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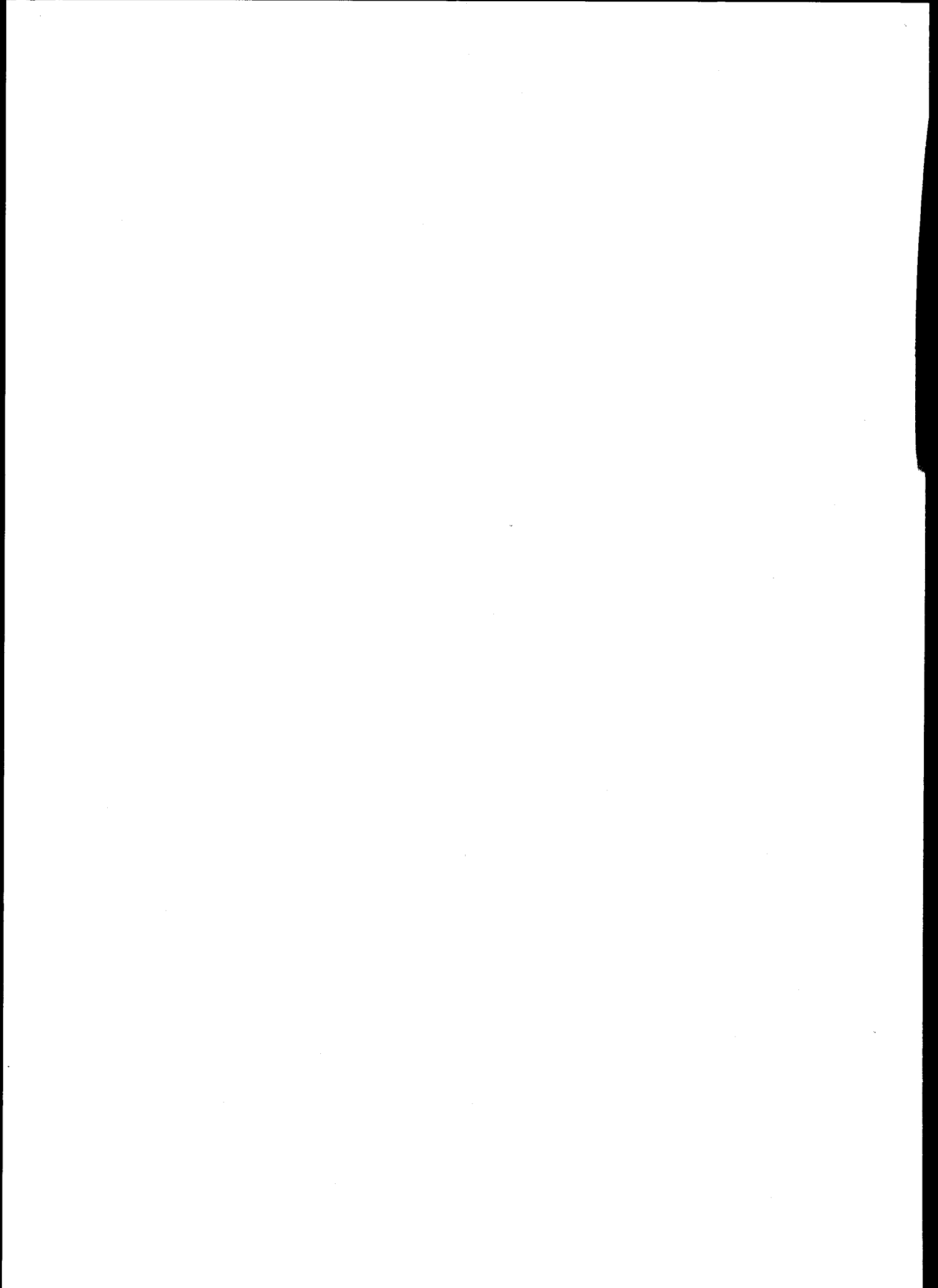
OPINION

of the Committee on Budgets

on the Communication from the Commission of the European Communities to the Council (Doc. 112/73) concerning matters arising from point 16 of the Hague Communiqué:

- Recommendation for a decision creating a 'Committee for Youth Questions'
- Recommendation for a decision concerning the creation of a 'Youth Advisory Committee'

Draftsman : Mr Alain TERRENOIRE



The Committee on Budgets appointed Mr TERRENOIRE draftsman of an opinion on 24 October 1973.

