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NOTE TO READER

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

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

SITTING OF MONDAY, 25 OCTOBER 1976

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IN THE CHAIR: MR SPENALE

President

(The sitting was opened at 4.05 p.m.)

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 15 October 1976.

2. *Apologies*

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

3. *Appointment of a Member*

President. — The House of Lords of the United Kingdom has informed me of the appointment of

Lord Murray of Gravesend as a Member of the European Parliament, with effect from 20 October 1976, to replace Lord Gordon-Walker.

This Member's credentials will be verified after the next Bureau meeting. Pursuant to Rule 3 (3) of the Rules of Procedure, Lord Murray of Gravesend will meanwhile provisionally take his seat in the European Parliament and on its committees with the same rights as other Members.

I should like to take this opportunity of welcoming the new delegate on behalf of the European Parliament.

(Applause)

4. *Appointments to the Court of Justice*

President. — I have been informed that the representatives of governments of the Member States of the European Communities have appointed Mr Touffait Judge and Mr Mayras Advocate-General in the Court

President

of Justice of the European Communities for the period from 14 October 1976 to 6 October 1982.

On your behalf I should like to wish Mr Touffait and Mr Mayras every success in carrying out their duties.

5. Documents submitted

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

(1) from the Council of the European Communities, requests for opinions on :

- the proposal from the Commission of the European Communities to the Council for a regulation on the autonomous and special arrangements for beef and veal products originating in some signatory States of the ACP-CEE Convention of Lomé (Doc. 359/76);

This document has been referred to the Committee on Development and Cooperation, as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions.

- the proposal from the Commission of the European Communities to the Council concerning the application of the unit of account to the European Community Budget (draft resolution of the Council and proposal for a Council regulation (ECSC, EEC, EURATOM) amending the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities) (Doc. 360/76);

This document has been referred to the Committee on Budgets.

- the proposal from the Commission of the European Communities to the Council for a draft fourth medium-term economic policy programme (Doc. 361/76);

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible, and to the Committee on Social Affairs, Employment and Education for its opinion.

- the proposal from the Commission of the European Communities to the Council for a regulation on the procedure for applying the European unit of account (EUA) to the legal act adopted by the Institutions of the European Communities (Doc. 362/76);

This document has been referred to the Committee on Budgets.

(2) from the committees, the following reports :

- Report by Lord Bruce of Donington on behalf of the Committee on Budgets on the 1977 draft general budget of the European Communities (Doc. 291/76) — (Doc. 363/76);
- Report by Miss Flesch on behalf of the Committee on Budgets on Sections II and IV of the 1977 draft general budget of the European Communities relating to the Council and the Court of Justice (Doc. 368/76);
- Report by Miss Flesch on behalf of the Committee on Budgets on the corrections to the European Parlia-

ment's estimates of revenue and expenditure for the 1977 financial year (Section I of the draft general budget of the European Communities) — (Doc. 371/76);

(3) from the Council of the European Communities, a letter of amendment to the draft general budget of the European Communities for the financial year 1977 (Doc. 370/76)

This document has been referred to the Committee on Budgets.

6. Texts of Treaties forwarded by the Council

President. — I have received from the Council certified true copies of the following :

- Interim Agreement between the European Economic Community and the Portuguese Republic — Final Act;
- Additional protocol to the Agreement between the European Economic Community and the Portuguese Republic — Financial Protocol and Final Act;
- Notice of the completion by the Community of the procedures necessary between the European Economic Community and the Portuguese Republic.

These documents will be placed in the European Parliament's archives.

7. Order of business

President. — At the end of the sitting of 15 October 1976, Parliament drew up the order of business for this part-session.

Two requests for consultation by urgent procedure are to be added. The following proposals from the Commission to the Council are being included on the agenda of this part-session, pursuant to Rule 27A (5) of the Rules of Procedure, for consideration under the *procedure without report* :

- the proposal from the Commission of the European Communities to the Council for a regulation amending the Community tariff quotas opened for 1976 by Regulations (EEC) numbers 2956/75, 2957/75 and 2958/75 for the importation of certain wines originating in Portugal (Doc. 310/76);
- the proposals from the Commission of the European Communities to the Council for :
 - a regulation opening, allocating and providing for the administration of a Community tariff quota for Jerez wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977)
 - a regulation opening, allocating and providing for the administration of a Community tariff quota for Malaga wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977)

President

— a regulation opening, allocating and providing for the administration of a Community tariff quota for wines from Jumilla, Priorato, Rioja and Valdepeñas within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977)

(Doc. 311/76):

The first of these documents (Doc. 310/76) had been referred to the Committee on External Economic Relations and the second (Doc. 311/76) to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion.

Unless any Member asks leave to speak on these proposals or amendments are tabled to them before the opening of the sitting on Wednesday, 27 October 1976, I shall declare them to be approved pursuant to Rule 27A (6) of the Rules of Procedure.

I call Lord Bessborough to speak on a procedural motion.

Lord Bessborough. — Mr President, on behalf of a number of my colleagues from various groups, I have placed on your table a motion for a resolution concerning the Friuli earthquake. I wonder if it can be agreed that this should be referred to the Committee on Budgets when it meets tomorrow at 5.30 p.m. or if Mr Cheysson, the Commissioner, would be prepared to make a statement to the effect that the funds would not be used too rigidly: I certainly don't think we need to have a debate on the matter. I only wanted to make those two points — that it go to the Committee on Budgets, if the Assembly so wishes, when it meets tomorrow, or that Cheysson give an undertaking now that the funds will not be used in a restrictive way, but be extended to aid. I think that Cheysson has a copy of the resolution; if not, I have it here. I know that he has great sympathy with the victims of that disaster.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission. — (F) Mr President, I shall make an extremely brief statement on this subject which, I am sure, is of interest to all the Members of the House and of the Commission too.

Parliament will remember that it adopted a supplementary budget, in accordance with an exceptional emergency procedure, of 60m u.a. for the victims of the Friuli disaster. The Commission profoundly regrets that no specific request have yet been made concerning the utilization of the 60 million u.a. and we would request the Members of this Parliament to use their authority to ensure that these sums are committed as soon as possible. Matters would have been much simpler if this had been done before.

Secondly, apart from the 60 million u.a. in the supplementary budget, we immediately unfroze 6 million u.a. in the ECSC budget which have already been placed at the disposal of the savings bank in Udine, to be used for housing construction, which is what Lord Bessborough is concerned about. We have already suggested to the savings bank that it might use part of this sum, if necessary for temporary dwellings, if permanent dwellings cannot be built.

Should the Udine savings bank decide to take action of this type we should propose — and this is a commitment I accept on behalf of the Commission, in view of the latest earthquake — a supplementary appropriation under Article 400.

(Applause)

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, I would like to add a few words on the subject raised by Lord Bessborough, whom I thank for tabling this motion.

The infrastructure projects for which the 60m u.a. were allocated have already been set in motion, and on 14 October preliminary notification was sent to the Commission's Director of Regional Policy, Dr Ruggiero, by the Friuli-Venezia Giulia Region. However, the 6m u.a. from the ECSC fund for houses of the traditional type, may not be spent before next year. The second earthquake upset plans being carried out to repair houses damaged by the first, and the whole programme is now endangered with winter about to set in. Italy is therefore providing, through its own industries, which are few in number, for the construction of a number of mobile and prefabricated homes which do not require foundations and which represent, at present, the only means of aiding, in the immediate future, families not yet possessing proper accommodation.

We wish to request that an appeal be made to other European factories and manufacturers to construct these prefabricated homes, to enable us to meet without delay additional requirements for 20 000 m² of accommodation, which is the equivalent of approximately 1 500 prefabricated homes. Italian firms in this sector, with only seven factories between them, cannot manufacture such quantities alone. While expressing our gratitude for what Mr Cheysson has done, we therefore request the release of 10 % of the 60m u.a. — or a minimum of 5m u.a. — for the immediate purchase of what is needed on the European markets.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, may I make one point. I find it strange that a Member should at this point to be given the opportunity to comment politically on a statement from the Commission. This is an affront to equality of opportunity in this House.

Fellermaier

Secondly, I should like to give notice that all the political groups will be tabling an emergency motion under Rule 14 tomorrow so that we can go into this matter, Mr Cheysson, so somewhat greater depth. On behalf of my group I would suggest that we debate this urgent motion on Wednesday and then vote on it, but at the same time that we ask Lord Bessborough and Mr Dalyell to report to the Committee on Budgets tomorrow on their impressions of their visit to Friuli so that, with this information, a more thorough debate can take place on Wednesday and that you yourself, Mr Cheysson, give the necessary background explanations tomorrow at the Budgets Committee meeting.

(Applause)

President. — Mr Fellermaier, if it is intended simply to raise the subject of the Friuli earthquake briefly during the course of the budget debate, I do not mind. But we may not hold a full debate on aid to Friuli when we have already decided against including in the order of business any matters not relating to the budget debate. This part-session has been set aside exclusively for the budget.

(Applause from the European Progressive Democrat Benches)

8. *Deadline for entering names on the list of speakers*

President. — Members who wish to speak during the budget debate should enter their names on the list of speakers by 8.00 p.m. this evening at the latest.

9. *Organization of the budget debate*

President. — As was stated at the meeting of the Bureau of 30 September 1976, the President-in-Office of the Council will be unable to attend this evening's proceedings. He cannot be present until tomorrow morning.

It has been agreed that the Council's secretariat will note the statements of the rapporteurs and political group spokesmen so that the President-in-Office can reply to them tomorrow.

On Wednesday, 13 October 1976 the enlarged Bureau decided, pursuant to Rule 28 of the Rules of Procedure, that speaking time in the budget debate would be allocated as follows:

Council and Commission	2 hours
General Rapporteur	1 hour
Rapporteur on Parliament's budget	20 minutes
Draftsmen of opinions	1 hr. 10 min.
Socialist Group	2¼ hours

Christian-Democratic Group	¾ hours
Liberal and Allies Group	1 hour
European Conservative Group	¾ hour
Group of European Progressive Democrats	¾ hour
Communist and Allies Group	¾ hour
Non-attached Members	¼ hour

The speaking time allocated will also have to be used for introducing draft amendments and proposed modifications.

During the vote, which will be held on Wednesday, 27 October, at 3.00 p.m., only the rapporteur will be allowed to speak in order to state briefly the opinions of the Committee on Budgets.

I would remind the House that the time-limit for tabling draft amendments, proposed modifications and proposals for outright rejection has been set at 12 noon tomorrow, Tuesday 26 October 1976.

I would also point out that the vote on the second reading of the budget will take place during the December part-session.

A date will be fixed later for the deadline, in respect of this vote, for tabling amendments to the modifications made by the Council, for proposals for outright rejection and referral to the appropriate committees of the opinions of the committees concerned on the modifications made by the Council to amendments adopted by Parliament and on the position taken by the Council on the modifications approved by Parliament.

Unlike last year, the draft amendments and proposed modifications have been numbered consecutively in a single series. Draft amendments have been marked by an asterisk as a reminder that they require special majorities. On the basis of the current membership of Parliament the required majority is 100 votes.

I call Mr Fellermaier to speak on a procedural motion.

Mr Fellermaier. — *(D)* Mr President, you have just told us that the President in Office of the Council cannot be here today. It seems to me that this House cannot let it go at that. The second item on the agenda is the presentation and discussion of the report by Lord Bruce of Donington on behalf of the Committee on Budgets on the draft general budget of the European Communities for 1977.

Is it proper, I ask myself, for the rapporteur general, in plenary sitting, to be announcing Parliament's views on the basis of the Committee on Budget's recommendations on the most important political issues of the 1977 budget, in the absence of the President in Office of the Council? I really do ask myself, Mr President, whether we can accept such a situation. If we have already started to talk about improving the quality of the relationship between Council and Parliament by

Fellermaier

having the Council pay greater attention to the political decisions of this Parliament, then a debate like this simply cannot start if the President of the Council is not present to listen to it with his own ears ...

(Applause)

... and as far as I am concerned the excuse of unavailability simply will not wash, because the Council is represented by nine ministers and we have already had examples — precisely in the case of budget debates — of one minister deputizing for another, since the Council President, after all, does not take part here in his personal capacity but as the representative of a body, he does not intervene in the debate as a national minister but on the basis of discussions in the Council of Ministers itself, and in this case or that he says that he is not in a position to comment definitively because he has to talk the matter over with his colleagues and will report back definitively at the next reading.

I wonder, Mr President, and this is something I put to the House, whether consideration of the budget can take place at all in the absence of the President in Office of the Council. This question has to be put in the interests of the self-respect of this House in parliamentary debates.

(Applause)

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — *(NL)* Mr President, in connection with Mr Fellermaier's procedural motion, I should like to say that, in general, I share his point of view in the matter of the presence of the Council. Mr Fellermaier knows from experience that, in my various capacities in this Parliament, I have always defended the same point of view. But it is perhaps only fair to point out here that the present President-in-office of the Council has been present more often at the deliberations of the Committee on Budgets than any other president before him. When the agenda was discussed, it was said that the President of the Council was unable to attend today but that he will be present tomorrow, if my memory serves me right, from 9 a.m. to take part in the debate. It is not my business to protect the Council, but there is no-one here at the moment who can speak on its behalf. I therefore consider it to be a matter of fair play to bring this question up. Otherwise, as I said, I subscribe in general to what Mr Fellermaier said.

President. — I should like to say that in a discussion of this I myself took a similar view to that expressed by Mr Fellermaier. In a discussion of this matter with the President-in-Office of the Council. I pointed out that this Parliament would be very disappointed if the speeches on the budget by the rapporteurs and the representatives of the political groups were delivered

in the absence of a member of the Council. He informed me that it was quite impossible for him to be here in person today, and it will be obvious that since it was Mr Brinkhorst who attended the discussions in the Committee on Budgets in person throughout the entire budgetary procedure, there would be little point in his being replaced by another member of the Netherlands government on this occasion.

In these circumstances, we have the following alternatives: either we proceed with today's agenda on the understanding, as I have just stated, that all the points raised will be noted and that the President-in-Office will reply to them tomorrow morning; in accordance with the undertaking he has given; or, we do not proceed with the agenda. In the latter case we would subject our proceedings to a very unfortunate delay, and would have to rearrange the order of business completely.

While I take full account of Mr Fellermaier's protest and shall personally forward it in the appropriate manner to the President-in-Office of the Council in order to ensure that there can be no repetition of the circumstances that have arisen today, I would advise the Assembly to adopt the former alternative.

I call Mr Prescott.

Mr President. — Mr President, I think all Members here appreciate the difficulty you now find yourself in, having had the President of the Council approach you with the difficulties of attending today and having, perhaps, to accept the explanation. But I think that places us in a difficulty in deciding between the alternatives that face us. Either we interrupt the business, as you say, with all the difficulties that face the rapporteurs and the other people involved or we accept the situation but make it clear that it is not a precedent, as you say. The rapporteurs, as I understand it, have not been informed by the President that he will be missing from this particular debate — certainly one rapporteur I am thinking of has not been informed — and I would have thought that, as they explain the strategy of the budget down in their speeches, clearly they should be the ones to be listened to. I don't want to prolong this matter, but I think it needs to be made absolutely clear by this House now that, if he has any respect in the matter of the budget, it will in no way be tolerated, whatever the reason, that any President of the Council should fail to be here, certainly at the beginning of the debate when the strategy is laid out, because it is almost like having a debate on the budget in Westminster without the Chancellor there to listen. It's almost in act of contempt to my mind, and I hope, Mr President, that you, backed by this House, will make clear that it will not be tolerated again for the President to be missing in a budgetary debate.

(Applause from certain quarters on the left)

President. — I call Mr Lückner.

Mr Lückner. — (D) Mr President, I think that we all stand behind the protest made by Mr Fellermaier and I also sympathize with what Mr Prescott just said. But we must ask ourselves quite realistically: what is the situation in which we find ourselves and what decision on the part of this House is the more acceptable for us? The second possibility that you, Mr Prescott suggested would involve adjourning our sitting, after we have opened it, and then waiting until the President of the Council arrives tomorrow morning. I do not care for that solution at all. If we have no guarantee — and I hardly think, Mr President, that you can give us one — that, if we wait until tomorrow morning at 9 a.m. we can nevertheless take our vote on Wednesday at the planned time, then I do not think we have any alternative, however we look at it, but to inform the Council President politely but firmly, of our displeasure and then accept your proposal, Mr President, that we make a start on the agenda. I assume that the President of the Council has at least taken steps to ensure that he will be presented with a written summary of all the main points of today's debate and that you, Mr President, will convey to him Parliament's displeasure and anger. We then have every right to expect, Mr Prescott, that the Council President will apologize to the House tomorrow and inform it of why he could not be here today. I think that is the best solution because otherwise we will lose many valuable hours which we will not be able to make good. I therefore support your proposal, Mr President.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, I should like to add my support to your proposal. We want to take a vote on Wednesday. If we now delay matters we have no way of knowing whether we shall reach the vote by Wednesday and whether enough Members will still be present. But there is another point I should like to make. Despite all the anger that Members feel when the President-in-Office of the Council is absent, let us just for a moment turn the situation around! The indignation we feel now should have led to this chamber being full when the President-in-Office introduced the budget, and if we look at this side of the medal then I think that the President of the Council has more than exonerated himself by his work in the Committee on Budgets. I therefore appeal urgently to the House to stick to the agreed timetable and for us now to get on with the debate.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I can agree to your proposal on the condition that you, Mr President, send a telegram to the President of the Council, now

and from here, informing him of our profound disappointment that neither he nor his deputy were able to schedule their appointments in such a way that one or other of them could be available on this particular occasion, the date of which has been fixed for months. The fact that state-secretary Brinkhorst was present during the discussions of the Committee on Budgets is something we recognize but it does not excuse his absence at this plenary sitting, because this is where the arguments are debated in full public view, nor do I consider it enough that officials are here acting as stenographers, because what we are dealing with here is the equality of the institutions.

(Applause from certain quarters on the left)

President. — As Mr Fellermaier has suggested, we shall send a telegramme to Mr Brinkhorst and tomorrow morning we shall ask him to state the reasons for his absence this afternoon. I also hope he will be able to provide us with detailed replies to the points that will be raised in this afternoon's proceedings.

I call Mr Molloy.

Mr Molloy. — Mr President, we are in the dilemma that if we wish to discuss this very serious issue we are in point of fact delaying ourselves. So I want to be very brief and simply say this, that in so far as we have all been trying to whip up interest for the elections that might take place in a few year's time by explaining to people what this great Parliament is all about, when the public reads that the President of the Council for some reason or other has been unable to attend because amongst those reasons there is something which is much more important than attending the European Parliament, then, frankly, he is not making any contribution to the conception of this European Economic Community. May I just add this to what Mr Fellermaier has already said: I feel, Sir, that in the first place we should adopt your suggestion but with the proviso that it will be made perfectly clear to the President-in-Office what the feelings of this Parliament are and that we will not accept — so that it can never be established as a precedent — that even one hundred percent attendance in any committee is an excuse for not attending the full Assembly of this Parliament.

President. — I shall inform the President-in-Office of the Council — and Members will have the opportunity to do so individually tomorrow — of the reservations and protests that have been heard.

Having said that I would recommend that we now begin our budget debate. If we delay the proceedings today only to discover that a quorum is not present when the time comes to vote, we shall have only ourselves to blame for a situation that was perhaps more the fault of the Council to begin with.

President

I shall now consult the Assembly on whether we should not begin the budget debate.

That is agreed.

10. General Budget of the European Communities for 1977 (debate)

President. — The next item is the debate on the draft general Budget of the European Communities for the 1977 financial year on the basis of the following reports drawn up on behalf of the Committee on Budgets :

- report by Lord Bruce of Donington on the draft general budget of the European Communities for the financial year 1977 (Doc. 363/76)
- report by Miss Flesch on the corrections to the European Parliament's estimates of revenue and expenditure for the 1977 financial year (Section I of the draft general budget of the European Communities (Doc. 371/76)
- report by Miss Flesch on Sections II and IV of the 1977 draft general budget of the European Communities relating to the Council and the Court of Justice — Doc. 368/76)

As Miss Flech is obliged to leave early to attend to urgent business, Lord Bruce has agreed to her being allowed to speak first.

I call Miss Flesch.

Miss Flesch, rapporteur on Parliament's budget. — (F) Mr President, ladies and gentlemen, I should first like to thank Lord Bruce for allowing me to speak before him and to present straightaway the reports on the estimate of Parliament and on Sections II and IV, relating to the Council and to the Court of Justice.

I can be very brief, especially as we already discussed these matters last June. Moreover, the Committee on Budgets has not yet finished considering Parliament's estimates.

Our discussion of Parliament's estimates last June resulted in the adoption of a resolution which is reproduced in Document No 130/76. At that time, we had to leave a certain number of items undecided because we had not been able to finish considering them in committee, or because matters had not yet got far enough for us to take a decision.

You will also remember that on that occasion Mr Aigner and Mr Notenboom tabled three amendments on which we decided to defer our decision. In the meantime, the Bureau has taken certain decisions which will have budgetary implications and which will have to be assessed in concrete terms. Certain new factors have also come into play and I would suggest, again on behalf of the Committee on Budgets, adopting certain technical amendments to the representation as regards classification for instance, in order to follow the Commission's proposals. I shall therefore be submitting eleven amend-

ments to Parliament on behalf of the Committee on Budgets. I do not think there is any point commencing discussion on them now since Members have not yet received the texts. I shall discuss them very briefly later on. In addition, certain amendments are being prepared or have been presented to the Committee on Budgets, which has not yet drawn up any conclusions about them. These include, in particular, the amendments I have already mentioned by Mr Aigner and Mr Notenboom which were tabled in June and relate to staff questions : conversion of local staff posts in our own list of posts to established posts and increased appropriations for the activities of the political groups. Finally, there are amendments concerning the working document of the Working Party on Information and in particular the installation of a television and radio studio. The Committee on Budgets decided to reconsider this point on the basis of budgetary data, which are perhaps more accurate than those available to us this morning. These matters will be considered again at 5.30 p.m. tomorrow by the Committee on Budgets.

The motion for a resolution submitted to Parliament by the Committee on Budgets contains four points, the same points these documents traditionally contain with regard to our estimates. We would emphasize that basically we are making amendments to our estimates on the basis of decisions taken and new developments which have taken place since the adoption of these estimates. We are also amending the budgetary nomenclature in order to bring it into line with the proposals made by the Commission and adopted by the Council. We hope that the Treaty of 22 June 1975, on *inter alia*, the setting up of a Court of Auditors can be ratified as soon as possible so that the Community institutions can make provision for the necessary appropriations for setting it up before the budget is finally adopted. Finally, we propose to adopt accordingly our estimates of revenue and expenditure for 1977 and to amend certain items on the list of posts.

This resolution will of course have to be supplemented by exact figures, which will emerge from the discussions we are due to have tomorrow in the Committee on Budgets. Similarly, as regards the staff question, certain adjustments will have to be made following tomorrow's discussions.

I can however provide you with a few overall figures at this stage. You will recall, for example, that the amendments we decided on last June implied an increase in the budget of 6 %. The amendments which the Committee on Budgets adopted this morning and which it now submits to you will imply an increase of about 12 %, and if the proposals of the Working Party on Information are endorsed by the Committee on Budgets and adopted by Parliament that will mean an additional increase of about 2 %' The total increase will therefore be 20 %.

Flesch

That is all I have to say, Mr President, regarding Parliament's estimates.

As regards Sections II and IV of the 1977 budget, which relates to the Council and the Court of Justice, I shall be extremely brief since no amendments have been made since our discussion of last June. On behalf of the Committee on Budgets I propose that Parliament approve Section II, relating to the estimates of revenue and expenditure of the Council and Section IV, relating to the Court of Justice.

(Applause)

President. — I call Lord Bruce of Donington.

Lord Bruce of Donington, General Rapporteur. — Mr President, I have the honour to submit, on behalf of the Committee on Budgets, its motion for a resolution and report on the draft General Budget of the European Communities for the 1977 financial year, relating to the Commission. Perhaps before I commence, I ought so say how much Parliament is indebted to the parliamentary staff concerned with translating, sorting, reproduction and transmission, since the Committee on Budgets only concluded its activities on the draft report on Wednesday afternoon and it must be a very considerable organizational feat to have the complete documentation now in front of practically every Member of Parliament.

Mr President, I do, of course, entirely concur, as the House does, with the procedure you have suggested in connection with the attendance of the President-in-Office. Quite clearly, it is desirable that the President-in-Office should not only have relayed to him the opinions that are expressed in the House on the Council's own draft Budget and on the report by the Committee on Budgets thereon, it is also important that he should sense, by his personal presence, the reactions of both Commission and Parliament. But having said that, I am bound to say that Parliament has not always been free from blame in this matter. I well recall an instance a short while ago when, owing to a re-arrangement of parliamentary business occasioned by a motion for a resolution for debate by urgent procedure, the President-in-Office was not able to submit the draft budget which we are now discussing to the House until about 8.15 in the evening, by which time, when he commenced his speech, there was no representative on any front bench in this House to listen to his opening. So although I entirely agree with everything that has been said on the desirability and indeed the necessity of the President-in-Office attending, I do not think that in this instance it lies in our mouths to be unduly reproachful.

Mr President, a national budget in any one of the Member States is normally the occasion for a wide-ranging discussion on national affairs. The debate on the budget is not purely a debate on the accounts

themselves, on methods of raising revenue, but a wide-ranging debate is practically always held on a general stock-taking of the Member State. Similarly, it may well be thought that the presentation of the Commission's draft budget of the Communities and the report by the Committee on Budgets thereon would be incomplete if no effort was made to place the budget within the European economic context.

Europe is in crisis. It may have got so used to it that it begins to take it for granted, but there are at the moment 6½ million people unemployed in the Community and — unusually in conjunction with this — there is widespread inflation. Indeed, the unemployment figures themselves partly conceal a further aspect of unemployment which is represented by those migrant workers in Europe who have been returned to their homes. I repeat, therefore, that the background to the budget we are now discussing is a background of continuing crisis in Europe. Moreover, it is a crisis which everyone — the Commission, the Council and possibly even the Parliament — seems to think is going to solve itself by some miraculous series of events, the nature of which is not yet known. It is somehow assumed that if everything is allowed to continue more or less as it does now the problem will ultimately disappear. Indeed, Mr President, on the basis of the economic theories apparently held by both Council and Commission the crisis really ought not to exist at all, because theoretically it is impossible.

This condition can perhaps best be illustrated by two specific instances. First of all, not only is there a crisis in Europe as a whole, which is due only in part to the world crisis in trade; there is also a very considerable and growing imbalance in Europe at this time. What we have ventured to do in the report is to produce some balance-of-trade figures for the four years immediately prior to 1972 and for the four years immediately thereafter, and I would draw Parliament's attention to them. They show a distortion of trade which cannot possibly be due to any development within individual Member States themselves but is due rather to the rupture that occurred in the trading pattern of the whole of Europe when the three new member countries, the United Kingdom, Denmark and Ireland, joined it in 1973. No blame attaches to any one for this. It could not possibly have been foreseen, but there can be no doubt, on the basis of the figures that I have ventured to reproduce on page 16 of the report, that there has been a drastic distortion of the whole pattern of trade in Europe, to the disadvantage of some Member States and to the advantage of others.

The second instance has been revealed by the Commissioner in charge of regional development in the last report of the Commission relating to this subject. He has shown, and we all should know, that

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within Europe the rich are getting richer and the poor are getting poorer; and this state of imbalance, it seems to me and may seem to the House, is a factor which, unless it is corrected, may strike at the very roots of the whole idea of the European Community, not only as its founders saw it but also as many Parliamentarians continue to believe that it ought to be.

We have to ask ourselves whether this budget has any political significance in the kind of situation I have described. The answer is no. Because if one looks at the total amount of the budget, as I have emphasized many times before and as is set out in the budget, one sees that it occupies such a minuscule proportion of the total gross domestic product of Europe or of its total budgetary expenditure that it cannot conceivably have any impact upon European affairs, upon the redress of the imbalance between the regions or the redress of the imbalance in the whole of the trading pattern and a whole series of other economic factors that are connected with that.

It may well be that many people would consider that there are still possibilities within the existing European structures to correct this position. Mr President, this is not so. Owing to the particular way in which the Community arranges its revenue, we shall be on a 1 % VAT basis for the Community's own contributions with effect from 1 January 1978, or shortly thereafter, and this means that under the Treaty itself the European Economic Community is never going to have enough revenue at its disposal to enable it to exercise any decisive effect upon the imbalance to which I have referred. Indeed, in the course of a meeting of the Committee on Budgets the President-in-Office himself admitted that the budget of the European Communities could not be considered as an instrument of European economic policy.

It may well be a matter for future historians to comment upon that, after 18 years' existence of the European Economic Community, the total amount of expense on purely Community matters is less than the total amount spent in the Member States on advertising and television publicity, while the total expenditure which the Community itself devotes to social affairs, devotes to redressing the balance between regions, devotes to new projects, devotes to research, devotes to aiding developing countries, at present corresponds to one-fifth of the Member States' total expenditure on advertising and television publicity — publicity and advertising, Mr President, which is very largely, though not entirely, concerned with creating a consumer demand for things that are not always necessary for enlarging the experience of life.

This, then, is the indictment. The question is: What can Parliament do about it under the present circumstances, bearing in mind that the resources available to the Community until the Treaty is changed will always be subject to this constraint? What can it do?

Well, what it can do in the first instance is to consider the Community's capital resources, because, quite clearly, the imbalance in Europe cannot be redressed by the individual Member States themselves, the poorer ones of which are busily trying the almost impossible task of pulling themselves up by their own boot-laces. Quite clearly, this cannot be done by reason of the limitations to which I have referred on the funds made available to the Community, on the levies, on the Community's own contributions from the Member Member States, because these are limited ultimately by the Treaty. But what Europe can do is to marshal its capital resources. What the Commission can plan, what the Council can concur in, and what Parliament can urge upon the Community is that the vast capital potential of Europe, the very large amounts of credit that would be at its disposal, can be organized into a coherent investment plan for Europe, because investment above all else is required in Europe — in manufacturing enterprises, in infrastructures, in housing and in many other fields. By that, Mr President, I would hasten to assure the House that I am not putting forward implicitly an argument for state intervention in this way. I am not putting forward an argument that the vast capital resources which are available to the Community should be put into state enterprises any more than they ought to be put into private enterprises. In point of fact, much of the investment aid ought ultimately to go into the small businesses of Europe, the smaller organizations which, it is becoming increasingly discovered, are the main creative spring for manufacturing and innovation in Europe. This, then, we can do and it will be found, Mr President, that the Committee on Budgets has made mention of this possibility in its resolution and in the report.

That enables me to deal at the same time with the budgetization of such loans or investments as the Commission might propose, the Council might approve and Parliament might support. Quite needless to say, should such a course of action be embarked upon, Parliament, through its Committee on Budgets, would be expected to be part of the joint authority determining the ends of the expenditure and exercising its direction and control.

What, then, can Parliament do with the limited resources at its disposal now? It can, of course, endeavour to ensure that the correct priorities are observed within the limited funds available to it. At the present time, as is well known, the vast mass of the Community budget goes to the EAGG, the common agricultural policy. Mr President, there have been protests, so far as I can see, every year that something is wrong with the common agricultural policy. My predecessor, Mr Cointat, put it very pungently last

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year when he referred to the grossly disproportionate amount spent on agriculture as compared with the remainder of the Community budget. Right the way across the political spectrum, there is agreement on that; and yet no one so far has been able to produce constructive suggestions for any possible mechanics of change. My good colleague, Mr Scott-Hopkins, did make a suggestion a while back that the easiest way of reducing the imbalance between the EAGGF and the remainder of Community expenditure — on the Social Fund and the Regional Fund — would be to increase all the rest up to the EAGGF level. But, of course, as I have already shown, that is quite impossible because of the total limitation on the Community funds embodied in the Treaty itself. Now, when considering the EAGGF I did initially propose, in view of an opinion of the Committee on Agriculture, that at any rate some notional framework should be created within which the Commission, in conjunction with the Council and possibly also the Committee on Agriculture, could actually seek to do what they said they wanted to do. The Committee on Agriculture points out that too high intervention prices have led to the enrichment of quite a wide section of agriculturists who do not really require the high price. It suggests that the CAP should be restructured. In my original proposals, I recommended just that — the transfer of 456 m u.a. out of the Guarantee Section into a new section called 'new initiatives in agriculture'. The Committee on Budgets considered this suggestion but rejected it, and I am therefore quite unable to commend it to the House. Their reasons, which deserve to be relayed to the House, are that they did not see how the existing regulations could be interfered with in any way, since essentially they involved a contract between the Commission — and therefore the Community — and the producers involved. And indeed, Mr President, I am persuaded myself of the correctness of that contention. And where does that leave us? It leaves us, Mr President, in connection with the Guarantee Section of the EAGGF, in a position where we are on a run-away train which we can't get off. The only way in which the EAGGF Guarantee Section provisions can be altered is by a totally new initiative agreed to by the Council, invoking, of course Article 43 of the Treaty, which would require a qualified majority. Mr President, in view of the existing fortunes of some of the agricultural community in some parts of Europe at the present time, I cannot see a qualified majority being obtained, or any change made in the agricultural regulations unless a new initiative comes from all the Member States and is relayed not only to the Council but to the Commission.

In one way that simplifies matters. If that be true — which I believe it is — there is no point in belabouring the CAP any longer, because the protests are useless and nothing can be done about it, short of a change of heart amongst the Member States. I should

be glad when the Council comes to reply — and I sincerely hope that this point will be heavily underscored for relaying to the Council — if they would answer this specific point and tell the House quite frankly whether or not it is possible under the existing regulations for any change to be made in the common agricultural policy by the Commission, in conjunction with Parliament, and if it is not possible, what in their view ought to be done, what steps ought to be taken in order that such changes can be made, short of altering the text of the Treaty itself.

Mr President, it is not suggested however, that in the interim Parliament should be idle. The Committee on Budgets concluded, after hearing all the arguments, that the representatives of the parliamentary committees most concerned, namely those for agriculture and budgets, should meet together before the preliminary draft budget of 1978 is prepared and should examine the following problems:

- a) the increase of Parliamentary control over the regulations proposed in the context of the Common Agricultural Policy (this relates to the point that I have just been discussing);
- b) methods of achieving a better balance between expenditure in the EAGGF Guidance Section and that in the Guarantee Section;
- c) means of improving agricultural forecasting with a view as well, perhaps, to further improvements in the budgetary calendar (that point deals very largely with the budgetary situation that has arisen, because, as is known, we received a rectifying letter very late, which gave the Committee on Budgets very little time to consider it in conjunction with the documents already in its possession);
- d) the problem of the budgetary presentation and the total level of expenditure resulting from the monetary compensatory amounts, and
- e) the important question of the link between different structural policies and the budgetary presentation of that relationship.

I hope that Parliament, with its enlarged Bureau, may feel constrained to agree to that proposal.

That deals with 75 % of the budgetary expenditure, over which it is very doubtful whether Parliament has any control at all. We now pass to the three most important remaining sections: the Social Fund, the Regional Development Fund and Development Cooperation Policy. (There are, of course, as well, the research and industry problems.)

It will be recalled that when the Commissioner concerned was presenting his account of 1976 he disclosed that the applications for relief for the Social Fund were roughly two-and-a-half to three times that which was actually paid out. Nevertheless, on this occasion, as I previously reported to Parliament, the Council made significant cuts in the proposals, small though they were, that the Commission itself put

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forward. In the event, it was proposed — and I had the honour of proposing it — that we increase the appropriations by some 170 million u.a. for 1977 in order that the amounts available for aid to handicapped people, for youth unemployment and other projects of that kind should more nearly match the known requirements — and the known requirements, Mr President, may be very much less than the actual requirements, as we well know. In the event the Committee on Budgets decided that it would accept the recommendations of the Social Affairs Committee on this for a lesser sum, and I commend it to the House.

On development and cooperation, it will be recalled that the Council decided to reduce the overall appropriations proposed by the Commission by some 93 m u.a. I am very happy to report that the Committee on Budgets came to a decision by amendment which means virtually that most of that is in fact restored. Other amendments have been submitted to the Council's draft budget which should substantially restore the various sums that had been cut from other items in the research and new projects sector. So, in all, Mr President, by the conclusion of our deliberations in the Committee on Budgets, we had substantially restored, although not on identical heads, most of the cuts that had been imposed by the Council.

In their attitude towards the expenditure of money in the Community on things other than EAGGF — the Social Fund, the Regional Fund, aid to developing countries, and so on — some Members seem to think that expenditure should be dictated by the same constraints of austerity as obtain within their own Member States. I wish to make it quite clear, Mr President, that on any rational view of the development of the Community, contributions to the Community from the Member States should not be regarded as an extra overhead, an extra burden on their own budgets, but should reflect a growing agreement amongst Member States progressively to transfer to the Community those things that can be more advantageously accomplished on a Community scale and within a Community policy. They should not, therefore, as they sometimes appear to do, regard their contributions to the Community as somehow being an enemy overhead which they have to minimize at all costs. This is completely contrary, in my submission, to the whole spirit of the Community. Indeed, in one of the interventions that came from Directorate-General II, for Economic and Financial Affairs, very much doubt was cast in the earlier part of the year as to whether policies of austerity within the Member States were in fact required at this time, and whether the Member States themselves might not consider that, far from pursuing policies of austerity, it might be wise, through judicious investment and other expenditure, to increase productivity and reduce the unemployment reliefs. This view was put forward by the Commission itself. And one does rather hope, there-

fore, that Parliament will take this attitude and that this attitude will progressively spread amongst the Member States.

But there is one way in which Parliament can have considerable influence on the development of policies throughout the Community through the budget — and that is in its consideration of expenditure under Title I, expenditure on the staff of the Community. The examination of Title I of the Budget of the Community does enable Parliament to take a hard look at the whole of the Commission structure. I want to make it clear, Mr President, that this does not imply and should not be taken to imply that Parliament has any power or seeks any power over the manner in which the Commission organizes itself. That is a matter within the privilege and prerogative of the Commission. Nevertheless, Parliament would be failing in its duty if it did not advise the Commission, and indeed advise Europe at large and the Council, as to what its views were about the way in which the Commission was organized. And so, Mr President, in conjunction with the report I have the honour to present to Parliament, I have caused to be drawn up, in Annex III A, B and C, a fairly detailed structure of the Commission showing exactly how it is organized. A glance through this Annex reveals one thing: above all else, it reveals that the Commission itself is organized to deal with the producers of Europe, either as individuals or as companies. If Honourable Members go through the Annex, as I hope they will, they will find that not more than 200 out of 7 000-odd people are in any way directly concerned with workers as workers or people as people. They are oriented, quite deliberately, towards productive enterprises, whether they be companies or individuals. And the unconscious or conscious supposition behind that is that as long as the Commission is able to organize and look after the producers that in itself is in the best interests of all the people in Europe who are employed or are dependent on those employed. This is a matter which, I would suggest, in this modern age we have to call seriously into question. I know it could be said that we have an Economic and Social Committee on which sit representatives of firms, trade unions and other outside bodies. But that is not the same. That is an advisory body. I should have thought that in the executive body of Europe, the Commission itself, there should be directorates and divisions whose specific purpose it was to make quite sure that when economic policy decisions or political decisions were made the interests of all the people of Europe were taken into account, including those in its employee structure.

The next thing to which I have already referred is that although it is sometimes said that Commissioners have the responsibility for safeguarding the interests of the consumer, there are only 6 people in the entire Commission, a section of one division, concerned with consumer protection. Mr President, we have to bring ourselves into conformity with the times. Just as

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in the Federal Republic of Germany, for example, there is greater worker participation at all levels in industry and, indeed, there are many constructive proposals on the Community precisely on those lines, so we have to ensure that the Commission's structure, the whole purposes and aims of the Commission, should be concerned not merely with productive organization as such but with a wider spectrum of the Community in Europe and should be so organized.

The next thing that will be obvious, and I have dealt with it in the report, is that although we are a European Economic Community and the Commission functions as a collegiate body, the President of the European Commission has no economic think-tank, has no staff of people directly responsible to him for the formulation of an overall European economic strategy. Directorate-General II is not specifically organized to undertake that function. Then, going through the further sections of the Commission's organization, one finds some very odd things. There is a very considerable overlap between certain directorates-general: Directorate-General II deals with economic and financial affairs; Directorate-General IV with competition; Directorate-General XI with the internal market and customs union; Directorate-General III with industrial and technological policy and commerce; and Directorate-General XV with financial and fiscal institutions. Anybody that glances through Annex III to this report and looks through the functions of these several directorates-general will readily appreciate that there is a very considerable overlap in function between those five directorates-general which is capable of some rationalization. It should be borne in mind, I think, when examining Directorate A of Directorate-General III that there is one small division only, comprising three persons, which is looking after the interests of small enterprises. Now, Mr President, it is precisely, as I have said before, the small enterprises of Europe that need every conceivable aid not only from Member States but from the Community itself, and one would have thought, therefore, that a more rational form of organization could be attempted. If one turns to page 1 of Annex III A, one gets some further clue of the quite droll organization that takes place even at Commission level. Vice-President Scarascia Mugnozza, for example, is responsible for the following functions: he has charge of the environment and consumer protection service; he is responsible for transport, he is responsible also for information; and, finally, he is responsible for general liaison between the Commission and the European Parliament. How these functions are compatible with one another is very difficult, I think, to see. Quite clearly, some rationalization is needed there. Or again, if Members will turn to page 20 of Annex III B and look at the directorates-general for which Commissioner Cheysson is responsible, they will find that he is responsible for Directorate-

General VIII (development and cooperation), Directorate-General XIX (budgets) and Directorate-General XX (financial control). Quite clearly, a rationalization of this entire organization ought to be under contemplation. And one is bound to note that Directorate-General XX, responsible for financial control, is in need of very considerable reinforcement: any trained accountant looking through this Annex will realize immediately that the staff available to Directorate-General XX is grossly inadequate, Audit Court or no Audit Court, to discharge the entire function of financial control. But overall, Mr President, there is still this picture which is even starker, and that is that in the Commission's structure the A grades overwhelmingly outnumber the B grades. There are too many generals and too few subalterns. And this again is something that requires correcting.

Mr President, I have kept the Parliament long in presenting my report. I wish it had been possible to touch upon these points while the President-in-Office was here. I conclude, if I may, by saying to Parliament that it is only by challenging the basic assumption upon which Commission and Council have so far worked that Parliament can truly fulfil its functions and justify the hopes and the confidence which thousands of Europeans still place in it. The task that lies in front of us is to use our limited powers — and they are limited — to endeavour to influence these great institutions, and it is in the hope that the report from the Committee on Budgets will powerfully assist Parliament to embark upon those very necessary endeavours that the report itself has been presented this afternoon.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission — *(F)* Mr President, at the sitting you organized on 6 July the Commission submitted its preliminary draft budget and explained what policies it intended to cover, present and assess within the framework of that preliminary draft.

I shall not weary the House, therefore, by going over the same ground again. I shall just make a few comments on general or legal matters and reserve for myself the opportunity, with your permission, of coming back to any particular points raised by Members during the debate and to those already raised by the rapporteur of the Committee on Budgets.

Incidentally, I should like to pay tribute to the rapporteur, Lord Bruce, for the highly remarkable job he has done. None can be better aware of that than the Commission. We know with what application, what care and what faith in his work the General Rapporteur set about his task. He has my warmest compliments.

Cheysson

Mr President, the rapporteur notes a number of overall improvements in the presentation and in particular the coverage of the budget. I would point out that, like Parliament, the Commission insists that the budget should cover all operations in terms of revenue and expenditure. That seems imperative on account of the very nature of the budget as a forecasting instrument, an instrument which defines the various policies.

We are therefore pleased that the Council has agreed for the first time, at Parliament's insistence and following a proposal by the Commission, that the various borrowings should be entered in the budget as this will give Parliament the right of control over borrowings, to which it is naturally entitled.

This is particularly important, as the general rapporteur rightly pointed out, as it is possible, indeed probable that our recourse to international financing will enable us to substantially develop the possibilities of this Community, whereas the latter's direct resources are at present limited by the Treaty.

As far as expenditure is concerned, we desire as much as Parliament that it should all be reproduced in the budget and, consequently, subject to the control of this Parliament. In this area the budgetization of the Community's external commitments — its commitments *vis-à-vis* the third countries — is for us an article of faith. I inform the House that last Tuesday, the Council agreed to enter in the draft budget it forwarded to us by an amending letter the guarantee of the financial commitments entered into by the European Investment Bank with regard to Yugoslavia. That is a step in the right direction. We must now go further this year and budgetize the commitments entered into south of the Mediterranean.

The result is that the budget is more transparent. However, if we want complete transparency we must not allow ourselves to be swayed by the opinion of a particular committee or technical department. When an appropriation comes under a particular policy it is desirable that it should be presented at the same time as that policy, and under the same title under which the expenditure for that policy is entered: the compensatory amounts indisputably come under the agricultural policy and must therefore indisputably, in the Commission's view, be entered under the titles relating to the agricultural policy.

The commitment appropriations have been entered, in greater quantity this year, in the budget in fairly satisfactory conditions. It was indeed absurd that in the budget relating to a particular financial year we had to enter under payment appropriation sums which we knew we could not spend during financial year but which we had to enter in order to have the authorization to commit them.

And since a certain amount of ambiguity still remains, I would point out that the commitment appropriation

is the limit to the cost of operations which the Community commits under its responsibility. It is therefore not true, Lord Bruce, that by entering less payment appropriations this year under the chapter 'Social Fund' than in previous years, we shall be paying less. The position is simply that we cannot pay for all commitments entered into in a given year and that this year we are able to limit payment appropriations because the commitment appropriations have been entered. This we find satisfactory.

In point 8 of its motion for a resolution the Committee on Budgets notes that an agreement has been reached between the Council and Parliament on the manner in which commitment appropriations may be entered as from 1977. And amendments to the Financial Regulation — which is in fact only a temporary amendment since, if you don't mind my saying so, it is unsatisfactory — was adopted by both institutions, by Parliament at its October part-session and by the Council on the 21 October. It is therefore on the basis of this amendment that new commitment appropriations may be entered in respect of the Council's draft budget. This amendment does not go as far as the Commission wants it to go but I do not see how, without reversing its judgment, Parliament could leave the framework of a regulation which it adopted hardly a month ago.

I have just mentioned the motion for a resolution. At this point I must confess that I am in something of a quandary. This motion was considered and adopted by the Committee on Budgets, in the absence of the Commission, at a restricted meeting. I should like to draw the attention of Members to point 2 of this motion, according to which Parliament

'deplores the failure of the Council and the Commission to recognize the duties assigned to the Community by the treaties demonstrated by the lack of any coherent social and economic policies.'

We too deplore this state of affairs. Parliament may of course pass any judgment it likes on the other institutions. But I would stress that to equate the Council and the Commission in this way, however flattering it may be for each of them, is to disregard the different nature of the two institutions in relation to Parliament.

Mr President, if Parliament deplores the failure of the Commission and considers its management unsatisfactory, Article 144 of the Treaty authorizes it to say so in a manner explicitly provided, i.e. by tabling a motion of censure!

I do not therefore think it proper for Parliament to adopt a motion deploring 'the failure of the Commission' without using the framework provided by the Treaty.

Mr President, with regard to the recommendations submitted by the Committee on Budgets, we feel that the expression 'freezing of appropriations', used on several occasions, is subject to caution.

Cheyssou

Of course, there is nothing wrong with imagination. But we feel that when legal terms are used they should be given their full meaning. The Financial Regulation provides that an appropriation may be entered in a particular Article, now called Chapter 100, where it is frozen until the budgetary authority thinks fit to transfer it to the line, where it ultimately belongs this budgetary authority being of course the Council and Parliament, deciding on a proposal by the Commission. The Financial Regulation does not provide for any other means of 'freezing' in the proper sense of the term. Certainly, an appropriation may be entered in an operational line of the budget without becoming immediately available, if a prior legal act is necessary for it to be released: for example, the adoption of a regulation or the submission to the budgetary authority or to the Council alone or to Parliament alone of a particular proposal, the approval of which is a condition for the implementation of the appropriation.

If no such act is required, the provisions of Article 205 of the Treaty apply: the Commission implements the budget, in accordance with the provisions of the Financial Regulation, under its own responsibility and within the limits of the appropriations.

You know that this is the very line of reasoning adopted by Parliament in urging the Commission that it had no right to wait until the Council is ready before implementing particular policies, for instance the policy towards non-governmental organizations. This provision is now being exploited to the full and the Commission therefore wonders what is the meaning of the term 'freezing', as used on two or three occasions by the Committee on Budgets.

Of course, the Commission intends to consult Parliament or its technical committees on certain subjects, for example on the implementation of the appropriation relating to the supply of information to the general public regarding elections to the European Parliament by universal suffrage.

Nonetheless, the legal term 'freezing' still worries us somewhat, or rather to be more precise, if this expression is used in its proper meaning, we should like to know how the unfreezing is to be done, on whose initiative and in what circumstances. I should like to take up this point again with the Committee on Budgets when it meets tomorrow.

Finally, a remark of a procedural nature, but at the same time of a political nature, about the amending letter. Point 10 of the motion for a resolution notes, to my satisfaction, that the 'extended' calendar provides more time for the examination of the budget. This extended calendar, however, has one serious disadvantage which I pointed out the House on 6 July last: the appropriations for agriculture cannot be satisfactory assessed when the preliminary draft budget is prepared in May, in other words before the harvest in

Europe and the rest of the world, without any information about or any means of forecasting agricultural production or, therefore, price movements. That is why we are required to introduce the figures which will ultimately figure in the preliminary draft budget, the draft budget and the final budget at a very advanced stage of the calendar, which unquestionably involves certain drawbacks. Thus the technical committees and, in particular, the committee on Budgets will have only limited time before the first reading by this House. This is a real problem and one on which the Commission requests your directives and instructions for the future. If this problem is not discussed in the next two days we should be very glad, Mr President, if the Committee on Budgets could deliberate on it with the appropriate technical committees so as to be able to tell us, either directly or through a resolution of Parliament, what procedure we should follow in subsequent years, in view these contradictory requirements.

The report also deplores the fact that in the amending letter we introduced amendments concerning matters other than agriculture. Perhaps we might be accused of being perfectionists! We thought that between May and September certain new developments might interest this Parliament: for example, the fact that our own resources now cover 63 % of expenditure forecast instead of the initial figure of 37 % and we felt that this merited discussion and a decision by Parliament. Another example is the fact that food aid is no longer presented in the form of expenditure to be entered in the budget in the same manner as previously, which deprives the Council of one of the arguments it used to use when it wanted to save money by reducing food supplies to our friends in the third world.

That is why we decided to add those amendments at the same time as we presented those which were necessary for agriculture. Here again, I would ask Parliament to request the Committee on Budgets to provide us with the necessary guidelines for the future.

Mr President, those were the few general and procedural comments which I wanted to make on behalf of the Commission. I repeat that, with your permission, I shall speak again to answer any specific questions, firstly those raised today by Lord Bruce and then any questions raised by other Members.

(Applause)

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

Mr Lange. — *(D)* Mr President, it is now, following the remarks made by the Commission member responsible for the budget, a little difficult for me to restrict myself to my role as Socialist Group spokesman. I should like to say at once to Mr Cheyssou that the Committee on Budgets is certainly more than

Lange

willing to discuss with him the points he has raised. You will be aware that we still have some problems in connection with the concepts of payment appropriations and commitment appropriations. You will know that we have made it extremely clear to your colleagues that what is not laid down in the budgetary rules or in the Treaty is not specifically forbidden and is therefore permitted. After all, this Parliament is becoming ever more self-confident and one can no longer simply say that this or that is laid down in the Treaty or in the budgetary rules and this or that is not. What we should be doing here is further developing things jointly. This remark is aimed not only at the Commission also at the Council. The freezing of appropriations, which can only be released under certain conditions, a procedure which is perfectly normal in the national parliaments and national budgets, must surely also be possible here in European budgetary policy. That is the view of the Committee on Budgets, and I can certainly say the same thing on behalf of the Socialist Group. We shall therefore have to discuss these issues, Mr Cheysson, so that both sides then know where they stand.

Now to the budget itself: Mr President, ladies and gentlemen, as far as budgetary transparency and budgetary integrity are concerned we have of course made a certain amount of progress. But we are still not quite satisfied, and indeed it would be a pity if we were now to say that we were satisfied. There are still a few points which have to be discussed during conciliation with the Council. This is something we will not be able to avoid because the Council itself has reserved its options with regard to the financial obligations connected with the financial protocols. This is something we can then work out together during concertation with the Council on 23 November. Parliament must however insist — and I say this in the name of my group that all Community expenditure is visible in the budget, regrettable though it is on the other hand that this Parliament only has to deal with expenditure and not, in fact, with revenue — even if levies, sugar levies, customs duties are available as own resources, the vital part — from the joint assessment of value-added tax — is still missing. This is something on which the Council has still not been able to agree. It in fact decided itself that the system should come into force on 1 January 1975: we have now almost arrived at 1 January 1977, and based on what we know of the necessary technical — i.e. legislative — preparations in the individual Member States the earliest date, were the Council to actually reach a decision on this matter in November, would be 1 January 1978. Such a delay over this issue is simply out of proportion, when one considers that the Council, on its initiative, declared in 1970-71 that the own resources should be fully available four years later, on 1 January 1975. But there is still another reason to regret this — and it is a point we have already raised in this connection in the past. Members of a parliament which has to decide only on expenditure and not on revenue, or at least does not have the same responsibility as far as revenue is concerned, are possibly

inclined to take their decisions on expenditure somewhat less seriously than if they also had to worry about where the necessary funds were coming from: if this was their concern the responsibility vis-à-vis the citizens of the Community to exercise proper control over expenditure and revenue would then be in the same hands. So this is an appeal to the Council to speed up full implementation of the system of own resources. If it cannot be done by 1 January 1977, as I said, then it should be done by 1 January 1978 at the latest.

On the other hand it is of course regrettable that the extra time we allowed ourselves has brought us problems as far as the rectifying letter is concerned. We have not in fact been able to discuss the rectifying letter forwarded by the Commission because the Council has only just agreed to it and we first had to await the Council's opinion. We did at one time try to draw up an opinion on the rectifying letter on our own initiative, but we gave up the attempt because it was completely pointless since we did not have the vaguest notion of what the Council was thinking.

The Commission's intentions here were certainly laudable, and we are grateful for the information on the changed conditions, but it is up to us to work these things out. In view of what the agricultural budget means for us, to wit a completely uncertain element in judging total expenditure, this process will inevitably require us to reconsider, Mr Cheysson, whether — and this is a consideration which has already cropped up in the Committee on Budgets — we can continue to use the formula equating the budgetary year with the calendar year. There is no point in always having arguments simply on account of the agricultural budget — they should as far as possible be avoided, at least as regards the appropriations entered in the preliminary draft budget, then in the draft and finally in the definitive budget. The estimates that are made may provide a legal justification but are, because of unknown harvest quantities, inevitably arbitrary and therefore do not constitute a legal basis of any practical value.

Another possibility, which we have discussed on various occasions but which has so far failed to win Parliament's approval or that of Council or Commission, would be to enter the additional amounts which will probably be required during this financial year in Chapter 100.

Here too there are innumerable legal reservations on which, experience has shown, it will not be easy to reach rapid agreement.

All in all, then, the major part of the budget remains completely unsatisfactory and we now have to ask ourselves whether we can get to grips with these problems. One possibility would undoubtedly be to energetically pursue the objective proposed by the Commission in its proposals for reforming the agricultural policy, namely to give the farmers greater respon-

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sibility for production than is the case at the moment. A start has now been made on this in the milk sector. It is being tried there, but it applies just as much to all other sectors. Totally guaranteed sales, which is virtually what the agricultural and market regulations provide, should to some degree be limited by making the producers co-responsible so that supplies are more closely geared to demand.

This is a matter which will undoubtedly need a good deal more discussion, perhaps during the course of the budgetary procedure, and certainly during talks between Council, Commission and Parliament. And it goes without saying that the parliamentary committee concerned must also comment. This is not a matter which concerns the Committee on Budgets alone, nor is it the Committee on Budget's task to make agricultural policy. However, the Committee on Budgets must point out — and the Socialist Group must do so to, as we have done in the past, during the 1976 budget debate, for example — that an undesirable situation is being perpetuated that none of us likes and that we must therefore try to rectify. So much for this problem. The fact that the agricultural sector — and in particular the Guarantee Section of the EAGGF — accounts, apart from administrative expenses, for the major part of the budget does not facilitate the whole business but makes it more difficult. More difficult, more grave, because the remaining parts of the budget, intended for dealing with other policy sectors are simply neglected. But of course, honourable friends, the budget as an instrument of policy, as this Parliament has always regarded it, naturally implies that the Member States — and we are talking now as Members of the parliaments of the Member States — must determine to give up part of their responsibilities in certain political fields or at least to arrange them in such a way that the European Community acts as custodian.

This applies to the social policy field which, as far as I understand it, is at present moving more slowly than any other sector towards harmonization within the Community; this is because social security arrangements in the individual Member States rest on very different foundations and require a far greater degree of harmonization if we want to have comparable benefits for the employed, the unemployed and the temporarily unemployed of all occupations and all age groups.

Here, it would seem to me — and this is something the debate on the Community's social policy and the Social Fund, as well as the amendments, made very clear — is what is for us, in fact, the most difficult area. This meant that an appeal had to be made to the Council, and, in the motion for a resolution, it is directed also at the Commission to some extent, since the Commission sometimes tries to pander to the Council's requirements rather than fulfil its function

as guardian of the Treaties and see what the Council can be persuaded to do and what not. This, to some extent, is pandering to the Council. So this has been expressed in paragraph 2 of the motion for a resolution.

It is thus essential that all concerned make a serious effort to really achieve greater coordination in economic policy and related political fields, monetary policy in particular, because of this basis it will also be possible to start work on a more closely coordinated social policy, including the fight against unemployment and the elimination of structural disparities — which, of course, involves the Regional Fund. To this extent, then, Mr President, old problems remain topical. In the view of the Socialist Group, the points I have just made remain an essential feature in the attempt to overcome the recession and to encourage an economic upswing.

And what is necessary internally is of course essential for our external relations. Here we are happy to be able to note that the Council has made progress as far as cooperation with the developing countries is concerned, and I am referring now to cooperation with the non-associated developing countries. The Committee on Budgets welcomes the fact that the Council has entered 30m u.a. in Chapter 100, an amount which is to remain frozen until agreement has been reached on the policy to be followed. I consider that to be a very sensible principle in view of the lengthy arguments we have had with one another on the 20m u.a. were released at the last Council meeting, but this only highlights the need to agree on Community policy towards the non-associated developing countries.

I have had the opportunity in the past to point out that development policy does not necessarily involve greater expenditure for the individual Member States. Because if agreement can be reached on a Community development aid policy then present expenditure by the Member States would be transferred to the Community to become part of the Community budget, without involving any additional burden on the Member States themselves.

It would therefore be desirable — and I am now speaking to the Council — if this matter could once again receive the Council's full attention.

I just referred to the elimination of structural disparities and was thinking, in fact, of the Regional Fund, seen as an instrument of policy; the way some countries regard the Regional Fund, however, the whole thing simply does not work.

Certain Member States have apparently adopted the view — a view which does not seem altogether to have disappeared — that income from the Regional Fund is to be regarded as a welcome contribution to their national exchequers. But as this House sees it, that is not the function of the Regional Fund. Some-

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thing must therefore be done at Community level to get the necessary policy for overcoming structural disparities under way, because these disparities represent differences in standards of living within the Community. There is probably only one thing to be done. Whatever the Community gives in the way of help must be met half way by the Member States. A fifty-fifty arrangement is fair enough, but it is intolerable that Community funds are, to all intents and purposes, being used in national budgets for other purposes. I refer to this again because it is something which plays a considerable part in the discussions, particularly as regards the utilisation of funds for 1976 and, indeed, those for 1975. I should therefore be very grateful if the Council would again give its attention to this matter so that the Regional Fund can properly fulfil its role as I have described it, to wit, the elimination of structural disparities.

So much, then, for the main policy fields as they appear here. There is, however, one other sector, though it might not be so spectacular because the appropriations earmarked for it are still lower: I am referring to research, and above all research in the nuclear energy field.

We are well aware that there are still a number of problems for the Council to resolve. We therefore appeal to the Council to resolve them as soon as possible! As far as the nuclear fusion project is concerned, agreement has now been reached on its judicial status, but there is still no agreement on where it is to be located. It seems to me that the aim should be to locate the Joint European Torus project where the best practical conditions for implementing it exist. They certainly do not exist everywhere in Europe, but they do exist in certain places and I believe that the Council should think along those lines. Moreover, we should not delude ourselves into thinking that we can disregard this project — including the necessary ancillary research — on the assumption, as was the case with the light water reactor, that the Americans will do the preliminary work and will also come up with the appropriate financing. They did that once, but the Europeans in the meantime discovered so much about American licensing practices that they could go it alone, and did go it alone, and have indeed clinched a number of deals throughout the world in this sector, something which did not please American industry at all.

I am therefore convinced that the Americans are not going to repeat their mistake in the case of fusion and that the Europeans would do well to take the necessary steps themselves to ensure that these projects are developed at home. When someone feels he has not been treated altogether fairly he is not going to do research a second time and then hand out licences — inform others of the results of his research, in other

words — so that the other people, at a great deal less expense than he incurred in undertaking the research, can then seize the initiative. I feel it would be only fair towards our partners across the Atlantic if we made the effort to get this project off the ground ourselves.

A further element needs to be considered. If a decision on the JET site is not taken soon, there is a danger, on the contrary, that this or that research group will be offered inducements to leave Europe, and the project knowledge they have already gained would be extremely useful to whoever else may wish to pursue work in this field. I am not thinking here of the Soviet Union but again of the United States, who would be extremely well placed to put the knowledge of our research groups to good use, and if we Europeans delay for a little longer in this matter it would not surprise me at all if we were to suffer irretrievable losses. That is why I appeal to the Council to take another careful look at this matter, not only to look at it but to reach a decision on it as rapidly as possible. This is, after all, a field which has great significance for the future and we have said time and again that we want a budget oriented to the future, designed to further develop the Community and not to simply allow it to stagnate at some specific stage.

This, then, Mr President, honourable colleagues, is what I wanted to say on behalf of the Socialist Group, which is adopting the same approach as it did for the 1975 budget. Indeed, it is trying to further this approach and I hope that the House as a whole will be ready and able to follow the same path. In view of the discussions that have taken place on these matters I have no doubt that this Parliament — a majority, at any rate — will endorse an approach which regards and wants to use the budget as a policy instrument oriented towards the future.

Since we have not yet dealt with the draft amendments and proposed modifications and everything connected with them and cannot start to do so now — this is something we can only do later, when the debate has progressed further and after we in the Committee on Budgets have had the opportunity tomorrow to decide on draft amendments and proposed modifications which may have been newly tabled, so as to give the political groups a final opportunity the following morning to consider them — it will undoubtedly be necessary for the Socialist Group to intervene again in this debate on this point or that. On the whole, though, the Group can already now express its basic agreement with the rapporteur's approach to the Commission's budget. It does reserve the right to table the odd amendment. That will come later. For the time being, honourable colleagues, I shall leave it at that.

(Applause)

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

Mr Aigner. — (D) Mr President, honourable colleagues, I should like to begin on behalf of my Group by thanking our General Rapporteur for the excellent report that he has submitted to us. Not only has he put a great deal of hard work and energy into this report, but as a new member of this Parliament he has mastered in a relatively short period of time the complexities of the European budgetary procedure, and whoever listened this morning to his impassioned and convincing appeal for Europe can only regret that he stood aside from this Community for so long. I only hope that this appeal for European solidarity will be noted by his party conference. Solidarity, after all, also means to have the same absolute determination and the same energy to enable the Community to become the European political and economic union that we envisage.

I should like to begin by addressing a few words to the Council. Even *after* our discussion I do not think that this catalogue, this budget, has done much to shape the destiny of the Community — as the old budgetary experts always say: we have once again shaped the destiny of the Community. It is a budget of stagnation, a budget of continuation, even perhaps a budget of crisis, and we ourselves in fact faced a difficult and basic decision, to wit: just what policy should we actually pursue in this situation *vis-à-vis* the Council? We are, it is true, the budgetary authority together with the Council, i.e. the Council has no more rights than we do and we have no more rights than the Council. That is the basic idea. We find ourselves facing the question: what general approach should we follow with our budgetary rights, which really are so difficult to apply from the point of view of our room for manoeuvre, our margin and our quorum; we don't even have the right of initiative for new policies — with a view, on the one hand, to taking account of the crisis which we cannot disregard, but, on the other, to getting the Community moving again. I certainly regret — and I am sure I am speaking on behalf of my group — that Mr Brinkhorst is not present today. Of course we understand that, in the conflict between national and European responsibilities, he gives priority to those at national level, because, after all, his European responsibilities are the direct result of his position in his national government. But, Mr President, honourable friends, that is precisely the dilemma: whenever national and European interests conflict with one another, national considerations unfortunately always take precedence and the European ideal gets short shrift.

One reason we found ourselves in such a crisis this time is because the cornerstone of our policy, the agricultural policy, is itself in danger as a consequence of the fact that it was not developed in parallel with economic and monetary union. During discussions in

the Committee on Budgets we discussed only the general line — we shall only go into the details later — but one thing was clear to us: if the monetary compensatory amounts alone come to something in the region of 1 000m u.a., that makes all too evident just how great the danger is with regard to the agricultural policy. Everyone knows that, if the Common Agricultural Policy were to break down, the entire Community would be at risk: we should then revert to being nothing more than a customs union, and the actual cornerstone on the road towards political union would be in jeopardy. That is why we must try to ensure that the Council of Ministers takes its responsibilities in this sector more seriously. The Commission has drawn up proposals; I only hope that decisions will be taken on these proposals — since they will have a decisive effect on how next year's budget will look — during the course of these discussions on the budget. We must not forget — Mr Cheysson spoke of it and so did Mr Lardinois, more than once — that the agricultural policy has an immovable point of reference, the common price scheme. But this point of reference has now become totally fictitious. And if we do not succeed in returning to clear and stable price relationships, then I believe we really are in danger, and that this budget will not be a progressive budget but inevitably a retrograde one.

We ourselves face two basic considerations: we wanted, on the one hand, to apply fully our old budgetary principles, in other words to be economical in authorizing appropriations, i.e. to achieve our goals in as thrifty a fashion as possible. Now that that means is that in the staff sector, for example — and I apologize here if I may have appeared to the Commission to be too unyielding during the discussions — we have not accepted some of the staff increases asked for by the Commission. I know that 'staff mobility' is in fact not so easy to put into practice, and I know that the Commission has done a lot, but we must stick to this path; we also have to consider the Council's view and in this case we have therefore gone along with the Council's thinking.

Mr President, in my view there is one feature of cardinal importance — and this is something that both the rapporteur and Mr Lange have already mentioned — and that is the question of control which, when it is improved and further developed, will help us to save considerably more money on many, many items and thus perhaps achieve greater efficiency.

Mr President, I do not here want to go into the individual draft amendments and proposed modifications in detail. I can say on behalf of my group that I basically support what Mr Lange has said on the various sectors. Throughout our deliberations we have always remained aware of the fact (and the rapporteur sometimes had to point this out without, I am sure, much satisfaction) that our draft amendments always require

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a three-fifths majority if we want to get them through against the opposition of the nine finance ministers. As a result, of course, we have always pursued our policy against the background of whether we can carry it through, and so we can say that what our rapporteur has submitted here today is likely to get the necessary support of this House because it already represents the synthesis of a variety of points of view. We have placed the emphasis — and I shall only mention the main amounts for the benefit of the Council, so that the public can also get an idea of how we have disposed of our budgetary rights — on the technological sector: for the development of hydrocarbons we have asked for 15m u.a. with an increase of 9m u.a. for hydrocarbon-prospecting; we are also asking for 2m u.a. for uranium prospecting and 8m u.a. for basic research in the aerospace sector. As far as the Regional Fund is concerned, Mr President, we have reinserted — and that is something we cannot even include in our margin for manoeuvre — 100m u.a. in payment appropriations, since it is something the Council has committed itself to. I know, of course, that these 100m u.a. will probably not be fully utilized, but on the other hand there are certain differences in how these funds are spent from one country to another and, if we were not to enter the full amount as payment appropriations, it may well be that this or that project, which is justified and well prepared, could not be implemented this year. We have only entered an amount, after all, which the Council has committed itself to before this House year after year.

The next sector for which we have asked for a relatively high amount — 30m u.a., where the rapporteur himself was proposing even more — is aid to disaster-stricken areas. Mr President, we felt that in view of the prevailing situation in the world we had to enter this minimum appropriation of 30m u.a., and you can see to what extent we are acting out of solidarity by the fact that we have included these 30m u.a. in our own margin of manoeuvre.

A further important sector is development aid, 30m u.a. May I say at this point what the Commission and Parliament have repeated time and again over the past ten years: the building of Europe is not an end in itself; to build Europe is to play a part, and this part is called partnership with the Third World. No matter how you look at the world, Europe and the Third World are in it together. This is one of our greatest responsibilities and I believe that above all the members of the Council should consider the fact that this is an area in which they can not only both easily achieve continuity in our policy, it is also an area in which national activities could most easily be coordinated at Community level without necessitating a significant increase in total expenditure. I believe that the presence of a Europe acting as one in the world means more than the sum of nine individual presences. I therefore feel that the Council should go along with this policy and not raise objections.

In the area of compulsory expenditure we have entered further increases for food aid: wheat 53m u.a., skimmed milk powder 17m u.a., sugar 1.6m u.a. and other products 20m u.a.

The total increases, Mr President, remain well within our margin. Our intention, however, was to pursue a policy which we started years ago, because we do have a conception; and I can only regret that the Council, completely without any conception, in fact does nothing but make cuts year after year with no other purpose than to make budget savings.

Mr President, a few points have been raised which, on behalf of my group, I should still like to go into.

Firstly, I think, one should dispute an objection that is often heard in public to the effect that the Community is developing, financially speaking, too strongly and too fast. So may I say, once again:

Even if our amendments calling for increased expenditure are accepted, total Community expenditure as a share of total public expenditure in Europe, i.e. the Nine plus the Community, will not rise, but will once again sink. The curve is going down. In 1974 the Community budget as a share of all public expenditure in the nine Member States was 1.94 %. The Community budget, in other words, did not even amount to 2 % of all public expenditure. In 1975 this share was down to 1.92 %, and this year, if my cautious estimates are approximately correct, it will be below 1.9 %. So this objection, at any rate, really should no longer be made in public.

Permit me to make a second point already raised by the previous speaker. We call upon the Council — and this is going to be an important item during conciliation — to press ahead with implementing the promised Community system of own resources and to submit to us, perhaps during the next round of conciliation, the outcome of the discussions of the Permanent Representatives.

Mr Cheysson referred to a number of points, two of which at least I should like to comment on. The first point is the all-inclusive nature of the budget. I think we should really continue our efforts here, and it will be somewhat simpler — above all to include expenditure on development in the general budget — if the question of the unit of account is finally solved next year. This too will be a talking-point during concertation with the Council.

Mr President, something I have again particularly regretted during this year's discussion on the budget is the lack of an overall Community conception regarding structural policy. You are aware just how difficult the question of the Guidance Section of the EAGGF is. When I notice, however, Mr President, that the funds for this policy get lower year by year instead of higher, when I see that, for years, millions of units of account have regularly been earmarked for agriculture and that the CAP is at the same time criti-

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cized for being too expensive, and that the funds then quietly disappear and are used to cover other expenditure — we do not even dare this year to talk about mobilizing the huge Mansholt reserve, after doing so in vain for so many years — then it cannot be denied that on overall conception is absolutely essential. This is the point that I should like to ask Mr Cheysson to place more emphasis on in future during discussions with the Council. We have various financial instruments. They range from the EAGGF to the ECSC funds, the Social Fund, the Regional Fund, EIB funds and other budgetary resources. These resources must gradually be welded together in an overall conception for structural and regional policy.

In conclusion, Mr President, let me say that we are of course looking forward in tense anticipation to the concertation round with the Council.

As I see it — and I would be pleased if the President of the Council could be informed of this — the following points are certain to come up.

Firstly: what is actually the position with regard to the implementation of our budgetary rights if the Council continues to adopt the stance that we may indeed authorize funds but that these funds, so long as the Council does not prioritize a legal basis, cannot, despite Parliament's budgetary rights, be spent? Here, at least on one or two points, we are going to have to argue very toughly with the Council.

Secondly, is the Council prepared to accept the policy we introduced three years ago, in part against the opposition of the Council, of concentrating on certain targets — which I have just outlined — in energy and research policy, and really to use it during its own considerations rather than always await Parliament's next move?

As regards our own budget, if I may mention it briefly since it is certainly connected to the general budget, we shall be taking a huge step forward here, unlike the Commission; these funds, however, are intended exclusively for preparing for direct elections and we are not prepared to accept a delay or delaying tactics in this respect. So we shall draw up our own budget with a view to these new responsibilities and I hope that these funds will not be considered as part of the general strategy because, even in the Council's view, we have sovereignty in drawing up our own budget.

There is one point, finally, that I have already referred to, which will take a central place during conciliation, and that is the transparency of the budgetary procedure; we have already had a great many discussions with the Commission on this point. The problems are well known to the Council. I only hope that, after the next round of concertation, we shall both be able to part company with the conviction that, even in this crisis, we as the budgetary authority have adopted a good budget.

