THE FRENCH BUDGETARY PROCESS

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by

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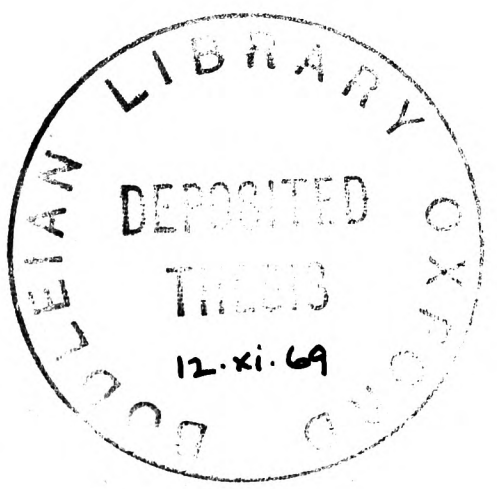

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ABBREVIATIONS

CD	Centre Démocratique
CGT	Confédération Générale du Travail
CFDT	Confédération Française Démocratique du Travail
CNPF	Conseil National du Patronat Français
DATAR	Délégation à l'Aménagement du territoire et à l'Action Rurale
ENA	Ecole Nationale d'Administration
FIES	Fonds de Développement Economique et Social
FGDS	Fédération de la Gauche Démocratique et Socialiste
FNSEA	Fédération Nationale des Syndicats d'Exploitants Agricoles
FO	Force Ouvrière
INSEE	Institut National de Statistiques et d'Etudes Economiques
JO	Journal Officiel, Débats de l'Assemblée Nationale
JO, Senate	Journal Officiel, Débats du Sénat
MRP	Mouvement Républicain Populaire
ORTF	Office de Radiodiffusion-Télévision Française
PME	Petites et Moyennes Entreprises

PSU	Parti Socialiste Unifié
RDP	Revue du Droit Public et de la Science Politique
RFSP	Revue Française de Science Politique
RI	Républicains Indépendants
SEEF	Services des Etudes Economiques et Financières (now Forecasting Division)
UNR	Union pour la Nouvelle République

ABSTRACT

The budgetary process has recently attracted far less attention than the Plan,[1] and with a few notable exceptions, students of politics have shown little interest in the budgetary process. In France the budget is still the preserve of a few experts in the Faculties of Law whose research, however, is chiefly concerned with the legal aspects of the process and pays little attention to its administrative and political implications. Some have also argued that with the development of a sophisticated planning machinery the budgetary process loses most of its previous importance as a process for the taking of crucial economic and political decisions.[2] Although it is true that the existence of the Plan has far reaching and complex repercussions on the government budgetary policy - some of which are mentioned in the thesis - it remains that in France the Plan is not a substitute for the budget.[3] Indeed, from the point of view of the Government, the budget is still the main and in many cases the only channel for the enactment of policies both at the governmental and parliamentary levels. The Plan's objectives can be achieved only if the policies of the annual budgets are in accordance with them. Hence, when the budget is prepared and discussed participants are conscious that much is still at stake.

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1. Under the IVth Republic, the budget was the object of much discussion but mainly from the point of view of parliamentary control.

2. See, for examples, P. Huchet, Economic Planning the French Experiment (London 1964), A. Barrere "La recherche de compatibilité entre les decisions du budget et les recommendations du plan" in Reflets et Perspectives de la vie économique, IV (March 1965) pp. 99-114 and S. Wickham "L'Etat, servitour du Plan" in Le Monde, 27-28 February 1966.

3. See J. Meynaud, Planification et Politique, (Lausanne 1963) pp. 101-103. For Meynaud the budget has a new and more important role in a planned economy.

The aim of the thesis is to describe the French budgetary process as it operates today: how economic and financial decisions are made in the framework of that process. Who intervenes, when and for what purposes? The budgetary process needs to be approached as an administrative and governmental decision making process rather than a purely legislative or accounting process. We do not neglect the latter aspects but we consider that, in France as in many other countries, budgeting is more concerned with the question of how to take the right economic and financial decisions than with the question as to whether public funds are spent according to appropriations. Hence, our approach differs from that of most French writers who start with the assumption - legally correct - that the budget is decided in Parliament and then conclude, comparing the Ivth and the Vth Republics, that Parliament has less decision making power now than under the previous Republic. As a result, they neglect the administrative and governmental parts of the process and these are now,[1] as in England, the crucial ones. We do not pretend to be in a position to unveil every decision in the administrative and governmental stages for this is largely an internal process. But, mainly because civil servants and parliamentarians have shown great understanding for our research, we hope to have been able to make some inway into it. In some cases we have had to rely on a limited amount of information and some interpretations may well appear as tentative, but as G. Devaux, a former Head of the Budget Division and author of a revealing book on the French financial administration has remarked: "Je cours le risque d'être accusé d'interpréter l'histoire. Mais je crois que les erreurs historiques les plus lourdes sont commises par ceux qui se dérobent a toute tentative d'interprétation".[2]

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1. Even a book as remarkable as M. Amselek's Le Budget de l'Etat sous la Vème République (Paris 1967) devotes less than ten pages out of 700 to Government and administration.

2. La comptabilité publique (Paris 1957), p. 237.

Budgeting is a traditional function of the State. It has given rise to well entrenched rules and habits. The progressive evolution and transformation of the budgetary process as well as the impact of the reforms of the Vth Republic can only be understood in their historical context.

Budgeting takes place within a legal and constitutional framework, for unlike planning, the budgetary process is by tradition a formal process. For example, decisions must be taken within precise constitutional time limits and must be expressed by way of well defined words and figures. These rules are known to civil servants, parliamentarians, interest groups, etc. and their skillful use may put some participants in a better position to influence decisions. Moreover, some of these rules (annuality, equilibrium of the budget, etc.) are the object of much controversy and political discussion. Occasionally, we deal with some of these questions for they deepen an understanding not only of the budgetary process but also of French politics.

The process itself consists in the annual exercise of drafting and voting the budget. It is therefore necessary to follow the budget through its various stages, from the first tentative projection to the final version as approved by Parliament, and to describe the nature and functions of the various bodies which intervene in the making of the budget, during its elaboration and vote.

Many jurists and economists tend to forget that budgetary decisions are answers to central political questions - "who gets what and how". However, when the budget is prepared and discussed, participants in the process fight hard either to get the funds they need for the initiation and continuation of the policies they are interested in or, as in the case of the Ministry of Finance, to maintain their control over Government activities. To see how the process looks from the inside we have interviewed more than sixty participants in the budgetary process to discover their aims, attitudes and strategies - officers of spending ministries, staff of various Divisions in the Ministry of

Finance (particularly in the Budget Division and cabinet of the Minister of Finance), officers of the Planning Commissariat, advisers in the offices of the Prime Minister and the President, parliamentary staff and parliamentarians. We have been allowed to consult files at the Division of the Budget, in the cabinet of the Minister of Finance, and even at the Elysée, as well as in the parliamentary committees. Some of this information is secret, but we have reproduced some confidential documents in the appendix.

Finally, since budgeting is an annual process, there is something to be learned from a case study of one budget. The last chapter traces the administrative, governmental and parliamentary progress of the 1967 budget. It shows how the system works when a particular budget has to be prepared and voted and illustrates several aspects of our earlier analysis. It also deals more fully with the parliamentary stage of the budgetary process.

We hope therefore, for the first time in any language, to have shown how the French budgetary process actually works as an exercise in executive and administrative decision making, how the institutions of the Vth Republic really function in this central matter of Government and how it looks to those actively engaged in the process itself.

CHAPTER I

THE DEVELOPMENT OF FINANCIAL PROCEDURE

The development of financial procedure in France varies in many ways from the British model. First, Parliament was established much later in France. Parliamentary control appeared with the Revolution. Second, the financial procedure (except for its administrative part) did not develop according to a continuous and gradual process. It varied sharply according to the authoritarian or republican nature of the political regime. Third, the lack of a well entrenched parliamentary tradition and the continuous fear of the executive has meant that Parliament has always been - and is still today - in search of its rôle in financial matters. During the authoritarian regimes, the legislature, starting nearly from scratch, struggled to establish rules which would enable it to keep a more or less distant watch on the financial activities of the executive. On the other hand, during republican regimes, the Assemblies aimed at assuring their total supremacy over the executive by stressing the predominance of their rôle in the elaboration of policy and in the initiation of expenditure. During these periods, Parliament showed little concern for the proper control of public expenditure, thus putting the executive in the difficult position of having to use (and in fact erode) its power to restrain the Assemblies' propensity to spend[1].

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1. See for the IVth Republic, P. M. Williams, Crisis and Compromise (London 1964), thereafter referred to as P. M. Williams, Crisis.

Finally, this resulted in the development in France, outside the parliamentary sphere, of a strong tradition of administrative and judicial financial control which made it less interesting for Parliament to intervene in this sector. More fundamental perhaps is also the fact that regimes with strong executives have tried to offset Parliament's discontent at the loss of its right to initiate expenditure by increasing its powers to audit and control the spending of money. Most parliamentarians have thus considered with distrust this new function laid upon them by an all powerful executive[1]. From that point of view, there are striking similarities between the statements of the comte d'Argout, Minister of Finance under the Restoration, and those of the Vth Republic ministers of Finance in which is stressed the importance of a posteriori control[2].

The trends we have just mentioned will continuously underline the development of financial procedure in France and hinder the development of a clear set of rules because each system (authoritarian or republican) tended to establish its own rules and principles. However, little by little, rules were established which were gradually considered by each regime whether authoritarian or republican as the basic principles of financial orthodoxy

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1. Even Gaullist deputies like M. Guéna find nothing particularly interesting in these functions: "Nous ne sommes plus au temps du baron Louis. Contrôler le budget, ce n'est point pourchasser à travers les articles la charge coûteuse d'introducteur des ambassadeurs, préoccupation majeure des parlementaires aux prises avec le budget de 1831, c'est accepter ou refuser telle option politique qui s'inscrit dans le texte soumis à leurs votes". "Défense de la procédure budgétaire", Le Monde, 10 December 1963.

2. For example, in 1836, during a debate on the Public Appropriation Accounts Bill, the comte d'Argout showed the importance of that Bill by comparing it to the Finance Bill: "C'est une loi aussi solennelle, aussi importante: j'oserai même dire plus importante que le budget". Quoted in Léon Bertrand, Le contrôle parlementaire des finances publiques (Clermont-Ferrand 1963), p. 13.

("les principes classiques"[1] as they are often called in France). These rules were evolved under the authoritarian regimes of the XIXth century in a process of parliamentary pressure on the executive similar to the earlier British model. They were accepted as unchallengeable in the early years of the IIIrd Republic. Then, the wars and new political and economic factors led to the gradual distortion of the system under the IIIrd and the IVth Republic (this period is often called the "période anarchique"[2]). The need for reform was strongly felt by the end of the IVth Republic. In 1956, an important reform was carried out and completed in 1958 and 1959 by the Vth Republic's Constitution.

A. THE REVOLUTIONARY PERIOD: 1789-1814

In the early XIVth century, there was much similarity between the French and British financial systems. In both countries, meetings of representatives of the tax payers were held by the kings and their consent to the raising of taxes was requested. But while in England parliaments succeeded in obtaining "the right of being the sole grantors of taxes, and thus forged a weapon, the skilful use of which in the course of time converted the humble right of petitioning the King into a control over legislation"[3], in France, the Etats Généraux were not summoned after 1614 and until 1789 taxes were raised by the kings without the consent of the tax payers. The struggle for popular consent to taxes instead of taking place, as in England, between the Parliament and the King, took place between the disgruntled and sometimes desperate tax payers and the King's administration. When in 1789 the King was forced again

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1. See M. Duverger, Finances Publiques (Paris 1965), thereafter referred to as Duverger, Finances Publiques.

2. P. Amselek, Le budget de l'Etat sous la Ve République (Paris 1967), p. 56.

3. Lord Campion, An Introduction to the Procedure of the House of Commons (London 1958), p. 3.

to call the Etats Généraux, their basic request consisted in establishing their right to consent annually to the raising of taxes. From then on, the principle that "aucun impôt ne peut être levé sans le consentement de la Nation" became the fundamental principle of French budgetary procedure[1]. The principle was acknowledged by all constitutions and followed except in the case of some budgets under the First and Second Empire.

On the expenditure side, however, the Assembly of 1789 was not sure that the right to authorize the levy of taxes implied the right to control the spending of that money by the King and his Ministers. The executive would not even consider the question, thus making impossible the determination of rules which could govern the relations between the executive and the Assembly in this vital sector. Hence the Assembly tended to ascertain its rights over public expenditure in assuming, gradually, the function of the executive in this sector[2]. A committee (comité de trésorerie) was set up and made responsible for the authorization of commitments and for the payment of public money and the accounts were kept by an accounting bureau directly answerable to the Assembly. The Assembly's fear of the executive reached its climax in 1791 when twenty-one permanent parliamentary committees were established to assume the overall control of the administration. There were no ministers to interfere between the committees and the administration. The executive function had been absorbed by the Assembly and all financial powers were attributed to the legislature: Article 1 of the Constitution of 1791 "délègue exclusivement au corps

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1. René Stourm, Le Budget (Paris 1913), p. 38: "Le droit budgétaire français a consisté pendant longtemps dans cette simple formule: 'aucun impôt ne peut être levé sans le consentement de la Nation' ".

2. Roederer, on behalf of the Finance Committee (debates of 20th November 1790): "Le voeu unanime de la France a décidé la question: les finances doivent être placées en dehors des atteintes du pouvoir exécutif. Les principes seraient blessés si on laissait au gouvernement l'administration des finances", quoted in R. Stourm, ibid., p. 43.

législatif ... 1° de fixer les depenses publiques; 2° d'établir les contributions publiques, d'en déterminer la nature, la quotité et le mode de perception; 3° de faire la répartition de la contribution directe entre les départements du royaume, de surveiller l'emploi de tous les revenus publics et de s'en faire rendre compte ... "[1]. This article was included in the Constitution of 1793 and of year III, but was in its turn contested when Napoleon established the First Empire. The Assembly (called "corps législatif") then lost its right to propose public expenditure or to supervise Government spending. The budget was prepared by the imperial administration, implemented by the bureaucracy and controlled by administrative (the Inspection Générale des Finances) and judicial (Cour des Comptes) bodies instituted by the Emperor. During a period of less than twenty years the pendulum had swung from one extreme to another, from the complete supremacy of the legislature over finance to the complete supremacy of the executive. No effective rules of parliamentary financial procedure had been evolved on the expenditure side - and this is extremely important if one considers the state of development achieved in this field in Great Britain at that time. However, the balance sheet was not purely negative: a) Parliament's right to consent to the levy of taxes had been recognized and b) the administration, borrowing from both the ancien régime and the revolutionary period, had established its own institutions which enable it to check the legality and propriety of its financial activities.

B. FROM THE RESTORATION TO THE IIIrd REPUBLIC: 1814-1871

This period, except for the brief interlude of the Second Republic (1848-1852), was characterized by the existence of strong executives and weak

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1. See on this P. Delvolvé and H. Lesguillons, Le contrôle parlementaire sur la politique économique et budgétaire (Paris 1964), p. 139.

Assemblies (Restoration, July Monarchy and Second Empire). Parliament's rights in financial matters were confined to the authorization of taxes. They could not propose expenditure and were even deprived of the right to scrutinize Government spending. All powers in this field belonged to the executive. The situation was nearly identical to 1789 except that in both the executive and the Assemblies there were some people who thought that, while preserving the executive's right in financial matters, it was possible and desirable to get some sort of parliamentary control of the Government's financial activities. So, gradually, rules of financial procedure were evolved, public accounting was improved and, parliamentarians who on the whole supported the executive, devoted a good deal of their time to the scrutiny of the estimates and of the Appropriations Accounts Bills - in fact the Appropriations Accounts Bills were never so much discussed and analyzed as under the Restoration[1]. The process, under the Restoration, was quite similar to the early British model, i.e. Parliament struggling to establish rules of accounting which would enable it to supervise the executive in its handling of public money (vote by chapter; inclusion of all public expenditure in the budget; Appropriations Accounts Bills). The system evolved was swept away when the Assembly assumed overall responsibility for the Government of the country in 1848 but was progressively re-established by a reluctant executive by the end of the Second Empire. In fact, the Second Empire very much improved the accounting system but, unlike the Restoration, Parliament was not really involved in the process. The most important reforms of the accounts were made by decree (the whole financial system was codified in 1862) but served administrative much more than parliamentary purposes.