At the meeting of 31 May 1974, the principles underlying the opinion were adopted and the draftsman was instructed to amend his report in the light of the financial statement supplied by the Commission and the amendments proposed by the members of the committee.

The following were present:

Mr Aigner, acting chairman; Mr Terrenoire, draftsman of the opinion; Mr Artzinger, Mr Durand, Mr John Hill (deputizing for Sir Brandon Rhys Williams), Mr Klepsch (deputizing for Mr Poher), Mr Maigaard, Mr de la Malène, Mr Notenboom, Mr Pounder, Mr Radoux.

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INTRODUCTION

1. This communication to the Council represents the latest phase in the steps towards the creation of a policy for youth at the European level. It arises from the Hague Communiqué in 1969 which, in its point 16, emphasized the importance attached by the European governments to associating young people with Community policies in order to ensure their success. The Commission of the European Communities sent a communication to Parliament on 8 March 1972 and the Committee on Budgets, which was asked for its opinion, gave that opinion in a document drawn up by Mr Mermel on 20 July 1972. After a certain lapse in time the European Commission consulted Parliament on a new communication, which forms the subject of this opinion.

TERMS OF REFERENCE OF THE COMMITTEE ON BUDGETS

2. Your draftsman is in a certain dilemma here because the lapses in time have caused the Commission's proposals to seem out of date to a certain extent. The Committee on Cultural Affairs and Youth has completely redrafted the proposals - particularly as regards the Youth Advisory Committee, in ways which will have in themselves financial implications. Although the Commission has not withdrawn its proposals it is not yet in a position to comment on the amendments proposed by the Committee on Cultural Affairs and Youth. Your draftsman concludes that he would be failing in his duty if he did not comment on the financial aspects of some of the proposals emanating from the Youth and Cultural Affairs Committee even though, strictly speaking, these are outside the terms of reference of the original consultation of this Committee. He points out that if the Commission accepts the amendments proposed by the Committee on Cultural Affairs and Youth, the Committee on Budgets will have no further opportunity to examine the financial implications of of this new policy.

It was this consideration and the desire to enable the Committee on Budgets to fulfil its responsibilities that persuaded the acting chairman of the Committee on Budgets, following the meeting of 13 May 1974, to write to the President of Parliament the letter attached to this report (Annex I), which emphasizes the crucial importance of considering the financial implications of Community acts, particularly in view of the decision of 21 April 1970, which lays down that, as from 1 January 1972, the Communities will be financed from their own resources.

THE COMMISSION'S PROPOSALS

3. The Commission proposes to create a 'Committee for Youth Questions' and a Youth Advisory Committee. The first committee is to be composed of appropriate officials from the various Member States and will be placed under the authority of the Council and the Commission, with a secretariat provided by the Commission. The Youth Advisory Committee will be composed of representatives of the national organizations of young people recognized by the Member State governments.

4. The Budget Committee is solely asked for its opinion on the financial aspects, but a primary point seems to be the delay between the date of the Hague Communiqué and the present proposals. Since the Hague Summit there have obviously been changes in the problems of the relations with the young people of the Community.

This delay might have been mitigated if there had been an in depth consultation between the Commission of the European Communities and the youth organizations, but it appears that no such consultation has taken place.

This lack of collaboration threatens to compromise the whole aim of this policy.

FINANCIAL IMPLICATIONS OF THE COMMISSION'S PROPOSALS

5. In the opinion of the Budget Committee on the 1972 communication the inadequacy of information on the financial implications of this policy was pointed out.

For example, as regards the creation of a 'Committee for Youth Questions' the Commission has simply set aside a global sum without any details, only saying 'allowances and travel expenses shall be paid from the specific credits managed by the Commission (estimated at \pm BF 500,000)'.

6. When your draftsman embarked on his study of the 1973 communication it was evident to him that the Commission had made very few changes to the content of this document; as a result, the former criticisms remained valid.

INITIAL BUDGETARY EVALUATION OF THE COMMISSION'S PROPOSALS

7. This evaluation mentioned the lack of figures for interpreting costs, travel expenses and daily allowances of Belgian delegates to the Youth Advisory Committee, and the absence of a maximum figure for the Secretariat's expenditure.

