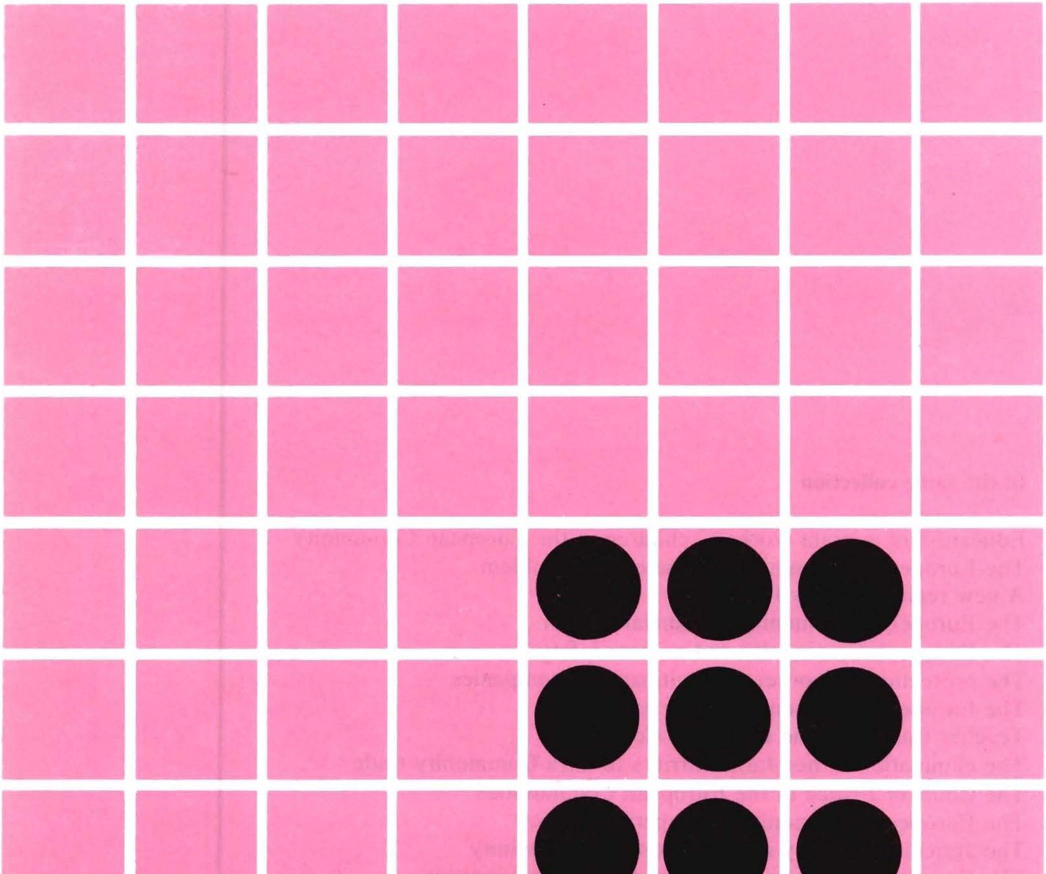
The European Community's budget



EUROPEAN DOCUMENTATION

Periodical

1/79

In the same series a first brochure was published in 1975 on the Community's budget. The present edition, updated and adapted, replaces the 1975 edition which is out of print

In the same collection

Education of migrant workers' children in the European Community
The European Community and the energy problem
A new regional policy for Europe
The European Community's financial system
The European Community and nuclear safety
The protection of workers in multinational companies
The European Community's external trade
Teacher training in the European Community
The elimination of non-tariff barriers to intra-Community trade
The Court of Justice of the European Communities
The European Community's competition policy
The agricultural policy of the European Community
The European Community and the developing countries
Towards a European education policy
Worker participation in Europe
The Community and its regions
The Customs Union
The European Community's environmental policy
The European Community's social policy
The Consumer in the European Community

The European Community's budget

Second edition

Manuscript completed in September 1978.

This publication is also available in the following languages:

DA	ISBN 92-825-0700-9	Det europæiske Fællesskabs budget
DE	ISBN 92-825-0701-7	Der Haushalt der Europäischen Gemeinschaft
FR	ISBN 92-825-0703-3	Le budget de la Communauté européenne
IT	ISBN 92-825-0704-1	Bilancio della Comunità europea
NL	ISBN 92-825-0705-X	De begroting van de Europese Gemeenschap

A bibliographical slip can be found at the end of this volume

Printed in Belgium 1979

ISBN 92-825-0702-5

Catalogue number: CB-NC-79-001-EN-C

Contents

A. Dimensions of the Community financial system

The European Community's budget and financial system are moving, albeit slowly, towards a new supranational level of public financial management. In 1977, the sum of money handled in one form or another by the Community amounted to 1.5% of the gross domestic product of its nine Member States. The general public, however, often has the mistaken impression that this entails an additional burden on the Member States and their citizens. Incomplete information on what is admittedly a complex subject can give rise to misunderstandings and thus, fair and constructive comment, which is essential in public financial management, all too often turns into unconsidered criticism producing one-sided and negative judgments. The advent of direct elections to the European Parliament provides an opportunity to set the record straight by outlining clearly the workings of the Community's changing financial system.

The new common budget level

Although far from being a federal entity, the European Community already exhibits more federalist elements than other international organizations, for its successful functioning at supranational level requires the application of certain basic federalist rules.

The Community's financial operations involve a transfer of resources from a national to a Community level. As in a federation, this is done in order to finance policies and operations which are best carried out on a joint rather than an individual basis. As such, Community spending represents a pooling of expenditure which would otherwise be made at national level. National budgets are thus reduced to the extent that policies are financed through the Community budget.

In 1976 and 1977, for example, the Community rather than national budgets financed some 60% of aids to agriculture and fisheries, 12 to 14% of development aid and 10% of regional policy and vocational training assistance within the Member States.

Intra-Community net transfers

EEC policies are geared to the interests of the Community as a whole, and their impact obviously varies from country to country. In entrusting the Community with a part of their resources, however, the Member States are expressing their readiness to redistribute resources amicably and to go along with decisions taken in the joint interest. The result is a net transfer of funds between the Member States, some of them receiving on balance more than they contributed, others less, and not always in the same proportions from year to year.

In the past, different scales of contribution (reflected in Council voting on spending in the relevant budget sections) were in operation and made it possible to work out whether one Member State was a net recipient or net contributor in one particular section of the budget. As the Community is allocated its 'own resources', however, this is now becoming impossible to do.

The Community's 'own resources'

Until now, the Community budget has been financed from a combination of direct Member State contributions, customs duties and agricultural (including sugar) levies; as of 1979, customs duties and agricultural levies will continue to be paid into the Community budget but direct contributions from the Member States will be replaced by a percentage of the national resources deriving from value added tax (VAT).

The size of the revenues accruing from duties and levies depends not just on the rate at which they are applied but also on import trade volumes and trends in world agricultural prices. The revenues the Community derives from VAT, however, can be adjusted as a function of what is required to make up the budget above and beyond revenues from duties and levies. According to an agreement signed in 1970, the VAT paid to the Community can be charged at a rate of up to '1% of the common base for assessing value added tax'. Under the terms of the sixth Directive on the harmonization of value added tax, this covers uniform, approximately identical, taxable operations.

VAT starts to provide Community resources in 1979

The money available for the 1978 budget should have been made up as follows:

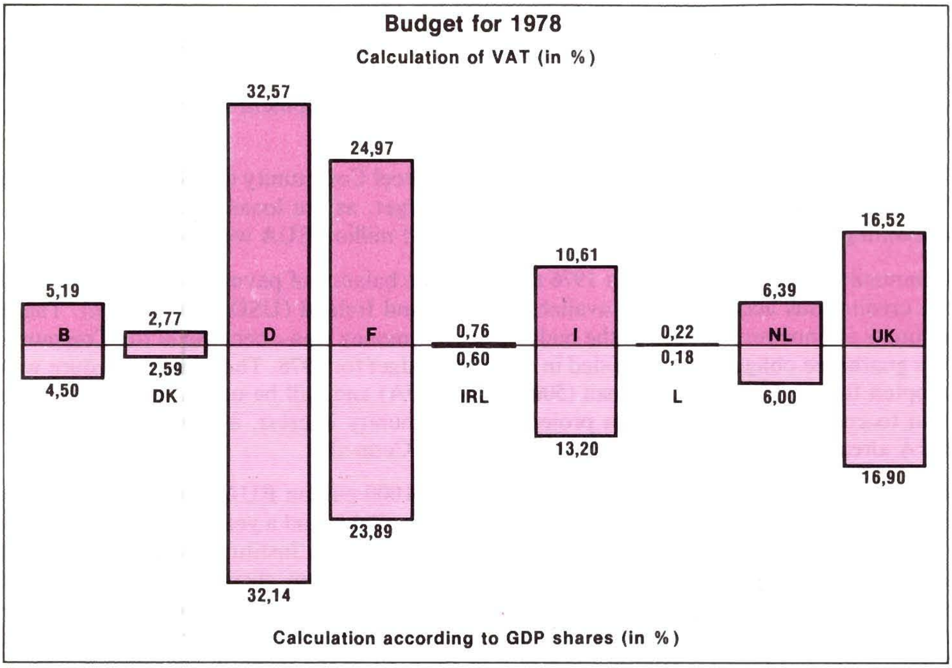
Revenues from	
Agricultural levies	1 686 100 000 EUA[1]
Sugar levies	+ 376 900 000 EUA
Customs duties	4 833 000 000 EUA
Total	= 6 896 000 000 EUA
Total resources required	12 226 304 765 EUA
sum to be derived from VAT	5 330 304 765 EUA

Going on estimates of the VAT yield for 1978, this would have represented a rate of 0.6429% of VAT in each Member State.

But by the end of 1977, fewer than three Member States had incorporated the sixth Council Directive on VAT in their national legislation by the required date. To cover the extra 5 330.3 million EUA required for the 1978 budget, the Community found itself obliged to resort once again to contributions from the Member States, paid at a rate based on the gross domestic product of the fifth, fourth and third calendar years before the budget year, that is to say 1973-75. The result was that some Member States found themselves bearing considerably larger or smaller financial burdens than they would otherwise have done because the total value added tax revenues for 1978 naturally reflected the varying degrees of growth in the Member States as against the GDP average of 1973-75.

[1] EUA = European unit of account.

Comparison of the contributions payable under the two different systems bears this out. The following figures for the 1978 draft budget were published first with the calculations based on VAT (OJ L 36 of 6.2.1978) and five weeks later in amended form with the calculations based on GDP (OJ L 71 of 13.3.1978).



Steps towards a federal financial system

The allocation of a certain proportion of value added tax to the Community, is the third step the Community has so far taken towards a federal financial system. The first was the introduction of the ECSC levy on coal and steel undertakings. The second, in 1970, was the allocation of customs duties to the Community. This was logical and appropriate to the system from the moment the Member States began to apply the Common Customs Tariff and customs policy became a matter for the Community. The same logic lay behind the allocation to the Community of the revenues from the common agricultural policy.