(Applause)

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

Mr Bangemann. — (D) Mr President, I should like to begin by complimenting Lord Bruce, and I hope he will accept the compliment as being more than merely rhetorical. I find it quite remarkable, in view of the personal ideas which he expressed on the budget during the Committee on Budgets' discussions and in view of the reactions of the committee to those ideas, that he has here today expressed the committee's viewpoint with such honesty and objectivity, and I should like to thank him specifically for this because both I and my group were not in agreement with some of the points he raised during the discussions.

Perhaps, Mr President, in view of the nature of this budget, which really does not give rise to much euphoria, it might be proper to reconsider, quite soberly, our own positions and our own views on what the budget can and cannot be. Of course, politicians involved in the budget firmly believe that it is they who decide on policy. Certainly, the other specialist committees make fine proposals and put forward ideas and thoughts. However, if the Committee on Budgets or the budgetary authority, to use the technical term, do not accept them, then these ideas must simply remain ideas. This debate shows that we ourselves have become a little used to this idea, when we say, for example, that the budget should be more than simply an exercise in book-keeping or accounting and should, in fact, be an expression of Community policy. However right that may be, Mr President, it can also be extremely dangerous of one takes it too seriously. I have gained the impression from the odd sentence in the speeches of those who have already spoken that they have allowed themselves to be guided somewhat by this over-serious approach. I firmly believe that not everything in our budget reflects Community policy and that the Community's overall policy is not to be sought in the budget.

I can cite in this respect one example that Lord Bruce gave when he complained that in some sectors of the budget the resources were insufficient to properly protect the consumer, to support the under-developed regions, etc. There is in fact a great deal of Community legislation which does provide effective consumer protection and does not necessarily appear in the budget. To take a random example, the various technical rules which industry is required to abide by also constitute active consumer protection. And to this extent, perhaps, his criticism of the Commission's structure is not quite justified, since the division of the Commission into directorates-general — even if they do tend to remind one rather of the nomenclature used in the industrial field — does not quite correctly reflect the Commission's activities, since, for example, a directorate-general concerned with industrial production is also responsible for aspects of consumer protection. To take another example, the

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Directorate-General on competition also deals with the position of small and medium industries. This might be right in Lord Bruce's eyes; in my view, however, it should be presented somewhat differently. Competition policy is a policy for small and medium-sized industries if it effectively ensures that large corporations are not in a position to compete unfairly. This, perhaps, is an area where the emphases need correcting, just as I can well understand that the Commission, very politely, objects to being compared with the Council. Who indeed, so far as the effort and determination to work towards European integration is concerned, would want to be compared with the Council, Mr President?

I should like to use the example of the agricultural policy to show what I mean. This agricultural policy is not as it is introduced in the Budget, a policy of the Community, and the attempts made, amongst others, by the chairman of the Committee on Budgets to change things here are of course basically futile attempts since they are trying to change a policy by budgetary means when it is the policy itself which needs changing. What we find in the budget, honourable friends, is not even the agricultural policy accounts, it is merely estimates of what the effects of the agricultural policy in one budgetary year will be. To then attempt to change these estimates, in the way originally proposed by Lord Bruce and possibly to be proposed by him again, namely to simply remove a specific amount from the Guarantee Fund and transfer it to structural measures, Mr President, is of course a measure which may show goodwill but will inevitably remain without effect since, as Lord Bruce himself has since pointed out, the actual agricultural policy has already been defined and is laid down in the agricultural regulations.

Moreover, the proposal of the chairman of the Committee on Budgets to enter funds in Chapter 100 is also merely the expression of the will to get things changed, without it actually being possible to change anything, as he himself is probably perfectly aware. What we are doing, Mr President, is observing a patient who is clearly in high fever and also needs his appendix removed, since the cause of his fever is the appendicitis. What we are trying to do, however, is not to cure the appendicitis but, through budgetary means, to get the patient's temperature down, even though we are all perfectly aware of the fact that the patient will inevitably die if we don't do something about his actual illness.

This, in my view, is where the agricultural ministers have to be told that something has to be done on the budgetary level, and not only as regards the monetary compensatory amounts. These monetary compensatory amounts are an obvious problem; for the first time we are dealing with them separately, a symptom not of the illness of the agricultural market but of the persisting lack of monetary policy cooperation amongst the Member States. But even if we leave that aside, Mr President, we cannot disregard the fact that this agricultural policy, however well it was intended,

is stuck in a cul-de-sac which we must help it out of if we really want to help the farmers in the Community. And that is something we all do want, my group in particular. Unfortunately, however, the available machinery is completely unsuitable. These price mechanisms are in fact a way, as Lord Bruce quite rightly pointed out, of making the rich richer and the poor poorer, since these prices are fixed at an average level. This average level is too little for the small farmer and too much for the big farmer. Under this system we succeed neither in ensuring that farmers as a whole receive a reasonable income, nor in having this price serve as a market mechanism, as it was once intended to do, nor in establishing a balance between supply and demand.

That, Mr President, is the simple explanation for the surpluses we have. I really do not know why we eternally try to ignore this fact. Let us at least no longer close our eyes to the fact that, if we really want the agricultural policy to help the farmers, we have to break with this type of price policy and move over to structural measures which are geared more directly to the specific needs of the farmers. Measures to help hill farmers are a step in the right direction and my group hopes that these measures can be extended to other areas.

Of course, this budget has also given rise to a number of technical questions, to which Mr Cheysson referred, and I must say — though of course now I am speaking on my own behalf, since I cannot put my group's view on the remarks he made this morning — that I can understand him. If the negotiations between Commission and Parliament and subsequently between Commission, Parliament and Council are based on a financial regulation which represents the legal expression of the political consensus on the basis of which these talks take place, then each party must be able to count on each of the others taking part in these talks on the basis of the joint consensus. In other words: the budgetary device of freezing a title may in some senses be justified. I really do think, like Mr Cheysson, that the Committee on Budgets has, on this point or that, used this device contrary to the sense in which the financial regulation intended it, that what we are actually doing here is taking away from the Commission what is actually the Commission's political responsibility. This is undoubtedly being done with the intention of leaving more possibilities open to us, and perhaps also with the idea of in this way saving the odd project, because we have on occasion frozen funds when we felt that a programme was not yet fully developed but wanted to show that we were in principle in favour of it. That, of course, is what Chapter 100 is therefore, and we should now really consider, together with the Commission and the Council whether, apart from the legally proper system of blocking funds in chapter 100, we really ought officially to introduce a system for freezing funds, in which case we should of course then specify in what cases we will want to use it and in what cases it may be justifiably used.

Bangemann

I do not believe that one can operate on the principle that what is not in the financial regulation is not prohibited. That might apply to the highway code. One may undoubtedly do on the road whatever is not specifically prohibited by the traffic regulations. But I do not think — and there even Mr Aigner seems to have his doubts — that it is proper to say that when dealing with the legal basis of the budgetary dialogue we can simply do whatever is not laid down in the financial regulation and specifically prohibited.

Another reason I think that we should solve these technical questions is that we are faced with the task of looking at budgetary policy considerations, as far as is possible, as political considerations. I do not want to go into that in any more depth, and my colleagues in the group will comment further on individual aspects of what I have already said in a general sense on the agricultural budget. What should be perfectly clear, however, is that, on budgetary policy grounds, we can no longer continue to act like a solicitor at the end of practically every financial year and point to all the various difficulties that have arisen. Unless, of course, we are prepared to stop complaining and say that we accept the fact that 75 % of the budget is really and truly nothing to do with Parliament at all. All right, we can of course play our part in drawing up agricultural regulations and exert an influence on them, but that is the only part of the policy in which Parliament now has a say — the other part must be our right to authorize appropriations, in other words, the legal arsenal must also leave room for manoeuvre as far as the budget is concerned. Every time that this legal arsenal lessens our room for manoeuvre on the budget, there is that much less point in holding budgetary debates. So perhaps we must approach the problem using budgetary means, but they must then be appropriate means.

It is a somewhat different matter however, as regards the sector — not very large in terms of figures — in which we really can initiate policy through budgetary decisions. I can already say that my group will vote in favour of all the draft amendments whose intent is to open new initiatives in those areas where we really are able to form Community policy. That goes for the Regional Fund, already mentioned by the rapporteur, and it goes above all for the industrial and research policy projects.

I believe, Mr President, that what our rapporteur said is correct. We have to place the budget in an economic context in order to unfluence that economic context with the funds that the budget makes available. I do not, however, share some of the conclusions that he draws from this. I do not, for example, believe that the fact that development within the European Community is proceeding at different rates can be attributed solely to the fact that the monies from the Regional and Social Funds have

been inadequate. If we are honest with ourselves, even in this field, then we have to admit that different conceptions of what is right or wrong economic policy in individual Member States can make a major contribution towards increasing or decreasing these disparities.

I do not believe that this is the time or place to go into this matter any further, but I should like to point out to Lord Bruce that he ought not to overestimate the influence — or the lack of influence — of the Community.

It may be true that, since the United Kingdom joined the European Community, we are able to take this or that measure, or not, as the case may be, but you certainly will not deny that the bulk of economic responsibilities remains firmly in the hands of the Member States, so that they themselves must make the comparison between their own economic situation and their aspirations and goals and then draw their own conclusions for their own policy. This applies of course to every country and not only to the one I have just mentioned. I chose it simply because our rapporteur happens to come from that country.

It is indeniably correct, Mr President, that we should make special efforts in the field of industrial and research policy simply because we can play a role in shaping the economic conditions in which such research can operate. In other words, whoever complains about unemployment, about lack of investment, about the technological lead of the United States in certain areas must understand that these things can only be changed if we make a serious and determined effort in the fields which are so vital for our future — industrial and research policy.

That is why I found it so unsatisfactory that the Council should have deleted the appropriations earmarked by the Commission for, for example, a joint aerospace policy. Fair enough, the memorandum submitted by the Commission may not meet all the conditions that one might justifiably expect of such a programme. That we must do something here, however, has been made clear by developments in this industry itself. Unless we do something now, Mr President, we shall not even need to talk about a joint aerospace industry in two or three years time. Even if we were then prepared to spend a lot of money on it, there would be no need to do so because this joint aerospace industry would simply no longer be able to exist in Europe under conditions which will probably prevail then. This is another matter, I think, on which I have said enough.

In short, my group will give its full support to all those amendments in which the Committee on Budgets — and that applies, in fact, to virtually all the committee's amendments — is trying to give support to Community policies geared towards the future, and will do all it can to ensure that the modest funds at

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our disposal are put to the best use in order to play a positive part in influencing the economic situation of our environment. We do this in all humility, because I believe it is wrong to overestimate oneself or one's capabilities. But we do it in the awareness that this Parliament needs to give all its support to a policy of this kind and to give full expression to its political determination. Politics, after all, consists among other things in influencing others through the positions one adopts oneself. I therefore sincerely hope, Mr President, that this Parliament will give expression to this point of view in the forthcoming votes. The Liberal and Allies Group will contribute whatever it can.

(Applause)

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

Mr Cointat. — *(F)* Mr President, we are now getting down to the meat of the budget. I know — and I do not think that Mr Aigner will contradict me — what difficulties a General Rapporteur has to face in presenting something as important as the budget of the Community and therefore I would like to turn to Lord Bruce and tell him, as Mr Bangemann did, how firmly we support him in this matter as we know how many hours he must have spent working on his report and how grateful we are to him.

I hope you will forgive me if I take the liberty of speaking in two capacities: firstly, as chairman of a working party of the Committee on Budgets and, secondly, as representative of the Group of European Progressive Democrats.

The working party prepared a number of amendments — ten in all — and submitted them to the Committee on Budgets, which approved them and has now tabled them in Lord Bruce's name. I therefore hope that the European Parliament will follow its Committee and approve the work of the working party, thus sparing me the need to go into detail. With Lord Bruce the amendments are in good hands. Besides, they are concerned less with expenditure and revenue of the budget, i.e. the figures in each chapter, than the budgetary policy itself, and here I am thinking of the amendments to the budgetary nomenclature, the commitment appropriations, the budgetization of borrowings and the amending budgets etc.

In fact, these amendments, considered as a whole, have an important political objective, i.e. to define the exact budgetary powers of the European Parliament before the 1978 elections. The general principles have already been adopted but the implementing procedures have not yet all been settled. New difficulties crop up every day. The final financial regulation is not yet ready. We believe that it is necessary to organize budgetary policy fully by the end of 1977; otherwise, we might create uncertainty and generate ambiguity and confusion in the future assembly.

I think it would be a pity if lack of foresight on our part was a source of confusion, or conflict between the Council, the Commission and Parliament, since this might compromise the future and success of a Parliament elected by the people. That would obviously be a very bad beginning. I therefore emphasize that we should concentrate on defining the budgetary powers of our Parliament and I urge the Council in particular — I have already told Mr Brinkhorst — to ensure that there is ongoing inter-institutional dialogue on this matter so that solutions can be found to such vital problems as, for example, the power of creating commitment appropriations, the procedures for the freeing of appropriations on the line or in Chapter 100, the procedures for the authorization of transfers of appropriations or the definition of what are called provisional appropriations. I am therefore pleased that the Council has accepted this point of view and has already arranged a meeting for consultation with Parliament and the Commission on 23 November next.

So much for the general comments I wished to make with regard to this first series of amendments relating to the budgetary policy.

Speaking now on behalf of my group, I would point out that we have tabled another series of amendments. These amendments have also been carefully studied by the Committee on Budgets, which has accepted most of them and I thank my colleagues in that committee for doing so. It is therefore not necessary for me to discuss each of these amendments in detail. We are confident that our General Rapporteur will tell you what happened in committee and I am confident that Parliament as a whole will follow the same path as the Committee on Budgets.

I shall therefore confine myself to four fundamental observations on behalf of the members of my group. Some of you will say that I have already had the opportunity of making some of these points at previous sittings. But in reiterating them my aim is to drive home the European idea by repeating certain things over and over again in the hope that they will eventually sink in.

My first observation concerns the Guidance Section of the EAGGF. You know that the ceiling for this section is currently fixed at 325m u.a. but for years now we have been hanging on to what we call the Mansholt reserve, a term which has neither budgetary nor legal meaning. Now I have already proposed that in view of the events of this year, and in particular the drought which has afflicted certain regions of the Community, we should launch a large-scale water supply plan at European level. Indeed, I told Mr Lardinois that before he leaves the Commission it would be a fitting honour for him to give his name to this water supply plan. I think it would make him more popular than giving his name to the co-responsibility plan in the dairy sector which is being discussed at present in

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the building opposite. To realize this water supply plan, however, funds will be needed.

It is my view, therefore, Mr President, that we should do away with this Mansholt reserve. There are only two solutions: either we decide once and for all to pursue a structural agricultural policy in Europe, as adopted in March 1972, and immediately allocate to it the appropriations in the Mansholt reserve, and at the same time to a water supply plan or — a more orthodox alternative from the point of view of budgetary practice — we delete the appropriations in the Mansholt reserve from the budget but abolish the ceiling in the Guidance Section of the EAGGF. I wish that at long last we could get down to achieving the much-wanted policy of structures, which everyone talks about, like the Arlésienne, but no one ever sees on the stage.

My second observation is that this budget — and this is an observation which, to our profound regret, we make every year — contains no new projects. And, as one of the previous speakers said — I think it was Mr Aigner — once you stop going forward you start going backwards. Well, at the moment we are going backwards. And I hope you will forgive me if I tell you, in my own way, what I think of the budget we are about to vote on: it is a grocer's budget, a purely administrative budget and we regret that very much. Let us just consider two of the amendments we have tabled. The first of these is designed to add to the budget aid to young farmers and the purpose of the second is to provide incentives for the aircraft industry. I shall confine myself to these examples in order not to prolong the debate but I would urge you to take note of the principle and philosophy behind them.

My fourth and last observations are linked. They concern the monetary problem, a problem which has become intolerable, a problem of the utmost importance and one which threatens to become a fatal disease for Europe. We talked about it last time and I thank the general rapporteur and the Committee of Budgets for releasing, by means of an amendment, the appropriations allocated to the compensatory amounts of the EAGGF and the agricultural budget, since Europe's farmers cannot take the blame for the vicissitudes and chaos in the monetary sphere. In view of the fact that these compensatory amounts represent about 20 % of the budget for agriculture it is vital to distinguish the two things carefully.

You are familiar with my position on this subject, as I made it plain at the last part-session. We urge the introduction of degressive compensatory amounts which can be demobilized within a reasonable period of time. We also hope that by the end of the year it will be possible to introduce the European unit of account, which will not be operational until 1 January 1978, the 'basket' unit of account which will make for

a little more stability and contribute to reducing Community expenditure.

In restating these two fundamental observations I turn to the Commission, and in particular Mr Cheysson, and remind him that when we considered these problems he replied that on 25 October the Commission would submit concrete proposals to the Council on the matter of compensatory amounts and the European unit of account. Today is 25 October and I would request him to tell us how matters stand and what precise proposals the Commission has formulated and to give us some assurances for the coming weeks, because proposals are not the end of the matter; they are followed by the Council's deliberations and ultimate decision.

That is all I have to say, Mr President. These are the only remarks I wish to make as part of our contribution to the consideration of this budget but I think they are fundamental ones. The Group of European Progressive Democrats will vote in favour of the budget only on the condition that all the amendments tabled by the Committee on Budgets are adopted.

(Applause)

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

Mr Shaw. — Mr President, I think all of us are right to start our speeches by saying a few words of congratulation to the rapporteur. His job has been a difficult one. — Difficult because the job itself is difficult, but also difficult because of the high standard of work and detailed examination he has set himself and the thoroughness with which he has gone into everything he has handled. I suspect he has probably spent more time on this budget than any other rapporteur during the history of our Parliament. So I should like, on behalf of my own group, to add our own congratulations to him.

(Applause)

Many of us, Mr President, spoke in the earlier debates on this budget, and much of what we might have said today we have already said. For my part, I want to speak for a very short while because there are members in my group who, in their various committees, had formed certain views about the amendments that are coming forward and who are anxious to make the views of our group known on those particular amendments. I am anxious to see that they have plenty of time to put forward their arguments.

It is right that every time we discuss a budget of this nature we should reflect upon agriculture and the proportion of the budget that goes towards it. It is right, therefore, that nearly every speaker has done just that. Every speaker, I think, has in some measure been critical of the CAP. I don't want to be critical of the CAP in the sense that everything about it is bad,

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because that isn't true. At least we are arguing from a position of surplus rather than a position of deficit and that's a darn sight better than the situation that exists in certain other countries. But nonetheless it is clear that changes have got to come, because the distortions and shortcomings are, in my view, growing to a size which might well wreck the system itself. This is a dangerous state to get into. I don't want to discuss those possible changes in detail. I gave my views on this during the last debate, but I believe that it is a matter that we have got to treat with the utmost urgency. As early as possible, some vital changes have got to be made in the system. We are left with a system that makes it very difficult to forecast accurately, certainly with regard to drawing up a budget. Whilst we welcome the new timetable, which has given us more time — although, in a curious way, the more time we have to look at these matters the more time we seem to need — the very advancement of the timetable has put an added strain on the Commission, and we cannot legitimately grumble if, through the new system, we find that there is a letter of amendment coming in from the Commission which changes the figures at a late date. This, as far as I can see, is something we must try to improve, but at the moment it seems something that is inherent in the new system.

I still come back to a subject I raised when first I came into this House some three years ago and which I was glad to hear my chairman, Mr Lange, raising earlier, namely, the question whether the end of the Community year should not be changed to the spring. In that way we should have known what had happened so far as the crops were concerned and what happened with regard to the agricultural review. And so I think that, too, is a matter we should keep in our minds.

We have heard tonight about the greater need there now exists for regular concertation between ourselves and the Council. I believe this is a matter in which we can see definite improvement. We had some good concertation earlier this year, and I hope the conversations that we are going to have will prove equally fruitful. I think it is fair to say that our concertations and discussions with the Commission always been helpful to us, and I hope that, to balance things up, the concertations and discussions that we have in the future with the Council will prove equally useful and equally helpful.

I now turn to the report itself. Having congratulated the rapporteur, I want, if I may, to be quite honest about the matter and say that I regard the explanatory statement as being a document that is largely personal to the rapporteur. I say that because, in all sincerity, I cannot go along with the whole of that explanatory statement. Mr Bangemann referred to one or two points. I will simply say this: if we refer, for example,

to page 16, we find there a table that I regard as being misleading. It is not deliberately misleading, I am not attempting to say that for a moment, but the end column shows the different percentages. Well, we all know that people say you can do anything with percentages — and so you can — and I am bound to say that if you look at those percentages and some of the extremes, then I think you will realize what has been done with percentages in this case! I not think that in any sense those percentages are significant. But what is the implication behind that table, because that is the important thing? The implication is that, as a result of their joining the Common Market, an unsolicited benefit has been given to some countries and unsolicited harm has been done to others. I am bound to say to the rapporteur that, in my view, it is not the fact of entering the Common Market that has produced the trends we see. The real factors concern production and demand, and I do not believe that the overriding factor affecting production or, indeed, demand was the joining of the EEC. For example, suppose my own country had not joined the EEC. Is it suggested that as a result we should have produced more cars? One of the troubles was that we had a lot more cars coming into the country. Why? Not because we joined the Common Market. They were coming in because people wanted cars in Britain and they were not being produced in sufficient quantities in Britain. If we had not been in the Common Market, it is quite probable that they would have come in from Japan or somewhere else. But the real point is that there was not sufficient production and there was the demand. These are the sort of factors one should take into account when looking at matters of this sort. I will not belabour the point further. I just wanted to bring that example forward to show why I cannot go along with some of the rapporteur's reflections in his explanatory statement. All I will say, Mr President, is that, in my view, as a member of this Community a country gets a greater opportunity and opportunities have to be grasped. I will leave it at that.

I now move on to another point, the question of the Court of Auditors — an old and hackneyed matter but still one of immense importance. I do hope that during the course of the debate something will be said as to when the Court of Auditors can be set up. We have now done our part. We have set up our Control Subcommittee, chaired very ably by Mr Aigner. We are anxious to start work and indeed we have already started work and are doing plenty. But we feel, at least I certainly feel and I think he does, that our best work can be done in cooperation with the Court of Auditors, when it is set up, and we want that as soon as possible. Also, having been given this important task in this Control Subcommittee, we want the proper staff to run it and that is another matter we must look at very closely in our perusal of the budget.

Shaw

Finally, Mr President, may I say a word about the overall look of this Budget. It is disappointing, as earlier speakers have said. I have noticed a theme running through many of the speeches made this afternoon which exactly coincides with the thoughts that have been going through my mind. Lord Bruce has told us, and so indeed has Mr Cointat, that the budget is too small to have any real effect. Well, in a way it is true, but all the time we in this Parliament ought to be looking at the future and how we can best build. My view is that, if we are to succeed, as I am sure we shall, progress must lie in the gradual development of Community policies and Community projects, and that is where we must be pushing all the time to try and develop. I personally believe that is a limit to what we can do until such time as we have direct elections and direct representation. The problem of the timetable itself, I believe, will not really be solved until we get direct elections. But when we get direct elections, then we shall not only be able to spell out our views and our determination here in Parliament and to the Council and the Commission, but we shall also be able to sell the European point of view direct to our constituencies in our own countries. Then we shall have a European view going right back into the member countries. The Council ultimately consists of national governments with a stake in retaining their power within their own countries. That is where their future lies. Our future, when we are directly elected, lies here in a direct contact with our constituents. When we have that direct contact, then, I believe, we shall be able, much more so than we can now, to back up the views we put forward on occasions like this.

(Applause)

IN THE CHAIR : Mr MARTENS

Vice-President

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

Mr Leonardi. — (1) Mr President, ladies and gentlemen, I too should like to begin by thanking Lord Bruce for his work, and Mr Cheysson for his statement last July when he presented the draft budget. Of course, one can acknowledge the merits of others without necessarily agreeing with them; such is our position today, as we will be voting against this budget.

When I was going through documents in preparation for my speech, which I am making in place of Mr Fabbrini, who sat for many years on the Committee on Budgets and is no longer a member of our delegation, I was struck by the number of points on which colleagues of varying political persuasion expressed the same views. I am not going to list them all, for that would take too long, but shall limit myself to the

most important. Everybody stressed that this Community budget was too limited: it represents 0.5 % of the Member States' combined revenue, and less than 2 % of their expenditure. The main feature of this budget is thus its limited and static nature.

The cause of this situation lies in the Treaties themselves and, of course, in the governments' desire to limit, through the budget, the opportunities for Community action.

Lord Bruce and Mr Cheysson have both suggested that, in order to end this situation, we should appeal to the capital markets in the hope of obtaining a loan for the Community. I do not believe that there is much to be gained from such a move. Although we voted in favour of the introduction of Community loans, if we are not to delude ourselves, we must also take into account the limited opportunities open to us in this field. In the present situation, credit and loans cannot be extended to the Community as such, but only to the individual Member States. I feel that we cannot take as an example — which nobody, in fact, has done — the position and radically different activities of the ECSC or the European Investment Bank, since, in the present context, we are considering the use of a substantial loan for the Community as a whole.

As I have already said, we voted in favour of the introduction of Community loans, but believe that this instrument cannot be used for the quantities needed in order to change the present situation. However, we will support the efforts made in this direction.

The second feature of our budget on which everybody is in agreement is its lack of balance, due to the enormous share of funds for the agricultural policy, which should really be considered a Community anomaly, seeing that, as the rapporteur points out, this policy conflicts with the general rules for Community policies. Everybody, or nearly everybody, seems to agree on this lack of balance.

The third point is the degeneration and deterioration of the budget over the years, caused by the fact that a substantial — between 20 and 25 % — and increasing part of agricultural expenditure is in fact incurred as a result of changes in the exchange rates, which are really monetary factors.

I do not believe that the separation, as requested in various quarters, of this agricultural and monetary expenditure, from purely agricultural expenditure will substantially change the situation; at most, the matter will be clarified in terms of accountability, even if this will have a positive effect. The fact remains that these payments, which were originally considered to be temporary, are increasing and are likely to become a permanent form of compensation for farmers or consumers, depending on fluctuations in the exchange rates. To have an idea of the relative

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amounts involved, suffice it to say that in one week the Community's expenditure on compensatory amounts totals more than its entire expenditure on research.

Another point is the uncertainty surrounding our budget, stemming from the fact that the original figures are radically changed during the implementation of the budget, with the frequent result that the estimates resemble bets, and here I can only endorse the view expressed by the rapporteur in point 9 of the motion for a resolution, in which he deplores this situation. Mr Cheysson has pointed out that this situation has been brought about by the policy pursued by the Community and is therefore, in some way, an inconvenience which we must accept. Everybody considers this situation unsatisfactory and everybody strongly deplores it. But even if 'deplore' is the word most frequently heard in our debates, no concrete results have yet been obtained.

Why is this the case? What is the situation which is reflected in the budget and which prompts us to vote against the motion for a resolution, even if, as I have mentioned, we agree with it on various points and support the views put forward by Lord Bruce? What is the situation reflected in the budget? What are the basic facts expressed in the budget? What opportunities do we have to influence this situation through the budget, which is essentially limited, with the similarly limited powers of this Parliament? One answer was given by the rapporteur himself in his consideration of the budgets of the various Community policies, in particular those in respect of which the Community should pursue a role of active intervention, while in reality, after so many battles, it manifests almost total inefficiency — such as the social, regional and research policies, and many others.

The rise in unemployment, particularly among young people, has increased the difference between the levels of development of the various regions of the Member States. The rapporteur, right at the beginning of his report, in an attempt to give a general reply, notes that the Community is in a state of crisis, and that there is a danger that the present number of 6 million workers unemployed may become accepted as an inevitable phenomenon, and left to solve itself, obviating the need to resort to the intervention of massive aid, based on specific political choices. He rightly points out that a similar view is, in the final analysis, implied by the Treaty of Rome. Similarly, the present situation, even if considered unsatisfactory, may be incidental and temporary; in addition, given the negligible incidence of the Community budget on the total resources available in the Community, an increase of the budget itself might well solve the principal difficulties and redress the principal injustices. As Lord Bruce has already pointed out, the Member States should appreciate that the same principles of austerity

applied today at national level, should not be applied to expenditure at Community level. But if they did this it would signify, in my opinion, a revolutionary development, as the Member States would have then understood the true sense of a Community.

We will do everything possible to achieve this objective, and will also attempt to make use of the limited instruments at our disposal in this Parliament. We consider, however, that the situation is returning to normal, that the present difficulties are incidental and that the old mechanism can be finally set in motion once again. Limiting our discussion to the budget, rather than to an analysis of a general nature, we wish to point out that current trends concerning the principal budget items are having an adverse effect; these entries are likely to increase automatically if we do not grasp the essential reasons for these increases. For example, agricultural structural policy has remained essentially in the hands of the national governments, which grant substantial funds vastly superior to those granted at Community level for the Guidance Section: the national governments granted 90 000 m u.a. for this purpose in 1975, as compared with a few hundred million u.a. at Community level. The structural policies at national level are not coordinated and frequently conflict with the prices policies applied at Community level, divesting these Community policies of meaning and effect and making them, to a certain extent, unjustifiable as budget items. The rapporteur, referring to earlier reports including, I believe, that by Mr Laban pointed out that even if the common prices policy was conceived and presented as the main instrument for maintaining agricultural incomes, it in fact favours the larger farms and, as he said, enables the richest farmers to become even richer, although they have not the slightest need of support for their incomes.

This mechanism, therefore, helps to increase social and regional imbalances and, as I said before, sets in motion an undesirable process. In general terms, the same process occurs in the industrial field, by virtue of a policy based essentially on the determinative effect of competition. In consequence, the differences between the Member States — and, inevitably, between their economic and monetary policies — increase because even the weakest states are to some extent compelled to defend themselves by resorting to monetary measures which are undoubtedly undermine the construction of the Community. Examples here are the measures which Italy has been compelled to take, and the United Kingdom's opposition to changing the green rate of sterling.

Various community mechanisms, such as compensatory amounts, and double duties, have now been introduced, which are essentially an attempt to save the construction of the Community, and which mainly consist of aid to the weakest states to prevent their

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position from becoming irretrievable. However, from a budgetary point of view, these mechanisms — as has rightly been pointed out — are absurd and should be reviewed. We wish to draw attention here to Mr Cheysson's words in his statement last July, and affirm that we support 'the hypothesis of monetary stability and linear economic development' and that this has been the basis of our policy. The situation is now completely different.

How can we use the instrument of the budget in this new situation which — as has been mentioned — is causing serious hardship to, above all, the poorest and the working classes? The answer is nothing, or almost nothing; we will continue on the same course which, despite having been criticised by everyone has finally been accepted, in the implicit or explicit hope for solutions from a source as yet unspecified but likely to be the least expected.

The Community budget naturally reflects, to varying degrees and in different ways, the same negative features frequently found in the Member States' own budgets, even if there may be considerable differences between the various States. In other words, funds for public expenditure are largely or wholly absorbed by expenditure on administration and transfers, while very little or nothing is left for investments, in other words for those entries which should be increased in order to combat the dangerous tendency towards decadence, insufficient utilization of resources and unemployment. In the context of the Community,

this tendency is reflected in the inability to allocate resources for joint development and reconversion projects, with a view to adapting our countries to the separate international context in which they must operate: our countries should adjust themselves, for example, to the vast increase in the price of oil which has both upset the balance in the financial and monetary fields and changed the day-to-day habits of our peoples, and has increased the differences between the various Member States, because the latter's ability to tackle this external challenge has also varied.

This is the real crisis in which we are floundering. This Community is the expression of the objective demands of our countries, but is less and less capable of satisfying these demands. For these reasons, we shall vote against this budget, which merely reflects the above-mentioned situation without containing evidence of any genuine efforts to change it.

(Applause)

President. — The proceedings will now be suspended.

11. *Agenda for the next sitting*

President. — The next sitting will be held tomorrow Tuesday, 26 October 1976 at 10.00 a.m. and 2.30 p.m. The sole item on the agenda is the continuation of the budget debate.

The sitting is closed.

(The sitting was closed at 7.35 p.m.)

SITTING OF TUESDAY, 26 OCTOBER 1976

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IN THE CHAIR: MR BERKHOUWER

Vice-President

(The sitting was opened at 10.25 a.m.)

President. — The sitting is open.

1. *Approval of the minutes*

President. — The minutes of proceedings of yesterday's sitting have been distributed. distributed.

Are there any comments?

The minutes of proceedings are approved.

2. *General Budget of the European Communities for 1977*

(Resumption of the debate)

President. — The next item is the resumption of the budget debate.

I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, this extremely important debate, the complexities of which are nothing new in the proceedings of this Parliament, is taking place this time in a particularly difficult and worrying context for the Community as a whole. While I do not have at my disposal the exact data that would allow me to refer to all those matters which should be taken into consideration in debating the principal subject before us, I should like to remind you that anyone who, like myself, belongs to one of the Community countries which are going through a particularly anxious time because of the state of their economy, cannot but regard budgetary problems as having a fundamental importance for Europe's future.

May I then be allowed to say — not only as an expression of my own conviction, but as a statement of the political rationale of our present situation — that in the face of the grave difficulties with which a number of Community countries are battling — and I mean Italy, the United Kingdom and, it might as well be said, the economic, financial and monetary situation of France — we must firmly tell ourselves again that the only way to cope effectively with our problems is to ensure that the Community really goes ahead. We must behave as soldiers behave under enemy fire: decide on our individual and separate tasks, but concentrate our efforts and realize that our only chance of salvation and victory lies in acting and fighting together.

Mr President, what I have just said is no doubt full of profound implications, but if it is to be given a practical meaning we must tell ourselves that in our present situation it is a pity that our currencies have to struggle alone against waves of speculation, the sources of which we do not fully understand and whose consequences may prove dramatic. If we do not manage to pool our resources and our efforts and to present a united European front against all the underhand dealings and direct attacks on the Community currencies, we shall be giving proof of a political shortsightedness that those who come after us will be all too right to condemn.

What is involved, of course, is not only the monetary and financial aspect, but the very policies pursued by our countries. I am speaking to you as a member of a modern democratic political movement which has been moulded principally by the mainstream of economic thought of the first part of this century, and should like to bear witness to the active and energetic efforts of that movement to ensure that Italy's economic and social policy meets the country's essential need to escape from a profoundly serious and worrying situation.

The fact that the European Parliament has undertaken the long and laborious task of winning real powers in the budgetary area is best proof that the budget does not have merely an accounting function but is essen-

tially an instrument of policy; this is evidenced also by the assiduity with which these powers are exercised in the Committee on Budgets, in this Chamber and within the framework of the conciliation procedure with the other Community Institutions.

In the long term, the granting of budgetary powers to Parliament, together with elections by direct universal suffrage, can be seen as the European Parliaments' greatest success and as among the principal achievements of the process of Community construction which we must carry forward.

But let us look at things as they are today and at what is really happening; let us see, I say, whether the Community's budget is in fact being used as a policy instrument or whether it is not merely being reduced to an allocation of financial resources within which essential expenditure for day-to-day operations must be contained, without leaving any room for broader initiatives, for such innovatory actions as should characterize a developing community such as the European Community. I think that we should ask ourselves whether the budget as presented to us will allow progress towards political union and whether in the short term it is likely to contribute effectively to restoring to our Community that pattern of balanced development which is one of the fundamental objectives of the Treaty of Rome. In other words, we should ask ourselves whether this budget is likely to attenuate the consequences of inflation and of recession and, in particular, whether it is likely to reduce the enormous and tragic burden of 6 million unemployed, a phenomenon which is threatening to become an inbuilt feature, particularly in some countries of the Community.

According to the rapporteur, whom I should like to thank for his complex and massive task, and according to last year's rapporteur, Mr Cointat, the budget as presented to us describes a static, not to say a stagnant, financial situation, offering no possibility of launching those new activities which should characterize a young and developing organism; I have in mind for instance, the aeronautics programme, the exploitation of uranium deposits to provide fuel for nuclear power stations, the training and placement of young people seeking their first employment, the shortage of new initiatives in the cultural field — all activities essential to the general economy of the European Community.

All these are innovatory, modern and critically important activities, which would not weigh excessively on the Community's budget and yet towards which the Council's attitude can only be described as negative.

As pointed out by the rapporteur, it is precisely within the context of these limited actions that the Community could make its influence felt on the various social institutions which constitute the connective tissue of our society and thus assert itself as the body

Cifarelli

capable of launching initiatives requiring mature consideration and so liable to be overlooked by national administrations increasingly preoccupied by the adverse economic situation.

I shall confine myself to listing some of the points which in my opinion deserve to be particularly stressed — though always within the context of the overall principle, of Community balance within which this whole debate takes place. Undoubtedly, the first thing that strikes one, but certainly not for the first time, is the disparity between agricultural expenditure, amounting to 6 500 million units of account and all the remaining sectoral policies for which expenditure of only about 1 000 million units of account is proposed. We are therefore not averse to the rapporteur's counter-proposal for a transfer of resources between the two EAGGF sections, but obviously the consequences for such a move must be carefully considered and care taken that it does not result in the interruption of activities which it is the Community's duty to carry on.

I am in favour of the proposals to put more responsibility on producers in sectors showing surpluses, particularly the milk sector. It would be unfair, in my opinion, to put onto the EAGGF the already excessive and constantly growing burden of compensatory amounts — which we should be in any case trying to reduce — because this burden is the consequence of lack of coordination between Community policies. I find interesting the Commission's recent proposals to restrict compensatory amounts or at least to prevent this uncontrolled rise, by means of a kind of *a posteriori* indexation of agricultural prices against currency parities. True, this method involves the risk of aggravating inflationary pressures, but it is equally intolerable that the EAGGF should be burdened with an additional thousand million u.a.

Passing now to regional policy, I must say that I was deeply shaken by the rapporteur's statement that gross per capita income, which in 1970 was five times higher in Hamburg than for the inhabitants of Italy's Mezzogiorno or of Ireland, in 1975 had become six times higher. We must therefore face the fact that the disparities are becoming accentuated rather than diminished, and this state of affairs, together with the growing imbalances, puts a big question mark over the likelihood of achieving that European integration which we all want to see. All praise is therefore due to the Committee on Budgets for proposing an increase of 100 million u.a. in the modest allocation to the Regional Development Fund for correcting imbalances resulting from underemployment and industrial change. Obviously, such an amount is too small by far to provide a solution to the complex problems of the backward areas, but at least, as stated in the amendment it will make a contribution to the financing of research, of investment in craft industries and services and of infrastructures.

If it should be objected that by increasing the Community's budget we are going contrary to the austerity regime followed by all the nine European Community governments today, then I would reply that even if the 8 600 million u.a. in the Community's draft budget before us were to be increased to the 9 200 million u.a. originally proposed by the Commission, we should still be dealing with relatively small amounts, given that the Community budget barely accounts for 2 % of the total of the budgets of the nine Member States, and for less than 0.7 % of the GDP.

Last year Parliament seemed principally determined to use its margin of manoeuvre to the benefit of the social sector. This time, I think, we want to encourage certain limited actions of particular significance, such as the programme of research on the employment market and special aids for young people experiencing difficulties in finding employment. I am in agreement with this attitude and also consider that the Community is showing great understanding in coming to the aid of a sector especially affected by the crisis, as the textile sector is, or in putting forward a proposal for the establishment of a fund to aid victims of disasters. In this connection, I should like to repeat once again how grateful I am, as an Italian, to Parliament and to the Community as a whole for the aid given to Friuli hit so severely by the earthquake.

To end this review of individual sectors I should like to express my approval for the reintroduction of important allocations for research, especially in the energy sector, and for cooperation with the countries of the Third World, especially for food aid. This is something that brings credit to the Community as well as meeting the requirements of humanity and social justice. We should never lose sight of or underestimate the challenge presented by the energy problem of our times and obviously cannot refrain from criticism and protest in the face of incomprehension, or at least procrastination, on the part of the Council.

If our debate is to have any effect beyond the walls of this Chamber we must be sure, throughout the process of the adoption of the budget and consultation with the Council, to aim for political objectives that public opinion can easily grasp. Obviously, with a margin of manoeuvre that cannot exceed 120 million u.a., and which in fact will be limited to 104 million, miracles must not be expected, but a wise distribution of the resources, such as the one that has just been proposed, will enable them to exert a multiplier effect and the budgetary powers we possess mean that we can be effectively persuasive in consultations among the Institutions.

In concluding, Mr President, I should like to stress that Parliament should insist more firmly on the inclusion in the budget of Community loans, both because

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these loans are now reaching proportions comparable with the size of the budget proper, and also because in future they may come to play an important part in reducing regional imbalances. Another criticism, more political than technical, in connection with the budget concerns the failure to enact the Sixth Directive on value added tax which for twenty months now has presented the full implementation of the 'own resources' system, to the great detriment of our Assembly's budgetary powers.

Finally, I trust the rapporteur will forgive me for a friendly criticism. I feel that his report pays too little attention to the future development of budgetary powers; work on this should start at once if ground is to be prepared for a European Parliament elected by universal suffrage. I have in mind, particularly, the present situation where all compulsory expenditure is virtually beyond our control because, as for instance in the case of the EAGGF, it results from legislative acts which lie outside our powers. A parliament elected by universal suffrage will not put up with such a situation for long and such expenditure should be made as soon as possible subject to joint decisions in which Parliament participates.

(Applause)

President. — The President-in-Office of the Council has now arrived. I call Mr Brinkhorst.

Mr Brinkhorst, President-in-Office of the Council. — (NL) Mr President, thank you for giving me the floor so soon. I understand that the absence yesterday of the President of the Council caused some concern among certain Members, and I should like to say a few words on this. You know that the current President of the Council wishes to attend Parliaments' sittings as often as possible. The dialogue between Parliament and the Council must continue as actively as possible. The reasons for my absence yesterday are known. I had to be in Paris for the North-South Dialogue. I was working in the interests of Europe, in the same way as I assume that the 184 Members of Parliament who were absent on 15 September when the President of the Council presented the draft budget were also working in the interests of Europe.

I should like to make a few remarks concerning the developments which have taken place since September when I was privileged to present to you the draft budget. At its meeting of 19 October, the Council adopted a letter of amendment to the draft budget which has in the meantime been received by Parliament. I realize that Parliament has had little opportunity so far to examine the various points of this letter of amendment. On 22 October, directly after the Council had adopted the different points in question, I was privileged to explain these changes before your Committee on Budgets and to make a few remarks on the matter. I appreciate this opportunity to do the same before Parliament.

The Council has adopted virtually in their entirety the new estimates of the Committee on Agriculture, which are 236.6 million u.a. below the estimates in the draft budget. The Council has taken note of the figures provided by the committee relating to monetary expenditure in the agricultural sphere, and has noted that these figures are based on certain hypotheses, which I will return to later.

The Council wishes to point out to Parliament that appropriations of 582 million u.a. have been entered in the budget for monetary compensatory amounts without any indication of the Council's position as regards the underlying basic assumptions. The Council has also taken note of the amount of 532 million u.a. for expenditure resulting from the application of different rates of exchange, the so-called dual exchange rate. Any change in expenditure on monetary compensatory amounts will of course entail a change in expenditure in connection with the dual exchange rates.

As regards food aid, the Council has entered the appropriations needed to implement a programme on the same scale as that of 1976. Account has of course been taken of new prices on the world market. The Council has also agreed to include in the Community budget the funds required to guarantee the loans to be granted to Yugoslavia by the European Investment Bank following the decision of 20 January 1976. I assume that this decision on the Yugoslav loans corresponds to what Parliament has always called for, namely that loans to third countries should be granted as far as possible on a Community basis by including them in the budget of the Communities.

The Council has not yet taken any decision on the Commission's request for the conversion of various posts. It has yet to examine the Commission report on these requested conversions.

In connection with the letter of amendment, I am pleased to be able to announce that the Council has included in the draft budget an amount of 30 million u.a. for financial cooperation with non-associated developing countries, on condition that this amount will only be released once the Council has adopted a formal decision on the use to which it is to be put. Nevertheless, I should like to emphasize that in so doing, the Council has in my view taken an important step forward towards the elaboration of a genuine policy as regards all developing countries throughout the world and not only those with which we are associated. This is a real step forward if we consider that only last year Parliament proposed in an amendment an amount of 20 million u.a., which the Council was at first not inclined to accept. However, the budget dialogue between Parliament and the Council, which enabled you to explain to the Council your desire that a genuinely meaningful policy be pursued, *vis-à-vis*

Brinkhorst

all developing countries, has obviously proved its worth.

I should now like to make a few remarks on the most important problems raised in the course of yesterday's debate, on the understanding that I might be given the floor again later to deal with any particular individual points.

Your rapporteur, Lord Bruce, has drawn attention in his excellent report to a large number of particular points. I should first like to comment on his concern at the evolution of the common agricultural policy. This concern is fully understandable if one bears in mind that the agricultural budget still accounts for the biggest part of the budget of the Communities as a whole. As many of my predecessors have stressed in the past, I wish to emphasize yet again that in spite of all the problems and difficulties which it involves, the common agricultural policy still constitutes an indispensable symbol of European integration. And this is the way the Council feels it must stay. The Council is of course aware of the need to implement this agricultural policy as effectively and productively as possible with regard to both economic and budget costs.

Although the Council feels that the practice of fixing financial ceilings is incompatible with the market organizations, it is nevertheless considering studying procedures on the basis of Commission proposals aimed at achieving the necessary correlation between the agricultural policy and the budgetary policy.

As regards the question of monetary compensatory amounts, I would refer to the joint meeting to be held here this afternoon between the agricultural and the finance ministers, at the instigation of the Dutch presidency, in view of the indissoluble link between the agricultural policy which, although important, is only one of many, and the macro-economic and monetary policy of the Community as a whole. This afternoon's meeting is of considerable importance. Not because it is likely to solve all the Community's problems at once, but because it indicates that all the Members of the Council are aware of this correlation and are convinced of the need for more detailed agreements in the macro-economic and monetary sphere in order to counter the amazing escalation of the monetary compensatory amounts. As Lord Bruce himself rightly pointed out, these monetary compensatory amounts account for almost 20 % of the agricultural budget, which is an alarming percentage even in the light of the budget as a whole. He may rest assured that the Commission's recent proposals with regard to monetary compensatory amounts will be examined with the greatest care by the Council. You will understand that I cannot anticipate the outcome of this meeting.

Mr President, Mr Cointat raised a number of important points concerning the budget procedure. There are two questions which I would particularly like to discuss with him; firstly, the problem of commitment appropriations and secondly, the question of freezing appropriations. I had the privilege of discussing these problems at last week's meeting of the Committee on Budgets. The provisional Financial Regulation adopted by the Council offers the possibility in half a

dozen sectors of entering not only payment but also commitment appropriations. The Council adopted this Financial Regulation on a proposal from the Commission, after consulting Parliament and after Parliament had approved it in plenary sitting. Thus for 1977, the Council has entered commitment appropriations in half a dozen sectors on the basis of the recently adopted financial regulation. The amendments tabled in Parliament by the Committee on Budgets provide for the creation of commitment appropriations under a number of other headings which do not figure in the current Financial Regulation. If Parliament adopts these amendments and if the Council were to accept them wholly or in part, a new financial regulation would have to be adopted with an extended list of sectors for which commitment appropriations could be entered. I have already explained this to the Committee on Budgets and wish to repeat here today that I consider it unlikely that the Council will be able to accept such an increase in commitment appropriations this year. Mr Cheysson too has clearly expressed his views on this matter.

I now come to the second problem raised by Mr Cointat, namely the freezing of appropriations. Yesterday Mr Cheysson outlined clearly the legal position on this matter. I fully endorse his point of view. If the frozen appropriations are to be entered in the budget, they should, in my view, be entered under Chapter 100 of the draft budget in accordance with the Financial Regulation. If Parliament cannot accept this interpretation and continues to insist that the frozen appropriations should be entered in the relevant part of the budget, it seems obvious to me, and fully in accordance with the spirit of the budgetary procedure, that these appropriations must be frozen by joint agreement between the budgetary authorities, i.e. between the Council and the Parliament.

Various speakers have mentioned the question of the new budget timetable. I would recall that the Council and Parliament agreed this year to follow certain suggestions made by the Commission as regards modification of the budget timetable. On behalf of the Council I would point out that the new timetable is being followed this year by way of experiment and that next year the Institutions can of course examine together the question of whether to retain this timetable or to switch to another one.

Mr Lange, the Chairman of the Committee on Budgets, has drawn attention to the VAT problem, which must be solved before the system of own resources can be fully implemented. Personally, I fully agree with him. I have already assured Parliament on two previous occasions that the Dutch presidency is doing its utmost to help solve the problem of VAT. For the first time in years, the meeting of the Council of Finance Ministers, which was held last week, has made considerable progress towards solving the problem of the sixth VAT directive, and it is hoped that at its next meeting in December the Council of Finance Ministers will arrive at a general solution to the problems so rightly raised by Mr Lange, even if the solution is not a comprehensive one. But a breakthrough is in sight, and I refuse to be pessimistic in this matter, Mr President.

Brinkhorst

Mr Shaw was wondering when the Court of Auditors mentioned in the Treaty of 22 July 1975 was going to be set up. There are two governments which have still not completed the ratification procedure, but everything is being done in the countries in question to complete these procedures in time for the treaty to enter into force before the end of the year.

Mr Lange and various other speakers mentioned the question of a site for the JET project. In my capacity as President of the Council of Research Ministers, I would inform you that last week the research ministers considered these problems and decided to hold a meeting to discuss them on 18 November. A certain amount of progress was made at the meeting of 21 October.

Mr President, it is obvious that a number of questions must still be dealt with, in particular that of the site. However, the Council has already reached agreement concerning the financing and the legal basis of the project, and the fact that the project will be a Community one, staffed on a Community basis. The Council has made genuine progress on these points. We shall do our utmost to reach a final agreement on 18 November. After all, the JET project is steadily becoming the symbol of whether joint research is possible in Europe today in the field of important advanced technologies, or whether we are likely to return to bilateral, trilateral or even unilateral action. No single Community country can really afford to undertake alone technological research which is so important not only for the present generation but also for future generations. This is why I am pleased that the 1977 budget provides for the necessary appropriations to get the JET project under way just as soon as an agreement has been reached.

Finally, Mr President, I should like to say a few words on the nature of our consultation. I understand that some Members are concerned at the way the consultation procedure is operating. I hope that this concern does not stem merely from displeasure at my absence yesterday.

Allow me to say that I have a quite different impression. Recent consultation between us has been, I felt, rather promising. I agree that such consultation must take place on the most favourable basis, and wish to assure you that on 23 November the Council will consult the Parliament delegation as extensively as possible on all the problems which cannot be dealt with here today and tomorrow. Personally, I undertake to make every effort to ensure that by the end of this year we have a this year budget, a realistic and balanced budget which at the same time offers opportunities for the future. Every year, the European budget becomes an increasingly important symbol of the willingness of our countries to pursue a genuinely European policy.

President. — I call Mr Schuijt, draftsman of the opinion of the Political Affairs Committee.

Mr Schuijt, *Draftsman of an opinion*. — (NL) Mr President, on behalf of the Political Affairs Committee I should like to move draft amendments Nos 123 and 51 which you have before you.

Draft amendment No 123 relates to expenditure under Title 2, Chapter 27, Article 272, intended for information projects and participation in public events, in particular those relating to direct elections. You are aware, Mr President, that the Commission had initially proposed an amount of 400 000 u.a. for this purpose, to which the Council had agreed. Subsequently, however, the Commission became aware of the considerable difficulties and costs which these elections would entail and therefore suggested that this amount be increased by a further 600 000 u.a. The Political Affairs Committee discussed the matter and came to the conclusion that it would support the second Commission proposal to increase the initial amount of 400 000 u.a. to 1 000 000 u.a., but on two conditions. Firstly, the Commission must submit a detailed plan as soon as possible and not later than 1 March 1977, based on comprehensive figures and indicating the way in which the Commission intends to use these funds for the objective preparation of direct elections. The second condition is that these amounts should be used for activities which must be properly coordinated with similar Parliament activities so as to avoid any duplication of work or expenditure on one and the same objective. I would ask Parliament to vote for this amendment of the Political Affairs Committee, which moreover proposes that the amount in question be frozen until the Commission submits details of its intentions, which must be approved by the Political Affairs Committee, and to vote for it in preference to a very similar draft amendment tabled by our colleagues from the Group of European Progressive Democrats. The latter unfortunately did not attend the debates in the Political Affairs Committee and although they too ask for an additional 600 000 u.a. for the Commission, they do not impose the strict conditions that we do. The proposal of the Political Affairs Committee goes a good deal further than that contained in Draft Amendment No 54 of the Group of European Progressive Democrats.

The second amendment is a strange business. One can readily assume that most Members of this Parliament are, culturally speaking, adult. And yet cultural affairs never receive the attention they deserve in this Parliament. It is true that we have adopted two resolutions, the first on 13 May 1974 and the second on 8 March 1976, expressing our support for the Commission's proposal that a very modest sum be set aside for the protection of the Community's architectural heritage. No doubt the sum involved — 100 000 u.a.

Schuijt

— was too modest to attract attention, but I would nevertheless ask Parliament to reinstate in the budget the amount deleted by the Council, since of these two very minor Commission proposals one at least might appeal to our imagination, namely the use of nuclear radiation techniques to preserve stone, marble and wood. Only a short journey is necessary to realize how much of the European heritage could be preserved with the aid of nuclear techniques. Although the amount involved is small, Parliament would be making an impressive cultural gesture if it were to endorse the modest proposal contained in Draft Amendment No 51.

(Applause)

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, you are aware that this Parliament is often accused of being simply a collection of technocrats who concentrate exclusively on economic affairs, very occasionally on a social problem but never on the cultural affairs which are nevertheless so important in Europe. The phrase 'man cannot live by bread alone' is particularly true in this context and I regret that the Committee on Budgets could not see its way to supporting this proposal. Our group discussed the matter at length and I am pleased to be able to inform you and Mr Schuijt that our group support this amendment and will vote in favour of it. It concerns three items which are of particular interest not only as regards the protection of Europe's cultural monuments, but also as regards implementation of the cultural objectives of the EEC. I wonder at the way in which we unanimously adopt resolutions such as that of 13 May 1974 on preservation of the European cultural heritage and of 8 March 1976 on the basis of Mr Brunner's cultural memorandum, and that when money is required for these things, the reply is always that we cannot spare the 100 000 u.a. after all! This never ceases to surprise me. Either we accept something, and with it the consequences, or we approve what is proposed but admit that we do not wish to carry the financial burden. That at least would be clear. But what we are doing now, i.e. accepting what is proposed and then backing out again when the financial consequences come up for discussion, is something I cannot accept.

There is no need for me to add anything to what has already been said by Mr Schuijt as regards the possibility of using nuclear techniques to salvage monuments which would otherwise be lost. I would, however, point out that the training of curators in the universities of Bruges, Venice and Rome is particularly important for the European cultural heritage which comprises more than just monuments; I believe that cultural events such as those recently held in Brussels and Brecht deserve more attention and should be held much more often. The amounts requested for these three projects are 40 000, 30 000

and 30 000 u.a. respectively, which adds up to 100 000 u.a. I consider it scandalous that we should spend so little on culture in this Parliament and I expect us at least to honour our commitments.

(Applause)

President. — I call Lord Bessborough.

Lord Bessborough. — Mr President, I propose to deal briefly with certain industrial sectors — aerospace, data processing and the motor industry — whereas my colleague Mr Normanton will deal generally with energy questions, the exploration of uranium within the Community, which we consider to be of great importance, and also our position in regard to the thermonuclear fusion project, the JET machine, on which I fully agree with the resolution as amended by Lord Bruce of Donington.

In regard to aerospace, I have always stressed in committee that it was well worthwhile the Community supporting basic research. I refer particularly to item 3710 and indeed other aids included in item 3711 but I do hope, Mr President, that acceptance of these aids will not result in governments of Member States reducing their own national aid in launching new aerospace projects. For example, perhaps in the future a second-generation Concorde, or perhaps in the nearer future the A300 B10 Airbus.

Even if it is agreed that there should be American participation in European aerospace ventures, which I personally welcome and I think many members of the Budget Committee do so too, in order to widen our markets in the United States and, indeed, all over the world, I see no reason why Community funds should not be allocated to such projects in order to balance any possible United States launching aid which might be forthcoming. I stand by the opinion I have given to the Committee on Budgets on the aeronautical sector. I will not go through it again, but I will just mention that, of course, we are particularly anxious to obtain from the Commission supplementary information in regard to the annual budgetary provision over a 4 to 5-year period, any other elements of finance envisaged and what they believe could be the contributions or investments from Member States and from industry, and, of course, the means of administering these funds. All that, and a further list of information which we require, is included in paragraph 22 of my opinion attached to the Guldberg report.

Now I come to data-processing. Again, I stand by my opinion to the Committee on Budgets in regard to the importance of the project, the long-term procedural language project, the portability of software, support for use of data-processing, information storage and retrieval, high-speed data communication and additional studies. Now, the allocation for 1977 in this respect was 9.6 million u.a. I personally support what was agreed in the Committee on Budgets for items 3700 and 3701, i.e. the first programme with 560 000

Lord Bessborough

u.a. as payment appropriations and the second programme with 2 835 800 u.a. As a member of the Committee on Budgets I support that, but I cannot tell you exactly what the position of all the members of my group will be on those items, since we have not yet had an opportunity of discussing them.

Finally, could I say perhaps something in regard to the motor industry. I believe that the token entries, which have now been put back, are of importance. I believe that the projects on biomechanics and accident analyses are entirely appropriate and necessary. I would prefer to see the accident analyses expanded to obtain real-life information on impacts between pedestrians, cyclists and vehicles. I would also like to see the causes of accidents more carefully analysed.

I would like to say in conclusion that, as the House knows and as I have often said here and also in committee, I believe in the widest possible industrial and technological cooperation, especially in the sectors which I have mentioned.

(Applause)

President. — I call Mr Springorum.

Mr Springorum. — *(D)* Mr President, ladies and gentlemen, permit me also to say a few words about the budget, and specifically on the particular areas dealt with in the Committee on Energy and Research. Lord Bruce said yesterday, and rightly so, that the budget of a country or a Community should give a clear picture of the policy being pursued by that country or Community. It is, one might say, the primer of this policy. But this is not the case with the Council. We all know that once upon a time the Council decided on a common energy policy. That is quite some years ago now, and it sounds almost like a legend from ancient history that the Council — and not only this Council of Ministers but also the European Council — decided on a common energy policy.

This common energy policy had two guiding principles — the first was less dependence on imports, particularly from politically unstable areas, the second was the development of the Community's own sources of energy. These were the twin pillars on which the common energy policy rested. In the years that followed the Commission worked might and main to produce suitable proposals, and indeed the Council accepted these proposals. When it came to the budget, however, and the necessary means had to be provided, the Council jibbed at this point and refused to put up the necessary financial backing. In my view this is one of the main weaknesses of our Community policy in general, that certain policies are indeed adopted and promulgated but that the necessary financial backing for them is then refused.

You are all aware of the Commission's proposals for the development of hydrocarbon exploration within the Community. We adopted Mr Normanton's report

unanimously in this House. The Commission agreed, and the Council also agreed in principle. However, we in the Community do not have the oil lying as conveniently in our backyard as they do in the Middle East. Drillings in the North Sea pose particular problems, and even in other areas, where there are high hopes of finding oil. You simply cannot expect private enterprises to take these risks, unless they are given help. Otherwise they will simply go away and look for their oil in places that are easier to explore from a geological point of view, and indeed why shouldn't they? We in the Community, however, are anxious to find oil within our own territory.

Talks were held with private enterprises. Certain financial guarantees were given, indeed had to be given and should have been given, but now the Council refuses to put up the money.

I feel, and I would appeal to Parliament to support me on this point, that we must restore what has been deleted in these two sectors. If the Council is not to make itself an object of ridicule to the outside world and if it is to be able to carry out its policies, this Parliament must simply provide it with the necessary funds.

Let us take another case. For years we have been urging that a search be made for uranium within our own territories. The Commission has been urging it, and even the Council itself has been urging it.

In recent months a very promising vein of uraniferous ore has been discovered in my own country, but again prospecting for uranium involves greater risks in our territories than in other uranium-bearing areas. We also need certain financial backing to make anything of this opportunity, but once again the Council has not been able to decide to come forward with the necessary financial aid. It felt that a simple token entry would suffice. I should be very grateful to this Parliament if it would help the Council to carry out its own policy by entering the amounts in question, which are after all very meagre amounts, in the budget.

There was another problem that we had to deal with in the Committee on Energy and Research, namely, the question of financial aids for stockpiling. On the one hand the Council wants to see our own sources of energy being put on a secure footing, while on the other it pursues a policy whereby these same sources of energy are not used but have to be put in stockpiles, while oil is imported from the Middle East. This policy is so absurd and inconsistent that it could lead in the long term to the coalmines going out of business altogether. Since this is certainly not what we want, we should make it possible for them to stand up to the economic burden of stockpiling by giving them certain aids, and I would be very grateful to Parliament for throwing itself behind the Committee on Budgets in this matter and approving this aid, which remains blocked at present.

Springorum

Now a word on research. As you know, a few days ago the Council of Research Ministers had another impressive meeting, at which all the Ministers without exception were loud in their praises of the Commission's multiannual research programme, which was approved by Parliament. I was even told that a tear was seen to glisten in the eye of the Commissioner responsible at the warmth of the praise lavished on the common research programme. But, of course, the upshot of the whole thing was typical. Having praised the programme in this way, the nine Member States were then asked if they would adopt it. One said: I am not empowered to do that. Another said: I still think there is too big a staff. We will have to drop 300 of them. A third said: As far as I am concerned, it is costing a few hundred million too much, we will have to cut that out. The final outcome of the whole affair was that the programme was praised but not adopted.

At this point we must lay it on the line to the Council that it is simply not pursuing a serious policy. I cannot say to what extent the Council intends to use the multiannual research programme as a bargaining counter for some other purpose. The Council is free to keep this up its sleeve or to tell us about it, whichever it likes. But this is simply no way to carry out a policy, acknowledging that a programme is positive and failing to find any fault with it, but still refusing to give it either the funds or the staff it needs. I feel that the Council should begin to face up to this matter honestly. We citizens of the Community think that with the Council Europe is in good hands, and then the Council continues to play this game with us over and over again.

Unfortunately, the Council is a body not subject to democratic control. It is therefore not obliged to tell the truth. What I would ask — and I am saying this quite openly to the current President-in-Office of the Council — is that, since this Council is not democratically controlled, it should feel itself obliged to tell the truth at all times and that, when it cannot do something, it should say so. If, for example, it cannot find a site for the JET project, it should say so openly, so that other parties can state their views on the matter. It should not be always putting people off by saying: Oh yes, yes, of course, we will certainly do that, and then doing nothing at all. This is only one of many instances, and I should be very grateful to the Council if it could see its way to being totally honest and telling us all that we need to know.

(Applause)

President. — I call Mr Brinkhorst.

Mr Brinkhorst, *President-in-Office of the Council*. — (NL) Mr President, it can only make the debate livelier if I react to just one remark made by Mr Springorum.

He said that the Council ought to tell the truth. Well now, I hope that Mr Springorum will reflect a little on that remark. I am not aware, as President of the Council or in any other capacity, that when I recently reported on the meeting of the Council of Research Ministers I was not speaking the truth. I said we had made progress, both as regards the multiannual programme and the budget. If the Council were not convinced that we could make much more progress next month, we would not have convened another meeting for 18 November. I therefore take exception to the remark that the Council and in this case the President of the Council, have not been telling the truth.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, in the five minutes allotted to me I wish to make only two specific points, firstly on the energy provisions in the budget and secondly on Amendment No 116 tabled by the European Conservative Group on Section III of the Commission budget.

Firstly, on energy. Let me place once again on record that the Community may be considered by some to be long on budgetary commitments, the expenditure of public moneys, but lamentably and tragically short on political will. No amount of public expenditure can ever make up for that naked void, the absence of political will to formulate and to apply a Community policy for energy. Mr Springorum has just been repeating the point he has made in this Assembly on a number of occasions, namely that all these representations have had no apparent effect. Perhaps Europe will one day wake up — I regret to say probably too late — when we are faced with the stark truth that Europe is virtually naked in economic and industrial terms as far as the crucial element of energy is concerned.

It is impossible to comment on energy without referring to the Joint European Torus, one of the major hopes for European energy independence for the coming century. Here is again a classic example of the concentration on debate and opportunistic indulgence as between Member States leading to perpetual delay as far as action is concerned. The budget provisions show that the Commission is prepared for action but only, of course, by a token entry in the budget. It is the Council of Ministers who, we firmly believe and we repeatedly state, are again responsible for the delaying tactics. On their heads will lie the full responsibility for the consequences of their inaction if they do not reach a firm decision at the next meeting of Energy Ministers on 18 November. We welcome the assurances given to the House this morning but we will only make a judgement when we hear their final and firm commitment.

Normanton

Now to a particular point of energy which I feel has been turning over in the minds of many of us who have been actively involved in the Committee on Energy and Research. May I suggest to the Council and to the Commission that they give serious and urgent consideration to the establishment of some form of concertation procedure on budgetary matters relating to energy. I am convinced that if some formula could be developed, it would save time, frustration and delay, all of which are inimicable to the future of European energy policy.

I now turn to Amendment No 116 which is before this Assembly for voting. Lord Bruce in opening his speech referred to the inadequacy of the Community facilities for economic studies — the absence of a 'think tank', to use the journalistic, pop, in-phrases of the day. The Commission put forward a proposal for the establishment of such an institute as long ago as 10 October 1975. This Parliament gave a favourable opinion to the Commission on 11 March of this year; the programme is due to be launched in 1977. But we must ask ourselves: Where is the money? the one million units of account originally entered by the Commission should be reinstated, and this is the purpose of our amendment. I earnestly hope the House will give its approval to this Amendment, No 116, when we come to the vote.

(Applause)

President. — I call Mr Bangemann.

Mr Bangemann. — *(D)* Mr President, on behalf of the Liberal Group I should like to say that my group is not at all happy with the fact that Amendments Nos 74 and 78 tabled by the Committee on Energy and Research have not been accepted by the Committee on Budgets, and that we shall support these amendments when they are being voted on.

Amendment No 74 has to do with the Commission being in a position to transfer to other budget items up to 10 % of the appropriations earmarked for various items in the draft budget for the Joint Research Centre. This was always the case in previous financial years, and it has apparently been rejected by the Council for the sole reason that no detailed programme has as yet been submitted. This is obviously not a sufficient reason for rejection, since when the programme is submitted and the budget comes to be allocated, the Commission must, in our view, be in a position to avail itself of this possibility. We shall therefore support this amendment tabled by the Committee on Energy and Research.

The same is true of Amendment No 78, which is a perfectly reasonable provision for looking after the staff of the Dragon project. This measure would cost us nothing whatsoever, since it is only a question of putting posts at the disposal of those persons for whom no positions have as yet been found, the funds

to be subsequently reimbursed by the Member States, so that we do not even have to be afraid of possible financial implications in this matter. My group will therefore be supporting this amendment.

Permit me now to say a few words on Draft Amendment No 70, tabled by the Committee on Social Affairs, Employment and Education, in which it asks for 250 000 u.a. to finance measures to prepare young people for their future professions. Like my group, I find it unsatisfactory that this amendment has been rejected by the Committee on Budgets, because it feels, perhaps rightly, that the programme has not yet been worked out in sufficient detail. In order, however, to force the Commission to come up with a detailed programme of this kind and at the same time to give Parliament a chance to voice its wishes in the matter of the approval of appropriations, we shall advocate that these funds be entered once again, even if they are blocked. We have tabled an amendment to this effect.

My group also supports Draft Amendment No 51 tabled by the Political Affairs Committee. The amount involved is only 100 000 u.a., and the Commission has submitted a carefully prepared programme. The Commission has stated precisely what it is going to use the 100 000 u.a. for, namely, to support various scientists and groups that have worked out ways and means of preserving architectural monuments. This is a very laudable measure, though it must be admitted that it came through by only a very narrow margin in the voting in the Committee on Budgets. We shall support this amendment once again, and I hope that we shall have the support of Parliament on this, not only because of the very small amount involved, but because this is a measure that is in conformity with statements of policy frequently heard in this House. I hope that we may count on the support of the entire Parliament in this matter.

(Applause)

President. — I call Mr Hougardy, draftsman of the opinion of the Committee on Energy and Research.

Mr Hougardy, draftsman of opinion. — *(F)* Mr President, I fully agree with Mr Bangemann's speech on amendments Nos 74 and 78 and would draw Parliament's attention to the extreme importance of these amendments aimed at allowing the Commission to continue its research activities.

It seems to me that no-one denies the need to encourage research. The Commission has undoubtedly made a large contribution and I should like to pay tribute to Commissioner Brunner.

Amendment No 74 was rejected by the Committee on Budgets merely because no detailed programme was given. But that argument is not good enough, especially in the case of research. You know better than I

Hougardy

do that where research is concerned, it is often very difficult to detail a programme. The scope of the research worker should not be limited; he should have full freedom of thought and action. That is the point of amendment No 74.

As Mr Bangemann explained, amendment No 78 involves no new expenditure and that seems to me to be adequate reason for adopting it.

Once again Mr President I urgently call Parliament's attention to these two amendments, and in particular to amendment No 74 which is aimed at allowing research to flourish.

(Applause)

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — *(D)* Mr President, I should like to concentrate on two matters, namely, Draft Amendments Nos 51 and 70 relating to cultural matters and vocational training respectively and the two draft amendments on the research sector.

Draft Amendment No 51, which has been graciously supported in the debate by a number of speakers, has its origin in a proposal from this Parliament. Parliament has, in fact, held a debate on this matter. It is important that we carry out these practical projects to preserve the monuments in question and to further the work of restoration. Nuclear techniques have been developed, mainly in Grenoble, and we wish to take advantage of them. I think that we will all be pleased if this draft amendment is successful.

The second draft amendment deals with the transition of young people from school to professional and vocational life. I do not need to tell you how important this subject is. In the European Community today we have 6 million unemployed, and every fourth one of these is a young person under 25 years of age. We have brought the Education Ministers together, and they have discussed this subject and will decide on a programme on 29 November. It is not very much money, only 250 000 u.a., but it is a beginning. We shall have to do a great deal more before very long, and indeed I may tell you here and now that in the financial year we shall have to earmark larger sums for this purpose in the budget. It is absolutely essential that we should support the efforts of the Member States in the vocational training field to smooth the path of young people going from school to workplace. Unless we do this, we shall not be honouring our commitment to be not only an economic community but a social community as well. I ask you therefore to support this draft amendment.

I come now to the two draft amendments in the research sector, namely, Draft Amendments Nos 74 and 78. Mr Hougardy and Mr Bangemann have said all that needs to be said on this matter. The main thing is that we should be given the necessary flexi-

bility in the matter of transferring appropriations. We now have a better and more concentrated programme. In the future it will not be so important, but for the coming year it is still imperative that we should have this 10 % margin of flexibility.

There is hardly anything to be said on Draft Amendment No 78. There are only a few items and they will cost the Community no money. It is only a question of making it technically possible to do something for five officials who have been left stranded by the Dragon project.

In conclusion I should like to say a few words about the deliberations of the Research Ministers and the forthcoming Council on 18 November. I feel that in the Council of Research Ministers on 21 October we took a major step forward, though there has been hardly any public reaction to it. What we did was to decide on a social reform of the Joint Research Centre, which means that in future the same money will be paid for the same work in Ispra and that finally there will be an end to discrimination as between local staff members. This social reform, however, also means that in future we will no longer automatically hire researchers as officials. In future we will give only temporary contracts and thus avoid the serious difficulties that we got ourselves into by not being sufficiently flexible and by having a large research staff with the status of officials. When there was a change in research objectives and goals, we could no longer use some of this staff and still we had to continue working with them. I feel that by carrying out this social reform the Council has given a new boost to our entire research work.

It is important now, however that the Council be consistent. It must not throw away the rewards of all its efforts. If it does not decide on a worthwhile programme for the Joint Research Centre on 18 November, it will destroy everything that has been achieved by this social reform, for which we have been fighting for the past nine years. For this reason I would sound a warning against the idea that something can be achieved by massive cutbacks affecting about 350 or 200 jobs, as has been proposed. This will achieve nothing at all and will only undermine the morale of the centres. It will at one blow destroy the success of our new programme and would set the Council at odds with itself.

Why do I say that nothing will be achieved by such reductions? Because it will result in no savings worth speaking of. We must continue to pay the staff that we dismiss 75 % or 80 % of their salaries, so where then is the saving? I have had calculations made as to what it would cost if the bigger countries, which have been proposing these staff reductions, were to waive their demands. The amounts involved are ludicrously small, something of the order of £ 68 000 per annum or 3.8 million French francs over a period of four

Brunner

years. I ask you, does this make sense? Is there any proportion between such savings and the dismissal of 35 people? Is there any proportion between the small amount of money saved and the upheaval that would be caused in people's lives as well as in the working of the Joint Research Centre? I very much hope that on 18 November vision and good sense will prevail and that we shall see the adoption of a reasonable staff ceiling and a sensible programme.

That brings me to fusion research and the JET project. I think that we took a step forward in this matter also on 21 October. On that occasion the Research Ministers no longer made any mention of the entire JET programme being suspended. We discussed details of the programme and, as the President-in-Office of the Council has said, we even managed to reach agreement in practice on a number of points. We discussed the position of the Joint Undertaking — we intend the JET to be managed and run by a Joint Undertaking as laid down in Articles 45 to 51 of the Euratom Treaty. It would be the first time in the history of Europe that such a Joint Undertaking was set up in accordance with European law. I would look upon this as a splendid pioneering venture in the research sector.