Moreover, there is no difference between the two communications in the matter of expenditure relating to the travel expenses of each of the delegates of the Youth Advisory Committee; this alone would be sufficient to invalidate the figures put forward by the Commission.

8. Generally speaking, the details on financial implications were not sufficient and did not adequately meet the guidelines suggested by Mr POUNDER in his report on the 1974 budget of the Communities.

UPDATING OF THE BUDGETARY EVALUATION

9. Following the requests from our acting president, the Committee on Budgets received, on 31 May, the up-to-date figures from the Commission and

a more detailed financial statement. This document, which is attached (Annex II), included the figures for interpreting costs and travel expenses of the Belgian delegates; the overall figures include an increase based on the annual rate of inflation.

10. Briefly, these figures show that the overall costs of meetings of the Committee for Youth Questions have increased considerably; they include the travel expenses for the experts of the two Member States. In its 1973 communication, the Commission had given a figure of 500,000 Belgian Francs for the operating costs of this committee. The Commission now realizes that the cost of four journeys in one year for one delegate will amount to 408,000 Belgian Francs. In this proposal, the Commission suggests that each country should send two delegates or their deputies, thus giving rise to operating costs of at least 800,000 Belgian Francs per country simply for travelling expenses and without taking into account other operating and interpreting costs.

11. For the Youth Advisory Committee, the original Commission estimates were as follows:

(a) Permanent Secretariat

Staff	2.50m. Belgian Francs
Operation	1.85m. Belgian Francs
Interpreting	0.40m. Belgian Francs

(b) Committee Meetings

1.90m. Belgian Francs
<u>6.65m. Belgian Francs</u>

Taking account of the rate of inflation and additional points, these estimates are now as follows:

(a) Permanent Secretariat

Staff	3.00m. Belgian Francs
Operation	2.22m. Belgian Francs
Interpreting	0.73m. Belgian Francs

(c) Committee meetings

<u>2.30m. Belgian Francs</u>
<u>8.25m. Belgian Francs</u>

12. Some criticisms still hold, above all as regards the danger that the Secretariat of this committee will become a bureaucratic enterprise, implying the employment of more and more staff. The Commission's

proposals state ambiguously that: 'the following are minimum requirements ...' - a Secretary-General, an assistant and two secretaries. The Commission's choice of words is such that it seems possible to engage an unlimited number of staff.

13. The Budget Committee would welcome the proposals to include all expenditure relative to the function of the Youth Advisory Committee and its secretariat under a single special item in the Community budget as a sensible rationalization to avoid the general tendency of items concerning the policies of the Community towards youth and information to be spread out haphazardly in the Budget. It has been suggested that Article 273 'Information of Youth', the 'Kreyssig' Fund of the Community Budget could be devoted to this - with of course the necessary increase in appropriations. This would seem to be a proposal worthy of this Committee's support.

Amendments to the Commission's text for the report by Mr SEEFELD, of the Committee on Cultural Affairs and Youth

14. The amendments proposed by the Committee on Cultural Affairs and Youth seek to transform the proposed Youth Advisory Committee into a European youth forum.

If the Parliament, and then the other Community institutions, approve such a far-reaching modification, this will have various repercussions on the Community budget.

FINANCIAL IMPLICATIONS OF THE SEEFELD REPORT

The most important changes from the financial point of view include the opening of the Youth Committee or Youth Forum to any international youth organization fulfilling certain criteria instead of the rigidly limited number proposed by the European Commission which would come exclusively from a selection made by the Council.

15. Under these conditions, according to the Commission's data of 31 May 1974, there would be at least fourteen organizations which would fulfil the criteria for being members of this Forum. It is also obvious that there will probably be a large number of youth organizations which will try to fulfil the conditions laid down in order to be consulted.

16. With the fourteen organizations already provided for, the costs of this consultative body will be as follows:

(A) Permanent Secretariat

Staff	3.00m. Belgian Francs
Operation	2.22m. Belgian Francs

(B) Interpreting (for Bureau meetings and meetings of the Forum)	1.98m. Belgian Francs
(C) Costs of these meetings - travel expenses etc.	2.50m. Belgian Francs
	<hr/>
	9.70m. Belgian Francs
	<hr/>

17. The draft report from the Youth and Cultural Affairs Committee seems to indicate a preference for a separate building for the secretariat of the forum in proximity to the Commission. The Committee will be well aware of the scale of expenditure required for finding premises including office space and meeting rooms in the main centre of Brussels, amounting to some 2 million BF according to the Commission's information.