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1. See on this R. Stourm, op. cit., p. 228 where he says that the Restoration was "creatrice de l'ordre financier".

C. THE IIIrd AND IVth REPUBLICS: 1871-1958

The reforms, however, made a lasting impact on French public finance and were adopted by the IIIrd and IVth Republics as basic financial rules and still form the basis of the present day system. They consisted in the following principles:

First, the budget must be authorized by Parliament every year (le principe de l'annualité budgétaire). This principle meant firstly that only Parliament could authorize the levy of taxes and the spending of public money and, secondly, that the authorization given for a year had to be renewed every year. The appropriations were annual and the accounts were kept on a yearly basis (the accounts, however, were closed only when all the financial transactions covered by the financial act had been completed, i.e. often many years later). Parliamentarians could thus exercize a regular check on expenditure.

Second, there must be a single set of budgetary accounts prepared according to the same rules and covering all Government resources and expenditure (le principe de l'unité budgétaire). The principle meant that Parliament was opposed to the establishment of extraordinary budgets or of special Government accounts escaping parliamentary control or making it too complex. All Government expenditure had to appear in a single document so as to enable Parliament to have a clear and global idea of what the Government's intentions were for the coming financial year.

Third, each financial transaction must be identified (gross accounting) and all the revenues must flow into a single account (a kind of Consolidated Fund) and not be earmarked to the financing of particular items of expenditure (le principe de l'universalité budgétaire). This principle meant two things. First, it implied a gross accounting system as opposed to net accounting and,

second, it prevented the assignment of receipts to the payment of particular items of expenditure. In the past, the revenue departments were allowed to deduct the costs of tax collection and to pay the remaining in the Treasury without revealing the arithmetic of the process. Napoleon and later on the Assembly forced the revenue departments to submit a full (gross) account of their financial activities. The earmarking of receipts was used frequently by the executive to make sure that some projects (very often connected with wars) in which it had particular interest would get sufficient financing. Parliament resented this procedure because it privileged certain kinds of expenditure to the expense of others and also because it enabled the executive to set up, within the ordinary budget, special relationship between certain kinds of receipts and certain kinds of expenditure.

Fourth, the budgetary authorization must be detailed and specific (le principe de la spécialité budgétaire). With the growing influence of the Assemblies the budgetary votes became more and more specific. The vote by chapter was introduced in 1831. Abolished in 1852 it was reintroduced in 1869 and adopted by the IIIrd Republic (article 30 of the law of 19 September 1871: "Le budget est voté par chapitre"). In the breakdown of Government expenditure the chapter was one of the most detailed unit, before the paragraph and the article. It was never clearly defined. Both the law of 29 January 1831 and the decree of 31 May 1862 gave the same, rather meaningless, definition: "Chaque chapitre ne contient que les services corrélatifs ou de même nature". In fact, parliamentarians did not attach much importance to the definition of the chapter. What mattered to them was the political significance of an increasingly more detailed vote: "Le principe de la classification une fois adopté, le nom qui sera donné à chaque division importe peu" said the rapporteur of the law

of 29 January 1831[1]. The number of chapters remained quite stable: 338 in 1847, 362 in 1852, 388 in 1877 and 482 in 1882. But it was to increase sharply later on when the Assembly shifted to the republican tradition of greater financial power for the legislature to the expense of the executive. In 1883, for example, some deputies wanted to vote the budget paragraph by paragraph[2] (there were 3,000 of them in the budget). The Government opposed the proposal but agreed to increase the number of chapters from 482 to 637, a rise of 156. From then on the number of chapters kept increasing.

Finally, the budget must be balanced (le principe de l'équilibre budgétaire). The French parliamentarians of the XIXth century could not conceive a budget which did not balance revenues and expenditure except in the most extraordinary circumstances (wars for example). One of the main reason why they insisted on a clear and meaningful presentation of the budget was because they wanted to be in a position to appreciate exactly how much the Government was spending. They assumed that the Government like a private person could not spend more than it earned without becoming bankrupt. Hence they evolved a rule whereby expenditure was always voted first, i.e. before taxes so that when the vote on taxes was taking place Parliament could proceed to the necessary readjustments needed to balance the budget in accordance with the modifications brought about during the discussion of the estimates. This rule was called l'antériorité des dépenses sur les recettes[3]. Supplementary estimates because

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1. Quoted in R. Stourm, op. cit., p. 292.

2. "Si le gouvernement, en 1883, s'engagea dans la voie de l'augmentation du nombre des chapitres, c'est que des propositions d'initiative parlementaires plus radicales l'y poussaient. Le contrôle du parlement, disaient-elles, s'étend à toutes les dépenses, quelle que soit leur importance. Dès lors, il faut donner au parlement les moyens d'exercer ce contrôle sur les plus minimes objets, si ces objets minimes en apparence attirent son attention", ibid., p.293.

3. Nowadays, Parliament votes the revenue first thus setting up the financial limits that cannot be exceeded at a later stage when it votes the expenditure. The vote of the revenue before expenditure is conceived as a way to ensure that Parliament will not increase expenditure so as to unbalance the budget.

they often caused budgetary deficits were not popular in Parliament. Parliament insisted that supplementary estimates should either be avoided or be accompanied by the levy of sufficient revenues to meet their cost (budgets rectificatifs). Parliamentarians reflected the ideas of the period. They were chiefly concerned with keeping taxes as low as possible and thus were opposed to large Government spending and unhealthy deficits[1].

This set of rules constituted the core of the financial system which was agreed by both the Assembly and the executive. Many of the parliamentarians of the early days of the IIIrd Republic had fought hard for the establishment and enforcement of these rules by a reluctant executive. Now, for the first time, the system could be fully applied. The war of 1871, the indemnity which had to be paid to the Germans, the setting up of a new regime strengthened the need for sound public finance. This "golden age", however, did not last for long and after the First and Second World Wars, the system came under pressure as a result of political and economic changes.

First, the inflow of republican and radical deputies changed the attitude of the House towards finance. The principles previously mentioned were not directly challenged but they were used by the House for purposes which did not have much to do with strict parliamentary financial and audit control. Parliamentarians became less and less concerned with keeping under control increased Government

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1. "Les chiffres de dépenses, si effrayants déjà en 1889, 1891, 1896, 1900, 1906 et 1906 ... viennent de subir, au cours de ces dernières années, une nouvelle et considérable poussée. Le projet de budget de 1913, sans parler de crédits additionnels inévitables, non compris les dépenses du Maroc et d'autres fâcheuses disjonctions, atteint 4,664 millions ! Cela dépasse les prévisions les plus pessimistes. Tout le monde s'inquiète en vain, Ministre des Finances, commissions du budget, orateurs, publicistes et sans doute aussi, le pays dont les manifestations cependant demeurent insuffisantes", R. Stourm, ibid., p. V.

spending and more and more anxious to benefit from it [1]. They assumed a greater rôle in the initiation of public expenditure and expanded the rôle of the Assembly in financial matters to the expense of the executive, transforming the budgetary debates into the main occasion for the Assembly to assert its rights over the executive and to seek electorally rewarding increases in the estimates. Taxes had, sometimes, to be increased to meet the cost of this new expenditure but since direct taxation was almost inexistent, its impact on the tax payers was hidden. Moreover, party discipline was loose and deputies were not inhibited in putting forward parochial proposals. Parliamentary committees became all powerful. The Finance Committee, as pointed out by Léon Say as early as 1885 "veut se mettre à la place de l'administration et préparer le budget elle-même, au lieu de se contenter de le recevoir tout préparé pour le contrôler. Le président de la Commission du Budget est devenu, en quelque sorte, le premier lord de la Trésorerie et il a institué, pour servir sous lui, comme on dit en Angleterre, un certain nombre de secrétaires d'Etat. Les adversaires du pouvoir ministériel ont vu tout de suite le parti qu'ils pouvaient tirer de la nouvelle institution". The Finance Bills were not only scrutinized by the Finance Committee but they were, so to speak, remade according to the Committee's wishes and submitted to the Assembly for discussion and vote. The Committee's text formed the basis of the parliamentary debates. It was accompanied by a series of reports (8 in 1871 and 30 in 1913) aimed more at increasing the reputation of the rapporteur and improving his

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1. See on this G. Devaux, La comptabilité publique (Paris 1957), p. 185. See also A. Tardieu, La réforme de l'Etat (Paris 1934), pp. 60 ff. where he claims that there was always a majority on the left in favour of higher spending: "Les gens de la gauche et la démagogie budgétaire" at p. 64. But rightwing politicians did it themselves.

chance of becoming minister than at controlling expenditure[1].

Second, the executive was weak and unstable. Governments depended on coalitions in the Assembly and could be brought down easily. Thus they never lasted for long, rarely long enough to look after the implementation of the budgets they had prepared. When the Appropriations Accounts Bills and the Cour des Comptes reports were submitted to Parliament they arose no interest because parliamentarians were generally faced with a new Government which disclaimed any responsibility for their predecessors' mischiefs. This engendered a sense of financial irresponsibility on the executive side and the debates on the Appropriations Accounts Bills which had been so important under the Restoration no longer interested parliamentarians. Parliamentarians spent more and more time discussing and modifying the estimates. The Government eroded its support trying to force its budget through the House. Governments were at the mercy of the House which could, at least once a year, render them powerless by delaying or refusing the vote on the budget.

Third, the Minister of Finance held no predominant position within the executive and, thus, could not successfully oppose attempts to disrupt the financial system. His functions, with regard to the preparation of the budget were defined as follows in the decree of 31 May 1862:

> "Chaque annee, les différents ministres préparent le budget de leur département respectif. Le Ministre des Finances centralise ces budgets et y ajoute celui des recettes, pour compléter le budget général de l'Etat."

He had no authority over his colleagues and did not scrutinize their proposals. As the decree said he merely "centralized" them. If he felt that the

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1. R. Stourm said of M. Félix Faure's report on the estimates of the Ministry of Commerce in 1888 that "it constituted an encyclopedia which honoured its author" and that many reports were "de longs traités historiques et théoriques" which dealt only at the end, in a few pages, with the chapters of the budget, op. cit., p. 281.

estimates were too high he could ask his colleagues to cut some of these estimates. But he could not impose these cuts and often ministers of finance complained that their requests for smaller estimates had not been obeyed to by the spending ministers[1]. They often tried to get the support of the cabinet but an agreement reached in cabinet was not always honoured. In presenting the budget for 1894 to the National Assembly, the Minister of Finance pointed out that all ministers had agreed on the need to cut their estimates and that several of them had carried out the agreement ("Tous les ministres sont entrés dans mes vues ... plusieurs y sont parvenus"[2]). Because of his lack of authority the Minister of Finance could not always propose to Parliament a budget which represented in a single and unchallengeable block the Government's financial policy. The Minister himself did not fully agree with the document he had to get through Parliament. Parliamentarians were aware of this and, thus, tried to exercize at their level - particularly the Finance Committee - the co-ordination of the Government's economic policy. The budget was modified and priorities were redistributed in a way over which the Minister of Finance had little control. As a result, the Minister of Finance was in the ambiguous situation of having to present to Parliament a budget he did not approve and of implementing a budget which often was very far from the one he may have had in mind. However, his control over the implementation of the budget (the spending of money) was much greater and he could at that level, re-establish the balance in his favour. No public money could be disbursed without the approval of public accountants and

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1. R. Stourm, ibid., p. 68.

2. Quoted in Stourm, ibid.: the budget speech of 29 March 1901 contained the following phrase: "Enfin, le service des postes ... a un besoin indispensable, dit-on, d'une augmentation de crédits de 6 millions". The authority of the Chancellor of the Exchequer in the British cabinet was much stronger; see Peacock and Wiseman, "The Past and Future of Public Spending", Lloyds Bank Review, No. 60, April 1961, p. 19.

in 1920 the contrôleurs financiers were brought under his direct control thus giving him an overall control over commitments. In the early days these bodies were chiefly concerned with the regularity of public spending but they gradually paid more and more attention to the efficiency of public spending.

The fourth factor which showed the inedequacy of the classical system was economic. Indeed, after the First and Second World Wars, the size of public spending increased sharply[1]. The Government had to intervene more and more in the control of the economy. As a result the budget, no longer a clear and simple account of Government receipts and expenditure, became a complex financial and economic document which could not always fit in the traditional budgetary straight jacket. However, instead of trying to improve the traditional system to meet the new situation parliamentarians, ministers and civil servants tended to defend, the old orthodoxy which many of them assumed was essential to the maintenance of their authority in financial matters. Nevertheless, the forces at work could not be resisted and a series of exceptional practices were evolved to meet the new situation. So while people were affirming the value of the old system a much more flexible system was being evolved by parliamentarians and the administration to meet new political and economic problems. But the old system was so deeply entrenched that even nowadays the courses in public finance at the Faculty of Law begin by stating the basic principles outlined above and then show how the present system meets or rejects the basic rules instead of presenting the new financial system as forming a coherent set of rules which

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1. Public expenditure 1868-1920 including ordinary, extraordinary and special accounts (in francs - 000,000 omitted) :

1868	1873	1883	1893	1903	1913	1920
1,903	2,874	3,722	3,451	3,597	5,067	58,116

Data 1868-1913 from Annual Reports and 1920 from Special Statement of Ministry of Finance quoted in H. E. Fisk, French Public Finance (N.Y. 1923), p. 182.

can no longer be considered as exceptions to basic and fundamental financial laws[1]. The budgetary rules were honoured more in breach than in observance.

Instead of changing this situation the IVth Republic only added to the disarray of French public finance. The deputies kept the right to propose expenditure, the number of budgetary votes (chapters) reached a peak of four to five thousand, the budget was hardly ever voted in time and the extra-budgetary sector (nationalized industries, special administrative budgets, etc.) achieved alarming proportions[2]. A committee for the budgetary reform was set up by Parliament in 1947 but its reports came late (1949 and 1952) and were never followed up[3]. In 1954, Parliament delegated to Edgar Faure's Government its constitutional task of regulating the presentation of the budget and Faure's ideas, formulated in 1951 inspired the Organic Decree of 19 June 1956 enacted by Guy Mollet's cabinet[4]. These reforms aimed at putting an end to the devi-ationary budgetary practices of the IIIrd and IVth Republics and at instituting a system which would take into account the growth of public finance but without totally rejecting the classical budgetary rules which had formed the core of the budgetary system. At least in theory, they could have achieved a more efficient control of public expenditure and given to the Government together

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1. See L. Trotabas, Finances Publiques (Paris 1964); M. Duverger, Finances Publiques; and to some extent P. Amselek, op. cit. and even G. Pallez who teaches at the Institut de Science Politique de Paris, Finances Publiques: Cours 1963-1964 thereafter referred to as Pallez, Cours.

2. See P. M. Williams, Crisis, chapter 19; H. George, Le droit d'initiative parlementaire en matière financière depuis la Constitution de 1946 (Bordeaux 1956) and G. Devaux, op. cit., pp. 191 ff.

3. This committee was composed of budgetary experts, civil servants and professors and chaired by the contrôleur général de l'Armée, Robert Jacomet. See for report: La Réforme Budgétaire - Vol. I: Projet élaboré par la commission présidée par M. le contrôleur général Jacomet (Paris 1954).

4. P. M. Williams, Crisis, p. 268.

with the exclusive right to propose expenditure all the necessary powers to set up and implement a clearly defined budgetary policy. These reforms, however, came too late and, since they were not accompanied by a corresponding reform of the political system, one may wonder if by themselves they could have achieved any significant result[1].

D. THE REFORMS OF 1959

The reforms of 1959[2] took place in a totally different context and their interest does not consist so much in what they add to or remove from the previous reforms (the Organic Law of 1959 reproduced the main measures of the Organic Decree of 1956) but in that they follow and complement in budgetary matters a deep modification of the political system. In the Constitution of 1958 the powers of Parliament were drastically cut: the deputies lost the right to propose expenditure, the committee system was reorganized, strict limits were imposed on the time Parliament could take to vote on the budget. The powers of the Government, on the other hand, were increased and an arsenal of procedural and institutional measures strengthened the position of the Government during the debates and votes on the budget. The Organic Law of January 1959, prepared by a group of civil servants and issued by the Government under the unlimited legislative powers it enjoyed for the transitional period of 1959

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1. Ibidem, p. 269 where he shows that the Organic Decree of 1956 did not guarantee an easy passage for the budget of M. Mollet.