Inclusion of other financial instruments in the budget

The Community budget in 1977 was equal to 0.7% of the Community's gross domestic product and about 2.4% of the national budgets of the Member States added together.

As part of the budget's reform, however, other items of expenditure are gradually being added and financial aid agreed under cooperation agreements concluded as part of EEC Mediterranean policy was already included in the EEC budget for 1978. The Mediterranean countries have been promised financial aid totalling 1775 million EUA over the next few years. The European Investment Bank will provide 1 113 million EUA of this from its own resources, the other 662 million EUA coming from the EEC budget. Of this figure, 97.5 million EUA were included in the draft budget for 1978.

In spite of the Commission's efforts, the fourth Development Fund for 53 African, Caribbean and Pacific (ACP) countries for the period 1976 to 1980 (3 150 million EUA) has not yet been included in the budget. Inclusion of the next Development Fund (from 1980) has, however, been requested by the European Parliament.

The operational budget of the European Coal and Steel Community (ECSC), partly funded by levies, is still kept separate from the EEC budget, as are loans made by the ECSC, amounting so far to 4 840 million EUA, of which 741 million EUA were paid out in 1977.

Community loans were issued in 1976 to 'overcome balance of payments difficulties', and the credits thus acquired made available to Italy and Ireland (USD 1 800 million). These amounts are not yet included in the budget, but this money was—because of the Community's guarantee obligations—included in the draft budget for 1978. The same procedure was adopted for the first Euratom loan (500 million EUA) and will be used again for the first loan to encourage investment in projects of Community interest, a loan of 1 000 million EUA already agreed in principle by the European Council.

Excluding the latter, these additional loans added 4 000 million EUA to the Community's budget for 1977, the last year for which figures are available and a year in which the budget totalled 9 600 million EUA. Further independent Community institutions and instruments are the European Investment Bank (EIB) and the short-term currency support aid and medium-term financial aid available from the European Monetary Cooperation Fund. To date, the EIB has paid out loans (largely from funds obtained by borrowing) totalling 8 500 million EUA—1 571 million EUA of it in 1977. After the recently approved increase, up to 5 450 million EUA is now available for medium-term financial aid.

Total Community resources reach 20 000 million EUA

The resources available in 1977 from Community funds for the purposes of integration have risen to about 18 000 to 20 000 million EUA, double the 9 590 million EUA contained in the budget for 1977. This is about 1.5% of the Community's GDP for 1977, which amounted to 1 375 000 million EUA; of this 1.5%, 0.7% derives from the Community budget and 0.8% from other financial instruments.

B. Historical development

The first European tax: the ECSC levy

The Treaty establishing the European Coal and Steel Community (ECSC)—which was concluded on 18 April 1951 and came into force on 25 July 1952—provided for a budget controlled solely by the four Presidents (of the High Authority, the Assembly, the Special Council of Ministers and the Court of Justice). This was considered practical as the budget was only meant to cover administrative expenditure. In order to meet administrative and operational expenditure, the ECSC was given the power to impose a levy on coal and steel production (the first 'European tax') and raise loans.

Apart from investment aid, the ECSC established under Article 56 of the Treaty a system of aids for vocational training, tide-over allowances for redundant workers in the coal and steel industry until their re-employment and other accompanying measures. In addition, there was generous support for the building of homes for workers.

ECSC loans

Before the ECSC High Authority was incorporated into the European Commission on 1 July 1967, administrative expenditure had reached 186.6 million u.a., while approximately 250 million u.a. was spent on investment. Since then the ECSC budget has only covered investment arising from the ECSC Treaty and financed from ECSC levies (0.29% in 1974 and 1975), independently of the EEC Budget. The new Member States became party to these revenue and expenditure arrangements in 1973.

Since the ECSC started raising loans in 1954, and up to 31 December 1977, it has on lent sums totalling 4 840.6 million EUA.

The establishment of the ECSC took place against a background of strongly pro-European feeling prevalent in the early 1950s. Although the oldest of the three Communities, it possesses the most progressive financial system from the point of view of integration, since it has its own resources in the form of tax revenues, and has the power to raise loans. But the powers of the European Parliament to approve the ECSC's budget were not developed as far as they might have been.

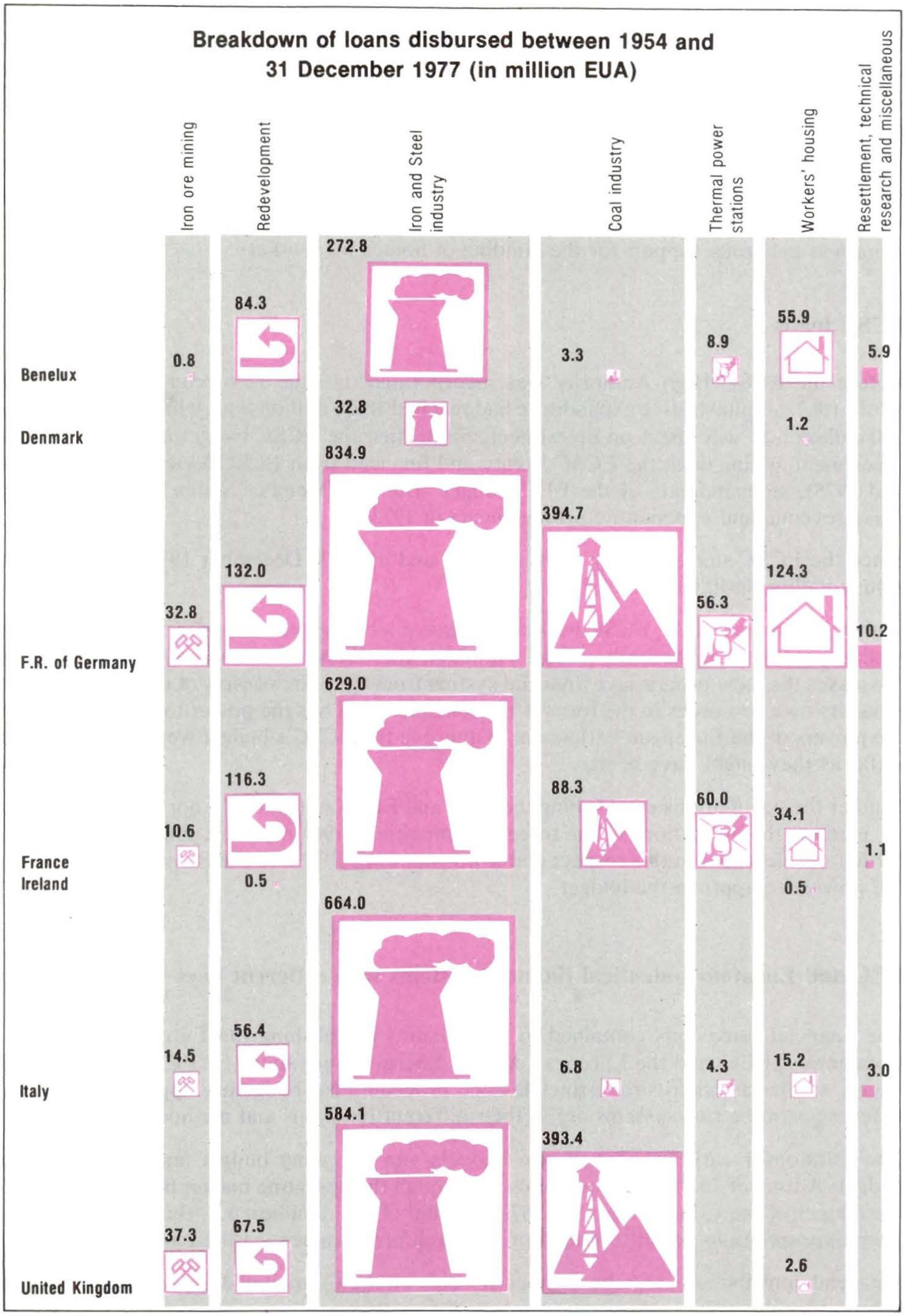
Neither the negotiations establishing the EEC and Euratom (1956-57), nor the preparations for merging the institutions of the three Communities, (1964-65) were able to produce any further development in this respect and it was not until 1970 that the Parliament was given full powers to approve the budget.

EEC and Euratom—identical financial systems with different keys

The financial provisions contained in the Treaties establishing the European Economic Community (EEC) and the European Atomic Energy Community (EAEC or Euratom) are largely similar as regards the principles and procedure for budgetary approval. The only differences in the two systems are in their different functions and methods of operating.

The Euratom Treaty established two budgets—an operating budget and an investment budget. A total of 72.93 million u.a. flowed through the operating budget between 1958 and the merger of the Communities in 1967. The sum of 731.5 million u.a. (known as commitment appropriations) went to long-term research programmes via the research budgets.

Financial contributions and the number of votes on the Council of Ministers were fixed at different levels:



Breakdown of loans disbursed between 1954 and 31 December 1977 (in million EUA)

Member State	Operating budget[1]		Investment budget	
	%	votes	%	votes
Belgium	7.9	2	9.9	9
France	28	4	30	30
FR of Germany	28	4	30	30
Italy	28	4	23	23
Luxembourg	0.2	1	0.2	1
Netherlands	7.9	2	6.9	7

[1] As in the EEC Treaty.

Although Article 173 of the Euratom Treaty rules that Member States' financial contributions may be replaced by the proceeds of levies, as in the ECSC, no use has ever been made of this possibility.

The general authorization to raise loans (contained in Article 172(4) of the EAEC Treaty) has not parallel in the EEC Treaty. It was first used by the EEC Commission at the beginning of 1975 when it made a proposal to the Council of Ministers to raise 500 million u.a.

EEC—a single budget

The financial provisions of the EEC Treaty envisaged only one budget for all revenue and all administrative and operational expenditure. Only the Development Fund for granting financial aid to Member States' former overseas territories (581 250 million u.a. between 1958 and 1962) was placed outside the budget. This remained the case with the second and third Development Funds set up in 1964 and 1971 respectively for the now independent Associated African States and Madagascar (AASM).[1] The Development Fund for developing nations in Africa, the Caribbean and the Pacific, begun in 1975, also remained outside the scope of the budget, despite the Commission's initial endeavours.[2]

Varying scales (with the same votes on the Council of Ministers) were fixed in the EEC Treaty for the General Budget, the Social Fund being included in the budget as a special Title:

Member State	Administrative budget %	Social Fund %	Votes
Belgium	7.9	8.8	2
France	28.0	32.0	4
FR of Germany	28.0	32.0	4
Italy	28.0	20.0	4
Luxembourg	0.2	0.2	1
Netherlands	7.9	7.0	2

[1] Second Development Fund — 730 million u.a. and the third Development Fund — 905 million u.a.
[2] Fourth Development Fund = 3 150 million u.a.

Before the 'merger' of the three Communities in 1967, the EEC budget at first grew as a function of the expansion of the administrative machinery and the launching of the Social Fund. The launching of the common agricultural policy in 1964 led to what some claim was an explosion of expenditure although in reality it represented the start of the Community's true operating expenditure.

The Community's operating expenditure

(in million u.a.)