18. Finally, the motion for resolution invites the Commission to proceed to an examination of the possibility of setting up a European Youth Centre with facilities for the main European youth organizations - presumably along the lines of the European Youth Foundation of the Council of Europe, but with greater physical facilities for the organizations involved. Your draftsman believes that this is not the time to comment on the financial implications of such a policy but to accept that such a development would clearly involve on-going commitments from the Community budget of more considerable proportions than had previously been envisaged.

CONCLUSIONS

19. Your draftsman was faced with certain problems as regards the budgetary evaluation of the Commission's proposals. The committee did not receive the financial information from the Commission until 31 May 1974. Your draftsman wonders if even the revised figures will be sufficient to show the maximum expenditure for which we shall be committed. Neither the Committee on Budgets nor the Committee on Cultural Affairs and Youth has succeeded in ascertaining the Commission's position on the parliamentary proposals. As a result, your draftsman is very dubious about the chances of obtaining the Council's approval for these amendments.

20. In the spirit of the Hague Communiqué, the Committee on Budgets requests that the aims of this communiqué, particularly the involvement of youth in Community policies, should be achieved as quickly as possible.

21. Your draftsman therefore asks the Commission, on behalf of the Committee on Budgets, to ensure that the Council applies, without delay, a youth policy in keeping with the Hague Communiqué, and insists that Parliament receive regular and detailed information, particularly as regards budgetary considerations, on the action taken on these proposals and deliberations.

Letter from Mr AIGNER

dated 14 May 1974

Dear Mr President,

The Committee on Budgets, asked for its opinion on the Commission's proposals concerning youth policy, has come to the initial conclusion that the financial consequences of these proposals have not been adequately evaluated.

The Youth Committee, as the committee responsible, has, after considering this communication, made substantial amendments to it and proposed a new structure for the Youth Advisory Committee. The financial consequences of these proposals from the Youth Committee would go much beyond those indicated in the initial communication of the Commission of the Communities and will, at all events, require fresh consideration.

I should be grateful if you would make known to the Commission of the Communities this urgent request from the Committee on Budgets.

By way of this request the committee is raising, for the first time, a fundamental point of principle: it is clear that, when the Community becomes financially independent, Parliament and the Committee on Budgets would not be able to discharge their responsibilities if they were not in a position to assess the financial consequences, as regards both revenue and expenditure, of proposals from the Commission or proposals for amendments from the other bodies. The necessity of this has not been so apparent before, because the financial consequences of Community acts were borne by contributions from the Member States. Thus Parliament was required to deliver its opinion on the quality and perhaps the quantity of expenditure, but not on revenue. Limited financial independence such as that enjoyed by the Community raises the above problem, and we cannot ignore it any longer.

For this reason the Committee on Budgets believes that the Commission of the Communities should not only submit an exhaustive financial statement but also calculate, at Parliament's request, the estimated revenue and expenditure resulting from acts having financial implications.

I hope that the Commission of the Communities will reply without delay to your request.

ANNEX II

Luxembourg, 16 May 1974

Mr Georges SPENALE
Chairman of the Committee
on Budgets
European Centre
LUXEMBOURG

Dear Mr Spenale,

In accordance with the wishes of the Committee on Budgets, I have forwarded to the President of the Commission of the European Communities Mr Aigner's letter of 14 May 1974 concerning the financial implications of the communication from the Commission of the European Communities to the Council relating to the action to be taken on point 16 of the Hague Communiqué.

Since Mr SEEFELD's report on the communication from the Commission to the Council will be placed on the agenda for the first of the June 1974 part-sessions, I should be grateful if the Committee on Budgets, as the committee asked for its opinion, would adopt a position on this communication in due course.