2. Ordonnance No. 59-2 du 2 janvier 1959 portant sur la loi organique relative aux lois de finances, thereafter referred to as Organic Law of January 1959 or Organic Law.

(like the other organic laws it was never submitted to Parliament[1]), completed the reform of the political system undertaken in 1958 by strengthening the financial powers of the Government at the expense of Parliament.

The authors of the Organic Law were also concerned with the reorganization of the budgetary accounts. They aimed at adapting the budget to the conditions of a planned economy and at making parliamentarians as well as public opinion aware of the rôle played by the budget in this enlarged framework. As we shall see in our detailed analysis of the new budgetary system, the stress is always on the economic rôle of the budget and on its contribution to the overall balance of the economy. The Finance Bill is freed, partly, of the administrative apparatus and expenditure is presented in large economic categories which makes it easier to see the relationship between the annual Finance Bill and the policies pursued by the Government in various fields. The Government's long term investments programmes are embodied in the budgetary framework and given not only a multi-annual but also a geographical dimension. The budget is presented and analyzed as a document of policy with the stress on the new measures and the changes implied by them. It is compared with the previous budgets and linked with the national plan and various other economic laws. Yet - and this was also

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1. Some parliamentarians protested strongly against this disregard for Parliament: "Tous ceux, dont je suis, qui ont voté 'oui' à la constitution nouvelle étaient en droit de déduire du texte que je viens de rappeler (article 47 of the Constitution) que la loi organique qu'il annonçait aurait été l'une des premières dont l'Assemblée Nationale aurait eu à délibérer aussitôt après le vote de son règlement. Il n'en a rien été. Alors qu'aucune urgence, aucune nécessité ne le justifiait, le pouvoir exécutif a réglé unilatéralement par ordonnance la façon dont s'exercerait l'une des prérogatives fondamentales du pouvoir législatif. Il s'agit, à mon avis, d'un véritable détournement de pouvoir contre lequel la constitution nous laisse sans recours", M. René Pleven, J.O., 1959-60, p. 2328. See also A. Chandernagor, Un Parlement pour quoi faire ? (Paris 1967), p. 89.

very important in the minds of the authors of the 1959 reforms - the budget remains the basic instrument for the detailed and day to day control of public expenditure and Parliament, through its committees and by way of the Appropriations Accounts Bills, is able to control the proper spending of money. This, of course, is the model. In practice, it does not always work exactly as intended. The main differences between the model and the practice are mentioned in the next chapter.

CHAPTER II

THE LEGAL AND CONSTITUTIONAL FRAMEWORK

A. THE FINANCE BILL

The first task of the Organic Law of 2 January 1959 was to put order into the system which had prevailed in France over the previous two Republics by reaffirming and streamlining some basic budgetary rules. What is the budget, what functions does it perform, what sectors of the Government's activities does it cover?

1. Definition

The Finance Bill[1] determines the nature, the amount and the assignment of the resources and charges of the State on the basis of certain economic and financial assumption (article 1 paragraph 1)[2]. The Finance Bill forms a whole in which revenues and expenditure are put in relation with one another. It

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1. In France the Finance Bill (loi de finances) deals with both taxes and expenditure. This thesis, however, is concerned mainly with the expenditure side of the Finance Bill.

2. Unless otherwise specified references included in the text refer to the Ordonnance du 2 janvier 1959 portant sur la loi organique relative aux lois de finances (Organic Law of January 1959).

authorizes, for one year, the collection of revenues and the spending of the monies raised for purposes it determines. Here it differs from the plans and other economic laws (the programme-laws). Indeed the latter types do not even authorize the spending of public funds. They have no obligatory value and money can be applied to their implementation only within the limits of appropriations included in the Finance Bill (article 1 paragraph 6). In fact, the plans had never laid financial obligations on the Government but, in the early years of the IVth Republic, a particular type of law, called lois de développement, was often used to enact the programmes and policies outlined in the plans. These laws allocated the funds necessary for the implementation of the plans without being subjected to the ordinary budgetary procedure. As a result, certain capital expenditure, often very popular, was authorized outside the budgetary framework sometimes even before Parliament had had the time to authorize the raising of the necessary revenues. The Organic Law puts an end to these practices by instituting the Finance Bill as the only channel for the financing of these programmes out of public monies. Moreover, the programme-decrees which, under the IVth Republic, had also authorized the spending of money are turned into programme-laws but lose, in fact, all their financial value and the estimates they include bind the Government only insofar as appropriations are included in the Finance Bills.

2. Number

During the IVth Republic, budgetary texts proliferated and were presented to Parliament in the most anarchic order. In 1953, for example, the budget was

formed of thirty-three different bills[1]. The debate on the budget was an all year-round activity in which popular and electorally rewarding measures were quickly adopted while those which did not enjoy these advantages took time to emerge[2]. The Organic Law straightens out this situation. According to article 2 only three sets of bills have the character of Finance Bills:

- the annual Finance Bill;
- the revised Finance Bills and
- the Appropriations Accounts Bills.

The system of the lois de maxima, lois de développement, provisional twelfths and so forth caused by the inability to get the budget through and which prevented parliamentarians from having an overall view of the Government's financial situation for the year, has disappeared. Now the Finance Bill forms a whole. It can be modified by the introduction of revised Finance Bills but these have to be related to the arithmetic of the main Finance Bill. Finally, the results of the main Finance Bill and of the revised ones are pulled together in the Appropriations Accounts Bills.

3. Content

The content of the Finance Bill is also clearly defined by the Organic Law. During the IVth Republic the budgets included all kinds of measures which, in fact, had nothing to do with public finances. These measures were called adjonctions or cavaliers budgétaires ("riders" as in

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1. See H. George, op. cit., p. 26.
2. P. M. Williams, Crisis, p. 257.

the United States). The Government and parliamentarians took advantage of the numerous financial bills to put forward proposals which, if channelled through the usual procedure, would never have seen the light[1]. Under the new system only strictly financial and economic measures and measures concerned with the control of public expenditure can be included in the Finance Bills[2].

4. Scope

Another important question dealt with by the Organic Law is concerned with the scope of the budget or, to look at it the other way, the scope of the extra-budgetary sector.

The Organic Law reaffirms the traditional principle of the unity of the budget and says that it must include all the revenues and expenditure of the State. It adds that all the accounts which form the budget must be prepared and kept according to the rules of public accounting. The details of these rules, specifies the Organic Law, are determined in a decree (article 16)[3]. In fact, the budget is far from including all the revenues and expenditure of the Government.

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1. See H. George, op. cit., pp. 42 and 43.

2. See articles 7 and 31 for determination of content and also article 42 of the Organic Law and article 119 of the règlement of the National Assembly for the automatic disjunction of any measure which is not connected with public expenditure. In fact, the Government often includes such measures in the lois de finances. The transfer of the Paris Halles to Rungis, for example, was dealt with in a revised budgetary bill for 1966 in spite of the opposition of the Legislation Committee and several deputies: J. O., 1 December 1966, pp. 5127 ff.

3. The decree in question was approved in 1962: Décret no 62-1587 du 29 décembre 1962 portant règlement général sur la comptabilité publique: J. O. 30 December 1962. The decree confirms the annual cash accounting system established in 1954: see below p.83

The extra-budgetary sector which has greatly expanded in the post-war period remains untouched, thus leaving outside the budget a large sector of public spending (departmental and communal finances, public authorities and enterprises, social security). In fact, there was very little pressure on the reformers of 1959 for their inclusion in the budget for, by that time, the Ministry of Finance had more or less succeeded in extending its control to this sector. Only Parliament would have gained from an enlargement of the budgetary sector and the extension of parliamentary control was not the objective of the authors of the 1959 reform. They wanted to streamline parliamentary procedure and to shorten the budgetary discussion, aims which could hardly have been achieved through an expansion of the budget. Moreover, in spite of some criticism in Parliament and in the reports of the Cour des Comptes, the extra-budgetary sector developed further since 1959 and in so many different and complex ways as to defy description[1]. But because it shows more precisely the real scope of budgetary control and is typical of the previous pattern of derogations from rigid rules I shall name the major areas of public spending not included in the budget[2]:

1 - Treasury Transactions (weekly Treasury tenders or Treasury bills as in Great Britain);

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1. See P. Amselek, op. cit., p. 52 and for an interesting account G. Pallez, Cours, p. 52-76.

2. A short summary of the extra-budgetary sector and a discussion of the main problems posed by its existence are to be found in appendix I. In my outline I leave aside the problem of departmental and communal finances though the links between them and the annual budget are numerous and caused much controversy between the Government and Parliament during the budgetary debates. Many French parliamentarians are mayors or conseillers généraux and their main interest in the budgetary discussion consists in discovering the central Government contribution to various local programmes and then in asking for more.

2 - Financially Autonomous Bodies: they are of three main kinds:

a) Etablissements publics (public bodies): universities, lycées, hospitals, national museums, Caisses des dépôts et consignations, etc.

b) Entreprises nationalisées (nationalized enterprises): Electricité de France, Société Nationale des chemins de fer, Renault, etc.

c) Semi-public and private organizations which carry out public services: the social security system, for example.

In 1958-1959 an effort was made to organize some form of parliamentary control over the extra-budgetary sector: Parliament was allowed to establish select committees of control; the information of Parliament and its standing committees was improved and, finally, the role of the budgetary rapporteurs was extended to the extra-budgetary sector.

B. THE STRUCTURE OF THE BUDGET

The Finance Bill is divided into three sets of accounts:

- the general budget;
- the annexed budgets;
- the special Treasury accounts.

All the Government's revenues and expenditure must fall into one of these three sets of accounts. Moreover, the first two sets of accounts correspond to the final financial transactions included in the budget while the majority of the special Treasury accounts represent the temporary financial transactions (loans and advances).

1. The Budgetary Accounts

a) The General Budget

The budget is formed of a single account called the general budget into which flow all receipts and from which are met all expenditure. Moreover, according to the traditional rule of the universality of the budget[1], the budget must show the gross results of the Government's financial transactions. The assignments of certain types of revenues to the payment of particular items of expenditure in the general budget are prohibited. In some cases, however, assignment is allowed but it must take the form of annexed budgets or special Treasury accounts[2]. In practice, the general budget includes the estimates of all the civil and defence ministries.

b) The Annexed Budgets

The annexed budgets are designed to take into account the special conditions applying to the administration of certain governmental agencies[3] which are of a more or less industrial and commercial character but have not been granted the autonomous status of a nationalized industry. These agencies have their own budget; they keep their own receipts and use them to pay for their own expenditure. But any surplus must be paid to the general budget and, as a counterpart, any

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1. See above p. 7
2. Article 18 of the Organic Law and below p.
3. The French expression service is translated by agency.

deficit is met through a grant from the general budget. The annexed budgets are included in the Finance Bill and are voted on by Parliament[1].

Before the reforms of 1956 and 1959 departments tended to multiply the annexed budgets in order to give to some sectors of their activities a greater financial autonomy without, however, going as far as to give them the full autonomy of nationalized industries[2]. Following the 1959 reform the Ministry of Finance proceeded, gradually, to the reintegration of several annexed budgets into the general budget while some others were granted the status of autonomous public bodies (the French Radio and Television Network for example)[3]. The remaining annexed budgets were subject to the general budgetary and accounting rules[4]. Some of these rules, however, were made more flexible to take into account the industrial and commercial character of some of the annexed budgets. First, the annexed budget can include two sets of accounts: first, an account designed to show the agency's trading position and second, an account which is concerned with the agency's capital expenditure programme and the special resources (borrowings) assigned to its financing. These accounts, however, are kept according to the rules of the general accounting system[5]. In addition, the agency can have stock, redemption and reserve funds which are not subject to the rules of the annual cash accounting system[6]. Finally, the Minister of Finance

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1. See on these rules articles 18, 20, 21 and 22 of the Organic Law.

2. For a detailed analysis of the growth of annexed budgets before 1956 see G. Devaux, op. cit., p. 127 and ff.

3. See G. Pallez, Cours, pp. 112 - 123. The technique of the annexed budgets is falling into disuse. The tendency, now, when an agency needs a more flexible financial organization is to transform it into an autonomous public body. See appendix 1.

4. Article 21 of the Organic Law.

5. Ibidem.

6. Article 22.

can increase the estimates of the annexed budgets without any preliminary parliamentary approval when the revenues of the annexed budget are larger than expected[1].

The 1967 budget included eight annexed budgets[2] which are grouped here according to the three categories proposed by Pallez[3]:

1° - the first category corresponds to the agencies which carry on industrial and commercial activities:

- Postes et Télécommunications 10,290,127,331 F
- Imprimerie Nationale 150,100,000 F
- Monnaies et Médailles 117,655,000 F

2° - the second category cannot be precisely defined. It includes three annexed budgets:

- Légion d'Honneur 20,254,851 F
- Ordre de la Libération 1,611,479 F
- Prestations sociales agricoles 5,645,462,983 F

The Légion d'Honneur and the Ordre de la Libération have annexed budgets because the Government wants to give some solemnity to their existence and assures the stability of their income which, in fact, consists of grants from the general budget. The prestations sociales agricoles on the other hand, are grouped in an annexed budget because the Government and Parliament think that it is important to stress the contributions made by the State and various other sources to the

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1. Article 21.
2. Articles 28 and 29.
3. Cours, pp. 114 - 115.

improvement of the social condition of an important sector of the French population[1] and because adding them into the social security system would further indebt it. In fact, the farmers which represent one of the most important electoral and pressure group in France have always asked for a special status in budgetary matters in order to, first, make sure that part of the taxes they pay to the State through the mecanism of agricultural prices are directly assigned to their social and economic well-being and, second, be able to determine exactly the benefits they get from the Government's budgetary policy[2].

3° - Finally, the third category consists of two agencies of the Ministry of Defence:

- Service des Essences 592,976,227 F
- Service des Poudres 416,942,441 F

In the past, several Defence agencies had annexed budgets but except for these two they have all been reintegrated to the general budget.

In 1967, the total expenditure of the annexed budgets amounted to 17,239 million francs and those of the general budget to 116,979 millions. These two amounts, however, cannot be added because part of the expenditure of the general budget consist in grants to the annexed budgets.

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1. Pallez, Cours, p. 115.

2. Article 54 of the 1965 budget (loi de finances pour 1965 no 64-1279 du 23 décembre 1964: "Un état évaluatif des prestations d'assurances sociales et d'allocations familiales servies aux salariés du régime agricole, ainsi que des ressources destinées à la couverture de ces prestations, devra figurer, à titre indicatif dans les annexes explicatives du budget annexe des prestations sociales agricoles".

c) The Special Treasury Accounts

Originally, the special Treasury accounts were not included in the budget because they consisted exclusively in the accounting of the incoming and outgoing of funds of the Treasury. Since none of these transactions were final it was logical not to include them in the budget. For example, the accounting of the funds connected with the deposits and withdrawals of the securities given by the public accountants of the purveyors or the State were noted in these accounts[1].

But after the First World War the special Treasury accounts were used for different purposes and numberless special accounts (several of them were concerned with reconstruction) were opened outside the budget in order to remove from parliamentary control unpopular or too heavy expenditure which could hardly have been covered by taxes. As pointed out by Pallez:

> "...on ne faisait pas de budget, ou on faisait seulement un budget très partiel. On décidait des dépenses un peu au jour le jour, et on les payait comme on pouvait: comme il fallait garder des traces comptables de ces opérations, on ouvrait des comptes de trésorerie auxquels on imputait les dépenses couvertes, la plupart du temps, par les 'ressources de trésorerie', c'est-à-dire par les recettes courantes augmentées du produit des emprunts qu'on pouvait faire ..... La multiplication des opérations que l'on baptisait 'de trésorerie' permettait de soustraire des masses considérables de dépenses au formalisme budgétaire"[2].

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1. For more detailed analysis of the mecanism of the special Treasury accounts see De Voguë, Finances Publiques, Cours de l'Institut des Etudes Politiques (Paris 1963 - 1964); G. Devaux, op. cit., pp. 125 - 140; G. Pallez, Cours, pp. 123- 129; M. Duverger, Finances Publiques, pp. 176, 264 and 266 and P. Amselek, op. cit., pp. 84 - 98.