Year	Administrative budget	Social Fund	Agricultural Fund
1958-64	156.3	110.0	—
1965	34.5	19.6	102.6
1966	42.5	21.6	300.7
1967	46.7	19.8	537.4

Financing the common agricultural policy: the stages

Regulation No 25 of 4 April 1962 on the financing of the common agricultural policy (CAP) is the basis of the policy itself. It orginated during the first and, so far, the longest agricultural debate in Brussels, which lasted from mid-December 1961 to 14 January 1962 with minor interruptions (for the first time, the device of the 'stopped clock' was used enabling decisions taken after the specified date to be deemed to have been taken at the proper time). The debate ended with the approval of the regulations on the first agricultural market organizations.

The basis of the CAP was thus established. The levies system was conceived as a means of rendering the market organizations effective.

Two forms of levy were required at first:

(a) 'interval levies' were intended to level out the still varying national agricultural prices in trade between one Member State and another until the common agricultural prices took complete effect;

(b) 'non-member country levies' were established to raise prices of imports from non-member countries to a level approximating to Common Market prices. This principle was also accepted in the final regulation: the levies would have an 'educational' effect and ensure preferential treatment for purchases within the Common Market. (Import levies were later supplemented by a system of export levies imposed when prices in non-member countries are higher than Community prices and the export of agricultural products is undesirable for reasons of security of supplies).

Together with its approval of regulations on the gradual establishment of uniform price levels for agricultural products, the Council of Ministers established the principle of financial solidarity among the Member States. The Commission justified the transfer of own resources to the Community in its draft provisions for implementation on 6 April 1965: 'The place where customs duties and agricultural levies are raised in a customs and agricultural union is, to an ever-diminishing extent, coincident with the place where the goods are consumed. This revenue can scarcely be credited to the Member State raising the duties and levies as the goods are frequently only in transit. The integration of the markets from 1 July 1967 requires that from that time onwards duties and levies should accrue to the Community as own resources. The transition from financial contributions by Member States to the Community's own resources should however take place in stages'.

The Commission proposals, which were already relatively far-reaching as regards the budgetary powers of the European Parliament (calling for the 'democratic control of own resources'), precipitated the 'vacant seat crisis' of 30 June 1965.

After this crisis was resolved, the question of 'a definitive financial arrangement for the common agricultural policy' was first of all dropped. But the Treaty merging the institutions of the three Communities was ratified, and took effect on 1 July 1967.

The merger

The Councils of Ministers and executives of the three Communities became 'common institutions' when the three Communities were merged. The legal bases were partly standardized, as can be seen from Article 20 of the Merger Treaty, which incorporated the administrative expenditure of the three Communities in a common EEC budget in accordance with the relevant provisions of the Treaty.

Since the subsequent incorporation of the EAEC research and investment budget in the overall budget, there have been three main financial sectors:

(a) the EEC budget containing:
  (i) the administrative expenditure of the three Communities:
  (ii) the operational expenditure of the EEC (Social Fund, Agricultural Fund and, in future, the Regional Development Fund) and of the EAEC (research and investment budget);
(b) the ECSC'S operational expenditure;
(c) the Development Fund for the AASM and, in future, for the ACP countries.

Definitive financial arrangements

The need to fix the details of the definitive phase of Community finance became more urgent with the approach of the end of the transitional period, set for 31 December 1969 by the EEC Treaty and subsequent agricultural regulations.

After months of negotiations by the Council of Ministers in the second half of 1969, the breakthrough was achieved at the Hague summit conference of 1 and 2 December of that year.

By combining the tasks of 'completion, consolidation and enlargement' it opened the way for the start of entry negotiations. The start of these negotiations in mid-1970 was, however, made conditional on the establishment of a definitive financial arrangement. Point 5.2 of the final communiqué of the Hague Conference stated: 'They (the Heads of State and Government) agree to replace gradually, within the framework of this financial arrangement, the contributions of member countries by the Community's own resources, taking into account all the interests concerned, with the object of achieving in due course the integral financing of the Communities' budgets in accordance with the procedure provided for in Article 201 of the Treaty establishing the EEC and of strengthening the budgetary powers of the European Parliament'.

The definitive financial arrangement was negotiated and drawn up during intensive discussions lasting from December 1969 until April 1970. A special arrangement was drawn up for the year 1970 together with a ruling for adjustment purposes during the intermediate phase between 1971 and 1974 and rules governing the normal period from 1975 onwards.

The gradual transition to the system of own resources began on 1 January 1971 with the following arrangements:

1. The total revenue of Member States from levies and equivalent duties raised on sugar was to be transferred to the Community budget from 1 January 1971.
2. Revenue from customs duties was to be transferred to the EEC budget on an increasing scale:
   1971: 50%
   1972: 62.5%
   1973: 75%
   1974: 87.5%
   from 1975: 100%.
3. To balance the EEC budget, i.e., to cover that part of the Communities' requirements not covered by own resources, a new scale based on the previous scale plus Member States' share of overall GNP was fixed for the period between 1971 and 1974:
   Belgium: 6.8%
   France: 32.6%
   FR of Germany: 32.9%
   Italy: 20.2%
   Luxembourg: 0.2%
   Netherlands: 7.3%.
4. To avoid serious fluctuation in the share each Member State paid to the Community budget, a maximum variation from one year to the next was restricted to 1% upwards and 1.5% downwards, starting in 1970.

The Agricultural Fund grows

The development of the Agricultural Fund is illustrated by the following statistics on the financing of the common agricultural policy up to the time when these regulations entered into effect: (See table overleap)

The Commission referred to this rapid increase in expenditure in its 'Stocktaking of the common agricultural policy' (COM(75)100 of 26 February 1975): 'the main growth of the EAGGF took place between 1965 and 1970. Between 1965 and 1975 the initial appropriations included in the Community budget under the heading of common agricultural policy rose from 103 million to 4 305 million u.a. The rapid increase in expenditure during that period is largely due to the gradual transfer to the Community of the market support expenditure hitherto borne by the Member States'

The European Agricultural Guidance and Guarantee Fund (EAGGF)

(Expenditure in million u.a.)

Year	Guarantee Section [1]	Guidance Section [2]
1965	77	25.6
1966	225	75
1967	403	134
1968	1 683	153 + 208 [3]
1969	2 058	356 + 140
1970	4 087	524 + 69
1971	2 727	757
1972	2 882	839
1973 [4]	3 806	350
1974	3 513	325
1975	3 980	325

[1] Guarantee Section: responsible for financing export refunds and interventions to regulate internal markets (storage, etc.).
[2] Guidance Section: responsible for granting Community aid for the financing of projects to improve agricultural structures in the Member States.
[3] Additional expenditure to reduce the effects of grain price alignment in the those countries which previously had higher grain prices.
[4] Enlarged Community from 1973.

The transfer took place in two ways:

(1) the gradual establishment of the common market organizations (cereals in 1962, milk products in 1965, oils and fats in 1967) and the progressive use of the supplementary aid system for various products;
(2) the gradual assumption by the Guarantee Section of expenditure eligible for refund in the budgets between 1965 (for 1962/63 and 1963/64) and 1969 from one-sixth to 100% at 1 July 1967.

The so-called agri-monetary expenditure was introduced subsequently and, from 1973 (decreasing) compensatory amounts. Since 1975 the situation has been as follows (the Commission's agricultural report for 1977, January 1978, p. 484):

(million u.a.)

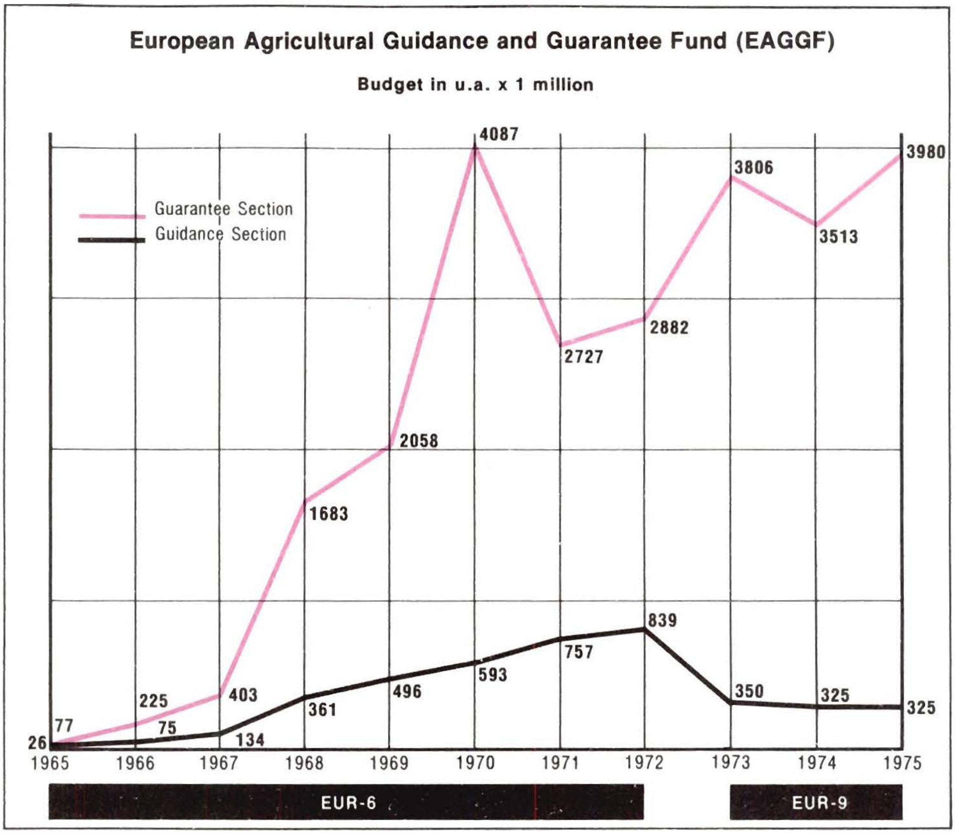
Year	Guarantee Section		Guidance Section
	Market organizations	Compensatory amounts	
1975	3 906	821	262
1976	4 705	805	325
1977	5 278	1 824	325
1978 [1]	6 675	1 699	512

[1] Estimated appropriations.

Taking the strain off national budgets

Two facts must be stressed at this point:

(a) Taking expenditure for the Member States and the Community as a whole, the funds provided by the Community Budget, especially those for agricultural policy, do not represent additional expenditure.



If individual countries' expenditure were not covered by the Community's Agricultural Fund it would have to be financed from the national budgets. Expenditure on a national basis would probably be much higher if each country had to pursue its own agricultural policy—inevitably to the detriment of its neighbours.

