee that as far as the Commission is concerned this matter will be handled with all the energy and speed demanded by the nature of the case.

President. — I call Mr. Kater to put a short supplementary question.

Mr Kater. — (D) Mr President, I too should like to thank Mr Gundelach for the positive manner in which he has answered our questions. I would like to add one further question, and that is to ask whether the Commission is acquainted with the opinion of Rodman Sealey, Professor of pediatrics, biochemistry, molecular biology and cytotechnology at the University of Oklahoma, who has established that this is in fact the most horrible pharmaceutical disaster of our time, and has said, and I quote: 'the problem is potentially of even greater significance than thalidomide'?

Mr Gundelach. — (DK) As my previous answer made clear, the Commission regards this matter and similar matters as being of serious significance. That is why we have set to work as quickly and effectively as possible and also think it necessary to provide not only advice and recommendations but a proper European legal basis to deal with the matter in hand. So we regard the matter with great seriousness and feel it must be dealt with quickly and effectively.

President. — Question Time is closed.

8. *Transfer of funds in the budget of the Communities for 1973*

President. — The next item is a debate on the report drawn up by Mr Terrenoire on behalf of the Committee on Budgets on a transfer of funds from one chapter to another within Section III—Commission—of the budget of the European Communities for the financial year 1973 (Doc. 177/73).

I put the motion for a resolution to the vote.

The resolution is adopted.¹

9. *Dates for next sittings*

President. — There are no other items on the agenda.

The enlarged Bureau proposes that Parliament hold its next sittings from 15 to 19 October in Strasbourg.

Are there any objections?

That is agreed.

In view of the shortage of time until the next part-session, the Bureau decided this morning to authorize me to draw up a draft agenda for the next part-session in Strasbourg.

10. *Approval of minutes*

President. — Pursuant to Rule 17(2) of the Rules of Procedure. I must now submit to Parliament for its approval the minutes of proceedings of today's sitting, which were written during the debates.

Are there any comments?

The minutes are approved.

11. *Adjournment of session*

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 12.40 p.m.)

¹ OJ C 87 of 17. 10. 1973.