2. G. Pallez, ibidem, pp. 124-125.

It also enabled the Government to hide the major part of the budgetary deficit[1]. The practice of the special Treasury accounts reached its peak in the early years of the IVth Republic and in 1947 there were an average of 400 special accounts whose overall transactions amounted to approximately 500,000 million old francs[2]. The situation became intolerable and, in spite of the vested interest of some parliamentarians and several agencies in this procedure, in 1948, more than 300 accounts were suppressed. In 1956 (article 38 of the Organic Decree) and in 1959 (article 20 of the Organic Law) the special Treasury accounts were subjected to strict regulations which obeyed to two main objectives:

The first objective was to integrate into the budget all the expenditure which should never have appeared in the Treasury accounts. This left in the special Treasury accounts only the transactions which, without any doubt, were of a temporary nature.

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1. P. Amselek, op. cit., p. 84.

2. Ibidem, p. 85. For an interesting description of the anarchic situation of the Treasury accounts at the beginning of the IVth Republic see G. Devaux, op. cit., pp. 206 - 208. Pages 206 and 207 contain a revealing study of the psychology of the Treasury Division during that period: "Agissant comme une banque, dans un climat confidentiel, elle n'entendait connaître que des cas particuliers. Sans contact direct avec le Parlement, incarnant volontiers la toute-puissance mystérieuse d'un mécanisme financier dont personne ne comprenait le fonctionnement, elle défendait avec vigueur ce qu'elle considérait comme l'intérêt supérieur de l'Etat, mais dissimulait mal un mépris un peu royal pour les 'formalités administratives'..... D'excellents esprits en étaient d'ailleurs venus à soutenir que les comptes spéciaux du Trésor étaient une sorte de 'soupape', indispensable pour atténuer les rigueurs de la réglementation budgétaire. C'était la cour de récréation où il n'était pas déraisonnable d'envoyer s'ébattre les élèves trop turbulents, à l'abri des regards du censeur". This opinion of M. Devaux is that much the more interesting in that, at the time, he was the head of the Division 'ennemie' (the 'censor' of whom he speaks): the Public Accounting Division.

The second objective was to submit to all the rigours of budgetary orthodoxy the transactions still included in the special Treasury accounts. Therefore, to be allowed to spend the funds included in these accounts, the Government has to obtain from Parliament, through the ordinary budgetary procedure a clear authorization on the very principle of these transactions, on their maximum amount, on their purpose and so forth. These authorizations are granted according to the same process as for any other budgetary appropriations and, within the budgetary framework. For example, the 1967 budget included eight articles dealing with the special Treasury accounts and an explanatory annex was devoted to their detailed analysis. The agencies concerned with these accounts must prepare their own estimates, justify their amount, first, before the Ministry of Finance and, later on, before Parliament. The latter obligation, however, is rather theoretical for, in spite of the importance of the gross spending regulated by the special accounts (more than 14,000 million francs in 1967), Parliament devotes very little time to their scrutiny[1]. The Finance Committees of the National Assembly and the Senate have only one report respectively on the whole question.

The technique of the special account, even if it has been much refashioned, still presents the administrations concerned with many advantages for, in some cases, it privileges particular kinds of expenditure through the assignment of determined sources of revenues. Indeed the special account offers the possibility of isolating from the general budget in order to put them in special relation to one another, particular expenditure and certain types of revenues either

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1. Pallez, Cours, p. 126, note 1.

because it is intended to assign particular sources of revenues to the payment of particular types of expenditure (as is the case, for example, of the Special Fund for Road Investment concerned with the use of the resources assigned to the improvement of the roads system); or because, beyond this assignment of revenues, the Government wants to present a balance sheet of closely related transactions. This last category covers two series of cases. The first is concerned with the loans and advances made by the Government. Indeed, in including in a special account particular advances made by the Government and the product of their reimbursement, it is possible to have an overall view of these banking transactions and to control more closely their management. The second series of cases is concerned with commercial or industrial transactions. When some agencies carry out activities which are very similar to those of private commercial concerns they are allowed to use trading accounts designed to show their trading position in accordance with commercial practice[1]. The balance (solde) of each special account is carried over from year to year and is never paid to the Treasury, but their profits and losses except in the case of the Assignment Accounts, must be accounted for according to the annual cash accounting system[2].

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1. P. de Vogüé, op. cit., p. 61: "Lorsque certains services de l'Etat ont une activité proche de celle du commerce, qui consiste par exemple, à acheter des produits pour les revendre, il paraît naturel de relier les opérations d'achat aux opérations de vente pour faire le bilan commercial du service et s'assurer notamment que l'on vend bien le produit à un prix suffisant, compte tenu du coût résultant de l'achat".

2. Articles 24 and 25 of the Organic Law.

According to the Organic Law the special accounts fall under six categories[1]:

1° - Commercial accounts;

2° - Accounts of dealings with foreign governments (comptes de règlement avec les gouvernements étrangers);

3° - Accounts of monetary transactions;

4° - Loans accounts;

5° - Advances accounts;

6° - Special assignments accounts.

(1) Commercial Accounts

The commercial accounts are defined as follows:

> "Les comptes de commerces retracent les opérations à caractère industriel ou commercial effectuées à titre accessoire par les services publics de l'Etat". (article 26)

The estimates included in these accounts are purely approximative and the agencies concerned can, if necessary, spend more than the amounts mentionned but within a limit (découvert) determined by the budget. It is forbidden, under these accounts, to proceed to "des opérations d'investissement financier de prêts ou d'avances ainsi que des opérations d'emprunts" (article 26). The final profits on losses which appear on the annual balance sheet of the accounts are charged or paid to the general budget. At the moment there are seventeen commercial accounts: twelve civil accounts and five military accounts. The most important civil account is the account concerned with the

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1. Article 23.

management of the shares owned by the State in the Sociétés d'économie mixte. This is how the account appeared in the 1966 budget (in francs):

Revenues	Expenditure	Overdraft authorized
1,345,000,000	1,345,000,000	45,000,000

The commercial accounts included in the 1966 budget represented a mass of revenues amounting to 4,855 million francs and a volume of expenditure of 4,800 millions. The total overdraft authorized amounted to 2,035 million francs.

(2) Accounts of dealings with foreign Governments

These accounts cover the transactions which result from various international agreements approved by the law (article 27). There were eight of them in the 1966 budget.

(3) Monetary transactions accounts

These accounts include the receipts and disbursements which have a purely monetary character (article 27). The most important of these accounts (six in the 1966 budget) is concerned with the issue of coins.

(4) Loans and advances accounts

The loans accounts "retracent les prêts d'une durée supérieure à quatre ans consentis par l'Etat dans la limite des crédits ouverts à cet

effet, soit à titre d'opérations nouvelles, soit à titre de consolidation" (article 29).

The advances accounts "décrivent les avances que le Ministre des Finances est autorisé à consentir dans la limite des crédits ouverts à cet effet"(article 28).

The loans are made for periods of more than four years while the advances must be reimbursed in less than four years. In 1966, the budget included eleven advances accounts (9,978 million francs of revenues and 10,190 millions of expenditure). In fact, the major part of these advances are short term advances and must be reimbursed the same year. The advances are generally made to the departments, communes, public bodies, foreign Governments, etc. In 1966, there were thirteen loans accounts. The two main loans accounts were concerned with the Government's cheap housing programme (H. L. M.) and with the Fonds de Développement Economique et Social (F. D. E. S.). The latter deals with the allocation and reimbursement of the loans contributing to the implementation of the national Plan and of various programmes for productivity, conversion and decentralization in the industry. The loans accounts amounted to more than 5,000 million francs in 1966. All the Government's advances and loans are included in these special Treasury accounts and appeared in the temporary budget or budget below-the-line[1]. As pointed out by Amselek:

> "Cette pratique qui constitue une règle non-écrite de la procédure budgétaire permet de faire apparaître de façon significative à la fois la politique suivie en ce domaine par l'Etat et le bilan financier de son activité de banquier" [2].

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1. See below p. 43

2. Op. cit., pp. 97 - 98. However, the borrowing transactions of the annexed budget for Posts and Telecommunications are accounted for in the budget-above-the-line (once and for all) and not in a special Treasury account .

The regrouping of all the Government's loans and advances transactions correspond also to an effort to rationalize the presentation of the overall balance of the budget as we shall see in the next section.

(5) Special assignment accounts

These accounts "retracent des opérations qui, par suite d'une disposition de loi de finances prise sur l'initiative du gouvernement sont financées au moyen de ressources particulières" (article 25). Their aim is to assign specific sources of revenues to the payment of particular items of expenditure and, from that point of view, they have always attracted much political interest. Indeed, the special assignment accounts is the ideal technique used by those who want to make sure that the expenditure they are interested in will be agreed to from year to year with the minimum of interference from the Ministry of Finance. It is also a very useful technique for those who want to benefit from more flexible budgetary rules. Finally, in many cases, the amount of expenditure authorized is established more with reference to the available resources then by a critical appreciation of the real needs of the agency concerned. This, quite naturally, is of great interest to some parliamentarians and pressure groups. However, in order to appreciate the extent of the 1959 reform a short account of this practice of the special assignment accounts under the IVth Republic is necessary.

During the IVth Republic, Parliament often resorted to this procedure to force on the Government the acceptance of items of expenditure which the latter was little inclined to include in the general budget either because they

were overtly concerned with the interests of specific pressure groups or because they increased the budgetary deficit. Hence the committee or parliamentary group concerned used to propose the creation of a special fund supplied either by a special tax or by the product of already existing taxes like the product of the tax on added value, the taxes on meat or on petrol consumption. Funds of all kinds were established: Fonds routier, Fonds de soutien aux hydrocarbures, Fonds forestiers national, Fonds d'allocation scolaire de la loi Barangé, etc... For example, the Fonds routier was financed through a certain percentage of the product of the taxes on petrol and, in this latter case, the association of car makers and some parliamentarians always argued that the assignment of the product of these taxes to the payment of investments on roads was an absolutely legitimate procedure[1]. The Ministry of Finance which saw the problem from a different point of view always opposed the setting up of these special funds and sponsored a policy of reintegration of all resources in the general budget.

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1. My own interviews with officials of the Syndicat des constructeurs d'automobiles. This pressure group, of course, benefits from any measure which results in the assignment of a tax whose product is likely to increase rapidly to the development of the highways and roads system. However, its position may well get quite complicated if the Government increases the taxes on petrol to a level that may dissuade many possible buyers of cars from purchasing or the actual cars' owners from using their vehicles. In June 1967, for example, the Syndicat des constructeurs d'automobiles objected to a possible increase of petrol taxes (see Le Monde, 24 June 1967). In fact, over the last few years, the pressure group proposes, instead of the assignment of fiscal resources, the assignment of the product of public borrowings sponsored specially with the aim of financing the development of the highway system. Pressure groups whose interests are popular with large sectors of the population (road, telephone, etc.) tend to favour the formula of the assigned borrowings. These public borrowings are quickly subscribed.

In 1954, the structure of the budget was rearranged. First, the funds financed through the borrowing procedure were put outside the budgetary framework (débudgétisation). Second, those enjoying fiscal resources were reintegrated into the general budget. However, in this latter case, Parliament insisted and obtained that all these funds be brought together under a special budgetary title called: Dépenses sur ressources affectées. Then, in 1957, MM. Bourgès-Maunoury and F. Gaillard took advantage of the special powers, granted to them to proceed to budgetary cuts, to transfer to the general budget part of the fiscal resources assigned to the special funds. But one had to wait for the Organic Law of 1959 and the 1960 budget for a complete reform of a system defended by economic and political interests much too powerful to be challenged by the weak and ephemeral executives of the IVth Republic[1].

The reforms took three forms. First, the title Dépenses sur ressources affectées was suppressed and the revenues and expenditure accounted for under this title were reintegrated to the general budget (prophilaxie des animaux, ristourne sur le matériel agricole, assurance vieillesse agricole, etc.) Second, in some cases special assignment accounts were reestablished but subject to strict financial regulations and with sharp reductions in the amount of the assigned resources. This evolution toward a diminution of the assignment of resources was accentuated further and, in 1960, the main funds for the stabilization of agricultural prices were transformed into an annexed budget called Fonds d'Orientation et de Régularisation du Marché Agricole (F.O.R.M.A.). Finally, in 1961, the F.O.R.M.A. was turned into a public body with its autonomous budget in order to increase its freedom of action[2]. This evolution from

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1. G. Pallez, Cours, p. 128.

2. Ibidem, p. 129

the status of special Treasury accounts included in the budget to the status of an independent public body is characteristic of the little concern shown by the Vth Republic for parliamentary control. An important agricultural fund managed by civil servants and representatives of the main professional organisations escapes parliamentary scrutiny[1]. It is not certain either that parliamentarians of the Vth Republic are particularly keen on strengthening the budgetary control of Parliament over these accounts for some of them (often those of M. Giscard d'Estaing's parliamentary group[2]) do not hesitate to propose the transformation of important funds into financially autonomous public bodies. Parliamentarians, however, have not lost all their interest for the mecanism of assignments of revenues and there is scarcely a session without one of them proposing such assignments. M. Waldeck-Rochet, General Secretary of the Communist Party, for example, in September 1967, put forward a proposal for the assignment of the product of the licencing of cars to pay for increases of family allowances and old age pensions[3]. One must also note that the Government, in its reform of the assignment accounts system, showed its awareness of the political content of the system and several special assignment accounts still in existence

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1. In fact because of the interest shown by many parliamentarians in the administration of the F.O.R.M.A. some parliamentary committees still continue to produce reports on this Fund (Finance Committee and Committee on Production).

2. M. Poniatowski, for example, deputy for Val d'Oise, General Secretary of the Independent Republicans, former chargé de mission in the cabinet of the Minister of Finance (M. Giscard d'Estaing) and former director of a service of that Ministry, put forward, in July 1967, a proposal aimed at establishing a National Office for roads and highways. This public body would have taken the place of the Caisse Nationale des Autoroutes and the Fonds d'investissement routier (Le Monde, 5 July 1967). M. Giscard d'Estaing himself, a few weeks later, proposed the creation of a National Corporation for Telephones.

3. This suggestion was considered as "fantaisiste" by M. Pompidou (Le Monde, 12 October 1967).

are more or less directly connected either with the activities of an important lobby (modernisation du réseau des débits de tabac et allocations viagères aux débitants, fonds de soutien aux hydrocarbures, fonds spécial d'investissement routier) or with the electoral interests of rural parliamentarians (fonds national pour le développement des adductions d'eau, fonds forestier national, fonds aux victimes de sinistres et calamités - often agricultural). On the whole, however, the Minister of Finance systematically opposes the creation of new assignments. Hence, during the debate on the 1968 budget, M. Debré resisted the pressure of the fédération nationale des transporteurs routiers which were asking for the assignment to the roads system of the product of a new tax on the heavy lorries[1].

d) A note on some special taxes (taxes parafiscales)

Each year the Finance Bill authorizes the collection of a certain number of taxes the product of which (less than 2,000 million francs), as in the case of the special assignment accounts, is assigned to a specific category of expenditure[2]. These assignments, however, differ from those of the special

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1. In their public statements the lorry drivers were opposed to the very principle of the new tax (taxe à l'essieu). But, according to J. F. Simon (Le Monde, 14 October 1967), it seems that they would have agreed to the new tax much more easily if its product had been assigned. The assignment had probably been strongly defended by the Ministry of Transport, but unsuccessfully. The parliamentarians supported the lorry drivers and the Finance Committee of the National Assembly rejected the new tax. The tax, however, was re-established on the floor as a result of a compromise between the Government and the majority.

2. In 1967, the collection of these taxes was authorized in article 38 of the Finance Bill and their description was included in a table (Etat E). This table gives various details on the "nature of the tax", "the beneficiary organizations", "the rate","the laws or the regulations creating the tax", "the product for the previous year (1966)" and the "forecast for the year (1967)". The taxes are classified by "tutelary" ministries.

accounts in that they are proceeded to "dans un intérêt économique ou social, au profit d'une personne morale de droit public ou privé autre que l'Etat, les collectivités territoriales, les établissements publics et administratifs..." (article 4). It is, as pointed out by Pallez "the fiscality of the autonomous organs, that is to say, distinct from the State and its various parts"[1]. This fiscal system is organized and controlled by the Government because, on the one hand, the multiplicity and the reluctance of the professional organizations concerned could make the establishment of a system of voluntary contributions impossible and, on the other hand, because this procedure enables the Government to influence the policy of these organizations otherwise than through the more expensive method of the budgetary grant. Nonetheless, the existence of a taxation system the product of which, instead of contributing to the financing of the general budget, is paid to various professional organizations, constitutes an important exception to the rule whereby all the resources of the Government must be paid into the same fund (the general budget) and be used, indistinctly, to the financing of Government expenditure. In fact, the Ministry of Finance, in order to maintain the unity of public finances and ascertain its control over all public expenditure, has often asked for the reduction of these special taxes and their reintegration to the general budget[2]. In spite of this the control of the Government over this sector is quite satisfactorily assured by the presence of a contrôleur d'Etat in each of the beneficiary organizations. Moreover, these organisations are subject to the control of the Inspection des Finances and of the Cour des

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1. Cours, p. 131.