The following example is of recent date:

In Germany, Federal expenditure on food, agriculture and forestry accounted for DM 2 200 million in 1957 in the German Federal budget, compared with DM 5 300 million in 1968. In 1968 agricultural expenditure in the Community Budget shot up for the first time to 1 700 million u.a. from 400 million u.a. in the previous year. It has since risen to 7 300 million EUA in the 1977 Budget and 9 100 million EUA in 1978. Federal expenditure on food, agriculture and forestry stood at DM 2 600 million in the 1978 German Federal budget. Total remaining farm expenditure which still had to be financed by the German budget was thus only 18% higher in 1977 than in 1957, whereas total Federal expenditure amounted to DM 31 600 million in 1957 and DM 171 300 million in 1977, i.e. it had risen by 441% (see the 'Finanzbericht 1978' of the Federal Ministry of Finance, pp. 142 and 143). According to this report, some DM 3 200 million have been allocated for the financial year 1978 for social policy in the agricultural sector (not covered by Community policy) and DM 2 367 million for agricultural expenditure in the Food Ministry's departmental budget No 10. The report comments that German agriculture not only receives DM 3 966 million in Community funds from the EAGGF Guarantee Section but also some DM 50 million refunds for structural improvements from the Guidance Section.

The integrating effect on agricultural expenditure is immediately recognizable in qualitative terms, though it is not measurable quantitatively.

Where the economy as a whole is concerned, it is accompanied by the numerous direct and indirect advantages a larger market has for all sectors of the economy and, to an ever-increasing extent, for everyday life. It is not possible to draw up a quantified balance-sheet for each country with any claim to objectivity. The malleable nature of statistics makes it possible to substantiate any pet theory. But today hardly any aspect of life in the nine countries remains untouched by the effects of integration, and this fact must therefore be considered when making an assessment.

(b) There is a considerable discrepancy between the budgetary estimates for the market-linked EAGGF Guidance Section at any given time and the actual expenditure. Forecasts are bound to differ from actual results, even with the most modern electronic methods. This is understandable considering that the estimates, while taking into account all available data, cannot overcome the fact that agriculture, by its very essence, does not lend itself to reliable forecasts, just as it is impossible to predict the weather for a particular marketing year.

Agricultural funds do not go solely to farmers

In the General Introduction to the Preliminary Draft Budget for 1978 (Volume VII, pages 37 and 38), the Commission explained why the agricultural fund accounts for between two-thirds and three-quarters of budgetary appropriations:

1. This percentage, though always particularly high, has dropped this year; in 1973 when the monetary situation had little impact (responsible for less than 5% of the expenditure of market organizations compared with 25% at present), the overall percentage was about 78%; in subsequent years it has always been between 68 and 75%;
2. It is high due to the fact that the common policy of markets and prices is a Community one and that the financing, which is also at Community level, almost totally replaces various national financing measures;
3. Its reduction since 1973, which is even greater if one excludes that proportion which is of monetary origin, is the result of the extension of Community financing to non-agricultural measures and their consequentially increased share of the budget;
4. Moreover, Guarantee Section expenditure, although ascribed to the agricultural sector, is by no means of benefit solely to agricultural producers in the Community inasmuch as:
   (a) a large proportion derives rather from the Community's external policy; such are, to quote only the more obvious cases, the additional expenditure incurred in respect of ACP sugar (about 234 million EUA for 1978), and the additional expenditure to

restore balance in the market in butter pursuant to the protocol agreement on New Zealand butter (about 250 million EUA in 1978);

(b) an equally significant proportion benefits Community consumers, with the EAGGF paying the difference between the cost of production and the consumer price. Furthermore, the system of market organizations for the main products protects food prices from world market fluctuations; this factor keeps consumer prices steady to the great benefit of the economy as a whole. Moreover, the system is organized in such a way as to ensure a regular and secure supply to the population, and this cannot be achieved without additional cost;

(c) finally, in this crisis period, the whole economy can but benefit from the fact that, due to EAGGF appropriations, the purchasing power, employment situation and investment capacity of the agricultural sector is not excessively reduced.

Enlargement

Common agricultural policy and the way it is financed did not play such an important role in the 1971 and 1972 entry negotiations as in the negotiations in 1962 and January 1963. The main reason was the United Kingdom's decision, before negotiations began in 1971, to abandon the deficiency payments system so stubbornly defended in the 1962 negotiations and to adapt its agricultural policy to the Community system.

This obviated the need for tough negotiations like those conducted in 1962 on agricultural finance. All that was required was tideover and special provisions for a number of specific problems.

The three new Member States requested and were granted a transitional period before having to make full financial contributions.

Complicated formulae had to be worked out for this, using all kinds of mathematical equations. In view of the political repercussions which such measures were certain to have, compromises often had to be sought, even at European Council level. The nine Heads of Government agreed in Dublin in March 1975 on a corrective mechanism to be put into effect if a country's contributions were to undergo an unwarranted increase.

In December 1977, the European Council settled the last disputes arising from the application and interpretation of Article 131 of the Act of Accession in the 1978 and 1979 budgets.

'Transitional periods' and 'dynamic brakes'

Between 1971 and 1977, the Member States' financial participation in the own resources system was gradually increased by means of the 'relative share' formula. Their annual contribution could only differ from that of the previous financial year within the limits of a +1% to −1.5% between 1971 and 1974, and by approximately 2% either way between 1975 and 1977. These 'dynamic brakes' were removed in the 1978 financial year. The Heads of Government agreed in December 1977 that—instead of applying Article 131—financial compensations would, if required, be made in 1978 and 1979 outside the budget framework.

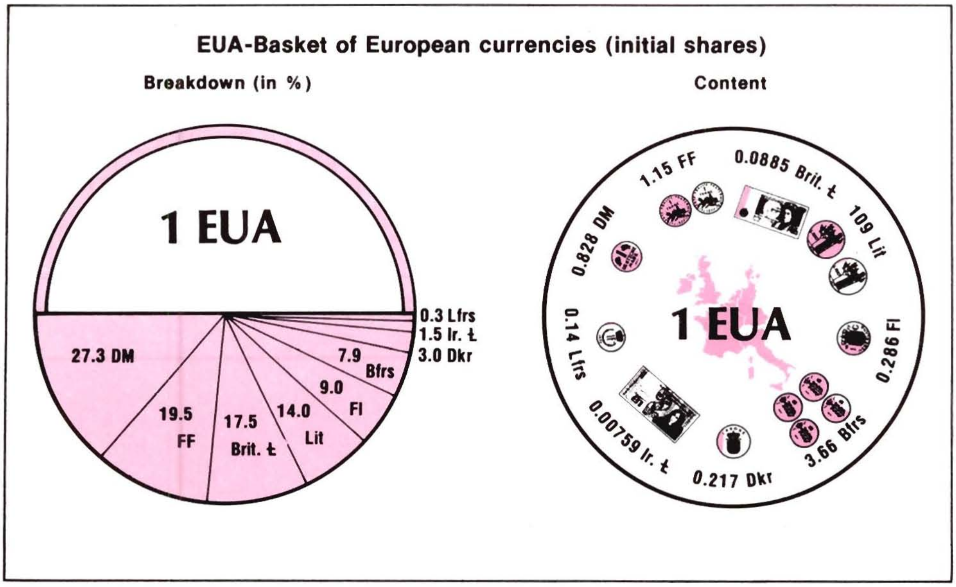
This decision was also appropriate in the light of the transition from GDP-based financial contributions to VAT-based contributions calculated according to objective criteria, i.e. a Community budget financed solely by own resources, and in view of the changeover from the old unit of account (u.a.)—which was tied to gold and the dollar—to the new European unit of account (EUA). It was not until the differences in interpretation of Article 131 of the Act of Accession had been settled that the Heads of Government decided on this line of approach.

The new European unit of account (EUA)

The introduction of the EUA in the 1978 Budget has greatly helped to improve the transparency of the Community's financial system. The European Investment Bank, the ECSC and the Statistical Office were already using the EUA, which had been created in 1975 for the purposes of the fourth Development Fund for the ACP countries. The real breakthrough came when the EUA was extended to the Budget. This also led the monetary authorities to apply the EUA to the medium-term financial aid mechanism.

The EUA is based on a basket of Community currencies. The individual currencies are weighted according to the Member States' shares of the Community's cross national product, of intra-European trade and of the currency aid mechanism.

The basket is made up as follows:



Changes in Community expenditure by sector during the budgetary procedure

	Preliminary draft				Council draft - first reading				Change			
	Appropriations for commitment	%	Appropriations for payment	%	Appropriations for commitment	%	Appropriations for payment	%	Amount 3 - 1	% 3/1	Amount 4 - 2	% 4/2
	1		2		3		4		5		6	
COMMISSION												
Intervention appropriations												
Agriculture	8882822600	67.54	8822822600	71.08	9204112600	74.91	9154112600	76.55	+ 321290000	+ 3.62	+ 331290000	+ 3.75
Social sector	593020500	4.51	559474500	4.51	580938000	4.73	416202000	3.48	− 12082500	− 2.04	− 143272500	− 25.61
Regional sector	750000000	5.70	525000000	4.23	398000000	3.24	390000000	3.26	− 352000000	− 46.93	− 135000000	− 25.71
Research, energy, industry and transport	521912608	3.97	400291017	3.22	224873395	1.83	259467003	2.17	− 297039213	− 56.91	− 140824014	− 35.18
Development cooperation	930349700	7.07	633045700	5.10	434142000	3.53	303342000	2.54	− 496207700	− 53.34	− 329703700	− 52.08
Miscellaneous	token entry	—	token entry	—	token entry	—	token payment	—	—	—	—	—
	11678105408	88.80	10940633817	88.13	10842065995	88.24	10523123603	88.00	− 836039413	− 7.16	− 417510214	− 3.82
Administrative appropriations												
Staff	401731300	3.05	401731300	3.24	384876800	3.13	384876800	3.22	− 16854500	− 4.20	− 16854500	− 4.20
Administrative expenditure	108413200	0.82	108413200	0.87	105580200	0.86	105580200	0.88	− 2833000	− 2.61	− 2833000	− 2.61
Information	13392000	0.10	13392000	0.11	9018000	0.07	9018000	0.08	− 4374000	− 32.66	− 4374000	− 32.66
Aids and subsidies	44811700	0.34	44811700	0.36	41558100	0.34	41558100	0.35	− 3253600	− 7.26	− 3253600	− 7.26
	568348200	4.32	568348200	4.58	541033100	4.40	541033100	4.52	− 27315100	− 4.81	− 27315100	− 4.81
Contingency reserve	5000000	0.04	5000000	0.04	5000000	0.04	5000000	0.04	—	—	—	—
Repayment to Member States of 10 % of amounts paid as own resources	689600000	5.24	689600000	5.56	689600000	5.61	689600000	5.77	—	—	—	—
COMMISSION TOTAL	12941053608	98.40	12203582017	98.31	12077699095	98.29	11758756703	98.33	− 863354513	− 6.67	− 444825314	− 3.65
OTHER INSTITUTIONS[2]	210095092	1.60	210095092	1.69	209741802	1.71	209741802	1.67	− 353290	− 0.18	− 353290	− 0.18
GRAND TOTAL	13151148700	100.00	12413677109	100.00	12287440897	100.00	11968498505	100.00	− 863707803	− 6.65	− 445178604	− 3.59

[1] Including the 10796000 EUA needed to reinstate the 1976 budget appropriations for financial cooperation with non-associated countries (Article 930) which lapsed on 31 December 1977.
[2] Administrative appropriations only.