We also discussed the financial aspects, and here also agreement was reached. We intend to split the costs, so that 80 % will fall on the Community and the remaining 20 % will be spread over the host country and the laboratories taking part. We discussed what will happen when the JET project is wound up, and we agreed that the machine will become the property of the host country, which will however have to meet the costs of dismantling and breaking up. Since there will possibly be radioactive parts, certain costs will be incurred in this connection, which will have to be borne by the host country. We also discussed the question of how the staff is to be recruited and paid and here again a notable degree of agreement was reached. All in all, therefore, we really did take practical steps forward.

What we have not yet got, however, is a final decision on the programme, as well as a decision on the site and the project director. In this connection I should like to sound a note of warning to all concerned. You see, this JET project is beginning to take on the aura of a prestige object, and we are running the risk of its coming to be regarded as something entirely distinct from all other aspects of European research. But European research, as we have envisaged it and as it would become a reality if the Council were to arrive at a decision on 18 November, is a single whole. We have a wide-ranging fusion research programme quite apart from the JET project. Even when the JET project is completed or about to be completed, we shall still have important fusion projects to carry through. I estimate that, when all these programmes are adopted, we will be close to a figure of 1 000 million u.a. for the period up to 1980. This would be an important advance and would give us a comprehensive Community research sector that would make up about 2 % of

all the research being carried out in the Member States. This is not the time therefore for the Community to forget its solidarity and quarrel about the siting of a single project. It is an important project, but it is not the final one and not the only one.

If we cannot reach agreement, we shall finally have to work out some kind of voting arrangements, so that the decision can be taken by a majority. There is no more time to be lost, we cannot stand idly by and see our costs driven skyhigh by inflation simply because we did make the necessary provisions. We must reach agreement on 18 November. I am convinced that the Research Ministers can reach this agreement. We in the Commission have made a proposal, but what I am concerned about now is not that this or that proposal should win the day, but that some agreement should be reached. I think that the Research Ministers can do it. I must tell you however here and now that if the Council of Research Ministers fails to come up with a decision, I can see nothing for it but to have a decision reached by the European Council at the end of November, because this JET project can no longer be left in a state of suspended animation. The future of European research is at stake, and on this we can no longer remain inactive.

(Applause)

President. — I call Mr Fletcher, draftsman of the opinion of the Committee on Regional Policy, Regional Planning and Transport.

Mr Fletcher, draftsman of opinion — Mr President, I have to speak as the draftsman of the opinion of my committee and I also have a contribution to make on behalf of my group. So, with your permission I would like to try to combine these.

I am sorry that I missed yesterday Lord Bruce's introduction to the budgetary debate, but I do notice on reading the report of proceedings this morning that he spoke of the urgent need to mobilize European capital for investment, with small businesses as perhaps the principal beneficiaries. That is of course a sentiment with which my group and I can very heartily agree. But the point I wish to make — and this is something I think that runs through many of the contributions to the budgetary debate — is that money in itself is not enough. Money for investment is not enough, indeed regional development funds in themselves are not enough to solve the problems that we are discussing here today. We need ideas, we need incentives to reward ideas — that is a direct reference to taxation policy in at least some of the Member States — and for these ideas and incentives we need the entrepreneurs who can develop small businesses and make them into large employers, make them work successfully. In fact, we need what I would describe as a climate for investment, coupled with confidence in the future of the Community itself.

I am reminded of a BBC television documentary about a year or so ago, which showed a factory in Northern Italy that had gone out of business because

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orders had dried up, and the workers had occupied the factory. (I think it manufactured domestic appliances). The workers were perhaps Communist inspired, perhaps not, but that is not the point. They had raised funds with which to continue production; they had a factory, they had machinery, they had a labour force and they had money. And then they found that something was missing. And that something was an entrepreneur — a manager. In fact, these workers found themselves actually advertising in the local press for a manager, for a man with ideas, for an entrepreneur, for a businessman, to provide the essential link between their resources and the success of the business itself. I think that sort of thinking should be applied to the comments that Lord Bruce made yesterday, and should be applied to the comments that are made about the Regional Fund as a whole.

Now, Draft Amendment No 63 seeks to restore to the Regional Fund 100 m u.a. in payment appropriations which were taken out by the Council for 1977. In the opinion on regional policy, which I prepared for the Committee on Budgets, I make the point that we have accepted the Council's view that the Commission will not in fact be in a position to pay this amount out during 1977 and, therefore, the reimposition of this is really a wasted effort. I think that re-emphasizes the need to seek worthwhile projects for investment and for the Regional Fund itself. Otherwise, we might be in the position of someone trying to do some good by scattering money in the streets. I am sure that is not the intention either of those who moved the amendment or those who talk always of the need for more funds and leave out the need for ideas.

In this same opinion of the Committee on Regional Policy, Regional Planning and Transport we have discussed the effect of inflation on the Regional Fund, but generally, Mr President, we have decided not to look too far ahead at this stage, as the committee will soon be considering the Commission's proposals for the fund after 1977. I shall therefore refer only to paragraphs 20 and 21 in this opinion. The first of these concerns Article 373, in which a new budget line has been entered with a token entry for financial assistance towards transport infrastructure projects which we consider to be of particular importance. Paragraph 21 concerns the appropriations entered in Article 371 of the draft budget for operations in the aerospace sector, another matter which we consider of importance.

There are some other points about the Regional Fund which I would like to refer to. There is the age old question of additionality. I think here we should again make a plea to the Council that the administration of applications to the Regional Fund would be much more effectively dealt with if they could bypass the Member States and go straight to the Commission and to the Commissioner responsible. I know that Commissioner Thomson is a very thoughtful man and

he has said on several occasions that he hasn't the staff to deal with applications that come to him directly. But it does seem to me, Mr President, that Member States present an unnecessary interruption in the process of making applications and trying to interest the Commissioner and the Regional Fund in particular investments or grand opportunities and that the effectiveness of the Regional Fund and its acceptance and knowledge about it in the Member States could be greatly improved if there was a direct communication — a direct line — between the applicants and the Commission itself. If the Member States are terribly anxious to hold on to some control over Regional Fund disbursements, it might be suggested that they could have the right of veto on specific projects. But they should not interfere in the earlier stages of any project and any applications that are made.

Now, Mr President, there are a couple of amendments to the budget for which I am responsible and I would like to make a brief comment about those. The first is to Chapter 55, new Article 552 'Aid for investment in infrastructure and the re-industrialization of derelict land' which follows directly from a visit which members of the committee and myself made to Glasgow and Clydeside and to Merseyside, where we saw very large derelict areas greatly in need of support from the Community on a vast scale. It would seem to me that in appropriating the Regional Funds it would make sense to consider under a separate heading the urgency of the requirements in these very sad derelict areas — areas needing much encouragement from the Community as a whole. People living in those areas should see that at least their new industrial foundations are coming in the form of direct and substantial contributions from the Community, and from the more prosperous countries and regions of the Community at that. I think that would help to put into practice many of the urgent points that have been raised by honourable Members regarding the Community Regional Fund and its use.

The second amendment, which I have just tabled this morning, relates to the need for a Commission Information Office in Belfast in Northern Ireland. I make this point, Mr President, because Northern Ireland is without doubt the most troubled region in the Community itself and unfortunately, for reasons presumably outwith the control of this Parliament, there is no Northern Ireland representative here at all. The people of Northern Ireland are completely out of touch with the Community and what happens in the Community. They therefore believe that the Community is in fact shirking its responsibilities towards them and towards their part of the world. It is for that reason, Mr President, that I hope this House will look favourably upon this amendment, which they will come to in due course, and which seeks to provide for the people in Northern Ireland an information office in Belfast.

Fletcher

My final point refers to the United Kingdom as a whole. We in Britain are going through a rather difficult phase and of course I happen to believe that a change of government would help things tremendously. But I have not come here to make that point. I have come here to say that, whatever you may be reading in your newspapers about the state of affairs in the United Kingdom, I can tell you that the British people have as much courage today as they had a decade ago and they look forward to being given the opportunity to put their own house in order first and then make a more forcible and a more constructive contribution to the affairs of the Community.

(Applause)

President. — I call Mr Van der Gun to present the opinion of the Committee on Social Affairs, Employment and Education.

Mr Van der Gun, deputy draftsman. — (NL) Mr President, I should like to make a number of comments as deputy draftsman. The committee on Social Affairs has noted with a certain amount of disappointment what is planned as regards the social policy for 1977. I remember as if it were yesterday the Paris Summit, where it was stated so emphatically that social policy would be coupled with economic and monetary policy. That was certainly a much better approach. In the meantime, a social action programme has been set up for which I thank the Commission and Council. A Green Book has also been published. Although nothing concrete has resulted from this, it is still a matter of fundamental importance.

The crucial problem facing Europe at present is however unemployment. And here, the Community's initiatives leave very much to be desired. Of course, the governments of the Member States are principally responsible in this area. When they deal with this problem, each works from its own point of view, so that we can scarcely speak of a European employment policy. And this situation is not altered by tripartite conferences, however important and useful they may be in themselves. Mr Boersma was right when he said to Parliament last time, in his capacity as President of the Council of Ministers for Social Affairs, that to achieve an integrated Community employment policy, it was absolutely essential that the Commission should be given more powers and more opportunities to act. We cannot avoid the impression that at present there is indeed a certain amount of impotence. Let us use the word. When I think of the situation in certain branches and sectors of industry, and I am thinking in particular of the textile and fibre industries, then I must say that for years now there has been a very considerable surplus capacity in Europe. And the Commission knows that too. And yet we want to increase capacity! What are we really trying to do?

Why are our actions not more regulated, more coordinated? If you ask the Commission's representatives what is being done to improve the situation, when the employment of tens of thousands is at stake, the answer is that at present very little is being done, that the Commission lacks power, that there are no opportunities to do anything. On such a fundamental point as employment, we ought to be able to do something. The Community does have the European Social Fund, doesn't it? Fortunately, the Council has not cut back the appropriations which the Commission proposed for this sector. But if we look at matters as a whole, we see that there has again been an intervention here, which, at least in our committee's opinion, is scarcely admissible. It is of course absurd for cuts to be made when the employment situation is so unfavourable. Precisely because of the present situation in Europe, it would have been more appropriate to make a special effort to do something about the employment problem.

In this context I am thinking of vocational training, which could make a considerable contribution towards balancing supply and demand on the employment market. Training, re-training and the acquisition of new skills, the fight against poverty and so on, are all important. Hence it is incomprehensible that the Council has decided to reduce the opportunities here rather than increase them. And what results? Of all people, the weakest groups have to pay, the migrant workers who are already in an extremely difficult position, because in the Member States as a whole charity begins at home.

Then we have the problem of handicapped workers and of the mass unemployment among young people, although the latter has been the object of certain measures. But the position taken by the Council on the budget gives the general impression that the required expansion of measures in each case is out of the question. On the contrary, the required appropriations are going to be progressively cut back. This is inadmissible, not only as regards the economic situation, but also on account of the need to involve the people of Europe in integration. Europe must draw on the people for its existence.

Millions of people are at the moment in need, not only the unemployed but also hundreds of thousands of small self-employed people. What do these people see happening in Europe? What can they expect from Europe in practice?

If we really want to make something out of Europe, we must arouse the common man's interest in it. He must become conscious of the united Europe. This is also necessary in view of direct elections to the European Parliament.

Efforts have in fact been made to give a more European character to social activities. I am thinking in particular of the co-operation between governments

Van der Grun

and the social partners, which is essential to the development of a united Europe. The Commission is in favour of this, but the the Council says No. Perhaps I am overstating the case somewhat, but at all events it has only been entered as a 'token entry' in the budget. The Committee on Social Affairs considers this inadmissible. The trade union movement is busy building up an apparatus designed to broadcast the European idea as widely as possible among salaried staff and wage-earners. This is a good sign, but to do this responsibly means that there must be reasonable certainty that the apparatus can be set up for more than six or twelve months. Continuity must be guaranteed. Consequently we consider the 'token entry' unjust. For this reason, the Committee on Social Affairs is proposing the entry of a definite sum in the budget.

It is then irrelevant whether the entry is for 500 000 u.a. or 200 000 u.a., but we believe a token entry is out of the question. We are dealing with a very important operation requiring continuity, so a definite sum must be entered.

(Applause)

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, may I first congratulate Lord Bruce on his broad and very robust speech in introducing his report, combined with a mastery of detail which even included a reference to the gigantic staff of 6 devoted to consumer affairs.

My particular interest in speaking, on behalf of the European Conservative Group, concerns the social and regional aspects of the budget. In my view these aspects should be so closely coordinated as to be almost two sides of the same coin. One can perhaps be forgiven for wondering if the Council deliberately cut down on the social budget in the confident expectation that Parliament would react by using up its budgetary margin and reintroducing the items on the social side which Council had cut out. This, indeed, was the reaction of the Committee on Social Affairs, Employment and Education. I agree wholeheartedly with Lord Bruce's paragraph 28 which states that the proposals for the European Social Fund do not even begin to permit the Community to play a proper role in the fight against the unemployment which afflicts 6.5 million of its citizens. Indeed this point was again underlined by Mr van der Gun in his speech a moment ago. This is not so much the fault of the Council however, as the inadequacy of the Social Fund regulation, which I hope will be remedied when the regulation is rejigged at the end of this year. But it seems to me that even the money available is not being spent in an integrated way. One of the problems which we in the European Parliament and particularly in its committees face, is a frightening lack of time to discuss the proposals and the cuts and counter-cuts which are put before us. It seems to my group that, at a time of high unemployment, priority

should be given within the social sphere for measures to combat that unemployment and, within that sphere of action, special help should be directed to those who are most vulnerable to recession and those least able to recover when the economy improves, for example the handicapped. And yet I could see absolutely no pattern and no sign of priorities in the cuts proposed by the Council.

Nor, I must confess, can I see much greater cohesion in the matters which were supported and those which were rejected by the Committee on Budgets itself. I am bound to admit, with the greatest respect to my friend and colleague in front of me, that we in the Committee on Social Affairs, Employment and Education were not very helpful to the Committee on Budgets in this regard. The blunt fact was that we did not want any cuts and we therefore merely recommended, with some very minor adjustments, that all the items requested by the Commission but turned down by the Council should be reinstated. This of course gave no indication to the Committee on Budgets where our committee placed its priorities. So it had to make up its own mind and some rather curious results have emerged. For example, although I was delighted that the Committee on Budgets supported the expenditure under Article 511 for aid through the Social Fund for handicapped persons to help them resume employment after medical rehabilitation or vocational training, I was puzzled as to why no help was forthcoming under Article 304 for voluntary bodies who do so very much in all the countries of the Community to help the handicapped. Again, although I was delighted that the Committee on Budgets gave some support to measures under Article 501 to help young people, they nevertheless rejected Lord Bruce's own amendment to give aid to young unemployed people just leaving school. And I was surprised that they rejected Item 3921 for the preparation of young people for their working career. I was puzzled, too, why we need Item 3010 to be increased by 100 000 u.a. for the European Centre for the development of vocational training and yet add back 40 000 u.a. to Item 3011. This relates, as the House will know, to other vocational training activities, and as far as the Committee on Social Affairs and Employment was able to discover, it finances European civil servants in Brussels, who are concerned with planning and generally talking about vocational training. My group sees no reason at all why all such work should not be done in Berlin now that the new centre for vocational training is being established there, and we invite Parliament to support the Conservative Group's amendment to delete Item 3011.

I should also like to ask Parliament to support our amendment to replace the heading of Article 307. If Members will look at Volume IV, they will find that the left-hand side and the right-hand side of the budget entry do not coincide and the title of Article 307 is misleading. The left-hand column refers to participation by both sides of industry. Personally, I

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dislike referring to sides of industry at all. I believe that we are all on the same side — the side of trying to create better prosperity for all. But if you look at it as it stands at present, although the left-hand column refers to participation by both sides, the right-hand entry makes it quite clear that the money under this appropriation is to be earmarked solely for the creation of a European Trade-Union Institute; so it may as well be honest and say so quite clearly in the budget entry.

Coming to the regional aspects of the draft budget, I share Lord Bruce's dismay, expressed in paragraph 30 of the motion, that there has been a further increase in the disparities between the regions. I do not, however, accept his somewhat defeatist attitude in paragraph 4 of the explanatory statement. It may be that as the regional policies are operated at the present time, the Community is powerless to prevent greater regional imbalances occurring, but I believe that a system of Community industrial development certificates, preventing further investment in already overcrowded conurbations, would be of help not only to the undeveloped or depressed regions, but also to the over-heated regions themselves, by preventing further concentrations of pressure on facilities and social infrastructure. As time goes on, however, the problem of industrial dereliction in the older industrial regions becomes even more severe, as my friend and colleague, Alex Fletcher, has just said. It is for this reason, and for reasons of budgetary transparency, that we ask Parliament to support the replacement of Article 550 by 5 new articles which would better reflect the fund's various fields of activities, as my colleague has already said. We suggest, of course, that the appropriations among these 5 new articles should take account of the estimates forwarded by the Commission and that the Commission should be free to make any transfers within chapter 55 which may prove necessary during the financial year.

We very much hope that the House will support us in these amendments, Mr President.

(Applause)

IN THE CHAIR: MR MARTENS

Vice-President

President. — I call Mr Johnston.

Mr Johnston. — Mr President, I wish to make some short remarks about that part of the budget which deals with the Regional Fund. Budget time, after all, is a time to ask if money is being well spent. That the Regional Fund has done great good is incontestable. Equally it does create a small but perhaps useful element of redistribution within the Community and in that sense it has a broad regional impact for which the United Kingdom, Italy and Ireland with their particular economic problems have especial reason to

be grateful. But so long as you have a fixed percentage share-out between countries, and control operated through national governments who themselves are responsible for the very regional discrepancies the fund is designated to relieve, you simply will not develop a European regional policy, which for me is one of the two basic challenges of the Community. If we cannot first stabilize our economies and then move towards the mitigation of disparities, we will be unable to move towards economic and political union.

I am therefore, I must say, disappointed at the extent of progress made since those days of high hopes in 1973 in which I participated, being at that time in the Parliament and a member of the Committee on Regional Policy and Transport. I wish to emphasize three particular points. Mr Alex Fletcher, in his contribution, has already referred to additionality, which I think is a horrid piece of Europeanese, in English at any rate. That problem was obviously clearly foreseen by everyone, namely, that national treasuries would seek or be tempted to seek to use money from the Regional Fund as some kind of substitute expenditure. What I find depressing is the lack of progress in seeking to prevent this, or even effectively monitor whether or not it is happening. Clearly it is not an easy matter to disentangle, particularly at a time of inflation and financial instability, but surely the very least one should have by this time is a clear declaration of intent from all member governments. In many cases, my own country perhaps being a major culprit, the disregard of the principle is quite blatant, and like Mr Fletcher, I wonder to what extent this has been thoroughly discussed, and frankly discussed, in the Council of Ministers.

Secondly, I would pay warm tribute to the tenacity and farsightedness of George Thomson. If he leaves the Commission, it will be an enormous loss. What is essential is that whoever is responsible for regional policy should be in a position to shape fund disbursements and to respond directly to the needs and attitudes of the regions within our states. In this connection I would warmly welcome Mr Fletcher's remarks concerning the Northern Ireland office and the amendment he has put down. I think that that would be a very positive and helpful step. Looking to the future, it seems to me — as I think it did to Mr Fletcher also — that, unless the Commission is enabled — and this will clearly mean staff increases of some proportion — to develop its own dialogue with the regions, we will not see the development of an acceptable regional policy based on agreed and impartial criteria.

Thirdly, the Bible says that it is more blessed to give than to receive and I hope that this thought gives some comfort, and some moral uplift, particularly to our German friends. It is relatively easy, when one is in the position of being a recipient, to argue as Lord Bruce of Donington did yesterday in his wide-ranging

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and most effective speech, that contributions to the Community from the Member States should not be regarded as an extra overhead, an extra burden on their own budgets, but should reflect a growing agreement amongst Member States progressively to transfer to the Community those things that can be more advantageously accomplished on a Community scale and within a Community policy. I entirely agree with that sentiment, but it is rather easier to say it when one is receiving than when one is paying out. I think that, as a recipient, it is right that I should say that the attitude of the Federal Republic of Germany throughout is one that should be recognized and applauded. Particularly is this so because, in regard to regional policy, when we come to the other side of the coin of the Regional Fund and produce some method of checking development in particular areas, whether by Industrial Development Certificates, as is done in the United Kingdom, or congestion taxes or whatever, this is something which will immediately and directly affect the Federal Republic, perhaps even more than any other country.

In conclusion, Mr President, I think we have a very, very long way to go in working out a regional policy, but it is a goal and a design that we must relentlessly pursue because, upon its success will depend in large measure the success of our whole Community.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, member of the Commission. — *(F)* Mr President, I should like first of all to return briefly to some of the points discussed yesterday in view of the new facts that have emerged during the debate. Mr Shaw has referred to the calendar we have adopted this year. My reply on behalf of the Commission is the same as that of the President of the Council, that this is an experiment at the end of which we are counting on the Committee of Budgets, in consultation with the specialized committees, to tell us how to use the extra time available in a longer calendar.

The President of the Council returned this morning to a problem I brought up yesterday, the freezing of certain appropriations. I should like to remind you once again of our position: appropriations are normally frozen by being entered under Chapter 100 and a transfer can then be made only by the budgetary authority. When an appropriation is entered under a budget heading, it can in principle be used under Article 205 of the Treaty which gives the Commission responsibility for implementing the budget. Nothing has therefore been left out of the legal text. Obviously, a prerequisite for paying out appropriations is the accomplishment of legal acts laid down by regulation or by a resolution or decision of part of the budgetary authority, or of the budgetary authority itself. We feel that an appropriation entered in the budget should be implemented. I said yesterday

that that was Parliament's argument for the appropriations for non-governmental organizations and I find it difficult to accept that a different argument should apply in other cases.

There is no question, and I would stress this, of the Commission avoiding Parliament's control or not consulting it since it is obvious, Mr Schuijt, that in no case could we spend any of the appropriations intended for informing the public about elections to the European Parliament without consulting you or submitting a specific plan which will, I hope, be discussed by the Political Affairs Committee. But I think it would be wrong to formally freeze an appropriation that could only then be released under a procedure that is in no way provided for at present, by the budgetary authority as a whole. The President of the Council pointed this out this morning. It would be wrong to give the Council the right to participate in releasing an appropriation voted by Parliament for a matter that mainly concerns Parliament. The Commission must undertake to consult Parliament on all subjects of interest to it, but the formal freezing of a budget heading seems to us to be wrong.

This morning the President of the Council returned to the question of commitment appropriations, in particular those that could be entered in the budget, although they are not included in the Financial Regulation adopted — and as you know, the Commission had reservations on this regulation — by the two budgetary authorities, Parliament and the Council. That is the Commission's position and it would be annoying if Parliament were to infringe a regulation no more than one month after adopting it.

Mr Cointat questioned me yesterday about compensatory amounts and asked if the Commission had kept its word about submitting its proposals on monetary compensatory amounts to the budgetary authorities. In fact, we submitted our proposal on 21 October. As the President of the Council said this morning, this proposal will be discussed in detail this afternoon by an enlarged Council of Ministers of Agriculture and Ministers of Finance and I will attend the meeting. Please therefore excuse my absence this afternoon, Mr President. The Commission will of course be represented by one of its members during the continuation of the debate.

Mr Cointat asked me what our proposals were. Well, we took as our starting point the analysis made of the system of monetary compensatory amounts when they were introduced in 1969. What was the purpose of this procedure? It was to prevent day-to-day day exchange fluctuations affecting corresponding market prices, when the price in units of account was fixed by the Community and conversion to national currencies would have produced abrupt variations. It was wrong to have such a sudden change for products covered by the common agricultural policy when the prices of other products increase gradually after devaluation or decrease after revaluation.

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The purpose of monetary compensatory amounts was therefore to allow this gradual change but not to exempt an entire sector of the activity of one country from the basic rules of the market economy. If there is anyone in this Chamber or in the governments of the Member States who wants to exempt a large part of our production and consumption from the market economy, let him say so. If, however, we are to remain in a market economy, which appears to be the unanimous desire of the political parties and governments of the Community, then let us bring monetary compensatory amounts to their logical conclusion and allow price progression on the fluctuating exchange market. We therefore propose, first of all, to put a ceiling on compensatory amounts, but that is yet to be fixed. Secondly, we propose that the average market rate should be calculated over a period of eighteen months and should become the green rate six months after the end of that period. In other words, an exchange fluctuation over a given period will produce a different compensatory amount from the green rate but its effect will disappear within two years at the most.

That does not mean that all compensatory amounts will disappear within the next two years, since unfortunately one exchange fluctuation follows another, but that the compensatory amounts fixed one day as a result of a devaluation or revaluation the previous day cannot apply for more than two years. Those are our proposals, but we are obviously very much aware of the effect on prices, especially in this period of unemployment and inflation. We have therefore introduced two supplementary measures. The first is that in countries whose currencies have appreciated, prices cannot be affected, in other words producer prices cannot be reduced, until there is a price review. Producer prices will change less drastically in those countries than in others; we are not going to propose a reduction in producer prices in countries whose currencies have appreciated. Secondly, and most importantly, we are proposing a cut-off rule so that the combined effect of the ceiling and the continuous adjustment of compensatory amounts will not be able to change prices by more than a certain percentage every 6 months. There is of course no question of going from the present enormous amount to zero in a single blow or even of going from 37.3 %, the compensatory amount applicable to one of the Member States last Monday, or from 44 %, the compensatory amount estimated for that same country in 10 days to zero in a few months or even in two years. There will thus be a cut-off so that the compensatory amounts cannot decrease by more than x %, a percentage which will be left to the political wisdom of the Governments and Parliament so that the situation gradually becomes normal again.

Mr President, as the President of the Council said, this topic will be discussed by the Council of Ministers

this afternoon. It will obviously also be discussed by Parliament and my colleague, Pierre Lardinois, will be happy to report on it to you and to any competent technical committee.

Mr Cointat also questioned me about the European units of account. I would remind him that it was in July that we proposed the adoption of the unit of account 'basket' for the Community budget as one of the proposals for revising the Financial Regulation to which Mr Shaw has already referred. But we separated the proposal on the European unit of account from the rest of the proposals for revision in order to draft a separate decision that could, quite simply, be adopted at political level. On 29 September we asked the Governments of the Member States of the Community, meeting in Council, to consult Parliament and immediately adopt the decision on the adoption of the European unit of account from 1 January 1978. There is nothing to prevent such a decision being taken immediately and I hope that the President of the Council of Ministers will forgive me for saying so. I think I can tell Parliament that during the last Council meeting in Luxembourg last week, considerable progress was made towards getting the Governments to agree.

If the problem of the European unit of account is settled by 1 January 1978, there is nothing to prevent the Communities' external commitments being budgetized and the Commission is grateful to those Members who have tabled an amendment on the resolution of commitment appropriations in the 1977 budget, in other words on the principle of budgetization.

The Commission merely suggests that no payment appropriation should be entered in 1977 since we are still working with the budgetary unit of account and the IMF exchange rate and we hope that we will not have to make any budgetary payments in 1977 by way of budgetization. Commitment appropriations will be enough; from 1978 payments will be made in accordance with the procedures laid down for the introduction of the European Unit of Account.

Since we are dealing with financial matters, Mr President, I should like very quickly to comment on a remark made by Mr Leonardi yesterday. He questioned the Community's borrowing capacity. I should like to point out to him that the Community's first loan on the American market was classed AAA, the best possible classification, and not only that, it was taken up in a few hours, for, as stated in the Wall Street Journal, which is unlikely not to know the mechanisms of the capitalist world, there is absolute amazement at the fact that the Community, with an assured revenue of 5 000 — 6 000 million units of account a year in own resources, only has trifling debts at present, whereas everyone knows that once one gets beyond the techniques of the small shop-

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keeper to organize one's economic life, one can permit oneself debts amounting to several times the annual assured revenue, and on the best possible market terms.

I should now like to turn to more specific subjects, but I will leave out the research/energy aspects which were dealt with by my colleague Mr Brunner, and could be discussed again this afternoon.

Mr President, Lord Bruce, the rapporteur for the Committee on Budgets, brought up some of the Commission's organizational problems. On behalf of the Commission I should like to repeat what I had the honour of saying to the enlarged Committee on Budgets in The Hague, namely that the Commission is of course willing to explain to any technical committee, the Committee on Budgets or Parliament why it has adopted any particular organization plan. It feels it can receive some very useful advice from the technical committees, the political groups, Members and Parliament about its organization. But you will understand if I stress the fact that it is our privilege as the executive to be responsible for our own organization and to take the final decision on our structures. The rapporteur acknowledges this in his excellent report and I thank him for it.

Time does not allow me to go into Lord Bruce's criticisms in detail now, except on one point that concerns me directly; like him I acknowledge that there is an anomaly in having two portfolios such as budget and development.

As for staff, a subject brought up by many speakers, I should first of all like to mention briefly two very limited amendments that are to be discussed by the committees this evening and put to the vote tomorrow. We have requested some 'nominal' posts in order to send some Commission officials abroad. We feel it would be useful to open the doors and windows of the Berlaymont and air a few officials. There is no question of requesting any supplementary permanent posts. The request for 'nominal posts' does not involve any budget appropriation and there is no possibility that the Commission can at any time have more staff than those shown in the budget adopted by you, but it does enable the Commission to keep in touch with officials working in its delegations abroad for their greater benefit.

Similarly, Mr President, since recruitment was stopped several years ago, we have to ask you to agree to some slight changes in posts at the bottom levels in categories A, B and C. Stopping recruitment effectively stopped promotion. By 1979, an official will have to spend 27 years in grade A5 before he can be promoted to A4 in the same career bracket. 27 years! We could obviously have some greybeards in the bottom levels of categories A, B or C but I am not sure that that would help Commission morale. We maintain our request that some posts be regraded; no supplementary appropriations are involved.

But since I have mentioned the stopping of recruitment, Mr President, I should like to deal with the criti-

cism we have to face each year. This year, the Commission requested 400 posts. That appeared a lot. The Council reduced the request to 220 posts but the Commission stuck to its position although it might as well not have done since I see that Parliament has adopted the Council's conclusions.

I cannot however let this decision, which is yours, and which will be forced on us, pass without warning Parliament of the consequences as I did in the Council. In the draft budget, we devoted 66 pages, as Lord Bruce notes, to detailing each of the 400 posts we were requesting. Now we will have to decide, or rather the Jenkins Commission will have to decide tomorrow, how to go from 400 to 220 posts, in other words to cut down on certain duties and functions. Will it cut down on external relations, on the numerous negotiations we are currently engaged in and the administration of our new agreements. Despite the signature of the Lomé Convention, and agreements with some Mediterranean countries, despite the North-South Dialogue and the Euro-Arab dialogue, there has been an increase of only 20A posts, 10 B posts and 12 C posts in DG VIII since 1973. It is with these 42 officials that we have to cover the difference between the development policy that you considered limited in the past, and a world policy that you are pleased to acknowledge as useful and intelligent; it is with this staff that we have to cover the difference.

Do we now have to cut down on the 5 A posts, the B post and the 3 C posts that we requested for next year, or the 5 A posts planned for control and budget, or the Computer Centre posts, or the C post planned for the environment sector or the C post planned for the fisheries sector? I leave it to Mr Jenkins and his colleagues to answer this point, but I do not envy him having to take such a decision.

I would like to say a few more words on some specific points Mr President. In the amendments proposed by the committees and adopted by the Committee on Budgets, there is a proposal to include 30 m u.a. under Chapter 59 for disasters in the Community. This deserves some explanation. Until now, we had an Article 400 in the budget which covered the effect of disasters without stating whether the disasters were inside or outside the Community. We and the Council have always experienced some difficulty in using these appropriations inside the Nine. We have managed to do so, but not without difficulty. That is why in the 1977 budget we have entered two separate items: an item 951 for disasters outside the Community which is funded normally — the Council has agreed to this and I hope that Parliament will do so too — and an item 59, a new item, for disasters inside the Community. It is under this item which, for the time being, has only a 'token entry' that it is proposed that Parliament should enter 30 m u.a. The Commission leaves the amount to be entered entirely to you, but it welcomes this measure; it would merely point

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out that problems of procedure will have to be dealt with so that these amounts can be mobilized in an emergency.

Mr Fletcher has just mentioned the Regional Fund and the conclusion reached by the parliamentary committee responsible on the inadvisability of adding 100 m u.a. in payment appropriations to those maintained by the Council. The Commission confirms that it can meet all commitments planned: 500 m u.a. in 1977, 1 300 m u.a. over the 3 years 1975, 1976 and 1977 without exceeding 400 m u.a. of payment appropriations in 1977. Moreover, if this amount were to be exceeded, a proposal could always be included in the revision of the budget in the middle of the year. The Commission therefore confirms what Mr Fletcher said, namely that the entry of 100 m u.a. supplementary payment appropriations is not necessary for technical reasons.

Various comments have been made on the Social Fund. I agree with them and hope that, as Mr Van der Gun and Mrs Kellett-Bowman have just suggested, Parliament will go further than the Council's proposals when it votes tomorrow.

Parliament is now going to discuss the proposed amendments on food aid on the Commission's original proposals, which we welcome. Contrary to what Mr Brinkhorst has said, as far as powdered milk is concerned, it will not be possible, with the appropriations proposed by the Council, to supply the same quantities of food aid in 1977 as in 1976.

In conclusion, Mr President, I would make one general remark with reference to a statement made by Mr Aigner yesterday. He pointed out that our restructuring programmes were not given sufficient attention in this budget and repeated what the rapporteur for the committee on Budgets had said forcefully, brilliantly and sometimes aggressively in his report and motion for a resolution. It is true that the Europe in which we are living has very little attachment to restructuring problems; it has devoted much more attention to immediate problems (agricultural intervention, reimbursement of this or that expenditure to governments right and left); it has not tackled restructuring problems whereas, as you know, this Commission has always felt that Europe was created to give our countries the dimension of space and of time too to allow them to tackle restructuring problems. The Commission entirely agrees with the words of Lord Bruce and Mr Aigner and of many other speakers.

(Applause)

President. — The proceedings will now be suspended until 2.30 p.m.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 2.30 p.m.)

IN THE CHAIR : SIR GEOFFREY DE FREITAS

Vice-President

President. — The sitting is resumed. I call Mr Noè.

Nr Noè. — *(I)* Mr President of the Council, ladies and gentlemen. I shall try to present briefly the Christian-Democratic Group's opinion on those items of the budget which refer to regional policy and to transport policy.

As regards the first, we all remember that it was conceived in 1973, worked out in 1974 and was effective from 1 July 1975 to 1 July 1976. We thus have to review one complete year's activity. The Committee on Regional Policy and Transport was the first to discuss it and had a report drawn up by Mr Delmotte and I think I can say that on that occasion the opinions expressed were favourable. It may therefore be confidently expected that the conclusions which the Committee draws on the development of the Community's regional policy in the first period of its practical application will also be positive.

This morning I heard some of our colleagues expressing reservations. I should like to point out to them, however, that this was only the beginning, the first year of implementation, and this is why we feel we can be satisfied. Which is not to say that we do not have more ambitious plans for the future; indeed I am sorry that no member of the Commission is present because I want to emphasize that the Commission has used all the means at its disposal to put this policy into effect and should have liked to express my appreciation. Unfortunately there is no one here to receive this praise.

That having been said, we now have to lay down a figure to be included in the 1976-77 budget, and on this opinions differ. The Committee of which I am a member is fully aware that the appropriation should be 400 million u.a. rather than 500 million, because that is the amount that can actually be spent, but I am told that 500 million — that is, the figure originally suggested — was laid down in the Committee on Budgets and in fact there will be no practical opportunities for spending that amount, given the number and size of projects which have been submitted.

Having expressed our initial satisfaction, Mr President, may I now very briefly make three comments on regional policy.

The first is this. We are talking here about the Regional Fund which, although it is an important instrument of regional policy, must not be the only means of implementing it. The hope for the future is therefore that regional policy will extend so as to include, in addition to the operation of the Regional Fund, also other activities deriving from the various Community policies having direct relation to the regions. For, after all, the EAGGF's resources as much

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as industrial policy, financial policy as much as social policy, are all instruments which can be used jointly with the activities of the Regional Fund and ensure the effective implementation of its policies.

Let me quote one example from my own country. As you know as a result of the agreements which the Community has concluded at various times with Mediterranean countries some agricultural areas in southern Italy have suffered because competing agricultural products were introduced into the market. Yet these agreements were concluded without any preliminary overall forward study which could have served as a basis for laying down limits on the imports of competing products. We must abandon this sectoral approach and see to it that aids under the regional policy are not vitiated by the effects of other sectoral policies that have not been sufficiently thought out.

My second comment is the following. Inflation is very much with us and has meant that the compensatory amounts laid down in 1974 and intended to apply in all succeeding years have lost much of their effectiveness, so that in the coming year Parliament — as indeed the Commission and the Council — will have to review the figures in the light of the eroded effectiveness of this type of intervention.

My third and last comment is this. Until now Parliament has not had the decisive say in fixing the size of the Regional Fund. But now that the opinion has gained ground that regional policy is perhaps the most efficient and adaptable means at our disposal to improve the situation in some of the Community's regions, it would be advisable that in future Parliament should decide on all expenditure under the fund, or rather — though I know that the Council is not entirely agreeable to this — that they should all become non-compulsory expenditure, on which Parliament does have the last word. That would indeed represent a step forward, allowing Parliament as a whole to intervene more directly in this area.

Having expressed our satisfaction with the first year of the regional policy's application as well as some of our hopes for its future development, let me add a few words on transport policy which so far has not received much attention in the budgetary debate because, as we know, it has been mostly notable by its absence. Now, however, two factors promise better hope for the future. First, there is the Commission document on infrastructures which the Council has agreed to mention as a token entry in the budget. This is a praiseworthy gesture by the Council because it will enable us to get beyond the necessary, but restricting, limits of purely technical or purely social regulations, as for instance on the working hours of lorry drivers, to give more attention to the question of a transport network that would meet the Community's development needs: a transport network including new connections across the Channel, low-altitude

railway links crossing the Alps, a direct link from Denmark to Germany. All these projects have been made possible by this Commission proposal which the Council has accepted at least in principle. Mr Nyborg in our committee has drawn up a report on the subject which has now been adopted and on the basis of which we can proceed to do some useful work in the future.

Finally, among the amendments on which we shall be voting there is one concerning two appropriations, one of 20 million and the other of 60 million u.a., for aviation. More precisely, the first is for basic research in the aeronautics industry, the second for applied research on optimal aircraft characteristics, aimed mainly at reducing noise. In my opinion there is no doubt that these amendments should be adopted, because they can create the conditions for the kind of development of the aeronautics industry of which we have often spoken and which can only take place on the basis of research of this type.

To end, Mr President, I should like to recount to you something that happened last Sunday. Last Sunday I was with friends in Chiavenna and we were talking about the Splüger Pass project, the great infrastructure undertaking which is to link the Community's North with the South. I was talking with them about transport matters and it became obvious that in fact we were dealing with regional policy. For this is something I have not said before but must emphasize now: transport, in so far as it involves new and major infrastructures, represents one of the most important elements of regional development. The logic of the facts behind our Parliamentary Committee's dual responsibility: for regional policy and transport, is now becoming apparent and is the reason why, I believe, we should continue to work together in the future.

(Applause)

President. — Like you, Mr Noè, I very much regret that there is no Commissioner present and I will see that this fact is brought to the attention of the President of the Commission. I did delay the opening of our meeting by a few minutes in the hope that someone would appear. However, in view of the length of the business before us I thought it right to go on with the proceedings.

I call Mr Evans.

Mr Evans. — Can I say at the outset that I do hope the Commissioners are enjoying their lunch. Undoubtedly that is what will have delayed them. Can I also at the outset take this opportunity of paying a very warm tribute to my friend and colleague, Lord Bruce, for the tremendous amount of work that he has performed on his budget speech. He has certainly set an example to all of us of how hard work and keen study can produce an excellent report, and I congratulate him.

Evans

As chairman of the Committee on Regional Policy, Regional Planning and Transport, I intervene in this debate on the budget for the next financial year only to make it quite clear, not only to Members of Parliament and to the Commission, but more particularly to the Council of Ministers, that because my committee has put no major amendments to the Committee on Budgets — and our rapporteur, Mr Fletcher, has dealt very adequately with our reasoning behind that —, it does not follow that my committee is satisfied or happy with the amount of finance available for regional or transport policies; nor are we happy about the general strategy as far as regional and transport policies are concerned. It is to this area of strategy that I would like to contain my few remarks this afternoon.

In field of regional policy we recognize that the present fund was set up in 1975 for a trial period of 3 years and that we are only half way through that trial period. We appreciate that we cannot change or increase the finance available in mid-stream, although we do impress upon all concerned that inflation has ravaged the sums available. Indeed we have drawn attention in the past, and I do so again now, to the fact that if the funds agreed in 1975 for regional development were to have the same value now as then, they would need to be increased by 50 %. Whilst I agree that this is a lesson for member countries, it is also a fact of life that it is the most disadvantaged regions that are suffering from this inflation and it may well be that in the very near future my committee will return to the need for indexing Community funds. Indeed my committee is at present considering the first annual report of the Commission on the first year's operation of the Regional Development Fund and intends to present its report at the December part-session when we expect that Parliament will stage a major debate on this subject. I appreciate that this is not the occasion for a major debate on regional policy. Nevertheless, it is important for certain aspects of regional policy to be brought forward in this debate.

The first point that I would like to make as forcibly as I can is that the rich regions of the Community have grown richer and the poorer regions have got poorer. This is made quite clear in the Commission's report on the first year's operation in paragraphs 8 and 9. This, Mr President, is an intolerable state of affairs. It is a state of affairs that cannot be allowed to go on. Indeed, this trend must be reversed and every one concerned, particularly the Council of Ministers, as well as the Commission, must exercise their minds about this problem in the months ahead. I would remind the House that this problem was one that people like myself raised again and again last year throughout the United Kingdom referendum campaign. It now seems as if our worst fears were

more than justified. I would ask the Commission to consider launching a study of the desirability or the necessity of creating a Community-wide policy of Industrial Development Certificates, thereby ensuring that major industrial developments are channelled away from the overheated, overprosperous areas to the underdeveloped and less prosperous regions. I would remind them that such a policy, which costs very little in financial terms, could have an enormous impact on improving the quality of life in the less prosperous regions and on the fight against inflation. I would also ask the Commission to take a serious look at the EAGGF budget. I would point out that a large tranche of that budget, on any realistic examination, is in fact geared to regional problems. It follows, if that is accepted, that it would be better administered as part of the Regional Fund by the department responsible for regional policy. I strongly draw the attention of the Commission to the fact that one of the major complaints of virtually everyone is that the agricultural budget occupies threequarters of the total Community budget and most people go on to make the erroneous assumption that it is all spent on producing butter mountains, beef mountains, wine lakes etc. etc. whereas, in fact, a considerable proportion goes on the extremely important and essential aspect of restructuring the Community's agricultural industry. I would submit that not only would it be more effective if it was included in the regional policy field, it would be politically and psychologically more attractive and acceptable.

I would also ask the Commission to look at the role of the Social Fund in relation to regional policy. It is obvious that by its very nature the bulk of the Social Fund is spent in the regions that qualify for regional aid. But this is not self-evident to the peoples of the Community. Indeed I would ask whether the objectives of the Social Fund are geared closely enough to the objectives of the Regional Development Fund and if not, why not?

I would also ask the Commission to correlate the role of the European Investment Bank with regional policy. Are they satisfied that the Bank's role is tied in with the regional policies of the Community?

It would appear essential that the underprivileged regions should get priority from the Bank, but is this the case? Again if not, why not?

Finally, I would ask the Commission to ensure in future, whenever they bring any proposal forward in any field, that they attach to their proposal a statement of what impact or effect it will have upon the less prosperous regions of the Community. I am certain that if this were done as a matter of course, some proposals would call for much more thought. To give one brief and in this case personal example of this, I would cite the sugar industry. It may sound perfectly acceptable to grow all the beet sugar that is

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required by the Community within the Community, even though this creates few extra jobs. But, as a direct consequence of that policy, some 2 000 jobs are scheduled to disappear in the United Kingdom from the cane sugar refining industry, the majority of them from the less prosperous regions, including my own constituency. It is in these very areas that the Community is spending millions of pounds trying to create new jobs. Mr President, to study all the aspects that I have mentioned and have asked the Commission to study would cost little financially but could have an enormous impact on the Community's regional policy. I trust that they will launch those studies because I am convinced that if the Community is ever to take off and become meaningful in the eyes and hearts of the people of Europe, it will only be when we have an effective and meaningful European regional policy.

(Applause)

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

Mr Albers — (NL) Mr President, I hesitated to speak, since there is no Commissioner present. I should like to add that I find the whole method of dealing with the budget in Parliament rather strange. We must reproach the President of the Council for being absent whenever explanations are being given, the debate is often thinly attended and now we are having to discuss parts of the budget when no single Commission is interested enough to attend. I am speaking on behalf of the largest political group Mr President, and that means that I am now speaking for a large number of Members of the European Parliament.

I once heard someone say, who had listened to a Parliamentary debate from the public gallery, that it is simply an aquarium where the fish carefully manage to avoid bumping into each other and always swim around alongside each other. It is indeed true that a lot of the questions we raise are on the whole not answered, and we hear prefabricated speeches which scarcely touch on the arguments expressed. This is a sorry state of affairs.

In common with Mr Van der Gun and Mrs Kellett-Bowman, I too am concerned at the Commission's decisions on the budget with regard to expenditure in the social sector. In this Parliament we have discussed at great length action programmes and the Council's resolution of January 1974. Parliament also adopted a resolution in September 1975 and the Council one in February 1976 on the action programme on behalf of migrant workers and their families. We may recall that in this Parliament, great hopes were aroused and ideas suggested, but that when it comes to giving concrete form to these ideas, all kinds of delays crop up and the projects themselves fail to materialize, so that hopes remain simply hopes, and in actual fact

nothing that was promised gets done. And this, Mr President, is taking place against a background of rapidly increasing unemployment, although in some Member States it is now beginning to fall, but which is proving to be very persistent and which we all hope will not turn out to be chronic; against the background of increasing and apparently insuperable regional difficulties and increasing sectoral difficulties, as in the textile, footwear and computer industries; finally against the background of reorganization in the multinationals, resulting in certain groups of workers being made redundant in those very areas where unemployment is already very high so that they have little chance of being re-employed in the near future.

If we then note that three conferences have been held, the so-called tripartite conferences between government, employers and employees, which have raised hopes, and then look at the consequences of all these negotiations for this budget, we can only conclude that we are dealing with a failing policy, with broken promises and with a policy that raises doubts about the European Community. This is the background which we must not lose sight of during these negotiations on the budget.

Of course it is true what Mr Boersma, the Dutch Minister for Social Security and President of the Council of Ministers for Social Affairs said at an earlier sitting, that money isn't everything, and that a committee exists which has the power to map out a policy. Indeed money is not the most important element; we are concerned here with the possibility of conducting or stimulating a policy. Yet on the other hand it is quite clear that a lot of money is required if we want to achieve anything in the social sector. The best proof for this is the agricultural policy. It is often said that the agricultural policy takes a large percentage of the budget, and attempts are being made to reduce that percentage, possibly to the detriment of the agricultural policy, but it would obviously be much better to reduce the percentage for the agricultural policy and to increase the amounts of money available for the other policy sectors. Then the percentage for the agricultural policy would automatically be reduced without the agricultural policy suffering. And so we would be supporting policy sectors in which I am convinced the European Community must make good its promises if it wants to achieve credibility in the eyes of the people in the Community, in the eyes of our workers. For we see, for example, and we repeat it again and again — that we have an unemployment problem among young people, which is an oppressive problem for all, not simply for those directly affected by it but also for those indirectly affected and also for all politicians who see it, for all those who are attempting to bring about a change in the situation, whatever political party they belong to. Last year, a total of 38 million u.a. was avail-

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able for combating unemployment among young people, and the results of the 1976 budgetary year show that this amount of 38 million u.a. was totally inadequate. So inadequate was it that the Commission, without consulting Parliament, added another 28 million u.a. to the entry in the budget of 38 million u.a. These 28 million u.a. had to be taken from the entry for crisis measures in certain regions, which is, of course, totally wrong. Amounts cannot simply be taken from one entry and used for other aims without prior consultation of Parliament. As such we naturally welcome the extra 28 million u.a. to combat unemployment among young people, and the resultant 66 million u.a. If we consider that the Member States requested 350 million u.a., then it was to be expected that the Commission would take these measures to transfer appropriations but it proves once again that the policy implemented here, including the budgetary policy, really is nowhere near satisfactory.

In reply to our questions, the Commission stated clearly that to meet the requests of all the Member States it would need ten times the amount of money originally estimated for the 1976 budget. Ten times as much! That proves that we must examine extremely critically the 1977 budget. I should therefore like to refer to the report by my group colleague, Lord Bruce, the rapporteur for the Committee on Budgets, in particular to pages 33 to 38 in the Dutch version, where he lists a number of errors and makes clear that it is impossible to pursue a social policy in this way in the European Community. He comes to the final conclusion that for the Social Fund the payment appropriations need to be increased to 300 million u.a. and the commitment authorizations to a total of 800 million u.a. In draft amendments he has pointed out that there are particular black spots in the social sector, such as unemployment among young people and connected with this, vocational training and youth exchanges, and also the persistent difficult living conditions on migrant workers, a group which faces particular difficulties in our society. We have devoted pretty words to them, but so far, as I said, not much has been achieved. Further, the place of the handicapped and of women at work. However, the rapporteur has proposed making available to free these bottleneck appropriations showing a considerable increase on the amounts requested by the Commission and positively much higher than the amounts made available by Council. And now we learn that in the Committee on Budgets' negotiations, these proposals were rejected with varying majorities. Unfavourable opinions were delivered on a number of items, and a number of draft amendments which Lord Bruce, on behalf of the Committee on Budgets, would have liked to submit were not adopted and thus will not be debated. That means that once again a nice story will be released to the world; that a Member of the European Parliament was here as rapporteur, as a Socialist,

who thought he could give directions for the social policy and whose efforts led to no result whatsoever. Well now, the Socialist Group, the largest political group in this Parliament has given serious thought to the situation, and after a thorough debate has decided to submit the amendments tabled by the rapporteur for the Committee on Budgets as amendments by the Socialist Group, so as to point out that in its unanimous opinion, the budgetary policy must be used as a political instrument to provide the opportunity for pursuing a social policy in the European Community.

After what Mr Van der Gun said on behalf of the Christian-Democratic Group and what Mrs Kellett-Bowman said on behalf of the Conservative Group, I have the feeling that the clear majority of this Parliament will support these amendments.

But we fully appreciate, even in this case, that the operations which can result from these amendments, or the operations which at all events will be carried out to greater effect thanks to these amendments, are only of a supplementary nature, and that it will be necessary to consult in great detail with the Member States' governments. But with these appropriations behind us, it should at all events be possible to give effect to a piece of Community policy more clearly, so that the European Community and its institutions will gain some credit in the eyes of the population, especially among the employed and unemployed sections of the populations in the nine Member States.

In line with Lord Bruce's proposals, the extra amounts (an increase of payment appropriations to 300 million u.a. and of commitment appropriations to 800 million u.a.) would be allocated according to a special scheme. It is self-evident that such allocation could not be done arbitrarily. The rations must be respected as far as possible, although it must be possible during the next financial year to bring about some shifts in emphasis. The Commission has itself set an example with the 28 million, originally earmarked for something else, it has granted to combat unemployment among young people. Such alterations must of course be proposed to the European Parliament, and I hope that Parliament will deliver an opinion on that. Thus, in global amounts we are talking about an increase of 10 million u.a. in the textile sector, an extra 18 million to combat unemployment among young people, 4 million u.a. more for the benefit of the handicapped at work and 5 million u.a. for migrant workers.

Some 80 million u.a. are allocated to depressed areas, regions which are suffering from slow development or which have fallen behind as a result of the adjustment of certain industrial processes to technical progress. This is also included in Mr Fletcher's proposals. If it is true, therefore, that there are certain areas in England and Scotland where, because of the transfer of industrial activity, large numbers become unemployed and where it is impossible to help these people find

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different jobs immediately, then measures are required which ought not to be financed solely by the Regional Fund but also by the Social Fund. That is what the Social Fund is for as well. It has the opportunity of granting aid to firms to stimulate employment by absorbing certain structural problems. I believe wider use should be made of these opportunities. And by increasing the appropriations for areas affected by crises we are dealing with a considerable amount, more than 150 million u.a. We do appreciate that, but the Socialist Group feels that these amounts are necessary for a relevant European policy to prevent the European Community becoming stuck fast in its present malaise, and to give priority to the social policy. In doing so we shall break away from the line we have been pursuing recently. We believe that this is the best way to advertize the elections which, we hope, will be held in 1978.

We are aware that discussions have been held in this Parliament on the amounts which must be made available for writing brochures and pamphlets. We can go from door to door, in these indeed we can try to reach the people, but I wonder if they will be read. It is much more important to pursue a policy which makes it clear that the European Community means something for the workers in the nine Member States, that real changes are being made in the social order thanks to the European Community, that the process whereby the rich regions get richer and the poor get poorer, will not continue, as has been happening for the past twenty years. I therefore agree with the Mr Brinkhorst who said this morning in his speech that the budget can provide evidence that a European policy is being pursued. But then we shall have to increase considerably the amounts made available to the social sector.

Finally, Mr President, two more points. In Article 256 we should aim to bring the 100 000 u.a. made available for permanent consultation with the trade unions back to the 200 000 u.a. originally proposed, because, and rightly in the present circumstances, we pay great value on thorough permanent consultation with the trade unions. And another point to which I would ask Parliament to pay special attention is Article 307, about which Mrs Kellett-Bowman also spoke.

The Conservative Group tabled an amendment to alter the justification on this Article, and I believe that the Conservative Group is quite correct. At issue here in fact is a European Trade Union Institute. Originally we had tabled an amendment to make available 200 000 u.a. at all events. The original proposal approached, 500 000 u.a. Meanwhile we have learned that the European trade union movement has made such progress that the institute can be set up in 1977. I believe that that is an important fact. But the European trade union movement will then need these 500 000 u.a. and over and above that another \pm 100 000 u.a. for ancillary organizations. We are

therefore tabling an amendment on this, starting from an amount of 500 000 u.a. and from the justification which is also to be found in the Conservative Group's amendment. 500 000 u.a. for setting up a European Trade Union Institute; we are strongly in favour of that.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — *(I)* Mr President, in this brief speech I shall confine myself mainly to some general comments, only touching in the second part on a few main points that seem to me particularly important.

I, too, am glad to acknowledge the excellent work done by our rapporteurs and the stimulating effect that their efforts have had on all of us in regard to a subject of such great importance for our institution.

I should like to begin with the general trend of the budget; I agree with the rapporteurs assessment of the document. The opportunity has been missed, at this very difficult, but also very challenging moment, to emphasize the political nature and significance of the budget. Even where — in response incidentally, definite request from Parliament attempts have been made to extend future estimates over a three-year period, the result, partly because of the lack of any macro-economic policy at the top — seems to have been more a series of accounting forecasts than a policy plan in which the budget could play the dynamic role that it ought to play in the Community's overall policy.

I feel, therefore, that we must support the remarks to this effect from the rapporteur general so that the budget can become more nearly what it ought to be: not merely the sum of its parts, but an effective instrument of both economic and general policy.

It is particularly those parts of the budget having more directly structural implications that reflect the failure to give the budget a clearer political connotation, a more dynamic planning aspect. Many colleagues, beginning with the rapporteurs themselves, have for instance pointed to such specific short-coming in matters directly related the need to restructure agriculture, to reorganize industry and for programmes of a more clearly political nature that go beyond short-term economic considerations.

And yet it is precisely in the matter of structures that more action is needed if Community policy is to become more creative and more dynamic, if we are to see clearly the targets towards which it is steering, and not merely the conjunctural sand-banks which, not least because of the differences in our various national situations, so strongly affect our course. Today's debate is a challenge to us to think upon the foundations of our Community and upon the objectives of a genuine budgetary policy and, I feel, our thoughts deserve to be recorded for further elaboration at the appropriate levels.

Bersani

In this light, I believe the rapporteurs are right to propose that the inter-institutional dialogue should be further developed: it has already made unquestionable progress in the past year, and this we welcome. Nevertheless, this remains an area where Parliament should be exercising much more of its stimulant function than it has heretofore. And this should be our aim if we want to do more than identify and condemn shortcomings and wish to shoulder more of the responsibilities proper to our institution, especially in determining basic policy guidelines.

Unless we move in that direction we shall find, as Commissioner Cheysson pointed out, that the automatic processes of inertia take over.

The explanations we heard this morning from Mr Cheysson of the Commission's intention to deal with two particularly important matters in the monetary area, compensatory amounts and the European unit of account, are to be especially welcomed. We are convinced, however, and current developments bear us out, that it is in a quite different way that monetary matters should be seen and dealt with, in view of the increasing damaging effect they exert on the entire functioning of the Community.

In a most stimulating book, his 'Memoirs', Jean Monnet describes the early days of the Community and the important part played by political programme and macroeconomics guidelines worked out by some of the pioneers of that early stage, among whom I should like here to recall the name of Vice-President Marjolin. Something undoubtedly has gone wrong with this side of our activities, though I readily admit that the duties of carrying out national policies are certainly onerous. Nevertheless, it is also true I believe that at Community level the resolve to coordinate effectively budgetary policy and economic policies, both short and medium term, which in those early days could be clearly discerned, has now come perilously close to vanishing point. It is to that early state that we ought to return, Mr President of the Council and Members of the Commission. The rapporteurs did well to extend their considerations — beyond individual budget headings and particular problems — to that central and essential question.

I should like now to make some comments on specific chapters and on some of the amendments. First, the social chapter. A series of amendments intended to clarify and improve its provisions were defeated in the Committee on Budgets. I voted for many of them in the committee and shall vote in the same spirit in the Chamber, hoping earnestly that they will be adopted. To many of us it seems somewhat absurd that at this particular point in the crisis which is affecting so severely vast social sectors of the Community, and especially the sectors that are the weakest, attempts should be made to cut down the

proposed measures. a policy of 'no change' seems decidedly out of joint both with manifest social and political needs and with an improved overall shape of the budget.

I should like to refer briefly to the needs of migrant workers, of which we have often spoken in this House. Two particularly important proposals have been drafted concerning them; for reasons which have so often been explained in this Parliament I express the hope that the House by its vote will amend the decisions of the Committee on Budgets.

A few brief words — all that the time will allow — on agriculture. I cannot agree, Lord Bruce, with paragraph 25 of the resolution nor with the comment you make in your report. Agricultural policy has always been and will remain, and not only in political terms, the backbone, the essential cementing factor within the Community, being the only sector where integration has really taken place. It also performs a fundamental function as the connective tissue between regions, provinces and many other basic elements of Community society.

Well, its overall cost equals 0.39 % of the Community's gross domestic product. I believe, and here I agree with you, that we should be aiming not at a cut in the resources destined for agriculture but at balancing them better, both internally, as regards market intervention (which itself has many structural implications) and structural measures, and in relation to the other policies. How could we disregard, for instance, scientific research policy, to which you rightly accord the highest priority? It is in this spirit that paragraph 25 of the resolution should be modified and I propose to table an amendment to that effect.

The budgetary chapters concerning policy towards developing countries have been fully ventilated in the debate. The explanations given this morning by Commissioner Cheysson have thoroughly clarified some important questions. The four amendments, to which frequent reference has been made, remain nevertheless completely valid. They concern the budgetization of the EDF, improved cooperation with non-associated countries (partly also in consequence of the decisions taken by our own Parliament, with the aim of developing our overall policy towards those countries), and better use of food aid. These amendments should find broad support in the House. Last year, at the time of the adoption of the budget, a decision of great consequence for the regularization of the position of local staff was taken. I hope that the remaining problems in this field will this time be satisfactorily resolved.

I shall end, Mr President, with a brief reference to the remarks made this morning by Mr Cheysson about the *practical* implementation of certain measures

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undertaken jointly by the EEC and the Italian Government in respect of a region of my country which was struck by a disaster, the scale and consequences of which are virtually unprecedented in our recent experience as a Community. There are some points with which I do not agree. We do in fact, need a better organization to deal with matters to which the chapter providing for Community intervention in this sector refers. The Community certainly acted promptly — and I myself paid tribute in the Italian Senate to the value of its contribution — but the experience has taught us that there are on both sides, certain procedural aspects which need to be improved and better adapted to the dramatic needs of such situations'.

Finally, Mr President, one last mention of the budgetary provisions (which have already been partly discussed here) relating to direct elections. I fully support those colleagues who have expressed the hope that, in addition to more adequate resources, there will be an especially efficient and continuous collaboration between Parliament and the other Institutions — as is only proper in a matter which directly affects us.

(Applause from various quarters)

President. — I call Mr Dondelinger.

Mr Dondelinger. — *(F)* Mr President, since I am the rapporteur on the budget in the Luxembourg Chamber of Deputies, I was unable to be in the Chamber when the debate on social affairs started. Please excuse me.

After the very detailed speeches by my colleagues and especially by Mr Albers, I shall be very brief.

I should like first of all to draw attention to one point. When we in the Committee on Social Affairs, Employment and Education discussed the part of the budget relating to social affairs, we tried as far as possible to re-enter the figures proposed by the Commission and subsequently deleted by the Council. We were also surprised to note the difference in the wording. In Volume 4, Section III — Commission, we find on page 85: 'One of the objectives in the social action programme of 21 January 1974 is to help trade union organizations taking part in Community work to create a European Trade Union Institute'. This wording is very clear and we also read: 'An appropriation of 100 000 u.a. has been entered in Chapter 100'. In Chapter 100, on page 211, we find these 100 000 u.a. again but the wording is as follows:

'Community measures for the participation of both sides of industry in the Community's economic and social decisions'. This change is surprising and explains why, on behalf of the Committee on Social Affairs, Employment and Education and the Socialist Group, we support the amendment tabled by the Conservative Group.

Some months ago, the European Trade Union Confederation sent a letter to Mr Cheysson requesting

500 000 u.a. for the Trade Union Institute. This sum of 500 000 u.a. is the subject of an amendment tabled by the Socialist Group. I invite all my colleagues, regardless of party, to adopt this amendment when the vote is taken tomorrow.

Mr President, those who have just spoken have presented the ideas of the Committee on Social Affairs, Employment and Education, and I support them.

(Applause)

President. — I call Mr Scott-Hopkins on a point of order.

Mr Scott-Hopkins. — Mr President, we are now moving on to the agricultural issue which is of importance and makes up 75 % of the budget. Unhappily, no Commissioner is here. I can understand why the Commission are not here because they have a meeting across the road and both Mr Cheysson and Mr Lardinois have to be there. But, Sir, there are after all 13 Commissioners and we are told it is a collegiate body. Is it really impossible for one of them to be here to hear this debate on 75 % of the budget?

President. — Mr Scott-Hopkins, your protest has been noted as has that of Mr Noè and others, and I can assure you that I will mention this to the President, so that he can write to the President of the Commission.

I call Mr Gibbons to present the opinion of the Committee on Agriculture.

Mr Gibbons, draftsman of opinion. — Mr President, as draftsman of the opinion of the Committee on Agriculture I will be concentrating my remarks on the agricultural aspects of the budget.

There has been a disastrous drought we have the problem of excess milk production. Certain measures have been proposed by the Commission and when adopted, in whatever form, they will be implemented in 1977. The Guidance Section of the EAGGF is still restricted to a mere 325 m u.a., and this reflects the lack of progress in achieving structural reform, to the detriment of Community measures.

Perhaps the most serious problem facing the future of the common agricultural policy is not agricultural in nature itself at all. I am referring here of course to the monetary compensatory amounts. If a swift and lasting solution to this problem is not found, then the Community will be faced with budgetary chaos in 1977, which threatens to destroy the Community altogether. These are the main problems facing European agriculture in the coming year and I would like to deal with them in the context of the budget of 1977.

Gibbons

The drought has come and gone but its effects are still with us. Agricultural production and farmers' incomes have been seriously affected. There will be shortages this winter, the extent of which we cannot yet assess. What is more obvious, however, is that farmers' incomes have been drastically reduced in many cases because of lower output. At the same time their costs have risen owing to shortages of winter fodder and heavy reliance on expensive credit in order to stay in business. We must remember also that many farmers have slaughtered their cattle and that next spring replacements will have to be bought and they will be expensive. Because of the drought the Commission in presenting the draft general budget were unable to give the full details of estimated agricultural spending for 1977; a letter of amendment followed at a later date. This delay left the Committee on Agriculture without sufficient time to study the agricultural aspects of the budget. One hopes that the same problem will not arise in the future. Nevertheless Parliament should not forget the plight facing the farming community because of the effects of the drought. We ought to keep this in mind by ensuring that adequate funds are made available to agriculture in the 1977 budget.

Yet we find that for the third year running the Community is faced with an austerity budget. Credits for the Guarantee Section for 1977 have been marginally increased compared with 1976, from 5 452 270 000 units of account to 5 646 900 000 u.a. If we exclude expenditure due to currency instability and include contributions from levies, estimated net expenditure on the Guarantee Section has to be decreased from 4 313 529 000 u.a. to 3 821 500 000 u.a. If one allows for an average rate of inflation of 10 %, there must be a sharp decrease in real terms of net expenditure in agriculture in the Community during the 1977 financial year. The problems in the dairy sector will continue to give rise to heavy expenditure from the Guarantee Section of the EAGGF, with large quantities of skimmed-milk powder and butter in intervention storage. Such expenditure is to be expected. However, the basic problem here is structural, and structural measures must be properly implemented if the problem is to be overcome. The Commission has proposed some measures, such as the premia for the non-marketing of milk and the conversion of dairy herds, which are welcome.

The measure to introduce co-responsibility levy on meat producers is not a structural measure and I personally hope that the token figure entered in the budget for this measure remains a token figure. I would like also to stress that the suspension of all aids to the dairy sector would be detrimental to the development of an efficient dairy industry. Aids for the modernization systems and marketing must be exempted from such a ban. With regard to the Guidance Section of the EAGGF, it is very disappointing

to see yet again that overall expenditure is still confined to 325m u.a., in spite of inflation and the implementation of structural policies. It is obvious that while some structural reform measures have been adopted they are not being developed. Farm modernization schemes take a mere 18.8 m u.a., the farm retirement scheme 1.4m u.a., and farmer training 3.8m u.a. This leads one to conclude that the Member States are not implementing these measures, probably because the levels of Community aid are too low. The Council has not yet adopted measures on afforestation, aid to young farmers, marketing and processing, and in-shore fishing. National aids are still too high. It has been conservatively estimated that 9 000m u.a. are spent each year in national aids, while in 1977 the Guidance Section will contribute a mere 157.8m u.a. While this situation remains, Community structural policies cannot succeed.

With regard to monetary compensatory amounts, we all know that unless they are eliminated the very existence of the common agricultural policy itself is at stake. The system of MCAs is obviously being abused. It was never intended to be a means of subsidizing the food of any Member State. If it continues in its present form it will bring unbearable pressure on the resources of the Community's budget, it will break the common agricultural policy and that will surely lead to total collapse of the Community. I therefore welcome the proposals of the Commission to overcome the problems of MCAs which were announced last week. For the time being I would like to see a better presentation of the cost of MCAs in the budget by separating them from EAGGF expenditure. After all they arise out of a monetary disorder and have nothing to do with agriculture.

(Applause)

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

Mr Laban. — *(NL)* Mr President, as acting chairman of the Committee on Agriculture, I should like to make a few comments in explanation of our attitude to the budget.

The agricultural policy is open to serious criticism from both producers and consumers. Enormous surpluses and high costs are pointed out, and part of this criticism is justified, although in this sector it is difficult to state exactly what effect the measures have in practice. We do not know exactly how the markets are developing and we do not control the climate. The costs, and then not by the real costs of the European agricultural policy still amount to less than half a per cent of the Member States' Gross National Product, and before the European Community was established, they still had to devote large amounts of money to their agricultural policies.

We may indeed state that the European agricultural policy has had a stabilizing effect on prices and has

Laban

considerably extended the European consumer's choice in all kinds of products. The President of the Council has therefore stated, quite rightly in our opinion, that the European agricultural policy remains the cornerstone of Community policy. We agree wholeheartedly. I want to stress once more in public in this budget debate, where we are talking of expenditure amounting to 75 % of the total budget, that the problems arising in the agricultural policy cannot be solved without total integration of the economic, social and monetary policies. That takes time.

However, that does not mean that the common agricultural policy is not open to improvement. It must be possible to reduce the structural surpluses in a responsible manner. There are proposals to do so. And it is also the structural policy which must contribute towards increasing producers' incomes to the level of the salary commanded by a skilled industrial worker. And we shall not succeed in this with a prices policy. We are by now convinced of this. In our opinion, the structural policy is still being carried out at a national level with insufficient coordination. Expenditure for national measures amounts to 9 000 million u.a. We are very glad that in response to Parliament's many requests, we have finally received lists of the national measures involved. With these we can consider how far they contribute to the development of a European structural policy and whether any measures taken in particular sectors to reduce production are in fact stimulating production.

Our rapporteur pointed out that for 1977 the Guidance Section has only earmarked 425 million u.a. for new applications and those from previous years. The Committee on Agriculture is striving in particular to have the budget drawn up in such a way that it gives an insight into the true costs of agriculture. Any expenditure which does not belong there must be accounted for in the proper place. This is especially true of the monetary compensatory amounts, which have swollen like a balloon because of monetary imbalances. I agree with Mr Brinkhorst's remark that a solution to this problem must be found, because otherwise the European agricultural policy will become a dead letter, as will European cooperation in the long run. It is self-evident that we must constantly bear in mind the situation in the Member States. But the Member States must also be aware of this fact. Those Member States which receive the monetary compensatory amounts and the others must be prepared to make sacrifices. So I hope that the Agriculture Ministers and the Finance Ministers at their joint meeting will have the power and the wisdom to find a way out of this impasse which is threatening the whole Community.

We agree with the transfer of appropriations for monetary compensatory amounts as proposed by the Committee on Budgets. But the same must go for the

amounts relating to the extra expenditure resulting from different exchange rates. Mr Gibbons has already tabled an amendment on this, and I shall join him in recommending it.

I want to refer to one other point. In my opinion, in this context we should also transfer the resources from certain levies and the contributions for sugar from the overall expenditure, as the Commission proposed on page 120 of the letter of amendment. I would ask the Council to accept this Commission proposal. That will make it clear that the estimated expenditure for agriculture would be reduced from more than 5 000 million u.a. to less than 3 600 million u.a., being the true cost of the common agricultural policy. This will give a better picture of what the agricultural policy really costs.

President. — I call Mr De Koning.

Mr De Koning. — (NL) Mr President, I very much want to make a few comments after hearing what the rapporteurs have said about expenditure on the common agricultural policy. I am thinking principally about what Lord Bruce said in his report, but no less about what Mr Gibbons told us. Both reports are excellent for their precise description of the facts and problems.

I agree with Lord Bruce that it is regrettable that the EAGGF is still by far the largest item in the budget of the Community. The impression is unjustly given that even by itself that amount is inordinately high. Even Lord Bruce did not always manage to avoid giving that impression. But that the amount is excessive is of course not proven by any means. There is good reason to infer from the isolated dominant position of agriculture in the budget as a whole that other policy sectors have suffered in their development. Lord Bruce himself makes this clear when he states that this budget is not very inspiring in general, simply because no new tasks have been included.

If the Community were also to have central responsibility for social, regional, transport and energy policies, to name but a few, as well as for the agricultural policy, then the Community budget would have to be five times as high as it is at present. The various policies would then be more effective and the agricultural expenditure would be seen in a true light. If we look at what each Member State has done for itself in the last few years to combat unemployment — each Member State has earmarked millions for this — then it is clear that if we had only been able to agree on a common approach, if we had coordinated the expenditure of these enormous amounts, we would have achieved better results, and agriculture would have had to yield first place as regards the level of expenditure to measures to combat unemployment. That was my first comment on the amount of agricultural expenditure.

De Koning

My second comment is that my opinion it is illusory to say that the total sum of the national policies of the nine Member States would require less money than a Community common agricultural policy as one entity. It would be interesting if our Directorate-General for Research and Documentation could examine the relationship between the expenditure on agriculture of the new Member States before 1970 and their national income, and the present relationship between their contribution to the common agricultural expenditure and Community resources. It would surprise me if the present ratio was less favourable than the earlier one.

Thirdly I should like to point out that in return for the large amount spent on the common agricultural policy, there is some return! In general the common agricultural policy has benefited the Community consumers. Agricultural prices remain below the cost of living and over a somewhat longer period the cost of living remains below the increase in personal income. The price and market policy of course requires large amounts of money but contributes considerably to what I shall euphemistically call the curb on inflation, or alternatively a less rapid increase in inflation. This comment does not preclude the various improvements which need to be made in the common agricultural policy, and these improvements become very evident from the budgetary figures. In Parliament's previous part-session, we had already discussed changes in the milk and dairy products policy, and it is pointless to go into that again, but it is clear that changes in this policy can lead to improvements in the agricultural policy and a reduction in expenditure.