2. The number of these taxes tend to diminish (130 in 1956 against 107 in 1967). But their product has increased from 630 millions in 1956 to nearly 2,000 millions in 1967; see ibidem.

Comptes and their unused funds must be deposited into the Treasury. Before 1959, these taxes had to be created through the legislative procedure. Now they can be established by decrees provided these decrees are ratified in the following Finance Bill. Parliament authorizes the special taxes through the vote of a single article of the Finance Bill. But Parliament, if it decides so, can proceed to a detailed vote of these taxes. When the detailed vote is not requested and the global vote takes place, parliamentarians still keep the right to put forward amendments aimed at suppressing some of these taxes[1]. Hence, in 1966, to protest against the use of the Radio and Television Network (O.R.T.F.) for purposes of Government propaganda, the Senate rejected the special tax on radio and television sets[2]. Generally, during the budgetary debate, the special taxes, are the object of a report of the Finance Committees[3]. In fact, parliamentarians are not so much interested in the scrutiny of these taxes as in their political significance and the advantages which some of these taxes provide to interest groups. This aspect of the question comes out clearly if one considers that, in the 1967 budget, fifty five out of one hundred and seven special taxes were related to agricultural professional organizations (office national interprofessionnel des céréales, institut technique de la betterave, Bureau interprofessionnel du cognac, etc...)[4].

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1. Amselek, op. cit., p. 208. They cannot, however, propose the creation of a new tax for this is not in the domain of the law.

2. J. O., Senate, 21 November, p. 1797.

3. This report is rather light. In 1965, for example, the report was prepared by the rapporteur for the special Treasury accounts.

4. The labour trade unions which do not benefit from special taxes are critical of the fact that this procedure is used only in the case of the professional organisations of the patronat and agriculture (see the article of M. Bonety (C.F.D.T.) Le Monde, 4 February 1967).

2. Final and Temporary Transactions[1]

Budgetary transactions fall under two main heads. The first, entitled opérations à caractère définitif, includes all the resources and charges of the General Budget, the Annexed Budgets and the Special Assignment Accounts; the final transactions "correspondent à l'action de l'Etat dépensier"[2]. The second head, entitled opérations à caractère temporaire, represents, on the income side, the refunds of loans and the interest, and, on the expenditure side, the Government's loans and advances. They include the Special Treasury Accounts (except for the Special Assignment Accounts) and correspond to "l'action de l'Etat banquier"[3]. The aim of the distinction is to show with more accuracy than it used to be the case under the previous Republic the meaning of the budgetary deficit (or surplus). It shows what contribution, if any, the once and for all part of the budget makes to the financing of the temporary transactions and what will have to be met out of the Treasury resources (borrowings, Treasury resources and, eventually, advances from the Bank of France)[4]. Table A shows that, in 1964, Part A of

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1. The Organic Law of 1959 does not clearly distinguish these two categories of transactions. It says that the "charges permanente de l'Etat comprennent: les dépenses ordinaires; les dépenses en capital; les prêts et avances de l'Etat" (article 6). The Organic Law does not use the word "permanent" to mean that this expenditure is final but to state the fact that the Government is ultimately responsible for its financing through the annual budget.

2. Ministère des Finances, Le Budget de 1965 (La Documentation Française), p. 8.

3. Ibidem.

4. The French have borrowed from the British budgetary practice the expression budget au dessus de la ligne (budget above-the-line) and budget au dessous de la ligne (budget below-the-line). In the French context they correspond to once and for all and temporary transactions.

the budget (opérations à caractère définitif) had a surplus of 532 million francs, Part B (opérations à caractère temporaire) a deficit of 5,266 millions, leaving an overall budgetary deficit of 4,734 millions (découvert du Trésor).

TABLE A

Balance of Resources and Charges
in the 1964 Budget

	Resources	Ceilings of charges
	(million francs)	
A. FINAL TRANSACTIONS		
General budget	86,661	86,313
Annexed budgets	13,212	13,212
Special treasury accounts (special assignment accounts)	3,296	3,112
Total (A)	103,169	102,637
B. TEMPORARY TRANSACTIONS		
Special treasury accounts (loans)	8,597	13,863
Total (B)	8,597	13,863
Excess of temporary transactions (B)		5,266
Overall budgetary deficit or surplus (Découvert du Trésor)		4,734

The table in which is shown the allocation of resources and charges according to their final or temporary basis forms an article of the Finance Bill, and is voted on immediately after the examination and the vote on the revenue budget and before the discussion on the estimates. It sets up the financial

framework within which the budgetary discussion takes place and enables the Minister of Finance to object to parliamentary proposals which may upset the équilibre as defined in the article. It is important to note, however, that the word équilibre does not necessarily mean that the budget shows a perfect balance between revenues and expenditure. The équilibre described in table is, as we have seen, deficitary while in the 1965, 1966 and 1967 budgets the équilibre showed a small surplus (see table B).

TABLE B

Balance or Resources and Charges in the 1965, 1966, 1967 Budgets

	1965	1966	1967
	(million francs)		
FINAL TRANSACTIONS (General Budget, Annexed Budgets, Special Assignment Accounts)			
Resources	115,595	123,588	136,115
Charges	109,958	119,809	134,218
Deficit (-) or excess (+) of final transactions	+ 5,637	+ 3,779	+ 1,897
TEMPORARY TRANSACTIONS (Special Treasury Accounts excluding most of the Special Assignment Accounts)			
Resources	10,322	11,526	12,590
Charges	15,947	15,229	14,369
Deficit of temporary transactions	- 5,625	- 3,773	- 1,779
Overall budgetary deficit of surplus (Découvert du Trésor)	+ 12	+ 6	+ 118

Closely linked with the division of the budgetary accounts into two parts is the question as to whether the budget must be balanced or not, or is balanced or not. This question has always aroused much controversy in France. Not so much, perhaps, between economists as between politicians (allowance must be made here for the fact that nearly all Frenchmen considered themselves as economists). As we have seen, the question can be traced back to the XIXth century when it was assumed as a matter of principle and of sound public finances, that the budget must show a perfect balance of receipts and expenditure. After the First World War, however, political social and economic factors made respect of the old principle difficult. Parliamentarians and Ministers would not vote or propose the taxes necessary to cover the deficit which resulted from the sharp increase in public spending (war debts, social services, etc.). But because the principle of the balanced budget had a great political and electoral significance the principle was reasserted again and again while the continuous deficits were hidden in extraordinary budgets or official Treasury accounts or simply disregarded. The first attempt to redefine the old principle was made, under the authority of Edgar Faure, in 1954. Broadly, it aimed at distinguishing capital expenditure which was "définitive" (of once and for all character) from that which corresponded to loans. All the expenditure of the first kind had to appear in the general budget. Those of the second kind could remain in special Treasury accounts or be transferred to the extrabudgetary sector (this latter operation was called débudgétisation). As pointed out by Amselek

> "On s'orientait par là vers une distinction, non plus formelle et empirique entre le budget général et comptes spéciaux, mais fonctionnelle et systématique, distinction entre la partie du budget correspondant au rôle de redistributeur du revenu national joué par l'Etat, et la partie du budget correspondant à son rôle de banquier et principalement de banquier de l'économie"[1].

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1. Op. cit., p. 123. For a detailed exposé of the problems posed by the notions of "balanced budget", budgetary deficit" and "impasse budgétaire" see Pallez, Cours, pp. 372 - 401.

This division had the advantage at the administrative level of corresponding to the functions of the two major Divisions of the Ministry of Finance: the Budget Division and the Treasury Division and at the political level, of giving a more honest picture of the financial situation of the budget:

> "On s'efforçait de faire apparaître que le déficit budgétaire n'était que la partie d'un tout, que, pour apprécier dans son ensemble la situation résultant d'un vote d'une loi de finances, il fallait mesurer l'excédent du total des charges sur le total des ressources et déterminer les moyens d'assurer le financement de cet excédent"[1].

Because of the traditional French dislike for the word "deficit" this "excédent" was conveniently called "impasse", an expression borrowed from the vocabulary of bridge and which had the advantage of showing that the Government was well aware of the risk such a deficit represented and of stressing its willingness to assume its responsibility in this regard. The Minister of Finance was not only telling the truth about the financial situation but he, sometimes, took advantage of this notion to dramatize the situation in order to strengthen his position vis-à-vis his colleagues in the Government. The notion of "impasse" was never clearly defined and its interpretation varied according to circumstances. It became identified as one of the numerous mischiefs caused by partisan politics and, in 1958, the notion was suppressed and replaced by the more "honest" expression of "deficit". In fact, the "deficit" of the 1959 budget was just another word and nearly as ambiguous as the previous "impasse". A committee set up in 1958 and chaired by M. Jacques Rueff, an economist "de vieille école" but whose ideas are often shared by de Gaulle, condemned the ideas of "impasse" and "deficit" as incompatible with the anti-inflationary

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1. Pallez, Cours, p. 374.

policy which the Government should pursue to improve the state of the French economy. The words were banned but the deficit persisted. In 1963, however, inflation had reached a peak in the Vth Republic and de Gaulle entrusted Giscard d'Estaing, the Minister of Finance, with the task of "faire disparaître l'impasse des finances publiques". In 1964 (1965 budget), M. Giscard d'Estaing was able to submit to Parliament the first balanced budget since Poincaré:

> "1965: budget en équilibre. C'est, je pense, l'essentiel de ce que l'opinion publique retiendra de nos débats. Ce sera, je crois, la place que l'année 1965 occupera dans l'histoire financière de notre pays"[1].

In what sense was the 1965 budget a balanced budget? Nobody really agreed on this. Probably because it is no longer possible to know if a budget is effectively balanced or not. M. Giscard d'Estaing maintained that his 1965 budget was balanced because the expenditure below-the-line (loans) were totally covered by the surplus of the budget above-the-line (once and for all operations). The Treasury itself would not have to intervene (treasury borrowings) to finance the loans. Critics of M. Giscard d'Estaing argued that it was simply misleading to talk of "balanced budget", that the organization of the Government finances was so complex that the Government could always submit a balanced budget. It was just a question of including or excluding from the budget certain types of expenditure. For example, the 1965 budget was not

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1. J. O., 15 October 1964, p. 3192. Ironically enough 1965 is more likely to be remembered as the year which ended with de Gaulle's mise en ballotage and Giscard's subsequent dismissal as Minister of Finance. It seems that, in spite of the Government's assumption, perfectly balanced budgets, as in 1965 and 1966, are not by themselves electorally rewarding. The Government was quick to acknowledge this change in the psychology of the French voter. The 1966 budget showed at the end of the financial year a deficit of 3,452 million francs and the 1967 budget although balanced when it was submitted to Parliament ended with a deficit of 7,100 million francs. Over the last two years the Government has used both policies at the same time: balanced budgets were submitted to Parliament but as soon as they had been adopted measures were taken which had the effect of unbalancing the budget. For

(see next page)

really balanced in the terms defined by M. Giscard d'Estaing (i.e. all Government final and temporary expenditure is covered by taxes) because the borrowing requirements of the budget annexe of the Post Office (429 million francs) were considered as part of the opérations à caractère définitif (as revenue of the budget above-the-line). In fact, the Treasury would have to borrow that money. They pointed out that expenditure hitherto included in the budget had been transferred to the extra-budgetary sector (mainly to the Social Security Services and the Caisse des Dépôts et Consignations). In fact, in spite of the impression conveyed by M. Giscard d'Estaing, the 1965 budget did not mark a return to the old idea of the "balanced budget". M. Giscard d'Estaing and the Budget Division stressed this aspect of the 1965 budget for psychological and political reasons. They felt that, in order to assure the success of the Stabilization Plan of 1963, it was necessary to limit the growth of public expenditure and that the aim could best be attained by forcing on the Government the adoption of the idea that the budgets had to be balanced. This would convince industry that the Government was determined to accept its own burden of the Stabilization Plan in showing restrain in the growth of public spending. On the political side, it was thought that the ability of the Government to balance its budget while maintaining the rate of growth envisaged by the national Plan would make a strong impression on the public, not only in France but also outside France. De Gaulle gave his full backing to the policy and the budget which was voted just before the 1965 presidential election was praised for being a balanced budget. The Government even launched a campaign of publicity in favour of the

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(continued)
example the 1967 budget was balanced when submitted to Parliament but everyone knew that the financing of the Social Security Services had not been taken into account.

new policy. Many advertizings showing La Semeuse with the following words: "1965: budget en équilibre. Ministère des Finances et des Affaires Economiques", appeared in the daily press . The campaign reached its peak when Giscard d'Estaing declared to the National Assembly that he intended to propose an amendment to the Organic Law of 1959 which would enforce the "principe de la couverture intégrale des dépenses définitives par des recettes définitives"[1]. However, Giscard d'Estaing's proposal met more resistance than support[2]. Parliamentary rapporteurs were sceptical[3]. The Prime Minister was prudent[4] and naturally the spending ministers were much upset. The idea lost much of its force, it seems, when it did not prove to be rewarding electorally.

C. CLASSIFICATION OF EXPENDITURE

There are various ways of classifying expenditure:[5] on the basis of the administrative organization of the Government (administrative classification); according to the main functions of the Government (functional classification); and finally, according to economic criteria (economic or national accounts classification). For budgetary purposes, most countries use one of these three main classifications. The British budgetary system, for example, uses an administrative and accounting classification (Classes, Heads and Subheads). Expen-

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1. J. O., 7 October 1965, pp. 3194 and 5636 and 14 October and 26 November 1964, p. 3359; Le Monde, 10 March 1966.

2. Support came from his own parliamentary group, the Independent Republicans, the Budget Division and, probably, de Gaulle.

3. Pellenc, J. O., Senate 12 November 1964, p. 1403.

4. "Le budget n'est pas un évangile. Ma doctrine sur ce point est extrêmement ferme: cela dépend des circonstances" (Before the Centre National des jeunes patrons, Le Monde, 29 April 1964).

5. See J. Burkhead, Government Budgeting (New York 1956)

diture ~~are~~ also the object of functional and economic analysis. This is purely informative and not, as such, part of the budgetary procedure. In the United States, on the other hand, the budgetary process is based on a functional classification. The French system is an attempt to embody within the budgetary framework the three different types of classification[1]. The Organic Law clearly gives priority to the economic and functional classifications. In the new French budget, expenditure is classified and voted on by large economic categories but, within this broad classification, the administrative classification is maintained for accounting and audit purposes. In fact, however, this latter classification has tended to play a greater rôle than first envisaged mainly because most of the administrative and parliamentary participants in the budgetary process still preferred the traditional system. The French experiment is an interesting example of how difficult it it to change the habits of those involved in the budgetary process through a reform of the budgetary rules especially when the reform in question is the result of a compromise between various approaches.

In this section I explain how expenditure is classified in the French budget and what is the function of each classification. Since it is difficult to deal properly with these questions without referring to practical examples I use, as the basis of my analysis, a summary of some of the estimates of the Ministry of Agriculture in 1966 (see table C).

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1. See for an interesting account of these various ways of classifying expenditure the report Le Budget et le Plan presented to the Conseil Economique et Social by M. José Bidegain, J. O., 21 and 22 November 1967, pp. 910 - 931 and particularly p. 914. (I owe this reference to Dr. J.E.S. Hayward).

TABLE C

MINISTRY OF AGRICULTURE: 1966 BUDGET

		Francs
A.	**CURRENT EXPENDITURE**	
	Title III - Expenditure of Services	508,151,922
	1st Part: Staff, Salaries , etc...	294,877,972
	Chapter 31-01[1] - Central administration Salaries, etc...	17,830,543
	Article one - Salary and indemnities of the minister	95,890
	Article two - Salaries of permanent staff (as opposed to article 3 which includes contractual staff) etc...	14,705,750
	Paragraph one - Corps of Civil administrators (in this case there is no indication of cost but the basis upon which the cost can be evaluated) etc.	
B.	**CAPITAL EXPENDITURE**	**Crédits de payement**
	Title V - Investments executed by the State	1,200,000,000
	1st Part: Agriculture	278,001,000
	Chapter 51-01 - Equipment of the Services	130,001,000
	(The part of the chapter which corresponds to new measures is described in detail. About 20 projects. Moreover, the chapter includes two types of estimates a) the crédits de payement (7,080,000) i.e. the appropriation for 1966; b) the autorisations de programmes (8,190,000) i.e. the multi-annual appropriation).	