Parliament's draft -first reading				Change				Council draft - second reading			
Appropriations for commitment	%	Appropriations for payment	%	Amount 7-3	% 7/3	Amount 8-4	% 8/4	Appropriations for commitment	%	Appropriations for payment	%
7		8		9		10		11		12	
8 923 493 700	68.88	8 858 493 700	71.69	− 280 618 900	− 3.05	− 295 618 900	− 3.23	9 181 662 600	72.75	9 131 662 600	74.46
592 653 000	4.57	559 107 000	4.52	+ 11 715 000	+ 2.02	+ 142 905 000	+ 34.34	587 653 000	4.66	554 107 000	4.52
750 000 000	5.79	525 000 000	4.25	+ 352 000 000	+ 88.44	+ 135 000 000	+ 34.62	580 000 000	4.60	460 000 000	3.75
390 979 795	3.02	327 950 303	2.65	− 166 106 400	+ 73.87	+ 68 483 300	+ 26.39	259 363 395	2.06	275 422 703	2.25
824 340 000	6.36	612 782 000	4.96	+ 390 198 000	+ 89.88	+ 309 440 000	+ 73.09	531 946 000	4.30	372 942 000	3.04
token entry	—	token entry	—	—	—	—	—	token entry	—	token entry	—
11 481 466 495	88.63	10 883 333 003	88.08	+ 639 400 500	+ 5.90	+ 360 209 400	+ 3.42	11 151 400 995	88.36	10 794 134 303	88.02
388 131 000	3.00	388 131 000	3.14	+ 3 254 200	+ 0.85	+ 3 254 200	+ 0.85	385 655 800	3.06	385 655 800	3.14
105 740 200	0.82	105 740 200	0.86	+ 160 000	+ 0.15	+ 160 000	+ 0.15	105 740 200	0.84	105 740 200	0.86
13 018 000	0.10	13 018 000	0.11	+ 4 000 000	+ 44.36	+ 4 000 000	+ 44.36	13 018 000	0.10	13 018 000	0.11
46 368 100	0.36	46 368 100	0.38	+ 4 810 000	+ 11.57	+ 4 810 000	+ 11.57	45 308 100	0.36	45 308 100	0.37
553 257 300	4.27	553 257 300	4.48	+ 12 224 200	+ 2.26	+ 12 224 200	+ 2.26	549 722 100	4.36	549 722 100	4.48
5 000 000	0.04	5 000 000	0.04	—	—	—	—	5 000 000	0.04	5 000 000	0.04
689 600 000	5.32	689 600 000	5.58	—	—	—	—	689 600 000	5.46	689 600 000	5.62
12 729 323 795	98.26	12 131 190 303	98.18	+ 651 624 700	+ 5.40	+ 372 433 600	+ 3.17	12 395 743 095	98.22	12 038 456 403	98.17
225 074 597	1.74	225 074 597	1.82	+ 15 332 795	+ 7.68	+ 15 332 795	+ 7.68	224 598 621	1.78	224 598 621	1.83
12 954 398 392	100.00	12 356 264 900	100.00	+ 666 957 495	+ 5.43	+ 387 766 395	+ 3.24	12 620 314 716	100.00	12 263 055 024	100.00

(EUA)

Change				Budget adopted by Parliament on 15 December				Change			
Amount 11 - 7	% 11/7	Amount 12 - 8	% 12/8	Appropriations for commitment	%	Appropriations for payment	%	Amount 15 - 11	% 15/11	Amount 16 - 12	% 16/12
13		14		15		16		17		18	
+ 258 168 900	+ 2.89	+ 273 168 900	+ 3.08	9 181 743 700	72.28	9 131 743 700	73.87	+ 81 100	—	+ 81 100	—
− 5 000 000	− 0.84	− 5 000 000	− 0.89	592 653 000	4.67	559 107 000	4.52	+ 5 000 000	+ 0.85	+ 5 000 000	+ 0.90
− 170 000 000	− 22.67	− 65 000 000	− 12.38	581 000 000	4.57	525 000 000	4.25	+ 1 000 000	+ 0.17	+ 65 000 000	+ 14.13
− 131 616 400	− 33.66	− 52 527 600	− 16.02	317 188 795	2.50	294 255 303	2.38	+ 57 825 400	+ 22.30	+ 18 832 600	+ 6.84
− 281 598 000	− 34.16	− 239 840 000	− 39.14	558 742 000[1]	4,40	380 942 000[1]	3,08	+ 16 000 000	+ 3.01	+ 8 000 000	+ 2.15
—	—	—	—	token entry	—	token entry	—	—	—	—	—
− 330 045 500	− 2.87	− 89 198 700	− 0.82	11 231 327 495	88.42	10 891 048 003	88.10	+ 79 906 500	+ 0.72	+ 96 913 700	+ 0.90
− 2 475 200	− 0.64	− 2 475 200	− 0.64	387 433 000	3.05	387 433 000	3.13	+ 1 777 200	+ 0.46	+ 1 777 200	+ 0.46
—	—	—	—	105 740 200	0.83	105 740 200	0.86	—	—	—	—
—	—	—	—	13 018 000	0.10	13 018 000	0.11	—	—	—	—
− 1 060 000	− 2.29	− 1 060 000	− 2.29	45 308 100	0.36	45 308 100	0.37	—	—	—	—
− 3 535 200	− 0.64	− 3 535 200	− 0.64	551 499 300	4.34	551 499 300	4.46	+ 1 777 200	+ 0.32	+ 1 777 200	+ 0.32
—	—	—	—	5 000 000	0.04	5 000 000	0.04	—	—	—	—
—	—	—	—	689 600 000	5.43	689 600 000	5.58	—	—	—	—
− 333 580 700	− 2.62	− 92 733 900	− 0.76	12 477 426 795	98.23	12 137 147 303	98.18	+ 81 683 700	+ 0.66	+ 98 690 900	+ 0.82
− 475 976	− 0.21	− 475 976	− 0.21	224 857 289	1.77	224 857 289	1.82	+ 258 668	+ 0.12	+ 258 668	+ 0.12
− 334 056 676	− 2.58	− 93 209 876	− 0.75	12 702 284 084	100.00	12 362 004 592	100.00	+ 81 942 368	+ 0.65	+ 98 949 568	+ 0.81

Comparison between the budgets adopted by the European Parliament for 1977 and 1978

	1977 in u.a.		1977 in EUC				1978 in EUC				Percentage change	
	Appropriations for commitment	Appropriations for payment	Commitment	%	Payment	%	Commitment	%	Payment	%	Commitment	Payment
			1	2	3	4	5	6	7	8	9 = 5 − 1	10 = 7 − 3
COMMISSION												
Intervention appropriations												
Agriculture	7 463 103 500	7 295 903 500	7 455 703 600	72.61	7 288 503 600	75.92	9 181 743 700	72.28	9 131 743 700	73.87	+ 23.15	+ 25.29
Social sector	636 587 000	189 597 000	524 142 500	5.10	158 352 500	1.65	592 653 000	4.67	559 107 000	4.52	+ 13.07	+ 253.08
Regional sector	500 000 000	400 000 000	398 300 000	3.88	318 600 000	3.32	581 000 000	4.57	525 000 000	4.25	+ 45.87	+ 64.78
Research, energy, industry and transport	289 427 840	234 136 503	276 117 900	2.69	220 778 700	2.30	317 188 795	2.50	294 255 303	2.38	+ 14.87	+ 33.28
Development cooperation	269 880 100	269 880 100	308 026 000	3.00	308 026 000	3.21	558 742 000[1]	4.40	380 942 000[1]	3.08	+ 81.39	+ 23.67
Miscellaneous	token entry	token entry	token entry	—	token entry	—	token entry	—	token entry	—	—	—
	9 158 998 440	8 389 517 103	8 962 290 000	87.28	8 294 260 800	86.40	11 231 327 495	88.42	10 891 048 003	88.10	+ 25.32	+ 31.31
Administrative appropriations												
Staff	284 107 500	284 107 500	343 939 900	3.35	343 939 900	3.58	387 433 000	3.05	387 433 000	3.13	+ 12.65	+ 12.65
Administrative expenditure	83 181 240	83 181 240	98 010 400	0.96	98 010 400	1.02	105 740 200	0.83	105 740 200	0.86	+ 7.89	+ 7.89
Information	8 090 000	8 090 000	8 130 000	0.08	8 130 000	0.08	13 018 000	0.10	13 018 000	0.11	+ 60.12	+ 60.12
Aids and subsidies	31 976 100	31 976 100	35 729 700	0.35	35 729 700	0.37	45 308 100	0.36	45 308 100	0.37	+ 26.81	+ 26.81
	407 354 840	407 354 840	485 810 000	4.73	485 810 000	5.06	551 499 300	4.34	551 499 300	4.46	+ 13.52	+ 13.52
Contingency reserve	3 985 000	3 985 000	3 985 000	0.04	3 985 000	0.04	5 000 000	0.04	500 000	0.04	+ 25.47	+ 25.47
Repayment to Member States	629 514 300	629 514 300	629 514 300	6.13	629 514 300	6.56	689 600 000	5.43	689 600 000	5.58	+ 9.54	+ 9.54
COMMISSION TOTAL[2]	10 199 852 580	9 430 371 243	10 081 599 300	98.19	9 413 570 100	98.06	12 477 426 795	98.23	12 137 147 303	98.18	+ 23.76	+ 28.93
OTHER INSTITUTIONS	153 886 416	153 886 416	186 295 000	1.81	186 295 000	1.94	224 857 289	1.77	224 857 289	1.82	+ 20.70	+ 20.70
GRAND TOTAL	10 353 738 996	9 584 257 659	10 267 894 300	100.00	9 599 865 100	100.00	12 702 284 084	100.00	12 362 004 592	100.00	+ 23.71	+ 28.77

[1] Including the 10 796 000 EUA needed to reinstate the 1976 budget appropriations for financial cooperation with non-associated countries (Article 930) which lapsed on 31 December 1977.
[2] Administrative appropriations only.

229

Conversion rates

	Former budget unit of account (until 1977)	European unit of account (1.2.1977)	European unit of account (1.2.1978)
DM	3.66	2.68845	2.59338
FF	5.55419	5.55215	5.82906
£	0.416667	0.651186	0.629926
Lit	625	985.667	1064.46
Fl	3.62	2.81381	2.77819
Bfrs/Lfrs	50	41.3015	40.1924
Dkr	7.50	6.69738	7.01307
US-$	1.20635	1.11739	1.22800

The value of the EUA is worked out by the Commission each day for the individual currencies on the basis of the market exchange rates at the close of trading. The equivalent of the EUA in each Member State's currency is calculated on the basis of the official rates of these currencies on the market of the country in question. The EUA rates are available each day from the Commission at 16.30 hours by telex (Brussels 237 89, selector code cccc), and published in the Official Journal of the European Communities (Series C) of the following day.