I also agree completely with Lord Bruce when he says that there is a disproportion between the price and market policy via the Agricultural Fund on the one hand and the structural policy on the other. At our next sitting we shall debate Mr Laban's report and go into the matter more thoroughly, but for me it is absolutely clear that the ratio between price and market policy on the one hand and the structural policy on the other will have to be radically changed.

I am the umpteenth speaker to say that the problem of the monetary compensatory amounts will have to be solved rapidly. I was pleased to hear that the President of the Council said the same this morning. I believe that Parliament cannot emphasize strongly enough that decisions must be taken now. The monetary compensatory amounts were never intended to isolate agriculture in some Member States from other economic sectors. In the first place, this is an uneconomic situation. That becomes clearer every day.

It must also be clear to us that the enormous amounts involved in the monetary compensatory amounts could be utilized much more effectively, if we want to aid certain Member States. I think we must aid these Member States, but in doing so we must utilize the

money available responsibly and rationally. We must turn it to account purposefully within the framework of the Social Fund and the Regional Fund.

It is a scandal that in the last few months the amounts set aside for monetary compensatory amounts should have been several times higher than those we achieved after negotiations lasting months for the Social Fund and the Regional Fund. This again makes it clear that there is no lack of money in the Community to help others but there is a lack of political will to help others to help in an effective manner.

Finally, from an economic point of view, the monetary compensatory amounts are unfair in the long run. Economically speaking they have an unfair effect. They give rise to a false allocation of production factors and to a distortion of competition. In the last part-session, Mr Lardinois gave us a striking example with reference to pig-farming in the United Kingdom. At present, the Commission of the European Communities has submitted proposals to the Council of Agriculture Ministers and the Council of Finance Ministers. The previous speaker, Mr Laban, hoped the Councils would show power and wisdom. A Calvinist could not have said it better. I am a Calvinist and am sure that the Council has the power to take decisions. Nor can we deny their wisdom. They have known for months now that in the long run this disproportion cannot continue and that matters only go from bad to worse. What the Council lacks is the political courage to take decisions and if we want to wish the Council anything, then it is certainly political courage.

Through the measures I have just mentioned, the expenditure from the Agricultural Fund could be considerably reduced, in the short term by a change in the system of monetary compensatory amounts, in the longer term along the path of the structural policy. The common agricultural policy, in terms of both the price and market policy and the structural policy, aims at achieving for Community agricultural workers an income comparable with that in other sectors in our society. This requires an enormous effort, firstly by the farmers themselves, then by the Community institutions, to which we belong, and thirdly by the Community's political authorities, the political authorities which public opinion must convince that agriculture is vital to the Community and that solidarity with agriculture must be emphasized. The Christian-Democratic Group is ready to make that effort.

(Applause)

Mr Scott-Hopkins. — In four and a half minutes, Mr President, there is not an awful lot that one can say constructively about the agricultural section of the budget. I would like to start off by just mentioning three points. The first one has already been touched on by Mr De Koning and indeed was mentioned in

Scott-Hopkins

Lord Bruce's report, namely that the agricultural sector accounts for 75 % of the budget. The reason for this is that the other sectors are so weak. You cannot take away from the Guarantee Section of the EAGGF, because if you do you will be breaking the contract between the farmers and the Community. We want to increase the structural section — the Guidance Section — where the real problem lies is that the other sectors such as regional policy, social policy are too weak. Mr de Koning put his finger right on this just now, as indeed did Mr Laban when he said that we have not got sufficient expenditure in those sectors to bring them up so that the agricultural sector will not be of such predominance as it is now. There is one further point there which was underlined by Mr Cheysson and by our rapporteur as well, namely that if we can move the MCA expenditure out of the EAGGF this will make a considerable difference to the proportion of the budget which is spent on the agricultural sector. In paragraph 24 of the motion for a resolution there is reference to the imbalance between the Guarantee and the Guidance Section. And here I must look to the Council, and say to them that it is their fault that this is so. Mr de Koning and other speakers have mentioned this point. The Guarantee Section, as we have said already, is to deal with the day-to-day current expenditure and is a contract between the farmers and the Community. But the Guidance Section is to improve the structure of the agricultural industry within the Community. We all of us know that you cannot use the price mechanism to rectify surpluses and deficiencies in production levels. The only way you can really tackle this is through the structural changes which have got to be brought about within the Community. Great advances have been made within the last few years. But the Council are sitting on their backsides and they and the national governments are refusing to take action on the various Commission proposals which have gone through this House. The Commission is not to blame. It is the Council that is to blame in the fact that they have been dragging their heels over the last 18 months. And I hope they will do something about that.

The second point I want very quickly to mention concerns paragraphs 11 and 26 of the motion for a resolution concerning forecasts and the need to get more accurate forecasts. I do beg Lord Bruce to drop this part of his report. My Group are going to have difficulty in supporting him on it. I do not know a single Minister or Ministry of Agriculture in any of the countries of the Nine who can accurately forecast what is going to happen in the coming crop year. It just is not possible. They do the best they can. There are statistical departments at the Commission and they are working as best they can. Of course things can be improved and they must be, but to expect that there can be better forecasting which will be more accurate is really asking for the moon. Who knows what the climatic conditions are going to be? Who knows what is going to happen? Could you possibly have forecast early in the year that there was going to

be a drought to the extent that we have had this year? No. And if we are going to ask, as the rapporteur is doing, for the whole of the budgetary procedure to be moved a little bit further back so that we have more time in Parliament to consider it, when the forecasts are inevitably going to be even more inaccurate, because they are being made even further ahead of the crop year. And so I ask the rapporteur to reconsider that point.

The last point which I must make concerns the MCA's. We have heard everybody here say that the MCA's were never designed to give a subsidy to the extent that they are doing in their present form. It is not my function here to criticize my own government, or any other government for that matter, for not dealing with the situation. I sincerely hope that the ministers sitting this afternoon are going to come to some form of constructive conclusion in order to eliminate or start bringing down the vast differences in MCA's which exist between my country and, say, the Federal Republic of Germany. Quite obviously constructive steps have got to be taken and have got to be taken now. We cannot go on as we are but I do not subscribe to the pessimistic view of Mr de Koning and Mr Laban and other speakers that if we do not do something immediately, we are going to see the collapse of the agricultural policy and the consequent collapse of the Community. I do not believe that is true. It is serious, of course it is. The CAP, as Mr Brinkhorst said, is the linchpin of Community policy. This problem has to be solved, but I do not believe that the CAP is going to collapse completely if the ministers do not come to an arrangement this afternoon or indeed within the next month or so. Quite obviously this matter is of top priority and the problem has to be solved.

(Applause)

President. — I call Mr Lenihan.

Mr Lenihan. — Mr President, the 1977 Community budget is only 11 % of an increase on last year. Surely this indicates that we do not have a dynamic Community in the budgetary sense. In fact, to put the whole matter into perspective, the Community budget represents only 2 % of the total national budgets of the Nine and only 0.6 % of the Community's total gross national product.

Having made that general comment, I would like to move on to the subject matter under discussion. I would emphasize the fact that the common agricultural policy is basically part of the general transfer of resources that is fundamental in the Community. What are the priorities and objectives of the budget for 1977, or what should they be? Clearly they should represent the dynamic nature of European integration that has as its primary objective the reduction of

Lenihan

disparities between the regions of the Community. In this respect, the common agricultural policy fits into social policy and regional policy as part of a whole. In particular, EAGGF expenditure, as directed towards structural change within the farming sector of the Community, must be regarded as part of the overall transfer of resources and part of the general social-regional policy package. I do not think our budget sufficiently emphasizes this fact that the Guidance Section of EAGGF, the social policy of the Community generally, the regional policy, and indeed EAGGF guarantee policy under the common agricultural policy, are all directed towards the same objective of reducing disparities within the Community. It should be emphasized very positively — and I am certain that the Council of Ministers meeting jointly in another building are aware of this — that the monetary compensatory amounts have distorted a very legitimate social, regional and agricultural objective of this Community. The problem has nothing to do with the very legitimate aspirations of this Community; the problem has to do with the inability of the Community to face up to the currency problem and to face up to the problem of inflation. That's the nub of the problem — an inability of the Member States within our Community, of the Community itself, to face up to the political problem involved in tackling inflation in our member countries and the political problems involved in bringing our currencies into harmony. That is where the Common Market will be judged. On its capacity to organize itself financially, first of all, and having organized itself financially, to intervene in different sectors so as to ensure that there are common policies that will contribute to European integration in the meaningful sense of the word by leading to a legitimate transfer of resources, so that development takes place right across the whole Community at roughly the same rate of progress.

I would just finally emphasize that there has been a real failure in reducing disparities within the Community. In 1970 gross domestic product per head was five times higher in the Community as a whole and four times higher in Paris, than in the Community's poorest regions — southern Italy, south of the Massif Central in France and the west of Ireland. In 1975, five years later, the figure for the Community is six times and for the Paris region five times higher than the lowest. In other words, the disparities are becoming wider. And this surely is a reflection on the whole social policy of the Community. And under social policy, as I said initially I include the whole question of reducing disparities, whether they be agricultural, regional or social. We are really in a situation where the whole financial future of the Community, and indeed the very survival of the Community itself, depend on whether or not there is the political will to deal with the present level of inflation and the political will to deal with the currency problems that are a direct reflection of that situation. Whether the particular regions and the particular countries involved within the Community have the power to do this is

the matter that is open to question. If they do not do it internally within each Member State, well then I can well understand what Mr Tindemans had in mind when saying that there must be a two-speed Europe. There may have to be, unless certain countries in Europe face up to their responsibilities in dealing with inflation and in dealing with currency disequilibria.

(Applause)

IN THE CHAIR : MR SPENALE

President

President. — I call Mr Deschamps, draftsman of the opinion of the Committee on Development and Cooperation.

Mr Deschamps, draftsman of opinion. — (F) I think that together with agricultural policy, which we have just discussed, cooperation policy, which we are about to discuss, is one of the most important aspects of our activities.

The European Community has taken some decisive steps in development cooperation, particularly by concluding the Lomé Convention. Parliament has always supported the way in which the Commission has guided development cooperation. Let me remind you that it approved not only the Lomé Convention but also the development fresco presented by Mr Cheysson and the report submitted by our friend, Bersani, in May 1975. This attitude shows that Parliament is resolved — and has unanimously said so several times — to see this policy becoming more and more a reality and to progress in the direction laid down so far. The agreements with the Maghreb countries, the opening of negotiations with the Mashrek countries, the generalized preferences policy, financial and technical cooperation with non-associated developing countries and food aid are all evidence of a consistent Community development policy.

But if we have encouraged these efforts so far, we owe it to ourselves to be consistent: the budget on which we are voting should take account of this policy and of its subsequent development. It should bear witness to the political resolve of the Community as regards development aid.

All aid to developing countries should therefore in principle be financed by the Community's own resources and consequently entered in the budget. To take a single example, I can show that we are still wide of the mark: the European Development Fund, as far as the Lomé Convention is concerned, is still financed by national contributions. Even the inclusions of two chapters as a token entry is a step towards budgetization of the EDF. It is planned that from 1978 and certainly from 1980 there will be a record of the actual cost of the EDF in the Community budget.

Deschamps

I hope that during this discussion we will be given an assurance that steps are being taken in this direction and that not only the Commission but more importantly the Council can confirm the principle of budgetization, on which Parliament has clearly expressed its political resolve.

As regards development cooperation policy as a whole, the preliminary draft budget for 1977 drawn up by the Commission represented — and I say this with satisfaction — a step forward. It took more account of the needs of developing countries, showing a higher percentage increase in aid appropriations for those countries than in the Community budget as a whole. But although the situation was heartening when the Commission submitted its draft budget, the decisions reached by the Council since then have changed the situation.

The draft adopted by the Council represents a decrease of 26.55 % in development appropriations over 1976. Quite frankly, we find that unacceptable.

Parliament cannot go along with the Council in this: not only would it lose its international standing in view of the solemn commitments it has so often made, but it would also be contributing to a policy that would in fact be a step backwards compared with one of the only policies in which there has been a real desire for progress in the past few years and in which there have been various achievements. Your Committee on Development and Cooperation cannot therefore accept the budget as it stands and has instructed me to table on its behalf various draft amendments and proposed modifications. They entail no undue expenditure since the purpose of practically all of them is to re-enter the figures originally proposed by the Commission for 1977. What we have to do is to find the minimum of appropriations necessary for drawing up and implementing a policy that corresponds to our cooperation and development commitments.

I am grateful to the Committee on Budgets for understanding and accepting most of our suggestions. I hope and I am convinced that Parliament as a whole will go along with us tomorrow when we vote.

I am not going to speak in support of each of the amendments we have tabled now. I merely want to mention some of the areas of development cooperation in which we feel a special effort is needed in keeping with the general policy approved by Parliament.

The first is food aid. That is the most important aid chapter under development cooperation policy. To whom is food aid granted? To the poorest and most densely populated countries in the world. It consists mainly of wheat, milk powder, protein-enriched food-stuffs, sugar and other products urgently needed. What is the reason for it? It is a moral duty of our

Parliament towards, as I said, the poorest, most densely populated and least-privileged countries in the world, and forms part of a series of international commitments and declarations made at large international gatherings. I need hardly remind you of the statements made by Mr Rumor, then President of the Council, to the United Nations Assembly, the 7th Special Session of the United Nations, the World Food Conference in Rome, and the resolutions adopted by our Parliament here and in Strasbourg.

Food aid concerns us now for two reasons. First of all there is the question of sugar. The Council agreed to deliver sugar to UNRWA for the Palestinians and we thank it for having agreed to the proposal. On the other hand, we very much regret that it deleted the appropriations for 4 000 additional tonnes of sugar for the developing countries. We heard what Mr Cheysson said this morning. I believe him when he says that where he requested a supplementary appropriation, he would not grant it without consulting Parliament on how it should be used. I am sure that Mr Cheysson and the Commission are willing to confirm that the same would apply to the 4 000 extra tonnes of sugar we are requesting. In the circumstances, I do not think the Council could refuse us this: we must be in a position to give the developing countries the 4 000 extra tonnes. The Committee on Cooperation and Development desires it and I believe Parliament does too.

All appropriations for food aid in the form of other products were deleted by the Council which left only a 'token entry'. The commitments involved were the minimum ones laid down in the Community's memorandum on food aid policy. We therefore tabled a draft amendment which the Council has already approved, if I am not mistaken, in its letter of amendment.

Financial and technical aid is another important point. Its purpose is to implement an agricultural and food policy in the poorest countries. It is a policy that will enable developing countries to have less and less need of food aid — I have just mentioned sugar — and to meet most of the needs essential to the survival of their peoples.

It is a basic moral duty and a political commitment that we have reiterated time after time here. I therefore ask the Council and Parliament to agree to re-enter the 40 m u.a. originally proposed by the Commission and then deleted by the Council.

A third important problem is the promotion of the trade relations of developing countries. The aim is to enable developing countries to increase production to a maximum and to make their products competitive on our markets and on world markets so that they obtain additional resources with which they can draw up a valid social and economic development plan over a number of years.

Deschamps

We cannot accept a reduction of 1 m u.a. in the 4.5 m u.a. payment appropriations initially proposed by the Commission. We cannot accept either this reduction or the deletion of the commitment appropriations originally entered by the Commission. I believe that on this point too Parliament will go along with us, as did the Committee on Budgets.

I should like to thank the Council for having understood the importance of action on behalf of non-governmental organizations. Not merely did it agree to the sum originally proposed, it even increased it by 1 m u.a. When, 2 years ago, we voted in favour of an initial appropriation for such action, we won a very clear victory since, as everyone knows, action is essential in emergencies. And action can best be taken through non-governmental organizations because they are much more flexible than national organizations or organizations bound by too rigid rules. Your Committee on Development and Cooperation welcomes the fact that this principle was accepted. It would like this action to continue and not only wants payment appropriations to be increased, for which it thanks the Council, but commitment appropriations entered to ensure the continuity of this policy and the continued application of this principle, the urgent need for which is not disputed.

I should like to mention one last point in connection with development cooperation. It is the subject of draft amendment No 100 on Article 962 which deals with financial cooperation with certain third countries. Originally, we proposed a 'token entry' because we felt that attention should be drawn to the principle before 1978 when the new unit of account will apply to the implementation of this action and the request for payment appropriations. Lord Bruce has replaced our draft amendment by another proposing the entry of 1 m u.a. While I thank him for having taken this initiative, I wonder whether in fact the Council has not reacted unfavourably to it: I understand that the Council has had difficulty in agreeing to any figure in current or 'old' units of account for such action under this chapter when it no longer approves such action under other budget chapters. I therefore believe it would be preferable to reinsert the token entry and to propose a commitment appropriation of 20 m u.a. which will be new units of account and will first be spent in 1978. I can therefore go along with the suggestion made by the Council in its letter of amendment to reinsert the 'token entry' item.

Mr President, ladies and gentlemen, I feel that by its attitude to this section of the budget, Parliament will show that it is not only preoccupied with the social problems of the peoples of the nine Member States of the Community but that it intends to show that the Community wants to extend its activities to the rest of the world, in particular to the least privileged regions. I should like Parliament to confirm what it did by

unanimously voting in favour of Mr Bersani's report on 20 May 1975 and to state once again that the overall Community development policy is one of its main preoccupations and will be even more so in the future.

I believe, ladies and gentlemen, that this development policy contributes significantly to the Community's positive image in the world and I therefore ask you to adopt all of the draft amendments and proposed modifications which we have tabled when you vote tomorrow.

(Applause)

3. *Tabling of a motion for a resolution*

President. — I have received from Mr Amadei, Lord Bessborough, Mr Ellis, Mr Johnston, Mrs Kellett-Bowman, Mr Noè, Mr Normanton, Mr Ripamonti Lord St. Oswald, Mr Scott-Hopkins, Mr Spicer and Mr Zagri a motion for a resolution on the use of Community funds in the Friuli region (Doc. 369/76).

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure.

I shall consult Parliament on the adoption of urgent procedure at the end of this sitting, but I should like to point out that, if urgent procedure is adopted, this item cannot be debated until the budget debate is finished.

4. *General Budget of the European Communities for 1977*

(Resumption of the debate)

President. — We shall now resume the budget debate.

I call Mr Broeks.

Mr Broeks. — *(NL)* Mr President, let me begin by associating myself with the remarks which Mr Deschamps has just made on behalf of the Committee on Development and Cooperation. I am also very grateful for the way in which the Committee on Budgets has reacted to our committee's proposals. There is one point however on which I am very disappointed with their reaction. To my mind, they have not quite understood what is at stake here. I am referring to Amendment No 43 concerning the list of posts. Quite honestly I cannot see any reason for Parliament not accepting this amendment. To begin with, it does not cost any money. But also I cannot understand how people imagine Mr Cheysson will be able to carry out the Lomé Association Agreement without it. We adopted that policy almost unanimously. It is a very important policy. Originally there were 46 countries involved but we now know that this number is to be increased. Do people really believe that the Commissioner in Brussels is going to be able to keep

Broeksz

in touch with 46 countries without sufficient officials based in those countries? It seems quite impossible to me and it is therefore understandable that the Commissioner should try to settle officials in these various countries with whom he can maintain contact. He has proposed 34 posts. I realize now that people thought these were 34 extra posts on the Commission's establishment plan and that such addition was not justified. But this idea is quite wrong. There are no extra officials to be paid for by the Commission.

What then is the truth of the matter? These 34 people are going to be sent to the associated developing countries. They will no longer be paid for out of the budget we are now discussing but by the European Development Fund. Nevertheless, these officials will retain their right to their jobs here, that is to say that they have a preferential claim. They are not allowed to say at any given moment 'I am coming back', because somebody there in Brussels will have taken over their place. They will not be able to return just like that. But what rights do they have then? They have the right, as soon as there is a vacancy in Brussels, to be put back in their old jobs. But only when there is a vacancy. I am sorry that Lord Bruce is not present and that the chairman of the Committee on Budgets is also not present because one has the impression that they were opposing this. They were saying — or so it seemed to me — that there were going to be another 34 officials. This idea is quite false. There are no extra officials. The 34 people to be employed are paid by the European Development Fund and these people can only return here when there are vacancies and not a single day sooner. There are no extra officials involved. There has been a misunderstanding in the Committee on Budgets and because of this they rejected this proposal which in fact has no financial effects whatever. I regret this very much and I hope that, if this matter is again discussed in the Committee on Budgets, Amendment No 43 by our committee will be accepted unanimously, because there are no risks involved in it at all.

President. — I should now call Lord St. Oswald but he is not here. Perhaps Mr Scott-Hopkins would like to use the three minutes I was going to allow the final speaker from his group?

Mr Scott-Hopkins. Mr President, that was being very kind of you. Perhaps I might take up those three minutes in dealing with the question of food aid. I had not intended to speak on this particular matter, but it seems a shame that no one from my group should have an opportunity of putting forward his views on this and I would only deal with that one small issue.

It has always been the practice of the Community to give a lot of aid and if one looks at the report of the Committee on Development and Cooperation one will see that the aid has been quite considerably

reduced by the Council from the really rather generous increase which was put down by the Commission. If you look at what the Council are now proposing and add that to what the Member States and in particular my country as the biggest contributor among the Member States are providing as direct bilateral food aid, you will see that there is a very large amount of goods passing between the Community and the developing countries. It has always been my fear, Sir, that what one was going to find was that we should gear our agriculture to too high a level of production in order to deal with the food aid which was needed in the developing countries. I have always firmly believed that it was not necessarily food — either protein, or carbohydrate or whatever — that was really wanted by the developing countries, it was in point of fact the know-how on growing it themselves when they could, the expertise and the seeds and the machinery and so on. This is more important, in my view, than the actual food itself. Obviously, one has to have a bank and this is the new Commission proposal in the agricultural sector: there should, in fact, be a bank of food within the Community stored so that one can use it as far as food aid is concerned. I regret that the Council has deemed it fit and proper to cut the level which was put forward.

There are many other matters, Sir, which I am sure Lord Reay or Lord St Oswald, if they had been here, would have wished to raise, but I thought I had better put my group's view on this particular, rather narrow, point.

(Applause)

President. — I call Mr Brinkhorst.

Mr Brinkhorst, President-in-Office. — *(NL)* I should like to say a word about some questions and remarks which have been made. In line with Mr Albers' request, I thought it wise not to read from a prepared text because I believe this a political discussion of the political factors on which the 1977 European budget is based.

All the groups which have spoken here today have expressed a general complaint or general criticism that the European budget in no way represents an instrument for guiding and steering European policy. Over four years I have had sufficient experience of discussions on the budget in the Council of Finance Ministers and I can say nothing else except that what you say is in correct. I should add that in recent years and certainly last year, the Council has been more open on this point. The Council has now realized that there is a lack of a budgetary instrument as a determinant of Community policy in the way in which the groups mean. I would like to remind Parliament that the meeting of the Finance Ministers and the Ministers of Foreign Affairs of 5-6 April of this year made quite considerable progress in this direction.

Brinkhorst

A number of speakers made another complaint that the Community does not have sufficient structural policy with regard to the Community regional policy, the European social policy and the agricultural policy. As President of the Council, I can well understand this criticism, but it is only partially justified. In the first place I would like to point out that the EEC Treaty does not make any provision for Community policies in the way the various speakers envisage with regard to regional policy and social policy. We may deplore this and I do deplore it in common with the general rapporteur and with several speakers who have given their opinions on the subject. Nevertheless all I can do is point to the facts of the matter.

There is perhaps an even more important question. What is the reason for the Community's failure to make much progress on structural policy? I have already explained this in my reply to oral questions in July and September. It is connected with the much more fundamental problem, namely the lack of a macro-economic and monetary policy to set our economies on a convergent path. There is a good English proverb which sums it up: 'One cannot have one's cake and eat it'. I do not know how this proverb is translated in other Community languages. In Groningen they say: 'One cannot blow on one's porridge and keep it in one's mouth'. I shall try to put this in a different way. One cannot on the one hand develop a Community structural policy if on the other one does not know how to introduce that discipline into the Community which is needed in order to achieve common forms of policy. I am struck by the fact that the groups and Members of Parliament who are most concerned by the need to achieve a common regional policy and a common social policy and to extend policy in various areas, are often those who are most shy about Community discipline, the development of a Community macro-economic policy and in short strengthening the Community. As President of the Council I am the last one to reproach them for it. I am just making an objective comment, but I believe that it is of importance that this should be brought home to Members, as long as we do not have a real coordinated Community macro-economic and monetary policy, I am for example thinking here of monetary discipline, you, the Parliament, cannot expect the Council to allow the European budget to rise above 0.6 % of the gross national product as rightly proposed by the general rapporteur. As long as you have no coordinated Community macro-economic policy, you cannot expect the budget to go above the 2 % of government expenditure. These things are indissolubly linked and I find that when I have the task as President of the Council of doing some plain speaking, since you are a political body and the Council is also a political body, you understand our political statements just as I understand yours.

Thus, in my opinion, it is only on the basis of real progress in coordinating economic and monetary

policy that it will be possible to make much progress in other areas. But I do not intend to leave the matter in such general terms as this. This so-called austerity budget does contain signs of a certain development in this direction.

Mrs Kellett-Bowman has said that the Council deliberately fixes credits at a low level in the expectation that the European Parliament will use its margin for manoeuvre to the full. Things are not really this bad. As President of the Council of Ministers of Finance I can vouch that when we drew up the draft budget on 22 July there was serious discussion of the political options, again within the limits which I have just indicated. I would also like to state quite clearly that the measures to combat unemployment amongst young people were looked upon as a serious, a fundamental, indeed an essential point both in the joint meeting of the Ministers of Foreign Affairs and Finance and the Council of Ministers of Finance of 22 July. This implies a serious political commitment but of course I agree wholeheartedly with Mrs Kellett-Bowman that this is not sufficient. Of course it is insufficient because the lack of a macro-economic policy means that the responsibility for sectoral policy with regard to unemployment in many regards remains with the national governments. That is the truth of the matter.

Mr Deschamps has rightly stressed the need for a solid development policy. Of course, the Council, by adopting a figure of 30 million u.a. in the last draft budget which was sent to your Parliament by way of a letter of amendment, has given signs of a political awareness of the need for a system of priorities. I do not wish just to make a *mea culpa*. Despite the appearances of reticence which this budget betrays — I said that clearly in mid-September when I presented the budget to you — it does mark out certain specific priorities.

I listened with appreciation to Mr Bersani's speech on the stimulating role which the European Parliament ought to play in a number of areas. Mr Bersani said that since the Council has the responsibility for taking decisions, the European Parliament must play a stimulating role to encourage certain activities. Mr Springorum then spoke about the Council's negligence with regard to JET. Well, I should like to take up the gauntlet. I see that the European Parliament has adopted a resolution calling for the speedy implementation of the Joint European Torus project but it fights shy of the choice which has to be made to get the JET off the ground. This morning I said that the President-in-Office of the Council would try to guide things towards a satisfactory conclusion on 18 November. Ladies and gentlemen, Members of this Parliament, do your duty as well and accept your responsibility. It is all too easy to say that the Council is negligent. You are yourselves a political body, you have a stimulating role. I would therefore like to hear Parliament state its preference on the JET problem.

Brinkhorst

This is all part of the political dialogue. I am not beating about the bush but you must bear your own responsibilities. It is not enough to exhort the Council to take action without committing yourselves.

I now come to a number of particular questions and amendments. It shall not go into all the details. The President of the Council will also try to observe the necessary discipline.

Mr Schuijt's amendment aims at raising the credits for expenditure to prepare for direct elections from 400 000 u.a. to 1 000 000 u.a. I have already had the opportunity to explain in general terms to your Committee on Budgets that decisions of this kind, in the Council's opinion, come under the consultation procedure between Council and Parliament and therefore belong to the collective responsibility of the budgetary authority. But I would like to add that in my opinion it is obvious that in a matter which affects your Parliament and the future of your institution so much the increase of 600 000 u.a. must depend to a considerable extent on the European Parliament's own judgment. That is all I would like to say about this amendment at this time.

Mr Schuijt, Mr Broeks and Mr Bangemann have spoken about expenditure on cultural activities. I would like to tell the Honourable Members that here is one minister who is always happy to lend an ear to their opinions on the need to carry out a cultural policy in the Community. Contrary to what some Marxists think, it is not true that political cohesion in the Community is exclusively determined by the economic infrastructure. I am of the opinion that there really is a cultural unity within the Community which must be brought to the fore. Initially this unity should be expressed in areas where there is some certain point of contact with the Community Treaty. I therefore look with great interest in the first instance to the Commission. As long as there are no guidelines, indications or proposals from the Commission, the Council cannot take any decisions on the matter. I would like to add that as soon as the Commission submits a proposal, the presidency of the Council will try to speed up the decision-making progress. And I would like to make one more observation on this: before we make a start on this new area of cultural cooperation, we ought to make sure that we do not duplicate the activities of other international organizations. There was talk here of the desirability of, for example, cooperation on consumer protection. Well I believe that broader European organizations, for example the Council of Europe, are doing good and important work; I think that it is important that the European Parliament should be aware of this aspect of the problem.

Just one word about Lord Bessborough's amendment regarding information. As you know, the Council has set aside expenditure for information in a number of specific areas. Lord Bessborough, in his amendment, is trying now to further enlarge this area of informa-

tion. I believe that we ought to be somewhat reticent at this stage, because the programmes for which the Council has set aside expenditure have not yet been put into actual effect. And this means, I think, that we should assess existing programmes before moving on to a second phase.

I have a couple of general remarks to make about Mr Springorum's speech in which he spoke of the absence of expenditure specifically for energy policy. This is a good example of what I was saying at the beginning of my speech, namely that the European budget is only a slight reflection of real political vision. I understand that this is frustrating for any parliament worthy of the name and in any case it is an undesirable situation. We ought to tackle this problem at the root, i.e. a lack of a real common energy policy. You know that the present presidency has tried to give another boost to that particularly important area on which a start was made three years ago after something like 15 years of neglect. Mr Lubbers, the Minister of Economic Affairs, last week presided over a meeting of the Council of Ministers of Energy and it seems that, in the various areas which Mr Springorum has mentioned, real Community action is not yet possible. In this situation the budget cannot do much in the way of setting guidelines or initiating policy. These decisions have to be taken at a political level. I would ask the Honourable Member to look at the Council's explanatory statement. He will then surely understand that at this stage any increase in these appropriations has to be considered in the context of other parties.

I have already spoken about JET but here I would like to make another remark concerning the Dragon project which Mr Bangemann and Mr Hougardy mentioned. Parliament intends, in its Amendment No 78 to restore the provisions of the Commission's preliminary draft and re-enter five posts which the Council has deleted. The fact is that with the end of the Dragon project these posts have ceased to exist. The end of the Dragon project means that it is no longer possible to retain them.

I have already stated in general terms that a practical social policy is in every way desirable but that it is also of necessity limited in its scope — precisely because there is still no real convergence in economic policy. I should like to remind Mr Van der Gun and others who have spoken on this subject that the amount at issue is 40 million u.a. The Commission had entered 100 million u.a. and the Council has made available 60 million u.a. I am of course talking about the commitment appropriations. This represents considerable progress in comparison with 1976 because all the payment appropriations have been approved in addition to the commitment appropriations and here I am referring to the 175 million u.a. requested by the Commission. These are not spectacular differences, certainly if one bears in mind the total volume of the budget we are considering.

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Mr Bangemann also mentioned an appropriation of 250 000 u.a. for the preparation of young people for their working career. This is closely linked with the problem of unemployment among young people which we discussed when last year I attended, as the representative of the Netherlands Government the first meeting of the Council of the Ministers of Education. I then realized that the Council is very much aware of the connection between the training of young people and the opportunities open to them for their first job. At that time the Council clearly pointed out the desirability of enabling young people to improve their training so that they could readily find employment. The Council of Ministers of Education will meet again on 29 November. I very much hope that on this occasion it will be possible to lay down a definitive programme such as I have just described to you. It seems to me that it ought to be possible, if a positive decision on the matter is taken, to incorporate an appropriation in the budget for 1977. But this is of course dependent on the formal decision of the Council of Ministers of Education on 29 November. As far as I am concerned, Honorable Members may consider this to be my own exhortation to the Council.

Mr Fletcher and Mr Johnston have suggested that the Community open up an office in Northern Ireland. I am glad to see that Mr Cheysson has returned from the other side and I shall gladly draw his attention to this suggestion. The Council can of course only take a decision if the Commission makes a proposal on this subject.

And now to the agricultural policy on which several Members have spoken. I have already said something about this in my first speech this morning. I believe that Parliament and Council are united in thinking that the fantastic increase in the monetary compensatory amounts is in itself a bad thing because these amounts are increasingly threatening to undermine the agricultural policy as such. I have nothing further to say on this subject. At the moment the nine Ministers of Agriculture and the Finance Ministers are discussing this matter in the building over the way. We all hope that it will be possible to start improving this situation. I would like to say just one thing more. Mr Scott-Hopkins has said that the Community is dragging its heels, if I heard him correctly, with regard to using up the Mansholt reserve, the appropriations which were set aside for the Guidance Section of the agricultural fund. Mr Laban made similar remarks. At this stage of our debate I can do nothing more than take note of these comments. I promise that I shall broach the matter with the Commissioner and with the members of government concerned. I understand your concern. You are in fact concerned with a specific area in which resources are available for a structural policy. And your reaction is: let these resources be used to set up a real structural policy in this area. To quote a famous general, 'Je vous ai compris'.

Mr Deschamps made a number of interesting remarks on the Community's development aid. I have already said that the Council is becoming slightly more aware of the need for a real general development policy. I shall not comment further here on the 30 million u.a. with which this development policy is to be carried out nor on the amendment by the Committee on Development and Cooperation which would like 40 million u.a. set aside. Just one word about commitment appropriations. During the meeting of the Committee on Budgets I noted that there was a desire for a specific amount of commitment appropriations to be entered so that this would be seen as an indication that the Council is really working on a development policy for the long term.

I have to tell you that such action, however understandable this desire is, does not seem to me to be very sensible. What in fact is at stake here? The Council concerned with development policy is considering practical measures for the longer term and these will be presented to Parliament for the 1978 budget. The development policy for the longer term will then have to be filled out by means of commitment appropriations. But we have not quite reached that point yet because the Council still has to fill in the details of the development aid to non-associated countries at its meeting of 8 November and probably over a short time after that. To enter a commitment appropriation at this stage, before the actual decision has been taken by the Council, does not seem to be a sensible thing to do. A development policy is something which has to be built up from the roots and I have doubts about translating this into budgetary terms as now proposed by the European Parliament.

Another word about food aid. The President of the Council is very much aware of the food aid problem. He also understands very well the Commission's position and has every esteem for the unremitting efforts of Commissioner Cheysson. Nevertheless, I think the Council's position requires further explanation. It is certainly not true in my opinion, that the Council is completely at fault on this point. One may deplore the fact that the Council has not been able to do more, but if people are trying to suggest that the Council is totally inactive, this is going too far. As for the quantity of food aid, the Council intends to provide the same in 1977 as in 1976, with one exception: milk powder. I want to state the figures once again so that Parliament can form a correct picture. In 1976 the amount of grain provided was 643 500 tonnes. In 1977 there will be an increase of almost 80 000 tonnes to 720 500 tonnes. I agree that this is not as much as the Commission proposed but once again one has to understand the Council's position. The figures for butter, oil and sugar have remained pretty much the same. Only food aid in the form of milk powder has gone down from 150 000 tonnes to 105 000 tonnes. Parliament should however remember that in 1976 provision was made for a special transfer

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of 55 000 tonnes. I should like to deal with two more subjects on which Mr Cheysson has already spoken, namely the budgetization of the Development Fund and the European unit of account. Both subjects are of great political importance to the Community. They also give Parliament a certain insight into the external obligations of the European Community. The Commission has separated its proposal on the European unit of account from the proposal for a general reorganization of the Financial Regulation. At present the Council is discussing the proposal to introduce the European unit of account as from 1 January. The impression which I gained from the Council meeting of 18/19 October is that there is a great degree of agreement between the members of the Council on the introduction of this unit of account as from 1 January 1978. The Netherlands presidency of the Council is making attempts to have the matter settled at one of the next meetings of the Council of Ministers of Economic Affairs and Finance on 8 and 22 November respectively. This will be an important step for all of us since it represents a further stage in the development of the Community.

Turning to the budgetization of the European Development Fund on which Mr Deschamp has spoken, I would like to say this. In Article 962 of the budget under which this subject comes, the Council has not entered the appropriation because no statement has yet been made on the budgetization of the financial protocols. The Council is discussing this subject at the moment. It seems to me that it ought to be possible to devise an arrangement this year whereby in 1978 we not only introduce the European unit of account but also settle this question of the budgetization of the Development Fund. This is why at the moment the Council is unable to announce that we can introduce the budgetization by 1977.

Mr President, I am aware that I have not given a full answer to the observations which have been made here today. I have done my best to point out the opportunities and limitations of the Community's activities. I believe that in the present stage of the European Community one would be doing Europe a great disservice by not pointing out the realities of the situation. We can want a lot and express our expectations of what the Council should do. We can however also take the position that the Institutions, in view of the difficulties which we face, should first try together to maintain what has already been achieved so as then to prepare the basis for the future. That is a responsibility which rests on the Council and the Commission and your institution. The present President of the Council has been completely frank with Parliament because he considers it important that we should have a real detailed consultation on the budget. I shall in the weeks to come make known my thoughts on how the final round of the consultation procedure between the Council and Parliament may be improved.

President. — I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets. — (D) Mr President-in-Office of the Council, permit me to make one practical observation. You have referred to Parliament's responsibility in a matter that we discussed already yesterday, namely, the matter of the JET project. I do not for a moment believe, of course, that in making this reference to Parliament the Council, which after all is still the legislative body in accordance with the Treaties, is trying to evade its responsibilities. But I would interpret the remarks you yourself made earlier on the question of siting the JET project as an invitation to Parliament to involve itself more deeply than heretofore in legislative and other decisions of the Council, or to put it more aptly, to cooperate more closely in the making of these decisions. Of course, the next question is how the Council would react if we were to avail ourselves of this invitation. This will give us a chance to measure the extent of the Council's sincerity and goodwill in this matter. I felt I should make this plain blunt observation, having already expressed myself in more or less the same terms yesterday when speaking on the specific problem of the JET project.

(Applause)

President. — Ladies and gentlemen, it is not customary for the chair to comment on what has been said during a debate, but I should like to address two remarks to the President-in-Office of the Council.

In the first place, if I understood you correctly and subject to possible shades of meaning in the simultaneous interpretation, which we can usually trust, you said that our budget did not fully reflect the major political options, and I would not disagree with you. But you also said that we had no macro-economic policy and that we would only begin to achieve that when we had about 2 % of the Community's budgetary resources. That was what you said wasn't it?

Mr Brinkhorst, President-in-Office of the Council. — (N) I said that we do not have a real macro-economic policy, that so far we do not have a real coordinated economic and monetary policy and that consequently one cannot expect that in important sectors such as regional policy or social policy, we can go ahead with vigorous measures. I stressed once again that a budget which does not even amount to 2 % of the total government expenditure of our Member States can hardly exert any real influence. That is what I was trying to indicate.

President. — Thank you for that information. I am glad I asked. I would simply like to say that perhaps we could achieve that 2 % if the proposals on the basis of assessment of VAT at present with the Council were soon passed. The ball is not in our court.

President

Secondly, I should like to say that I told Parliament that I knew it was impossible for you to be present yesterday morning and was aware of your commitments. You cannot be in two places at once but if you are not present, the Council is not present. On the other hand, even if a few Members are not present in the Assembly, it is always able to hold debates and to vote. That places you under an obligation which I fully understand but which the Council must think about.

Having said that, I should like to thank you for having replied so fully to the various speakers and for your general attitude towards your duties as regards Parliament's working needs, in particular what you call your open-minded attitude which, I am sure, will work to our benefit in the forthcoming consultations.

5. Decision on urgency in respect of the motion for a resolution on aid to Friuli

President. — I now consult Parliament on the adoption of urgent procedure for the motion for a resolution on the use of Community funds in the Friuli region (Doc. 369/76).

Are there any objections?

The adoption of urgent procedure is agreed.

I propose to include this item in tomorrow's agenda and, if the budget debate finishes before midday, the debate on the motion for a resolution on aid to Friuli will be the last item in the morning, but if the budget

debate lasts beyond midday, this debate will come after the budget vote.

Are there any objections?

That is agreed.

6. Agenda for next sitting

President. — The next sitting will be held tomorrow, 27 October 1976, with the following agenda:

11 a.m.

- Procedure without report
- Conclusion of the budget debate
- Possibly, motion for a resolution on Friuli

3 p.m.

- Vote on the motion for a resolution contained in the Flesch report on the estimates of Parliament for 1977
- Vote on the motion for a resolution contained in the Flesch report on Sections II and IV of the draft general budget of the Communities for 1977
- Vote on the draft general budget of the Communities for 1977 and on the motion for a resolution contained in the Bruce report
- Possibly, motion for a resolution on Friuli
- Vote on the motions for resolutions contained in the Hamilton and Martens reports on the amendment of Parliament's Rules of Procedure.

The sitting is closed.

(The sitting was closed at 5.25 p.m.)

SITTING OF WEDNESDAY, 27 OCTOBER 1976

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IN THE CHAIR: MR SCOTT-HOPKINS

*Vice-president**(The sitting was opened at 11 a.m.)***President.** — The sitting is open.1. *Approval of the minutes***President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received***President.** — I have received the following documents:

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

— the proposals from the Commission of the European Communities to the Council for:

President

- I. a regulation on a co-responsibility levy and measures for expanding markets in the milk and milk-products sector
- II. a regulation temporarily suspending certain national and Community aids in the milk and milk-products sector
- III. a regulation concerning a charge on certain oil and fats
- IV. a decision setting up a Community action for the eradication of brucellosis, tuberculosis and leucoses in bovines

(Doc. 364/76).

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

- the proposal from the Commission of the European Communities to the Council for a regulation of the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (1977) (Doc. 365/76).

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

- the proposal from the Commission of the European Communities to the Council for a directive amending the Directive of 15 March 1976 on mutual assistance for the recovery of claims resulting from operations forming part of the system of financing the European Agricultural Guidance and Guarantee Fund, and of agricultural levies and customs duties (Doc. 366/76).

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

- the proposal from the Commission of the European Communities to the Council for a regulation establishing a European agency for trade cooperation with the developing countries (Doc. 367/73).

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

- the proposal from the Commission of the European Communities to the Council for a regulation establishing a Community system for the conservation and management of fishery resources (Doc. 373/76)

This document has been referred to the Committee on Agriculture as the committee responsible and the Legal Affairs Committee for its opinion.

(b) from the committees, the following reports :

- report by Mr de Broglie, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council for a directive concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation (Doc. 372/76) ;
- report by Mr Ligios, on behalf of the Committee on Agriculture, on the proposals of the Commission of the European Communities to the Council for :

I. a regulation amending Regulation (EEC) No 601/76 laying down special measures in particular for the determination of the offers of olive oil on the world market

II. A regulation amending Regulation (EEC) No 602/76 laying down special measures, in particular for the determination of the offers of olive oil on the Greek market

(Doc. 374/76) ;

- report by Lord Bethell, on behalf of the Committee on the Environment, Public Health and Consumer Protection, a second report on the proposal from the Commission of the European Communities to the Council for a directive on the dumping of wastes at sea (Doc. 375/76).

3. Texts of Treaties forwarded by the Council

President. — I have received from the Council a certified true copy of the agreement in the form of an exchange of letters amending Protocol No 6 to the agreement between the European Economic Communities and the Republic of Iceland.

This document will be placed in the archives of the European Parliament.

4. Procedure without report

President. — On Monday, 25 October 1976, the Chair announced that the procedure without report pursuant to Rule 27A of the Rules of Procedure had been proposed in respect of

- the proposal from the Commission of the European Communities to the Council for a regulation amending the Community tariff quotas opened for 1976 by Regulation (EEC) Nos 2956/75, 2957/75 and 2958/75 for the importation of certain wines originating in Portugal (Doc. 310/76) ;

- the proposals from the Commission of the European Communities to the Council for :

- a regulation opening, allocating and providing for the administration of a Community tariff quota for Jerez wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977) ;

- a regulation opening, allocating and providing for the administration of a Community tariff quota for Malaga wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977) ;

- a regulation opening, allocating and providing for the administration of a Community tariff quota for wines from Jumilla, Priorato, Rioja and Valdepenas falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977)

(Doc. 311/76).

President

As no Member has asked to speak and no amendments have been tabled to them, I declare these proposals approved by Parliament pursuant to paragraph 6 of this rule.

5. Verification of credentials

President. — At yesterday's meeting the Bureau verified the credentials of the new Italian delegation, whose appointment by the Senate and the Chamber of Deputies of the Italian Republic was announced by the President on 15 October 1976. The Bureau also verified the credentials of Lord Murray of Gravesend, whose appointment by the House of Lords was announced on 25 October.

Pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau has made sure that these appointments comply with the provisions of the Treaties. It therefore asks the House to ratify these appointments.

Are there any objections?

These appointments are ratified.

6. General Budget of the European Communities for 1977: Conclusion

President. — The next item is the resumption of the budget debate.

I call Lord Bruce of Donington.

Lord Bruce of Donington, General Rapporteur. — Mr President, before summing up the debate, I will deal formally with the position created by the submission of the letter of amendment received from the Council which was discussed by the Committee on Budgets at its meeting last night. The discussion, Mr President, commenced at about 10.30 in the evening. I found myself in the position where it was not possible for me as rapporteur to be able to advise the Committee on Budgets as to what action it should take in relation to this letter of amendment. The English text only arrived on my desk in the course of the afternoon in the middle of the debate, and I therefore had no time to give it my own consideration. I hope the House will bear with me when I say that I always decline to make a recommendation to the Committee on Budgets unless I myself have had an opportunity of studying the matter in detail and in the light of the associated documents. The Committee on Budgets therefore decided that in the interests of getting all the budgetary documents in order for consideration by the Council next week, it would arrive at its own conclusions. And therefore, Mr President, with your permission I propose to read — and I hope it is the only occasion when I ever have to read a statement to this House — exactly what the Committee on Budgets decided:

The Committee on Budgets noted that the letter of amendment, which comprised three volumes — Vol. 1

revenue, Vol. 4, expenditure, Vol. 7 explanatory statement — arrived in all languages only on 26 October, the day of the meeting of the Committee on Budgets. Furthermore, it includes items which go considerably beyond appropriations for the Guarantee Section of the EAGGF. However, in order not to jeopardize the new arrangements covering the budgetary calendar and in order to demonstrate our goodwill towards the Council, it was agreed to take this letter of amendment into account, despite all the inconvenience caused, and to enable Council to examine the complete amended budget when it receives it from Parliament next week.

As regards the change in agriculture appropriations, Titles 6 and 7, the committee agreed to the reduction proposed for specific agricultural expenditure. This conforms with the committee's general approach to EAGGF appropriations, which is to leave all untouched, remembering that Parliament has no real power to change appropriations in this sector and therefore declines responsibility for it.

As regards MCA expenditure, the committee accepted the changes made by means of the letter of amendment, whilst recalling that it had supported amendments for the transfer of all MCA's to Title 4 in the interests of budget transparency.

In so doing, Mr President, I ought to emphasize that the step which the Committee on Budgets took were in the interests purely of budgetary transparency and do not reflect a view within the Committee on Budgets itself concerning the early termination or phasing out of MCA's.

These are matters which it still remains within the competence of Parliament to discuss and to determine. The committee noted the transfer of appropriations for aid to bee-keeper associations and, after certain reservations had been expressed, did not reject this proposal. As regards food aid and the revision of appropriations in view of new world prices, the committee recalled that it had supported the proposed modifications made by the Committee on Development and Cooperation which sought to increase food aid in line with the Commission's proposals. With regard to financial cooperation with non-associated developing countries, the committee observed that it had already agreed to Council's proposal for entering 30 million u.a. in Chapter 100 for 1977, and that it had supported an amendment from the rapporteur creating commitment appropriations for 1978 and 1979. The committee approved the Council's proposals that the Community budget should cover the guarantee for loans to be granted to Yugoslavia by the European Investment Bank, which conformed to the committee's general approach to budgetization.

As regards the creation of some 128 posts in the Commission's staff plan, proposed by the letter of amendment, the committee had the opportunity of considering Draft Amendment 155, which sought to reinstate this conversion, despite Council's intention to submit this particular file to the group working on staff regulations. The committee gave a negative opinion on this amendment. The remaining points

Lord Bruce of Donington

covering salary weightings and the corresponding revisions in revenue estimates gave rise to no objections from the committee. Therefore, Mr President, in view of the fact that the committee has approved the Council's letter of amendment, and has covered changes by corresponding amendments, the relevant figures could be incorporated in the draft budget as amended by Parliament.

Mr President, that concludes my report to the House arising from the letter of amendment and I would like to take this opportunity, if I may, of referring to two documents which unhappily, despite the efficiency of the printing department, did not reach Members in time for them to consider the documents before or during the budget debate. I refer particularly to Document 363/76/Ann. IV, which shows an allocation of appropriations of the rectified preliminary draft budget 1977, EAGGF Guarantee Section. You will recall that in my latest draft report, I did give some further and, I hope, constructive details on exactly how expenditure was made under the EAGGF. I sincerely hope that it added to the information of Members and, if they have not had the opportunity of studying it yet, I would suggest that it be read in conjunction with the appropriate section of my report. I would like to pay a tribute to the information and research departments of the European Parliament, which were responsible for drawing up this particular document under my direction.

The second document to which I would like to draw Parliament's attention is Document 363/76/Ann. III, which describes in detail the structure and substructure of the organization of the Commission.

You will recall, Mr President, that in the course of the debate I had occasion to refer to some aspects of the structure of the Commission. A document had been prepared showing that structure; this document has now been circulated and I would urge honourable Members who are interested in the whole creative aspect of the Commission's affairs to pay attention to this document. At the same time I would like to add my tribute to the Committee on Budgets' parliamentary staff for the tremendous care that they have taken in preparing these, and indeed other documents, which have been used by Parliament in the course of this debate.

Mr President, I now turn to the summing up of the discussions that have taken place over the past 1 1/2 days. I would like first of all to express my personal thanks to all Members of Parliament and in particular to members of the Committee on Budgets, for the very kindly forbearance they have shown to your rapporteur and for the cooperation they have shown to me personally and to the Committee on Budgets throughout the long period in which Parliament has been discussing the proposals laid before it. Mr Presi-

dent, sometimes we are prone to pay too much attention to the questions that divide us. This indeed is proper in a democratic assembly. There should be a harsh clash of opinion not only between the political groups but also between Parliament and the Commission, and Parliament and the Council. It is only by healthy controversy, sometimes forcibly expressed, that the real points of political issue are brought into sharp focus, enabling constructive decisions to be made upon them. But having said that, Mr President, I think this debate and the various speakers who have taken part in it have proved that the things that unite the European Parliament are far greater than the things that divide the groups themselves.

Mr President, I was very sorry that the Council did not reply specifically to a number of points that I ventured to raise in my opening address to Parliament. You will recall, Mr President, that I devoted a considerable amount of my speech to emphasizing to Parliament, in the light of the limited current resources of the Community, the manifest importance of the Community's adopting a massive and constructive investment policy. I do not propose to argue that case again now, but I was a little disappointed that in the course of his reply, the President-in-Office of the Council, who I am very pleased to see is with us this morning, really didn't go very much further than saying that obviously these matters would receive the consideration of his colleagues. The other thing I found a little disappointing in the replies from the President-in-Office — and I understand fully his difficulties — is the failure to give any constructive answer to one of the principal points that I ventured to make to Parliament, namely, that in the responses to Parliament from Council and in the documents that Council from time to time approves or issues, there is a singular absence of any political content. I would like to suggest to the President-in-Office that Parliament is all about politics and there is really no point in Council's coming to Parliament with documents that are completely emasculated from the political point of view, that are completely devoid of any political content. Nowhere is this more obvious than in the explanatory memoranda issued by Council in connection with certain aspects of the budget.

In this connection it will perhaps be proper for me to compliment the Commission. They at any rate have made some endeavour to arrive at a political judgement. I say to Council that sooner or later — even if it is not at my behest and not in reply to my argument — Council will have to come off its completely non-political stance. Sooner or later Council will be forced out into the open, where it will have to make objective political judgements and allow these to be tested in the forum, not only of this Parliament but also of the public at large, and I sincerely hope that they will give attention to this.

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Mr President, there are a number of matters on which I would like to touch but time forbids. I would not wish to keep the House too long, but I would like to conclude the remarks I am venturing to address to Parliament this morning by quoting some very pregnant words that were spoken by the President-in-Office at the conclusion of his meeting with the Committee on Budgets two or three days ago. He said in conclusion: a Community which does not achieve a reasonable balance between rich and poor is not worthy of that name! Mr President, those are sentiments which I am sure will animate all Members of this House; if they do not animate them already they should be engraven in their hearts. They should always remember that all discussion that takes place in a Parliament that has not this sentiment lying very close to its heart will be completely sterile and will be treated by the European public at large as just another example of the manner in which Parliament conducts itself, or in which they may well think it conducts itself — as a talking-shop only. Mr President, I believe in the vigour of this Parliament, I believe in the vigour of its argument, I rejoice that we can carry out our arguments in a democratic fashion worthy of a great continent, and with those words, Mr President, I commend my report to the House.

(Applause)

President. — Thank you, Lord Bruce. I am sure the whole House will want to congratulate you not only on your speech today but on the way you have steered the House through the intricacies of this draft budget.

I call Mr Lange.

Mr Lange, *Chairman of the Committee on Budgets*. — (D) Mr President, ladies and gentlemen, President of the Council, Mr Cheysson, I do not wish to repeat anything of what our colleague Lord Bruce has said about the conditions in which the Committee on Budgets has had to work. I should merely like to point out to the House that conclusions must be drawn from these unsatisfactory working conditions. That is the opinion of the Committee on Budgets.

We agreed to a different timetable for this year, but owing to practical difficulties we have found that we were working against time just as much with the new timetable as with the timetables followed in the past. This letter of amendment from the Commission was particularly problematic: although the original intention was to submit it before the summer recess, it only arrived at the beginning of September.

Of course the Council also has its deadlines, and we understand this. Nevertheless, so that things may be less complicated in the future, a way must be found to make letters of amendment available early enough to enable both the budget authorities, Council and Parliament, to reach agreement on them in an appropriate

manner. However, as Lord Bruce has already pointed out, that was no longer possible for Parliament.

A further point which concerns me, ladies and gentlemen, is this: If we already get into difficulties with the Commission and the Council, we must not of course allow the internal work-flow, Parliament's work-flow, to produce additional difficulties. Unfortunately we have found that, in comparison with former procedures, the committees have, in general, dealt with the budget relatively late; we have therefore had even less time in which to discuss the draft amendments and we have been unable to consider them in the manner which the Committee on Budgets felt to be appropriate.

The same applies to the corresponding proposals from the Bureau. Of course, in this case it could be said that the Committee on Budgets has only to ratify the Bureau's decisions, but, as a body, the committee must still be given the opportunity of considering them. We shall therefore have to reach agreement on the relevant internal workflows, and the problem is how to integrate the committees and also the political groups into the whole budgetary procedure. This is what I wanted to say with reference to the procedure and to the need — the Committee on Budgets, the President of the Council and the Commissioner responsible for the budget reached agreement on this yesterday — to reconsider the timetable once more so as to solve the difficulties I have mentioned.

Moreover, it should be pointed out that all the questions dealt with by Lord Bruce will, or should, be dealt with under the concertation procedure. There is also the question as to whether, if a similar shortage of time should again occur, it is absolutely essential for the Council to have Parliament's opinion — and this question arose over the letter of amendment — or whether it can be submitted later. I know that at present that does not fit in with the provisions of the Treaties or with the financial regulation. But it is a point on which we must reach agreement, since none of us has any wish to discuss the following year's budget after the preceding December. December must be the deadline, as it is now.

However, Parliament must be allowed to claim the same rights as the Council does when dealing with a letter of amendment or an addition to the budget — which does not constitute a supplementary budget. This is supported by what Lord Bruce said in his capacity as rapporteur, i.e., that it had been impossible for him to consider the letter of amendment thoroughly and to make appropriate proposals. Indeed I proposed this procedure yesterday evening as a means of resolving the legal difficulties but this is another matter which we must discuss under the concertation procedure, Mr President, so that we are not faced with these difficulties again in the future.

Lange

Now, ladies and gentlemen, I should like to add one more point: I do not wish to make any further political remarks. That has been done. The rapporteur's work with the members of the Committee on Budgets has not always been easy — I do not wish to go into the external circumstances or the difficulties which he himself has mentioned — and the House therefore owes him special acknowledgement and thanks. This applies to our colleague Lord Bruce, but also to Miss Flesch, who is not at present in the chamber.

(Applause)

I shall not ask for the floor again on this point, but she too encountered considerable difficulties — in connection with Parliament's budget, not those of the Council or the Court — which she had to deal with on the committee's behalf. That will again emerge from Miss Flesch's supplementary report...

(Interruption)

I hear someone calling out that the President of Parliament also created difficulties. Well, we can make a note of that too.

On behalf of this House I must again express our thanks to Miss Flesch for her efforts and work as rapporteur. Members must always remember the work which lies behind the mass of paper here on the table and which they perhaps take for granted. We must also fully acknowledge the work done by the secretariat of the Committee on Budgets, for when we had finished, these people still had to stay behind working and so sacrificing many evenings. The House therefore owes acknowledgement and thanks to the officials of the House who belong to the budget secretariat.

(Applause)

A further point. We could not have reached agreement without the interpreters. They too suffered from the conditions in which we had to work. Nevertheless they carried on valiantly, even when it was sometimes extremely difficult, above all, perhaps, because of the speed with which many matters were discussed in committee. I should therefore also like to thank the interpreters on behalf of the committee; we particularly appreciate and value their cooperation.

(Applause)

Mr President, that was all I wished to say for the moment. If it should be necessary to express a political opinion, as chairman of the Committee on Budgets, on one point or another, I should like to do so, with your permission.

President. — I call Mr Cheysson.

Mr Cheysson, *Member of the Commission*. — (F) Mr President, this is the third time I have had the honour to address the House during this debate, and I would

like first of all, with your permission, to deal with the question of the time-table and offer some comments from the Commission on the letter of amendment.

Mr President, I wonder whether we should not have left well alone and whether extending the time-table has not raised more problems than it has solved. Formerly we sent the preliminary draft budget so that it could receive a first reading in the Council towards the end of September. Parliament gave it its first reading in the second half of November. The corrected estimates, which we cannot provide for the largest part of the budget, that is to say agriculture, until the results of the summer harvest are known, in Europe and throughout the world, could then be submitted practically at the time of the Council's first reading, long before the Parliament's first reading.

This year we have tried to give more time, which meant, as you are aware, and I thank the rapporteur for mentioning this, a lot of hard work for the Commission. I was thus able to present our preliminary draft to this Assembly on 6 July and the Council gave it a first reading on 25 July; there was therefore much more time than usual between the first reading by the Council and the first reading by Parliament.

This time allowed the general rapporteur to consider the draft budget much more closely, and we are all aware of the remarkable work which he has produced. But the first reading by Parliament, at the end of October, comes very shortly after the time when we are able to make corrections, when we can present our definitive proposals for agriculture, because we cannot change the seasons. So we have this undeniable difficulty already, mentioned by the rapporteur and the chairman of the Committee on Budgets, of the very short, the improperly short, the scandalously short period of time for the specialized committees, the Committee on Budgets and Parliament to consider the letter of amendment. There is a very serious difficulty here, and for the second time during this debate I would like to ask Parliament to give us guidance and instructions so that the 1978 budget may, if possible, combine the longer time-table with the respect due to Parliament in considering the letter of amendment, which cannot in any case be drawn up before the end of September or the beginning of October.

Perhaps the date of the first reading by Parliament should be altered slightly, perhaps by two weeks, which would give two extra weeks for consideration of the letter of amendment. The interval between the first and second readings would clearly be shorter than this year, and closer to that of previous years. But, after all, is it not before the first reading that most reflection is required, especially since the time between the first and second readings over recent years has appeared satisfactory? This may be the answer though the Commission is only making a suggestion here. We have had this year a very impor-

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tant innovation, which is that the Commission presents a preliminary draft to Parliament before it has been discussed by the Council, and I hope that next year we shall do this again. If the draft budget is presented to Parliament at the beginning of July again next year, it might be possible, by postponing slightly this first reading by Parliament, to find the necessary time to prevent the unfortunate situation of this year recurring. The Commission offers its apologies to those who have suffered the consequences, particularly to the general rapporteur, who, I understand, is disappointed at not being able to consider this letter of amendment with the sense of responsibility and the time which he has devoted to his analysis of the preliminary draft and the draft budget.

Mr President, as the Commission has not yet had the opportunity of presenting this letter of amendment I would like to make some comments on the new features.

The section on agriculture, as the general rapporteur has just pointed out, only involves a few adjustments of the figures in the preliminary draft. This is partly a chance result of the seasons, for these could well have been major changes. However, this year this is not the case and the Committee on Agriculture, which has done remarkable work on this, was able to take into account the letter of amendment made into a draft budget by the Council. I have nothing to add to this. I would merely mention in passing that it entails the addition of the operation to help bee-keepers under the Guarantee Section of the EAGGF through the supply of denatured sugar for bees.

For the non-associated developing countries mentioned in the letter of amendment there are no changes. It includes the same proposal which the Commission made in its preliminary draft, subsequently adopted by the Council with the major amendments of which you are aware. The Committee on Development and Cooperation based its recommendations on these features.

As regards food aid, Mr President, there is only a correction to the figures in the exact evaluation of the cost of the quantities entered. There is no basic change, and the analysis made of the first draft budget remains entirely valid.

In the letter of amendment we decided to insist on the conversion of some posts within the Commission.

Mr President, forgive me for returning to this matter of staff and for drawing Parliament's closest attention to this problem. Your policy is one of austerity in the field of Commission recruitment. Mr President, as Commissioner for the budget I fully understand this policy, but once more I would warn Parliament against going too far. The development of Europe necessitates having an increase of staff at European level, this cannot be denied. I did not want to bring

this up on Monday, since Parliament had not yet drawn up its own budget. But it is interesting to note that Parliament in its wisdom allowed an increase in Parliament's staff of 163 % between 1970 and 1976. Parliament did so in the full awareness of the need to increase its staff because of the enlargement and the increase in the tasks and duties of each of its specialized committees. Mr President, the same reasoning holds good for the Commission, if I may say so. When you compare the increase of staff in the Parliament with the increase of Commission staff, you must recognize that we have reached a limit in both cases, if you will forgive me saying so; it is this limit which concerns us.

It remains true, Mr President, that we are at present in a period of an almost complete freeze on staff. This has been true since 1973. The result is that promotion is no longer possible, since there is no more recruitment. Since Commission staff are relatively young, because Europe is young, we have at present no promotion for the younger members of the staff.

I quoted a figure yesterday and I asked the Members of Parliament to reflect on it: if the situation remains unchanged, from 1979 an official in A5, that is to say an official between 30 and 32 years old, will have to remain for 27 years in career bracket A5/A4. No administration, no industry, in Europe or elsewhere, could tolerate such figures without losing all its best staff. That is why we have asked you to accept the conversion of these posts. They account for less than a hundredth of the additional budgetary appropriations and yet it seems that they are to be refused. Gentlemen, I ask you to think again before you vote this afternoon. You risk condemning the Commission to have only incompetent officials.

Mr President, the letter of amendment contains another feature which is to Parliament's satisfaction: it is the guarantee entered in the budget for EIB loans to Yugoslavia. I will not comment further on this.

Having thus commented on the letter of amendment and having indeed, Mr President — I am afraid — got somewhat carried away on the matter of conversion of posts, which is much more important than the figures might lead you to believe, I would like to return, like the rapporteur and the chairman of the Committee on Budgets, for a few moments to the budgetary work of this year.

It seems to me that, in spite of the difficulty caused by the time-table, we have made considerable progress in establishing the budget as the instrument for our forecasts and for defining our policies. Progress has also been achieved in establishing the budget as the unifying feature of the institutions, in which the Commission commits itself to certain figures, the Council defines what it accepts and also unfortunately what it rejects or defers, and Parliament concentrates its efforts on fields where it thinks European policies

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should be developed. Considerable progress has been made through consultation and will continue to be made in the coming weeks, for we shall be having consultations on other difficult subjects.

Mr President, the Commission is deeply grateful to Parliament for the way in which it has conducted its work throughout the year. It thanks it for proposing to delete later on a particularly uncomplimentary phrase about the Commission in paragraph 2 of the motion for a resolution. But once more, it would like to express its thanks to all those who encourage it in its proceedings, particularly the Committee on Budgets, the specialized committees, and the Assembly itself. As Commissioner responsible for the budget, I am greatly honoured and very fortunate to have been able to present my last budget as a member of this Commission in the circumstances which have prevailed this year. I would like to thank all the honourable Members and yourself, Mr President.

(Applause)

President. — I call Mr Brinkhorst.

Mr Brinkhorst, *President-in-Office of the Council*. — (NL) Mr President, at the end of this part-session I should like to thank Parliament on behalf of the Council for the quality and intensity of the debates. In particular I should like to thank Lord Bruce, the general rapporteur, and Mr Lange, the chairman of the Committee on Budgets, for the manner in which they have tried to conduct the discussion with the President-in-Office of the Council. I believe that this is particularly important. I am well aware that personal contacts are not everything; but I also believe that the significance of the dialogue also depends on the manner in which it is conducted by Parliament. I have particularly appreciated their manner of conducting the dialogue and I should like to add here that I also appreciate greatly the way in which Parliament and the Committee on Budgets and its general rapporteur reacted to the letter of amendment which Parliament received such a short time ago. I don't believe it was solely the fault of the Council that the note arrived so late. It is the result of the experimental timetable being used this year, which has caused us certain difficulties. I shall not go into more detail about that — Mr Cheysson has done that already, as has Mr Lange — but I can promise that in the next few months, possibly during the consultation which is still to be held, the Council will consider the problem of the timetable with the other institutions responsible for the budget. I also have the impression that the letter of amendment does contain a number of important positive aspects. I am referring to the Council's positive decision to enter 30 million u.a. for aid to non-associated countries, which takes account of Parliament's wishes. I refer to the decision to enter into the budget the guarantee for loans to Yugoslavia as a token entry, and further, the acceptance by the Council of the agricultural figures as presented by the Commission.

Just one small critical comment on what Mr Cheysson said about the policy on promotion, which is not mentioned as such in the Council's letter of amendment. Mr Cheysson states somewhat dramatically that on average it takes 25 years for officials to be promoted from one grade to the next. He took grade A 5/A 4 as a specific example. If this is true, then we are faced with a very serious problem. If we advocate a European career for European officials worthy of the name, we should seriously consider this problem. That is therefore the reason, I believe, why the Council quite rightly refused to submit this matter to Parliament in its letter of amendment. If it is a serious problem, and I am working from the premise that it is a serious problem, it ought to be examined thoroughly, and the council has instructed the Working Party on the Staff Regulations to speed up its activities in this area. This problem cannot be regulated simply by means of a memorandum, and this is the reason why the Council has not agreed to the Commission's request to deal with the 120 posts in this way. However, I can assure you that the Council is actively dealing with this matter, and I hope this answer will also satisfy the Commission. When the time comes, concrete decisions will be taken.

Just a few more comments to the general rapporteur. I have already expressed my general appreciation not only of the manner in which he carried out his difficult task but also of the flexible and positive attitude he adopted towards the letter of amendment. However, he did say one thing which I cannot let pass. He said that the Council's documents lack political content. I should like to reject emphatically Lord Bruce's criticism, because what else does the Council do but discuss problems of an essentially political nature? Although the explanatory memorandum is expressed in a relatively neutral way, my presence among you as President-in-Office of the Council is specifically aimed at giving it a political nature.

I did not hesitate to declare to this Parliament in mid-September that I felt that this budget could certainly not be considered spectacular. Well, this is a political statement, but I did not leave it at that. Twice yesterday, and also in September, I stated in the general debate why, from the point of view of the process towards integration and the present situation, this budget cannot be a spectacular one, why the integration process is at present being hindered. Yesterday's meeting of the Council of Agriculture and Finance Ministers once again showed dramatically where the heart of the problem lies. Therefore I believe that I have not certainly behaved amongst you like a political eunuch. I don't want to be a political eunuch. The Council does not wish to be one, but we have to discuss with each other what is politically possible. In fact the general rapporteur said that himself when quoting what I recently said to the Committee on Budgets, that in fact the President-in-Office of the Council is convinced that only a

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Community where the balance between rich and poor areas is more equitable than at present is worth the effort.

I do not want to take up any more of your time. The debate ought to be closed. But let me make just one comment of a more general nature which has direct relevance to the budget and the consultation we shall have in the coming months. I was able to make this comment yesterday to the Committee on Budgets, but not the Assembly as yet. It refers to the problems involved in payment appropriations and commitment authorizations. May I make one more clear statement about this? Recently, the Council adopted a financial regulation laying down the limits which our debate on the 1977 budget must observe. In this financial regulation a number of commitment authorizations are listed where Parliament and Council agree. In September, in reply to a question on this matter by Mr Notenboom, I stated that there must be room for some flexibility with regard to the commitment authorizations for 1977. I stand by what I said, but you must not make it impossible for the President-in-Office of the Council to reach agreement with his colleagues. I fear — and I want to say this clearly — that draft Amendment No 137, which was adopted by the Committee on Budgets and which was still clearly a closed book to a number of delegates last night, will certainly cause us difficulties. For here there is a formulation of the commitment authorizations with regard to the payment appropriations which falls outside the financial regulation to which we mutually agreed. It is not in accord with the financial regulation. The content of this amendment has such far-reaching consequences that I fear we shall get into difficulties if consultation between Council and Parliament has to be conducted on this basis. Parliament knows me sufficiently well by now to know that I always speak my mind. That is the significance of our dialogue, but I must point out this problem. The presentation of Amendment No 137 will not make the consultation between Parliament and Council easy in the next few months, and I want the Assembly to hear that from me.

Mr President, thank you for letting me speak three times in this debate. I shall do my very best to bring the budget negotiations to a successful conclusion from the point of view of both the Council and Parliament.

(Applause)

President. — Thank you, Mr Brinkhorst. I am sure that Parliament is most gratified at your continued presence with us here.

I call Mr Waltmans for an explanation of vote.

Mr Waltmans. — *(NL)* Mr President, I should like it noted that I am obliged to vote against a number of

items in the budget. If this not possible, then I must vote against the budget as a whole.

My objections are directed at the expenditure proposed for the maintenance and expansion of nuclear energy and nuclear power-stations in the European Community. At issue here are Chapter 26: Studies on the building of reactors and the use of advanced fuels for these reactors; Chapter 32: Expenditure under the energy policy and in particular prospecting for uranium deposits; and Chapter 33: Expenditure on research and investment. In my opinion — and this view is supported by the Radical Party in the Dutch Parliament, Government and action groups, and therefore here in the European Parliament as well — humanity does not benefit from nuclear power-stations, let alone from extending them, until safety can be guaranteed in every respect — for future generations as well. Added to this, by encouraging nuclear energy we are slackening our efforts to discover alternative energy sources. It also means great danger with regard to its military application or sabotage or terrorist activities. Finally, nuclear power-stations are not in line with the policy we consider desirable of putting an end to uncontrolled and non-selective economic growth in the European Community.

I also have strong objections to Chapters 37 and 100 insofar as they concern support measures for the aircraft industry. The same capitalist ideology of economic growth and maximum utilization of advances in technological development is, of course, behind attempts to get a West European aircraft industry off the ground...

If the American aircraft industry cannot manage without huge sums of government aid, aggressive sales methods and bribery, which has reached even the highest circles in the Netherlands, what can we expect from a West European aircraft industry? In my opinion, the proposed aid would give rise to a development leading eventually to the same huge deficits as in the United States. I cannot support this, and you will understand, Mr President, that my refusal also applies to all the appropriate amendments.

President. — I have no further speakers listed. The general debate on the draft budget for 1977 is closed.

7. Use of Communities funds in Friuli

President. — The next item is the motion for a resolution tabled by Mr Amadei, Lord Bessborough, Mr Ellis, Mr Johnston, Mrs Kellett-Bowmann, Mr Noè, Mr Normanton, Mr Ripamonti, Lord St. Oswald, Mr Scott-Hopkins, Mr Spicer and Mr Zagari on the use of Community funds in the Friuli region (Doc. 369/76).

President

I call Lord Bessborough.

Lord Bessborough. — Mr President, I shall be very brief, as I know the House would like me to be. Having visited the area of Friuli twice, on the ground in May and by helicopter about 10 days ago with my colleague, Mr Dalyell, I was concerned to find that of the nearly 100 000 people homeless only 40 000 had so far been temporarily housed in holiday hotels on the coast and in the mountains. There were still 60 000 people living either in tents or badly damaged buildings. And, of course, the winter was then already coming on and there had been a very considerable amount of rain, and there is no doubt of the great discomfort and suffering of many of the people in the area. The main impression I gained as a result of this visit was that insofar as Community funds were concerned these would be supplied to deal with infrastructure problems, such as roads and railways, electric cables, embankments for the river, but there would not actually be Community funds for the provisions of prefabricated houses or caravans, and that is why I put down this motion. Since then, however, we have heard Mr Cheysson saying yesterday that funds would be available through the Coal and Steel Community for the housing of steel workers and indeed only a few minutes ago I received a personal letter from Mr Ortoli, the President of the Commission. I have not had an opportunity of studying this letter carefully, but I see immediately that he says, if I may quote him in French :

« D'après les renseignements qu'il nous a fournis, il résulte que le gouvernement italien a déjà mis à sa disposition les moyens financiers nécessaires pour l'achat des maisons préfabriquées ».