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1. The 1st part of Title III contains thirteen chapters. The chapters are numbered according to two series of numbers. For example, the chapter above has the number 31-01. The first number (3) indicates the Title, the second number, the Part (1). The last two numbers identify the chapter within the Part which is considered. Chapter 31-01 belongs to Title III, Part one. The Government is trying to standardize the numbering of the chapters so that, for example, all the chapters bearing number 31-01 deal with the same object (Central Administration - salaries, etc...).

1. The Economic and Functional Classification

a) Classification by Titles

Article 6 of the Organic Law of 1959 divides expenditure into three main economic categories: current, capital and loans and advances. The first category is divided into four titles, the second category into three titles and the third category, although divided into four titles according to article 6, has always been the object of only one title.

Current

Classification by titles[1]

Title I: Dettes publiques et dépenses en atténuation de recettes (Debt interest and tax refunds).

Title II: Pouvoirs Publics (Parliament and President of the Republic)

Title III: Moyens de services (Salaries, General administrative expenses, etc.)

Title IV: Interventions publiques (Current grants for economic, social and cultural purposes).

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1. The first five titles have not been modified since 1952. But before the 1959 reform Title VIII was entitled "dépenses sur ressources affectées" and included all the assignment of revenues for particular types of expenditure. Title VI was divided into two sections: Title VI A (the present Title VI) and Title VI B (Prêts et avances, now Title VIII). Parliament and some administrations insisted on the includion of the capital loans and advances in the budget above-the-line for it gave, in their opinion, priority to loans which were considered as particularly important from a political point of view (Agriculture and Overseas Departments and Territories, for example): see Pallez, Cours, p. 87. Here again one sees the philosophy behind the 1959 reform; to shift parliamentarians' interest from the defence of particular interests to a broad view of public expenditure.

Capital

Title V: Investissements exécutés par l'Etat (Government capital expenditure)

Title VI: Subventions d'investissement accordées par l'Etat (Capital grants to public and private bodies)

Title VII: Réparations des dommages de guerre (War damages)

Loans and advances

Title VIII: Prêts et avances de l'Etat (Government loans and advances)

The aim of this classification is twofold: first, the use of economic categories make it easier to link the budgetary accounts with the national accounts (the categories do not correspond exactly to those used in the National Accounting system but facilitate the transfer from one to another[1]); second, to speed up the vote on the budget the title has taken the place of the chapter as the voting unit, at least, insofar as the new measures are concerned[2].

b) Classification into Parts

An intermediary classification was considered necessary to fill the gap between the title and the chapter. It performs mainly an informative role and represents the idea of a functional classification, at least insofar as capital expenditure is concerned.

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1. Some parliamentarians particularly M. Pellenc, rapporteur général of the Finance Committee of the Senate, have proposed a complete harmonization of the budgetary and national accounts (J. O., Senate, 8 June 1960, p. 292). M. Vallon, rapporteur général of the Finance Committee of the National Assembly shares a similar point of view: see Rapport Général on the 1967 budget.

2. See below pp. 98-99

Title I is divided into five parts:

- First Part : Dette intérieure. Dette perpétuelle et amortissable (Internal Debt. Permanent and Amortissable Debt).
- Second Part : Dette intérieure. Dette flottante (Internal Debt. Floating Debt).
- Third Part : Dette extérieure (External Debt).
- Fourth Part : Garanties (Warranty)
- Fifth Part : Dépenses en atténuation de recettes (Tax Refunds)

Title II, which groups the expenditure of the President of the Republic, Parliament and the Constitutional Council is not divided into parts but into sixteen chapters included in the budget of the Ministry of Finance under "common charges".

Title III, which is exceptionally subdivided into four sections for the Ministry of Defence (common charges, Air, Army and Navy) includes seven parts:

- First Part : Personnel, rémunération d'activité (Staff, Salaries).
- Second Part : Personnel, Pensions et Allocations (Staff, Pensions and Allowances).
- Third Part : Personnel en activité et en retraite, charges sociales (Staff actual and retired, Social charges).
- Fourth Part : Matériel et fonctionnement des services (Goods and General administrative services).
- Fifth Part : Travaux d'entretien (Maintenance)
- Sixth Part : Subventions de fonctionnement (Administrative grants)
- Seventh Part: Dépenses diverses (Miscellaneous).

It is by reference to the subdivisions of Title III that the French budget is sometimes called a budget de moyens as opposed to a budget fonctionnel. The classification adopted for Titles IV, V and VI, on the other hand, is marked by the functional approach.

Title IV is divided into seven parts:

- First Part : Interventions politiques et administratives (Grants of Political and Administrative kinds)[1].
- Second Part : Action internationale (Grants to foreign countries, etc...).
- Third Part : Action éducative et culturelle (Grant for education and culture).
- Fourth Part : Action économique. Encouragements et interventions (Economic grant. Support and market interventions).
- Fifth Part : Action économique. Subventions aux entreprises d'intérêt national (Economic Grant. Subsidies to private sector in the general interest).
- Sixth Part : Action sociale. Assistance et solidarité (Social Grant. Public Assistance and Emergency Welfare)
- Seventh Part: Action sociale. Prévoyance. (Social Grant. Prevision for Planning).

Title V is divided into the following eight parts (the parts concerning the various Defence Services are different):

- First Part : Agriculture (Agriculture)
- Second Part : Energie. Mines (Energy, Mines)

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1. For example, in the case of the budget of the Ministry for Cooperation in 1966 this first part included two chapters: "41.41 Fonds d'aide et de coopération - Aides et concours divers..." - "41.42 Assistance technique aux armées des Etats africains et malgache..." See Projet de loi de Finances pour 1966 - Annexe - Services votés - Mesures nouvelles - Coopération. p. 8.

- Third Part : Transports et communications. Télécommunications (Transports and communications. Telecommunications)
- Fourth Part : Entreprises industrielles et commerciales (Industrial and commercial enterprises).
- Fifth Part : Logement et urbanisme (Housing and town planning).
- Sixth Part : Equipement culturel et social (Cultural and social equipment).
- Seventh Part: Equipement administratif et divers (Administrative equipment and miscellaneous).
- Eighth Part : Equipement hors de la métropole (Equipment outside France).

Title VI includes the same subdivisions as Title V.

Title VII and VIII do not include enough chapters to be worth dividing into parts.

The division into parts is not used in the Finance Bill itself because, as we have said, the Finance Bill is voted on by title and by ministry. It is however, included in the explanatory annexes to the Finance Bill. These annexes could be compared, broadly to the booklets which in the British system describe the estimates class by class. They are particularly important when the Government proceeds, by decree, to the detailed allocation of the votes[1].

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1. See below p./00

2. Administrative and Accounting Classification

a) Classification by Ministry

The budget has always been organized around the Ministry. The Organic Law of 1959, at least in theory, reduces the role of the Ministry in the budgetary framework. The Finance Bill itself classifies expenditure not by Ministry but first, by types of accounts (général, annexes and spéciaux), second, by economic categories (current, capital, loans) and finally, by titles. It was assumed that the new presentation would help parliamentarians to broaden their approach to the budget, and that, instead of seeing in it the mere collection of each Ministry's estimates they would see its financial and economic role and look at it from that point of view. In fact, in spite of these intentions the Ministry has remained the most important budgetary unit for the purpose of administrative and parliamentary control. The detailed preparation of the estimates is still organised around the Ministry and the detailed presentation of the estimates (the departmental booklets) made by Ministry remains the focus of the budgetary debates.

b) Classification by Chapter

Within the classification shown on table C the chapter plays a central role. As stated in article 7 of the Organic Law of 1959:

> "Les crédits ouverts par les lois de finances sont mis à la disposition des ministres pour les dépenses ordinaires, les dépenses en capital et les prêts et avances.
>
> "Ils sont affectés à un service ou à un ensemble de services. Ils sont spécialisés par chapitre groupant les dépenses selon leur nature ou selon leur destination".

The chapter includes the appropriations which, within a particular ministry, are of the same nature or have the same object. Chapter 31-01 in table C includes all the appropriations concerning the salaries of the staff of the central administration in the Ministry of Agriculture. This chapter does not include expenditure with a different purpose. Chapter 31-01 is thus specialized according to the definition of article 7. This rule called principe de la spécialité budgétaire[1] forms the core of the budgetary authorization. It is fundamental also to parliamentary and audit control because when the budget has been voted on by title and the funds allocated by decrees the money must be spent and accounted for in accordance with the amount and the object of the chapter.

At the moment, the budget includes an average of 2,000 chapters. These chapters do not all have the same importance. In 1966, for example, 948 chapters of the general budget amounted to less than 10 million francs each while twenty two chapters exceeded 1,000 million francs[2].

Some of these chapters, however, are not specialized. They include funds which have no specific object when the budget is voted on. These funds are called crédits globaux (general grants). The budget includes two series of chapters with general grants. The first series are used to meet contingent or accidental expenses while the second series assembles all the funds which, for various reasons, cannot be allocated to specific chapters when the budget is before Parliament for approval. These funds are grouped under a chapter of the budget for common charges[3]. They are transferred to specific chapters at

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1. See above p. 7 for origin of this principle.
2. See on this Amselek, op. cit., p. 289 and Pallez, Cours, pp. 82 - 83.
3. This budget is part of the estimates of the Ministry of Finance.

a later stage. The credits aimed at financing various measures for the improvement of salaries in the public services fall under this chapter.

As a rule, the appropriation included in a chapter is restrictive (limitatif)[1]. The amount indicated cannot be exceeded. In some cases, however, the amount of the appropriation is purely indicative (évaluatif)[2]. The appropriation is an approximation of what may be the cost of the operation mentionned in the chapter. These chapters concerned the public debt. Finally, there are chapters which include only a provision, a reserve of money, which is intended to be used later on when the legislation or the regulation concerning them come into force[3]. A list of these purely indicative and provisional chapters is given in the budget. These chapters, as we shall see later on[4], can be overspent.

D. THE CAPITAL BUDGET

1. Preliminary Remarks

First, the distinction between current and capital expenditure is basic to the French system. Current expenditure "correspondent à des achats de biens et de services et à la rémunération des personnels ainsi qu'aux pensions de retraite". Capital (or investment) expenditure "se traduisent par la création de biens durables"[5]. There is no rule which specifies which part of the capital

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1. Article 11 of the Organic Law.
2. Article 9, ibidem.
3. Article 10, ibidem.
4. See below p.
5. Both definitions are borrowed from a publication of the Ministry of Finance on the 1965 budget (La documentation française). Defence expenditure is also divided into current and capital, but, because of its particular character I do not deal with it here.

expenditure programme should be covered by taxes and what part by loans. When the budget is balanced as it was in 1965, all expenditure (current and capital) are covered by taxes and other similar sources of revenue. If, on the other hand, the budget shows a deficit, as it did in 1964, Government borrowings are not necessarily specifically applied to the payment of capital expenditure. In some cases, however, the Government states the purpose of its borrowings. In May 1967, for example, the Government borrowed 1.25 billion francs in order to "compléter le financement des investissements prioritaires". Part of that money was to be lent to the Fonds de développement économique et social (F.D.E.S.) but, another part as many observers knew, was to be used, at least temporarily, to help finance the deficit of the Social Security System[1]. Some pressure groups (the Syndicat des constructeurs d'automobiles, for example) would like the Government to make a more systematic use of assigned borrowings (emprunts affectés) because, first, the loans are rapidly raised and, second, they have the assurance that the Government will spend the money according to the purpose of the loans[2].

Second, capital expenditure is by nature long term expenditure. The time span between the authorization of a particular project and its complete realization may be of several years, and thus, overlaps the annual framework of the budget[3].

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1. As pointed by Gilbert Mathieu in Le Monde, 21 - 22 May 1967: "L'emprunt de mai permettra éventuellement au Trésor, en attendant que soient dégagées les ressources budgétaires supplémentaires nécessaires au financement de la Sécurité Sociale, d'aider les caisses qui en auraient besoin". Also, ibidem: "Lorsque le Trésor emprunte, c'est pour ajouter aux ressources fiscales qu'il a déjà reçues et à celles qu'il attend les fonds qui sont nécessaires à l'Etat pour faire face à toutes ses obligations financières: celle que lui impose le budget voté (dépenses à titre définitif et prêts d'équipement) aussi bien qu'avances à des correspondants divers". Some borrowings, however, like the "emprunts P.T.T." are allocated to capital projects.
2. In 1965 and 1966 for example, at the instigation of the Syndicat des constructeurs d'automobiles, the Government borrowed to finance some highway programmes. (Interview with M. Clouet, Délégué Général de la Fédération des Travaux Publics and former secretary of the Syndicat des constructeurs d'automobiles).
3. See below p.84

This raises the problem as to whether all the necessary funds should be appropriated when the Government commits itself to the programmes or whether the appropriation should be phased on an annual basis until the completion of the programme. In some budgetary systems (the United States, for example), all the funds necessary to the execution of the programmes are appropriated when the programmes are authorized. The executive determines the phasing of the expenditure. In some systems (Great Britain, for example) funds are appropriated one year at a time. In France, this difficulty was resolved by including in the budget two (complementary) kinds of appropriations with regard to the multi-annual capital programmes a) the autorisations de programme and b) the crédits de payement.

2. The Autorisations de programme and the Crédits de payement

The autorisations de programme constitute the upper limits of the funds that the ministers are authorized to commit as a total investment. The crédits de payement constitute the upper limit of the funds that can be ordered for payment or paid during financial year to meet the cost of the commitments entered into within the framework of the corresponding autorisations de programme[1]. The

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1. "Les dotations affectées aux dépenses en capital et aux prêts et exceptionnellement les dotations affectées aux dépenses ordinaires de matériel peuvent comprendre des autorisations de programme et de crédits de payement. Les autorisations de programme constituent la limite supérieure des dépenses que les ministres sont autorisées à engager pour l'exécution des investissements prévus par la loi. Elles demeurent valables sans limitation de durée jusqu'à ce qu'il soit procédé à leur annulation. Elles peuvent être revisées pour tenir compte, soit de modification technique, soit de variation de prix. Ces revisions sont imputées par priorité sur les autorisations de programme ouvertes ou non utilisées ou, à défaut et par priorité, sur les autorisations de programme nouvelles ouvertes par une loi de finances. (...)
Les crédits de payement sur opérations en capital constituent la limite supérieure des dépenses pouvant être ordonnancées ou payées pendant l'année pour la couverture des engagements contractés dans le cadre des autorisations de programme correspondantes" (Article 12, Organic Law).

same budgetary chapter includes both appropriations: one authorizing the multi-annual programme (autorisations de programme) and one authorizing payment on a yearly basis (crédits de payement). The autorisations de programme fulfil two functions. First, they are a long-term forecast of Government capital spending and, second, they enable the Government to undertake, within a precise financial ceiling, the realization of the programme (long-term tenders, contracts and so forth). The crédits de payement, on the other hand, constitute first, a forecast of what the Government will have to disburse during the financial year to pay for the realization of the programme and, second, an authorization to pay. The annual phasings of the crédits de payement corresponding to the programme are given in the appendices to the Finance Bill but the Government is not bound to realize the programme according to these break-downs[1]. In fact, programmes are speeded up or delayed according to economic or administrative factors[2]. For example, as a result of the Stabilization Plan of 1963, many programmes were

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1. "Le projet de loi de finances de l'année est accompagné ..... d'annexes explicatives faisant connaître ..... l'échelonnement sur les années futures des payements résultant des autorisations de programme" (Article 32, of the Organic Law).