The EUA reflects the relationships between the exchange rates of the Member States' currencies (and of the currencies of the other OECD countries whose rates are also published daily in the Commission's quotation list) at any give time. This method is similar to that used to calculate the rate and weighting of the International Monetary Fund's Special Drawing Rights (SDR). The SDR currency basket consists of sixteen currencies of countries which have more than a 1% share of world trade: the dollar is given an excess weight of 33%. The Community currencies accounted for a total of 44.5% between 1 July 1974 and 30 June 1978. Denmark and South Africa were removed from the standard basket and Saudi Arabia and Iran included in the review carried out on the basis of foreign trading results for the period from 1972 to 1976. The shares of some countries were also altered: those of Italy and the United Kingdom fell, while those of Belgium and the Netherlands rose; this brought the Community's total proportional share in the IMF standard basket at 1 July 1978 to 41.5% (that of the USA remaining at 33%). Since from the very outset this weighting did not appear suitable for the Community's purposes, a specific Community weighting was worked out, with a basket containing Community currencies only. There is, however, a link between the EUA and SDR, as the initial value of the EUA (at 28 June 1974) is 'equivalent to the value fixed by the International Monetary Fund on 28 June 1974 for the special drawing right' (Council Decision of 21 April 1975).

When the Community Budget is drawn up each year, the rates at 1 February of the previous financial year are used, this being the date when the preparatory work on the budget begins. Thus, the exchange rates on 1 February 1977 were used for the 1978 Budget and those on 1 February 1978 for the 1979 Budget, as the table overleap shows.

C. A practical example: the general budget for 1978

Under pressure from the European Parliament, the budgetary procedure has been constantly revised in recent years. But in the present 'pre-federalist' stage the procedure still falls far short of normal and accepted practice in a parliamentary democracy. However, the consultation procedure between Parliament and the Council of Ministers, as followed at present, is gradually evolving into a federal 'two-chamber system'. This is clearly essential in view of the following considerations:

A gap in the democratic process at the new budget level

It was pointed out earlier that funds of the order of 1.5% of the Community's gross national product are now administered, committed and spent by the Community rather than by national budgetary authorities: this also implies that management of these funds has been and will continue to be withdrawn from national parliaments, with their powers of initiation and control, and transferred to a new level where no equivalent parliamentary control exists. Decisions relating to four-fifths of the budgetary expenditure ('compulsory expenditure'—see p. 23) are taken by the Council, acting in the capacity of 'legislator'. Only in respect of the remaining one-fifth ('non-compulsory expenditure') does the European Parliament have the power to make changes, and even then only to a fairly limited extent.

The complex consultation procedure

The struggle for budgetary powers has not made it any easier for outsiders to understand the procedure for the passage of the budget laid down in the Treaties (in particular Article 203 of the EEC Treaty) and in the supplementary agreements. We shall therefore give a greatly simplified description of the various stages:

1. Before 1 July, each institution draws up an *estimate* of its expenditure in the next financial year (1 January to 31 December). The Commission consolidates these estimates in a 'preliminary draft budget'.
2. By 1 September at the latest, the Commission places the *preliminary* draft budget, containing the collective estimates of revenue and expenditure, before the Council.
3. The Council consults the other institutions concerned whenever it intends to modify the preliminary draft budget. It then establishes the *draft budget,* acting by a qualified majority, and forwards it to Parliament not later than 5 October. (First reading by the Council).
4. Parliament has the right to amend the draft budget, acting by a majority of its members, and to propose to the Council, acting by an absolute majority of the votes cast, modifications to the draft budget relating to expenditure necessarily resulting from the Treaty or from acts adopted in accordance therewith (Article 203(4) EEC).
5. If, within 45 days of the draft budget being placed before it (first reading by Parliament), Parliament has given its approval, the budget stands as finally adopted, i.e. voted. If, on the other hand, Parliament proposes modifications, the draft budget—together with the proposed modifications—is returned to the Council, since the Council has the last word on compulsory expenditure.
6. If, within 15 days (second reading by the Council), the Council accepts the amendments and modifications proposed by Parliament, the budget is deemed to be finally adopted. If the Council modifies Parliament's amendments or proposed modifications, the draft budget is again forwarded to Parliament together with a report of the results of the Council's deliberations.
7. Within 15 days (second reading by Parliament) Parliament acts—by a majority of its members and three-fifths of the votes cast—on the modifications to its amendments made by the Council, and adopts the budget. At this stage the 'conciliation procedure' between Council and Parliament, introduced in the Treaty of 22 July 1975 (which entered into force on 1 June 1977), comes into play.
8. When this procedure has been completed, the President of Parliament declares that the budget has been finally adopted. He therefore has 'the last word' at this stage (as the President of the Council of Ministers had earlier). This power has been increased since 1977, in accordance with the Treaty of 22 July 1975: Parliament may now reject the draft budget *in toto* and ask for a new draft to be submitted.

Stages of the draft budgets

A rough idea of the changes made to estimates of expenditure at each stage of this procedure may be obtained from the tables relating to the 1978 Draft Budget, drawn up on completion of the budgetary procedure in 1977.

Parliament's influence during this procedure is restricted, firstly by the fact that it may only make changes to expenditure 'other than that necessarily resulting from the Treaty or from acts adopted in accordance therewith' (non-compulsory expenditure) and secondly, by the fact that a maximum rate of increase for such expenditure is fixed annually for expenditure of the same type to be incurred during the current financial year.

Expenditure

'Maximum rate of increase' in expenditure

The maximum rate for each financial year is determined before 1 May of the preceding year on the basis of

(a) the trend of the gross domestic product (in volume terms) within the Community;
(b) the average variation in the budgets of the Member States; and
(c) the trend of the cost of living during the preceding financial year.

The maximum rates fixed in recent years have been as follows:

Community Budget for	1975:	14.6%
	1976:	15.3%
	1977:	17.3%
	1978:	13.6%

It is important to bear in mind these maximum rates of increase in the size of the budget (applicable to one-fifth of the total and determined by objective criteria) when considering increases in Community expenditure. The figure of 13.6% for 1978 clearly looks very different from a German viewpoint (1977 budget + 10%, prices + 3.4%) or from an Italian viewpoint (budget +43%, prices +18.5%). With such glaring disparities between trends in costs and prices, a Community cannot do otherwise than work on average values.

'Compulsory' and 'non-compulsory' expenditure

In distinguishing between compulsory expenditure and non-compulsory expenditure it is important to realize that almost all agricultural expenditure comes under the former. From the figures quoted in the draft of the General Budget for 1978 (OJ L 36 of 6.2.1978) it is not possible to judge in detail what is compulsory and what is non-compulsory expenditure. The information given concerning the Commission's first draft would indicate that out of a total budget of 12 500 million EUA 9 800 million EUA is compulsory expenditure and 2 700 million EUA is non-compulsory expenditure; a ratio of 78.7 to 21.3.

A distinction is made in the tables between 'appropriations for commitment' and 'appropriations for payment'. This distinction has been made for some years in the case of certain budget entries, in order to obtain a clearer picture of what, in accordance with accounting principles, must be made available for immediate payment and what must be kept available for liabilities extending beyond the financial year.

Commitment appropriations are intended to cover legal liabilities arising in the course of the financial year in connection with projects extending over several years. They represent the maximum expenditure which may be allowed for payment liabilities.

Payment appropriations represent the maximum expenditure which may be authorized or carried out in any one financial year to cover liabilities which have arisen either during that financial year or in previous years.

The budgets of the institutions

The following is a breakdown of the expenditure of the various institutions in the 1978 Budget:

(1 000 EUA)

Institution	1977	1978
Commission	9 430 371	12 137 147
Parliament	85 522	100 424
Council	60 190	81 366
Court of Justice	12 704	17 332
Economic and Social Committee	11 499	15 751
Court of Auditors [1]	500	9 982

[1] The Court of Auditors was only set up at the end of 1977 (see below).

This picture, familiar in Brussels, may at first sight be bewildering to the outsider. But it reflects the fact that all expenditure which cannot be attributed to another institution is charged to the Commission's section—in its capacity as executive in the budget. The Commission's own institutional expenditure accounts for only 4.3% (1977) and 4.5% (1978) respectively of the budgetary appropriations, i.e. 283/385 million EUA on staff expenditure and 122/159 million EUA on administrative expenditure. This is less than the amount paid over by the Commission from its budget to the Member States as reimbursement for the costs of collecting own resources (629 million EUA in 1977 and 690 million EUA in 1978).

Selective but unevenly-distributed expenditure

The Commission's expenditure in 1977 and 1978 can be broken down as follows by type of sector and policy:

Sector and policy	1977		1978	
	million EUA	%	million EUA	%
1. Agricultural market policy	5 278	55.9	6 960	57.3
2. Agricultural/monetary compensatory amounts	970	10.3	993	8.2
3. Agricultural exchange rates [1]	603	6.4	713	5.9
4. 10% refund[2]	629	6.7	690	5.7
5. Social Fund	172	1.8	538	4.4
6. Regional Fund	400	4.2	525	4.3
7. Agriculture/structural policy	158	1.7	423	3.5
8. Staff expenditure	283	3.0	385	3.2
9. Food aid	178	1.9	224	1.8
10. Research	178	1.9	194	1.6
11. Commission administrative expenditure	122	1.3	159	1.3
12. Mediterranean countries	16	0.2	97	0.8
13. Non-associated countries	61	0.6	59	0.5
14. Energy research	37	0.4	41	0.3
15. Miscellaneous	345	3.7	146	1.2
Section III — Commission	9 430	100.0	12 137	100.0

[1] Expenditure arising from the application of different exchange rates under agricultural market policy, i.e. the EUA for budgetary purposes and various 'green' conversion rates for prices.
[2] Lump-sum repayment (10%) of the costs incurred by the Member States in collecting own resources.

As can be seen from this breakdown, agricultural expenditure, in the widest sense of the word, has only risen slightly from 74.3% to 74.9% (market expenditure by 1.4 percentage points and structural expenditure by 1.8 percentage points). The reduction of 2.6 percentage points in agri-monetary costs from 16.7% to 14.1% is deceptive because these costs arise from exchange rate movements throughout the year, the price decisions taken by the Council for the new marketing year and the trends of agricultural prices on the world market. It is, however, noteworthy that the appropriations for social, regional and structural policies have increased substantially from 7.7% to 12.2%. All the institutions involved in the preparation of the Budget have stressed the value they place on the Community's efforts to achieve a transfer of resources to these sectors.

In the policy introduction to the Preliminary Draft 1978 Budget the Commission stated:

> 'To the Commission, the Community Budget is the necessary financial expression of the political will to strengthen and develop the Community. An increase in the Budget must not be sought for its own sake and Community operations should not represent a real additional burden for the European taxpayer, since they are intended, to a large extent, to replace national measures where the Community is in a position to act more effectively.
>
> An increase in the Budget must be accepted if it is the reflection of Community measures which meet this criterion and which are vital to the preservation and development of a strong Community.
>
> Nevertheless, the Commission is fully aware of the mood of austerity currently affecting public expenditure in all the Member States. Even though the Community Budget is much smaller in terms of volume than that of the Member States—approximately 2.3% of all the national budgets—it must be seen in this context.'

It is for this reason, continues the Commission, that it has endeavoured to put moderate proposals compatible with the objectives of the Community Budget, whilst accepting the inevitable burden of agricultural expenditure.