This greatly reassures me. If the Italian Government is prepared to undertake all this work themselves, of course I see no reason why the Community should be involved. Mr Ortoli adds that, owing to the exchange rate of the lira, purchasing these pre-fabricated houses outside Italy is a problem and, therefore, delivery of such prefabricated houses might perhaps not be completed quickly, even if it were possible to accept immediately the French and British offers which I happen to know have been made for the provision of such buildings. But I must admit, Mr President, that since the remarks by Mr Cheysson yesterday and this new letter from Mr Ortoli I am fairly well reassured and, if Mr Dalyell and Mr Noè (who was my other colleague during this last expedition) are satisfied, then I would be prepared to withdraw my motion.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I had better make it clear that I am not speaking on behalf of the Socialist Group as such, because the report that I have drawn

up at length for Erwin Lange as Chairman of the Committee on Budgets has not yet been circulated and discussed by the group. And I speak with a great deal of diffidence in front of my Italian colleagues, because any man who goes to a place for 48 hours had better be a bit shy about putting forward definitive opinions.

First of all, the particular reason for which I was sent by the Committee on Budgets was alleged misappropriation of funds by the Italian authorities. I can only report to colleagues that if you speak to people late at night in wet tents, if you speak to people who are mayors of places like Magnana in Riviera, parts of which have been almost flattened, and they tell you that in their opinion the authorities have done a good job, well, when one hears that from people in those kind of conditions, cold and wet, having lost their relatives and homes, one is tempted to think that the authorities must indeed have done a good job. And I must report to the Parliament that my impression is that the Italian authorities, both local and regional, in Friuli have done an excellent task in coping with horrific conditions. In fact, unless one has seen with one's own eyes the results of an earthquake, it is difficult to convey in pictures precisely what this means.

I would also like to report that, in my opinion, the image of the Commission is good : again, as a politician one can only judge from the rapport that the people representing the Commission, in this case particularly Mr Ruggiero and Mr Lanarduzzi, had with the local people of Friuli whom one met, and it was quite clear that the respect for them was genuine. I therefore come back to this Parliament with a very favourable report of what both the Italian authorities and the Commission are doing in the application of funds. My report to the Committee on Budgets will be available for any Member of Parliament who may care to glance at it.

Now having said that, frankly I am at issue with Lord Bessborough in one matter, and that is whether it is the job of the Commission to provide housing. I put the point really on two grounds. First of all, on the general grounds that we have to be extremely careful, housing being a very personal thing, about eroding the authority of the local councils and the estimable desire of these people for self-help. When late at night you see them doing their own thing, putting up houses, one wants to encourage their pride in their own very real achievements. I welcome this emergency debate, because it will be cold there within a week and we cannot really wait until the next part-session of this Parliament.

Moreover, are we sure that the provision of housing is the right policy? Infrastructure — yes. And this was welcomed. But you see, people like Mayor Piccoli and others actually doing the job, when asked the question, 'Do you expect prefabricated houses from the

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Commission' ? Said, 'No, this is the job of the Friulian authorities and it is the job of the Italian Government.' Other things : yes, housing : no. And therefore, recognizing all the difficulties, I just beg the Parliament to reflect on whether we ought to set this precedent of providing houses.

(Applause)

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, members of the Commission, it is with a heavy heart that I wish to raise in the most detailed way possible a small but very important aspect of these dramatic events. I submitted a resolution on this matter during the last part-session in Strasbourg and I stand by what it said. The Commission has done its duty with regard to medium- and long-term measures — Lord Bessborough and Mr Dalyell have dealt with these in the Committee on Budgets — but these measures are concerned only with work to be carried out in the medium and long term.

It is true that the Italian Government has ordered more than 400 000 sq. m. of prefabricated houses and that regional authorities have ordered over 300 000 sq. m. These houses will be adequate once they are put up. I would, however, like to draw your attention to the fact that these houses are for the most part light prefabricated structures with foundations which take a certain time to put up and that there is a smaller number built of very light prefabricated elements based on a caravan design — little houses which can be put up on level ground without foundations and hence in a very short time.

Now that the two tremors felt within hours of each other in May have been followed by another two tremors in September, both of them reaching level X on the Mercalli scale, the plans made in May for housing people during the summer and autumn while houses were being repaired for the winter — I mean houses of the traditional type — have been upset : it will no longer be possible to make these dwellings habitable for the winter, and the people will have to wait until next year.

This is the problem. Between 60 and 70 % of the prefabricated houses ordered will be ready in December, while 30-35 % will not be ready until March, because Italy has only 7 caravan factories and it is not possible to increase this quantity of caravan-type houses for immediate erection. This is what has prompted me to act — I repeat, in a limited way — and to make an appeal to other members of the Community for a limited number — and I insist on the word limited — of houses to be quickly dispatched in order to provide decent housing for some of the 30-35 % of homeless people I mentioned before winter. This, then, is my problem. The rest is left to Lord Bessborough and others, whom I thank

for what they have done. As an engineer, I can also say that the infrastructures have been wisely chosen and that it will not be possible to meet the full demand for housing before winter.

I should like to thank the President of this Parliament, Mr Spénale, who yesterday authorized a film to be shown to Parliament during the next part-session — which begins, if I am not mistaken, on the 15th — a film which will show areas in Friuli before and after the earthquake. I am sure that all my colleagues who see this film will understand that my recent stubbornness has been motivated by human reasons and not as part of the political game. My request is for a very simple thing : little houses and not earthquake-proof structures, which will be erected later. That work will be much more imposing, but from the human point of view my request also has some importance.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, *Member of the Commission*. — (F) Mr President, the House will recall our feelings when we learnt in May that the people of Friuli had been struck by a series of earthquakes.

The President of the Commission spoke to this House on several occasions on this subject. And since then further earthquakes have hit the same people in September, making an already painful situation even more horrifying.

From the start, the Commission released emergency aid of a total of 500 000 u.a., which were paid in hard currencies to have the maximum value. But, and this is more important, immediately after the visits to the scene by Mr Scarascia Mugnozza, Vice-President of the Commission, and by Mr Ortoli himself, we had extensive recourse to Community aid with the full support of this Parliament.

We had recourse to Community aid with a specific aim — recalled by Mr Dalyell a moment ago — that of participating in the reconstruction of the infrastructure necessary for the resumption of economic activity, both industrial and agricultural, and not to participate in the emergency aid which the Italian Government and the local authorities had decided to provide in other ways. This was the aim of our aid and I would like to remind you what form it took.

A supplementary budget was adopted by the budgetary authority, the Council and the Parliament, with a speed and efficiency which were remarkable and in fact unique, I think, in the history of this Community. This covered 60 million u.a. The conditions were laid down in two regulations, Nos 1505 and 1506, finally adopted on 21 June after a detailed opinion by this Parliament. All the conditions were thus fixed by this Parliament itself. It is planned that 45 of these 60 million u.a. should be used under the conditions of

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the EAGGF, and 15 of the 60 million under the conditions of the Regional Development Fund. To ensure as swift an implementation as possible, the Commission has adopted an exceptional procedure, it has set up an action group chaired by one of our Directors-General, Mr Ruggiero, with a certain number of officials. These officials were on the spot to help the regional authorities to finalize the projects in forms permitting very rapid action. The plan was that applications under regional development should be submitted before 31 October, those concerning the EAGGF, Guidance Section, before 31 December. Our officials made several visits; they were on the spot at the time of the second series of earthquakes in September and were able to share the feelings of the people.

Then, on 13 and 14 October, at the same time as the Bessborough-Noè-Dalyell mission, Mr Ruggiero and his team returned to Friuli and received from the President of the Regional Chamber, Mr Comelli, the projects corresponding to those 60 million u.a., projects which are being officially submitted, most having already been received and the last due to reach us within the next few days.

We are thus quite far ahead of the planned deadlines — 31 October and 31 December — since by 14 October we had all the projects in hand and shall certainly have received all the official applications before the end of the month.

The sum of 15 million u.a. will then be devoted to the rebuilding of infrastructures of an economic and social nature, under the Regional Development Fund. This covers 12 projects and in particular the rebuilding of the aquaduct in central Friuli, the equipment of industrial areas and the rebuilding of destroyed or damaged roads.

The 45 million u.a. of the EAGGF, Guidance Section, included in the supplementary budget covers 82 projects. I will mention only the repairs to the water intakes in several hydraulic schemes of the Consorzio Ledra Tagliamento for a total of 8 000 million lire; the establishment of livestock-slaughtering and meat-marketing cooperatives for a total of 4 000 million lire; a general dairy-rebuilding programme — this is the only section in which we do not have specific projects — for almost 5 000 million lire.

These are the projects submitted sooner than planned; The Commission is almost certain that all these sums will be committed before 31 December.

At the same time efforts have been made in other directions, exploring the possibilities of loans at favourable rates under the ECSC budget. The sum of 6 million u.a. has already been offered at 1.25 % interest, 25 years' repayment and 5 years' deferral — that is to say, on very favourable conditions. These are to help the repair and construction of workers' homes for workers in the steel industry. Funds were made

available on 13 October by a contract signed between the regional authorities and the Vice-President of the Commission, Mr Haferkamp. In addition to these 6 million u.a., 5 million will be granted in the form of a second loan at 4 % to cover 40 % of the expenses of repairs and construction in the steel industry, thus maintaining or restoring jobs. This is due to be signed in the next few days, also by Vice-President Haferkamp, in Friuli itself, in Udine. These 11 million u.a. from the ECSC should therefore be added to the 60 million u.a. of supplementary budget No 1.

Our attention, Mr President, was then drawn to the problem of the prefabricated houses necessary for the winter. Immediately, the Director-General responsible, Mr Ruggiero, made contact with the special Commissioner of the Friuli-Venezia-Giulia region, Mr Zamberletti. Mr Zamberletti pointed out — and Lord Bessborough noted this in the letter sent to him by Mr Ortoli today, together with a letter sent to the Chairman of the Committee on Budgets, Mr Lange — that the Italian Government had made available to the Regional authorities the finances necessary to cover the whole programme for prefabricated homes necessary for the winter. Not only were the funds available, but all the purchasing contracts for these prefabricated homes had been signed. It is therefore no longer a question of where to find the caravans or prefabricated houses, Mr Noè. The contracts have been signed with Italian, French and Dutch companies. These contracts have been signed on the basis of the funds made available by the Italian Government. Delivery will take place by the dates laid down by the regional authorities, and there should be no delays on this matter.

The difficulty then, Mr President, arises from a factor outside Friuli, the continuing devaluation of the Italian lira, which means that Mr Zamberletti has a certain shortfall in funds to pay contracts signed with French and Dutch firms for caravans and prefabricated homes. It is this difference resulting from the devaluation of the Italian lira that certain members of Parliament are now calling upon the Commission to pay. I want to get this matter into perspective: there is no question of further delays in the supply of temporary homes for these poor people winter comes; it is a question of Mr Zamberletti, special Commissioner, settling a financial problem which he has to face.

We are by no means, indifferent in this matter — I would like to give the House an explicit assurance on this — but it is clear that this exchange loss which the special commissioner is now suffering was not at all part of our initial aid scheme, which was devoted to the reconstruction of the economic infrastructure in the region. Nevertheless, we are not going to be legalistic or hide behind administrative arguments, for there is a real problem. If we can help to solve it — I

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already assured the Assembly yesterday that we would try — what can we do? Draw on appropriations already granted? Certainly not, for those appropriations have a certain aim which you have all recognized and which has now been confirmed by precise projects; there is no question of reconsidering any of those projects. The 60 million u.a. will then be spent as the Italian authorities wished, on specific projects which will use up all the expenditure before the end of the year.

As regards the 6 million and, later, 5 million u.a. from the ECSC, they also have a precise aim, as requested by the Italian authorities. For the time being, I would like to stress — Mr Ortolì notes this, moreover, in the two letters to Mr Lange and to Lord Bessborough — that we have received no request from the Italian authorities to change the allocation of this sum devoted to Friuli. However, since there is a problem, if the Udine authorities wish to remove a small sum from the amounts the ECSC have already made available to help pay for these prefabricated homes which are so necessary, I have given the undertaking on behalf of the Commission that we will find in our budget some way of making an extra contribution, probably from Article 400: 'Aid to disaster victims'. Since there was a further disaster with the repetition of the earthquake in September, the Commission is ready to propose, if necessary, a transfer of appropriations to Article 400, at present empty, from other articles of the budget in order to release a sum somewhat limited, I am afraid in the coming weeks if the Udine authorities decide in that time to draw upon the 6 million u.a. already made available by the ECSC loan.

This, Mr President, is a very complete report on what we have done, on the way we think we have been useful and on what corresponds very closely to the policy decided by Parliament after the tragic events in Friuli. The Commission has done its duty, it thanks certain Honourable Members for kindly noting on the spot that this duty had been done properly; it is particularly happy since in its turn it wishes to pay heartfelt tribute to the work of the regional authorities of Udine and the special procedures set up by the Italian Government and the local authorities. There has been a remarkable effort in a region which has suffered greatly.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — (I) Mr President, I should like to begin by thanking my colleagues, and in particular Lord Bessborough, who has visited the area twice and shown a quite exceptional interest in this problem and its most dramatic aspect the living conditions of the population as winter draws on.

Furthermore, I should like to underline briefly the statement made by Commissioner Cheysson, which to

some degree clarifies his statement made the day before yesterday, about which I expressed some perplexity yesterday. I think it is now quite clear that in fact the situation is such that one can proceed only with a specific timing, which unfortunately does not correspond to the desires and needs of the population but which is dictated by the machinery available. This is the machinery Mr Cheysson referred to, which for example, as far as the EAGGF is concerned, required from the Italian Parliament, which at the moment was dissolved, a series of measures which, of course, it was only possible to take at the beginning of October.

Having cleared up at least this aspect and emphasized the urgency and gravity of the situation, which prompted everyone to speed up and modify procedures to the widest degree possible, there remains the problem of housing and I think I must thank Mr Cheysson here for the proposals he has made. In fact, given the extreme gravity of the problem, his suggestion of employing Article 400 of the budget with a transfer of 6 million from the ECSC fund for the distribution of these houses may be a suitable solution. To this extent I would like to express the hope that these talks will result in something tangible.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — I wish extremely briefly, to ask Mr Cheysson whether in fact, in the light of what has been said, the motion should be opposed or not. All right, it is not his decision as to whether we oppose it, but I would like to be clear and at least ask for the advice of the Commission on this. My inclination is to oppose it. On the other hand, it may not be helpful to do so because it could be easily misunderstood, and I would like the view of the Commission on this before any vote.

One other thing: a number of colleagues have asked me in private a question that I think ought to be answered in public. They say, 'If you are so satisfied with the actions of the Commission authorities and the authorities in Italy, why is it that we read in the press reports that tell us a somewhat different story?' Bluntly, it may be the old, old tale of journalists flying in on the heels of a headline and, of course, the reality is that a story that talks about maladministration and corruption is likely to be printed prominently. A tale of people working extremely hard and helping themselves in difficult conditions is one that is not likely to gain such a prominent place in newspapers. Frankly, in this, as in some other matters, I think the press and the other media have something to answer for.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission. — (F) Mr President, it is very embarrassing for a Commissioner to have to comment on a motion for a resolution tabled by a Member of Parliament. However, since I have been asked, I would like to stress that the resolution as put before Parliament is not worded entirely correctly. There is no question of authorizing the use of appropriations to provide prefabricated houses. These houses, I repeat, have been ordered by the regional authorities of Udine; the delivery dates are fixed, there is no question of supplying other prefabricated houses than those which have been ordered. It is a question of making up the exchange loss resulting from the devaluation of the lira.

Moreover, the Commission's proposal is not designed to change the allocation of aid already voted and mobilized for Friuli. The 60 million u.a. in the supplementary budget cover specific projects. If one of these projects were called into question, it would constitute a serious handicap for the region. The BCSC loans for workers' houses on the one hand and for the steel industry on the other are not altered. It is simply a matter of drawing from the budget a small additional sum, under conditions which will receive a more thorough technical examination later, to help pay for the prefabricated houses already ordered, and not to change the allocation of aid which Parliament has already decided on.

I think, therefore, that the resolution as at present worded does not correspond to the real nature of the problems. In any case, I thought I heard Lord Bessborough say that he would be prepared to withdraw it or amend it after explanations by the Commission.

President. — I call Lord Bessborough.

Lord Bessborough. — Mr President, I should first of all like to thank Mr Cheysson for all the tremendous trouble he has taken in looking into the details of this matter, I would also like to thank the officials of the Commission, especially those such as Mr Ruggiero and Mr Verschulen and others who came with us to Friuli, Trieste and Udine, for all the work which they have put into this. I would not like it thought that I was criticizing them. The fact remains, of course, that the first earthquakes did take place in May five months ago. I hope that I am wrong entirely in thinking that there have perhaps been some delays. But certainly, in view of the personal letter which Mr Ortolì has addressed to Mr Lange and to myself, and in view of what Mr Cheysson has said this morning and in view of the tremendous efforts which I know that Mr Zamberletti has been making in regard to relief in the region, and also indeed President Comelli, the head of the autonomous region of Friuli, if Mr Noè and the other co-signatories of this resolution are content, then I would personally be willing to withdraw it.

President. — I call Mr Ajello.

Mr Ajello. — (I) I would just like to say on behalf of the Socialist signatories that we are willing to withdraw the motion, because it seems to me that Mr Cheysson's proposal makes it possible both to safeguard the funds allocated for the infrastructures and to face the immediate need for prefabricated houses. Since, therefore, this proposal satisfies both of those requirements, it does not seem necessary to proceed with the motion.

President. — I call Mr Noè.

Mr Noè. — (I) I would just like to say that I agree to this motion's being withdrawn and I am grateful for what has been said by Mr Dalyell, Lord Bessborough and also Mr Cheysson.

However, one point I mentioned, which I think is important, has not been taken up. That is the fact that the orders made by the Italian Government and the regional authorities will be met in December to the extent of 60-70 %. Therefore, apart from the financial aspect linked to inflation, if houses are sent they will help those who are still homeless.

I agree with, and I thank Mr Cheysson for, everything he has said, but since I don't think this point was taken up I take the liberty of raising it once again.

President. — The motion for a resolution is therefore withdrawn.

8. Procedural motion

President. — I call Mr Broeks on a point of order.

Mr Broeks. — (NL) Mr President, I have heard that the possibility of beginning at 2 p.m. is being discussed. I know it will be very difficult to get through the whole of the budget, because we need at least 100 votes for each amendment we wish to adopt. But perhaps we could begin at 2 p.m. with that part of the budget which concerns our own Parliament and for which this majority is not needed. We are going to have the greatest difficulty today in finishing our discussion of the amendments in good time, because there are many Members — for example, Italian and even German — who will not be able to get home if we finish late. If it were actually possible, therefore, to begin at 2 p.m. with the amendments relating to the Parliament as such, where this majority is not necessary, we should save a lot of time. I don't know whether there is a consensus in the House, but I know that the idea originated in the Christian-Democratic Group and the Socialist Group. The chairmen of these groups are not here at the moment; perhaps they are still discussing the question on the assumption that this sitting will go on until 1 p.m. However that may be, I should particularly regret it if this point were not dealt with by Parliament.

(Applause)

President. — Mr Broeks, a letter has been sent by the President to every Member saying the vote will begin at 3 o'clock. Also, there are more Members absent at this moment from the Chamber than are actually present. Much as I have sympathy with you, it would be quite wrong for the Chair at this point to change the decision which has been taken and which every Member is aware of.

I call Lord Castle.

Lord Castle. — I just wanted to draw your attention, Mr President, to the fact that outside of the budget, for which we have had a special summons, there are two motions at the end of today's agenda which, I agree, do require 100 votes if they are to be carried, but which could be taken earlier and save the time of the House. As you know, Mr President, some of us are under tremendous anxiety about whether we shall get home tonight. If we could have these taken at a time convenient to the House in advance of the votes on the budget I think it would be convenient.

President. — Lord Castle, you are not the only one with anxieties, but those two particular reports require a set amount of Members to be present and, as you know full well, the two rapporteurs themselves are not actually present in the chamber now. Regrettably, I must advise the House against this.

The proceedings will now be suspended until 3.00 p.m.

The House will rise.

(The sitting was suspended at 12.40 p.m. and resumed at 3 p.m.)

IN THE CHAIR : MR SPÉNALE

President

President. — The sitting is resumed.

9. Membership of committees

President. — I have received from the Socialist Group a request for the appointment of new members to the following committees and delegations :

Legal Affairs Committee : Mr Walkhoff

Committee on Economic and Monetary Affairs : Mr Zagari, to replace Mr Albertsen

Committee on Agriculture : Mr Albertini, to replace Mr Amadei

Committee on the Environment Public Health and Consumer Protection : Mr Ajello, to replace Mr Albertini

Committee on Energy and Research : Mr Lezzi, to replace Mr Albertini

Committee on External Economic Relations : Mr Amadei, to replace Mr Ajello

Delegation to the Joint Parliamentary Committee of the EEC-Greece Association : Mr Amadei

Delegation to the Joint Parliamentary Committee of the EEC-Turkey Association : Mr Lezzi.

Are there any objections ?

These appointments are ratified.

10. Election of a Vice-President

President. — I have received from the Socialist Group the nomination of Mr Mario Zagari to fill the Vice-President's seat which has become vacant as a result of the departure of Mr Corona.

Since this is the only nomination, I think the House will agree to elect Mr Zagari by acclamation in conformity with Rule 7 (1) of the Rules of Procedure.

(Applause)

I accordingly declare Mr Zagari Vice-President of the European Parliament. In accordance with a proposal by the Socialist Group, Mr Zagari will be twelfth in the order of precedence, the tenth place, formerly occupied by Mr Corona, now being taken by Sir Geoffrey de Freitas.

11. General Budget of the European Communities for 1977 (Vote)

President. — The next item is the vote on draft amendments and proposed modifications to the draft general budget of the European Communities for 1977 and on the motions for resolutions contained in the Bruce report on the draft general budget for 1977 (Doc. 363/76), the Flesch report on Section I of the draft general budget (Doc. 371/76) and the Flesch report on Sections II and IV of the draft general budget for 1977 (Doc. 368/76). Before proceeding to the vote, I would remind the House briefly of the relevant procedural rules.

The appropriations will be taken article by article, chapter by chapter and section by section : those on which no draft amendments or proposed modifications have been tabled will be approved without a formal vote. All proposed modifications and draft amendments will be put to the vote unless their authors have withdrawn them. They will be called in order of the budgetary nomenclature and on the basis of the appropriations to which they relate. If several texts relate to the same article, that which departs the furthest from the text of the draft budget will be called first. If they depart to an equal extent, they will be put to the vote in the order they were tabled.

In order to preserve the budgetary balance, votes on individual sections of proposed modifications or draft amendments will not be permitted, in order to avoid the danger of finding expenditures adopted and the corresponding revenues rejected, or *vice versa*. For the same reason, it will not be possible to amend proposed modifications or draft amendments.

President

To be adopted, proposed modifications, which relate to compulsory expenditure, need a majority of the votes cast, while draft amendments, which relate to non-compulsory expenditure, require a majority — that is, 100 — of the current Members of Parliament. Your attention is drawn to this requirement by an asterisk in your copies.¹

After the vote on the various articles, chapters and sections, the revenue, accordingly modified, will be adopted.

In order to facilitate the counting of votes, I ask all those who are not Members of the European Parliament but whose presence, for professional reasons, is required in the Chamber not to stand during the voting in the areas reserved to Members.

As I have some 180 draft amendments and proposed modifications, the arrangements I announced to the House on Monday must be strictly adhered to. In order to gain time, I intend to indicate the position of the Committee on Budgets on each text as it is called and to give the floor to the rapporteur only when he wishes to supply some additional information.

Finally, if any votes by roll-call are requested, they will be taken after the votes by the normal procedure.

We begin with Section I: *Parliament*.

First of all, I have draft Amendment No 140, tabled by Miss Flesch on behalf of the Committee on Budgets, on a new nomenclature for the budget of the European Parliament.

I put this amendment to the vote.

Amendment No 140 is adopted by 123 votes.

We pass to *Title I*.

On the *list of posts*, I have the following draft amendments:

- draft Amendment No 160, tabled by Mr Fellermaier, on behalf of the Socialist Group, Mr Durieux, on behalf of the Liberal and Allies Group, Mr Cointat, on behalf of the Group of European Progressive Democrats, Sir Peter Kirk, on behalf of the European Conservative Group, and Mr Leonardi, on behalf of the Communist and Allies Group;
- draft Amendment No 175, tabled by Miss Flesch, on behalf of the Committee on Budgets;
- draft Amendment No 113/rev., tabled by Mr Fellermaier, on behalf of the Socialist Group, and Mr A. Bertrand, on behalf of the Christian-Democratic Group;
- draft Amendment No 120/rev., tabled by Mr Durieux, on behalf of the Liberal and Allies Group;
- draft Amendment No 141, tabled by Miss Flesch, on behalf of the Committee on Budgets;

- draft Amendment No 151, tabled by Miss Flesch, on behalf of the Committee on Budgets;
- draft Amendment No 152/rev., tabled by Mr Aigner and Mr Notenboom, on behalf of the Christian-Democratic Group;
- draft Amendment No 153, tabled by Mr Aigner and Mr Notenboom, on behalf of the Christian-Democratic Group;
- draft Amendment No 154/rev., tabled by Mr Aigner and Mr Notenboom, on behalf of the Christian-Democratic Group;
- draft Amendment No 156, tabled by the Group of European Progressive Democrats;
- draft Amendment No 159, tabled by Mr Fellermaier, on behalf of the Socialist Group, Mr Durieux, on behalf of the Liberal and Allies Group, Mr Cointat, on behalf of the Group of European Progressive Democrats, Sir Peter Kirk, on behalf of the European Conservative Group and Mr Leonardi, on behalf of the Communist and Allies Group, and
- draft Amendment No 176, tabled by Miss Flesch, on behalf of the Committee on Budgets.

I put draft Amendment No 160 to the vote.

Draft Amendment No 160 is adopted by 113 votes to 13, with 3 abstentions.

Amendment No 175, of identical content, consequently becomes void.

I put draft Amendment No 113/rev. to the vote.

Draft Amendment No 113/rev. is adopted by 129 votes.

I put draft Amendment No 120/rev. to the vote.

Draft Amendment No 120/rev. is adopted by 130 votes to 2.

I put draft Amendment No 141 to the vote.

Draft Amendment No 141 is adopted by 130 votes to 1.

I put draft Amendment No 151 to the vote.

Draft Amendment No 151 is adopted by 131 votes to 1.

I put draft Amendment No 152/rev. to the vote.

Draft Amendment No 152/rev. is rejected.

Ladies and gentlemen, in view of the present quorum — we are now 134, without counting myself — I suggest that, when there are obviously more than 50 votes against, I should merely state that the amendment is rejected.

Are there any objections?

That is agreed.

I put draft Amendment No 153 to the vote.

Draft Amendment No 153 is rejected.

Since Mr Aigner tells me that draft Amendment No 154/rev. is withdrawn, I put draft Amendment No 156 to the vote.

¹ For the text of the various draft amendments and proposed modifications, see Annex.

President

Draft Amendment No 156 is adopted by 132 votes, with 1 abstention.

I put draft Amendment No 159 to the vote.

Draft Amendment No 159 is rejected.

I put to the vote draft Amendment No 176, which is partially related to draft Amendment No 178.

Draft Amendment No 176 is adopted by 120 votes to 11, with 1 abstention.

On Chapter 10, Article 100, I have draft Amendment No 142, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 142 is adopted by 130 votes to 3, with 3 abstentions.

On Chapter 10, Article 106, I have draft Amendment No 143, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 143 is adopted by 134 votes to 3.

On Chapter 11, Article 113, I have draft Amendment No 144, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 144 is adopted by 137 votes to 2.

We proceed to *Title II*.

On Chapter 21, I have draft Amendment No 145, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 145 is adopted by 136 votes to 4.

On Chapters 21 and 22, I have draft Amendment No 146, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 146 is adopted by 134 votes, with 3 abstentions.

We proceed to *Title III*.

On Chapter 37, Article 370, Item 3706, I have draft Amendment No 114/rev./corr., tabled by Mr Fellermeier, Mr Bertrand, Mr Durieux, Sir Peter Kirk, Mr de la Malène and Mr Amendola, on which the Committee on Budgets has issued a favourable opinion.

I put this text to the vote.

Draft Amendment No 114/rev./corr. is adopted by 131 votes to 5, with 3 abstentions.

On Chapter 37, Article 374, I have draft Amendment No 147, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 147 is adopted by 138 votes.

On Chapter 37, Article 375, I have draft Amendment No 148, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 148 is adopted by 135 votes to 1.

On Chapter 37, I had a draft Amendment No 108, tabled by Mr Shaw on behalf of the European Conservative Group, inserting a new Article 377. This draft amendment, however, has been withdrawn.

We proceed to *Title IX*, which, under the new nomenclature we have just adopted, becomes Title X.

On Chapter 98, Article 980, I have draft Amendment No 157/rev., tabled by Mr Fellermaier, on behalf of the Socialist Group, Mr A. Bertrand, on behalf of the Christian-Democratic Group, Mr Durieux, on behalf of the Liberal and Allies Group, Sir Peter Kirk, on behalf of the European Conservative Group, Mr Cointat, on behalf of the Group of European Progressive Democrats, and Mr Leonardi, on behalf of the Communists and Allies Group, crating a new Item 9801. The opinion of the Committee on Budgets is favourable.

I put this text to the vote.

Draft Amendment No 157/rev. is adopted by 135 votes to 1, with 1 abstention.

On Chapter 99, Article 990, I have draft Amendment No 177, tabled by Miss Flesch on behalf of the Committee on Budgets, creating a new Item 9902.

I put this text to the vote.

Draft Amendment No 177 is adopted by 135 votes to 1.

On Chapter 100, I have draft Amendments Nos 149, 150 and 178, tabled by Miss Flesch on behalf of the Committee on Budgets.

I put draft Amendment No 149 to the vote.

Draft Amendment No 149 is adopted by 136 votes, with 1 abstention.

I put draft Amendment No 150 to the vote.

Draft Amendment No 150 is adopted by 135 votes, with 3 abstentions.

I put to the vote draft Amendment No 178, which is partially related to draft Amendment No 176.

Draft Amendment No 178 is adopted by 125 votes to 13, with 3 abstentions.

I put to the vote the whole of Section I with the modifications resulting from the votes just taken. The whole of Section I, thus modified, is adopted.

I put to the vote Section II: *Council*.

Section II is adopted.

President

We proceed to Section III : *Commission*.

On the *list of posts*, I have three draft amendments :

- draft Amendment No 43, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation, on which the Commission on Budgets has given an unfavourable opinion ;
- draft Amendment No 44, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation, on which the Committee on Budgets has given an unfavourable opinion ;
- draft Amendment No 155, tabled by Mr Berkhouwer, on behalf of the Liberal and Allies Group, and Mr Cointat, on behalf of the Group of European Progressive Democrats, on which the Committee on Budgets has given an unfavourable opinion.

I put draft Amendment No 43 to the vote.

Draft Amendment No 43 is rejected.

I put draft Amendment No 44 to the vote.

Draft Amendment No 44 is adopted by 112 votes to 21, with 4 abstentions.

I call Mr Cheysson.

Mr Cheysson, Member of the Commission. — (F) Mr President, on Amendment No 155, I can only repeat what I have already said to the House : it is impossible to freeze all promotion. I therefore ask the House to adopt Amendment No 155, which, without having budgetary consequences, will, in a period of freezing of all recruitment, nevertheless allow us some promotions.

President. — I put draft Amendment No 155 to the vote.

Draft Amendment No 155 is rejected.

Still on the list of posts, I have draft Amendments Nos 77 and 78, tabled by Mr Hougardy on behalf of the Committee on Energy and Research.

These draft amendments concern posts relating to research and investment activities. Although they are listed separately in Volume V of the draft budget, these posts are included in the general list of posts of the Commission. The Committee on Budgets has given a favourable opinion on draft Amendment No 77 and an unfavourable opinion on draft Amendment No 78.

I put draft Amendment No 77 to the vote.

Draft Amendment No 77 is rejected.

I put draft Amendment No 78 to the vote.

Draft Amendment No 78 is rejected.

We proceed to *Title I*.

On Chapter 14, Article 145, I have draft Amendment No 52, tabled by the Group of European Progressive

Democrats, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 52 is adopted by 111 votes to 22, with 7 abstentions.

We proceed to *Title II*.

On Chapter 22, Article 224, Item 2243, I have draft Amendment No 172, tabled by Lord Bessborough, Mr Noè, Mr Normanton, Mr Shaw and Mr Spicer, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 172 is adopted by 139 votes, with 1 abstention.

On Chapter 25, Article 251, I have draft Amendment No 107, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 107 is adopted by 139 votes, with 1 abstention.

On Chapter 25, Article 254, I have draft Amendment No 66, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 66 is adopted by 140 votes.

On Chapter 25, Article 256, I have draft Amendment No 158, tabled by Mr Fellermaier on behalf of the Socialist Group, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 158 is rejected.

On Chapter 26, Article 265, Item 2653, I have draft Amendment No 22, tabled by Mr Hougardy on behalf of the Committee on Energy and Research, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 22 is adopted by 138 votes to 1, with 1 abstention.

On Chapter 27, Article 272, Item 2720, I have draft Amendment No 53/rev., tabled by the Christian-Democratic Group, the Liberal and Allies Group and the Group of European Progressive Democrats, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 53/rev. is rejected.

On Chapter 27, Article 272, Item 2729, I have three draft amendments :

President

- draft Amendment No 54, tabled by the Group of European Progressive Democrats, on which the Committee on Budgets has given a favourable opinion : this amendment has, however, been withdrawn ;
- draft Amendment No 124, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets ;
- draft Amendment No 123, tabled by Mr Schuijt on behalf of the Political Affairs Committee, on which the Committee on Budgets has given a favourable opinion.

I put draft Amendment No 123 to the vote.

Draft Amendment No 123 is adopted by 133 votes to 5, with 4 abstentions.

Draft Amendment No 124 therefore becomes void.

On Chapter 27, Article 273, I have draft Amendment No 26, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 26 is rejected.

On Chapter 28, Article 282, I have draft Amendments No 21, tabled by the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has given a favourable opinion, and No 116, tabled by the European Conservative Group, on which the Committee on Budgets has given an unfavourable opinion.

I put draft Amendment No 21 to the vote.

Draft Amendment No 21 is adopted by 120 votes to 20.

Draft Amendment No 116 therefore becomes void.

On Chapter 28, Article 289, I have draft Amendment No 125, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 125 is adopted by 142 votes.

On Chapter 29, Article 291, I have draft Amendment No 134, tabled by Mr Alfred Bertrand on behalf of the Christian-Democratic Group, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 134 is adopted by 142 votes, with 1 abstention.

We proceed to *Title III*.

On Chapter 30, Article 300, I have draft Amendment No 27, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 27 is rejected.

On Chapter 30, Article 301, Item 3010, I have draft Amendment No 28, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 28 is rejected.

On Chapter 30, Article 301, Item 3011, I have draft Amendments No 67, tabled by the Committee on Social Affairs, Employment and Education, and No 117, tabled by the European Conservative Group, on which the Committee on Budgets has given an unfavourable opinion.

I put draft Amendment No 117 to the vote.

Draft Amendment No 117 is rejected.

I put draft Amendment No 67 to the vote.

Draft Amendment No 67 is rejected.

On Chapter 30, Article 302, Item 3021, I have draft Amendment No 68, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 68 is rejected.

On Chapter 30, Article 303, Item 3031, I have draft Amendments Nos 76/rev./II and 80, both tabled by the Committee on Social Affairs, Employment and Education, and on which the Committee on Budgets has given a favourable opinion as to the content, and No 137, tabled by the Committee on Budgets.

I call Mr Dalyell.

Mr Dalyell. — Did I understand you to say that this was in fact endorsed by the Committee on Budgets ? My understanding was that it was not endorsed by the Committee on Budgets, some of whose members understand very clearly that this jeopardizes the whole procedure of consultation.

President. — I call Lord Bruce of Donington.

Lord Bruce of Donington, general rapporteur. — Mr President, my understanding of the position of the Committee on Budgets is that they gave a favourable opinion on that part of the amendment increasing the 150 000 u.a. in payments and 350 000 u.a. in commitments for 1978 and 1979. However, the committee decided to table a new amendment to take account of the presentation that it wishes to have for commitment appropriations. There was some discussion, Mr President, in the Committee on Budgets late last night on this, and my understanding of the position is that if there is any conflict at all with the Council on this

President

matter — and it is a technical matter — then it is one that is capable of solution during the consultative process that will start as soon as the Council have received the budget.

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — (D) Mr President, Lord Bruce has explained our discussions. Proposed Modification No 137 simply attempts to establish a basis for discussion with the Council on commitment authorizations and payment authorizations. The decision on the matter was as appears in proposed Modification No 137.

President. — I understand that the Committee on Budgets is favourably disposed, subject to future consultation with the Council. In these circumstances, which I regard as being sufficiently clear, I put draft Amendment No 76/rev./II to the vote.

Draft Amendment No 76/rev./II is adopted by 126 votes to 6, with 1 abstention.

Draft Amendments Nos 80 and 137 consequently become void.

On Chapter 30, Article 304, I have draft Amendment No 29, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 29 is rejected.

On Chapter 30, Article 305, Item 3050, I have draft Amendment No 30/corr., tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 30/corr. is adopted by 141 votes, with 1 abstention.

On Chapter 30, Article 305, Item 3051, I have draft Amendment No 31, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 31 is rejected.

On Chapter 30, Article 306, I have draft Amendment No 69/rev., tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 69/rev. is adopted by 142 votes.

On Chapter 30, Article 307, I have three draft amendments :

- draft Amendment No 118, tabled by the European Conservative Group, on which the Committee on Budgets has given a favourable opinion ;
- draft Amendment No 32, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion ;
- draft Amendment No 168/rev., tabled by Mr Fellermaier, on behalf of the Socialist Group, on which the Committee on Budgets has given an unfavourable opinion.

I put draft Amendment No 118 to the vote.

Draft Amendment No 118 is adopted by 129 votes to 4, with 10 abstentions. The adoption of this amendment implies a similar modification to the Remarks (7) to Chapter 10, Article 100.

I put draft Amendment No 32 to the vote.

Draft Amendment No 32 is rejected.

I put draft Amendment No 168/rev. to the vote.

Draft Amendment No 168/rev. is rejected.

On Chapter 31, Article 316, I have draft Amendment No 111, tabled by Mr Gibbons on behalf of the Committee on Agriculture, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 111 is adopted by 130 votes to 10, with 2 abstentions.

On Chapter 32, Article 320, Item 3200, I have the following draft Amendments :

- No 121, tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets ;
- No 23, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research, on which the Committee on Budgets has given a favourable opinion ;
- No 24, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research, on which the Committee on Budgets has given a favourable opinion as to the content ;
- No 122, tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets.

I put draft Amendment No 121 to the vote.

Draft Amendment No 121 is adopted by 140 votes.

Draft Amendment Nos 23 and 24 accordingly become void.

I put draft Amendment No 122 to the vote.

Draft Amendment No 122 is adopted by 132 votes.

On Chapter 32, Article 320, Item 3201, I have the following draft amendments :

- No 46, tabled by Mr Hougardy on behalf of the Committee on Energy and Research ;
- No 45/corr., tabled by Mr Hougardy on behalf of the Committee on Energy and Research.

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The Committee on Budgets has given a favourable opinion on both these draft amendments.

I put draft Amendment No 46 to the vote.

Draft Amendment No 46 is adopted by 141 votes.

Draft Amendment No 45/corr. accordingly becomes void.

On Chapter 32, Article 321, I have the following draft amendments :

— No 48, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research ;

— No 47, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research.

The Committee on Budgets has given a favourable opinion on both these draft amendments.

I put draft Amendment No 48 to the vote.

Draft Amendment No 48 is adopted by 128 votes to 3, with 7 abstentions.

Draft Amendment No 47 accordingly becomes void.

On Chapter 32, I have draft Amendment No 25, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research, inserting a new Article 322. On this draft amendment the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 25 is adopted by 138 votes.

On Chapter 32, Article 329, I have draft Amendment No 95 tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 95 is adopted by 136 votes to 1.

This draft amendment is related to draft Amendment No 93, concerning Chapter 94 of Part I Revenue 2.

On Chapter 23, Article 330, I have draft Amendments Nos 126, 127, 135, 132, 136 and 133, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets, and Nos 72, 71 and 73/rev., tabled by Mr Hougardy on behalf of the Committee on Budgets has given a favourable opinion.

I put draft Amendment No 126 to the vote.

Draft Amendment No 126 is adopted by 135 votes, with 1 abstention.

I put to the vote draft Amendment No 127.

Draft Amendment No 127 is adopted by 136 votes, with 1 abstention.

I put draft Amendment No 135 to the vote.

Draft Amendment No 135 is adopted by 133 votes to 1.

I put draft Amendment No 132 to the vote.

Draft Amendment No 132 is adopted by 133 votes to 1.

I put draft Amendment No 136 to the vote.

Draft Amendment No 136 is adopted by 131 votes to 1.

I put draft Amendment No 133 to the vote.

Draft Amendment No 133 is adopted by 131 votes to 1.

Draft Amendments Nos 72, 71 and 73/rev. accordingly become void.

Still on Chapter 33, I have draft Amendment No 74, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research, modifying Annex I to Volume V. The opinion of the Committee on Budgets is unfavourable.

I put this text to the vote.

Draft Amendment No 74 is rejected.

On Chapter 35, Article 350, I have draft Amendment No 3, tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 3 is rejected.

On Chapter 35, Article 351, I have draft Amendment No 4, tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 4 is adopted by 134 votes.

On Chapter 35, Article 353, Item 3531, I have draft Amendment No 119, tabled by the European Conservative Group, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 119 is rejected.

On Chapter 35, Article 354, Item 3540, I have draft Amendment No 5, tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 5 is adopted by 133 votes.

On Chapter 35, Article 354, Item 3541, I have draft Amendment No 6, tabled by Mr Jahn on behalf of the Committee on Environment, Public Health and Consumer Protection, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 6 is adopted by 134 votes.

On Chapter 35, Article 355, Item 3550, I have the following draft amendments :

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— No 7, tabled by Mr Jahn, on behalf of the Committee on the Environment, Public Health and Consumer Protection ;

— No 55, tabled by the Group of European Progressive Democrats.

The Committee on Budgets has given a favourable opinion on both draft amendments, which are of identical content.

I put draft Amendment No 7 to the vote.

Draft Amendment No 7 is adopted by 133 votes.

Draft Amendment No 55 therefore becomes void.

On Chapter 35, Article 355, Item 3551, I have the following draft amendments :

— No 56, tabled by the Group of European Progressive Democrats ;

— No 8, tabled by Mr Jahn, on behalf of the Committee on the Environment, Public Health and Consumer Protection.

The Committee on Budgets has given a favourable opinion on both these amendments, which are of identical content.

I put draft Amendment No 8 to the vote.

Draft Amendment No 8 is adopted by 133 votes.

Draft Amendment No 56 therefore becomes void.

On Chapter 35, Article 356, I have draft Amendment No 57, tabled by the Group of European Progressive Democrats, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 57 is adopted by 133 votes.

On Chapter 36, Article 362, Item 3621, I have the following draft amendments :

— No 49, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research ;

— No 50, tabled by Mr Hougardy, on behalf of the Committee on Energy and Research ;

The Committee on Budgets has given a favourable opinion on both these draft amendments.

I put draft Amendment No 50 to the vote.

Draft Amendment No 50 is adopted by 133 votes.

Draft Amendment No 49 therefore becomes void.

On Chapter 37, Article 370, I have draft Amendment No 58, tabled by the Group of European Progressive Democrats, inserting a new Item 3700.

The opinion of the Committee on Budgets is favourable.

I put this text to the vote.

Draft Amendment No 58 is adopted by 130 votes to 4.

Still on Chapter 37, Article 370, I have the following draft amendments :

— No 35, tabled by the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has given an unfavourable opinion ;

— No 34, tabled by the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has given an unfavourable opinion ;

— No 59/rev., tabled by the Group of European Progressive Democrats, on which the Committee on Budgets has given a favourable opinion.

All these three draft amendments would insert a new Item 3701.

I put draft Amendment No 35 to the vote.

Draft Amendment No 35 is rejected.

I put draft Amendment No 34 to the vote.

Draft Amendment No 34 is rejected.

I put draft Amendment No 59/rev. to the vote.

Draft Amendment No 59/rev. is adopted by 133 votes to 3, with 1 abstention.

On Chapter 37, I have 6 draft amendments entering a new Article 371 and a new Item 3710 :

— No 102/rev., tabled by Lord Bruce of Donington on behalf of the Committee on Budgets ;

— No 91, tabled by Mr Fletcher on behalf of the Committee on Regional Policy, Regional Planning and Transport, on which the Committee on Budgets has given an unfavourable opinion ;

— No 37, tabled by the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has given an unfavourable opinion and which has been withdrawn ;

— No 60, tabled by the Group of European Progressive Democrats, which has been withdrawn ;

— No 36 tabled by the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has given an unfavourable opinion ;

— No 90, tabled by Mr Fletcher on behalf of the Committee on Regional Policy, Regional Planning and Transport, on which the Committee on Budgets has given an unfavourable opinion.

I put draft Amendment No 102/rev. to the vote.

Draft Amendment No 102/rev. is adopted by 137 votes.

Draft Amendments No 91, 90 and 36 therefore become void.

On Chapter 37, I have six more draft amendments inserting a new Article 371 and a new Item 3711 :

— No 88, tabled by Mr Fletcher on behalf of the Committee on Regional Policy, Regional Planning and Transport, of which the Committee on Budgets has given an unfavourable opinion ;

President

- No 39, tabled by the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has given an unfavourable opinion ;
- No 61, tabled by the Group of European Progressive Democrats, which has been withdrawn ;
- No 38, tabled by the Committee on Economic and Monetary Affairs, on which the Committee on Budgets has given an unfavourable opinion ;
- No 130, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets ; and
- No 87, tabled by Mr Fletcher, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on which the Committee on Budgets has given an unfavourable opinion.

I put draft Amendment No 88 to the vote.

Draft Amendment No 88 is rejected.

I put draft Amendment No 39 to the vote.

Draft Amendment No 39 is rejected.

I put draft Amendment No 38 to the vote.

Draft Amendment No 38 is adopted by 116 votes to 23.

Draft Amendments Nos 130 and 87 therefore become void.

On Chapter 37, Article 372, Item 3721, I have draft Amendment No 75, tabled by Mr Hougardy on behalf of the Committee on Energy and Research, on which the Committee on Budgets has given a favourable opinion.

I put his text to the vote.

Draft Amendment No 75 is adopted by 139 votes.

On Chapter 39, Article 392, Item 3920, I have draft Amendment No 33, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 33 is rejected.

On Chapter 39, Article 392, Item 3921, I have the following draft amendments :

- No 70, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion ;
- No 170, tabled by Mr Durieux on behalf of the Liberal and Allies Group.

These two texts are of identical content.

I call Mr Bangemann.

Mr Bangemann. — (*D*) Mr President, the content is not quite the same, for in Mr Durieux text the appropriations are blocked.

President. — There is therefore a difference between these two texts.

I put draft Amendment No 70 to the vote.

Draft Amendment No 70 is rejected.

I put draft Amendment No 170 to the vote.

Draft Amendment No 170 to the vote.

Draft Amendment No 170 is rejected.

On Chapter 39, Article 393, I have the following draft amendments :

- No 51, tabled by the political Affairs Committee, on which the Committee on Budgets has given an unfavourable opinion ;
- No 171, tabled by Mr Durieux on behalf of the Liberal and Allies Group, on which the Committee on Budgets has given an unfavourable opinion ;
- No 174, tabled by Mr Schuijt, on behalf of the Christian-Democratic Group, and Mr Broeks, on behalf of the Socialist Group, on which the Committee on Budgets has given a favourable opinion.

I put draft Amendment No 174 to the vote.

Draft Amendment No 174 is adopted by 129 votes to 10.

Draft Amendments Nos 51 and 171 therefore become void.

We proceed to *Title IV*.

On Chapter 42, I have draft Amendment No 96, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 96 is adopted by 134 votes to 2.

This draft amendment is related to draft Amendment No 94 concerning Chapter 94 of Revenue.

On Chapter 49, I have the following draft amendments :

- No 40/rev., tabled by the Committee on Economic and Monetary Affairs, in which the Committee on Budgets has given an unfavourable opinion ; and
- No 129, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put draft Amendment No 40/rev. to the vote.

Draft Amendment No 40/rev. is rejected.

I put draft Amendment No 129 to vote.

Draft Amendment No 129 is adopted by 134 votes to 2.

We now proceed to *Title V*.

On Chapter 50, Article 500, I have the following draft amendments :

President

- No 81, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given favourable opinion;
- No 163, tabled by Mr Fellermaier on behalf of the Socialist Group, on which the Committee on Budgets has given an unfavourable opinion.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, on behalf of my group I request a vote by roll-call on draft Amendment No 163.

President. — I call Lord Bruce.

Lord Bruce of Donington, general rapporteur. — Mr President, the next series of amendments, Nos 163, 161, 162, 164, 165, 166 and 167, in the name of Mr Fellermaier, all embody the same principle. They are all closely allied. They originated from our rapporteur's preliminary draft report. It might be to the convenience of the House if they were taken together.

President. — Ladies and gentlemen, since the vote by roll-call has been requested by Mr Fellermaier on behalf of his group, it is granted automatically. As decided at the beginning of this afternoon's sitting, this vote will take place after those by normal procedure. We shall set aside, as suggested by Lord Bruce, draft Amendments Nos 163, 161, 162, 164, 165, 166 and 167 in the hope that there will not be as many votes by roll-call as there are draft amendments but that the vote on the first text will serve as an indication of the treatment to be given to the rest.

Lord Bruce of Donington, general rapporteur. — Mr President, in connection with this group of amendments under Title 5, and the group of amendments that were put down by the Committee on Social Affairs, Employment and Education, Nos 81, 79, 83, 84, 85 and 86, I would point out that those by Mr Fellermaier are in respect of greater sums than those tabled by the above committee. It might conceivably be to the advantage of the proceedings if the vote on Mr Fellermaier's amendments took place first.

President. — I call Mr Bangemann.

Mr Bangemann. — (D) Mr President, I should like to point out that Mr Fellermaier did not request a vote by roll-call on the draft amendments tabled by the Committee on Social Affairs, and a vote can now be taken on these drafts, i.e., drafts Nos 81 ff. to Chapter 50, Social Fund.

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — (D) Mr President, Mr Bangemann's suggestion is certainly well-intentioned, but since the draft amendments tabled by the Socialist Group are linked in content to those tabled by the Committee on Social

Affairs, if a vote were now taken on the draft amendments tabled by the Committee on Social Affairs and then those tabled by the Socialist Group were later adopted, then the first vote would be tacitly invalidated: it might just as well not have been taken. I should therefore like to request that the two sets of amendments be dealt with together. That seems to me to be more sensible as far as the House's decision is concerned.

President. — I think the chairman of the Committee on Budgets is right. If we were to vote now on the draft amendments which deal with the same subject but for which there has been no request for a vote by roll-call, either the result of that vote would preclude a vote by roll-call on the draft amendments tabled by the Socialist Group or we should risk arriving at a contradictory vote. We must deal with them all by roll-call, either now or later: we cannot apply two different procedures.

I call Sir Peter.

Sir Peter Kirk. — Mr President, I did in fact agree on behalf of my group to put off the vote by roll-call until the end of the afternoon. I am beginning to wonder whether I was right to do so. I think it might be more sensible to have it now. We could all do with a break anyway and a roll-call vote enables us to have one and also we could then solve this particular problem now. I think the House is about as full as it is likely to be this afternoon and you will get the quorum that you need.

(Applause)

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) On behalf of my group, I agree to the proposal by the chairman of the Conservative Group.

President. — Ladies and gentlemen, I have no objection, even though a different course of action was decided upon. Indeed, we were wondering whether there would be a quorum.

We shall accordingly now proceed to vote by roll-call on draft Amendment No 163. If it is adopted, draft Amendment No 81 will obviously become void. If not, I shall put draft Amendment No 81 to the vote.

The name of the Member with whom the roll-call is to begin will now be drawn.

The roll-call will begin with Mr Lange. The vote may commence. I ask the Secretary-General to call the roll.

(The roll-call was taken)

The ballot is closed. Here is the result of the vote.

Number of Members voting: 144.

Abstentions: 5: Mr Clerfayt, Mr Cointat, Mr Liogier, Mr de la Malène, Mr Rivierez.

Votes cast: 139.

President

For : 98 :

Mr Adams, Mr Ajello, Mr Albers, Mr Albertini, Mr Albertsen, Mr Amadei, Lord Ardwick, Mr Bayerl, Mr Behrendt, Mr Bersani, Lord Bessborough, Lord Bethell, Mr Broeks, Lord Bruce of Donington, Mr Caro, Mrs Cassanmagnago Ceretti, Lord Castle, Mr Colombo, Mr Corterier, Mr Creed, Mr Dalyell, Mr Delmotte, Mr Didier, Mr Dondelinger, Mrs Dunwoody, Mr Dykes, Mr Ellis, Mr Evans, Mr Faure, Mr Fellermaier, Mr Fioret, Mr Flämig, Mr Fletcher, Mr Frehsee, Sir Geoffrey de Freitas, Mr Galluzzi, Mr Gibbons, Mr Giraud, Mr Glinne, Mr Granelli, Mr Haase, Mr Hamilton, Mr Hansen, Mr Herbert, Mr Hughes, Mrs Iotti, Mr Jakobsen, Mr Kavanagh, Mrs Kellett-Bowman, Sir Peter Kirk, Mr Laban, Mr Lagorce, Mr Lange, Mr Laudrin, Mr Lautenschlager, Mr Lenihan, Mr Leonardi, Mr Lezzi, Mr Ligios, Mr McDonald, Mr Marinelli, Mr Mascagni, Mr Masullo, Mr Mitchell, Mr Molloy, Mr Willi Müller, Mr Noë, Mr Nolan, Mr Normanton, Mr Osborn, Mr Patijn, Mr Pisoni, Mr Pistillo, Mr Prescott, Mr Pucci, Mr Radoux, Lord Reay, Sir Brandon Rhys Williams, Mr Ripamonti, Lord St. Oswald, Mr Sandri, Mr Scelba, Mr Schmidt, Mr Scott-Hopkins, Mr Seefeld, Mr Shaw, Mr Spénale, Mr Spicer, Mrs Squarcialupi, Mr Stewart, Mr Suck, Mr Vandewiele, Mr Vernaschi, Mr Veronesi, Mr Vitale, Sir Derek Walker-Smith, Mr Walkhoff, Mr Waltmans

Against : 41 :

Mr Achenbach, Mr Aigner, Mr Artzinger, Mr Bange-mann, Mr A. Bertrand, Mr Bettiza, Mr Brugger, Mr Burghbacher, Mr Caillavet, Mr Cifarelli, Mr Cofelli, Mr De Clercq, Mr Deschamps, Mr Durieux, Miss Flesch, Mr Früh, Mr Geurtsen, Mr Guldberg, Mr Van der Gun, Mr Hougardy, Mr Howell, Mr Jahn, Mr Johnston, Mr Klepsch, Mr Kofoed, Mr Lückner, Mr Martens, Mr Van der Mei, Mr Meintz, Mr Memmel, Mr Émile Muller, Mr Mursch, Mr Ney, Mr Brøndlund Nielsen, Mr Notenboom, Mr Plebe, Mr Santer, Mr Schuijt, Mr Schwabe, Mr Springorum, Mrs Walz.

Draft Amendment No 163 is rejected.

I put to the vote draft Amendment No 81, on which the opinion of the Committee on Budgets is favourable.

Draft Amendment No 81 is adopted by 113 votes.

On Chapter 50, Article 501, I have the following draft amendments.

— No 79, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion ;

— No 161, tabled by Mr Fellermaier on behalf of the Socialist Group, on which the Committee on Budgets has given an unfavourable opinion.

I put draft Amendment No 161 to the vote.

Draft Amendment No 161 rejected.

I put draft Amendment No 79 to the vote.

Draft Amendment No 79 is adopted by 115 votes.

Mr Fellermaier, does the Socialist Group maintain its other draft amendments to Chapters 50 and 51 ?

Mr Fellermaier. — (D) No, Mr President.

President. — Draft Amendments Nos 162, 164, 165, 166 and 167 are accordingly withdrawn.

We shall now consider the draft Amendments tabled by the Committee on Social Affairs, Employment and Education.

On Chapter 50, Article 502, I have draft Amendment No 82, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 82 is adopted by 119 votes.

On Chapter 50, Article 503, I have draft Amendment No 83, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Draft Amendment No 83 is rejected.

On Chapter 50, Article 504, I have draft Amendment No 84, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 84 is adopted by 117 votes.

On Chapter 51, Article 510, I have draft Amendment No 85, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 85 is adopted by 115 votes.

On Chapter 51, Article 511, I have draft Amendment No 86, tabled by the Committee on Social Affairs, Employment and Education, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 86 is adopted by 111 votes.

On Chapter 55, draft Amendment No 115, tabled by the European Conservative Group, has been withdrawn.

President

On Chapter 55, Article 550, I have draft Amendment No 63/corr., tabled by the Group of European Progressive Democrats, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 63/corr. is adopted by 112 votes to 10, with 1 absention.

On Chapter 59, I have the following draft amendments :

- No 1/rev., tabled by Mr Cointat on behalf of the Group of European Progressive Democrats, on which the Committee on Budgets has given an unfavourable opinion ; and
- No 128, tabled by Lord Bruce of Donington on behalf of the Committee on budgets.

I put draft Amendment No 1/rev. to the vote.

Draft Amendment No 1/rev. is rejected.

I put draft Amendment No 128 to the vote.

Draft Amendment No 128 is adopted by 113 votes.

We pass to *Title VI*.

On Chapter 65, article 652, Item 6520, I have proposed Modification No 110, tabled by Mr Gibbons on behalf of the Committee on Agriculture, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

Proposed Modification No 110 is rejected.

We proceed to *Title VII*.

On Chapter 75, Article 750, I have proposed Modification No 106, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Proposed Modification No 106 is adopted. The adoption of this modification implies the entry of new appropriations under Title IV by way of compensation.

On Chapter 78, Article 780, Items 7800 and 7801, Article 781, Items 7810 and 7811, I have proposed Modification No 105, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I now put this text to the vote.

Proposed Modification No 105 is adopted. The adoption of this modification implies the entry of new appropriations under Title IV.

On Chapter 79, Article 790, I have proposed Modification No 112, tabled by Mr Gibbons on behalf of the Committee on Agriculture, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Proposed Modification No 112 is adopted. The adoption of this modification implies the entry of new appropriations under Title IV.

We now proceed to *Title VIII*.

On Chapter 80, Article 800, I have proposed Modification No 109, tabled by Mr Gibbons on behalf of the Committee on Agriculture, on which the Committee on Budgets has given an unfavourable opinion.

I put this text to the vote.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

Proposed Modification No 109 is adopted.

On Chapter 81, Article 810, Item 8104, I have proposed Modification No 64/corr., tabled by the Group of European Progressive Democrats, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Proposed Modification No 64/corr. is adopted.

On Chapter 81, Article 810, Item 8105, I have proposed Modification No 65, tabled by the Group of European Progressive Democrats, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Proposed Modification No 65 is adopted.

We now pass to *Title IX*.

On this title, I have draft Amendment No 98, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 98 is adopted by 109 votes.

On Chapter 92, Article 920, Item 9201, I have proposed Modification No 9, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Proposed Modification No 9 is adopted.

On Chapter 92, Article 921, Item 9211, I have proposed Modification No 10, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation, on which the Committee on Budgets has given a favourable opinion. I put this text to the vote.

Proposed Modification No 10 is adopted.

On Chapter 92, Article 922, Item 9221, I have the following proposed modifications :

- No 11, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation, on which the Committee on Budgets has given a favourable opinion ; and

President

— No 131, tabled by Lord Bruce of Donington on behalf of the Committee on budgets.

I put proposed Modification No 131 to the vote.

Proposed Modification No 131 is adopted.

Proposed Modification No 11 therefore becomes void.

On Chapter 92, Article 923, I have proposed Modification No 12, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation, on which the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Proposed Modification No 12 is adopted.

On Chapter 93, Article 930, I have the following three draft amendments :

— No 13, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation, which has been withdrawn ;

— No 14, tabled by Mr Deschamps on behalf of the Committee on development and cooperation, on which the Committee on Budgets has given a favourable opinion as to the content ; and

— No 139, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put draft Amendment No 14 to the vote.

Draft Amendment No 14 is rejected.

I put draft Amendment No 139 to the vote.

Draft Amendment No 139 is adopted by 113 votes.

On Chapter 93, Article 931, I have the following draft amendments :

— No 15, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation ; and

— No 16, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation.

The Committee on budgets has given a favourable opinion on both these draft amendments.

I put draft Amendment No 16 to the vote.

Draft Amendment No 16 is adopted by 115 votes.

Draft Amendment No 15 therefore becomes void.

On Chapter 94, Article 943, I have draft Amendment No 17, tabled by Mr Deschamps on behalf of the Committee on Development and cooperation. On this draft amendment, inscribing a new Item 9431, the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 17 is adopted by 114 votes to 1.

On Chapter 94, Article 945, I have draft Amendment No 138, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 138 is adopted by 101 votes to 15.

On Chapter 94, I have draft Amendment No 18, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation. On this draft amendment, which proposes the insertion of a new Article 947, the Committee on Budgets has given a favourable opinion.

I put this text to the vote.

Draft Amendment No 18 is adopted by 116 votes.

On Chapter 96, I have six draft amendments proposing the insertion of a new Article 962 :

— draft Amendments Nos 19 and 20, tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation ;

— draft Amendments Nos 99, 100 and 101, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets ; and

— draft Amendment No 169, tabled by Mr Bange-mann, Mr Clerfayt, Mr Cointat, Mr Terrenoire and Mrs Kruchow, on which the Committee on Budgets has given a favourable opinion.

Draft Amendments Nos 19 and 20 are, however, withdrawn.

I put draft Amendment No 99 to the vote.

Draft Amendment No 99 is adopted by 109 votes to 5.

Draft Amendment No 169 accordingly becomes void.

I put draft Amendment No 100 to the vote.

Draft Amendment No 100 is adopted by 113 votes.

I put draft Amendment No 101 to the vote.

Draft Amendment No 101 is adopted by 117 votes, with 1 abstention.

We proceed to *Titte X*.

On Chapter 100, I had draft Amendment No 173, tabled by Mr Fletcher on behalf of the European Conservative Group, but this has been withdrawn.

On Chapter 100 again, I have draft Amendment No 103, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 103 is adopted by 112 votes to 1.

Still on Chapter 100, I have five draft amendments concerning the 'Remarks' of Items 3710 and 3711 :

— draft Amendment No 62, tabled by the Group of European Progressive Democrats ;

— draft Amendment No 41/rev., tabled by the Committee on Economic and Monetary Affairs ;

— draft Amendment No 92, tabled by Mr Fletcher on behalf of the Committee on Regional Policy, Regional Planning and Transport ;

President

— draft Amendment No 89, tabled by Mr Fletcher on behalf of the Committee on Regional Policy, Regional Planning and Transport; and

— draft Amendment No 42/rev., tabled by the Committee on Economic and Monetary Affairs.

I put draft Amendment No 62 to the vote.

Draft Amendment No 62 is rejected.

I call Lord Bruce.

Lord Bruce of Donington, General Rapporteur. — Mr President, this series of amendments Nos 62, 41 92 and 89, was considered without purpose, given the decisions that had already been arrived at on draft Amendments Nos 46/3394 and 46/3393. I would invite you to consider that aspect of the matter before putting these items to the vote.

President. — I call Mr Cointat.

Mr Cointat. — (F) I am sorry I cannot agree with Lord Bruce. If the Committee on Budgets felt that these amendments should be rejected as being pointless it is because it had given a favourable opinion on the previous amendments, but since those were not adopted, the ones we are dealing with just now obviously do have a purpose.

President. — In any case, I now have to consult the House on draft Amendment No 41/rev.

I put this text to the vote.

Draft Amendment No 41/rev. is rejected.

Draft Amendment No 92 therefore becomes void.

I put draft Amendment No 89 to the vote.

Draft Amendment No 89 is rejected.

Draft Amendment No 42/rev. therefore also becomes void.

Still on Chapter 100, I have draft Amendment No 2, tabled by Mr Cointat of the Group of European Progressive Democrats, concerning a new point 12 in the 'Remarks'. The opinion of the Committee on Budgets is unfavourable.

I put this text to the vote.

Draft Amendment No 2 is rejected.

On Chapter 100 again, I have proposed Modification No 104, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets, concerning a new point 12 in the 'Remarks'.

I put this text to the vote.

Proposed Modification No 104 is adopted.

On Annex III, I have draft Amendment No 97, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets.

I put this text to the vote.

Draft Amendment No 97 is adopted by 120 votes.

I put to the vote Section III: *Commission*, thus amended and together with the proposed modifications that have been voted.

Section III, thus amended, is adopted.

I put to the vote Section IV: *Court of Justice*.

Section IV is adopted.

We now proceed to the vote on Part I: *Revenue*. Before doing so, however, I must consult the House on draft Amendments Nos 93 and 94, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets, which relate respectively to draft Amendments Nos 95 and 96, concerning Titles III and IV of Section III: *Commission*.

I put draft Amendment No 93 to the vote.

Draft Amendment No 93 is adopted by 107 votes.

I put draft Amendment No 94 to the vote.

Draft Amendment No 94 is adopted by 107 votes.

I put to the vote Part I: *Revenue*, on the understanding that it shall be modified in accordance with the decisions already taken by vote.

Part I: *Revenue* is adopted on this understanding.

I have received no proposal for the outright rejection of the draft General Budget. I therefore put to the vote the draft General Budget of the European Communities for the financial year 1977, as amended and together with the proposed modifications that have been voted.

The draft General Budget, thus amended, is adopted.

In conformity with the internal rules for the consideration of the draft General Budget, this document will be annexed to the Minutes of Proceedings of the present sitting and forwarded to the Council.

We now proceed to the vote on the motions for resolutions contained in the reports by Lord Bruce (Doc. 363/76 and Miss Flesch (Docs 371/76 and 368/76).

We shall begin with the motion for a resolution contained in the Flesch report on Section I: *Parliament*.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 4, tabled by Miss Flesch on behalf of the Committee on Budgets:

This paragraph to read as follows:

1. Points out that the modifications it has made to estimates derive mainly from:

(a) corrections resulting from decisions taken after these estimates had been adopted

(b) new factors which intervened after this adoption

(c) the increase in funds required by the Parliament to prepare for its elections by direct universal suffrage;

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

President

I put paragraphs 2 and 3 to the vote.

Paragraphs 2 and 3 are adopted.

On paragraph 4, I have two amendments :

— Amendment No 1, tabled by Mr Gerlach :

This paragraph to read as follows :

'4. Has corrected, *albeit with serious misgivings*, its estimates of revenue and expenditure and the list of posts annexed thereto in accordance with the draft amendments shown hereafter;'

— Amendment No 5, tabled by Miss Flesch on behalf of the Committee on Budgets :

This paragraph to read as follows :

'4. Has adopted its estimates of revenue and expenditure on the basis of the amendments adopted at 65 762 497 u.a.¹

I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

Amendment No 1 therefore becomes void.

After paragraph 4, I have the following two amendments :

— Amendment No 2, tabled by Mr Gerlach :

After paragraph 4, insert the following new paragraph :

'4a. Therefore urges the Bureau of the European Parliament to put an immediate stop to recruitment, except in the interpreting and translation service, in order to create the conditions required to ensure rational use of staff by means of appropriate improvements in personnel structure in the administration of the European Parliament;'

— Amendment No 3, tabled by Mr Gerlach :

After paragraph 4, add a new paragraph worded as follows :

'4b. Urges the Bureau to reduce administrative costs and, in a spirit of economy, to authorize only expenditure which is unavoidable and demonstrably necessary;'

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

On paragraph 5, I have Amendment No 6, tabled by Miss Flesch on behalf of the Committee on Budgets :

This paragraph to read as follows :

'5. Has modified its list of posts as follows :

A. Creation of posts

(a) Posts provided for in the Staff Regulations

3 A 5/4 (1 A 2 A 4)

1 A 7/6

2 B 3/2

6 B 5/4

4 C 1

17 C 3/2

6 C 5/4

13 D 3/2

(b) Temporary posts

2 B 3/2 (B 3)

1 C 1

1 C 3/2 (C 3)

B. Conversion posts

(a) Posts provided for in the Staff Regulations

1 A 7/6 to A 5/4

1 B 5/4 to B 3/2

(b) Temporary posts

Regrade 1 A 7 post as A 6 (correction)

Convert 1 C 1 post to B 3/2 (B3)

C. Permanent posts blocked

Of the permanent posts, the following are blocked :

1 B 3/2

2 B 5/4

5 C 3/2¹

I call Miss Flesch.

Miss Flesch, rapporteur. — (F) Mr President, on the basis of the decisions we have taken during today's voting and the texts we have adopted, a change should be made to Amendment No 6. Point C of this amendment reads :

Of the permanent posts, the following are blocked :

1 B 3/2

2 B 5/4

5 C 3/2.

Although this is in line with the decision of the Committee on Budgets, it no longer corresponds with the decision we have taken here in plenary sitting. This reference should therefore be deleted.

On the other hand, another decision taken by the Committee on Budgets, this time approved by the House, has inadvertently been omitted from the amendment. It should appear in point C, which should be worded as follows :

Of the permanent posts, the following are blocked :

1 A 5/4 (A 5)

1 B 3/2 (B 3)

1 C 3/2 (C 3).

President. — Ladies and gentlemen, I thank the rapporteur for these details, which were indispensable if the motion is to reflect the decisions you have taken by vote this afternoon.

I put to the vote Amendment No 6 as rectified by the rapporteur.

Amendment No 6, thus rectified, is adopted.

I call Mr Gerlach.

Mr Gerlach. — (D) I tabled three draft amendments, Mr President; unfortunately you have only allowed a vote on two of them. Apart from the fact that it is not customary in this House for no opportunity to be given to move amendments, I must formally protest against the conduct of the debate and state that I shall oppose the motion for a resolution tabled by the rapporteur, Miss Flesch.

¹ This figure to be reconsidered after the vote in plenary sitting.

¹ As in the case of the appropriations specified in paragraph 4, the modifications to the establishment plan table in respect of paragraph 5 take account only of the deliberations of the Committee on Budgets on 25 and 26 October. They may be modified in the light of Parliament's deliberations.

President. — Mr Gerlach, I take note of your statement, but would point out that all the amendments you tabled have been put to the vote.

I put the motion for a resolution as a whole, incorporating the various amendments that have been adopted, to the vote.

The resolution, thus amended, is adopted.¹

We now proceed to vote on the motion for a resolution contained in the Bruce report (Doc. 363/76), concerning Section III: *Commission*.

I call Sir Peter Kirk to speak on a point of order.

Sir Peter Kirk. — On behalf of my group I wish to ask for a separate vote on paragraphs 11, 18, 23, 26 and 43.

President. — These paragraphs will be put to the vote in the manner requested.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, I have Amendment No 1, tabled by Mr Alfred Bertrand on behalf of the Christian-Democratic Group:

This paragraph to be worded as follows:

'2. Deplors the blatant shortcomings of the Community's social policy and the Community's inability to develop a coherent economic policy.'

I call Mr Bertrand.

Mr A. Bertrand. — (NL) Mr President, Mr Cheysson has already referred to the illogical nature of the text in paragraph 2 — which contains more or less a vote of censure directed at the Commission, without, however, fulfilling the conditions required for this under Article 144 of the EEC Treaty.

I believe that Lord Bruce really wants to express his dissatisfaction with the fact that there is in the Community no tangible feeling of a social and economic policy having any effect. That is why I tabled an amendment which probably corresponds to the rapporteur's intentions but without naming an institution as such. The European Community as a whole misses the mark completely, and is totally unsuccessful in setting up a social and economic policy. I would therefore ask you to adopt the amendment.

President. — I call Mr Bangemann.

Mr Bangemann. — (D) Mr President, my group would accept Lord Bruce's wording if the Commission were excluded. The accusation against the Council is justified, but we support Mr Bertrand's motion.

President. — I call Lord Bruce.

Lord Bruce of Donington, general rapporteur. — Mr President, the language of Mr Bertrand's amendment is vaguely reminiscent of the kind of language that I sometimes use in the course of a debate. I rather thought that the language in paragraph 2 of the report itself put the position much more temperately, more in keeping with an opinion coming from the Committee on Budgets, and was also more precise. The Community's failure, which is mentioned by Mr Bertrand, is more precisely defined by a reference to the Commission and to the Council, especially in view of the fact that Parliament, the other remaining institution, has no powers at all and therefore one can hardly blame it. In regard to Mr Bangemann's views on the Commission, I would have thought, particularly in the light of observations that have come from all quarters of the House about certain sections of the Commission's activities, that the wording would be acceptable to him. I must therefore oppose the amendment, Mr President.

President. — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put to the vote paragraphs 3 to 10.

Paragraphs 3 to 10 are adopted.

I call Sir Peter Kirk to speak on paragraph 11.

Sir Peter Kirk. — Mr President, paragraph 11 seems to us to be fairly illusory. It is quite impossible, we believe, to have 'further possible improvements' in the calendar and at the same time expect 'improvements of forecasts for the agricultural sector', because the more you improve the calendar, the further back you are going to have to start the budgetary procedure and the less reliable your agricultural forecasts are going to be. This paragraph is self-contradictory. The improvement in the calendar this year has made the agricultural forecasts even less reliable than they otherwise would be and we suggest that the House should not accept this paragraph.

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — (D) Sir Peter, I don't know whether you were here this morning when I pointed out that all three bodies — Council, Commission and Parliament — must draw the necessary conclusions from our experience with this year's timetable, since we have encountered additional difficulties. The wording which refers to improving the timetable is therefore absolutely justified, and paragraph 11 can be approved, since it deals with a matter which we as the Parliament shall have to discuss with the Council and the Commission. There is also another consideration, but one which goes much, much further and that is whether, with regard to the decisions required in the agricultural

¹ OJ C 272 of 17. 11. 76.

Lange

sector, it is correct to retain 1 January as the beginning of the financial year at all. But that is another matter. However, the timetable can be improved.

President. — I put paragraph 11 to the vote.

Paragraph 11 is adopted.

I put paragraphs 12 to 17 to the vote.

Paragraphs 12 to 17 are adopted.

I call Sir Peter Kirk to speak on paragraph 18.

Sir Peter Kirk. — The problem we have with this paragraph is really quite simple. The phrase 'all lending activities and various funds' seems to us extremely vague. We are not certain precisely what it includes. Whether it includes for instance the European Investment Bank. We do not wish to prevent this highly desirable state of affairs coming about, but we feel that the wording is so vague that we would not wish to vote for it and we shall therefore abstain.

President. — I put paragraph 18 to the vote.

Paragraph 18 is adopted.

I put paragraphs 19 to 22 to the vote.

Paragraphs 19 to 22 are adopted.

I call Sir Peter Kirk to speak on paragraph 23.

Sir Peter Kirk. — In this paragraph we dislike intensely the phrase 'judicious use of the Community's capital potential within the context of its global economic and social objectives.' This could mean almost anything but appears to mean outright socialist planning within the Community and we shall vote against it.

(Mixed reactions)

President. — I call Lord Bruce.

Lord Bruce of Donington, general rapporteur. — Mr President, I must protest at the attitude taken by the leader of the Conservative Group on this. The resolution itself was discussed at some length in the Committee on Budgets, on which the European Conservative Group was represented, and it does rather seem to me that, under the guise of asking for separate votes, what he is now really confronting us with is a verbal wrecking amendment, and I do not feel we ought to proceed in this way. My colleagues and all other fair-minded Members who heard the arguments at some length know that what Sir Peter suggested is blatantly untrue so far as I am concerned. In the text of the speech I made on 25 October, he can verify this and I therefore invite the House to support the paragraph as it stands.

President. — I put paragraph 23 to the vote.

Paragraph 23 is adopted.

I put paragraph 24 to the vote.

Paragraph 24 is adopted.

On paragraph 25, I have Amendment No 2, tabled by Mr Scott-Hopkins on behalf of the European Conservative Group :

In this paragraph, replace the words 'failure of the institutions' by 'failure of the Council'.

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put paragraph 25 to the vote.

Paragraph 25 is adopted.

I call Sir Peter Krik to speak on paragraph 26.

Sir Peter Kirk. — The objection to both paragraphs 26 and 43 is the same. It really is not fair, we think, to blame the Commission — as we appear to do — for inadequate forecasting, when nobody can do any better and nobody does any better in our individual countries, and we therefore feel that it would be better to delete both these paragraphs in the interest of fairness to the Commission.

President. — I put paragraph 26 to the vote.

Paragraph 26 is adopted.

I put paragraphs 27 to 42 to the vote.

Paragraphs 27 to 42 are adopted.

I put paragraph 43 to the vote.

Paragraph 43 is adopted.

I put paragraphs 44 to 46 to the vote.

Paragraphs 44 to 46 are adopted.

I put to the vote the motion for a resolution as a whole, as amended.

The resolution, as amended, is adopted.¹

I now put to the vote the motion for a resolution contained in the Flesch report (Doc 368/76) on Sections II and IV of the draft General Budget.

The resolution is adopted.¹

We have now completed the voting on the General Budget of the Communities for 1977. The procedure we have followed is not, perhaps, entirely satisfactory, particularly as regards the consideration of amendments, and we shall have to consider ways of improving it for the future. Members have not always been able to speak on the amendments as they would have wished, and an attempt will be made to reconsider these procedures. We have been pressed for time, but the House has voted in every case with all due care.

¹OJ C 272 of 17. 11. 76.

President

When we consider the time at which this vote has taken place, we can, I think, congratulate ourselves on the fact that more than 140 Members have taken part in it.

I wish to thank the chairmen of the political groups and all the Members of this house who have made sure to attend this sitting in order to perform what is one of their principal duties.

Next I wish to thank the rapporteurs, Miss Flesch and Lord Bruce, for their noteworthy achievement and also Mr Lange, chairman of the Committee on Budgets.

(Prolonged applause)

I also wish to thank Mr Cheysson, who has made a valuable contribution to the progress of our work, both in the Committee on Budgets and in this Chamber.

(Applause)

Finally, on your behalf, I wish to thank all those officials who, in one way or another, have made it possible for our work to run smoothly — particularly the technical services, who have worked day and night on the production of our documents.

(Applause)

I call Mr Radoux.

Mr Radoux. — *(F)* Mr President, you have just thanked a lot of people, and I believe that this House, by its applause, has seconded those thanks. But we are also grateful to you for the exemplary way in which you have chaired these debates.

(Applause)

President. — Thank you, Ladies and gentlemen.

12. Amendment of the Rules of Procedure of Parliament

President. — The next item is the vote on the motions for resolutions contained in the second report by Mr Hamilton, on behalf of the Committee on the Rules of Procedure and Petitions, on the amendment of Chapter XI of the Rules of Procedure of the European Parliament (Doc. 336/76) and the second report by Mr Martens, on behalf of the same committee, on the amendment of Chapters I to X, XIII and XIV of the Rules of Procedure of the European Parliament (Doc. 335/76).

The question now arises whether we still have the quorum required for these votes. I draw your attention to the fact that certain political groups have expressed the intention, if this should not be the case, of proposing that the rest of today's agenda be deferred until 10 a.m. tomorrow.

I call Mr Hamilton.

Mr Hamilton, *rapporteur*. — I hope this Assembly will take very unkindly to the proposition that has

been put forward. I think there are sufficient Members present to get a hundred into this Chamber to give us the necessary quorum to proceed on this matter. I understand attempts are being made outside to bring Members back. I do not know how we can proceed at this moment, but there are at least a dozen Conservative Members who have deliberately walked out.

(Protests)

I am glad to see them back.

President. — I call Mr Spicer.

Mr Spicer. — We, as you will see, are all here with the exception of two or three, and perhaps our friends on the other side might make an effort to draw a few more people back into the Chamber.

President. — Ladies and gentlemen, so far you have all made a remarkable effort of attendance; all I ask is that you should keep it up for a little longer. After summoning those who, for very good reasons, may have left the Chamber, we shall proceed first of all to the consideration of the motion for a resolution contained in the Hamilton report.

The text of this motion for a resolution should be supplemented by adding the usual provisions which figure in the Martens report, that is to say:

Instructs its Secretary-General to have published a new edition of the Rules of Procedure thus amended, making sure there is perfect concordance between the texts in the six official languages, and decides that the Rules of Procedure thus amended shall enter into force at the beginning of the part-session following that at which they have been adopted.

Does anyone wish to speak?

I should now put the motion for a resolution, incorporating these additions, to the vote. I note, however, that only 76 Members are present, so that it would be impossible to reach the majority required. I therefore propose that we defer the two reports in question to the November part-session.

Are there any objections?

That is agreed.

13. Dates for the next part-session

President. — There are no other items on the agenda. I thank the representatives of the Council and the Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Luxembourg during the week from 15 to 19 November 1976.

Are there any objections?

That is agreed.

14. *Adjournment of the session*

President. — I declare the session of the European Parliament adjourned.

15. *Approval of the minutes*

President. — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval,

the minutes of proceedings of this sitting, which were written during the debate.

Are there any comments ?

The minutes of proceedings are approved.

The sitting is closed.

(The sitting was closed at 6.10 p.m.)

A N N E X

**PROPOSED MODIFICATIONS
and
DRAFT AMENDMENTS**

**to the draft General Budget
of the European Communities
for the financial year 1977**

**DRAFT
GENERAL BUDGET
OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1977**

Doc. 291/76

Draft Amendment No 1/rev.
tabled by Mr Cointat, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds
Chapter 59 — Aid to disaster victims in the Community
Enter an appropriation of 100 000 000 u.a.

(B) *Revenue*

Amend revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

It now seems certain that, in the course of the financial year 1977, the Community will have to commit appropriations with a view to aiding disaster victims in the Community.

Community solidarity will be particularly necessary in respect of the victims of the *drought*, which continues to affect Europe and will probably be followed by other meteorological disturbances (in particular floods).

The continuing distress of the victims of the earthquake in Friuli and of the volcanic eruption in Basse-Terre also calls for Community aid.

In view of the inevitable implications of these disasters, relatively substantial operational appropriations should be entered in the budget; in view of the uncertainty about the actual amount of damage caused, in particular by the drought, a provisional appropriation should also be entered.

The use of these appropriations will be decided on in due time in the framework of inter-institutional cooperation.

* * *

Draft Amendment No 2

tabled by Mr Cointat, on behalf of the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 200 000 000 u.a.

(B) *Revenue*

Amend revenue accordingly.

(C) *Remarks*

Insert the following in the remarks column :

'Aid to disaster victims in the Community

(Chapter 59 : 200 000 000 u.a.)'

JUSTIFICATION

It now seems certain that, in the course of the financial year 1977, the Community will have to commit appropriations with a view to aiding disaster victims in the Community.

Community solidarity will be particularly necessary in respect of the victims of the *drought*, which continues to affect Europe and will probably be followed by other meteorological disturbances (in particular floods).

The continuing distress of the victims of the earthquake in Friuli and of the volcanic eruption in Basse-Terre also calls for Community aid.

In view of the inevitable implications of these disasters, relatively substantial operational appropriations should be entered in the budget ; in view of the uncertainty about the actual amount of damage caused, in particular by the drought, a provisional appropriation should also be entered.

The use of these appropriations will be decided on in due time in the framework of inter-institutional cooperation.

* * *

Draft Amendment No 3

tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 350 — Radiation protection

Increase appropriations by 50 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) Remarks

Unchanged.

JUSTIFICATION

This Article relates to the specific responsibilities of the Commission in respect of radiation protection under Articles 30 to 39 of the EAEC Treaty. For 1977 the Commission proposed appropriations of 350 000 u.a. The Council reduced these by 50 000 u.a.

The Commission points out that the rise in appropriations over 1976 is due partly to increasing requirements in respect of studies on radioactivity in river water and partly to an expansion of operations justified by the need to keep pace, as regards protection from exposure to radiation, with the rapid growth of the production of nuclear energy in the Community.

The committee takes the view that this operation must be fully supported and therefore insists that the appropriations should be increased by 50 000 u.a. to the original figure of 350 000 u.a.

* * *

Draft Amendment No 4

tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 351 — Health and safety in respect of air and water

Increase appropriations by 40 000 u.a.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

Unchanged.

JUSTIFICATION

The appropriations entered under Article 351 are intended to cover projects to improve human living conditions by combatting water, air and soil pollution and noise nuisance.

The achievement of this aim implies objective evaluation of the risks associated with environmental pollution with a view to establishing common health standards and programmes for monitoring the population on the basis of new directives and harmonization of measuring and sampling methods.

The Committee fully supports this important objective which forms part of the Community's environmental action programme, approved on 22 November 1973, and requests that, in accordance with the Commission's proposals, the appropriations under Article 351 be increased by 40 000 u.a. to 480 000 u.a.

* * *

Draft amendment No 5
tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 354 — Community environmental protection measures

Item 3540 — Environmental studies

Increase appropriations by 112 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

This item relates to appropriations to cover the financial effects of the first environmental action programme approved by the Council on 22 November 1973 and the guidelines for the second programme adopted on 16 October 1975.

The Commission proposed 1 412 000 u.a. for this item. The Council reduced this amount by 112 000 u.a.

The Committee regrets that the Council has not taken full account of the financial implications of the implementation of an extended Community environmental policy. It therefore asks for the 1 412 000 u.a. proposed by the Commission to be fully reinstated under Item 3540.

Draft amendment No 6
tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 354 — Community environmental protection measures

Item 3541 — Environmental projects

Increase appropriations by 30 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

These appropriations are to cover projects to educate and inform the public.

The Commission proposed 150 000 u.a. for this item. The Council reduced this amount by 30 000 u.a.

The committee regrets that the Council has not taken full account of the important initiatives taken by the Commission in respect of environmental protection on the basis of the studies listed under item 3540. It therefore calls for the restoration of the original figure of 150 000 u.a.

* * *

Draft amendment No 7

tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 355 — Consumer protection and information

Item 3550 — Consumer protection studies

Increase appropriations by 20 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

To finance the measures to be taken at Community level in the field of consumer protection, the Commission has asked for 180 000 u.a. for 1977. The Council has reduced this amount by 20 000 u.a.

The Committee urges most strongly that these 20 000 u.a. be reinstated so as to enable the Commission to implement fully its programme of studies which the Council approved in April 1975.

* * *

Draft amendment No 8

tabled by Mr Jahn on behalf of the Committee on the Environment, Public Health and Consumer Protection

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of man and his environment

Article 355 — Consumer protection and information

Item 3551 — Consumer projects

Increase appropriations by 30 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

The Commission requested appropriations of 240 000 u.a. for its consumer protection and information policy. The Council reduced this amount by 30 000 u.a.

Since the implementation of the programme adopted by the Council in April 1975 involves an expansion of the fields of investigation and support measures in respect of consumer organizations at European level, the committee calls for the restoration of the appropriations proposed by the Commission.

* * *

Proposed modification No 9

tabled by Mr Deschamps, on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9

Article 920

Chapter 92 — Food aid

Item 9201 — Food aid in cereals 1977 programme

Increase appropriations by 53 790 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Operation based on the convention mentioned under Item 9200 and on the memorandum on EEC food aid policy (Commission communication to the Council of 6 March 1974 (COM(74) 300 final). The aim of the operation is to supply 1 128 700 tonnes of wheat in 1977 to developing countries. (Text of preliminary draft budget).

JUSTIFICATION

The Commission of the European Communities proposed an appropriation of 162 750 000 u.a. for the supply of 1 128 700 tonnes of cereals, the minimum quantities provided for in the triennial programme for the period 1974/1977 (see memorandum on food aid policy — Doc. 37/74).

The Council has cut the appropriations for this item to 108 960 000 u.a., representing 720 500 tonnes.

On 12 July 1974, the European Parliament approved the Commission's proposals on future Community policy with regard to food aid. On that occasion the European Parliament, among other things:¹

- approved the overall political concept put forward in the memorandum and supported in particular the proposals for the first indicative 3-year programme (1974/1975—1976/1977), since this was to be carried out entirely in the form of Community aid;
- requested the Commission to include in the Community budget the funds necessary for implementing the planned indicative programme in the time-limit set;
- pointed out that the minimum and maximum amounts laid down in the indicative programme represented only a fraction of what was needed by the developing countries to cover food aid shortages and therefore appealed urgently to the Community to extend food aid further in the coming years;
- took the view that increased aid also had political advantages since it would become part of the general Community development and peace policy and thus enhance the Community's moral stature in the world and contribute to the fulfilment of the obligations and objectives of the second development decade.

In view of the need for food aid in the developing countries and also in view of the Community's resources (particularly a stock of 1 300 000 tonnes of skimmed milk powder), your committee considers it politically justified and economically possible to carry out the minimum Commission proposals on food aid for 1977. It therefore considers that the abovementioned appropriations should be entered in the 1977 budget.

¹ OJ No C 93 of 7. 8. 1974

* * *

Proposed modification No 10

tabled by Mr Deschamps, on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9

Article 921

Chapter 92 — Food aid

Item 9211 — Food aid in milk products — skimmed milk powder programme 1977

Increase appropriations by 17 170 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

This operation is based on the same provisions as item 9210. Its aim is to supply 150 000 tonnes of skimmed milk powder to developing countries, and particularly to those countries which are in most need to cover their food shortage. (Text of preliminary draft).

JUSTIFICATION

The Community holds a stock of more than 1 300 000 tonnes of skimmed milk powder. The world market's capacity for absorption is minimal, while the needs of the developing countries are far from satisfied. On the basis of the minimum programme, the Commission of the European Communities proposed entering an appropriation of 58 850 000 u.a., which is sufficient for the purchase of 150 000 tonnes. The appropriation entered under this heading by the Council would pay for only 105 000 tonnes of skimmed milk powder.

In view of the quantities of skimmed milk that the Community still holds in stock and the needs of the developing countries, the Community, which in March 1976 decided on a programme of 200 000 tonnes, does not seem justified in reducing its contribution by half.

* * *

Proposed modification No 11
tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9
Article 922
Chapter 92 — Food aid
Item 9221 — Food aid (sugar) 1977 programme
Increase appropriations by 1 640 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

This operation is based on the same provisions as item 9220. Its purpose is to supply 6 153 tonnes of sugar to UNRWA for distribution to Palestinian refugees and 3 847 000 tonnes to other developing countries. (Text of preliminary draft.)

JUSTIFICATION

The Council proposed an appropriation of 2 570 000 u.a. for this item (representing 6 100 tonnes of sugar), whereas the Commission, in line with its minimum programme, had proposed supplying 10 000 tonnes of sugar (estimated cost 4 210 000 u.a.), of which 6 153 tonnes were to go to UNRWA for distribution to the Palestinian refugees and 3 847 tonnes to other developing countries (cf proposed modification to Item 9201).

* * *

Proposed modification No 12
tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9
Chapter 92 — Food aid
Article 923 — Food Aid (other commodities)
Enter an appropriation of 20 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

This operation is based on the conclusion of the Council of 16 July 1974 (Doc. T/411/74 (GCD), 25 July 1974): 'Agreement on the diversification of the range of products to be supplied and its adaptation to the needs of recipient countries taking into account the quantities available within the Community' and the memorandum on the EEC food aid policy (Commission Communication to the Council of 6 March 1974 (Doc. COM (74) 300 final).

It is designed to supply to the developing countries products other than cereals, skimmed-milk powder, butteroil or sugar and, in particular, products providing a more balanced diet: i.e., products with a very high protein content.

JUSTIFICATION

The Council has deleted the entire 20 000 000 u.a. proposed by the Commission. The Commission calculated that, under the minimum programme, an appropriation of 20 million u.a. would be needed to cover expenditure for other food aid commodities (processed cereal products, dehydrated eggs, etc.) which would ensure balanced nutrition (cf. proposed modification to Item 9201).

* * *

Draft amendment No 13

tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries

— Food aid and other expenditure

Chapter 93 — Financial and technical cooperation with the non-associated developing countries

Article 930 — Financial cooperation with non-associated developing countries

Enter an appropriation of 40 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter the following remarks :

Operation based on the Council Resolution of 16 July 1974 on financial and technical aid to the non-associated developing countries (Doc. T/411/74 of 25 July 1974) and the Commission communication to the Council on financial and technical aid from the Community to the non-associated developing countries 1976 — 1980 (Doc. COM (75) 95 final of 5 March 1975). The Council decided that this project should be financed under the 1976 Budget after amendment by the European Parliament.

Financial aid is firstly to finance projects for agricultural and food development in the non-associated developing countries, in particular the poorest in Latin-America and Asia. Moreover, these appropriations could be used to promote economic cooperation between the Communities and the developing countries, and for emergency aid. (First two paragraphs of the text of the preliminary draft).

JUSTIFICATION

On 22 January 1975 the Council adopted directives on financial cooperation with non-associated developing countries. The Council decided that this project should be financed under the 1976 budget after the proposal had been amended by the European Parliament.

The appropriations are intended to finance projects for agricultural and food development in non-associated developing countries in Latin-America and Asia.

The amount of 40 000 000 u.a. corresponds to the Commission's estimates.

* * *

Draft amendment No 14
tabled by Mr Deschamps, on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries
Chapter 93 — Financial and technical cooperation with non-associated developing countries
Article 930 — Financial cooperation with non-associated developing countries

Enter an appropriation of 40 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter the following remarks :

Operation based on the Council Resolution of 16 July 1974 on financial and technical aid to the non-associated developing countries (DOC. T/411/74 of 25 July 1974) and the Commission communication to the Council on financial and technical aid from the Community to the non-associated developing countries 1976 — 1980 (Doc. COM (75) 95 final of 5 March 1975). The Council decided that this project should be financed under the 1976 Budget after amendment by the European Parliament.

Financial aid is firstly to finance projects for agricultural and food development in the non-associated developing countries, in particular the poorest in Latin-America and Asia. Moreover, these appropriations could be used to promote economic cooperation between the Communities and the developing countries, and for emergency aid.

The appropriation authorized for 1977 amounts to 120 000 000 u.a.

The foreseeable timetable of dated and payments against commitments is as follows :

in u.a.

Commitments	Payments		
	1977	1978	1979
1977 : 120 000 000	40 000 000	60 000 000	20 000 000

(Text of preliminary draft)

JUSTIFICATION

The multiannual character of the operation based on the Council Resolution of 16 July 1974 and on the Commission communication to the Council on financial and technical aid to non-associated developing countries means that the relevant expenditure must itself be spread over several financial years and covered by commitment appropriations.

The amount of 120 000 000 u.a. corresponds to the Commission's estimates.

* * *

Draft amendment No 15
tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries
Chapter 93 — Financial and technical cooperation with the non-associated developing countries

Article 931 — Promotion of trade relations between the Community and non-associated developing countries

Increase appropriations by 1 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter the following remarks :

'The operation is based on the Council Resolution of 30 April 1974 on promotion of exports from non-associated developing countries (Doc. No T/230/74 of 6 May 1974) and the Commission Communication to the Council on financial and technical aid from the Community to the non-associated developing countries, 1976 — 1980 (Doc. No COM (75) 95 final of 5 March 1975).

The appropriations are intended to finance all operations divided in the 1976 Budget between Article 901 'Promotion of trade relations between the Community and non-associated developing countries', given an appropriation of 3.5 million u.a. and Article 933 'Measures to encourage the commercial promotion of exports from non-associated developing countries on Community markets', with an appropriation of 840 000 u.a.

This regrouping covers a number of activities, with two objectives :

- to facilitate the marketing of products from the developing countries on the Community market ;
- to encourage the developing countries to extend their production of exportable goods.

(Text of the first three paragraphs of the preliminary draft)

JUSTIFICATION

These appropriations are for financing all operations relating to the promotion of trade relations between the Community and non-associated developing countries, and measures to encourage the commercial promotion of exports from these countries on Community markets.

In 1976 the appropriations for such operations totalled 4 340 000 u.a. ; it hardly seems advisable to reduce the appropriations provided for the above purpose, since they were a natural corollary of the Council's decision of principle, of 22 January 1975 regarding the allocation of appropriations for development cooperation with non-associated developing countries.

Your committee considers it desirable and necessary for the Community to continue these operations, lest it lose its credibility with the Third World.

* * *

Draft amendment No 16

tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries

Chapter 93 — Financial and technical cooperation with the non-associated developing countries

Article 931 — Promotion of trade relations between the Community and non-associated developing countries

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter the following remarks :

'The operation is based on the Council Resolution of 30 April 1974 on promotion of exports from non-associated developing countries (Doc. No T/230/74 of 6 May 1974) and the

Commission Communication to the Council on financial and technical aid from the Community to the non-associated developing countries, 1976 — 80 (Doc. No COM (75) 95 final of 5 March 1975).

These appropriations are intended to finance all operations divided in the 1976 Budget between Article 901 'Promotion of trade relations between the Community and non-associated developing countries', given an appropriation of 3.5 million u.a. and Article 933 'Measures to encourage the commercial promotion of exports from non-associated developing countries on Community markets', with an appropriation of 840 000 u.a.

This regrouping covers a number of activities, with two objectives :

- to facilitate the marketing of products from the developing countries on the Community market ;
- to encourage the developing countries to extend their production of exportable goods.

The appropriation authorized for 1977 amounts to 5 million u.a.

The foreseeable timetable of dates and payments against commitments is as follows :

in u.a.

Appropriations for Commitments	Appropriations for Payments		
	1977	1978	1979
1977 : 5 000 000	4 500 000	500 000	—

(Text of preliminary draft)

JUSTIFICATION

The multi-annual nature of operations based on the Council Resolution of 30 April 1974 on the promotion of exports from non-associated developing countries and the Commission Communication to the Council on financial and technical aid from the Community to the non-associated developing countries implies that the corresponding appropriations should also relate to several financial years and therefore be entered under commitment appropriations.

The 5 000 000 u.a. corresponds to the Commission's estimates.

* * *

Draft amendment No 17

tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-Member States

Chapter 94 — Special measures for financial and technical cooperation with the developing countries

Article 943 — EEC subsidy for the operation of a European Association for Cooperation (EAC)

Enter the following new item :

Item 9431 — Subsidy to the European Association for Cooperation in respect of the Commission delegations operating in the Maghreb countries

Enter an appropriation of 681 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION

The European Community and its Member States have just concluded cooperation agreements with the Maghreb countries. The application of the financial protocols of these agreements requires the installation of Commission delegations in Rabat, Tunis and Algiers. The appropriations are not

intended to cover expenditure connected with the remuneration of the three Heads of the delegations, from whom posts are included in the Commission's list of posts, but the expenditure necessary for the remuneration of the other staff and the operating costs of these delegations.

The Council's reason for rejecting the amount entered by the Commission is that the proposals from the Commission were not submitted to it in due time.

Your committee takes the view that such arguments do not justify the Council in rejecting an item which it cannot deny is necessary.

* * *

Draft amendment No 18

tabled by Mr Deschamps, on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries

Chapter 94 — Special measures for financial and technical cooperation with the developing countries

Enter a new article 947 — Community contribution to the International Fund for Agricultural Development

Make a token entry.

(B) *Revenue*

Unchanged.

(C) *Remarks*

Enter the following remarks.

'Operation based on the Commission communication to the Council of 4 June 1975 on the preparation of the first World Food Council (Rome, 23-27 June 1975).

The aim is to finance the Community contribution to the International Fund for Agricultural Development, a special United Nations agency set up to promote food production in the countries of the Third World.

JUSTIFICATION

This measure represents a Community contribution to international operations in the United Nations fight against underdevelopment. It is a corollary to cooperation projects existing already between these two organizations such as the EEC-UNRWA Convention and United Nations emergency action.

Member States' participation in such a project must take the form of Community action and the EEC's financial contribution must figure in its budget.

* * *

Draft amendment No 19

tabled by Mr Deschamps, on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-Member States

Chapter 96 — Cooperation with non-Member countries

Enter a new article 962 — non-returnable aid and special loans granted under financial protocols

Make a token entry.

(B) *Revenue*

Unchanged.

(C) *Remarks*

Enter the following remarks :

'New Article

Measures based on Article 238 of the EEC Treaty, on Council Regulation (EEC) No 939/76 of 23 April 1976 concluding the Financial Protocol between the EEC and Malta (OJ No L 111 of 28 April 1976) and on the agreements between the European Economic Community, the Kingdom of Morocco, the Republic of Tunisia (COM(76) 5 final of 16 January 1976) and the Democratic and Popular Republic of Algeria (COM (76) 44 final of 6 February 1976) and on agreements being negotiated (Mashrek countries, Israel) or to be negotiated at a later date in the context of the overall Mediterranean approach, and likely to affect budgets in and after financial year 1977.

The appropriations entered against this article of the budget are intended to permit the implementation of non-EIB financial aids set out in the financial protocols to the agreements with the abovementioned countries. (Text of preliminary draft).

JUSTIFICATION

To ensure transparency of Community policy in this field, and in view of Parliament's right to inspect Community expenditure, it is absolutely essential for this item to be entered in the budget. Parliament has several times stressed the need to include in the budget all Community expenditure in respect of cooperation and development policy.

* * *

Draft amendment No 20

tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries

Chapter 96 — Cooperation with non-member countries.

Enter the following article :

Article 962 — Non-returnable aid and special loans granted under financial protocols

Make a token entry.

(B) *Remarks*

Unchanged.

(C) *Remarks*

Enter the following remarks :

'Measure based on Article 233 of the EEC Treaty, on Council Regulation (EEC) No 939/76 of 23 April 1976) and on the Agreements between the European Economic Community, the Kingdom of Morocco, the Republic of Tunisia (Doc. COM(76) 5 final of 16 January 1976) and the Democratic and Popular Republic of Algeria (Doc. COM (76) 44 final of 6 February 1976) and on agreements being negotiated (Mashrek countries, Israel) or to be negotiated at a later date in the context of the overall Mediterranean approach, and likely to affect budgets in and after financial year 1977.

The appropriations entered against this Article of the Budget are intended to permit the implementation of non-EIB financial aids set out in the financial protocols to the agreements with the abovementioned countries.

The appropriation for commitment authorized for 1977 is 20 000 000 u.a.

The timetable of dates and payments is as follows :

in u.a.

Commitments	Payments		
	1977	1978	1979
1977 : 20 000 000	token entry	6 000 000	14 000 000

If the payments must be made before 31 December 1977, they will be made provisionally in national currencies from the Commission's cash in hand, and subsequently charged to the appropriations for payment for the financial year 1978.

(Text of preliminary draft)

JUSTIFICATION

Arrangements must be made for this operation to be carried out as soon as the agreements are concluded between the European Economic Community and the Maghreb countries, the Mashrek countries and Israel. Your committee takes the view that it would be useful, indeed necessary, to make provisions for an initial of 6 000 000 u.a. in 1978, the remaining 14 000 000 u.a. to be spent in subsequent years.

If it proved necessary to make payments before 31 December 1977, this could be done in national currency through the treasury of the Commission.

In this way, the Community will show its firm determination to pursue a long-term development cooperation policy in respect of the Mediterranean countries. The psychological and political impact of such action will be considerable.

* * *

Draft amendment No 21
tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure
Chapter 28 — Subsidies for balancing budgets
Article 282 — European Communities' Institute for Economic Analysis and Research
Re-instate appropriations of 1 000 000 u.a.

(B) *Revenue*

Increase revenue by 1 000 000 u.a.

JUSTIFICATION

The proposal for this Institute was submitted by the Commission to the Council on 10 October 1975, and the opinion of the European Parliament was given on 11 March 1976. The Commission altered its original proposal on 21 April 1976.

The project is designed to meet a real need at Community level for the analysis of economic, monetary, industrial and social questions currently arising from the process of European integration, and for research into longer term issues affecting the development and policies of the European Community.

The project should be launched in 1977, and appropriations should therefore be included under the relevant heading in the 1977 budget.

* * *

Draft amendment No 22
tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 2 — Building, Equipment and Miscellaneous administrative expenditure
Chapter 26 — Expenditure on Studies, Surveys and Consultations
Article 265 — Studies in the field of Nuclear Energy, etc.
Item 2653 — Studies on the Nuclear Fuel Cycle
Increase appropriations by 60 000 u.a. in payment appropriations.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

The nuclear fuel cycle is considered the most delicate and complex problem in the whole of the nuclear field. The European Parliament has already adopted a Resolution¹ on the need for a Community Policy on the reprocessing of irradiated fuels and materials. As the studies covered under this heading deal particularly with reprocessing, nuclear waste disposal and the decommissioning of nuclear installations, the Committee on Energy and Research considers it necessary to increase the appropriations to 100 000 u.a. as requested by the Commission of the European Communities in the Preliminary Draft General Budget.

¹ OJ No C 125 of 8. 6. 1976, p. 14.

* * *

Draft amendment No 23
tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 32 — Expenditure under the Energy Policy
Article 320 — Projects in the hydrocarbons sector
Item 3200 — Community technological development projects in the hydrocarbons sector
Increase appropriations by 15 000 000 u.a. in payment appropriations.

(B) 1. *Compensation*

Title 10 — Other expenditure
Chapter 100 — Provisional appropriations
Reduce appropriations by 8 000 000 u.a. in payment appropriations.

2. *Revenue*

Increase revenue accordingly.

(C) Remarks

Enter the following remarks :

- Regulation No 3056/73 of 9 November 1973 (OJ No L 312, 13 November 1973) on the support of Community projects in the hydrocarbons sector :
- Council Decision of 19 December 1974 :
- Council Decision of 25 March 1976.

These appropriations are intended to stimulate technological development activities directly connected with prospection, exploitation, storage and transport of hydrocarbons.

This is a programme of support to development companies by the grant of loans, loan-guarantees or subsidies repayable under certain conditions, to help them to develop new techniques in prospection for and storage and transport of hydrocarbons. The programme calls for a Community contribution to approved projects of a maximum of 49 %.

The associated costs of technical and financial expertise occasioned by these operations are also charged to this item. (Text of preliminary draft).

JUSTIFICATION

On 9 November 1973, the Council adopted Regulation EEC No 3056/73 in the support of Community projects in the field of hydrocarbons.

The appropriations requested are necessary for the completion of projects started in 1975 and for the initiation of new projects in 1977.

* * *

Draft amendment No 24

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission**(A) Expenditure**

- Title 3 — Expenditure on specific projects undertaken by the institution
- Chapter 32 — Expenditure under the Energy Policy
- Article 320 — Projects in the hydrocarbons sector
- Item 3200 — Community technological development projects in the hydrocarbons sector

(B) Revenue

Unchanged.

(C) Remarks

- (1) Enter appropriations of 50 000 000 u.a. in commitment appropriations
 - (2) Title 10 — other expenditure
 - Chapter 100 — provisional appropriations
 - (8) — Community technological development projects (Item 3200)
- Delete appropriations of 28 000 000 u.a. in commitment appropriations and 8 000 000 u.a. in payment appropriations.

JUSTIFICATION

On 9 November 1973, the Council adopted Regulation EEC No 3056/73 in support of Community projects in the field of hydrocarbons.

The appropriations requested are necessary for the completion of projects started in 1975 and for the initiation of new projects in 1977.

* * *

Draft amendment No 25
tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 32 — Expenditure under the Energy Policy

Insert a new Article 322 — Aids for coal stocks

Reinstate the token entry proposed by the Commission.

(B) *Revenue*

Unchanged.

(C) *Remarks*

Enter the following remarks :

New Article

— EEC Treaty (Article 235);

— Commission communication to the Council of 16 January 1976 (COM(76)20) 'Implementation of the energy policy guidelines drawn up by the European Council at its meeting in Rome on 1 and 2 December 1975' which aims at conserving the Community's resources.

This article is intended to cover expenditure connected with Community support to finance coal stocks in order to lessen the burden on the coal-mining industry. This support takes the form of non-repayable subsidies. (Text of preliminary draft).

JUSTIFICATION

The Commission is currently studying methods of financing this action. The token entry in the Budget is necessary so that, following a decision on the financing of this project, the Commission may request the insertion of the necessary appropriations.

* * *

Draft amendment No 26
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 27 — Expenditure on publishing and information

Article 273 — Dissemination of information to young people

Increase appropriations by 96 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the ever-increasing move towards integration in the Community and the forthcoming direct elections to the European Parliament, the Committee on Social Affairs, Employment and Education considers it indispensable that the financial means to enable European organizations to provide youth information services should be made available in full.

* * *

Draft amendment No 27
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 30 — Expenditure in the social sector
Article 300 — Administrative Commission on social security for migrant workers
Increase appropriations by 10 000 u.a.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social field, the Committee on Social Affairs, Employment and Education considers it indispensable that the financial means to enable European Organizations to assist migrant workers in the field of social security should be made available in full.

* * *

Draft amendment No 28
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 30 — Expenditure in the social sector
Article 301 — Tasks entrusted to the Commission in the field of vocational training
Item 3010 — European Centre for the development of vocational training
Increase appropriations by 100 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social sectors, the Committee on Social Affairs, Employment and Education considers it essential that the funds necessary for the European Centre for the development of vocational training should be made available in full.

* * *

Draft amendment No 29
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 30 — Expenditure in the social sector
- Article 304 — Measures in support of, and with the participation of, movements which could increase the effectiveness of the social policy of the Community

Increase appropriations by 15 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social sectors, the Committee on Social Affairs, Employment and Education considers it essential that the funds to cover measures in support of, and with the participation of, movements which could increase the effectiveness of the social policy of the Community should be made available in full.

* * *

Draft amendment No 30
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 30 — Expenditure in the social sector
- Article 305 — Community measures under the employment policy
- Item 3050 — Research and action programme on labour market trends

Increase appropriations by 130 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social sectors, the Committee on Social Affairs, Employment and Education considers it essential that the funds necessary for a research and action programme on labour market trends should be made available in full.

Draft amendment No 31
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 30 — Expenditure in the social sector
Article 305 — Community measures under the employment policy
Item 3051 — Organization of courses for officials from national employment services
Increase appropriations by 70 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social field, the Committee on Social Affairs, Employment and Education considers it indispensable that the means to finance the organization of courses for officials from national employment services should be made available in full.

* * *

Draft amendment No 32
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 30 — Expenditure in the social sector
Article 307 — Community measures for the participation of both sides of industry in the Community's economic and social decisions
Enter an appropriation of 500 000 u.a. for the year 1977.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social sectors, the Committee on Social Affairs, Employment and Education considers it essential that the funds necessary for Community activities in respect of the participation of both sides of industry in the Community's economic and social decisions should be made available in full. The abovementioned economic situation calls for the encouragement of more extensive cooperation between both sides of industry.

* * *

Draft amendment No 33
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 39 — Other expenditure on specific projects undertaken by the Institution
Article 392 — Educational measures
Item 3920 — Implementation of the education programme
Increase appropriations by 75 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the ever-increasing move towards integration in the Community and the forthcoming direct elections to the European Parliament, the Committee on Social Affairs, Employment and Education considers it essential that the funds necessary for the implementation of the education programme should be made available in full.

* * *

Draft amendment No 34
tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 37 — Expenditure in the industrial and transport sectors
Article 370 — Projects in the data processing sector
Enter a new Item 3701 :
— second programme
Enter payment appropriations of 7 235 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

New Item

— Council Resolution of 15 July 1974 on the improvement of conditions of competition in the data processing sector.
— EEC Treaty (Article 235)
This appropriation is intended to cover expenditure under the proposal presented to the Council by the Commission on 22 September 1975 (OJ C 14 of 21 January 1976) relating to :
— a project for the development of a common real-time programming language (LTPL project);
— a group of data processing projects on software portability;
— a number of projects relating to computer applications and studies in the data processing sector.

(First part of the text of preliminary draft)

JUSTIFICATION

The European Parliament adopted 'the second programme' for the data processing industry on 12 January 1976 and agreed that it should be implemented as from January 1977. The Committee on Economic and Monetary Affairs attaches great importance to this project and hopes that the Council will reach a decision before the end of 1976.

The Commission has not informed either the Committee or the European Parliament of the reasons for and consequences of a possible reduction in the appropriations originally proposed by the Commission. The Committee on Economic and Monetary Affairs does not believe that this is right and proposes that an amount should be agreed in negotiations between the Commission and the Council, or, preferably, that the amount originally proposed by the Commission should be reinstated.

* * *

Draft amendment No 35
tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 37 — Expenditure in the industrial and transport sectors
Article 370 — Projects in the data-processing sector
Enter a new item 3701 :
— Second programme
Enter payment appropriations of 7 235 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

New item

— Council Resolution of 15 July 1974 on the improvement of conditions of competition in the data processing sector.
— EEC Treaty (Article 235).

This appropriation is intended to cover expenditure under the proposal presented to the Council by the Commission on 22 September 1975 (OJ No C 14 of 21 January 1976) relating to :

— a project for the development of a common real-time programming language (LTPL project);
— a group of data processing projects on software portability;
— a number of projects relating to computer applications and studies in the data processing sector.

The commitment appropriation authorized for 1971 is 22 385 000 u.a.

The schedule of dates and payments in relation to commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 22 385 000	7 235 000	9 045 000	6 105 000

(Text of preliminary draft)

JUSTIFICATION

The European Parliament adopted 'the second programme' for the data processing industry on 12 January 1976 and agreed that it should be implemented as from January 1977. The Committee on Economic and Monetary Affairs attaches great importance to this project and hopes that the Council will reach a decision before the end of 1976.

The Commission has not informed either the committee or the European Parliament of the reasons for and consequences of a possible reduction in the appropriations originally proposed by the Commission. The Committee on Economic and Monetary Affairs believes that operations in the data processing sector will extend over several years and that they therefore require commitment appropriations.

* * *

Draft amendment No 36
tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 37 — Expenditure in the industrial and transport sectors
Article 371 — Operations in the aerospace sector
Enter a new Item 3710 — basic research — token entry.

(B) *Revenue*

Unchanged.

(C) *Remarks*

New Item

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in document COM(75) 475 final. A Commission proposal is being drawn up on the basis of this document on research and basic technology projects relating to :

- short-term applications, where the existing technologies have to be extended and improved with a view to the optimization of specified products ;
- medium-term application, where the objectives can be determined only by market trends ;
- long-term applications, where the opposite is the case : here it is the evaluation of current scientific and technological research that gives a pointer to the long-term trends.

(Two first sentences of text of preliminary draft)

JUSTIFICATION

The European Parliament adopted the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that the Commission is drawing up concrete proposals on research in and support for the aeronautical industry, the Committee on Economic and Monetary Affairs believes that the necessary items should be included in the 1977 Budget so that a concrete policy can be formulated and implemented in the course of 1977. The Committee on Economic and Monetary Affairs draws attention to the fact that in its Resolution of 6 July 1976 the European Parliament reserved its final opinion on the nature and amount of expenditure for this.

* * *

Draft amendment No 37
tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 37 — Expenditure in the industrial and transport sectors
Article 371 — Operations in the aerospace sector
Enter a new Item 3710 — basic research.

(B) *Revenue*

Unchanged.

(C) *Remarks**New Item*

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in document COM(75) 475 final. A Commission proposal is being drawn up on the basis of this document on research and basic technology projects relating to :

- short-term applications, where the existing technologies have to be extended and improved with a view to the optimization of specified products
- medium-term applications, where the objectives can be determined only by market trends ;
- long-term applications, where the opposite is the case : here it is the evaluation of current scientific and technological research that gives a pointer to the long-term trends.

The commitment appropriation authorized for 1977 amounts to 20 000 000 u.a.

The schedule of dates and payments in relation to commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 20 000 000 ¹	8 000 000 ¹	8 000 000	4 000 000

¹ This amount has been entered in Chapter 100.

(Text of preliminary draft)

JUSTIFICATION

The European Parliament adopted the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that the Commission is drawing up concrete proposals on research in and aid for the aeronautical industry, the Committee on Economic and Monetary Affairs believes that the necessary items should be included in the 1977 Budget so that a concrete policy can be formulated and implemented in the course of 1977. The Committee on Economic and Monetary Affairs believes that operations in the aeronautical sector will necessarily extend over several years and that they therefore require commitment appropriations.

* * *

Draft amendment No 38

tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Article 371 — Operations in the aerospace sector

Enter a new Item 3711 — aids to the aerospace industry — token entry.

(B) *Revenue*

Unchanged.

(C) *Remarks*

New Item

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in document COM(75) 475 final. A Commission proposal is being drawn up on the basis of this document on the joint financing of an aircraft optimization programme based on criteria of economy and aiming at the reduction of nuisances ; this scheme is to replace the national systems of financing, research and development (including production tooling) in connection with programmes for large civil transport aircraft.

(Two first sentences of text of preliminary draft)

JUSTIFICATION

The European Parliament adopted the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that the Commission is drawing up concrete proposals on research in and support for the aeronautical industry, the Committee on Economic and Monetary Affairs believes that the necessary items should be included in the 1977 Budget so that a concrete policy can be formulated and implemented in the course of 1977. The Committee on Economic and Monetary Affairs draws attention to the fact that in its Resolution of 6 July 1976 the European Parliament reserved its final opinion on the nature and amount of expenditure for this.

* * *

Draft amendment No 39
tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
 - Chapter 37 — Expenditure in the industrial and transport sectors
 - Article 371 — Operations in the aerospace sector
- Enter a new Item 3711 — aids to the aerospace industry.

(B) *Revenue*

Unchanged.

(C) *Remarks*

New Item

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in document COM(75) 475 final. A Commission proposal is being drawn up on the basis of this document on the joint financing of an aircraft optimization programme based on criteria of economy and aiming at the reduction of nuisances ; this scheme is to replace the national systems of financing, research and development (including production tooling) in connection with programme for large civil transport aircraft.

The commitment appropriation authorized for 1977 is 16 million u.a.

The schedule of dates and payments in relation to commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 16 000 000 ¹	8 000 000 ¹	5 000 000	3 000 000

¹ This amount has been entered in Chapter 100.

(Text of preliminary draft)

JUSTIFICATION

The European Parliament adopted the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that the Commission is drawing up concrete proposals on research in and aid for the aeronautical industry, the Committee on Economic and Monetary Affairs believes that the necessary items should be included in the 1977 Budget so that a concrete policy can be formulated and implemented in the course of 1977. The Committee on Economic and Monetary Affairs believes that operations in the aeronautical sector will necessarily extend over several years and that they therefore require commitment appropriations.

* * *

Proposed amendment No 40/rev.
tabled by the Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

- Title 4 — Repayments of aid to Member States and other aid
Chapter 49 — Expenditure in respect of the European Export Bank. Delete this chapter.

(B) *Revenue*

—

JUSTIFICATION

The Committee on Economic and Monetary Affairs does not believe that the European Export Bank should be set up at the present time and refers to its opinion for the Committee on External Economic Relations (PE 44.463/fin.).

* * *

Draft amendment No 41/rev.
tabled by Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

- Title 10 — Other expenditure
Chapter 100 — Provisional appropriations
Increase appropriation by 8 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

- Add a new point (6):
(6) Basic research in the aerospace industry (Item 3710). The commitment appropriation fixed for this item is 20 000 000 u.a. 8 000 000 u.a.

JUSTIFICATION

The European Parliament adopted the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that the Commission is drawing up concrete proposals on research in and support for the aeronautical industry, the Committee on Economic and Monetary Affairs believes that the necessary items should be included in the 1977 Budget so that a concrete policy can be formulated and implemented in the course of 1977. The Committee on Economic and Monetary Affairs therefore draws attention to the fact in its Resolution of 6 July 1976 the European Parliament reserved its final opinion on the nature and amount of expenditure for this.

* * *

Draft amendment No 42/rev.
tabled by Committee on Economic and Monetary Affairs

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure
Chapter 100 — Provisional appropriations
Increase appropriation by 8 million u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Add a new point (7):

(7) Aids to the aerospace industry (Item 3711). The commitment appropriation fixed for this item is 16 million u.a. 8 million u.a.

JUSTIFICATION

The European Parliament adopted the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that the Commission is drawing up concrete proposals on research in and support for the aeronautical industry the Committee on Economic and Monetary Affairs believes that the necessary items should be included in the 1977 Budget so that a concrete policy can be formulated and implemented in the course of 1977. The Committee on Economic and Monetary Affairs therefore draws attention to the fact that in its Resolution of 6 July 1976 the European Parliament reserved its final opinion on the nature and amount of expenditure for this.

* * *

Draft amendment No 43
tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

List of posts

For the sake of order, add to the Commission's list of posts 34 category A posts (4 A3 and 30 A5—4). These officials are to permit the secondment of Commission staff to the ACP countries.

(A) *Expenditure*

(B) *Revenue*

(C) *Remarks*

Add the following remarks to the list of posts:

'These posts would constitute a reserve exclusively for the secondment of officials to the ACP delegations and would not in fact increase the total number of officials working at headquarters.'

JUSTIFICATION

The Committee on Development and Cooperation takes the view that by seconding officials to the ACP countries as economic and technical advisers to the ACP delegations the Commission has found a practical application for the principle of mobility which it wishes to promote. The secondment of such officials to cooperate in the work of the ACP delegations is also of considerable value to the delegations themselves and to those concerned.

The secondment of officials in the interests of the service under Articles 37 and 38 of the Staff Regulations gives the staff concerned the maximum guarantee as regards their career prospects and the resumption of their normal duties at the end of the period of secondment.

* * *

Draft amendment No 44

tabled by Mr Deschamps on behalf of the Committee on Development and Cooperation

Section III — Commission

List of posts

Add to the Commission's list of posts 10 (temporary) category A posts with a view to establishing a direct internal link between the Commission and its delegates in the ACP countries.

(A) *Expenditure*

Increase the Commission's expenditure by 217 500 u.a.

(B) *Revenue*

Increase revenue by 23 800 u.a.

JUSTIFICATION

This draft amendment is intended to establish a direct internal link between the Commission and its delegates and the ACP countries. These are at present recruited on the basis of contracts of employment with the European Cooperation Association.

The duties of a Commission delegate can no longer be reconciled, in view of the new responsibilities of such delegates, particularly in the context of the Protocol of the Convention of Lomé, with a situation in which the head of the delegation is only connected with the Commission indirectly by means of a simple service mandate and a contract of employment with a private organization.

There should, in fact, be direct internal links between the Commission and its delegates. Such links can only be established by making such delegates staff of the Commission.

The Commission intends to establish gradually between now and 1980 internal links with all the Commission delegates.

According to the Commission, these ten posts would be as follows :

2 A 3
4 A 4
4 A 5

FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows :

Expenditure

Title 1
Chapter 11 — Staff
Article 110

Item 1100	— Basic salaries	increase this appropriation by	80 400 u.a.
Item 1101	— Family allowances	increase this appropriation by	8 500 u.a.
Item 1102	— Expatriation allowances	increase this appropriation by	10 400 u.a.
Item 1130	— Insurance against sickness	increase this appropriation by	3 900 u.a.
Item 1131	— Insurance against accidents	increase this appropriation by	700 u.a.
Item 1141	— Annual leave travel expenses	increase this appropriation by	2 000 u.a.
Article 116	— Weightings	increase this appropriation by	60 100 u.a.

Total under Chapter 11 166 000 u.a.

Title 1

Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer

Item 1211	— Travel expenses Staff (including members of the family)	increase this appropriation by	2 100 u.a.
Item 1221	— Installation, resettlement and transfer allowances (staff)	increase this appropriation by	17 800 u.a.
Item 1231	— Removal expenses Staff	increase this appropriation by	17 700 u.a.
Article 124	— Temporary daily subsistence allowances	increase this appropriation by	13 900 u.a.

Total under Chapter 12 51 500 u.a.

Total under Chapters 11 and 12 217 500 u.a.

Revenue

Title 4 — Deductions from staff remuneration

Chapter 40 — Proceeds of taxation on salaries, wages and allowances of officials and other servants

Article 400 — Proceeds of taxation on salaries, wages and allowances of officials and other servants

Increase this appropriation by 18 400 u.a.

Chapter 41 — Staff contributions to the pension scheme

Article 410 — Staff contributions to the pension scheme

Increase this appropriation by 5 400 u.a.

* * *

Draft amendment No 45

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the energy policy

Article 320 — Projects in the hydrocarbons sector

Item 3201 — Joint projects in prospecting for hydrocarbons

Enter an appropriation of 9 000 000 u.a. in payment appropriations.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

Enter the following remarks :

'In its proposal of 29 November 1974 (OJ No C 18 of 25 January 1975), the Commission submitted to the Council a draft regulation granting financial support to the oil industry under the Community's energy supply policy. This operation will encourage prospection for oil in particularly difficult conditions.

The associated costs for technical and financial expertise occasioned by these operations are also charged to this item.'

(Text of preliminary draft).

JUSTIFICATION

The appropriations requested will permit a number of exploration projects to be started in 1977, following a decision to be taken by the Council on the draft regulation submitted by the Commission on 29 November 1974 (OJ No C 18 of 25 January 1975).

* * *

Draft amendment No 46

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission**(A) Expenditure**

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 32 — Expenditure under the energy policy

Article 320 — Projects in the hydrocarbons sector

Item 3201 — Joint projects in prospecting for hydrocarbons

Enter an appropriation of 9 000 000 u.a. in payment appropriations

(B) Revenue

Increase revenue accordingly.

(C) Remarks

Enter the following remarks :

'In its proposal of 29 November 1974 (OJ No C 18 of 25 January 1975), the Commission submitted to the Council a draft regulation granting financial support to the oil industry under the Community's energy supply policy. This operation will encourage prospection for oil in particularly difficult conditions.

The associated costs for technical and financial expertise occasioned by these operations are also charged to this item.

The commitment appropriation authorized for 1977 amounts to 30 000 000 u.a.

The schedule of dates and payments relating to the commitments is as follows :

(in u.a.)

Commitments	Payments			
	1976	1977	1978	1979
1976 : 1 000 000	1 000 000	—	—	—
1977 : 30 000 000	—	9 000 000	10 000 000	11 000 000
Total : 31 000 000	1 000 000	9 000 000	10 000 000	11 000 000

(Text of preliminary draft)

JUSTIFICATION

The appropriations requested will permit a number of exploration projects to be started in 1977, following a decision to be taken by the Council on the draft regulation submitted by the Commission on 29 November 1974 (OJ No C 18 of 25 January 1975).

* * *

Draft amendment No 47
tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 32 — Expenditure under the energy policy
Article 321 — Prospecting for uranium deposits
Enter an appropriation of 2 000 000 u.a. in payment appropriations

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter the following remarks :

— EAEC Treaty (Articles 70 (1) and (2);
— Council Resolution of 17 December 1974 (OJ No C 153 of 9. 7. 1975);
— Council Decision of 13 February 1975 (OJ No C 153 of 9. 7. 1975);

The operation consists in promoting prospection for uranium resources on Community territory and thereby ensuring adequate supplies of uranium for Community use. In view of the energy objectives to be achieved by 1985, Community financial support for uranium prospecting projects must be made on the producer countries (COM) (76)20 of 16 January 1976 'implementation of the energy policy guidelines' drawn up by the European Council at its meeting in Rome on 1 and 2 December 1975'. (Text of preliminary draft).

JUSTIFICATION

After the start made in 1976 on the programme for Community financial assistance for uranium prospection, the appropriations requested are necessary to continue and expand this action.

* * *

Draft amendment No 48
tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 32 — Expenditure under the energy policy
Article 321 — Prospecting for uranium deposits
Enter an appropriation of 2 000 000 u.a. in payment appropriations.

(B) *Revenue*

Increase revenue accordingly.

(C) Remarks

Enter the following remarks :

- EAEC Treaty (Articles 70 (1) and (2) ;
- Council Resolution of 17 December 1974 (OJ No C 153 of 9. 7. 1975) ;
- Council Decision of 13 February 1975 (OJ No C 153 of 9. 7. 1975).

The operation consists in promoting prospection for uranium resources on Community territory and thereby ensuring adequate supplies of uranium for Community use. In view of the energy objectives to be achieved by 1985, Community financial support for uranium prospecting projects must be made available immediately in order to reduce the Community's dependence on the producer countries (COM (76) 20 of 16 January 1976 'implementation of the energy policy guidelines' drawn up by the European Council at its meeting in Rome on 1 and 2 December 1975).

The commitment appropriation authorized for 1977 amounts to 5 000 000 u.a.

The schedule of dates and payments relating to the commitments is as follows :

(in u.a.)

Commitments	Payments			
	1976	1977	1978	1979
1976 : 1 000 000	1 000 000	—	—	—
1977 : 5 000 000	—	2 000 000	2 000 000	1 000 000
Total : 6 000 000	1 000 000	2 000 000	2 000 000	1 000 000

(Text of preliminary draft)

JUSTIFICATION

After the start made in 1976 on the programme for Community financial assistance for uranium prospection, the appropriations requested are necessary to continue and expand this action.

* * *

Draft amendment No 49

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) Expenditure

- Title 3 — Expenditure on specific projects undertaken by the Institution
 - Chapter 36 — Expenditure on scientific and technical information and on Information Management
 - Article 362 — Documentary research scientific and technical information and documentation
 - Item 3621 — Activities supplementary to the three-year project
- Enter an appropriation of 260 000 u.a. in payment appropriations.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

Enter following remarks :

New Item

Council Decision of 18 March 1975 (OJ No L 100 of 21 April 1975). This appropriation is intended to cover the expenditure on activities supplementary to the three-year project : particularly ;

- the application and adaptation of multilingual and computer translation systems with a view to a systematic removal of language barriers,

- conversion to the norms and features of the Euronet network of the various bodies of data now in existence or being developed in the Community Institutions,
- computerization of some Community card indexes.

(Text of preliminary draft).

JUSTIFICATION

The appropriations requested will permit significant advances in translation techniques leading to greater efficiency in this field. It will also permit the more efficient use of information already stored in Community data banks.

* * *

Draft amendment No 50

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 36 — Expenditure on scientific and technical information and on Information Management
- Article 362 — Documentary research scientific and technical information and documentation
- Item 3621 — Activities supplementary to the three-year project
- Enter an appropriation of 260 000 u.a. in payment appropriations

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter following remarks :

New Item

Council Decision of 18 March 1975 (OJ No L 100 of 21 April 1975).

This appropriation is intended to cover the expenditure on activities supplementary to the three-year project ; particularly ;

- the application and adaptation of multilingual and computer translation systems with a view to a systematic removal of language barriers,
- conversion to the norms and features of the Euronet network of the various bodies of data now in existence or being developed in the Community Institutions,
- computerization of some Community card indexes.

The appropriation for commitment authorized for 1977 amounts to 650 000 u.a.

The schedule of dates and payments relating to the commitments is as follows :

in u.a.

Commitments	Payments		
	1977	1978	1979
1977 : 650 000	260 000	260 000	130 000

(Text of preliminary draft)

JUSTIFICATION

The appropriations requested will permit significant advances in translation techniques leading to greater efficiency in this field. It will also permit the more efficient use of information already stored in Community data banks.

* * *

Draft amendment No 51
tabled by Mr Schuijt, on behalf of the Political Affairs Committee

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 39 — Other expenditure on specific projects undertaken by the Institution
Article 393 — Expenditure on cultural projects
Enter an appropriation of 100 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter the following remarks :

These appropriations are intended to cover expenditure resulting from the implementation of two priority projects, namely :

- cultural preparation for European union ;
- protection of the architectural heritage.

JUSTIFICATION

In its preliminary draft budget, the Commission of the European Communities has proposed entering an appropriation of 100 000 u.a. under Article 393 relating to expenditure on cultural projects.

The Council replaced this amount by a token entry.

The Political Affairs Committee feels that the appropriations proposed by the Commission should be reinstated.

* * *

Draft amendment No 52
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 1
Chapter 14 — Expenditure on social welfare
— Building loans
Article 145
Enter an appropriation of 1 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

This appropriation is to cover the grant of mortgage loans to Community officials at subsidized rates. (Text of preliminary draft).

JUSTIFICATION

For the financial year 1976, the Council had already reduced by half the appropriations requested by the Commission, and had granted only 1 000 000 u.a.

For the financial year 1977, the Council refuses to grant any appropriations for this measure.

We know that already last year ECSC Funds placed at the disposal of officials were insufficient to satisfy a large number of the applications for loans, even though only the strictest criteria had been applied in order to preserve the social character of this measure.

We consider that the entry of an appropriation of 1 000 000 u.a., which is a negligible amount, is fully justified, especially if one considers that it would not constitute non-recoverable expenditure but an interest-producing loan which would be restored to the budget in its entirety within 25 years at the most.

* * *

Draft amendment No 53/rev.

tabled by the Christian-Democratic Group, the Liberal and Allies Group and the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 2

Chapter 27 — Expenditure in publishing and information

Article 272 — Expenditure on the dissemination of information and on participation in public events

Item 2720 — Expenditure on the dissemination of information, popularization and on participation in public events

Increase appropriations by 2.4 million u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Purchase and distribution of 80 000 copies of the Common Market Telephone Directory. This directory was produced at the suggestion of Jean Rey, who was at that time President of the Commission. It not only contains many pages of information on the European Communities but also represents one of the best ways of informing the leaders of public opinion and political and administrative circles in the Member States on the facts about Europe; it is also a useful and valuable working instrument.

* * *

Draft amendment No 54

tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 2

Chapter 27 — Expenditure on publishing and information

Article 272 — Expenditure on the dissemination of information and on participation in public events

Item 2729 — Information projects relating to direct elections to the European Parliament

Increase appropriations by 600 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

In view of the imminence of direct elections, preparations must be made for an information campaign in order to assure maximum participation in the elections.

One million units of account is the minimum amount necessary for an adequate information campaign with a view to direct elections in the Member States. These appropriations would be used by the Commission in conjunction with all the organizations concerned for the preparation of the electoral campaign and, more especially, for the benefit of the political parties.

* * *

Draft amendment No 55
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3

Chapter 35 — Protection of man and his environment

Article 355 — Consumer protection and information

Item 3550 — Consumer protection studies

Increase appropriations by 20 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

The protection of the interests of consumers is becoming more and more important in the lives of our citizens. It is a problem which the European Community cannot afford to ignore. Adequate appropriations must therefore be earmarked for consumer protection and information.

* * *

Draft amendment No 56
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3

Chapter 35 — Protection of man and his environment

Article 355 — Consumer protection and information

Item 3551 — Consumer projects

Increase appropriations by 30 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

The protection of the interests of consumers is becoming more and more important in the lives of our citizens. It is a problem which the European Community cannot afford to ignore. Adequate appropriations must therefore be earmarked for consumer protection and information.

* * *

Draft amendment No 57
tabled by the Group of European Progressive Democrats

Section III — Commission**(A) *Expenditure***

Title 3

Chapter 35 — Protection of man and his environment

Article 356 — Organization and 'humanizing' of work

Restore the appropriation of 50 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

The Council deleted the appropriations relating to the organization and 'humanizing' of work. However, no-one can deny that this is an acute problem in our modern societies.

In the present circumstances, and in view of the scarcity of available resources, the Community's contribution to the 'humanizing' of work will have most effect in the field of worker training.

The Community's efforts will therefore be more effective the more they are based on the training of engineers, staff and workers.

* * *

Draft amendment No 58
tabled by the Group of European Progressive Democrats

Section III — Commission**(A) *Expenditure***

Title 3

Chapter 37 — Expenditure in the industrial and transport sectors

Article 370 — Projects in the data-processing sector

enter the following item :

Item 3700 — First programme

Insertion of an entry for the first programme with the appropriations allocated by the Council, i.e. 560 000 u.a.

(B) Revenue

Unchanged

JUSTIFICATION

A distinction must be made between the appropriations for the first data-processing programme and those for the implementation of the second programme.

The Council has deleted the entry for the second programme and has retained only one article for the first programme. This amendment is intended to preserve the original distinction and restore the two items.

* * *

Draft amendment No 59/rev.
tabled by the Group of European Progressive Democrats

Section III — Commission**(A) Expenditure**

Title 3

Chapter 37 — Expenditure in the industrial and transport sectors

Article 370 — Projects in the data-processing sector

Enter the following item :

Item 3701 — Second programme

Insertion of an item for the second programme and entry of an appropriation of 2 835 800 u.a.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

New item

— Council Resolution of 15 July on the improvement of conditions of competition in the data-processing sector.

— EEC Treaty (Article 235).

This appropriation is intended to cover expenditure under the proposal presented to the Council by the Commission on 22 September 1975 (OJ C 14 of 21 January 1976) relating to :

- a project for the development of a common real-time programming language (LTPL project);
- a group of data-processing projects on software portability;
- a number of projects relating to computer applications and studies in the data-processing sector.

(First paragraph of preliminary draft)

The commitment appropriation authorized for 1977 is 9 000 000 u.a.

JUSTIFICATION

In view of the modifications which the Commission must make to the second data-processing programme if it is to have any chance of success with the Council, appropriations as high as those requested originally will no longer be necessary. The entry of an appropriation of 2 835 800 u.a. would be sufficient for the initiation of the first operations and would obviate the need to resort once again to a supplementary budget during the financial year.

* * *

Draft amendment No 60
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3

Chapter 37 — Expenditure in the industrial and transport sectors

Enter a new
article 371 — Operations in the aerospace sector
and a new
item 3710 — Basic research

Make a token entry

(B) *Revenue*

None.

(C) *Remarks*

Enter 20 000 000 u.a. in commitment appropriations for the 1977-1979 period.

JUSTIFICATION

The Commission has informed the Council and Parliament of its initial proposals in this field. The Council has not yet taken a decision, although the need for a genuine European policy in the aeronautical sector has made itself felt for some time now.

The Council will no doubt use the lack of a basic regulation in this field as justification for its action in entering a provisional appropriation of 8 000 000 u.a. under chapter 100 for the financial year 1977.

This draft amendment is complemented by another draft amendment providing for the entry of 8 000 000 u.a. under chapter 100 to enable this project to be launched as soon as the Council decision has been taken, thus avoiding the need for a supplementary budget.

* * *

Draft amendment No 61
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 3

Chapter 37 — Expenditure in the industrial and transport sectors

Enter a new article 371 — Operations in the aerospace sector and a new item 3711 — Aids to the aerospace industry

Make a token entry.

(B) *Revenue*

None.

(C) *Remarks*

Enter 16 000 000 u.a. in commitment appropriations for the 1977—1979 period.

JUSTIFICATION

In the context of aerospace policy, a Commission proposal is currently being drawn up on the joint financing of an aircraft optimization programme.

No decision has yet been taken by the Council, but here too it would be advisable to avoid a supplementary budget by restoring the token entry and entering a provisional appropriation of 8 000 000 u.a. under chapter 100.

* * *

Draft amendment No 62
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 10

Chapter 100 — Provisional appropriations

Increase appropriations by 16 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

(6) Basic research in the aerospace industry (Item 3710). A commitment appropriation of 20 000 000 u.a. is provided for this item 8 000 000 u.a.

(7) Aid for the aircraft industry (Item 3711). A commitment appropriation of 16 000 000 u.a. is provided for this item 8 000 000 u.a.

* * *

Draft amendment No 63
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 5

Chapter 55 — European Regional Development Fund

Article 550 — European Regional Development Fund

Increase payment appropriations by 100 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

This appropriation is intended to finance the European Regional Policy based on the following regulations:

- Council Regulation (EEC) 724/75 of 18 March 1975 setting up a European Regional Development Fund;
- The financial regulation of 18 March 1975 supplementing the financial regulation of 25 April 1973 applicable to the general budget of the European Communities;
- Council Decision of 18 March 1975 applying Regulation (EEC) 724/75 to the French Overseas Departments.

The objective is to correct the chief regional imbalances in the Community which result, in particular, from the predominance of agriculture, the shifts in the pattern of industry, and structural underemployment. A contribution will be made to the financing of investment in industry, crafts and small business, in services and in infrastructures (each investment project exceeding 50 000 u.a.) together with a contribution towards the financing of studies.

The commitments appropriations authorized for 1977 amount to 500 000 000 u.a. (Text of preliminary draft)

The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments					
	1975	1976	1977	1978	1979 and beyond	Total
1975 : 299 825 530 ¹	150 000 000	95 000 000 ²	50 000 000	4 331 951	—	299 825 530
1976 : 500 000 000	—	205 000 000	245 000 000	40 000 000	10 000 000	500 174 470 ²
+ 174 470 ²	—	—	205 000 000	245 000 000	50 000 000	500 000 000
1977 : 500 000 000						
Total	150 000 000 ¹	300 000 000 ²	500 000 000	289 331 951	60 000 000	1 300 000 000

¹ Of which 59 331 951 u.a. were carried over automatically from 1975 to 1976.

² Of which 174 470 u.a. of the 1975 appropriation were still available in 1976.

JUSTIFICATION

It is necessary to increase the coverage of commitments by payment appropriations since the slowing down of economic activity which has affected above all the less-favoured regions of the Community, particularly by a decrease in investment, has increased the need for immediate payments.

The amount of payments in favour of those regions which have derived least benefit from the economic growth resulting from development of the Common Market must be considerable if it is to be effective.

* * *

Proposed modification No 64
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 8

Chapter 81 — Joint structural schemes (under the Council Resolution of 25 May 1971)

Article 810 — Item 8104 — Areas afforested to improve agricultural structures

Reinstate the token entry.

(B) *Revenue*

None

(C) *Remarks*

Expenditure against this item in 1977 arises from the amended proposal for a directive on afforestation measures based on Article 6 of Council Regulation No 729/70/EEC of 28 April 1970 on the financing of the common agricultural policy.

The aim of the operation is to launch a scheme promoting afforestation measures to supplement the measures to improve agricultural structures and, in particular, directives No 72/160 and, in a wider context, to make forests an efficient means of land utilization.

The Commission proposes a system of aids and subsidies over 10 years (to be reviewed after 5 years) for the following :

- afforestation grant (between 40 and 90 per cent of the cost ; average ; 60 %) ;
- capital grant (240 u.a. per hectare) ;
- grant for the conversion of woodlands.

(Text of preliminary draft).

JUSTIFICATION

The existence of this item arises from the amended proposal for a directive on afforestation measures based on article 6 of Council Regulation No 729/70/EEC of 28 April 1970 on the financing of the common agricultural policy.

The aim of the operation is to launch a scheme promoting afforestation measures. Deletion of this token entry is not justified and could be considered discriminatory.

Proposed modification No 65
tabled by the Group of European Progressive Democrats

Section III — Commission

(A) *Expenditure*

Title 8

Chapter 81 — Joint structural schemes (under the Council Regulation of 25 May 1971)

Item 8105 — Special aid to young farmers

Reinstate the appropriation of 4 million u.a. under this item.

(B) *Revenue*

Increase revenue by 4 million u.a.

(C) *Remarks*

Unchanged.

JUSTIFICATION

This item is to cover expenditure arising from the Commission's proposal to the Council of 3 December 1974. The Commission proposes to give a lump sum and degressive aid to young farmers while they are implementing a development plan (maximum of five years).

The aid is intended to offset the additional expenditure incurred by young farmers who have been farming for only a short time and are implementing a development plan. The Commission must therefore have appropriations to implement this operation as soon as possible after the Council decision is taken. It is deplorable to have to rely all the time on supplementary budgets.

* * *

Draft amendment No 66
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 25 — Expenditure for formal and other meetings

Article 254 — Campaign on behalf of young people

Increase appropriations by 90 000 u.a.

(B) Revenue

Increase revenue accordingly

(C) Remarks

The legal basis for this appropriation is the proposal (COM (75) 27 final) forwarded to the Council on 7 March 1975, taking account of the opinion of the European Parliament of 11 June 1974.

The appropriation is intended to cover all expenditure relating to the Forum for youth affairs, the creation of which is proposed in the document referred to above :

- Operating costs of the permanent secretariat (Staff, rental of offices and of meeting hall, miscellaneous costs);
- Travel, subsistence and incidental costs of delegates to the meetings of the Forum ;
- Costs associated with the meetings if not covered by the existing services and facilities available to the permanent secretariat. (Text of preliminary draft).

JUSTIFICATION

In view of the ever-increasing move towards integration in the Community and the forthcoming direct elections to the European Parliament, the Committee on Social Affairs, Employment and Education considers it essential that the financial means to enable European organizations to carry out a campaign on behalf of young people should be made available in full.

* * *

Draft amendment No 67

tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission**(A) Expenditure**

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 30 — Expenditure in the social sector
- Article 301 — Tasks entrusted to the Commission in the field of vocational training
- Item 3011 — Other activities relating to vocational training

Increase appropriations by 40 000 u.a.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

Articles 118 and 128 of the EEC Treaty.

Council Decision of 2 April 1963 laying down general principles for implementing a common vocational training policy (OJ No 63 of 20. 4. 1963).

Council Resolution of 31 January 1974 (Social Action Programme), in particularly priority No 3 ; 'implementation of a common vocational training policy ...' (OJ No C 13 of 12 February 1974).

It is for the implementation of this policy, backed by the work of the Centre (Item 3010) that the appropriation against this item is to be used. (Text of preliminary draft).

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social fields, the Committee on Social Affairs, Employment and Education considers it essential that the means to finance various activities in the field of vocational training should be made available in full.

* * *

Draft amendment No 68
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
 - Chapter 30 — Expenditure in the social sector
 - Article 301 — Tasks entrusted to the institution in the promotion of exchanges of young workers
 - Item 3021 — Expenditure relating to the second programme
- Enter an appropriation of 55 000 u.a. for 1977.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Article 50 of the EEC Treaty (cf. item 3020).

In comparison with the first programme, the second provides for more exchanges of young workers and greater effectiveness (mainly by means of prior instruction in the language).

In March 1976, the Commission gave the European Parliament an undertaking that it would encourage exchanges of young workers. (Text of preliminary draft).

JUSTIFICATION

In view of the extremely difficult economic situation in the Community, which will continue to be characterized by serious structural problems in the employment and social fields, the Committee on Social Affairs, Employment and Education considers it essential that the financial means to implement a second programme of exchanges of young workers should be made available in full.

* * *

Draft amendment No 69/rev.
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
 - Chapter 30 — Expenditure in the social sector
 - Article 306 — Action to combat poverty
- Unchanged.