2. The following is a typical break-down (applied to an autorisation de programme of 130 million francs):

First year	-	20%	1962	-	26 M
Second year	-	30%	1963	-	39 M
Third year	-	30%	1964	-	39 M
Fourth year	-	20%	1965	-	26 M

It seems that up to 1963 most ministries applied this break-down to nearly all their programmes. This lack of flexibility had led to all kinds of distortions in the implementation of the programmes and make it necessary for the ministries to carry over from year to year large amounts of appropriated funds: "L'échéancier actuel est valable dans certains cas. Il faut avoir un échéancier approprié à chaque type de travaux": see D. Floquet, Le problème des reports budgétaires, Etude appliquée au Ministère de l'Intérieur, Mémoire, Institut d'Etudes Politiques (Paris 1963), p. 43.

spread over longer periods of time and some of them cancelled[1]. In 1967, on the other hand, the Minister of Finance accelerated the implementation of the programme in an attempt to stimulate expansion.

The autorisations de programme remain in vigour for an indefinite period of time and, until they have been cancelled, the Government is expected to include in the yearly Finance Bill the necessary appropriations for payment: "(Les) autorisations de programme peuvent engager l'équilibre financier des années ultérieures" (article 2, alinea 4). They can be revised during the period of implementation of the programme to take into account technical changes or variations in prices. These changes are referred to Parliament only if they are in excess of the autorisations de programme already granted:

> "Ces revisions sont imputées par priorité sur les autorisations de programme ouvertes et non utilisées ou, à défaut et par priorité, sur les autorisations de programme nouvelles ouvertes par une loi de finances" (article 12, alinea 2).

So far, we have used the word "programme" without specifying its content. What is a programme? What kinds of programmes can be the object of autorisations de programme and crédits de payement? This is in fact the major problem posed by the use of this mecanism. Some programmes are so large and need to be stretched over so long a period of time that their inclusion under multi-annual appropriation is either impossible or meaningless. The Organic Law envisages this situation and states that a capital expenditure programme can be divided into parts (tranches) provided each part forms a self-contained unit

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1. The autorisations de programme are valid for an indefinite period of time and the crédits de payement can be carried over. (See below p.85).

which can be put into service without the adjunction of the other parts:

> "Chaque autorisation de programme doit couvrir une tranche constituant une unité individualisée formant un ensemble cohérent et de nature à être mise en service sans adjonction" (article 12, alinea 3).

Thus, if an autorisation de programme covers one component part only of a larger programme its vote does not authorize the launching of the programme as whole. Moreover, the autorisation de programme must be construed in such a way that the realisation of the whole programme can be stopped or suspended after the completion of any of the component part. The Ministry of Finance must always be in a position in which it can decide freely whether the next stages of the programmes are going to be undertaken or not[1]. In some cases, however, the spending ministries have divided their programmes into parts which were far from being self-contained with the result that the Ministry of Finance was forced to grant the new authorisations[2]. Many of these instances have been pointed out by the Cour des Comptes. The reconstruction of the bridge of Sèvres, for example, was divided into the following four stages which have nothing to do with the notion of tranches defined above: 1. piers; 2. abutments; 3. platforms; 4. approaches[3].

However, despite its complexity and its weaknesses, the use of autorisations de programme and crédits de payement had profoundly changed the outlook

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1. This point is clearly stated in an important circular issued by the Ministry of Finance in December 1956: "(la division en tranches) doit être conçue de telle manière que la réalisation du programme d'ensemble puisse être arrêtée ou suspendue après l'exécution de chaque tranche particulière et que l'opportunité de lancer la tranche suivante puisse, chaque fois, être appréciée en fonction de seuls critères applicables à une opération nouvelle". Quoted in Amselek, op. cit., p. 396.

2. A typical example of this practice was mentionned by M. Vallon in his report on the revised budget for 1966, J. O., 1 December 1966, pp. 5126 - 5127.

3. See Report on the Appropriation Accounts for 1960, p. 221, quoted in Amselek ibidem, p. 397.

of the investment budget. First, the budget's primary aim is not so much to establish as accurately as possible the amount of money that will be spent during the financial year but to stress the financial and economic importance of decisions which will commit both Government and Parliament over many years ahead. Second, the budget is not only an accounting instrument but it is an instrument used to organize and plan the Government investment programmes within the framework of the national Plan and the lois de programme.

The main multi-annual public investments programmes are included in the national Plan. In the Vth Plan, for example, they fall under ten broad categories which are described in the Plan itself (see table D) and in the commission de modernisation's reports. Mention is made of their global cost over the period of the Plan. The Plans are voted on by Parliament but this does not lay financial obligation on the Government. Of course, the Government is to some extent bound to provide the financial means necessary to the implementation of these programmes but the fact that the programmes are outlined in the Plan does not enable the Government to commit funds to their implementation. Commitment of funds and payments must be authorised by the budgets:

> "Les plans approuvés par le Parlement, définissant des objectifs à long terme, ne peuvent donner lieu à des engagements de l'Etat que dans les limites déterminées par des autorisations de programme votées dans les conditions fixées par la présente ordonnance" (article 1, alinea 6).

Moreover, between the Plan and the annual budget there is a gap. The Plan gives broad outlines of the investment programmes while the budget specifies the part of these programmes which is started in a particular year. It was therefore sometimes difficult to appreciate exactly the Government's intentions and achievements in the various sectors. To make this possible the

TABLE D

FIFTH PLAN (1966-1970): PUBLIC INVESTMENTS

(Billion Francs 1965)

	Operations to be launched	Programmes to be financed through Finance Bills
Schools, Universities and Sports[1]	25.50	20.50
Professional Training[2]	0.62	0.62
Culture	1.90[3]	1.45[3]
Scientific Research[4]	3.90	3.90
Health and Social Services[5]	12.90	3.20
Rural Investments[6]	13.70	5.10[7]
Urban Investments	16.20[8]	2.30
Roads (urban and country roads)	26.	14.80
Other Transports	9.60	4.50
Posts and Telecommunications	13.50	10.70[9]

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1. Including the programme law "Youth and Sport".

2. These investments are made by the Department of Labour.

3. Of which 100 million francs are charged to the budget of the Ministry for Cultural Affairs under "cités administratives".

4. This item lumps together all the investments carried out by the administration with the exception however of those made by the Atomic Energy Commission, the "Comité National d'études spatiales" and those concerned with "recherche - développement".

5. Including "inmate training" (Department of Justice).

6. This amount deals only with the following types of investments: Agricultural teaching, rural roads, electrification, water supply, hydraulic, big improvements, equipments of the forests and improvements of villages.

7. To this 5.10 billions must be added 3.80 billion francs of productive investments (land infrastructure, "stockage et conditionnement", agricultural and food industries.

8. Of which an amount of 3 billion francs is financed by local authorities but, in fact, charged to private industries and the consumers.

9. The Posts and Telecommunications Department has a special budget.

Organic Law states that the autorisations de programme concerned with particular sectors of the Government's public investment programme can be assembled into lois de programme:

> "Les autorisations de programme peuvent être groupées dans des lois dites "lois de programme" " (article 1, alinea 6).

These lois de programme outline long term investment programmes and specify the autorisations de programme which will have to be opened in the Finance Bills over the period of implementation of the programme. They are voted by Parliament but, like the Plans, they do not allow the commitment of funds[1]:

> "Les lois de programme ne peuvent permettre d'engager l'Etat à l'égard des tiers que dans les limites des autorisations de programme contenues dans la loi de finances de l'année" (article 2, alinea 4).

Like the Plans, the lois de programme have no budgetary or financial value. They are not concerned with the appropriation of funds but they state the Government's intentions in a particular sector and indicate how much money the Government intends to allocate to the realisation of the programme. However, in spite of their purely indicative value, the lois de programme bear heavily on the budgetary decision and, in most cases, the Government has appropriated, through the Finance Bills, the funds requested for their implementation[2].

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1. This marks an important departure from the system in vigour before 1959. The décrets programmes as the lois de programme were called under the IVth Republic, were used to appropriate funds to the Government investments programmes.

2. For more details on this, see Pallez, Cours, p . 164 - 165.

E. SERVICES VOTES AND MESURES NOUVELLES

Budgeting is to a large extent an incremental process[1] and, although ideally all expenditure should be scrutinized and challenged every year, considerable masses of expenditure are included in the budget almost automatically. The Government must assure its basic functions (Police, Justice, Education, etc.), pay its debts and when the budget is prepared take into account the financial consequences of decisions taken outside the budgetary framework. Besides this inevitable expenditure the budget also includes expenditure which represent the cost of new policies. Before 1956, no formal distinction was drawn between the two kinds of expenditure but in fact, the whole budgetary process was focussed on the latter type of expenditure or on changes of the previous pattern of spending. For example, Parliament used to vote rapidly the chapters corresponding to more or less inevitable expenditure and to analyze in detail those corresponding to changes in policy or to new policy[2]. In 1955, when it became obvious that Parliament would not have the time to vote the 1956 budget before the election, the Government asked Parliament to adopt the measures which had already been approved in the 1955 budget and kept for further discussion after the elections those which were put forward for the first time. The procedure worked well and, the authors of the 1956 budgetary reform decided to institutionalize it.

To speed up the examination of the budget they divided each chapter into two categories of measures: on the one hand, all the measures approved

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1. See for interesting discussion A. Wildavsky, The Politics of the Budgetary Process (Boston 1964), pp. 13 - 16.

2. See Pallez, op. cit., p. 169.

by Parliament the previous year were lumped together and on the other hand appeared the new measures. Parliament could see more exactly in what way the budget differed from the previous ones and appreciate the financial consequences brought about by the budget under discussion. The first kind of measures, sometimes compared to the Consolidated Fund Services in Britain, were called the services votés and the second kind the mesures nouvelles[1]. The authors of the 1959 budgetary reform adopted and streamlined this procedure.

Article 33 defines as follows the services votés:

> "Les services votés représentent le minimum de dotations que le Gouvernement juge indispensable pour poursuivre l'exécution des services publics dans les conditions qui ont été approuvées l'année précédente par le Parlement.

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1. Article 53, Decree of 19 June 1956: "Les développements de dépenses par chapitre distinguent les services votés et les autorisations nouvelles. Les services votés ont fait l'objet d'une autorisation antérieure du Parlement et comprennent:

   a) Les charges de la dette publique et les dépenses en atténuation de dettes;
   b) Les dépenses des pouvoirs publics;
   c) Les frais de fonctionnement des services existants;
   d) Les prestations et contributions qui résultent de lois ou de conventions approuvées et autorisées par la loi ou qui, permanente en leur objet, sont énumérées dans un état annexé à la loi de finances pour l'année en cours;
   e) Les dépenses résultant de la poursuite des investissements déjà autorisés;
   f) Les dépenses sur ressources affectées.

   Article 54 - "Les crédits applicables aux services votés sont au plus égaux: Pour les dépenses ordinaires, aux crédits du précédent exercice diminués des inscriptions non renouvelables et modifiés pour tenir compte de l'incidence en année pleine de mesures approuvées par le Parlement ou décidées par le Gouvernement dans les limites des pouvoirs qui lui sont propres, ainsi que l'évolution effective des charges couvertes par des crédits provisionnels ou évaluatifs;
   Pour les dépenses sur ressources affectées, au montant des recouvrements attendus en l'état de la législation".

> Les crédits applicables aux services votés sont au plus égaux: Pour les dépenses ordinaires, aux crédits de la précédente année diminués des inscriptions non renouvelables et modifiés pour tenir compte de l'incidence en année pleine de mesures approuvées par le Parlement ou décidées par le Gouvernement dans la limite des pouvoirs qui lui sont propres ainsi que de l'évolution effective des charges couvertes par les crédits prévisionnels ou évaluatifs;
> Pour les opérations en capital, aux autorisations de programme prévues par une loi de programme, aux prévisions inscrites dans le plus récent échéancier ou, à défaut d'échéancier, aux autorisations de l'année précédenteséventuellement modifiées dans les conditions prévues au précédent alinéa".

In order to explain how the system works in practice, I shall use two chapters of the Agriculture budget for 1966: chapter 31-01 which concerns the salaries of the Ministry's central administration (current) and chapter 51-01 concerning the equipment of the Ministry's agencies (capital). Chapter 31-01 is presented in less detail than chapter 51-01 because I am using part of a general table but the Agriculture budget also includes a detailed analysis of the chapter.

Chapter 31-01 (see table E): the first column entitled <u>crédits votés pour 1965</u> shows the total appropriation (vote) for the previous budgetary year (16,654,422 francs). The second column entitled <u>mesures acquises</u> shows the modifications brought about to the vote resulting from already approved administrative and legislative decisions. Since these modifications mark an increase by comparison with the previous year vote, the number is preceded by a + (+ 871,171 francs)[1]. The addition of the numbers men-

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1. This is a summary of the breakdown of the + 871,171:

Statutory increase in salaries for the whole public service	+ 754,432
Special statutory increase	+ 3,279
Application of the Decree no 65-40 of 11 January 1965 (...)	+ 5,544
Application of the Decree no 65-41 of 11 January 1965 (...)	+ 26,602
Application of the Decree no 65-42 of 11 January 1965 (...)	+ 33,622
Application of the Decree no 65-43 of 11 January 1965 (...)	+ 15,917
Application of the Decree no 65-162 of 27 February 1965 (...)	+ 3,488
Total	+ 871,171

tioned in these two columns gives the amount for the services votés 17,525,593 francs (column 3).

The Organic Law does not define the autorisations nouvelles (the Finance Bills use instead, the expression mesures nouvelles). But as can be seen from the example we are using they consist in the modifications positive or negative, brought about to the services votés. Column 4 of chapter 31-01 shows an amount of + 304,950 francs for the mesures nouvelles[1]. The total appropriation is shown in column 5 (17,830,543 francs) and the difference between 1965 and 1966 in the last column (+1,176,121 francs). In this particular case the amount for the mesures nouvelles is positive but, as the next chapter (31-02) shows, it can be negative (-12,033 francs).

Chapter 51-01 (see table F): this chapter shows how a chapter concerned with capital expenditure is analyzed. The number corresponding to the autorisations de programme is always a mesure nouvelle because it is specially aimed at authorizing new programmes. But since it does not allow the payment of money it

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1. This is a summary of the breakdown of the + 304,950:

Increase in the staff (...)	+ 260,928
Setting of a computering unit requesting the creation of 16 new posts (...)	+ 239,869
Abolition of posts in the central administration as a result of the creation of an Office for the National Forests (...)	- 47,231
Consequences of the reorganization of the External Services and the Central Administration (...)	- 148,616
Etc... etc... etc...	
Total	+ 304,950

The changes included under the mesures nouvelles can either cut or increase expenditure as they appear in the services votés. When the measure is positive (i.e. when the Government asks for an increase of the services votés) the number is preceded by a + ; when the measure is negative (i.e. when the Government asks for a reduction of the services votés) the number is preceded by a - .

