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ON THE THEME "GOVERNING THE COMMUNITY"

SOME IDEAS FOR MAKING THE COMMUNITY WORK BETTER

The institutional arrangements of the European Community are necessarily very different from those with which we are familiar at national level, and particularly from those which are appropriate for a unitary and fairly centralized State such as the United Kingdom. A Community of nine (and soon ten) independent nation states requires a more complex system of checks and balances between the various institutions which play a part in its decision-making process.

In such a system decisions may often take longer than we might wish but it is clearly more important to reach the right decisions attracting the maximum degree of support and consensus, than to cut corners and use procedures which create dissatisfaction and distrust. During the two decades throughout which the institutions set up under the Treaties have operated a great deal has been achieved and the foresight of those who drew up the Treaties has been proved by experience.

Nonetheless ./.

Nonetheless it is natural that after more than two decades during which the world has changed dramatically we should re-examine the structures of the Community to determine what adaptations or changes may be required to deal with new circumstances. During the last 5 years there have been several significant new developments which have created new pressures on or raised new questions about how the Community works. There has been the setting up of the European Council as a thrice yearly meeting of leaders of all Member States which, though outside the arrangements set up under the Treaties, has assumed considerable importance in Community affairs. The long-awaited direct elections to the European Parliament have taken place, and that institution now speaks with greater self-confidence and greater moral authority than before. The finances of the Community have reached a stage where a fundamental reassessment of priorities must take place. And finally there is the forthcoming enlargement of the Community, to ten next year and later to 12 Member States, which makes it even more important that we should immediately tackle any shortcomings in the present Community arrangements.

THE COUNCIL ./.

THE COUNCIL

Let me turn first to the European Council and the Council of Ministers. The main problem here seems to me to be the lack of coherence between the policies and decisions of the various Councils, a problem which I sought to highlight in a speech to the European Parliament recently when I referred to the opening up of new perspectives by European Councils under the arclights of media attention, and the subsequent closing down of these perspectives by Budget Ministers in the watches of the night. Far too often the high-sounding declarations of Community leaders gathered in the European Council to discuss energy, employment, or the Third World are not given any follow-up or translated into substantive action by the Community when the time comes for the Council to take decisions.

This problem of a lack of consistency is just as glaring when one considers the Council of Ministers in all its various forms. Let me give an example from the field with which I am most familiar - that relating to the Budget. Several Councils are

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involved here - in particular the annual joint Council of Finance and Foreign Affairs Ministers which discusses the economic framework, the Budget Council which takes the detailed decisions on amounts put in the Budget, and the Agriculture Council which reaches the annual agricultural price settlement - which of course has wide implications for the Community Budget.

We have all too often seen the Joint Council express the view that there is a need both for economies in Community expenditure (in order to keep within the 1% VAT ceiling) and for a better balance in the Community Budget between agricultural and non-agricultural expenditure. The Budget Council, which effectively deals only with the non-agricultural expenditure, has then made sharp cuts in the Commission's proposals. The Agriculture Council however has continued to proceed on the basis of trade-offs between national agricultural objectives rather than within an overall financial or indeed CAP framework, and as a result produced settlements which pushed up the total of agricultural expenditure. The combined result of these activities and decisions has been to produce few real economies and to shift the balance of the budget further towards agriculture - which is precisely the opposite of what has been agreed in the first place as the objective.

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The resolution of this problem, like that of many others which the Community faces, does not necessarily require major institutional change. What is required, I believe, is the establishment of a much clearer policy link between the decisions of the various Councils and greater use of the Parliament as a forum where those who take the decisions are required to explain themselves in public.

In the case of the Budget this would mean carrying out three reforms. First, Finance Ministers should meet before the agricultural prices settlement and the beginning of the budget procedure for a thorough discussion of economic and budgetary policy. They should lay down clear public guidelines for decisions to be taken by Agriculture and Budget Ministers - in agriculture this could be for example the maximum percentage increase in costs, the necessary limitation on the inflationary effects of food cost increases etc. Secondly, after the prices settlement the President in Office of the Agriculture Council and the responsible Commissioner should report to and be publicly questioned by the European Parliament. The Parliament would wish to know whether they agreed on their assessment of the settlement and if not, why not. The essential point is that the settlement would be assessed as a whole and in a Community context and not simply as at present in terms of the various individual national agricultural interests. Thirdly, the budget year

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and the agriculture year should be brought more closely into line with each other so that agriculture would cease automatically to pre-empt resources which the Budget authority might otherwise wish to apply to regional, social, industrial or other policies. If the two procedures ran in closer parallel the budget could more easily be seen as an integrated whole.