Yours sincerely,

C. BERKHOUWER

ANNEX III

Budgetary estimates (in Belgian Francs) concerning

- 'COMMITTEE FOR YOUTH QUESTIONS'
- 'YOUTH ADVISORY COMMITTEE'

COMMITTEE FOR YOUTH QUESTIONS

Commission Proposals
(Doc. COM(73)635 final
of 27 April 1973)

4 two-day meetings of 18
government experts

500.000

Up-dating of Commission proposals (May 1974)

Only the following travelling expenses will
be paid:

$51.000 \times 2 \times 4 = 408.000$
(1 delegate from each country)

rounded up to 410.000

Report of the Committee on
Cultural Affairs and Youth

410.000

YOUTH ADVISORY COMMITTEE

Commission proposals (Doc. COM(73)
635 final of 27 April 1973)

Up-dating of Commission proposals
(May 1974)

Report of the Committee
on Cultural Affairs and
Youth

A. Permanent Secretariat

A. Permanent Secretariat

A. Permanent Secretariat

1. Staff

1 secretary-general (Equivalent of A/3)
1 assistant (Equivalent of B/1)
2 secretaries (Equivalent of C/1
and C/3)

- salaries and
related costs 2,300,000
- Mission expenses 200,000
2,500,000

1. Staff

Increase of 20% to take account
of increase in cost of living

2,500,000
+ 20 % 500,000
3,000,000

1. Staff

See column 2

3,000,000

2. Rent and related costs

- 4 offices: 200,000x4=800,000
- 1 conference room for
40 people 800,000
1,600,000

Mail and documentation

250,000 1,850,000

2. Operation

1,850,000
+ 20 % 370,000 2,220,000

2. Operation

2,220,000

3. Interpretation 5/5

(2 interpreters per language,
5000 per interpreter)
for 4 meetings 400,000

3. Interpretation 5/5

(2 interpreters per
language)
contacting costs 2,070
per day 5400x3= 16,200
18.270
for 4 meetings
18,270 x 4 = 73,080
for 10 interpreters
73,080 x 10 rounded up to 730,000

3. Interpretation

(see below)

B. Expenditure for 4 three-day
Committee Meetings

- 9 Germans		
Travel 1250+1675 =	2925	
per day 1250x3 =	<u>3750</u>	
	6675	
for 4 meetings		
4 x 6675 x 9		240,300
- 9 French		
Travel 1250+1675 =	2925	
per day 1250x3 =	<u>3750</u>	
	6675	
for 4 meetings		
4 x 6675 x 9		240,300
- 9 Italians		
Travel 1250+10300=	11550	
per day 1250x3 =	<u>3750</u>	
	15300	
for 4 meetings		
4 x 15300 x 9		550,800
- 4 Dutch		
Travel 1250+900 =	2150	
per day 1250x3 =	<u>3750</u>	
	5900	
for 4 meetings		
4 x 5900 x 4		94,400
- 2 Luxembourgers		
Travel 1250+1050 =	2300	
per day 1250x3 =	<u>3750</u>	
	6050	
for 4 meetings		
4 x 6050 x 2		48,400

B. Expenditure for 4 three-day
Committee Meetings

Adjustment of tariff:		
- 9 Germans		
Travel 1250+2150 =	3400	
per day 1250x3 =	<u>3750</u>	
	7150	
for 4 meetings		
4 x 7150 x 9		257,400
- 9 French		
Travel 1250+2050 =	3300	
per day 1250x3 =	<u>3750</u>	
	7050	
for 4 meetings		
4 x 7050 x 9		253,800
- 9 Italians		
Travel 1250+17400=	18650	
per day 1250x3 =	<u>3750</u>	
	22400	
for 4 meetings		
4 x 22400 x 9		806,400
- 4 Dutch		
Travel 1250+1350 =	2600	
per day 1250x3 =	<u>3750</u>	
	6350	
for 4 meetings		
4 x 6350 x 4		101,600
- 2 Luxembourgers		
Travel 1250+1550 =	2800	
per day 1250x3 =	<u>3750</u>	
	6550	
for 4 meetings		
4 x 6550 x 2		52,400

B.1. Expenditure for Forum
(2 three-day meetings)

3 delegates from each of the 14 youth organizations fulfilling the required criteria + 9 delegates from the National Youth Council, i.e. 51 delegates.		
Interpretation 5/5 (2 interpreters per language) contacting costs 2070 per day 5400 x 3	<u>16200</u>	
	18270	
for 2 meetings		
18270 x 2 =	36,540	
for 10 interpreters		
36540 x 10 rounded up to	365,000	
<u>Travel and allowances</u>		
- 6 Germans		
Travel 1250+2150=	3400	
per day 1250x3 =	<u>3750</u>	
	7150	
for 2 meetings		
2 x 7150 x 6		85,800
- 6 French		
Travel 1250+2050=	3300	
per day 1250 x 3=	<u>3750</u>	
	7050	
for 2 meetings		
2 x 7050 x 6		84,600
- 6 Italians		
Travel 1250+17400=	18660	
per day 1250x3 =	<u>3750</u>	
	22400	
for 2 meetings		
2 x 22400 x 6		268,800