The language factor

A number of special factors must be taken into account in any comparison of Community Budget expenditure and that of national budgets. The relatively high staffing levels of the Community's Institutions are often criticized. The enormous burden which the Community's multilingual system involves is too easily forgotten. All important meetings require interpretation into several languages; all important documents have to be translated into all the six official languages and often into and out of other languages as the Community increases its relations with other countries. Greek, Spanish and Portuguese have already become more important, at least from an internal viewpoint, with the advent of negotiations for the accession of these countries. In the 1978 Budget 1 900 posts (out of a total of 11 718) came under the heading of the language service alone:

Institution	Total posts	Language service	%
Commission	8 050	1 187	14.7
Parliament	1 563	294	18.9
Council	1 511	300	19.8
Economic and Social Committee	314	62	19.7
Court of Justice	280	57	20.4

This number, however, still falls far short of the language service's total requirements. In the report drawn up by Parliament's Committee on Budgets on Parliament's budget for 1978 the rapporteur pointed out that ove 60% of Parliament's staff were employed in the language service, which consists of interpreters, translators and revisors. The same report also gives a breakdown of the number of pages translated in Parliament in 1976:

into Danish	25 945
into German	23 595
into Italian	23 573
into English	23 032
into Dutch	22 836
into French	18 887
translated outside	25 489

Any attempt to reduce the costs of the language service by having only a small number of working languages is doomed to fail. Everybody in the Community must be able to feel that he is part of the Community. This is important, if only because the courts in the Member States are now dealing with cases arising from Community law. Even if we consider nothing more than the principle of legal certainty and equality before the law which derives from civil rights, this alone necessitates all the legal acts of the Community affecting the citizen and/or the economic affairs of the Community being adopted and published with equal validity in all the official languages.

Revenue

A ceiling on expenditure

One of the fundamental changes arising from the transition to complete financing of the EEC from 'own resources' is that the Community is gradually bringing expenditure into line with revenue. This was not the case as long as the Member States were under a virtually unlimited obligation to provide funds to fill the financial gaps remaining beyond the proceeds from customs duties and levies which they 'handed over' to the Community. Only since 1970 has this obligation been restricted by complicated rules whereby financial contributions could change only within relatively narrow margins. In theory since 1978 and in practice since 1979 expenditure passing through the Community Budget can be drawn solely from the available proceeds from customs duties, levies and VAT, the latter being confined to 1% of a uniform basis of assessment. This facility is not fully exploited, at the moment, the 1978 rate being 0.6429%.

The VAT rate contained in the Preliminary Draft Budget for 1979, as submitted to the Commission in June 1978, is 0.75%. The Commission points out in this connection that according to the triennial (1979-81) financial forecasts the upper limit of 1% could be reached in 1981. The Commission is therefore looking for ways of raising the 1% VAT assessment rate or finding new sources of revenue for the Community Budget. It will put its suggestions to the Council and Parliament when this work has been completed.

The Commission commented in its three-year financial forecast for 1978, 1979 and 1980 (Annex to Volume 7 of the 1978 Preliminary Draft Budget) that 'since the maximum VAT assessment basis was set at 1% there would be a surplus of about 3 400 million EUA above expenditure for 1979 and 4 000 million EUA left over for 1980'. These figures give a rough idea of how expenditure can be increased further and how, therefore, Community policies can be extended.

A document drawn up by the German Ministry of Financial Affairs in April 1978 states that 'the financial autonomy granted to the Community by the ratified Council Decision of 1970 means that the Community must match its budgetary requirements to its own resources'. The consequent volume of revenue would not be static; rather would this arrangement enable the Community to extend its financial activities each year in step with economic growth.

Value added tax as a source of Community funds

Only the VAT component of own resources in 'dynamic'. It alone is a true function of growth since, regardless of the (varying) VAT rates in the Member States, VAT revenues rise along with the nominal increase in turnover.

This does not, however, apply to customs duties and levies.

Revenue from customs duties is relatively stable

In recent years customs duties have increased very regularly by an average of 10%. Nevertheless, the abolition of customs duties between the six original Member States and the three new Member States acceding in 1973—who were granted the benefit of transitional periods—and between the Nine and the EFTA countries could have a very clear impact, i.e. could slow down the increase in revenue from customs duties. To this must be added the tariff reductions under arrangements with other countries. The Commission estimates that the resultant drop in revenue from customs duties could nevertheless be compensated by the real and nominal growth in imports. The effects of further tariff reductions under the GATT 'Tokyo Round', cannot be assessed until the multinational negotiations have been concluded. Provision has, however, been made for a tariff-cutting plan extending over eight years.

Structure of EEC revenue in 1978

(in %)

Customs duties	39.53
Agricultural levies	13.79
Sugar levies	3.08
	56.40
Financial contributions	43.60
12 226 300 000 000 EUA =	100.00

Agricultural and sugar levies

Revenue from agricultural levies is considerably less predictable. The amount depends on the common threshold prices, the level of imports from non-member countries, world market prices and currency fluctuations against the representative ('green') rates applied to agriculture. Roughly 70% of levies are derived from grain, 45% of which consists of maize. Owing to a number of uncertain factors the prediction of revenue from levies can only be incomplete; theoretical and actual values differ by up to 20%. Unlike customs duties, agricultural levies cannot be regarded as a relatively stable form of own resources for the Community. Between 1968 and 1974, for instance, they fluctuated between 810 million u.a. and 211 million u.a. and rose again to 1 066 million u.a. in 1976.

Sugar levies—a further source of revenue for the Community—greatly depend on the decisions reached by the Council of Agricultural Ministers. The levy paid by the undertakings is used to finance the refunds associated with the sale of sugar on the world market (production levy) and to finance the storage costs aimed at maintaining a regular flow of sugar to the market (storage cost levy). Roughly 63% of all levies are assigned to Germany and France.

Miscellaneous revenue

To the sum of revenue shown in the table (12 226 304 765 EUA)—which constitutes 98.9% of total revenue—are added the tax yield from salaries, wages and other deductions from staff remunerations (72.1 million EUA) and staff contributions to the pension scheme (24.3 million EUA) plus various lesser receipts bringing total revenue for the 1978 Budget to 12 362 004 592 EUA.

Member States' shares of budget financing

(in EUA)

Member State	Agricultural levies: Sugar and isoglucose levies	Agricultural levies: Other levies	Common Customs Tariff duties	Total	Contributions	Total
	1	2	3	4 = 1 + 2 + 3	5	6 = 4 + 5
Belgium	20 500 000	270 000 000	323 000 000	613 500 000	239 666 493	853 166 493
Denmark	19 900 000	36 000 000	170 000 000	225 900 000	137 889 654	363 789 654
FR of Germany	123 600 000	307 000 000	1 467 000 000	1 897 600 000	1 713 016 033	3 610 616 033
France	106 500 000	84 000 000	740 000 000	930 500 000	1 273 212 587	2 203 712 587
Ireland	4 500 000	12 000 000	47 000 000	63 500 000	32 290 986	95 790 986
Italy	44 100 000	352 000 000	485 000 000	881 100 000	703 600 229	1 584 700 229
Luxembourg	—	100 000	4 000 000	4 100 000	9 535 915	13 635 915
Netherlands	32 600 000	428 000 000	490 000 000	950 600 000	319 951 544	1 270 551 544
United Kingdom	25 200 000	197 000 000	1 107 000 000	1 329 200 000	901 141 324	2 230 341 324
Total	376 900 000	1 686 100 000	4 833 000 000	6 896 000 000	5 330 304 765	12 226 304 765

The ECSC—a special case

To date only the customs duties charged on the import of ECSC products from non-member countries have been left out of account since the ECSC operational budget is still conducted separately and the ECSC Treaty does not provide for transfer. Only levies imposed on ECSC companies are received (see 'The First European Tax' on p. 8). Since the proceeds of about 80 million EUA from the current rate of 0.29% of turnover are inadequate, the Member States make special contributions. The Commission has repeatedly proposed—most recently on 27 April 1978—that ECSC duties should henceforth be transferred to the Community.

Since, in any case, they account for 50 to 60 million EUA they approximately equal the special contributions which would otherwise have to be made.

D. Further advances

Court of Auditors finally set up

The Treaty between the Governments of the Member States on the amendment of certain financial provisions, concluded on 22 July 1975 and entering into force on 1 June 1977, not only extended Parliament's budgetary powers but also set up the EEC Court of Auditors. The Parliament had long been working towards this. The constituent session of the Court of Auditors was held in Luxembourg on 25 October 1977. It follows the example of existing courts of auditors in most Member States in that it is an independent body headed by a nine-member panel. It replaces the former Audit Board, which could only perform its duties on a part-time basis, thus drawing frequent criticism from Parliament. The Court of Auditors scrutinizes all Community revenue and expenditure, and decides whether financial management has been sound. It can also carry out checks in the Member States in conjunction with the individual national audit authorities and demand the documentation required for this purpose. It submits an annual report. The individual authorities can deliver opinions on the comments and objections contained therein; these are published in the Official Journal of the EEC, together with the annual report.

The open nature of financial control and the transparency of financial affairs by which the Parliament and some governments set great store has thus been achieved or improved. It is also furthered by the more rigorous control whereby the Court of Auditors can at any time i.e. before completion of a financial year, deliver an opinion on particular matters, and where specifically requested, subject uncompleted accounting processes to a check or special analysis.

Streamlining within the Commission

In assigning divisional responsibilities in order to streamline financial affairs, the present Commission (1977-80)—under the Presidency of Roy Jenkins—has gone a further step along the way towards the grouping together of all financial management duties, long desired by a number of governments. One member of the Commission (Christopher Tugendhat) is now solely responsible for the budget, financial control, personnel and administration and associated areas i.e. he has no additional responsibilities. The coordination of the Community funds and of the other Community intervention appropriations for structural policy use were transferred to another Member of the Commission (Antonio Giolitti).

E. Prospects

Direct elections and the role of Parliament

With an eye to the impending direct election of Members of the European Parliament, the existing Parliament, which consists of Members delegated by the national parliaments, has already gained a measure of budgetary control in a series of short steps.

The directly-elected Parliament, with its greater democratic authority, will certainly continue along this path. Parliament is already demanding participation in the choice of the President of the Commission—which is the executive—and ultimately the election of the President by the Parliament to which he should then submit his fellow Commission members for endorsement. The road towards such a situation may be long and difficult but its achievement and the creation of a firm democratic basis for financial and budgetary affairs is vital. It can and must lead to the formation within the directly-elected Parliament of a majority which, acting as a coalition, is responsible for the Commission and is confronted by a minority opposition. A coalition-opposition system of this type is the desirable regulating force in drawing up the budget i.e. the forum for democratic decision-making. Budgetary debate and consultation offer—as regards political and financial policy—great scope as a platform for the political views of a government and for criticism thereof. In this, the centralized Member States have quite as much experience as the federally-constituted Member States.