These three reforms, relatively simple to implement, could, I believe, have a significant effect in establishing a more consistent budget strategy, in preserving and improving the Common Agricultural Policy, and in furthering harmonious relations between the Community institutions. The key to their implementation lies in a recognition of the need and assertion of political will by Community leaders.

THE PARLIAMENT

The budgetary powers of the Parliament, as one part of the Community's Budgetary Authority, are central to its institutional role. Without a real dialogue between Council and Parliament on the Budget there is unlikely to be any real dialogue at all. The procedure is designed as one in which each institution makes a contribution, and where differences can be resolved by a degree of give-and-take. If the procedure is treated with cynicism and its complexities are exploited to prevent one of the

institutions from playing its appropriate role the whole spirit of the institutional relationships is violated and the prospect of effective decision-making is undermined.

There is, I think, a particular onus on the Council to seek to improve the dialogue with the Parliament and to make it effective rather than cosmetic. Parliament, as the newer and still more junior partner, is naturally jealous of its powers and anxious to test their limits. But I would suggest that the best way for Parliament to make its presence felt and to impress its electors is to exploit more effectively the powers it already has. Frankly I am not convinced that this has been done sufficiently so far.

One of the most important powers of any democratic assembly is the power publicly to ask questions and demand answers, to call to account those who take decisions and those who administer them. This requires detailed, perhaps boring, preparation and follow-up, and procedures which allow an issue to be exposed rather than evaded.

Plenary sessions ./.

Plenary Sessions of the Parliament provide only limited opportunities for such an approach especially since Question Time seems to have been down-graded, covers questions very slowly, and tends to be monopolized by MEPs of one nationality, often asking constituency questions. The Committees, which offer much wider scope for calling Ministers and Commissioners to account by persistent, skilful, and well-informed questioning generally meet in private. As someone who recognises the importance of a democratic element in the institutional arrangements of the Community and wants to see a strong and successful European Parliament (even though it will probably make my own life more difficult) I do find this a surprising approach. I should have thought that the Community already had an adequate number of committees meeting in private and that the particular contribution which the Parliament can make is to introduce a degree of public accountability - drawing, for example, on some of the procedures of U.S. Congressional Committees.

If the Parliament ./.

It is right that the European Parliament should not confine itself to areas where it has powers. Members naturally wish to express themselves on a wide range of important and topical issues. But if MEPs show more interest in turning up for set-piece declamatory debates than for occasions when the Parliament has a real Community role and a degree of actual power they will not succeed in carrying as much weight as they should. It is for example extraordinary that the annual debate on the budget discharge, which is one of the three major powers of the European Parliament, this year attracted only a handful of MEPs and lasted a very short time.

Attendance is also important. Mr Tindemans, to whom we have just listened with interest, is I fear one of the few out of several important figures elected to the Parliament who takes the trouble to attend regularly. Perhaps I may also take the opportunity to compliment the British MEPs for their exceptionally diligent attendance on all Parliamentary occasions, which has I know impressed many of their colleagues from other Member States.

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THE COMMISSION

The Report of the "Three Wise Men" on the Community institutions said that "Without the European Commission, the Community could never have been constructed". I believe that the Commission must retain its independence and its influence in both Parliament and Council. The central purpose of the Commission is to act as an intellectual power-house defending the European, as opposed to the purely national, interest. We have to tackle the problems of the moment as well as seeking to map out the way ahead.

The European Monetary System, which grew out of an initiative by Roy Jenkins on behalf of the Commission as a whole, is a good example of the combination of technical expertise and political direction which is required of the Commission. It is, I believe, one of the major monuments of this Commission.

The next big test for the Commission (and indeed for the Community) is the restructuring of the Community Budget. The mandate given to the Commission by the Council after the agreement on how to deal with the British budget problem requires from us a fundamental analysis of the Communities finances and policies, an analysis which asks the questions, poses the options and points the way ahead. I hope our report,

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which must be completed by June 30 1981, will provide the basis on which the Community can create a budgetary system to meet the challenges of the 1980s and beyond. It must prevent the recurrence of unacceptable situations for any Member State and enable the Community to undertake a wider range of common policies in order to contribute to the strengthening of Europe as a whole. The credibility of the Commission and the usefulness of the exercise depend on us taking a brave and independent approach.