(B) *Revenue*

None.

(C) *Remarks*

Before the end of 1976, the Commission will propose that the programme of pilot schemes and studies to combat poverty authorized by the Council for 1975 and 1976 (Council Decision of 22 July 1975, OJ No L 199 of 30. 7. 1975) be extended.

The commitment appropriations authorized for 1977 amount to 3 500 000 u.a.

The timetable of dates and payments for the commitments is as follows :

(in u.a.)

Commitments	Payments			
	1976	1977	1978	1979
1975 : 2 500 000	1 330 000 ¹	1 170 000 ²	—	—
1976 : 2 875 000	—	1 437 500 ¹	1 437 500 ²	—
1977 : 3 500 000	—	—	1 750 000	1 750 000

¹ Automatic carry-over.

² Re-entry (appropriations for payment).

(Text of preliminary draft)

JUSTIFICATION

In view of the extremely difficult situation in the Community, which will continue to be characterized by serious structural problems in the employment and social fields, the Committee on Social Affairs, Employment and Education considers it essential that, as regards the financial means to enable European organizations to carry out a campaign against poverty in the Community, the amount of commitment appropriations be increased in view of the growing number of obligations.

* * *

Draft amendment No 70

tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) Expenditure

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 39 — Other expenditure on specific projects undertaken by the Institution
- Article 392 — Educational measures
- Item 3921 — Preparation of young people for their working career

Enter an appropriation of 250 000 u.a. for 1977.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

- Council Resolution of 21 January 1974 on a social action programme for the period 1974-76 with priority for the problems of training and educating the children of migrant workers (OJ No C 13, 12 February 1974);
- Resolution of the Ministers of Education, meeting within the Council, of 6 June 1974 on cooperation in the field of education (OJ No C 98, 20 August 1974).
- Resolution of the Ministers of Education, meeting within the Council, of 9 February 1976 comprising an action programme in the field of education (OJ No C 33, 19 February 1976) and more specifically on an action programme for migrant workers and members of their families (OJ No 34 of 14 February 1976).

This appropriation is intended to cover expenditure on action to achieve equality of opportunity with a view to full access to all forms of education (the nature, aims and content of the operations envisaged are essentially educational, pedagogical and didactic):

- (a) by an exchange of views and experience on concepts and trends, to identify specific areas in which joint action might be undertaken :
 - the organization of nursery education and primary education ;
 - the organization of compulsory secondary education ;

(b) by the measures to be taken in the field of education to prepare young people for work, to facilitate their transition from school to work and to increase their chances of finding employment, thereby reducing the risks of unemployment.

(c) by the provision of further education to enable the young to improve their chances of finding employment.

(Text of preliminary draft)

JUSTIFICATION

In view of the extremely difficult economic situation in the Community which will continue to be characterized by serious structural problems in the employment and social sectors, the Committee on Social Affairs, Employment and Education considers it essential that the funds necessary to enable European organizations to carry out activities relating to the preparation of young people for their working careers should be made available in full.

* * *

Draft amendment No 71

tabled by Mr Hougardy, on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 33 — Expenditure on research and investment

Expenditure unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

1. Title 8 — Miscellaneous activities

Chapter 8.31 — Possible JRC operating expenditure

Increase appropriations by 59 442 090 u.a. in commitment appropriations and by 53 746 241 u.a. in payment appropriations

2. Title 9 — Provisional appropriations

Chapter 9.90 — Provisional appropriations for the new JRC programme

Reduce appropriations by 59 442 090 u.a. in commitment appropriations and by 53 746 241 u.a. in payment appropriations

JUSTIFICATION

Increase of appropriations under Chapter 8.31

1. The current multiannual programme of the Joint Research Centre ends on 31 December 1976.

The Commission's proposal concerning the new programme for the period 1977-1980 is at present being examined by the Council, which could take a decision on it at its meeting of 21 October next. The European Parliament, having been consulted by the Council, considered the Commission proposal (WALZ report — Doc. 283/76) and delivered a favourable opinion on the matter in its resolution of 14 September 1976.

2. Pending its decision on the new JRC programme mentioned above, the Council decided during its examination of the preliminary draft budget for 1977 to enter on a hypothetical basis under Title 9 (Provisional appropriations) the amounts proposed by the Commission, with the exception of a standard amount of 14 938 m u.a. entered under Title 8 (Miscellaneous activities — in fact: appropriations not covered by a programme decision) of the statement of expenditure relating to research and investment activities. The Council felt that, in the event of the programme decision being delayed, this would enable the JRC to continue to function at least in some measure for the first 2 or 3 months of 1977.

3. In fact, the actual effect of this measure is much reduced as a result of staff commitments (wage costs), contractual obligations (major installations : reactors, computers, services) etc., which require considerable provisional commitments at the beginning of each financial year.

The obligation to maintain the JRC as a permanent element of the Community means it is necessary to enter under Title 8 of the statement of expenditure relating to research and investment activities the amounts needed for the normal functioning of the JRC and not strictly connected with implementation of a new programme. It is only under that heading that the appropriations in question could be directly used if no decision were taken by 1 January 1977 on the new JRC programme. To keep them under Title 9 would mean in this particular case that they would first have to be transferred from Title 9, where they are frozen, to Title 8. Such a situation would seriously hamper the financial management of the JRC at the beginning of the 1977 financial year, and steps should therefore be taken to avoid such problems.

* * *

Draft amendment No 72

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 33 — Expenditure on research and investment

Article 330 — Expenditure on research and investment

Increase appropriations by 3 018 231 u.a.

(B) Revenue

Increase revenue accordingly

(C) Remarks

(1) Volume 4 — Page III/97 (table)

(a) Direct action. Joint programme.

Increase appropriations by 3 018 231 u.a. in commitment appropriations and by 3 018 231 u.a. in payment appropriations.

(b) Total.

Increase appropriations by 3 018 231 u.a. in commitment appropriations and by 3 018 231 u.a. in payment appropriations.

(c) Grand total.

Increase appropriations by 3 018 231 u.a. in commitment appropriations and by 3 018 231 u.a. in payment appropriations.

(2) Volume 4 — Page III/99

A. Direct action

(a) Chapter 8.31 — Expenditure possibly required for the normal operation of the JRC

Increase appropriations by 674 231 u.a. in commitment appropriations and by 674 231 u.a. in payment appropriations.

(b) Chapter 9.10 — Provisional appropriation for adjusting certain expenditure relating to JRC staff

Increase appropriations by 2 344 000 u.a. in commitment appropriations and by 2 344 000 u.a. in payment appropriations.

JUSTIFICATION

This amendment is a corollary to draft amendment No 71, tabled by Mr Hougardy on behalf of the Committee on Energy and Research.

During their examination of the preliminary draft budget of the European Communities for 1977, the delegations meeting in the Budget Committee of the Council asked for the assumptions used in calculating staff expenditure to be adjusted as soon as possible in the light of the most recent statistical data, i.e.:

Rate in %				
Reference period	Belgium	Italy	Netherlands	Germany
I. Purchasing power				
(a) 1. 7. 75 — 30. 6. 76	2.5	2.5	2.5	2.5
(b) 1. 7. 76 — 30. 6. 77	2.5	2.5	2.5	2.5
II. Cost of living (weighting)				
(a) 1. 7. 75 — 31. 12. 75	6.1	6.0	3.5	1.7
(b) 1. 1. 76 — 30. 6. 76	4.6	12.5	5.0	3.0
(c) 1. 7. 76 — 31. 12. 76	5.0	13.0	4.5	2.0
(d) 1. 7. 77 — 30. 6. 77	5.0	5.5	4.0	2.5

Taking these new data into account will mean the following increase in the 1977 budget of the JRC:

— Chapter 8.31	+ 674 231 u.a.
— Chapter 9.10	+ 2 344 000 u.a.

Total	+ 3 018 231 u.a.
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The Committee on Energy and Research feels that these adjustments, which will bring the JRC budget into line with the assumptions used in respect of the staff of the Commission of the European Communities as a whole, are necessary and therefore proposes this amendment of both Chapter 33 of the general budget of the Commission and the relevant chapters of the statement of expenditure relating to research and investment activities (Annex I to the Commission budget).

* * *

Draft amendment No 73/rev.

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 33 — Expenditure on research and investment

Expenditure unchanged

(b) Revenue

Revenue unchanged

(c) Remarks

(1) Title 8 — Miscellaneous activities

Chapter 8.10 — Expenditure relating to the 'Training' programme

Increase appropriations by 139 800 u.a. in commitment and payment appropriations.

(2) Title 9 — Provisional appropriations

Chapter 9.21 — Provisional appropriations for the new programme in the field of 'Training'.

Reduce appropriations by 139 800 u.a. in commitment and payment appropriations.

JUSTIFICATION

In drawing up Volume 5 (Statement of revenue and expenditure relating to research and investment activities) of the draft budget for 1977, the Council entered :

	<i>Commitment appropriations</i>	<i>Payment appropriations</i>
— under Chapter 8.10	62 000 u.a.	62 000 u.a.
— under Chapter 9.21	1 139 683 u.a.	159 800 u.a.
Total	1 201 683 u.a.	221 800 u.a.

These appropriations are intended to cover the 1977 expenditure on the four-year training programme (1977-1980) which the Council is required to decide upon on the basis of a proposal submitted to it by the Commission last July. According to the information supplied by the Commission, this new programme will constitute to a certain extent a continuation of the current programme (1973 — 1976). The European Parliament has not yet given its opinion on this proposal. Once the Council has taken the programme decision, the appropriations will have to be transferred to Chapter 3.11 (Training) of the appropriate statement of expenditure, which means that the current entry of these appropriations under Chapters 8.10 and 9.21 is only temporary.

While understanding the Council's desire to freeze in reserve for the time being the appropriations for programmes on which no decision has yet been taken, it must not be forgotten that, even if such decisions are then still outstanding, the Commission needs to have at its disposal on 1 January 1977 the appropriations required to cover, in particular, expenditure relating to staff awaiting assignment to the new project. The 62 000 u.a. currently entered under Chapter 8.10 will cover only part of this expenditure. The Committee on Energy and Research therefore proposes that the appropriations available, i.e. 62 000 + 139 800 u.a. making a total of 201 800 u.a., should be entered under this Chapter in the form of commitment and payment appropriations.

* * *

Draft amendment No 74

tabled by Mr Hougardy, on behalf of the Commission on Energy and Research

Section III — Commission

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Annex 1 to Volume 5 :

Re-instate on page 164 the following draft decision on page 161 of the preliminary draft :

'Draft council decision

authorizing the Commission to make certain transfers.

For the purpose of administering the Statement of expenditure relating to research and investment activities for 1977, the Council hereby authorizes the Commission, in accordance with Article 103 (1) of the Financial Regulation applicable to the Budget of the European Communities, to use its discretion, as the need arises, with regard to making the following transfers :

Transfers between Chapters resulting from the structure of the Functional Budget.

The Commission shall use its own discretion with regard to making transfers between Chapters within programmes governed by the same scale of financing where the necessity for making such transfers arises from discrepancies between the initial budgetary authorization and the proven needs. Such transfers shall not have the effect of increasing or reducing by more than 10 % as to appropriations for commitment and appropriations for payment the appropriation originally entered in each Chapter. However, such transfers shall not have the effect of exceeding the overall financial ceiling of the programmes adopted.'

JUSTIFICATION

Appropriations under each chapter of expenditure cannot be used for purposes of other chapters of expenditure (Article 21 (2) of the Financial Regulation).

However, under Article 21 (3) of the Financial Regulation, the Commission may propose to the Council that appropriations be transferred from one chapter to another.

Article 103 (1) of the Financial Regulation stipulates that 'notwithstanding Article 21 (3), the Commission may, within the limits and in the conditions fixed at the final adoption of the statement of expenditure on research and investment, make transfers of appropriations between chapters, which shall thereupon be specified by name in the statement.'

In past years, the application of these provisions has considerably facilitated the administration of appropriations made available for various programme projects under the operating budget. The Joint Research Centre in particular has used this system to the end of financial years for certain inevitable disparities between budget estimates and the actual requirements which arose in respect of certain objectives.

Under the circumstances, the Committee on Energy and Research proposes that the draft decision be re-instated in the statement of expenditure relating to research and investment activities.

* * *

Draft amendment No 75
tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the Industrial and transport sectors

Article 372 — Special research operations

Item 3721 — Operations in the footwear sector

Expenditure unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Reinstate the remarks of the preliminary draft modified as follows :

New Item

— EEC Treaty (Article 235)

This appropriation is intended to cover expenditure for joint research, the purpose of which is to adapt the production techniques of this sector to the latest technological advances, to more exacting consumer requirements, and above all to the exigencies of international competition.

The commitment appropriation authorized for 1977 is 245 000 u.a.

The schedule of dates and payments in relation to commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 245 000	100 000	80 000	65 000

JUSTIFICATION

These commitments appropriations are necessary in order to permit the Commission of the European Communities to enter into contractual engagements for the full length of the programme during its first year of operation.

* * *

Draft amendment No 76/rev.
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
 - Chapter 30 — Expenditure in the social sector
 - Article 303 — Community measures to improve workers' living conditions
 - Item 3031 — Contribution to pilot projects on better housing for migrant workers
- Enter an appropriation of 150 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Council Resolution of 9 February 1976 concerning an action programme for migrant workers and their families (OJ No C 34 of 14 February 1976).
The Commission intends to make a contribution towards the financing of work to modernize multi-household or single-household dwellings rented to migrant workers.
The appropriation for commitment authorized for 1977 is 350 000 u.a.
The timetable of dates payments is as follows (in u.a.):

(in u.a.)			
Commitments	Payments		
	1977	1978	1979
1977 : 500 000	150 000	200 000	150 000

JUSTIFICATION

In view of the extremely difficult economic situation in the Community, which will continue to be characterized by serious problems in the employment and social sectors, the Committee on Social Affairs, Employment and Education considers it essential that the funds necessary for the implementation of pilot projects on better housing for migrant workers should be made available in full.

* * *

Draft amendment No 77
tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

- Title 3 — Expenditure on specific projects undertaken by the Institution
 - Chapter 33 — Expenditure on research and investment
 - Establishment plan 'headquarters and indirect action'
- In note (6) of this establishment plan, delete the words 'the terms of employment and'.

JUSTIFICATION

The Staff Regulations of Officials of the European Communities and Conditions of Employment of Other Servants of the Communities were laid down pursuant to the provisions of Article 24 of the Treaty establishing a Single Council and a Single Commission of the European Communities.
The European Parliament has already given its opinion on the proposal from the Commission of the European Communities to the Council for a regulation (ECSC, EEC, Euratom) amending Council

Regulation (EEC, Euratom, ECSC) No 259/68 laying down the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of the Communities (Flesch report — Doc. 515/75 and supplementary report — Doc. 37/76).¹

These Staff Regulations or, where appropriate, the future conditions of employment of staff remunerated from research and investment appropriations which are currently before the Council for consideration and which will also apply to the temporary staff to be recruited for the 'JET' project, cannot be modified by such a decision. For this reason the expression 'terms of employment' cannot be used in this particular case.

¹ OJ No C 100 of 3. 5. 1976, p. 38.

* * *

Draft amendment No 78

tabled by Mr Hougardy on behalf of the Committee on Energy and Research

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Establishment plan for research and investment activities.

Establishment plan for headquarters and indirect action (page 168 of Vol. 5 of draft budget)

Add the following posts: 2 A 4

3 A 5

(B) *Revenue*

Revenue unchanged for reasons indicated in the justification.

(C) *Remarks*

Unchanged.

JUSTIFICATION

Revenue unchanged.

Since five posts are held by Commission staff placed at the disposal of certain national bodies pursuant to Article 6 (c) of the EAEC Treaty, the expenditure in respect of these staff is reimbursed by these bodies. The appropriations in question have been entered only in the second part of Volume 5. They have no effect on the appropriations in the first part, nor in consequence do they affect the appropriations entered under Chapter 33 (page III/96 of Volume 4).

According to the information supplied by the Commission, 26 members of staff will be placed at the disposal of national bodies on 1 January 1977 pursuant to Article 6 (c) of the EAEC Treaty. Since the establishment plan for Headquarters and indirect action annexed to volume 5 contains only 21 posts reserved for this purpose, 5 Commission staff would seem to be without a post on the establishment at the moment. Under the circumstances, our committee proposes that these 5 posts be reinstated in the establishment plan in question, and points out that this amendment necessitates no additional appropriations.

* * *

Draft amendment No 79

tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) Expenditure

Title 5 — Social and regional funds

Chapter 50 — New Social Fund — expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 501 — Aid to young people

Expenditure unchanged.

(B) Revenue

Unchanged.

(C) Remarks

Council Decision of 22 July 1975 on intervention by the European Social Fund in favour of persons affected by employment difficulties (OJ No L 199 of 30. 8. 1975, p. 36).

The commitment appropriation authorized for 1977 amounts to 172 000 000 u.a. The foreseeable timetable of dates and payments against commitments is as follows (in u.a.):

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 172 000 000	5 000 000 ¹ 19 000 000	20 000 000 86 000 000	67 000 000
Total	24 000 000	106 000 000	

¹ Prior entry of part of the appropriation carried over automatically from the previous year and cancelled.

JUSTIFICATION

With a view to maintaining repayment appropriations proposed by the Council for the financial year 1977, the Committee on Social Affairs, Employment and Education asks for the amount of commitment appropriations to remain identical to the amount proposed by the Commission.

	Appropriations 1976 × 1 000	Commitment appropriations × 1 000 000			
		1976	1977		Commission and European Parliament
			Council	Diff.	
Chapter 50 : Expenditure under Art. 4	170.0	213.0	257	18	275
500 Agriculture, textiles	66.115	82.82	50	8	53
501 Young people	66.105	82.82	161	11	172
502 Handicapped persons	17.001	21.36	21	2	23
503 Migrant workers	20.779	26.0	25	2	27
504 Regions affected by the crisis	token entry	token entry			

Draft amendment No 80

tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission**(A) Expenditure**

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 303 — Community measures to improve workers' living conditions

Item 3031 — Contribution to pilot projects on better housing for migrant workers

Enter an appropriation of 150 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Council Resolution of 9 February 1976 concerning an action programme for migrant workers and their families (OJ No C 34 of 14 February 1976).

The Commission intends to make a contribution towards the financing of work to modernize multi-household or single-household dwellings rented to migrant workers.

JUSTIFICATION

In view of the extremely difficult economic situation in the Community, which will continue to be characterized by serious problems in the employment and social sectors, the Committee on Social Affairs, Employment and Education considers it essential that the funds necessary for the implementation of pilot projects on better housing for migrant workers should be made available in full.

* * *

Draft amendment No 81

tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund — Expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 500 — Aid to the agricultural and textile sectors

Expenditure unchanged.

(B) *Revenue*

Unchanged.

(C) *Remarks*

Council Decision of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non-agricultural activities (OJ No L 291 of 28. 12. 1972, p. 158).

Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industries (OJ No L 39 of 14. 2. 1976, p. 39).

The commitment appropriations authorized for 1977 amount to 53 000 000 u.a.

The foreseeable timetable of dates and payments against these commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 53 000 000	7 000 000 ¹	20 000 000 ¹	
1977 : 53 000 000	6 000 000	26 500 000	20 500 000
Total	13 000 000	46 500 000	

¹ Prior entry of part of the appropriation carried over automatically from the previous year and cancelled.

JUSTIFICATION

With a view to maintaining repayment appropriations proposed by the Council for the financial year 1977, the Committee on Social Affairs, Employment and Education asks for the amount of commitment appropriations to remain identical to the amount proposed by the Commission.

	Appropriations 1976 × 1 000	Commitment appropriations × 1 000 000			
		1976	1977		Commission and European Parliament
			Council	Diff.	
Chapter 50 : Expenditure under Art. 4	170.0	213.0	257	18	275
500 Agriculture, textiles	66.115	82.82	50	8	53
501 Young people	66.105	82.82	161	11	172
502 Handicapped persons	17.001	21.36	21	2	23
503 Migrant workers	20.779	26.0	25	2	27
504 Regions affected by the crisis	token entry	token entry			

Draft amendment No 82
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund — Expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 102 — Aid to handicapped persons

Expenditure unchanged.

(B) *Revenue*

Unchanged.

(C) *Remarks*

Council Decision of 27 June 1974 on action by the European Social Fund for handicapped persons (OJ No L 185 of 9. 7. 1974, p. 22).

This must be integrated action (i.e. combined training or vocational training or rehabilitation and procedures prior to employment) in the form of short-term demonstration projects.

The commitment appropriations authorized for 1977 amount to 23 000 000 u.a.

The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 23 000 000	2 500 000 ¹ 2 500 000	4 400 000 11 500 000	9 000 000
Total	5 000 000	15 900 000	

¹ Prior entry of part of the appropriation carried over automatically from the previous year and cancelled.

JUSTIFICATION

With a view to maintaining the payment appropriations proposed by the Council for the financial year 1977, the Committee on Social Affairs, Employment and Education asks that the amount of commitment appropriations remain identical to the amount proposed by the Commission.

	Appropriations 1976 × 1 000	Commitment appropriations × 1 000 000			
		1976	1977		Commission and European Parliament
			Council	Diff.	
Chapter 50 : Expenditure under Art. 4	170·0	213·0	257	18	275
500 Agriculture, textiles	66·115	82·82	50	8	53
501 Young people	66·105	82·82	161	11	172
502 Handicapped persons	17·001	21·36	21	2	23
503 Migrant workers	20·779	26·0	25	2	27
504 Regions affected by the crisis	token entry	token entry			

Draft amendment No 83
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 3 — Social and Regional Funds
Chapter 50 — New Social Fund — Expenditure provided for under Article 4 of the Council
Decision of 1 February 1971
Article 503 — Aid to migrant workers
Expenditure unchanged.

(B) *Revenue*

Unchanged.

(C) *Remarks*

Council Decision of 27 June 1974 on action by the European Social Fund for migrant workers
(OJ No L 185 of 9. 7. 1974, p. 20).
The commitment appropriations authorized for 1977 amount to 27 000 000 u.a.
The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
	3 500 000 ¹ 3 000 000	5 000 000 ¹ 13 500 000	10 500 000
1977 : 27 000 000			
Total	6 500 000	18 500 000	

¹ Prior entry of part of the appropriation carried over automatically from the previous year and cancelled.

JUSTIFICATION

With a view to maintaining the payment appropriations proposed by the Council for the financial year 1977, the Committee on Social Affairs, Employment and Education asks that the amount of commitment appropriations remain identical to the amount proposed by the Commission.

	Appropriations 1976 × 1 000	Commitment appropriations × 1 000 000			
		1976	1977		Commission and European Parliament
			Council	Diff.	
Chapter 50 : Expenditure under Art. 4	170·0	213·0	257	18	275
500 Agriculture, textiles	66·115	82·82	50	8	53
501 Young people	66·105	82·82	161	11	172
502 Handicapped persons	17·001	21·36	21	2	23
503 Migrant workers	20·779	26·0	25	2	27
504 Regions affected by the crisis	token entry	token entry			

Draft amendment No 84
tabled by the Committee on Social Affairs, Employment and Education
Section III — Commission

(A) *Expenditure*

- Title 5 — Social and Regional Funds
- Chapter 50 — New Social Funds — Expenditure provided for under Article 4 of the Council Decision of 1 February 1971
- Article 504 — Aid to sectors and regions affected by the crisis
- Unchanged.

(B) *Revenue*

Unchanged

(C) *Remarks*

Token entry

JUSTIFICATION

With a view to maintaining the payment appropriations proposed by the Council for the financial year 1977, the Committee on Social Affairs, Employment and Education asks for the amount of commitment appropriations to remain identical to that proposed by the Commission.

	Appropriations 1976 × 1 000	Commitment appropriations × 1 000 000			
		1976	1977		Commission and European Parliament
			Council	Diff.	
Chapter 50 : Expenditure under Art. 4	170·0	213·0	257	18	275
500 Agriculture, textiles	66·115	82·82	50	8	53
501 Young people	66·105	82·82	161	11	172
502 Handicapped persons	17·001	21·36	21	2	23
503 Migrant workers	20·779	26·0	25	2	27
504 Regions affected by the crisis	token entry	token entry			

Draft amendment No 85
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) Expenditure

Title 5 — Social and Regional Funds
Chapter 51 — New Social Fund — expenditure provided for under Article 5 of the Council Decision of 1 February 1971
Article 510 — Aid to improve the employment situation in certain regions, economic sectors or groups of companies

Unchanged

(B) Revenue

Unchanged

(C) Remarks

Council Regulation (EEC) No 2396/71 of 8 November 1971 (OJ No L 249 of 10 November 1971) particularly Article 1 (1) and (2).

This aid is designed to solve employment problems which arise in certain areas which are less developed or where there is a decline, or through adaptation to technical progress of certain branches of economic activity or in certain groups of undertakings which are forced to cease, reduce or transform their activities.

The appropriations for commitment authorized for 1977 amount to 310 million u.a. The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 270 000 000	76 000 000 ¹ 34 000 000	63 000 000 ¹ 155 000 000	121 000 000
Total	110 000 000	218 000 000	

¹ Prior entry of part of the appropriation carried over automatically from the previous year and cancelled.

(Text of preliminary draft)

Commitment appropriations to be increased by 22 000 u.a.

JUSTIFICATION

With a view to maintaining the payment appropriations proposed by the Council for the financial year 1977, the Committee on Social Affairs, Employment and Education asks for the amount of commitment appropriations to remain identical to that proposed by the Commission.

	Appropriations 1976 × 1 000	Commitment appropriations × 1 000 000			
		1976	1977		Commission and European Parliament
			Council	Diff.	
Chap. 51 Exp. under Art. 5	270.0	305.0	321	22	343
510 Certain regions, economic sectors	241.071	272.32	290	20	310
511 Handicapped persons	28.929	32.68	31	2	33

Draft amendment No 86
tabled by the Committee on Social Affairs, Employment and Education

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds
Chapter 51 — New Social Fund — Expenditure provided for under Article 5 of the Council Decision of 1 February 1971
Article 511 — Measures to help handicapped persons not eligible to receive aid under Article 4

Unchanged

(B) *Revenue*

Unchanged

(C) *Remarks*

Council Regulation (EEC) No 2396/71 of 8 November 1971, particularly Article 1, paragraph 3. Operations in favour of handicapped persons who may be able to pursue a professional or trade activity after medical rehabilitation, vocational training or re-training.
The appropriations for commitment authorized for 1977 amounted to 33 m.u.a. The foreseeable timetable of dates and payments against commitments is as follows :

(in m.u.)

Commitments	Payments		
	1977	1978	1979
1977 : 33 000 000	10 000 000 ¹ 3 500 000	7 600 000 ¹ 16 500 000	13 000 000
Total	13 500 000	24 100 000	

¹ Prior entry of part of the appropriation carried over automatically from the previous year and cancelled.

JUSTIFICATION

With a view to maintaining the payment appropriations proposed by the Council for the financial year 1977, the Committee on Social Affairs, Employment and Education asks for the amount of commitment appropriations to remain identical to that proposed by the Commission.

	Appropriations 1976 × 1 000	Commitment appropriations × 1 000 000			
		1976	1977		Commission and European Parliament
			Council	Diff.	
Chap. 51 Exp. under Art. 5	270-0	305-0	321	22	343
510 Certain regions, economic sectors	241-071	272-32	290	20	310
511 Handicapped persons	28-929	32-68	31	2	33

* * *

Draft amendment No 87
tabled by Mr Fletcher on behalf of the Committee on Regional Policy, Regional Planning and Transport

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Enter a new Article 371 — Operations in the Aerospace Sector and a new Item 3711 — Aids to the Aerospace Industry

Make a token entry.

(B) *Revenue*

Unchanged.

(C) *Remarks*

New Item

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in Document COM(75) 475 final. A Commission proposal is being drawn up on the basis of this document on the joint financing of an aircraft optimization programme based on criteria of economy and aiming at the reduction of nuisances; this scheme is to replace the national systems of financing, research and development (including production tooling) in connection with programmes for large civil transport aircraft.

JUSTIFICATION

The Committee on Regional Policy, Regional Planning and Transport are of the opinion that this Article and Items 3710 and 3711 which formed part of the Preliminary Draft General Budget and which have been deleted by the Council, should be reinstated in the Budget for 1977 in view of the need to evolve a Community approach and Community solutions to the problems of the aerospace industry; a vital branch of technology which experience has shown now involves a scale of costs which is so great that its continuing viability can only be assured by the economies that may be effected by Community cooperation.

The Commission proposals represent a first step for common action in the aeronautic sector starting with industrial collaboration which should contribute towards achieving a common aerospace policy.

* * *

Draft amendment No 88
tabled by Mr Fletcher, on behalf of the Committee on Regional Policy, Regional Planning and Transport

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Enter a new Article 371 — Operations in the Aerospace Sector and a new Item 3711 — Aids to the Aerospace Industry

Make a token entry.

(B) *Revenue*

Unchanged.

(C) *Remarks*

New Item

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in Document COM (75) 475 final. A Commission proposal is being drawn up

on the basis of this document on the joint financing of an aircraft optimization programme based on criteria of economy and aiming at the reduction of nuisances; this scheme is to replace the national systems of financing, research and development (including production tooling) in connection with programmes for large civil transport aircraft.

The commitment appropriation authorized for 1977 is 16 000 000 u.a.

The schedule of dates and payments in relation to commitments is as follows:

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977: 16 000 000 ¹	8 000 000 ¹	5 000 000	3 000 000

¹ This amount has been entered in Chapter 100.

JUSTIFICATION

The Committee on Regional Policy, Regional Planning and Transport are of the opinion that this Article and Items 3710 and 3711 which formed part of the Preliminary Draft General Budget and which have been deleted by the Council should be reinstated in the Budget for 1977 in view of the need to evolve a Community approach and Community solutions to the problems of the aerospace industry; a vital branch of technology which experience has shown now involves a scale of costs which is so great that its continuing viability can only be assured by the economies that may be effected by Community cooperation.

The Commission proposals represent a first step for common action in the aeronautic sector starting with industrial collaboration which should contribute towards achieving a common aerospace policy.

* * *

Draft amendment No 89

tabled by Mr Fletcher, on behalf of the Committee on Regional Policy, Regional Planning and Transport

Section III — Commission

(A) Expenditure

Title 10 — Other expenditure
Chapter 100 — Provisional Appropriations
Increase appropriations by 8 000 000 u.a.

(B) Revenue

Increase Revenue accordingly

(C) Remarks

Aid for the Aircraft Industry (Item 3711)
A commitment appropriation of 16 000 000 u.a. is provided for this item.

JUSTIFICATION

The Committee on Regional Policy, Regional Planning and Transport are of the opinion that this Article and Items 3710 and 3711 which formed part of the Preliminary Draft General Budget and which have been deleted by the Council, should be reinstated in the Budget for 1977 in view of the need to evolve a Community approach and Community solutions to the problems of the aerospace industry; a vital branch of technology which experience has shown now involves a scale of costs which is so great that its continuing viability can only be assured by the economies that may be effected by Community cooperation.

The Commission proposals represent a first step for common action in the aeronautic sector starting with industrial collaboration which should contribute towards achieving a common aerospace policy.

* * *

Draft amendment No 90

tabled by Mr Fletcher, on behalf of the Committee on Regional Policy, Regional Planning and Transport

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Enter a new Article 371 — Operations in the Aerospace Sector and a new Item 3710 — Basic Research

Make a token entry

(B) *Revenue*

Unchanged

(C) *Remarks**New Item*

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in Document COM (75) 475 final.

A Commission proposal is being drawn up on the basis of this document on research and basic technology projects relating to :

- short-term applications, where the existing technologies have to be and improved with a view to the optimization of specified products ;
- medium-term applications, where the objectives can be determined only by market trends ;
- long-term applications, where the opposite is the case : here it is the evaluation of current scientific and technological research that gives a pointer to the long-term trends.

JUSTIFICATION

The Committee on Regional Policy, Regional Planning and Transport are of the opinion that this Article and Items 3710 and 3711 which formed part of the Preliminary Draft General Budget and which have been deleted by the Council, should be reinstated in the Budget for 1977 in view of the need to evolve a Community approach and Community solutions to the problems of the aerospace industry ; a vital branch of technology which experience has shown now involves a scale of costs which is so great that its continuing viability can only be assured by the economies that may be effected by Community cooperation.

The Commission proposals represent a first step for common action in the aeronautic sector starting with industrial collaboration which should contribute towards achieving a common aerospace policy.

* * *

Draft amendment No 91

tabled by Mr Fletcher on behalf of the Committee on Regional Policy, Regional Planning and Transport

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 37 — Expenditure in the industrial and transport sectors

Enter a new Article 371 — Operations in the Aerospace Sector and a new Item 3710 — Basic Research

Make a token entry

(B) *Revenue*

Unchanged

*(C) Remarks**New Item*

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in Document COM (75) 475 final.

A Commission proposal is being drawn up on the basis of this document on research and basic technology projects relating to :

- short-term applications, where the existing technologies have to be extended and improved with a view to the optimization of specified products ;
- medium-term applications, where the objectives can be determined only by market trends ;
- long-term applications, where the opposite is the case : here it is the evaluation of current scientific and technological research that gives a pointer to the long-term trends.

The commitment appropriation authorized for 1977 amounts to 20 000 000 u.a.

The schedule of dates and payments in relation to commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 20 000 000 ¹	8 000 000 ¹	8 000 000	4 000 000

¹ This amount has been entered in Chapter 100.

JUSTIFICATION

The Committee on Regional Policy, Regional Planning and Transport are of the opinion that this Article and Items 3710 and 3711 which formed part of the Preliminary Draft General Budget and which have been deleted by the Council, should be reinstated in the Budget for 1977 in view of the need to evolve a Community approach and Community solutions to the problems of the aerospace industry ; a vital branch of technology which experience has shown now involves a scale of costs which is so great that its continuing viability can only be assured by the economies that may be effected by Community cooperation.

The Commission proposals represent a first step for common action in the aeronautic sector starting with industrial collatoration which should contribute towards achieving a common aerospace policy.

* * *

Draft amendment No 92

tabled by Mr Fletcher, on behalf of the Committee on Regional Policy, Regional Planning and Transport

Section III — Commission

(A) Expenditure

Title 10 — Other expenditure
Chapter 100 — Provisional appropriations
Increase appropriations by 8 000 000 u.a.

(B) Revenue

Increase revenue accordingly

(C) Remarks

Basic Research in the Aerospace Industry (Item 3710).

A commitment appropriation of 20 000 000 u.a. is provided for this item.

JUSTIFICATION

The Committee on Regional Policy, Regional Planning and Transport are of the opinion that this Article and Items 3710 and 3711 which formed part of the Preliminary Draft General Budget and which have been deleted by the Council, should be reinstated in the Budget for 1977 in view of the need to evolve a Community approach and Community solutions to the problems of the aerospace industry; a vital branch of technology which experience has shown now involves a scale of costs which is so great that its continuing viability can only be assured by the economies that may be effected by Community cooperation.

The Commission proposals represent a first step for common action in the aeronautic sector starting with industrial collaboration which should contribute towards achieving a common aerospace policy.

* * *

Draft amendment No 93
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

—

(B) *Revenue*

Chapter 94 — Borrowing and lending
Article 944 — Euratom borrowings

(C) *Remarks*

Enter the following remarks :

- EAEC Treaty (Article 172 (4))
- Council Decision of

This entry represents the authorization given to the Commission by the budgetary authority for the financial year under consideration to contract loans to help finance nuclear power stations. The maximum amount authorized for such loans for that financial year has been fixed at 500 m u.a.

This entry also covers any revenue arising from the EAEC's right to recover expenditure from borrowers in receipt of Euratom loans.

Annex III to the 'Commission' section of the general budget contains a statement of capital operations and management of the current debt transaction.

This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

JUSTIFICATION

In its resolution of 13 May 1976,¹ Parliament came out firmly in favour of the budgetization of borrowing operations in order to :

- bring these operations within the normal process for authorizing Community revenue and expenditure ;
- allow the budgetary authority to set an annual ceiling on capital transactions ;
- make Community loan policy fully and clearly comprehensible by introducing a capital budget.

The budgetization system applied in the draft budget corresponds only to a very limited extent to these objectives, particularly as regards the annex concerned with capital operations; the only purpose of this amendment is to introduce an interim improvement in this presentation which must be re-examined in an inter-institutional framework before it is finalized.

This draft amendment and the following Nos 94 to 107 were drawn up by the ad hoc working party of the Committee on Budgets under the chairmanship of Mr Cointat ; they were subsequently taken over by the general rapporteur on the budget on behalf of the Committee on Budgets.

¹ OJ No C 125 of 8. 6. 1976

* * *

Draft amendment No 94
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

(B) *Revenue*

Chapter 94 — Borrowing and lending
Article 945 — Community borrowings

(C) *Remarks*

Enter the following remarks :

— Council Regulation EEC No 397/75 of 17. 2. 1975

This entry represents the authorization given to the Commission by the budgetary authority for the financial year under consideration to contract loans to aid Member States with balance of payment difficulties caused by the increases in the prices of petroleum products.

The maximum amount authorized for such loans for that financial year has been fixed at 3 000 million US Dollars.

This entry also covers any revenue arising from the EEC's right to recover expenditure from borrowers in receipt of Community loans.

Annex III to the 'Commission' section of the general budget contains a statement of capital operations and management of the current debt transaction.

This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

JUSTIFICATION

In its resolution of 13 May 1976,¹ Parliament came out firmly in favour of the budgetization of borrowing operations in order to :

— bring these operations within the normal process for authorizing Community revenue and expenditure ;

— allow the budgetary authority to set an annual ceiling on capital transactions ;

— make Community loan policy fully and clearly comprehensible by introducing a capital budget.

The budgetization system applied in the draft budget corresponds only to a very limited extent to these objectives, particularly as regards the annex concerned with capital operations ; the only purpose of this amendment is to introduce an interim improvement in this presentation which must be re-examined in an inter-institutional framework before it is finalized.

¹ OJ No C 125 of 8. 6. 1976

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Draft amendment No 95
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 32 — Expenditure under the energy policy

— Heading of Article 329 to read : 'Euratom loans'

(This change does not apply to the English text)

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following remarks :

- EAEC Treaty (Article 172 (4))
- Council Decision of

This entry represents the authorization given to the Commission by the budgetary authority for the financial year under consideration to grant loans to finance nuclear power stations.

The maximum amount authorized for such loans for that financial year has been fixed at 500 m u.a.

Community liability

If the recipient of a loan defaults and/or the guarantees relating to the loan cannot be brought into play in time in view of the expiry dates laid down, the Commission will temporarily, out of its funds, service the debt incurred by the Community by virtue of its direct legal commitment to the lenders.

Any expenditure which the Community may finally have to bear if the abovementioned guarantees fail will be charged to this article. The Community will then have to exercise its right to bring proceedings against the defaulters.

Annex III to the 'Commission' section of the general budget contains a statement of capital operations and management of the current debt transaction.

This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

JUSTIFICATION

In its resolution of 13 May 1976,¹ Parliament came out firmly in favour of the budgetization of borrowing operations in order to:

- bring these operations within the normal process for authorizing Community revenue and expenditure;
- allow the budgetary authority to set an annual ceiling on capital transactions;
- make Community loan policy fully and clearly comprehensible by introducing a capital budget.

The budgetization system applied in the draft budget corresponds only to a very limited extent to these objectives, particularly as regards the annex concerned with capital operations; the only purpose of this amendment is to introduce an interim improvement in this presentation which must be re-examined in an inter-institutional framework before it is finalized.

¹ OJ No C 125 of 8. 6. 1976

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Draft amendment No 96

tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 4 — Repayment of aid to Member States and other aid
- Heading of Chapter 42 to read: 'Community loans'
- (This change does not apply to the English text)

(C) *Revenue*

Unchanged.

(C) *Remarks*

Enter the following remarks:

- Council Regulation EEC No 397/75 of 17. 2. 1975.

This entry represents the authorization given to the Commission by the budgetary authority for the financial year under consideration to grant loans to provide aid for Member States experiencing balance of payments difficulties as a result of the rise in the price of petroleum products.

The maximum amount authorized for such loans for that financial year has been fixed at 3 000 million US Dollars.

Community Liability

If the other operations provided for by the correcting mechanism for these loans cannot be brought into play in time in view of the expiry date laid down, the Commission will temporarily, out of its funds, service the debt incurred by the Community by virtue of its direct legal commitment to the tenders.

Any expenditure which the Community may finally have to bear if the other operations provided for by the correcting mechanism for these loans fail will be charged to this chapter. The Community will then have to exercise its right to bring proceedings against the defaulters. Annex III to the 'Commission' section of the general budget contains a statement of capital operations and management of the current debt transaction.

This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

JUSTIFICATION

In its resolution of 13 May 1976,¹ Parliament came out firmly in favour of the budgetization of borrowing operations in order to :

- bring these operations within the normal process for authorizing Community revenue and expenditure ;
- allow the budgetary authority to set an annual ceiling on capital transactions ;
- make Community loan policy fully and clearly comprehensible by introducing a capital budget.

The budgetization system applied in the draft budget corresponds only to a very limited extent to these objectives, particularly as regards the annex concerned with capital operations ; the only purpose of this amendment is to introduce an interim improvement in this presentation which must be re-examined in an inter-institutional framework before it is finalized.

¹ OJ No C 125 of 8. 6. 1976

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Draft amendment No 97

tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

Annex III

- Amend the title of Annex III as follows¹

'Borrowing and lending operations'

Delete the following phrase :

'and stipulates a total sum equivalent to US \$ 3 000 expressed in European Units of Account'

JUSTIFICATION

Since this is a genuine 'annex' to the budget, the term 'document' appears inappropriate and should be deleted.¹

Similarly, there should be no reference in a budgetary text to any ceiling laid down by regulation.

¹ This change does not apply to the English text of the draft budget.

* * *

Draft Amendment No 98
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following remark :

'Chapters 90 and 91 are set aside for European Development Fund (EDF) appropriation'

JUSTIFICATION

In its resolution of 13 May 1976 Parliament came out firmly in favour of the budgetization of the EDF.

Since the principle of budgetization is accepted by all the institutions, Parliament believes, like the Commission, that a place in the budget should be set aside for the EDF already at this stage by the entry of a remark.

* * *

Draft Amendment No 99
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries and non-member states

Chapter 96 — Cooperation with non-member countries

Add an Article 962 entitled :

'Article 962: Financial cooperation with certain non-member countries'

(B) *Revenue*

Unchanged

(C) *Remarks*

None

JUSTIFICATION

In its resolution of 13 May 1976,¹ the European Parliament unequivocally approved the budgetization of appropriations for financial cooperation with non-member countries with which the Community has concluded cooperation agreements making provision for :

(a) EIB loans, and

(b) grants and special loans.

Parliament took the view that these grants and special loans should be financed by the Community budget and not by national budgets, as is still the case with the EDF. The aim of this amendment is therefore to reinstate the entry in the budget covering these actions.

For the sake of budgetary transparency, this article should be divided into several items covering the various financial protocols concluded or due to be concluded with some 15 non-member countries. Since most of these agreements are still under negotiation, it is preferable to group them under a single entry for the financial year 1977. However, the Commission is recommended to itemize them separately for the financial year 1978.

¹ OJ C 125, 8 June 1976, p. 30

* * *

Draft Amendment No 100
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9
Chapter 96
Article 962

Enter an appropriation of 1 000 000 u.a.

(B) *Revenue*

Amend revenue accordingly

(C) *Remarks*

None

JUSTIFICATION

In view of the time needed for the ratification and implementation of the various cooperation agreements, it is unlikely that any payment will be made under Article 962 in the financial year 1977. However, an appropriation of 1 million u.a. must be entered to meet any outlay that might be necessary.

* * *

Draft amendment No 101
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9
Chapter 96
Article 962

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following remarks :

Measure based on Article 238 of the EEC Treaty, on Regulation EEC/939/76 of 23 April 1976 concluding the financial protocol between the EEC and Malta (OJ L 111 of 28 April 1976) and the agreements between the European Economic Community, the Kingdom of Morocco, the Republic of Tunisia (Doc. COM(76) 5 final of 16 January 1976) and the Democratic Popular Republic of Algeria (Doc. COM(76) 44 final of 6 February 1976), and on agreements being negotiated or due to be negotiated at a later date in the context of the overall Mediterranean approach and likely to affect budgets in and after the financial year 1977.

The appropriations entered against this article are intended to permit the implementation of non-EIB financial aids set out in the financial protocols to the agreements with the abovementioned countries.

The commitment appropriation authorized for 1977 is 20 000 000 u.a.

The estimated schedule of payments in respect of these commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 20 000 000	1 000 000	6 000 000	13 000 000

This text is binding within the meaning of Article 16 (c) of the Financial Regulation of 25 April 1973.

JUSTIFICATION

In view of the multiannual nature of these financial protocols and of the operations carried out under them, the corresponding appropriations must also relate to several years and therefore be entered in the form of commitment appropriations. The 20 000 000 u.a. is in line with the Commission's estimates.

Draft amendment No 102/rev.
tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on scientific projects undertaken by the Institution
Chapter 37 — Expenditure in the industrial and transport sectors
Enter a new Article 'Operations in the aerospace sector' and a new Item 3710 'Basic research'
Insert appropriations of 8 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

New Item Add the following :

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in document COM (75) 475 final. A Commission proposal is being drawn up on the basis of this document on research and basic technology projects relating to :

- short-term applications, where the existing technologies have to be extended and improved with a view to the optimization of specified products ;
- medium-term applications, where the objectives can be determined only by market trends ;
- long-term applications, where the opposite is the case : here it is the evaluation of current scientific and technological research that gives a pointer to the long-term trends.

(Two first sentences of text of preliminary draft)

JUSTIFICATION

The European Parliament adopted the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that the Commission is drawing up concrete proposals on research in and support for the aeronautical industry, the Committee on Economic and Monetary Affairs believes that the necessary items should be included in the 1977 Budget so that a concrete policy can be formulated and implemented in the course of 1977. The Committee on Economic and Monetary Affairs draws attention to the fact that in its Resolution of 6 July 1976 the European Parliament reserved its final opinion on the nature and amount of expenditure for this.

* * *

Draft amendment No 103
tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure
Chapter 100 — Provisional appropriations
Increase appropriations by 50 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly

(C) Remarks

Add a new paragraph 8a to the remarks.

Provisional appropriation for aids to coal stocks (Article 322) 50 000 000 u.a.

JUSTIFICATION

The Commission is currently studying methods of financing this action. It is proposed in draft amendment No 25 to make a token entry in the budget (Article 322) so that when a decision has been taken on the financing of this project the Commission may request the entry of the necessary appropriations.

The chairman of the committee responsible (the Committee on Energy and Research) states in his letter to the Chairman of the Committee on Budgets that about 50 000 000 u.a. would be needed to initiate the programme.

In view of this and in view of the desirability of avoiding supplementary budgets except where unforeseeable expenditure is involved, it is proposed that an appropriation of 50 000 000 u.a. should be entered under Chapter 100 'Provisional appropriations' so that a transfer may be made when the methods for financing this action have been decided upon.

Moreover, in the light of the Commission's proposals (Doc. COM(76)20) on the implementation of the energy guidelines drawn up by the European Council at its meeting on 1 and 2 December 1975, and in view of the Community action in this sphere, which parallels the ECSC action, the author of this draft amendment believes that the Commission should, on its own initiative, continue with the action initiated under this policy without waiting for the Council to adopt a final position.

* * *

Proposed modification No 104

tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets

Section III — Commission

(A) Expenditure

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase the appropriations by 200 000 000 u.a.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

Add a paragraph 12 worded as follows:

'12. Provisional appropriation for revision of prices relating to the EAGGF Guarantee Section (Title 6 and 7): 200 000 000 u.a.'

JUSTIFICATION

Parliament has repeatedly, but unsuccessfully, urged that provisional appropriations be entered in the budget so that when agricultural prices are fixed each year, this does not automatically entail a supplementary budget.

In previous years — with the exception of 1976 — the Commission had provided for reserve appropriations corresponding to the foreseeable increases in agricultural prices. It provided for these appropriations again for 1977, but the Council deleted them. The proposed modification provides for the reinstatement of this reserve fund.

* * *

Proposed modification No 105

tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 7 — EAGGF, Guarantee Section
- Chapter 78 — Monetary compensatory amounts
- Article 780 — Monetary compensatory amounts in respect of intra-Community trade
- Item 7800 — Monetary compensatory amounts on imports
- Item 7801 — Monetary compensatory amounts on exports
- Article 781 — Monetary compensatory amounts in respect of trade with non-Community countries
- Item 7810 — Portion of monetary compensatory amounts granted on imports over and above the levy
- Item 7811 — Monetary compensatory amounts on exports
- Delete chapter, articles and items and related appropriations

(B) *Compensation*

- Title 4 — Repayments of aid to Member States and other aid
- Create the following new headings and enter the following appropriations :

		<i>Amounts to be entered</i>
Chapter 44	— Monetary compensatory amounts	
Article 440 (new item)	— Monetary compensatory amounts in respect of intra-Community trade	
Item 4400 (new item)	— Monetary compensatory amounts on imports	545 m u.a.
Item 4401 (new item)	— Monetary compensatory amounts on exports	— 85 m u.a.
Article 441	— Monetary compensatory amounts in respect of trade with non-Community countries	
Item 4410 (new item)	— Portion of monetary compensatory amounts granted on imports over and above the levy	65 m u.a.
Item 4411 (new item)	— Monetary compensatory amounts on exports	25 m u.a.

(C) *Remarks*

- Insert the following remarks :

Article 440 (former Article 760)

The appropriations under this Article provide for the monetary compensatory amounts charged or granted in intra-Community trade in accordance with Regulation (EEC) No 974/71 on certain short-term economic measures to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States, as last amended by Regulation (EEC) No 475/75.

Item 4400

Monetary compensatory amounts on imports are granted by Member States with a depreciated currency and charged by Member States with an appreciated currency.

Item 4401

Monetary compensatory amounts on exports are granted by Member States with an appreciated currency and charged by Member States with a depreciated currency.

Article 441 (former Article 761)

Item 4410

That part of the compensatory amounts over and above the import levy is at present an expenditure charged to the EAGGF, owing to the suspension of Article 4a (2) of Regulation No 974/71. The appropriation under Item 4410 is intended to cover this expenditure.

Item 4411

This appropriation is to finance the monetary compensatory amounts paid in respect of exports to non-Member countries pursuant to Regulation (EEC) No 974/71. The monetary compensatory amounts which the Member States with a depreciated currency deduct from the export refunds under Regulation No 974/71 are estimated at about 85 m u.a.

These amounts will continue to be entered in the accounts as a deduction from the refunds in the relevant sectors, as it is very difficult to enter them separately.

JUSTIFICATION

Appropriations for compensatory amounts should be kept separate from those for agricultural expenditure proper. The cost of compensatory amounts is not due to the normal functioning of the agricultural policy but to difficulties encountered in the economic and monetary field.

Appropriations for compensatory amounts are therefore transferred from Title 7, EAGGF, to Title 4, other aid.

* * *

Proposed modification No 106

tabled by Lord Bruce of Donington on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 7 — EAGGF, Guarantee Section

Chapter 75 — Monetary compensatory amounts granted in respect of intra-Community trade

Article 750 — Monetary compensatory amounts granted in respect of intra-Community trade

— Delete this chapter and this article and the appropriations relating thereto.

(B) *Compensation*

Title 4 — Repayments of aid to Member States and other aid

— Insert the following new budget headings and enter the following appropriations:

Chapter 43 (new) — Accession compensatory amounts granted in respect of intra-Community trade

Article 430 (new) — Accession compensatory amounts granted in respect of intra-Community trade

Enter an appropriation of 250 000 000 u.a.

(C) *Remarks*

— Enter the following remarks:

Article 430

This appropriation is to finance the accession compensatory amounts provided for in Article 55 of the Act of Accession.

JUSTIFICATION

It is important to differentiate between the appropriations relating to compensatory amounts and those relating to agricultural expenditure proper, for the cost of compensatory amounts does not arise from the normal operation of the common agricultural policy but rather the difficulties encountered in the economic and monetary sector.

For this reason, appropriations relating to compensatory amounts are transferred from Title 7 EAGGF to the 'other expenditure' of Title 4.

* * *

Draft amendment No 107
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 2 — Buildings, equipment and miscellaneous administrative expenditure
- Chapter 25 — Expenditure for formal and other meetings
- Article 251 — Committees

(B) *Revenue*

Unchanged.

(C) *Remarks*

Enter the following remark :

'Appropriation to cover travel, subsistence and incidental expenses of experts participating in the work of the committees, and the expenses connected with the organization of meetings insofar as these are not covered by the existing infrastructure (in the provisional headquarters of the institutions or the external offices)' — rest deleted —

JUSTIFICATION

The remarks under Article 251 take up three pages of text devoted to exclusively to a list of all the committees (over 100 of them) for the costs of whose meetings the Commission is wholly or partially responsible. It is preferable to transfer this list to Volume 7 of the draft budget so that, when finally adopted, the budget is not unnecessarily bulky.

* * *

Draft amendment No 108
tabled by Mr Shaw, on behalf of the European Conservative Group

Section I — Parliament

(A) *Expenditure*

- Title 3 — Expenditure resulting from the Institution carrying out special functions
- Chapter 37 — Expenditure relating to certain institutions and bodies
- Enter a new article 377 — Expenditure relating to the Court of Auditors
- Make a token entry.

(B) *Revenue*

None

JUSTIFICATION

This new item is intended to cover expenditure involved in the establishing of the Court of Auditors, as agreed by the Member Governments in the Treaty of 22nd July 1975, which is still being ratified in the Member States. Since the Treaty is still awaiting ratification by a number of national parliaments, a token entry only has been entered.

The Parliament hopes that the Council, as the other budgetary authority, will also enter this new article in their section of the budget.

* * *

Proposed modification No 109
tabled by Mr Gibbons on behalf of the Committee on Agriculture

Section III — Commission

(A) *Expenditure*

- Title 8 — EAGGF — Guidance Section
Article 80 — Plans for improving the structure of agriculture (Article 13 of Regulation No 17/64/EEC)
Article 800 — Plans for improving the structure of agriculture (Article 13 of Regulation No 17/64/EEC)
Increase appropriations by 50 m u.a.

(B) *Compensation*

- Title 8 — EAGGF — Guidance Section
Chapter 88 — Appropriations set aside in previous financial years to finance expenditure in Chapters 81 to 83
Reduce the appropriations entered in the 'Remarks' column for the years 1973 to 1975 by 50 m u.a.

(C) *Remarks*

- Amend the second sentence to read as follows:
These appropriations will be specifically allocated when :
— the commitment appropriations for joint schemes exceed the annual allocation of 325 m u.a.
— the appropriations are needed for financing plans for improving the structure of agriculture (Article 13 of Regulation No 17/64/EEC).

JUSTIFICATION

The appropriations for individual projects which meet Community requirements are to be increased so that the imbalance between Community expenditure on structural policy and the structural expenditure of the Member States is at least to some extent corrected. Moreover, the number of individual projects partly financed with Community funds never amounts to more than a small proportion of the applications actually submitted. Since a maximum amount is set for the Guidance section and a reserve has been created from structural funds, it is requested that 50 m u.a. should be transferred from this reserve for individual projects and that Article 6 (4) of Regulation No 729/70 be modified accordingly.

* * *

Proposed modification No 110
tabled by Mr Gibbons on behalf of the Committee on Agriculture

Section III — Commission

(A) *Expenditure*

- Title 6 — EAGGF — Guarantee Section
Chapter 65 — Beef and veal
Article 652 — Other expenditure beef and veal
Item 6520 — Aid for social purposes
Enter an appropriation of 30 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) Remarks

Unchanged.

Justification

In view of the exceptional increase in slaughtering resulting from the drought and the fact that market prices for beef and veal are still well below the guide price, the measures to finance the purchasing of beef and veal by persons receiving social welfare benefits should be maintained.

An appropriation of 30 000 000 u.a. should therefore be entered under Item 6520.

* * *

Draft amendment No 111

tabled by Mr Gibbons, on behalf of the Committee on Agriculture

Section III — Commission

(A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 31 — Expenditure in the agricultural sector

Article 316 — Community action relating to the vocational training of farmers

Increase appropriations by 60 000 u.a.

(B) Revenue

Increase revenue accordingly

(C) Remarks

Unchanged

JUSTIFICATION

The European Training and Promotion Centre for Farming and Rural Life (CEPFAR) plays a very useful information role in rural circles, particularly for women and young people.

The value of appropriations scattered in previous financial years over various budget entries was as follows:

1975 financial year: 125 000 u.a.

1976 financial year: 78 000 u.a.

Commission proposal for the 1977 financial year: 50 000 u.a.

Council draft budget: 40 000 u.a.

To enable this Centre to continue its useful activities, an appropriation of 100 000 u.a. should be entered under Article 316 instead of the 40 000 u.a. provided for.

* * *

Proposed modification No 112

tabled by Mr Gibbons, on behalf of the Committee on Agriculture

Section III — Commission

(A) Expenditure

Title 7 — EAGGF — Guarantee Section

Chapter 79 — Expenditure resulting from the application of different exchange rates

Article 790 — Expenditure resulting from the application of different exchange rates

Delete this chapter and article and the appropriations entered

(B) *Compensation*

Title 4 — Repayment of aid to Member States and other aid

Insert the following new chapter and article :

Chapter 45 (new) — Expenditure resulting from the application of different exchange rates

Article 450 (new) — Expenditure resulting from the application of different exchange rates

Enter an appropriation of 550 000 000 u.a.

(C) *Remarks*

Enter the following remarks :

Article 450 :

This appropriation is intended to cover additional expenditure resulting from the continued use, for conversions in the budget, of exchange rates corresponding to the parity rates declared to the IMF, while conversions under the Common Agricultural Policy are made at representative rates which are very close to actual market rates.

JUSTIFICATION

Appropriations to cover additional expenditure resulting from the continued use, for conversions in the budget, of exchange rates corresponding to the parity rates declared to the IMF, should be separated from appropriations for agricultural expenditure proper. This additional expenditure arises not from the normal functioning of the Common Agricultural Policy but from difficulties in the economic and monetary field.

For this reason, the appropriations for expenditure resulting from the application of different exchange rates have been transferred from Title 7 (EAGGF) to title 4 (repayments of aid to Member States and other aid).

* * *

Draft amendment No 113/rev.

tabled by Mr Fellermaier on behalf of the Socialist Group and Mr A. Bertrand on behalf of the Christian-Democratic Group

Section I — Parliament

Annex I — List of posts

The list of temporary posts for the groups to be extended as follows :

2 B 3/2

1 C 3/2

(A) *Expenditure*

Increase appropriations by 33 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION

The activities of the secretariats of the Socialist and Christian-Democratic Groups are increasing as a result of the preparations for direct elections and the need to make contact with their respective political parties in Europe. Hence the request for these additional posts, of which 1 B 3/2 and 1 C 3/2 are intended for the Socialist Group and 1 B 3/2 for the Christian-Democratic Group. Appointments to these posts will be at B3 and C3 respectively.

The increase in expenditure is to be broken down as follows :

— Item 1100 :	15 000 u.a.
— Item 1101 :	3 000 u.a.
— Item 1102 :	3 000 u.a.
— Item 1130 :	1 000 u.a.
— Item 116 :	11 000 u.a.

Total : 33 000 u.a.

* * *

Draft amendment No 114 rev.

tabled by Mr Fellermaier, Mr A. Bertrand, Mr Durieux, Sir Peter Kirk, Mr de la Malene and Mr Amendola

Section I — Parliament

(A) *Expenditure*

- Title 3 — Expenditure resulting from the Institution carrying out special functions
- Chapter 37 — Expenditure relating to certain institutions and bodies
- Article 370 — Expenditure relating to the European Parliament
- Item 3706 — Other political activities

Increase appropriations by 170 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

None

JUSTIFICATION

This appropriation should be considerably increased in order to give the political groups some opportunity in the coming year to make a start on preparations for the campaign for direct elections and in particular to facilitate contacts with the European Political Parties.

* * *

Draft amendment No 115

tabled by the European Conservative Group

Section III — Commission

(A) *Expenditure*

- Title 5 — Social and Regional Fund
- Chapter 55 — European Regional Development Fund
- Replace Article 550 by the following 5 new articles :
- Article 550 — Aid for investment in industry, crafts and small businesses, and services.
- Article 551 — Aid for investment in infrastructure directly linked with the development of industry, crafts and small businesses, and services.
- Article 552 — Aid for investment in infrastructures for the reindustrialization of derelict land.
- Article 553 — Aid for investment in infrastructures for hill-farming.
- Article 554 — Contribution towards the financing of studies.

(B) Revenue

Unchanged.

(C) Remarks

None.

JUSTIFICATION.

The budgetary entry for appropriations in respect of the European Regional Fund is not adequately subdivided and does not differentiate between the various Commission activities in this field. A division into five new articles, including one for the recovery and reindustrialization of derelict land, will better reflect the Fund's various fields of activity.

The distribution of appropriations among these new articles should take account of the estimates forwarded by the Commission. Finally, the Commission, which is responsible for the implementation of the budget, should be completely free to make any transfers within Chapter 55 which may prove necessary in the course of the financial year. Notification of such transfers must be given, for information, to the budgetary authority.

* * *

Draft amendment No 116
tabled by the European Conservative Group

Section III — Commission**(A) Expenditure**

Title 2 — Buildings, Equipment and Miscellaneous Administrative Expenditure
Chapter 28 — Subsidies for balancing budgets
Item 282 — European Communities' Institute for Economic Analysis and Research

Increase appropriations by 1 000 000 u.a.

(B) Compensation

Title 2 — Buildings, Equipment and Miscellaneous Administrative Expenditure
Chapter 26 — Expenditure on Studies, Surveys and Consultations
Article 260 — Consultations, studies and surveys of limited scope

Reduce appropriations by 450 000 u.a.

Article 262 — Comprehensive Community studies and general surveys

Reduce appropriations by 550 000 u.a.

(C) Remarks

Unchanged.

JUSTIFICATION

The proposal for this Institute was submitted by the Commission to the Council on 10 October 1975, and the opinion of the European Parliament was given on 11 March 1976. The Commission altered its original proposal on 21 April 1976.

The project is designed to meet a real need at Community level for the analysis of economic, monetary, industrial and social questions currently arising from the process of European integration, and for research into longer term issues affecting the development and policies of the European Community.

The project should be launched in 1977, and therefore the appropriation of 1 000 000 originally entered by the Commission in the preliminary draft budget should be re-instated. However, the establishment of the Institute will reduce the need for further studies and surveys by the Commission. Accordingly appropriations for Articles 260 and 262 have been reduced by an equivalent 1 000 000 u.a.

* * *

Draft amendment No 117
tabled by the European Conservative Group

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 30 — Expenditure in the Social Sector
- Article 301 — Tasks entrusted to the Commission in the field of vocational training
- Item 3011 — Other activities relating to vocational training

Delete this item and the appropriations of 200 000 u.a.

(B) *Revenue*

Reduce revenue accordingly

(C) *Remarks*

None

JUSTIFICATION

The establishment of the European Centre for the Development of Vocational Training (for which a subsidy of 2 000 000 u.a. is entered under item 3010) renders this budget item and its appropriations superfluous.

* * *

Draft amendment No 118
tabled by the European Conservative Group

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
- Chapter 30 — Expenditure in the Social Sector
- Article 307 — Community measures for the participation of both sides of industry in the Community's economic and social decisions

Replace the heading for Article 307 by the following :

Article 307 — European Trade Union Institute

(B) *Revenue*

None

(C) *Remarks*

Unchanged

JUSTIFICATION

The budgetary heading for Article 307 is misleading since any appropriations under this Article are to be earmarked for the creation of a European Trade Union Institute, as the 'Remarks' column indicates. The sole purpose of the amendment is to bring more precision into the budgetary nomenclature, without prejudging the merits or otherwise of public financing of an European Trade Union Institute.

* * *

Draft amendment No 119
tabled by the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 35 — Protection of Man and his environment

Article 353 — Studies and research on medicine and public health

Item 3531 — Community anti-smoking campaign (*new item*)

Make a token entry

(B) *Revenue*

None

(C) *Remarks*

This action is to be taken in consultation with Parliament.

JUSTIFICATION

In the case of smoking, there is little need for Community-financed research into its damaging effects, which are already well established. Yet, controls on the advertising and sale of tobacco products vary greatly between Member States.

An anti-smoking campaign would enable the Community to act on its own behalf in the interests of public health, and also bring home to the peoples of Europe the Community's existence and its concern for their health.

To enable the campaign to be worked out in consultation with the Parliament during 1977, a token entry only has been entered.

* * *

Draft amendment No 120
tabled by Mr Durieux, on behalf of the Liberal and Allies Group

Section I — Parliament

Annex I: List of posts

The list of posts for the secretariats of the political groups to be extended as follows:

1 C 1 (temporary)

(A) *Expenditure*

Increase appropriations by 11 000 u.a.

(B) *Revenue*

Increase revenue accordingly

JUSTIFICATION

This post is to be allocated to the secretariat of the Liberal and Allies Group.

The activities of this group are increasing as a result of the preparations for direct elections to the European Parliament and the need to make contact with the relevant political parties, in particular the Federation of Liberal and Democratic Parties of the European Communities.

The increase in expenditure is to be broken down as follows :

— Item 1100	5 000 u.a.
— Item 1101	1 000 u.a.
— Item 1102	1 000 u.a.
— Item 116	4 000 u.a.
	<hr/>
	11 000 u.a.

* * *

Draft amendment No 121
tabled by Lord Bruce, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution
Chapter 32 — Expenditure under the energy policy
Article 320 — Projects in the hydrocarbons sector
Item 3200 — Community technological development projects in the hydrocarbons sector
Increase appropriations by 15 000 000 u.a. in payment appropriations. 8 000 000 u.a. to remain frozen.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Add the following remarks :

- (a) The 8 000 000 u.a. frozen under this entry are to be released with the agreement of Parliament.
- (b) — Regulation No 3056/73 of 9 November 1973 (OJ No L 312, 13 November 1973) on the support of Community projects in the hydrocarbons sector :
 - Council Decision of 19 December 1974 :
 - Council Decision of 25 March 1976.

These appropriations are intended to stimulate technological development activities directly connected with prospection, exploitation, storage and transport of hydrocarbons.

This is a programme of support by development companies by the grant of loans, loan-guarantees or subsidies repayable under certain conditions, to help them to develop new techniques in prospection for and storage and transport of hydrocarbons. The programme calls for a Community contribution to approved projects of a maximum of 49.9 per cent.

The associated costs of technical and financial expertise occasioned by these operations are also charged to this item. (Text of preliminary draft).

JUSTIFICATION

On 9 November 1973, the Council adopted Regulation EEC No 3056/73 in the support of Community projects in the field of hydrocarbons.

The appropriations requested are necessary for the completion of projects started in 1975 and for the initiation of new projects in 1977.

* * *

Draft amendment No 122

tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

- Title 3 — Expenditure on specific projects undertaken by the Institution
 Chapter 32 — Expenditure under the Energy Policy
 Article 320 — Projects in the hydrocarbons sector
 Item 3200 — Community technological development projects in the hydrocarbons sector

(B) *Revenue*

Unchanged.

(C) *Remarks*

Modify the remarks as follows :

Enter an appropriation of 42m u.a. for commitments for 1978 and 1979, to be used in accordance with the following timetable :

1978	1979
26m u.a.	16m u.a.

JUSTIFICATION

The Committee on Budgets agrees in principle with draft No 24 tabled by the Committee on Energy and Research but takes the view that a different presentation is required for the funds necessary in 1978 and 1979 to cover legal obligations entered into in respect of these projects, which are to begin in 1977.

This is necessary for reasons of budgetary transparency, as explained also in amendment No 291/137.

* * *

Draft amendment No 123

tabled by Mr Schuijt, on behalf of the Political Affairs Committee

Section III — Commission

(A) *Expenditure*

- Title 2 — Buildings, equipment and miscellaneous administrative expenditure
 Chapter 27 — Expenditure on publishing and information
 Article 272 — Expenditure on the dissemination of information and on participation in public events
 Item 2729 — Information projects relating to direct elections to the European Parliament

Increase appropriations by 600 000 u.a.

The 1 000 000 u.a. are to be frozen until the European Parliament has approved the detailed programme of projects which the Commission of the European Communities intends to carry out.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged.

JUSTIFICATION

The Commission's measures to arouse public opinion to the election of the European Parliament by direct universal suffrage cannot be approved unless reasonable funds are placed at its disposal.

The Political Affairs Committee is therefore asking for a total appropriation of 1 000 000 u.a. on the understanding that the Commission of the European Communities will not be able to use these funds until Parliament has approved the detailed action programme which the Commission of the European Communities has undertaken to submit to the Political Affairs Committee of the European Parliament by 1 March 1977 at the latest.

* * *

Draft amendment No 124

tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2

Chapter 27 — Expenditure on publishing and information

Article 272 — Expenditure on the dissemination of information and on participation in public events

Item 2729 — Information projects relating to direct elections to the European Parliament

Increase appropriations by 600 000 u.a., these appropriations remaining frozen under this entry.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Add the following sentence :

'These appropriations are to be released with the agreement of Parliament.'

JUSTIFICATION

In view of the imminence of direct elections, preparations must be made for an information campaign in order to assure maximum participation in the elections.

One million units of account is the minimum amount necessary for an adequate information campaign with a view to direct elections in the Member States. These appropriations would be used by the Commission in conjunction with all the organizations concerned for the preparation of the electoral campaign and, more especially, for the benefit of the political parties.

* * *

Draft amendment No 125

tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous operating expenditure

Chapter 28 — Subsidies for balancing budgets

Article 289 — European Schools

Freeze the proposed appropriation of 18 171 000 u.a.

(B) *Revenue*

unchanged

(C) *Remarks*

Appropriations for this item may be released only with the agreement of the European Parliament.

JUSTIFICATION

The European Schools have requested a subsidy to balance their own budget which remains separate from the Commission budget. Parliament cannot grant such a subsidy without detailed evidence of how this subsidy would be used in relation to the curriculum and activities of the schools. The Committee on Budgets has received in support of this application for appropriations only a purely accounting document, giving no information on the actual use of the appropriations in the Commission's budget. This situation is all the more unsatisfactory in that the European Schools are unfortunately not a Community body.

The proposer hopes that the Board of Governors of the European Schools will present in writing and orally a programme which will permit the Committee on Budgets to release the appropriations before 1 January 1977.

This draft amendment was proposed by Mr Aigner in his capacity as chairman of the Control sub-Committee.

* * *

Draft Amendment No 126

tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 33 — Expenditure on research and investment

Article 330 — Expenditure on research and investment

This article to be broken down into Articles 330 to 339 and into items as shown below :

<i>Chap.</i>	<i>Art.</i>	<i>Item</i>	<i>Heading</i>
33			Expenditure on research and investment
	330)		<i>Joint Research Centre — joint programme</i>
	331)		
		3300	Reactor safety
		3301	Plutonium fuel and actinide research
		3302	Nuclear materials and radioactive waste management
		3303	Solar energy
		3304	Hydrogen
		3305	High-temperature materials
		3306	Design studies on thermonuclearfusion reactors
		3307	Environment and resources
		3308	Measurements, standards and reference techniques
		3309	Data processing
		3310	Training
		3311	Safeguards
		3312	High-flux reactors
	332		<i>Joint Research Centre — complementary programmes</i>
	333)		<i>Headquarters and indirect action — joint programme</i>
	334)		
		3330	Training
		3331	Fusion and plasma physics
		3332	Fusion and plasma physics — Jet project
		3333	Biology and health protection
		3334	Reference materials and methods
		3335	Protection of the environment
		3336	Plutonium recycling in light-water reactors
		3337	Management and storage of radioactive waste
		3339	Fast reactors

	3340	Energy economy
	3341	Production and use of hydrogen
	3342	Solar energy
	3343	Geothermal energy
	3344	Systems analysis
335		<i>Headquarters and indirect action — complementary programmes</i>
336		<i>Completion of projects authorized under preceding programmes</i>
	3360	Joint programme JRC
	3361	Complementary programme JRC
	3362	Joint programme — headquarters and indirect action
	3363	Complementary programme — headquarters and indirect action
337		<i>Eximbank</i>
338		<i>Other activities</i>
	3380	Expenditure on the project on 'Training'
	3381	Implementation of the Council Resolution of 22.7.1975 on nuclear plant safety
	3382	JRC operating expenditure
	3383	Possible JRC operating expenditure
339		<i>Provisional appropriations</i>
	3390	Provisional appropriations for certain JRC expenditure adjustments
	3391	Provisional appropriations for certain expenditure adjustments (headquarters and indirect action)
	3392	Provisional appropriations for the new JRC programme
	3393	Provisional appropriations for the new programme on training
	3394	Provisional appropriations for the JET project

JUSTIFICATION

The Committee on Budgets is following a policy of budgetary clarity which, without overloading the draft budget, allows the appropriations to be broken down among an appropriate number of articles or items. For several years the research and investment appropriations have been entered under only one article — Article 330 — which appears to be quite inadequate.

Admittedly, the appropriations shown under this article are subsequently broken down in an *ad hoc* volume (Volume 5) on the basis of operating budgetization criteria. Over the years, however, it has been found when drawing up amendments to research and investment appropriations that it was virtually impossible for Parliament to establish, because of the existence of this one Article 330, to what research projects its influence could extend.