As yet neither an instrument of redistribution nor of stabilization

At the present stage of integration, the Commission's overall assessment of budgetary problems in the Community made in its communication to the Joint Council of Foreign and Financial Affairs Ministers and to the European Parliament in March 1978 applies:

'The Community Budget, not insignificant in absolute terms yet relatively very small and very heavily weighted in favour of one policy, reflects the reality of a very partial and extremely localized financial integration. At present, it is neither a true instrument for financing a wide range of policies nor a means of redistribution worthy of the name, nor an instrument of economic stabilization.

At the risk of appearing out of step with public opinion, it must be said that, objectively, the Budget today in no way measures up to the part it is expected to play in the move towards greater economic integration. The deepening of the Community requires a major expansion of the financial resources available to it'. (Doc. COM(78)64 final of 1 March 1978, p. 2).

Naturally, the Commission adds, the aim is not a budget comparable in size to that of a central budget in a federal State. In view of the Community's proposed southward expansion this topic could very soon be at the forefront of public discussion.

Bibliography

EEC publications

— General Report by the Commission.
— Budgets (Official Journal).
— Preliminary drafts of the budget by the Commission.
— Committee reports and reports of proceedings on budgetary discussions in the European Parliament.
— 2nd and 3nd financial report (COM) on the EAGGF.
— Annual reports by the Commission on the state of agriculture in the Community.
— 'The Community's economic and financial situation since enlargement' (memo from the Commission to the Council of Ministers on 24 October 1974, Supplement 7/74—Bull. EC).
— Stocktaking of the common agricultural policy (COM (75) 100).
— The European Parliament's collection of documents on 'The EEC's own resources and the European Parliament's budgetary powers', June 1970.
— Economic and Social Committee, material on the 'Stocktaking of the common agricultural policy'.

EEC publications

— Bericht der Sachverständigengruppe (MacDougall) zur Untersuchung der Rolle der öffentlichen Finanzen bei der Europäischen Integration, veröffentlicht von der Kommission, April 1977.

Other publications

— Reister, Erwin, Haushalt und Finanzen der EG, Schriftenreihe Europäische Wirtschaft; Band 82, Nomos Verlagsgesellschaft Baden-Baden, 1975.
— STRASSER, Daniel, Les Finances de l'Europe, Presses Universitaires de Frances, Paris, 1975.
— FABRITIUS, Hans G., Zur Finanzpolitik der EG, Karl Bräuer-Institut des Bundes der Steuerzahler, Heft 30, 1975.
— VOM BERGE und ZELLER, 'Bonn 238041', Zahlen-Fakten-Argumente über die EG, Presse-und Informationsbüro Bonn der Kommission, 1977.
— STRASSER, Daniel, The Finances of Europe, Praeger, New York 1977.
— KEES, Andreas, Rechnungseinheit als Finanzinstrumente der EG, Europarecht Heft 2, April-Juni 1978, Verlag C. H. Beck, München.

ANNEX

The European unit of account

The Community uses the European unit of account (EUA) in all sectors except agriculture and the European Monetary Cooperation Fund (EMCF). The EUA is defined as a basket of the following quantities of currency:

DM	0.828	DKR	0.217
FF	1.15	HFL	0.286
LIT	109	BFR/LFR	3.80
UKL	0.0885	IRL	0.00759

The equivalent in various national currencies of this unit of account is calculated and published each day by the Commission. As an illustration the following table gives the conversion rates for 21 September 1978. The equivalents of the units of account used on the agricultural sector and in the EMCF are also given:

Currency	EUA 21.9.1978	Agricultural unit of account (representative rates)	European Monetary Unit of Account used in EMCF
BFR/LFR	40.2983	49.3486	48.6572
DM	2.55500	3.40238	3.15665
HFL	2.77773	3.40270	3.35507
UKL	0.659870	0.634204	—
DKR	7.06413	8.56656	8.56656
FF	5.71220	6.22514	—
LIT	1079.94	1154.00	—
IRL	0.660088	0.786912	—
USD	1.31083		

European Communities — Commission

The European Community's budget

Second edition

Luxembourg: Office for Official Publications of the European Communities

1979 — 37 p., 5 tab., 6 ill., — 16.2 × 22.9 cm

Series European Documentation — 1/79

DA,DE,EN,FR,IT,NL

ISBN 92-825-0702-5

Catalogue number: CB-NC-79-001-EN-C

BFR	30	DKR	5.30	DM	1.90	FF	4.40
LIT	900	HFL	2.05	UKL	0.50	USD	1

EUROPEAN COMMUNITIES - INFORMATION

Commission of the European Communities, Rue de la Loi, 200, 1049 Bruxelles.

Informationskontorer — Presse- und Informationsbüros — Information offices
Bureaux de presse et d'information — Uffici stampa e informazione — Voorlichtingsbureaus

BELGIQUE – BELGIË

Rue Archimède 73 -
Archimedesstraat 73
1049 Bruxelles – 1049 Brussel
Tél. : 735 00 40/735 80 40

DANMARK

Gammel Torv 4
Postboks 144
1004 København K
Tlf. : (01) 14 41 40/(01) 14 55 12

BR DEUTSCHLAND

Zitelmannstraße 22
5300 Bonn
Tel. 23 80 41

Kurfürstendamm 102
1000 Berlin 31
Tel. 892 40 28

FRANCE

61, rue des Belles-Feuilles
75782 Paris Cedex 16
Tél. 553 53 26

IRELAND

29 Merrion Square
Dublin 2
Tel. 76 03 53

ITALIA

Via Poli, 29
00 187 Roma
Tel. 68 97 22

GRAND-DUCHÉ DE LUXEMBOURG

Centre européen
Bâtiment Jean Monnet B/O
Luxembourg – Kirchberg
Tél. 430 11

NEDERLAND

Lange Voorhout 29
Den Haag
Tel. 46 93 26

UNITED KINGDOM

20, Kensington Palace Gardens
London W8 4QQ
Tel. 727 8090

4 Cathedral Road
PO Box 15
Cardiff CH1 1WF
Tel. 37 1631

7 Alva Street
Edinburgh EH2 4PH
Tel. 225 2058

'Ελλάς

'Οδός Βασιλίσσης Σοφίας, 2
Καί 'Ηρώδου 'Αττικοῦ
'Αθήνα 134
τηλ.: 7 734 982/734 983/734 984

TÜRKIYE

13, Bogaz Sokak
Kavaklidere
Ankara
Tel. 27 61 45/27 61 46

SCHWEIZ - SUISSE - SVIZZERA

Case postale 195
37-39, rue de Vermont
1211 Genève 20
Tél. 34 97 50

UNITED STATES

2100 M Street, NW
Suite 707
Washington, DC 20037
Tel. (202) 862 95 00

1 Dag Hammarskjöld Plaza
245 East 47th Street
New York, NY 10017
Tel. (212) 371 38 04

CANADA

Association House
Sparks' Street 350
Suite 1110
Ottawa, Ont. K1R 7S8
Tel. 238 64 64

AMERICA LATINA

Avda Ricardo Lyon 1177
Santiago de Chile 9
Adresse postale: Casilla 10093
Tel. 25 05 55

NIPPON

Kowa 25 Bullding
867 Sanbancho
Chiyoda-Ku
Tokyo 102
Tel. 239 04 41

Salgs- og abonnementskontorer · Vertriebsbüros · Sales Offices
Bureaux de vente · Uffici di vendita · Verkoopkantoren

Belgique – België

Moniteur belge – Belgisch Staatsblad

Rue de Louvain 40-42 –
Leuvensestraat 40-42
1000 Bruxelles – 1000 Brussel
Tél. 512 00 26
CCP 000-2005502-27
Postrekening 000-2005502-27

Sous-dépôts – Agentschappen:

Librairie européenne – Europese Boekhandel
Rue de la Loi 244 – Wetstraat 244
1040 Bruxelles – 1040 Brussel

CREDOC

Rue de la Montagne 34 - Bte 11 –
Bergstraat 34 – Bus 11
1000 Bruxelles – 1000 Brussel

Danmark

J.H. Schultz – Boghandel

Møntergade 19
1116 København K
Tlf. (01) 14 11 95
Girokonto 200 1195

Underagentur:

Europa Bøger
Gammel Torv 6
Postbox 137
1004 København K
Tlf. (01) 14 54 32

BR Deutschland

Verlag Bundesanzeiger

Breite Straße – Postfach 10 80 06
5000 Köln 1
Tel. (0221) 21 03 48
(Fernschreiber: Anzeiger Bonn 8 882 595)
Postscheckkonto 834 00 Köln

France

Service de vente en France des publications des Communautés européennes

Journal officiel

26, rue Desaix
75732 Paris Cedex 15
Tél. (1) 578 61 39 – CCP Paris 23-96

Sous-agent

D.E.P.P. – Maison de l'Europe
37, rue des Francs-Bourgeois
75004 Paris
Tél.: 887 96 50

Ireland

Government Publications

Sales Office
G.P.O. Arcade
Dublin 1

or by post from

Stationery Office

Beggar's Bush
Dublin 4
Tel. 68 84 33

Italia

Libreria dello Stato

Piazza G. Verdi 10
00198 Roma – tel. (6) 8508
Telex 62008
CCP 1/2640

Agenzia

Via XX Settembre
(Palazzo Ministero del tesoro)
00187 Roma

Grand-Duché de Luxembourg

Office des publications officielles des Communautés européennes

5, rue du Commerce
Boîte postale 1003 – Luxembourg
Tél. 49 00 81 – CCP 19190-81
Compte courant bancaire:
BIL 8-109/6003/300

Nederland

Staatsdrukkerij- en uitgeverijbedrijf

Christoffel Plantijnstraat,
's-Gravenhage
Tel. (070) 62 45 51
Postgiro 42 53 00

United Kingdom

H.M. Stationery Office

P.O. Box 569
London SE1 9NH
Tel. (01) 928 69 77, ext. 365
National Giro Account 582-1002

United States of America

European Community Information Service

2100 M Street, N.W.
Suite 707
Washington, D.C. 20 037
Tel. (202) 862 95 00

Schweiz - Suisse - Svizzera

Librairie Payot

6, rue Grenus
1211 Genève
Tél. 31 89 50
CCP 12-236 Genève

Sverige

Librairie C.E. Fritze

2, Fredsgatan
Stockholm 16
Postgiro 193, Bankgiro 73/4015

España

Libreria Mundi-Prensa

Castelló 37
Madrid 1
Tel. 275 46 55

Andre lande · Andere Länder · Other countries · Autres pays · Altri paesi · Andere landen

Kontoret for De europæiske Fællesskabers officielle Publikationer · Amt für amtliche Veröffentlichungen der Europäischen Gemeinschaften · Office for Official Publications of the European Communities · Office des publications officielles des Communautés européennes · Ufficio delle pubblicazioni ufficiali delle Comunità europee · Bureau voor officiële publikaties der Europese Gemeenschappen

Luxembourg 5, rue du Commerce, Boîte postale 1003, Tél. 49 00 81, CCP 19 190-81
Compte courant bancaire BIL 8-109/6003/300

BFR 30 DKR 5,30 DM 1,90 FF 4,40 LIT 900 HFL 2,05 UKL 0.50

OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

ISBN 92-825-0702-5

Boîte postale 1003 — Luxembourg

Catalogue number: CB-NC-79-001-EN-C