B. Expenditure for 4 three-day
Committee Meetings

- 9 British
Travel 1250+4200 = 5450
per day 1250x3 = 3750
9200
for 4 meetings
4 x 9200 x 9 = 331,200

B. Expenditure for 4 three-day
Committee Meetings

- 9 British
Travel 1250+7350 = 8600
per day 1250x3 = 3750
12350
for 4 meetings
4 x 12350 x 9 = 444,600

3 Irish
 Travel 1250+7500 = 3750
 per day 1250x3 = 3750
 12500

for 4 meetings
 4 x 12500 x 3 150.000

3 Danish
 Travel 1250+7800 = 9050
 per day 1250x3 = 3750
 12800

for 4 meetings
 4 x 12800 x 3 153.600

4 Belgians
 per day 1250x3 = 3750

for 4 meetings
 4 x 3750 x 4 60.000

1.869.000

rounded up to 1.900.000

- 3 Irish
 Travel 1250+8850 = 10100
 per day 1250x3 = 3750
 13850

for 4 meetings
 4 x 13850 x 3 166.200

- 3 Danish
 Travel 1250+10300 = 11550
 per day 1250x3 = 3750
 15300

for 4 meetings
 4 x 15300 x 3 183.600

- 4 Belgians
 per day 1250x3 = 3750

for 4 meetings
 4 x 3750 x 4 60.000

2.326.000

rounded up to 2.300.000

- 6 Dutch
 Travel 1250+1350 = 2600
 per day 1250x3 = 3750
 6350

for 2 sessions
 2 x 6350 x 6 76.200

- 6 Irish
 Travel 1250+8850 = 10100
 per day 1250x3 = 3750
 13850

for 2 meetings
 2 x 13850 x 6 166.200

- 6 British
 Travel 1250+7350 = 8600
 per day 1250 x 3 = 3750
 12350

for 2 meetings
 2 x 12350 x 6 148.200

- 6 Danish
 Travel 1250+10300 = 11550
 per day 1250x3 = 3750
 15300

for 2 meetings
 2 x 15300 x 6 183.600

- 6 Belgians
 per day 1250 x 3 x 6 22.500

- 3 Luxemburgers
 Travel 1250+1550 = 2800
 per day 1250 x 3 = 3750
 6550

for 2 meetings
 2 x 6550 x 3 39.300
 1.052.700

2. Section meetings

(2 per year = 6 three-day meetings)

- Interpreting 5/5
- Contacting costs 2070
- per day 5400 x 3 16200
- 18270

for 6 meetings and 10 interpreters:
 6 x 10 x 18270 rounded up to 1.100.000

- Travel and allowances
- analysis see under B.1. 1.052.700

3. Forum Bureau meetings

(4 two-day meetings for 10 people)

- Interpreting 5/5
- Contacting costs 2070
- per day 5400 x 2 10800
- 12870

for 4 meetings and 10 interpreters:
 4 x 10 x 12870 514.800

- Travel and allowances
- Travel 1250+5500 (average)
- for 10 interpreters = 67500
- per day
- 2 x 1250 x 10 = 25000
- 92500

for 4 meetings
 4 x 92500 370.000

Recapitulation:

Permanent Secretariat

- Staff 2.500.000
- Operation 1.850.000
- Interpretation 400.000

Committee meetings 1.900.000

Total : 6.650.000

Recapitulation:

A. Permanent Secretariat

- Staff 3.000.000
- Operation 2.220.000
- Interpretation 730.000

B. Committee meetings 2.300.000

Total: 8.250.000

Recapitulation:

A. Permanent Secretariat

- Staff 3.000.000
- Operation 2.220.000

B.1. Interpretation Costs 5.220.000

- Forum 365.000
- 3 sections 1.100.000
- Bureau of Forum 514.800
rounded up to 1.980.000

2. Travel and allowances

- Forum 1.052.700
- 3 sections 1.052.700
- Bureau of Forum 370.000
rounded up to 2.500.000

Total: 9.700.000

Brussels, 30 May 1974