The breakdown of this article as proposed hereafter permits appropriations to be classified by objective without infringing the provisions of the Financial Regulation under which the research budget is an operating budget.

The proposals made hereafter are not inconsistent with the fact that staff, administrative and investment expenditure remains classified by objective. The disadvantages that might arise from such a proposed breakdown of the articles within Chapter 33 in connection with appropriations common to a number of objectives are overcome by the proposed entry under Articles 330 to 339 of the primary appropriations appertaining to each objective (in other words the appropriations specific to each objective).

The division of appropriations into commitment and payment appropriations remains in the remarks column as proposed in the draft budget.

The proposed breakdown will, in addition, make it easier for Parliament to follow the use of appropriations during the year, as well as to assess transfer operations.

* * *

Draft amendment No 127
tabled on behalf of the Committee on Budgets

Section III — Commission

(A) Expenditure

- Title 3 — Expenditure on specific projects undertaken by the institution
- Chapter 33 — Expenditure on research and investment
- Article 330 — Expenditure on research and investment

Break down the 180 319 157 u.a. in payment appropriations and the 210 241 966 u.a. in commitment appropriations entered in the 1977 budget as follows :

<i>Chap. Art. Item</i>	<i>Heading</i>	<i>Commitment appropriations</i>	<i>Payment appropriations</i>
33	<i>Expenditure on research and investment</i>		
330)	<i>Joint Research Centre — joint programme</i>		
331)			
3300	Reactor safety	token entry	token entry
3301	Plutonium fuel and actinide research	token entry	token entry
3302	Nuclear materials and radioactive waste	token entry	token entry
3303	Solar energy	token entry	token entry
3304	Hydrogen	token entry	token entry
3305	High-temperature materials	token entry	token entry
3306	Design studies on thermonuclear fusion reactors	token entry	token entry
3307	Environment and resources	token entry	token entry
3308	Measurements, standards and reference techniques	token entry	token entry
3309	Data processing	token entry	token entry
3310	Training	token entry	token entry
3311	Safeguards	token entry	token entry
3312	High-flux reactors	token entry	token entry
332	<i>Joint Research Centre — complementary programmes</i>		
333)	<i>Headquarters and indirect action — joint programme</i>		
334)			
3330	Training	token entry	token entry
3331	Fusion and plasma physics	16 029 292	22 939 054
3332	Fusion and plasma plastics — JET project	token entry	token entry
3333	Biology and health protection	5 827 867	7 344 924
3334	Reference materials and methods	908 233	955 118
3335	Protection of the environment	5 470 000	3 786 017
3336	Plutonium recycling in light-water reactors	1 421 600	1 031 600
3337	Management and storage of radioactive waste	6 511 00	4 635 200
3338	Nuclear plant safety	token entry	token entry
3339	Fast reactors	token entry	token entry
3340	Energy economy	4 503 076	3 005 376
3341	Production and use of hydrogen	5 402 295	3 648 095
3342	Solar energy	7 003 076	5 731 758
3343	Geothermal energy	5 202 178	3 563 978
3344	Systems analysis	1 603 876	1 388 707
335	<i>Headquarters and indirect action — complementary programmes</i>	—	—
336	<i>Completion of projects authorized under preceding programmes</i>		
3360	Joint programme JRC	—	502 103
3361	Complementary programme JRC	—	182 722
3362	Joint programme — headquarters and indirect action	—	1 139 097
3363	Complementary programme — head-quarters and indirect action	—	—
337	<i>Eximbank</i>	3 400 000	3 400 000
338	<i>Other activities</i>		
3380	Expenditure on the project on 'Training'	62 000	62 000
3381	Implementation of the Council Resolution of 22.7.1975 on nuclear plant safety	273 500	273 500
3382	JRC operating expenditure	—	3 068 497
3383	Possible JRC operating expenditure	14 938 000	14 938 000

339	<i>Provisional appropriations</i>		
3390	Provisional appropriations for certain JRC expenditure adjustments . . .	5 030 000	5 030 000
3390	Provisional appropriations for certain expenditure adjustments (headquarters and indirect action) . .	883 000	883 000
3392	Provisional appropriations for the new JRC programme	85 013 090	71 701 241
3393	Provisional appropriations for the new programme on training	1 139 683	159 800
3394	Provisional appropriations for the JET project	39 620 000	20 950 000
TOTALS		210 241 966	180 319 157

(B) *Revenue*

unchanged

(C) *Remarks*

Insert the following in front of the remarks in the draft budget :

1. Volume 5 of the draft budget continues to represent for the financial year 1977 that section of the general budget of the Communities which relates to research and investment expenditure.
2. Before the end of the financial year 1977, the Commission will report to Parliament on the results of the application to the research and investment budget of the new nomenclature approved by Parliament.
3. It is on the basis of this report that the institutions will formulate the final modifications to the budgetary nomenclature and to the presentation of research and investment appropriations, as well as any modifications to the financial regulation which may result therefrom.

JUSTIFICATION

In general, the proposed modifications are justified by the need for budgetary clarity and transparency. They will be confirmed in accordance with the text proposed under 'Remarks'.

* * *

Draft amendment No 128
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds
Chapter 59 — Aid to disaster victims in the Community
Enter an appropriation of 30 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged

JUSTIFICATION

It is obvious that, if the Community wishes to indicate its solidarity with populations in the Community affected by disasters and other 'natural phenomena', it will be necessary in 1977 to commit appropriations to provide aid for the victims of these phenomena.

The 1976 drought in particular will have severe repercussions on many regions throughout the Community, both rural and urban. The Friuli area, too, faces new problems as a result of the recent earthquakes.

The purpose of this amendment is to enable the Community to act rapidly even if later, following an initial Community contribution, it might be necessary to have recourse to the supplementary budget procedure if aid is to be provided on a more massive scale.

Thus, approval of this relatively small allocation will in no way detract from the budgetary authority's prerogatives.

Furthermore, the amount proposed constitutes only a minute proportion of the savings which the Commission has been able to make in other sectors as a result of the drought.

* * *

Draft amendment No 129
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 4 — Repayments of aid to Member States and other aid

Chapter 49 — European Export Bank (EEB)

Make a token entry against

Articles 490 (Contribution to starting capital of the EEB)

491 (EEC Guarantee for EEB borrowings)

492 (Subsidy for balancing the budget granted to the EEB)

493 (Interest subsidy grants on loans made by the EEB)

(B) *Revenue*

Unchanged

(C) *Remarks*

Unchanged

JUSTIFICATION

In its preliminary draft budget and on the basis of the proposal for a Council regulation (EEC) setting up a European Export Bank (COM (76) 28) of 17 February 1976, the Commission proposed that this Export Bank be financed from an initial Community budget contribution to working capital of 100 m.u.a.

In Volume 4 of the preliminary draft budget, the Commission also provided for three other Articles to cover guarantees, the balancing of the budget of the EEB and the interest subsidy grants on loans made by the EEB, each with a token entry. The Council in its draft budget has left blanks which would exclude the possibility of transfers being made to this item during the course of the 1977 financial year, except by means of a supplementary budget. It has been the opinion of the Committee on Budgets and the European Parliament that supplementary budgets are not acceptable except where they are proved to arise from new expenditure needs which were unforeseeable at the time of the budget adoption.

In view of the fact that the European Parliament has yet to adopt a position on the subject of the European Export Bank and in order to prevent any option being foreclosed, it is suggested to place a token entry against each of the four articles involved. This 'neutral' amendment would therefore not involve any overall increase in expenditure and in no way prejudice any opinion which Parliament might subsequently deliver.

* * *

Draft amendment No 130
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the institution

Article 371 — Operations in the aerospace sector

Enter a new Item 3711 'Aids to the aerospace industry'

Make a token entry

(B) *Revenue*

Unchanged

(C) *Remarks*

New Item Add the following:

The Commission informed the Council and Parliament of its initial proposals with regard to the aerospace policy in document COM (75) 475 final. A Commission proposal is being drawn up on the basis of this document on the joint financing of an aircraft optimization programme based on criteria of economy and aiming at the reduction of nuisances; this scheme is to replace the national systems of financing research and development (including production tooling) in connection with programmes for large civil transport aircraft.

JUSTIFICATION

The European Parliament approved the Commission's proposal for an action programme in the aeronautical sector on 6 July 1976.

In view of the fact that that part of the proposal concerning aids to the aerospace industry involves important political considerations, as distinguished from that part concerning basic research, it is proposed not to make any suggestion as regards the level of appropriations for the 1977 financial year until an agreement has been reached between the institutions on the nature of the Community intervention in this sector. The proposer considers it unlikely that an agreement on this aspect of the aeronautical policy will come into force in the 1977 financial year.

* * *

Proposed modification No 131
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 9 — Chapter 95 Food aid

Article 922 — Item 9221 Food aid (sugar) 1977 programme

Increase appropriations by 1 640 000 u.a. and freeze them under this entry

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

This operation is based on the same provisions as item 9220. Its purpose is to supply 6 153 tonnes of sugar to UNRWA for distribution to Palestinian refugees and 3 847 tonnes to other developing countries. (Text of preliminary draft).

This appropriation to be unfrozen only with the agreement of Parliament.

JUSTIFICATION

The Committee on Budgets approves the proposed modification tabled by the Committee on Development and Cooperation to this item. However, it has decided to freeze these appropriations under this entry until given the opportunity to study with the Commission the sugar food aid programme.

* * *

Draft amendment No 132
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 33 — Expenditure on research and investment

Enter a new Article 338 : Other activities

and a new Item 3383 : Possible JRC operating expenditure

Increase the appropriations provided for this project in Volume 5 by 674 231 u.a. both in payment and commitment appropriations

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

None

JUSTIFICATION

The Committee on Budgets agrees in principle with the amendment tabled by the Committee on Energy and Research (PdA 72).

The increase requested by the latter committee has been entered under a chapter mentioned in the 'Remarks' column of the draft budget.

Since the Committee on Budgets has proposed new nomenclature for Euratom appropriations, it must allocate the increase proposed by the Committee on Energy and Research differently.

* * *

Draft amendment No 133
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 33 — Expenditure on research and investment

Enter a new Article 339 : Provisional appropriations

and a new Item 3390 : Provisional appropriations for certain JRC expenditure adjustments

Increase the appropriations provided for this project in Volume 5 by 2 344 000 u.a. in both payment and commitment appropriations.

(B) *Revenue*

Increase revenue accordingly.

(C) Remarks

None.

JUSTIFICATION

The Committee on Budgets agrees in principle with the amendment tabled by the Committee on Energy and Research (PdA 72).

The increase requested by the latter committee has been entered under a chapter mentioned in the 'Remarks' column of the draft budget.

Since the Committee on Budgets has proposed new nomenclature for Euratom appropriations, it must allocate the increase proposed by the Committee on Energy and Research differently.

* * *

Draft amendment No 134

tabled by Mr Alfred Bertrand, on behalf of the Christian-Democratic Group

Section III — Commission

(A) Expenditure

Title 2

Chapter 29 — Subsidies

Article 291 — Subsidies to European movements

Increase appropriations by 3 600 u.a.

(B) Revenue

Increase revenue accordingly

(C) Remarks

Unchanged.

JUSTIFICATION

Contribution to the upkeep of buildings forming part of the European heritage preserved by the Robert Schuman Association for Europe at Scy-Chazelles les Metz.

The buildings in question, which are in an ancient village, consist of Robert Schuman's house, an adjoining house equipped for European meetings and the 12th Century Chapel in which Robert Schuman is buried.

* * *

Draft amendment No 135

tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) Expenditure

Title 3 — Expenditure on specific projects undertaken by the institution

Chapter 33 — Expenditure on research and investment

Enter a new Article 338 : — Other activities

and a new Item 3380 : — Expenditure on the project on 'Training'

Increase the appropriations provided for this project in Volume 5 by 139 800 u.a. in commitment and payment appropriations.

(B) Compensation

Title 3, Chapter 33, Article 339 (new), Item 3393 (new).

Reduce the appropriations provided for this project in Volume 5 by 139 800 u.a. in commitment and payment appropriations.

JUSTIFICATION

The Committee on Budgets agrees in principle with the amendment proposed by the Committee on Energy and Research. However, in the light of the new nomenclature it has proposed for Euratom appropriations, it would enter it under a different heading with different allocations.

* * *

Draft amendment No 136

tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets

Section III — Commission**(A) Expenditure**

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Insert a new article 338 — Other activities

Insert a new item 3383 — Possible JRC operating expenditure

Increase the appropriations provided for this project in volume 5 by 59 442 090 u.a. in commitment appropriations and 53 746 241 u.a. in payment appropriations.

(B) Compensation

Title 3, Chapter 33, Article 339 (new), item 3392 (new).

Reduce the appropriations provided for this project in volume 5 by 59 442 090 u.a. in commitment appropriations and 53 746 241 u.a. in payment appropriations.

JUSTIFICATION

The Committee on Budgets agrees in principle with the amendment of the Committee on Energy and Research. However, in the light of the new nomenclature it has proposed for Euratom appropriations, it would enter it under a different heading with different allocations.

* * *

Draft amendment No 137

tabled by Lord Bruce of Donington, on behalf of the Committee on Budgets

Section III — Commission**(A) Expenditure**

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 303 — Community measures to improve workers' living conditions

Item 3031 — Contribution to pilot projects on better housing for migrant workers

Enter an appropriation of 150 000 u.a.

(B) Revenue

Increase revenue accordingly

(C) Remarks

Complete and modify the remarks as follows :

1. Council Resolution of 9 February 1976 concerning an action programme for migrant workers and their families (OJ No C 34 of 14 February 1976).

The Commission intends to make a contribution towards the financing of work to modernize multi-household or single-household dwellings for migrant workers.

2. These are multi-annual measures.
3. The funds necessary in 1977 for payments arising from legal obligations in respect of these measures are covered by the appropriations proposed above for item 3031.
4. The anticipated timetable of payments necessary in 1978 and 1979 (350 000 u.a.) to cover legal obligations entered into in respect of these measures is as follows :

1978	1979
200 000 u.a.	150 000 u.a.

JUSTIFICATION

The Committee on Budgets agrees in principle with amendment No 76/rev/II tabled by the Committee on Social Affairs, Employment and Education. However, as its chairman has pointed out, the financial implications of this multi-annual project cannot be accepted in the presentation proposed by the Commission, which is misleading on the following counts :

- it is not altogether clear, since the remarks column contains, as foreseeable expenditure for the multi-annual projects, both the appropriations required for 1978 and 1979 and those for 1977 already entered against the item in question ;
- it therefore unnecessarily includes commitment appropriations for 1977 ;
- it lists already at this stage as payment appropriations the estimates of expenditure required for 1978 and 1979 to cover the legal obligations arising from the multi-annual project ;

The new presentation proposed by the Committee on Budgets, which is designed to avoid confusion, is based on the following principles :

- some or all of the legal obligations arising from a multi-annual project may be entered into as from the first year of implementation of the project ; in view of this, both the entry proposed for 1977 under the item in question and the amounts indicated in the schedule in the remarks column, are to be considered as authorizations ;
- the appropriations needed to cover the foreseeable financial implications for the first year of implementation of the multi-annual project are entered directly under the budget items concerned ;
- only the foreseeable financial implications for the subsequent two financial years are to be entered in the remarks column but not under the heading of payment appropriations. They will become payment appropriations on adoption of the 1978 and 1979 budgets.

This new presentation is to apply to the following draft amendments : 69/rev., 46, 48, 50, 35, 59/rev., 91, 37, 88, 39, 81, 75, 79, 82, 83, 85, 86, 16 and 20.

* * *

Draft amendment No 138
tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission**(A) Expenditure**

- Title 9 — Cooperation with developing countries and non-Member States
- Chapter 94 — Special measures for financial and technical cooperation with the developing countries
- Article 945 — Aid for cooperation projects with the developing countries carried out by non-governmental organizations (NGO's)

Unchanged

(B) Revenue

Unchanged

(C) Remarks

Amend the remarks to read as follows :

1. (Ex-Article 938) The objective is the financing, jointly with the NGO's, of microprojects to benefit the most deprived people in the developing countries, whether associated or not.
2. The requirement in 1978 to cover the legal obligations arising from this project amounts to 1 500 000 u.a.

JUSTIFICATION

This project is a multiannual one. The Committee on Budgets intends to present the financial implications of the legal obligations entered into in this field in a different form from that proposed by the Commission for the draft budget. The appropriations corresponding to the legal obligations due to give rise to payments during the 1977 financial year are entered against the Article in question. The estimated appropriations needed to cover in 1978 and 1979 the legal obligations entered into on the basis of this project are indicated in the schedule. Unlike in the Commission's presentation, they are not classed as payment appropriations. They will become payment appropriations on adoption of the 1978 and 1979 budgets.

* * *

Draft amendment No 139

tabled by Lord Bruce on behalf of the Committee on Budgets

Section III — Commission

(A) Expenditure

- Title 9 — Cooperation with developing countries and non-Member States
- Chapter 93 — Financial and technical cooperation with the non-associated developing countries
- Article 930 — Financial cooperation with non-associated developing countries
- Unchanged ¹

(B) Revenue

Unchanged

(C) Remarks

Add the following remarks :

'Operation based on the Council Resolution of 16 July 1974 on financial and technical aid to the non-associated developing countries (Doc. T/411/74 of 25 July 1974) and the Commission communication to the Council on financial and technical aid from the Community to the non-associated developing countries 1976 — 198 (Doc. COM (75) 95 final of 5 March 1975). The Council decided that this project should be financed under the 1976 budget after the proposal had been amended by the European Parliament.

Financial aid is firstly to finance projects for agricultural and food development in the non-associated developing countries, in particular the poorest in Latin America and Asia. Secondly, these appropriations could be used to promote economic cooperation between the Community and the developing countries, and for emergency aid.

¹ The Committee on Budgets does not intend to change the appropriation of 30 000 000 u.a. entered by the Council on 19 October 1976 against Article 100 pursuant to the letter of rectification to the draft budget.

The financial implications of this project, besides the 30 000 000 u.a. already entered under Article 100 for 1977, are the following for 1978 and 1979 :

1978	1979
30 000 000 u.a.	30 000 000 u.a.

JUSTIFICATION

This project is a multiannual one. The Committee on Budgets intends to present the financial implications of the legal obligations entered into in this field in a different form from that proposed by the Commission for the draft budget. The appropriations corresponding to the legal obligations due to give rise to payments in the 1977 financial year are entered against the article in question. The foreseeable amounts required to cover in 1978 and 1979 the legal obligation entered into on the basis of this project are indicated in the schedule. Unlike in the presentation proposed by the Commission, they are not classed as payment appropriations. They will become payment appropriations on adoption of the 1978 and 1979 budgets.

* * *

Draft amendment No 140
tabled by Miss Flesch on behalf of the Committee on Budgets

Section I — Parliament

Budgetary Nomenclature

Modify as follows the nomenclature of the budget of the European Parliament to bring it into line with the proposals of the Commission of the European Communities adopted by the Council when drawing up the draft general budget for 1977

Original heading

Chap. 14 — Expenditure on social welfare
and on further vocational
training

Chap. 15 — Cost of organizing internal
training courses

Art. 144 — Language courses and further
vocational training

Art. 239 — Other operating expenditure

Item 2390 — Miscellaneous insurance

Item 2390 — Uniforms and working clothes

Item 2392 — Miscellaneous expenditure on
internal meetings

Item 2393 — Departmental removals

Item 2394 — Petty expenses

Item 2399 — Other operating expenditure
(contribution to secretarial
expenses of the President's
Office)

Chap. 38 — Loan of services between
Institutions

Art. 380 — Services of the Official
Publications Office

New heading

Chap. 14 — Expenditure on social welfare

Chap. 15 — Internal training courses and
vocational training of staff

Art. 151 — Language courses, refresher
courses, further vocational
training and information of staff

Art. 235 — same heading

Item 2350 — same heading

Item 2351 — same heading

Item 2352 — same heading

Item 2353 — same heading

Item 2354 — same heading

Item 2359 — same heading

Art. 239 — same heading

Item 2390 — same heading

Art. 381 — Joint interpreting service	Item 2391 — same heading
Art. 382 — Participation of the European Parliament in the Legal Information Service	Item 2393 — same heading
Chap. 41 — Subsidies and financial contributions	Chap. 29 — same heading
Art. 410 — Subsidies for research at institutions of higher education	Art. 290 — same heading
Art. 413 — Scholarships	Art. 294 — same heading
Item 4130 — Scholarships granted for research and study	Item 2940 — same heading
Item 4131 — Scholarships granted for further vocational training of conference interpreters	Item 2941 — same heading
Item 4139 — Other scholarships	Item 2942 — same heading
Art. 419 — Other subsidies and financial contributions towards inspection costs	Art. 299 — same heading
Item 4190 — Subsidies and financial contributions towards the cost of group visits	Item 2990 — same heading
Item 4191 — Subsidies towards the cost of visits by high-ranking persons from the Member States	Item 2991 — same heading
Title 9 — Food aid and other expenditure	Title 10 — Other expenditure
Chap. 98 — Non-allocated provisional appropriations	Chap. 100 — Provisional appropriations
Art. 980 — Non-allocated provisional appropriations	deleted
Chap. 99 — Expenditure not specifically provided for	Chap. 101 — Contingency reserve
Art. 990 — Expenditure not specifically provided for	deleted
Item 9900 — Expenditure not specifically provided for	deleted
Item 9901 — Provision for new premises at Luxembourg, Strasbourg and Brussels — fitting out, equipment, rent	deleted

With the deletion of Art. 990 and Items 9900 and 9901 the remarks on Chap. 101 should read :

'These appropriations may be broken down as follows :

- 50 000 u.a. for extending the canteen-cafeteria in the Robert Schuman building
- 300 000 u.a. rent for and installation of the new day nursery
- 300 000 u.a. for contingencies'

Draft amendment No 141
tabled by Miss Flesch on behalf of the Committee on Budgets

Section I — Parliament

Annex I — list of posts

Modify the list of posts as follows :

Category A :	+ 2 A 5/4 (A 4)
	+ 1 A 7/6 (A 7)
Category B :	+ 1 B 3/2 (B 3)
Category C :	+ 1 C 1
	+ 2 C 3/2 (C 3)

(A) *Expenditure*

Increase expenditure by 98 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION

In view of the already considerable increase in the workload of its secretariat in 1977 (particularly as a result of the first activities of its Control Sub-Committee and its working parties), the Committee on Budgets considers urgent these first measures to strengthen its secretariat.

The increase in expenditure should be broken down as follows :

Item 1100	48 000 u.a.
Item 1101	7 000 u.a.
Item 1102	9 000 u.a.
Item 1130	2 000 u.a.
Art. 116	32 000 u.a.

Total : 98 000 u.a.

* * *

Draft amendment No 142
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

- Title 1 — Expenditure relating to persons working with the Institution
- Chapter 10 — Members of the Institution
- Article 100 — Salaries, allowances and payments related to salaries

Increase appropriations by 900 000 u.a.

(B) *Revenue*

Modify revenue accordingly.

JUSTIFICATION

The various decisions taken by the Bureau during 1976 and in particular the decision to apply the European unit of account to the payment of travel and subsistence allowances of representatives and to secretarial allowances makes it necessary to adjust the relevant appropriations.

The 900 000 u.a. should be charged to Item 1004 — travel and subsistence allowances, notice of meetings and connected expenditure.

* * *

Draft amendment No 143
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 1 — Expenditure relating to persons working with the Institution
Chapter 10 — Members of the Institution
Article 106 — Members' secretarial expenses
Increase appropriations by 522 000 u.a.

(B) *Revenue*

Modify revenue accordingly.

JUSTIFICATION

As in the case of amendment 291/142, this measure derives from the financial effects of decisions taken by the Bureau in 1976 concerning expenditure relating to Members of the Institution.

* * *

Draft amendment No 144
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 1 — Expenditure relating to persons working with the Institution
Chapter 11 — Staff
Article 113 — Sickness and accident insurance and occupational diseases
Increase appropriations by 10 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION

The appropriation entered was calculated on the basis of the percentage of the basic salary representing the accident insurance premium.

Pursuant to the new provisions on this matter, the Institution may have to bear the cost of additional expenditure arising, in the case of permanent partial invalidity, from a percentage of compensation higher than that proposed by the insurers.

The remarks should describe this amount as 'supplementary expenditure not covered by insurance'.

These appropriations are to be entered under Item 1131 (accident and occupational diseases insurance).

* * *

Draft amendment No 145
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous operating expenditure
Chapter 21 — Rental of buildings and incidental expenditure
Increase appropriations by 282 440 u.a.

(B) *Revenue*

Increase revenue accordingly

JUSTIFICATION

These appropriations are to be allocated as follows :

162 440 u.a. to item 2100 — rent ;

60 000 u.a. to Article 212 — water, gas, electricity and heating ; and

60 000 u.a. to Article 219 — other expenditure.

They are intended to cover the increase in the rent (+122 440 u.a.) and charges (+ 120 000 u.a.) for the new building in Strasbourg, as approved by the Committee on Budgets on 23 September 1976, and the rent for the ground floor of the building at 4, rue Saint Jean in Brussels (+ 40 000 u.a.), in accordance with the Bureau's decision of 1 September 1976.

* * *

Draft amendment No 146

tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 2 — Buildings, equipment and miscellaneous operating expenditure.

Chapter 21 — Rental of buildings and incidental expenditure

Chapter 22 — Movable property and ancillary expenses

Increase appropriations by 408 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION

These appropriations should be allocated as follows :

Article 210 — Item 2100 'Rent' : 28 000 u.a.

Article 214 — 'Fitting out of premises' : 280 000 u.a.

Article 221 — Item 2210 'Furniture — initial equipment' : 40 000 u.a.

Article 222 — Item 2220 'Technical equipment and installations — initial equipment' : 60 000 u.a.

This is to cover the rent for an extension of our premises at 5, Boulevard de l'Empereur in Brussels.

The estimate for the conversion of these offices to a 70 seat conference room amounts to approximately 280 000 u.a.

To this must be added the expenditure on furniture (40 000 u.a.) and interpreting installations (60 000 u.a.)

* * *

Draft amendment No 147

tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

Title 3 — Expenditure resulting from the Institution carrying out special functions

Chapter 37 — Expenditure relating to certain institutions and bodies

Article 374 — Share of the expenditure of the Audit Board

Reduce appropriations by 5 047 u.a.

(B) *Revenue*

Reduce revenue accordingly.

JUSTIFICATION

This reduction is due to the appropriations entered by the Council in the draft budget. It is customary for Parliament to include in its budget half the appropriations necessary for the Audit Board.

Revenue covered by:

- | | |
|---|----------|
| — Chapter 40 'proceeds of taxation on salaries, wages etc.' : | 50 u.a. |
| — Chapter 40 'staff contributions to the pension scheme' : | 110 u.a. |

* * *

Draft amendment No 148
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

- Title 3 — Expenditure resulting from the Institution carrying out special functions
 - Chapter 37 — Expenditure relating to certain institutions and bodies
 - Article 375 — Share of the expenditure of the ECSC auditor
- Reduce appropriations by 15 390 u.a.

(B) *Revenue*

Reduce revenue accordingly.

JUSTIFICATION

Following the establishment of the draft budget by the Council, the entry relating to the share of the expenditure of the ECSC auditor in the budget of Parliament must be adjusted.

* * *

Draft amendment No 149
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

- Title 10 — Other expenditure
 - Chapter 100 — Provisional appropriations
- Enter an appropriation of 3 955 500 u.a.

(B) *Revenue*

Increase revenue accordingly, taking account, of course, of the proceeds from taxation and staff contributions to the pension scheme.

JUSTIFICATION

The appropriations intended to cover remunerations do not take account of the adjustments which may be made during the financial year 1977 following the Council's deliberations.

In its explanatory memorandum on the draft budget for 1977, the Council expressed the wish that the appropriations to cover any adjustments to remunerations in 1977 should be calculated on a uniform basis for all the institutions (see page 32 of Volume VII of the draft budget).

The Committee on Budgets takes the view that, since the Council's decisions on remunerations may not be taken until the budgetary procedure is over and since supplementary budgets for foreseeable expenditure should be avoided, Parliament should adopt the same policy as the other institutions, which have already entered provisional appropriations to cover possible increases in remuneration.

Within Chapter 11, the appropriations could be allocated as follows :

Item 1100	'Basic salaries'	+	380 000 u.a.
Item 1101	'Family allowances'	+	40 000 u.a.
Item 1102	'Expatriation allowances (including those granted under Article 97 of the ECSC staff regulations'	+	60 000 u.a.
Item 1103	'Temporary fixed allowances'	+	7 000 u.a.
Item 1130	'Sickness insurance'	+	35 000 u.a.
Item 1131	'Accident Insurance and occupational diseases'	+	10 000 u.a.
Art. 116	'Weightings'	+	3 200 000 u.a.

Total : + 3 732 000 u.a.

The remaining amount of 223 500 u.a. has not as yet been allocated to any specific purpose.

Finally, it should be borne in mind that the appropriations entered under this chapter are purely provisional and may only be used after being transferred to other chapters in accordance with the procedures in force and those envisaged by the Committee on Budgets.

Revenue covered by :

— Chapter 40 'Proceeds of taxation on salaries etc.' :	440 000 u.a.
— Chapter 41 'Staff contributions to the pension scheme' :	65 000 u.a.

* * *

Draft amendment No 150
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

(A) *Expenditure*

- Title 1 — Expenditure relating to persons working with the institution
- Chapter 10 — Members of the institution
- Article 100 — Salaries, allowances and payments related to salaries
- Item 1004 — Travel and subsistence allowances. Notice of meetings and connected expenditure.

Enter an appropriation of 35 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION

These appropriations are also a consequence of the Bureau's decisions of 1976 as regards members' secretarial allowances. They relate to possible increases in the weighting in 1977 which also applies to these allowances.

* * *

Draft amendment No 151
tabled by Miss Flesch on behalf of the Committee on Budgets

Section I — Parliament

Annex I — List of posts

Modify the list of temporary posts for the political groups as follows :

Within career bracket A 7/6, upgrade one A 7 post to A 6.

JUSTIFICATION

When the estimates of the European Parliament were adopted, a mistake was made in that part of the list of posts relating to the political groups and the conversion of posts.

The groups had asked, among other things, for one A 7 post to be upgraded to A 6 for the Communist and Allies Group. This change does not appear in the report drawn up by Miss Flesch in June 1976 on the estimates of the European Parliament for 1977 (Doc. 130/76).

As a result of the correction of this error, the upgradings within career bracket A 7/6 (from A 7 to A 6) approved on 18 June 1976 have been increased from 13 to 14.

* * *

Draft amendment No 152/rev.

tabled by Mr Aigner and Mr Notenboom on behalf of the Christian-Democratic Group

Section I — Parliament

Annex I — List of Posts

The following permanent posts are to be blocked :

1 B 3/2; 2 B 5/4; 5 C 3/2

JUSTIFICATION

The administration's answers to question 7 and 8 by Mr Notenboom (cf. PE 44.796/Ann.) show that eight officials, two auxiliaries and 23 local staff are in service in the staff shop and the canteen. However, the salaries paid to these members of staff are not included in the calculation of costs; nor are the rents for the various premises.

In practice, this means that an invisible subsidy of about 25 % is being given in respect of all goods purchased by officials in the staff shop. The total amount involved is approximately 8 000 000 BF.

* * *

Draft amendment No 153

tabled by Mr Aigner and Mr Notenboom, on behalf of the Christian-Democratic Group

Section I — Parliament

Annex I — List of posts

Delete the following ten posts : 5 C1 and 5 D3, created by the Bureau decision of 13 May, for drivers, the Brussels travel office and canteen and the security service.

JUSTIFICATION

Calculations on the basis of the administration's answers to question No 4 by Mr Notenboom (Doc. PE 44.796/Ann.) show that the costs per kilometre of the entire vehicle fleet are well in excess of DM 2 (i.e. BF 3-3, Lira 700, Fl 2 and £0-40).

In view of these very high costs, the administration is asked to reorganize and reduce the size of the vehicle fleet and to make more use of taxis. This would make the recruitment of drivers unnecessary. In principle, vehicles should be placed at the disposal only of group chairmen and committee chairmen.

As regards the other duties required, posts should be found by the organization within the administration.

Consequently, reduce appropriations by 129 400 u.a.

* * *

Draft amendment No 154/rev.

tabled by Mr Aigner and Mr Notenboom, on behalf of the Christian-Democratic Group

Section I — Parliament

Annex I — List of Posts

Delete the conversion of one A 5/4 post to A 3.

JUSTIFICATION

The duties of the official whose post is to be upgraded to A 3 are not consistent with those of heads of division (c.f. paragraph 15 (a) of document PE 44.388/fin., first reading in the Committee on Budgets).

The appropriations are therefore to be reduced by 6 635 u.a.

* * *

Draft amendment No 155

tabled by Mr Berkhouwer, on behalf of the Liberal and Allies Group and
Mr Cointat, on behalf of the Group of European Progressive Democrats

Section III — Commission

Annex I — Establishment plan

Amend the establishment plan by the following upgradings:

Category A: + 18 A/4
 — 18 A 5
 + 37 A/6
 — 37 A 7

Category B: + 6 B/1
 — 6 B/2

Category C: + 47 C/1
 — 47 C/2
 + 20 C/2
 — 20 C/3

(A) *Expenditure*

Since the budgetary costs of this operation amounts only to approximately 85 000 u.a., expenditure under Title 1 requires no adjustment.

(B) *Revenue*

None.

JUSTIFICATION

The authors' intention in tabling this amendment is to introduce an important element into staff policy as a whole in the form of career planning for officials of the Communities in general and of the Commission in particular, since the latter has reached an impasse in this field.

The need for career prospects:

It is necessary to set up a coherent careers policy based on a system of overall planning aimed at making rational use of the material available.

Like every Civil Service, the Communities have their own particular requirements arising from the specific nature of the duties and responsibilities devolving upon them: safeguarding the general interest, and assuring continuity and especially impartiality and independence. All this makes it essential for the institutions to have a body of officials encouraged to remain in the Civil Service by being given the opportunity of building for themselves a career based on as harmonious as possible a combination of merit and seniority, designed to reward the best without handicapping the others beyond certain limits.

This concern was shared by the authors of the Staff Regulations who laid down a series of provisions which, besides setting up a structural hierarchy of posts and duties, establishes, as a consequence of the permanent link between the official and the service, the principle of giving preference to the appointment of officials already in the institution to any vacant posts through the medium of promotion, transfer or internal competition. This principle is justified in the interests of both the institution and the official.

Indeed, now that the institutions have been established for so many years, there is no longer in principle any need to recruit at all levels staff of all ages and already possessing considerable professional experience with a view to creating from nothing an entire operational infrastructure in a relatively short period of time, as was the case when the Communities were founded. It is therefore clear that, except in special circumstances, increased responsibilities should, in the interests of the service, be given to people already well acquainted with the workings of the Communities.

Moreover, it is obvious that, if the institutions want first-class officials, they must offer them good career prospects. In fact, officials who join the Community institutions at an early stage in their careers face considerable social and economic difficulties when they return to their countries of origin — difficulties which increase with the years. They will therefore leave the service very quickly unless they are assured of adequate rewards for their abilities.

The authors believe that their request is justified on the following three grounds :

- it is based on the most objective evaluation possible of the different factors affecting staff movements (vacancies, departures, etc.);
- it fixes the maximum promotion percentage which the Commission believes reasonable for each grade ; prospects are therefore no longer a matter of chance (number of new posts, number of departures etc.);
- it ensures that the system works both ways since it provides for the restitution of grades when the number of vacant posts exceeds promotion requirements.

* * *

Draft amendment No 156
tabled by the Group of European Progressive Democrats

Section I — Parliament

Annex I — List of Posts

Amend the list of temporary posts for the political groups as follows : conversion of 1 C 1 post to 1 B 3/2

No financial implications.

JUSTIFICATION

This amendment involves the conversion of 1 C/1 post to B 3/2 in the secretariat of the Group of European Progressive Democrats in connection with the work to be carried out by the political groups in preparation for elections by direct universal suffrage. This work calls for qualitative changes in the structure of our secretariat. The promotion will be to B 3.

* * *

draft amendment No 157/rev.

tabled by Mr Fellermaier, on behalf of the Socialist Group,

Mr A. Bertrand, on behalf of the Christian-Democratic Group,

Mr Durieux, on behalf of the Liberal and Allies Group,

Sir Peter Kirk, on behalf of the European Conservative Group,

Mr Cointat, on behalf of the Group of European Progressive Democrats and

Mr Leonardi, on behalf of the Communist and Allies Group

Section I — Parliament

(A) *Expenditure*

Title 9 — Other expenditure

Chapter 98 — Non-allocated provisional appropriations

Article 980 — Non-allocated provisional appropriations

Enter a new item 9801

Enter appropriations of 3 000 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Enter the following remarks against the new item 9801 under which this appropriation has been entered :

Provision for an amount administered by the enlarged Bureau and designed to cover the European Parliament's contribution to the dissemination of information on the election of the European Parliament by direct universal suffrage.

JUSTIFICATION

The political groups believe that the European Parliament should make a contribution towards providing information for the 160 000 000 electors who will be called upon to go to the polls to elect the Members of the European Parliament by direct universal suffrage pursuant to the act of 20 September 1976. To this end a fund should be set up with an allocation for 1977 of 3 000 000 u.a. This fund would be administered by the enlarged Bureau in accordance with the procedures and conditions provided for in the Internal Rules.

* * *

Draft amendment No 158

tabled by Mr Fellermaier on behalf of the Socialist Group

Section III — Commission

(A) *Expenditure*

Title 2 — Buildings, Equipment and Miscellaneous Administrative expenditure

Chapter 25 — Expenditure for formal and other meetings

Article 256 — Expenditure on pre-consultation meetings with trade union representatives

Increase appropriations by 100 000 u.a.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

Unchanged

JUSTIFICATION

In the preliminary draft general budget the Commission entered appropriations of 200 000 u.a. in respect of expenditure on pre-consultation meetings with trade union representatives in order to help the latter to form opinions and harmonize their position with regard to Community policies.

On page 170 of Volume 7 of the preliminary draft budget, the Commission pointed out that the 100 000 u.a. entered in the 1976 budget was intended merely to get the operation off the ground. It was therefore considered necessary to increase appropriations to 200 000 u.a. for the purposes of continuing the operation in 1977. In the draft budget the Council cut this amount back to 100 000 u.a. without giving any detailed explanation either in Volume 4 or in Volume 7.

It is therefore proposed that the appropriations entered by the Commission should be reinstated in order to ensure greater participation by the trade unions in the framing of Community policies in a year when a number of policies, in particular in the social and regional fields, are coming up for consideration.

* * *

Draft amendment No 159

tabled by Mr Fellermaier, on behalf of the Socialist Group

Mr Durieux, on behalf of the Liberal and Allies Group

Mr Cointat, on behalf of the Group of European Progressive Democrats

Sir Peter Kirk, on behalf of the European Conservative Group

Mr Leonardi, on behalf of the Communist and Allies Group

Section I — Parliament

Annex I — List of posts

Modify the list of posts by the following conversions

Category A: + 1 A 5/4

— 1 A 7/6

Category B: +1 B 3/2

— 1 B 5/4

JUSTIFICATION

The purpose of this amendment is to upgrade two posts in the Financial Control Division, namely 1 A 7/6 to A 5/4 and 1 B 5/4 to B 3/2.

These conversions are justified in view of the substantial increase in the workload of this division following the enlargement of the Communities.

* * *

Draft amendment No 160

tabled by Mr Fellermaier, on behalf of the Socialist Group,

Mr Durieux, on behalf of the Liberal and Allies Group

Mr Cointat, on behalf of the Group of European Progressive Democrats

Sir Peter Kirk, on behalf of the European Conservative Group

Mr Leonardi, on behalf of the Communist and Allies Group

Section I — Parliament

Annex I — List of posts

Modify the list of posts by 42 conversions of local staff posts to established posts, broken down as follows.

7 C 3/2	telephone exchange
1 C 3/2	clerical officer/cashier for the canteen
3 C 3/2	clerical officer/cashiers for the staff shop
6 B 5/4	head of kitchens, qualified nursery staff, heads of unit
1 C 3/2	clerical officer (printing and production department)
1 C 5/4	assistant clerical officer (printing and production department)
1 D 3/2	assistant head of unit (printing and production department)
2 C 3/2	clerical officer (document distribution department)
2 C 5/4	assistant clerical officers

Total : 24 posts

1 C 5/4	cook
3 C 1	qualified nursery staff
2 C 5/4	cooks/linen keeper
6 D 3/2	qualified staff (stapling)
6 D 3/2	qualified staff (duplicating machine operators)

Total : 18 posts

(A) Expenditure

Title 1 — Expenditure relating to persons working with the Institution

Chapter 11 — Staff

Increase appropriations by 40 000 u.a.

(B) Revenue

Increase revenue accordingly, taking into account the proceeds of taxation and staff contributions to the pension scheme.

JUSTIFICATION

The decision to convert 42 local staff posts to established posts is envisaged ;

- as regards 24 posts, in application of the criteria already applied last year (that the duties involved are permanent supervisory or other duties not covered by a description in the staff regulations) ;
- as regards 18 posts in view of the advisability of converting local staff posts created at least 4 years ago.

The additional expenditure caused by the conversion of 42 local staff posts to established posts will amount only to 40 000 u.a. The appropriations required amount to 440 000 u.a. of which 400 000 u.a. are the result of a transfer from item 1112 'local staff' to other items of Chapter 10.

Within Chapter 11, appropriations should be broken down as follows :

Item 1100	'Basic salaries'	+ 230 000 u.a.
Item 1101	'Family allowances'	+ 26 000 u.a.
Item 1102	'Expatriation allowances' (including those granted under Article 97 of the ECSC Staff Regulations)	+ 34 000 u.a.
Item 1112	'Local staff'	— 400 000 u.a.
Item 1130	'Sickness insurance'	+ 8 000 u.a.
Item 1131	'Accident insurance and occupational diseases'	+ 2 000 u.a.
Art. 116	'Weightings'	+ 140 000 u.a.

* * *

Draft amendment No 161

tabled by Mr Fellermaier, on behalf of the Socialist Group

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund — Expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 501 — Aid to young people

Increase expenditure by 17 856 000 u.a.

(B) *Revenue*

Amend revenue accordingly

(C) *Remarks*

Council Decision of 22 July 1975 on intervention by the European Social Fund in favour of persons affected by employment difficulties (OJ No L 199 of 30. 8. 1975, p. 36)

The commitment appropriations authorized for 1977 amount to 222 836 000 u.a.

The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 222 836 000	41 856 000	100 000 000	81 000 000

JUSTIFICATION

For the 1977 financial year and as a result of the introduction of commitment appropriations for the Social Fund, both Council and Commission have agreed on a major reduction in the level of payment appropriations in relation to the totals provided in 1976. The basis for this change was the argument by the Commission that the rate of the transmission of dossiers concerning projects for approval from the Member States was too slow to enable a greater level of payment than that actually achieved in previous years. The purpose of this amendment is to indicate that the problems of late transmission of dossiers are secondary to the political imperative of increasing the Community's impact in the Social Policy sector in the context of six and a half million Europeans out of work.

The rapporteur therefore proposes across the board increases in payment appropriations for the different actions carried out in the context of the new Social Fund.

As regards the level of commitment appropriations, the Council reduced the total level of commitment appropriations proposed by the Commission from a total of 619.1 mua to 579.1 mua. It is the view of the author of this draft amendment that neither the Commission proposals, nor those of the Council, are sufficient to cope with the demands now being made on the Social Fund in view of the economic crisis affecting the Community. In Volume VII of the preliminary draft budget (pages 302 onwards), the Commission indicates the scale of those demands, currently running at 750 mua per year. In view of the deteriorating employment situation and the likely further increase in demands to be made on the Fund, it is proposed to increase commitment appropriations for Articles 4 and 5 of the Fund to a total of 800 mua to be divided up in the same proportions as indicated in both the preliminary and the draft budgets (namely to achieve an equilibrium between Articles 4 and 5 of the Fund, as set out in the Council Decision of 1 February 1971). These appropriations are to be divided up as indicated in the following table (as concerns Chapter 50).

* * *

	1976 appropriations × 1 000	Commitment appropriations × 1 000 000		
		1976	1977 Council	proposal included in amends.
Chapter 50 : Expenditure under Art. 4	170.0	213.0	257	355.736
500 Agriculture, textiles	66.115	82.82	50	69.204
501 Young people	66.105	82.82	161	222.836
502 Handicapped persons	17.001	21.36	21	29.065
503 Migrant workers	20.779	26.0	25	34.631

Draft amendment No 162
tabled by Mr Fellermaier, on behalf of the Socialist Group

Section III — Commission

(A) Expenditure

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund — Expenditure provided for under Article 4 of the Council
Decision of 1 February 1971

Article 502 — Aid to handicapped persons

Increase expenditure by 3 720 mua.

(B) Revenue

Amend revenue accordingly

(C) Remarks

Council Decision of 27 June 1974 on action by the European Social Fund for handicapped persons (OJ No L 185 of 9. 7. 1974, p. 22).

This must be integrated action (i.e. combined training or vocational training or rehabilitation and procedures prior to employment) in the form of short-term demonstration projects.

The commitment appropriations authorized for 1977 amount to 29 065 000 u.a.

The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 29 065 000	8 720 000	10 745 000	10 000 000

JUSTIFICATION

For the 1977 financial year and as a result of the introduction of commitment appropriations for the Social Fund, both Council and Commission have agreed on a major reduction in the level of payment appropriations in relation to the totals provided in 1976. The basis for this change was the argument by the Commission that the rate of the transmission of dossiers concerning projects for approval from the Member States was too slow to enable a greater level of payment than that actually achieved in previous years. The purpose of this amendment is to indicate that the problems of late transmission of dossiers are secondary to the political imperative of increasing the Community's impact in the Social Policy sector in the context of six and a half million Europeans out of work. The rapporteur therefore proposes across the board increases in payment appropriations for the different actions carried out in the context of the new Social Fund.

As regards the level of commitment appropriations, the Council reduced the total level of commitment appropriations proposed by the Commission from a total of 619.1 m.u.a. to 579.1 m.u.a. It is the view of the author of this draft amendment that neither the Commission proposals, nor those of the Council, are sufficient to cope with the demands now being made on the Social Fund in view of the economic crisis affecting the Community. In Volume VII of the preliminary draft budget (pages 302 onwards), the Commission indicates the scale of those demands, currently running at 750 m.u.a. per year. In view of the deteriorating employment situation and the likely further increase in demands to be made on the Fund, it is proposed to increase commitment appropriations for Articles 4 and 5 of the Fund to a total of 800 m.u.a. to be divided up in the same proportions as indicated in both the preliminary and the draft budgets (namely to achieve an equilibrium between Articles 4 and 5 of the Fund, as set out in the Council Decision of 1 February 1971). These appropriations are to be divided up as indicated in the following table (as concerns Chapter 50).

	1976 appropriations × 1 000	Commitment appropriations × 1 000 000		
		1976	1977 Council	proposal included in amends.
Chapter 50 : Expenditure under Art. 4	170.0	213.0	257	355.736
500 Agriculture, textiles	66.115	82.82	50	69.204
501 Young people	66.105	82.82	161	222.836
502 Handicapped persons	17.001	21.36	21	29.065
503 Migrant workers	20.779	26.0	25	34.631

* * *

Draft amendment No 163
tabled Mr Fellermaier on behalf of the Socialist Group

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund — Expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 500 — Aid to agricultural and textile sectors

Increase expenditure by 9 672 000 u.a.

(B) *Revenue*

Amend revenue accordingly

(C) *Remarks*

Council Decision of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non-agricultural activities (OJ No L 291 of 28. 12. 1972, p. 158).

Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industries (OJ No L 39 of 14. 2. 1976, p. 39).

The commitment appropriations authorized for 1977 amount to 69 204 000 u.a.

The foreseeable timetable of dates and payments against these commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 69 204 000	22 672 000	26 532 000	20 000 000

JUSTIFICATION

For the 1977 financial year and as a result of the introduction of commitment appropriations for the Social Fund, both Council and Commission have agreed on a major reduction in the level of payment appropriations in relation to the totals provided in 1976. The basis for this change was the argument by the Commission that the rate of the transmission of dossiers concerning projects for approval from the Member States was too slow to enable a greater level of payment than that actually achieved in previous years. The purpose of this amendment is to indicate that the problems of late transmission of dossiers are secondary to the political imperative of increasing the Community's impact in the Social Policy sector in the context of six and a half million Europeans out of work.

The rapporteur therefore proposes across the board increases in payment appropriations for the different actions carried out in the context of the new Social Fund.

As regards the level of commitment appropriations, the Council reduced the total level of commitment appropriations proposed by the Commission from a total of 619.1 mua to 579.1 mua. It is the view of the author of this draft amendment that neither the Commission proposals, nor those of the Council, are sufficient to cope with the demands now being made on the Social Fund in view of the economic crisis affecting the Community. In Volume VII of the preliminary draft budget (pages 302 onwards), the Commission indicates the scale of those demands, currently running at 750 mua per year. In view of the deteriorating employment situation and the likely further increase in demands to be made on the Fund, it is proposed to increase commitment appropriations for Articles 4 and 5 of the Fund to a total of 800 mua to be divided up in the same proportions as indicated in both the preliminary and the draft budgets (namely to achieve an equilibrium between Articles 4 and 5 of the Fund, as set out in the Council Decision of 1 February 1971). These appropriations are to be divided up as indicated in the following table (as concerns Chapter 50).

	1976 appropriations × 1 000	Commitment appropriations × 1 000 000		
		1976	1977 Council	proposal included in amends.
Chapter 50 : Expenditure under Art. 4	170.0	213.0	257	355.736
500 Agriculture, textiles	66.115	82.82	50	69.204
501 Young people	66.105	82.82	161	222.836
502 Handicapped persons	17.001	21.36	21	29.065
503 Migrant workers	20.779	26.0	25	34.631

Draft amendment No 164

tabled by Mr Fellermaier on behalf of the Socialist Group

Section III — Commission

(A) Expenditure

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund — Expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Article 503 — Aid to migrant workers

Increase expenditure by 4 868 000 u.a.

(B) Revenue

Amend revenue accordingly

(C) Remarks

Council Decision of 27 June 1974 on action by the European Social Fund for migrant workers (OJ No L 185 of 9. 7. 1974, p. 20)

The commitment appropriations authorized for 1977 amount to 34 631 000 u.a.

The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 34 631 000	11 368 000	11 263 000	10 000 000

JUSTIFICATION

For the 1977 financial year and as a result of the introduction of commitment appropriations for the Social Fund, both Council and Commission have agreed on a major reduction in the level of payment appropriations in relation to the totals provided in 1976. The basis for this change was the argument by the Commission that the rate of the transmission of dossiers concerning projects for approval from the Member States was too slow to enable a greater level of payment than that actually achieved in previous years. The purpose of this amendment is to indicate that the problems of late transmission of dossiers are secondary to the political imperative of increasing the Community's impact in the Social Policy sector in the context of six and a half million Europeans out of work. The rapporteur therefore proposes across the board increases in payment appropriations for the different actions carried out in the context of the new Social Fund.

As regards the level of commitment appropriations, the Council reduced the total level of commitment appropriations proposed by the Commission from a total of 619.1 mua to 579.1 mua. It is the view of the author of this draft amendment that neither the Commission proposals, nor those of the Council, are sufficient to cope with the demands now being made on the Social Fund in view of the economic crisis affecting the Community. In Volume VII of the preliminary draft budget (pages 302 onwards), the Commission indicates the scale of those demands, currently running at 750 mua per year. In view of the deteriorating employment situation and the likely further increase in demands to be made on the Fund, it is proposed to increase commitment appropriations for Articles 4 and 5 of the Fund to a total of 800 mua to be divided up in the same proportions as indicated in both the preliminary and the draft budgets (namely to achieve an equilibrium between Articles 4 and 5 of the Fund, as set out in the Council Decision of 1 February 1971). These appropriations are to be divided up as indicated in the following table (as concerns Chapter 50).

	1976 appropriations × 1 000	Commitment appropriations × 1 000 000		
		1976	1977 Council	proposal included in amends.
Chapter 50 : Expenditure under Art. 4	170.0	213.0	257	355.736
500 Agriculture, textiles	66.115	82.82	50	69.204
501 Young people	66.105	82.82	161	222.836
502 Handicapped persons	17.001	21.36	21	29.065
503 Migrant workers	20.779	26.0	25	34.631

* * *

Draft amendment No 165
tabled by Mr Fellermaier on behalf of the Socialist Group

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Chapter 50 — New Social Fund

Expenditure provided for under Article 4 of the Council Decision of 1 February 1971

Delete Article 504 — Aid to sectors and regions affected by the crisis

Create Chapter 54 — Aid to sectors and regions affected by the crisis

Amend title as follows:

Delete 'Social Fund — Expenditure provided for under Article 125 (1) A of the EEC Treaty'

Add 'Aid to sectors and regions affected by the crisis'

Insert expenditure of 28 325 000 u.a.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

Draft amendment to budgetary nomenclature. Add the following:

The Commission is instructed to support measures along the lines proposed in the Commission's memorandum of 31 March 1976, in which action was proposed in the context of anti-crisis measures, designed to alleviate the worst effects of the unemployment crisis on the basis of Article 123 of the Treaty. The Commission shall submit a report by 31 March 1977 to the budgetary authority on the utilization of this appropriation that it intends to make.

JUSTIFICATION

During the 1976 budgetary procedure, the budgetary authority adopted amendments to Title 5 involving the earmarking of 28 325 000 u.a. for Article 504 'Aid to sectors and regions affected by the crisis'. The Commission have already submitted its memorandum on anti-crisis measures to Council and Parliament.

During the 1976 financial year, the Commission transferred this amount to Article 501 ('Aid to young people'). This decision went against the decision of the budgetary authority based on the determination of the European Parliament to encourage Community measures designed to diminish unemployment, not just of young people but in all those sectors worst affected by the crisis.

In order to guarantee that such a transfer is not affected in 1977, without any regard to the opinion of the European Parliament, and in view of the fact that Article 123 represents a sufficient legal basis for the Commission to undertake actions in this sphere, it is proposed to reinstate this amount in the 1977 budget.

* * *

Draft amendment No 166
tabled by Mr Fellermaier on behalf of the Socialist Group

Section III — Commission

(A) *Expenditure*

Title 5 — Social and Regional Funds

Chapter 51 — New Social Fund — Expenditure provided for under Article 5 of the Council Decision of 1 February 1971

Article 510 — Aid to improve the employment situation in certain regions, economic sectors or groups of companies

Increase expenditure by 81 840 000 u.a.

(B) Revenue

Amend revenue accordingly

(C) Remarks

Council Regulation (EEC) No 2396/71 of 8 November 1971 (OJ No L 249 of 10 November 1971) particularly Article 1 (1) and (2).

This aid is designed to solve employment problems which arise in certain areas which are less developed or where there is a decline, or through adaptation to technical progress of certain branches of economic activity or in certain groups of undertakings which are forced to cease, reduce or transform their activities.

The commitment appropriations authorized for 1977 amount to 401 360 000 u.a.

The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 401 360 000	191 840 000	109 520 000	100 000 000

JUSTIFICATION

For the 1977 financial year and as a result of the introduction of commitment appropriations for the Social Fund, both Council and Commission have agreed on a major reduction in the level of payment appropriations in relation to the totals provided in 1976. The basis for this change was the argument by the Commission that the rate of the transmission of dossiers concerning projects for approval from the Member States was too slow to enable a greater level of payment than that actually achieved in previous years. The purpose of this amendment is to indicate that the problems of late transmission of dossiers are secondary to the political imperative of increasing the Community's impact in the Social Policy sector in the context of six and a half million Europeans out of work. The rapporteur therefore proposes across the board increases in payment appropriations for the different actions carried out in the context of the new Social Fund.

As regards, the level of commitment appropriations, the Council reduced the total level of commitment appropriations proposed by the Commission from a total of 619.1 mua to 579.1 mua. It is the view of the author of this draft amendment that neither the Commission proposals, nor those of the Council, are sufficient to cope with the demands now being made on the Social Fund in view of the economic crisis affecting the Community. In Volume VII of the preliminary draft budget (pages 302 onwards), the Commission indicates the scale of those demands, currently running at 750 mua per year. In view of the deteriorating employment situation and the likely further increase in demands to be made on the Fund, it is proposed to increase commitment appropriations for Articles 4 and 5 of the Fund to a total of 800 mua to be divided up in the same proportions as indicated in both the preliminary and the draft budgets (namely to achieve an equilibrium between Articles 4 and 5 of the Fund, as set out in the Council Decision of 1 February 1971). These appropriations are to be divided up as indicated in the following table (as concerns chapter 51).

	1976 appropriations × 1 000	Commitment appropriations × 1 000 000		
		1976	1977 Council	proposal included in amends.
Chapter 51 :				
Expenditure under Art. 5	270.0	305.0	321	444.264
510 Certain regions, economic sectors	241.071	272.32	290	401.360
511 Handicapped persons	28.929	32.68	31	42.904

Draft amendment No 167
tabled by Mr Fellermaier on behalf of the Socialist Group

Section III — Commission

(A) *Expenditure*

- Title 5 — Social and Regional Funds
Chapter 51 — New Social Fund — Expenditure provided for under Article 5 of the Council Decision of 1 February 1971
Article 511 — Measures to help handicapped persons not eligible to receive aid under Article 4

Increase expenditure by 10 044 000 u.a.

(B) *Revenue*

Amend revenue accordingly

(C) *Remarks*

Council Regulation (EEC) No 2396/71 of 8 November 1971, particularly Article 1, paragraph 3. Operations in favour of handicapped persons who may be able to pursue a professional or trade activity after medical rehabilitation, vocational training or re-training.

The commitment appropriations authorized for 1977 amount to 42 904 000 u.a.

The foreseeable timetable of dates and payments against commitments is as follows :

(in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 42 904 000	23 544 000	10 000 000	9 360 000

JUSTIFICATION

For the 1977 financial year and as a result of the introduction of commitment appropriations for the Social Fund, both Council and Commission have agreed on a major reduction in the level of payment appropriations in relation to the totals provided in 1976. The basis for this change was the argument by the Commission that the rate of the transmission of dossiers concerning projects for approval from the Member States was too slow to enable a greater level of payment than that actually achieved in previous years. The purpose of this amendment is to indicate that the problems of late transmission of dossiers are secondary to the political problems of late transmission of dossiers are secondary to the political imperative of increasing the Community's impact in the Social Policy sector in the context of six and a half million Europeans out of work.

The rapporteur therefore proposes across the board increases in payment appropriations for the different actions carried out in the context of the new Social Fund.

As regards the level of commitment appropriations, the Council reduced the total of 619.1m u.a. to 579.1m u.a. It is the view of the author of this draft amendment that neither the Commission proposals, nor those of the Council, are sufficient to cope with the demands now being made on the Social Fund in view of the deteriorating employment situation and the likely further increase in demands to be made on the Fund, it is proposed to increase commitment appropriations for Articles 4 and 5 of the Fund to a total of 800m u.a. to be divided up in the same proportions as indicated in both the preliminary and the draft budgets (namely to achieve an equilibrium between Articles 4 and

5 of the Fund, as set out in the Council Decision of 1 February 1971). These appropriations are to be divided up as indicated in the following table (as concerns Chapter 51).

	1976 appropriations × 1 000	Commitment appropriations × 1 000 000		
		1976	1977 Council	proposal included in amends.
Chapter 51 : Expenditure under Art. 5	270.0	305.0	321	444.264
510 Certain regions, economic sectors	241.071	272.32	290	401.360
511 Handicapped persons	28.929	32.68	31	42.904

Draft amendment No 168/rev.

tabled by Mr Fellermaier, on behalf of the Socialist Group

Section III — Commission

(a) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 30 — Expenditure in the social sector

Article 307 — Community measures for the participation of both sides of industry in the Community's economic and social decisions

Enter an appropriation of 500 000 u.a. for the year 1977.

(B) *Revenue*

Increase revenue by 400 000 u.a.

(C) *Compensation*

Reduce appropriations under Chapter 100 by 100 000 u.a.

(D) *Remarks*

Delete the words 'An appropriation of 100 000 u.a. has been entered in Chapter 100'.

JUSTIFICATION

The European Trade Union Confederation has informed the Commission that it has finalized concrete plans for the setting up of a European Trade Union Institute whose establishment is in accordance with the Social Action Programme of 21 January 1974.

The funds requested are the minimum necessary for the setting up of this Institute.

* * *

Draft amendment No 169

tabled by Mr Bangemann, Mr Clerfayt, Mr Cointat, Mr Terrenoire, Mrs Kruchow

Section III — Commission

(A) *Expenditure*

Title 9 — Cooperation with developing countries

Chapter 96 — Cooperation with non-member countries

Enter the following article :

Article 962 — Non-returnable aid and special loans granted under financial protocols

Make a token entry.

(B) *Revenue*

Unchanged

(C) *Remarks*

Enter the following remarks :

'Measure based on Article 233 of the EEC Treaty, on Council Regulation (EEC) No 939/76 of 23 April 1976 concluding the Financial Protocol between the EEC and Malta (OJ L 111 of 28 April 1976) and on the Agreements between the European Economic Community, the Kingdom of Morocco, the Republic of Tunisia (Doc. COM (76) 5 final of 16 January 1976) and the Democratic and Popular Republic of Algeria (Doc. COM (76) 44 final of 6 February 1976) and on agreements being negotiated (Mashrek countries, Israel) or to be negotiated at a later date in the context of the overall Mediterranean approach, and likely to affect budgets in and after financial year 1977.

The appropriations entered against this Article of the Budget are intended to permit the implementation of non-EIB financial aids set out in the financial protocols to the agreements with the abovementioned countries.

The appropriation for commitment authorized for 1977 is 20 000 000 u.a.

The timetable of dates and payments is as follows (in u.a.)

Commitments	Payments		
	1977	1978	1979
1977 : 20 000 000	token entry	6 000 000	14 000 000

JUSTIFICATION

The aim of this draft amendment is similar to that of Amendment No 100 tabled by the Committee on Budgets since it is in keeping with the desire to include all Community aid in the budget.

However, in view of the monetary situation, it is better to make a token entry than to enter a payment appropriation of 1 000 000 u.a.

Indeed, arrangements must be made for this operation to be carried out as soon as the agreements with the Maghreb countries and Malta are ratified. The entry of commitment appropriations will allow the Commission to take the necessary steps.

Payment appropriations will be entered only in the 1978 and subsequent budgets, i.e. when the European unit of account has entered into force, thus obviating the various problems which are at present unsolved. However, if it proved necessary to make payments in 1977 (and these would in any case be very small), this could be done in national currency through the Community's liquid assets and then charged to the payment appropriations for the financial year 1978.

* * *

Draft amendment No 170

tabled by Mr Durieux, on behalf of the Liberal and Allies Group

Section III — Commission

(A) *Expenditure*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 39 — Other expenditure on specific projects undertaken by the Institution

Article 392 — Educational measures

Item 3921 — Preparation of young people for their working career

Enter an appropriation of 250 000 u.a. for the 1977 financial year.

(B) Revenue

Increase accordingly and freeze revenue.

(C) Remarks*New Item*

- Council Resolution of 21 January 1974 on a social action programme for the period 1974-1976 with priority for the problems of training and educating the children of migrant workers (OJ No C 13 of 12 February 1974);
- Resolution of the Ministers of Education, meeting within the Council, of 6 June 1974 on cooperation in the field of education (OJ No C 98 of 20 August 1974);
- Resolution of the Ministers of Education, meeting within the Council, of 9 February 1976 comprising an action programme in the field of education (OJ No C 38 of 19 February 1976) and more specifically an action programme for migrant workers and members of their families (OJ No C 34 of 14 February 1976).

This appropriation is intended to cover expenditure on action to achieve equality of opportunity with a view to full access to all forms of education (the nature, aims and content of the operations envisaged are essentially educational, pedagogical and didactic);

- (a) by an exchange of views and experience on concepts and trends, to identify specific areas in which joint action might be undertaken;
 - the organization of nursery education and primary education;
 - the organization of compulsory secondary education;
- (b) by the measures to be taken in the field of education to prepare young people for work, to facilitate their transition from school to work and to increase their chances of finding employment, thereby reducing the risks of unemployment;
- (c) by the provision of further education to enable the young to improve their chances of finding employment. (Text of preliminary draft)

JUSTIFICATION

In view of the extremely difficult economic situation in the Community, which will continue to be characterized by serious structural problems in the employment and social field, the Committee on Social Affairs, Employment and Education considers it indispensable that the financial means to enable the European Institutions to prepare young people for their working career should be made available in full.

* * *

Draft amendment No 171

tabled by Mr Durieux, on behalf of the Liberal and Allies Group

Section III — Commission**(A) Expenditure**

Title 3

Chapter 39 — Other expenditure on specific projects undertaken by the Institution

Article 393 — Expenditure on cultural projects

Enter 100 000 u.a. under this Article.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

These appropriations are intended to cover the implementation of two priority projects:

- cultural preparation for European union,
- protection of the architectural heritage.

JUSTIFICATION

In the preliminary draft the Commission proposed an appropriation of 100 000 u.a. for Article 393 (expenditure on cultural projects).

The Council made a token entry against this Article.

The authors take the view that the appropriation originally proposed by the Commission should be reinstated.

* * *

Draft amendment No 172

tabled by Lord Beasborough, Mr Noé, Mr Normanton, Mr Shaw and Mr Spicer

Section III — Commission and Annex II — Official Publications Office

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 22 — Movable property and associated expenditure

Article 224 — Hire of equipment, operating costs and loan of services relating to the computer centre and operation of the internal documentation system — ECDOC

Item 2243 — Finding data processing applications

(A) *Expenditure*

Increase appropriations by 500 000 u.a.

(B) *Compensation*

Reduce appropriations entered under Chapter 100.

(C) *Remarks*

Item 2243 : Amend paragraph 2 accordingly.

(D) *Remarks*

Chapter 100 : Delete point 3.

JUSTIFICATION

When the preliminary draft budget for 1977 was drawn up, technical studies were being carried out on the replacement of the equipment in the computer centre in Luxembourg. The Council therefore provisionally entered an appropriation of 500 000 u.a. under Chapter 100 since the Commission had not yet taken any decision on the choice of a new computer for the data-processing centre.

On 6 October the Commission adopted a decision on the basis of the results of the above studies and a start should be made on the acquisition and installation of the equipment in question and on the conversion of the existing programmes in 1977.

There is therefore no longer any point in retaining the 500 u.a. entered under Chapter 100. It is therefore proposed to transfer this amount to the appropriate item (2243).

* * *

Draft amendment No 173

tabled by Mr Fletcher on behalf of the European Conservative Group

Section III — Commission

(A) *Expenditure*

Title 10 — Other expenditure

Chapter 100 — Provisional appropriations

Increase appropriations by 120 000 u.a.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

Add a paragraph worded as follows :

() New offices abroad — Belfast office (Title 2)

JUSTIFICATION

Northern Ireland is the most troubled region in the Community, yet it is a region in which the Community is not well known. Local opinion suggests that the Community is reluctant to face up to its social and economic responsibilities in this troubled region. There is no Member from Northern Ireland in the European Parliament, and therefore an Commission office in Belfast would help to redress the information balance.

In his reply to a supplementary question from Mr Fletcher on 13 October 1976 at Strasbourg, Commissioner Thomson suggested that only the absence of a budget allocation prevented the opening of a Commission office in Belfast.

* * *

Draft amendment No 174

tabled by Mr Schuijt, on behalf of the Christian-Democratic Group and
Mr Broeks, on behalf of the Socialist Group

Section III — Commission**(A) Expenditure****Title 3****Chapter 39**

— Other expenditure on specific projects undertaken by the Institution

Article 393 (amended)

— Expenditure on the preservation of the architectural heritage and the development of cultural exchanges

Enter an appropriation of 100 000 u.a. against this article.

(B) Revenue

Increase revenue accordingly.

(C) Remarks

This appropriation is intended to finance the implementation of two priority projects, namely :

- preservation of the architectural heritage by means of grants and subsidies ;
- promotion of cultural exchanges.

JUSTIFICATION

In its preliminary draft budget, the Commission had entered an appropriation of 100 000 u.a. against Article 393 relating to expenditure on cultural projects.

The Council replaced this appropriation by a token entry.

The authors felt that the appropriation proposed by the Commission should be reinstated, but that the heading of Article 393, which seemed rather ambitious, should be amended.

* * *

Draft amendment No 175
tabled by Miss Flesch, on behalf of the Committee on Budgets

Section I — Parliament

Annex I — List of posts

Modify the list of posts by 42 conversions of local staff posts to established posts, broken down as follows :

7 C 3/2	telephone exchange
1 C 3/2	clerical officer/cashier for the canteen
3 C 3/2	clerical officer/cashier for the staff shop
6 B 5/4	head of kitchens, qualified nursery staff, heads of unit
1 C 3/2	clerical officer (printing and production dept.)
1 C 5/4	assistant clerical officer (printing and production dept.)
1 D 3/2	assistant head of unit (printing and production dept.)
2 C 3/2	clerical officers (document distribution department)
2 C 5/4	assistant clerical officers (document distribution department)

Total : 24 posts

1 C 5/4	cook
3 C 1	qualified nursery staff
2 C 5/4	cook/linen keepers
6 D 3/2	qualified staff (stapling)
6 D 3/2	qualified staff (duplicating machine operators)

Total : 18 posts

(A) Expenditure

Title 1 — Expenditure relating to persons working with the Institution

Chapter 11 — Staff

Increase appropriations by 40 000 u.a.

(B) Revenue

Increase revenue accordingly, taking into account the proceeds of taxation and staff contributions to the pension scheme.

JUSTIFICATION

The decision to convert 42 local staff posts to established posts is envisaged :

- as regards 24 posts, in application of the criteria already applied last year (that the duties involved are permanent, supervisory or other duties not covered by a description in the Staff Regulations) ;
- as regards 18 posts, in view of the advisability of converting local staff posts created at least four years ago.

The additional expenditure caused by the conversion of 42 local staff posts to established posts will amount only to 40 000 u.a. The appropriations required amount to 440 000 u.a. of which 400 000 u.a. are the result of a transfer from item 1112 'local staff' to other items of chapter 10.

Within chapter 11, appropriations should be broken down as follows :

Item 1100 'Basic salaries'	+ 230 000 u.a.
Item 1101 'Family allowances'	+ 26 000 u.a.
Item 1102 'Expatriation allowances' (including those granted under Art. 97 of the ECSC Staff Regulations)	+ 34 000 u.a.
Item 1112 'Local Staff'	— 400 000 u.a.
Item 1130 'Sickness insurance'	+ 8 000 u.a.
Item 1131 'Accident insurance and occupational diseases'	+ 2 000 u.a.
Art. 116 'Weightings'	+ 140 000 u.a.

* * *

Draft amendment No 176

tabled by Miss Flesch, rapporteur, on behalf of the Committee on Budgets

Section I — Parliament

Annex I — List of posts

Add the following to the list of posts :

1 A 5/4 (A 5)

1 B 3/2 (B 3)

1 C 3/2 (C 3)

(A) *Expenditure*

Increase appropriations by 40 000 u.a.

(B) *Revenue*

Increase revenue accordingly

(C) *Remarks*

The posts needed for a radio and television broadcasting station are frozen. They will be unfrozen by common agreement between the Bureau and the Committee on Budgets once all the conditions for implementing a programme in this field have been determined.

JUSTIFICATION

Following the deliberations of the Bureau of 13 October 1976, the Committee on Budgets delivered a favourable opinion on the interim proposals aimed at improving and strengthening the facilities required for information and public relations activities.

* * *

Draft amendment No 177

tabled by Miss Flesch, rapporteur on behalf of the Committee on Budgets

Section I — Parliament

Title 9 — Food aid and other expenditure

Chapter 99 — Expenditure not specifically provided for

Article 990 — Expenditure not specifically provided for

Add a new item 9902 'for the press gallery in Luxembourg' and make a token entry.

JUSTIFICATION

This new item has been added as a result of the favourable position adopted by the Committee on Budgets on the Bureau's decision on the expansion of information and public relations facilities.

* * *

Draft amendment No 178

tabled by Miss Flesch, rapporteur, on behalf of the Committee on Budgets

Section I — Parliament

Title 10

Chapter 100 — Provisional appropriations

(A) *Expenditure*

Increase appropriations under this chapter by 983 000 u.a. This amount is to remain frozen.

(B) *Revenue*

Increase revenue accordingly.

(C) *Remarks*

These appropriations are to be released by common agreement between the Bureau and the Committee on Budgets once all the details of the programme for the expansion of information activities have been worked out.

JUSTIFICATION

The Committee on Budgets has adopted a favourable opinion on the decisions taken by the Bureau on 13 October 1976 in the light of the conclusions of its working party on information as regards the expansion and improvement of the technical facilities required for information and public relations activities.

The total appropriation of 983 000 u.a. will be allocated as follows once the conditions specified under 'Remarks' above have been met:

- expansion of reception facilities in Luxembourg 60 000 u.a.
 30 000 of which is to be entered under Article 214
 15 000 under Article 221, and
 15 000 under Article 222
- setting-up of a radio and television broadcasting studio 900 000 u.a (Art. 2)
- installation of the Strasbourg/Luxembourg/IPC Brussels telex system
 annual rental (without maintenance, repairs and VAT) 20 000 u.a (Art. 2)
- transmission costs for 12 part-sessions of 5 days 3 000 u.a (Art. 2)

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