TABLE E

Agriculture Estimates for 1966: List by Title and Part According to the Numerical Order of Chapters (Current Expenditure)

NOMENCLATURE PAR TITRE ET PAR PARTIE, SELON L'ORDRE NUMÉRIQUE DES CHAPITRES, DES CRÉDITS PRÉVUS POUR 1966

DÉPENSE ORDINAIRES

NUMÉROS des chapitres	NATURE DES DÉPENSES	CRÉDITS VOTÉS pour 1965	CRÉDITS PRÉVUS POUR 1966 — Mesures acquises	Services votés	Mesures nouvelles	Total	DIFFÉRENCES entre 1965 et 1966
	TITRE PREMIER. — DETTE PUBLIQUE ET DÉPENSES EN ATTÉNUATION DE RECETTES						
	5e PARTIE. — *Remboursements et restitutions*						
15-11 (nouveau)	Remboursements sur produits divers des forêts	//	+ 5.000.000	5.000.000	— 5.000.000	//	//
(ancien 15-81)	Remboursements sur produits divers des forêts	4.000.000	— 4.000.000	//	//	//	— 4.000.000
	TOTAUX pour la 5e partie	4.000.000	+ 1.000.000	5.000.000	— 5.000.000	//	— 4.000.000
	TOTAUX pour le Titre 1er	4.000.000	+ 1.000.000	5.000.000	— 5.000.000	//	— 4.000.000
	TITRE III. — MOYENS DES SERVICES						
	PREMIÈRE PARTIE. — *Personnel. — Rémunérations d'activité*						
31-01	Administration centrale. — Rémunérations principales	16.654.422	+ 871.171	17.525.593	+ 304.950	17.830.543	+ 1.176.121
31-02	Administration centrale. — Indemnités et allocations diverses	1.916.963	+ 118.334	2.035.297	— 12.033	2.023.264	+ 106.301
(ancien 31-11)	Services des nouvelles du marché et de la normalisation. — Personnel	1.085.061	— 1.085.061	//	//	//	— 1.085.061
31-12 (nouveau)	Services extérieurs. — Rémunérations principales	//	+ 178.894.056	178.894.056	— 45.948.043	132.946.013	+ 132.946.013
31-13 (nouveau)	Services extérieurs. — Indemnités et allocations diverses	//	+ 11.625.421	11.625.421	— 4.046.754	7.578.667	+ 7.578.667
31-14 (nouveau)	Services extérieurs. — Salaires et accessoires de salaires des personnels divers	//	+ 13.786.431	13.786.431	— 11.372.753	2.413.678	+ 2.413.678
(ancien 31-21)	Direction générale de la production et des marchés. — Rémunération de personnels divers	5.000	— 5.000	//	//	//	— 5.000
(ancien 31-23)	Services et laboratoires vétérinaires. — Rémunérations principales	9.034.884	— 9.034.884	//	//	//	— 9.034.884
(ancien 31-24)	Services et laboratoires vétérinaires. — Indemnités et allocations diverses	2.019.961	— 2.019.961	//	//	//	— 2.019.961
(ancien 31-25)	Service des haras. — Rémunérations principales	9.237.524	— 9.237.524	//	//	//	— 9.237.524
(ancien 31-26)	Service des haras. — Indemnités et allocations diverses	440.137	— 440.137	//	//	//	— 440.137
(ancien 31-27)	Service de l'inspection des courses et du pari mutuel. — Personnel	Mémoire	//	//	//	//	//
(ancien 31-31)	Services agricoles. — Rémunérations principales	40.531.631	— 40.531.631	//	//	//	— 40.531.631
(ancien 31-32)	Services agricoles. — Indemnités et allocations diverses	1.794.167	— 1.794.167	//	//	//	— 1.794.167
(ancien 31-33)	Services agricoles. — Salaires et accessoires de salaires du personnel ouvrier	202.745	— 202.745	//	//	//	— 202.745
31-37	Établissements d'enseignement agricole et vétérinaire. — Rémunérations principales	50.176.561	+ 15.261.736	65.438.297	+ 1.848.293	67.286.590	+ 17.110.029
31-38	Établissements d'enseignement agricole et vétérinaire. — Indemnités et allocations diverses	5.032.650	+ 87.070	5.119.720	+ 671.129	5.790.849	+ 758.199
31-41	Institut national de la recherche agronomique. — Rémunérations principales	15.745.313	+ 722.945	16.468.263	+ 911.338	17.379.601	+ 1.634.283
31-42	Institut national de la recherche agronomique. — Indemnités et allocations diverses	244.057	2.017	246.074	+ 17.260	263.334	+ 19.277
(ancien 31-51)	Inspection des lois sociales en agriculture. — Rémunérations principales	8.351.347	— 8.351.347	//	//	//	— 8.351.347
(ancien 31-52)	Inspection des lois sociales en agriculture. — Indemnités et allocations diverses	191.357	— 191.357	//	//	//	— 191.357
(ancien 31-61)	Service de la répression des fraudes. — Rémunérations principales	6.042.147	— 6.042.147	//	//	//	— 6.042.147
(ancien 31-62)	Service de la répression des fraudes. — Indemnités et allocations diverses	108.764	— 108.764	//	//	//	— 108.764
(ancien 31-63)	Contrôle de la qualité des denrées agricoles et alimentaires. — Rémunérations principales	Mémoire	//	//	//	//	//
(ancien 31-64)	Contrôle de la qualité des denrées agricoles et alimentaires. — Indemnités et allocations diverses	Mémoire	//	//	//	//	//
(ancien 31-71)	Direction générale du génie rural et de l'hydraulique agricole. — Rémunérations principales	28.124.650	— 28.124.650	//	//	//	— 28.124.650
(ancien 31-72)	Direction générale du génie rural et de l'hydraulique agricole. — Indemnités et allocations diverses	837.761	— 837.761	//	//	//	— 837.761
	À reporter	197.577.107	+ 113.362.045	311.139.152	57.626.613	253.512.539	+ 55.735.432

Chapter 51-01 of the Agriculture Budget for 1966 (Capital Expenditure)

TITRE V. — INVESTISSEMENTS EXÉCUTÉS PAR L'ÉTAT

Ire PARTIE. — AGRICULTURE

CHAPITRE 51-01

Équipement des services

des pour 1966 :

Autorisations de programme 8.190

Crédits de payement :

Services votés	772
Mesures nouvelles	6.308
Total	7.080

on du chapitre :

1° *Situation au 31 décembre 1964 :*

Autorisations de programme correspondant aux opérations en cours	13.743	
Crédits de payement ouverts au 31 décembre 1964		11.055
Crédits de payement consommés		5.298
Crédits de payement disponibles au 31 décembre 1964 et reportés sur 1965		5.757

2° *Dotations de 1965 :*

Autorisations de programme	5.800	
Crédits de payement		7.218

se des opérations nouvelles :

OPÉRATIONS	1966 AUTORISATIONS de programme
e en état de locaux anciens affectés à l'administration centrale	600
ion du laboratoire de virologie animale de Lyon :	
Construction d'une étable	400
on d'un parc à bestiaux à la station de quarantaine du Havre	50
ruction et aménagement de laboratoires vétérinaires :	
Acquisitions immobilières	40
Travaux	650
Matériel	60
ipation de l'État aux dépenses de construction d'un laboratoire à Rhodes	1.500
tion d'écuries et de bâtiments de service aux dépôts d'étalons de Cluny (Saône-et-Loire) et de Montier-Der (Haute-Marne)	40
ruction à Nantes d'un bâtiment destiné au relogement de la station, du poste de contrôle et du labo-oire	150
truction d'un bâtiment pour la station de désinsectisation du marché-gare de Nice-Saint-Augustin.	300
t de terrains :	
— pour les stations d'avertissements agricoles de Lyon, Montpellier et Reims	60
— pour les circonscriptions de Caen et Poitiers	40
t de matériels :	
— mécanographique, météorologique et de laboratoire	960
— de culture et de traitement antiparasitaire	350
struction et équipement d'un nouveau laboratoire de recherches et d'analyses à Massy (tranche complé-entaire)	350
énagement du laboratoire d'analyses de Montpellier	50
at de matériel de laboratoire (Bordeaux et Montpellier)	100
ition de six laboratoires régionaux d'analyses : crédits d'études et d'acquisition de terrains	300
énagement et équipement des locaux affectés aux directions départementales de l'agriculture	2.000
énagement et équipement de centres de formation professionnelle agricole	250
	8.190

is not taken into account in the overall balance of the budget. The crédits de payement, on the other hand, are divided into services votés and mesures nouvelles. Those of the first kind (772) are used to pay for the implementation of programmes already authorized, while those of the seconddkind (6,308) are used to meet the first payments arising out of the implementation of the programmes authorized in this budget.

In short, one can say that the services votés present a budget in which no new decisions have been taken, while the mesures nouvelles describe the changes brought on this model.

The authors of the 1959 reform have pushed this rationalization of the budgetary process even further and specified that Parliament would vote on all the expenditure corresponding to the services votés in one single vote while the mesures nouvelles would be voted on in detail (i.e. by ministry and title):

> "Les dépenses du budget général font l'objet d'un vote unique en ce qui concerne les services votés, d'un vote par titre et à l'intérieur d'un même titre par ministère en ce qui concerne les autorisations nouvelles" (article 41).

In fact, the vote on the services votés does not by itself constitute an appropriation of funds but a confirmation that these expenditure are the result of previously approved decisions. The vote on the mesures nouvelles does not either constitute an appropriation but an approval of the changes brought on the previous budget. The appropriation results from these two different votes. Thus, when Parliament votes on the services votés it is only establishing a basis from which a fuller appreciation of the effects of the new budgetary policies is made possible. In other words, as pointed out by

Amselek:

> "La distinction services votés - mesures nouvelles correspond en pratique, non pas exactement à deux catégories d'autorisations de dépenses distinguées dans l'ensemble des autorisations demandées par le Gouvernement, mais à un vote en deux temps des autorisations de dépenses; on vote d'abord les crédits tels qu'ils sont préfigurés par les décisions financières de l'année précédente (même si le Gouvernement n'entend pas demander tous ces crédits): puis l'on corrige, l'on modèle ce budget pris en quelque sorte pour hypothèse de travail, l'on ajoute, l'on retranche"[1].

This complex procedure (rather badly stated in the Organic Law) was largely misunderstood by parliamentarians and jurists. They saw in it a further infringement on the traditional right of Parliament to scrutinize all Government expenditure whether new or old. They thought that once they had approved of the <u>services votés</u> they no longer could bring about changes to the authorization given while, in fact, the new procedure is exactly the opposite[2]. Indeed, parliamentarians, within the limits set up by the Cons-

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1. <u>Op.cit.</u>, p. 390.

2. The attack against the notion of <u>services votés</u> was led by M. Pleven, a former <u>Président du Conseil</u>: "En vertu de l'article 41 de l'ordonnance organique, toutes les dépenses du budget général correspondent à ces services votés, toutes les dépenses pêle-mêle, les militaires et les civiles, le service de la dette publique aussi bien que les dépenses de travaux, tout cela mêlé và, je le répète, faire l'objet d'un vote unique. Celà n'a jamais été inscrit dans la Constitution. Pour engager une masse colossale de 51630 millions de NF, représentant plus de 75% des dépenses de l'Etat, nous n'émettrons qu'un seul vote. Nous devons tout approuver ou tout rejeter globalement par oui ou par non. Eh bien! je déclare que ce n'est pas la procédure de la loi; c'est celle du référendum appliquée aux dépenses publiques. Nous donnerons ce spectacle absurde de voter en une seule fois cette masse énorme de dépenses s'appliquant à tout tandis que l'on demandera cérémonieusement notre vote pour créer quelques postes de sous-préfets, au titre des autorisations nouvelles". (J.O. 1959-60, p. 2330. During the debate on the 1967 budget, M. Pierre Bas (U.N.R.) deplored the automatic reconduction of the credits included in the <u>services votés</u>. Parliament, he said, has no control over the credits for it cannot even "élaguer les branches mortes" (quoted in <u>Le Monde</u>, 14 October 1966).

titution can put forward amendments modifying the services votés, but they must wait for the debate on the mesures nouvelles if they want to do so because, like the modifications proposed by the Government, the amendments put forward by parliamentarians are new measures. The only difficulty comes from the fact that the new voting method obliges deputies to look carefully into the budgetary documents in order to find out the chapter they want to reduce and since it is not the chapter but the title (with effect on the chapter) which is amended deputies find it more difficult to draft amendments. As a result, as pointed out by the General Secretary of the Senate:

> "Il y a eu (...) une espèce d'effet physique: on a découragé les parlementaires de déposer des amendements en rendant plus difficile pour eux de voir exactement comment ces amendements pourraient s'incorporer au budget"[1].

It is perhaps the Budget Division which has suffered most from the introduction of the notion of services votés because, as we shall see later, by systematizing the preparation and calculations of a large sector of the budget it has made it more difficult for it to question the expenditure. It does also have the same consequences for parliamentary control but here one may wonder if, in view of the excesses of parliamentary control under the previous Republics, such a change was not in fact necessary. Nonetheless, the appropriations corresponding to the services votés are analyzed in detail in the budgetary documents and, as we have said, parliamentarians can put forward amendments concerning them when the examination of the mesures nouvelles take place.

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1. F. Goguel, Les Institutions Politiques Françaises, Cours de l'Institut d'Etudes Politiques de l'Université de Paris (1965 - 1966), p. 649 thereafter referred to as Goguel, Cours.

F. THE ANNUAL FRAMEWORK

The Organic Law of 1959 reaffirms the annuality of the budgetary process[1]. The budget is prepared and voted every year and the money is spent on a yearly basis. The annuality principle had been under pressure under the IVth Republic. Critics said that it was not always adapted to the increased role of the Government in the management of the economy; one year was no longer an appropriate period for Government forecasts; and it would be much better to have a budget which would cover a period corresponding to the duration of the national Plan. The budget should become a four or five years Plan for public expenditure and this would assure the effective implementation of the national Plan, at least insofar as the public sector was concerned[2]. More recently, M. Palewski, then Gaullist chairman of the finance committee of the National Assembly, suggested the establishment of a budget de législature which would be voted in the early days of Parliament and would end with the setting up of a new Parliament[3]. These ideas were rejected in 1959 and resisted later on mainly because they did not correspond to the aims of the 1959 reform. First, the strengthening of the Budget Division's control implied a regular check on public spending. Second, it was assumed that Parliament, deprived of its power to increase expenditure

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1. Article 2: "La loi de finances de l'année prévoit et autorise, pour chaque année civile, l'ensemble des ressources et charges de l'Etat"; and article 4: "L'autorisation de percevoir les impôts est annuelle".

2. See for example, Pierre Mendès-France, La République Moderne (Paris 1962), p. 126. See also for more details on these various schemes, Duverger, Finances Publiques, p. 245, 247, 249 (for "cyclical budgets" and "biennal budgets") and Amselek, op. cit., pp. 48 - 49 (for "multi-annual budgets"). See also M. P. Vinot's report Etude des problèmes d'ordre économique et social qui résultent du principe de l'annualité budgétaire to the Conseil Economique, J. O., 12 July 1955, pp. 426 - 439.

3. Le Monde, 13 February 1963.

and lower revenues, would complement the role of the Budget Division in controlling public spending. To achieve these aims an annual vote on the budget was considered essential. However, as we shall see later, the new budgetary procedure, while stressing the importance of the annuality, makes the annual framework flexible.

1. The Financial Year

As has always been the case in France, the financial year corresponds to the calendar year and runs from 1st January to 31st December. As opposed to the British practice the whole budget must be examined and voted on in Parliament before the 1st of January. To put an end to the various delaying practices of the IVth Republic strict time limits are fixed by the Constitution and the Organic Law. The Finance Bill, the Economic and Financial Report and the Explanatory Appendices must be submitted to the National Assembly, at the latest the first Tuesday of October[1], and, from that date, Parliament disposes of seventy days to pronounce on the budget[2]. If the budget is not voted on in time the Organic Law distinguishes the two following cases:

First, Parliament is responsible for the delay. In this situation the budget may be enacted by ordinance[3] i.e. by a decision of the Government approved by the President and the Conseil d'Etat. Of course, this procedure does not apply if the budget is rejected by Parliament. Should such a case occur the

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1. Article 38 of the Organic Law of 1959.
2. Article 47 of the 1958 Constitution.
3. Ibidem.

Government would probably have to resign[1].

Second, the Government is responsible for the delay. If the budget is submitted to the National Assembly too late for its being voted on in time the Government asks for the authorization to raise the taxes. Then it may spend within the limits of the services votés i.e., broadly, within the limits of the amount of the appropriations authorized in the previous budget and those which result from bills adopted during the current year[2]. This procedure, like the provisional twelfth of the IVth Republic, aims at making sure that the Government will have enough money to carry on its functions. This procedure was used in 1963 not because the Government had been late in submitting the budget but because the National Assembly had been dissolved in October 1962 shortly after the tabling of the budget (taxes and services votés) before the dissolution and the second part was voted during the extraordinary session which took place in January and February 1963[3].

Insofar as Parliament is concerned the Constitution is even more stringent and, to speed up the process, specifies further time-limits. Indeed, according to article 47, if the National Assembly has not completed the first reading of the budget within forty days of its deposit it is referred to the Senate which then disposes of a maximum of fifteen days for its first reading. The budget may go back and forth between both Assemblies but the global time-limit must not exceed seventy days .

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1. See Goguel, Cours, p. 643: in 1877 the "extra-parliamentary Government" appointed by Maréchal MacMahon was forced to resign, under similar circumstances, because Parliament refused to adopt the budget.

2. Article 47 of the Constitution.

3. The 1960 budget which should have been submitted to Parliament on 6 October (1st Tuesday of October) was submitted on 22 October. But the Prime Minister said that the period would start to run from 15 October. Année politique 1959, p. 180.

These modifications were not easily accepted by a Parliament which during the IVth Republic used to spend half its sittings on the budget and to take advantage of these year-long debates to maintain a permanent control over governmental policy[1]. Many parliamentarians, including a Gaullist chairman of the Finance Committee of the National Assembly (M. Palewski), complained that they no longer had the time to carry out an effective scrutiny of the estimates. They felt that the pressure which the Government put on them to make sure that the budget was voted on in time hampered the effeciency of parliamentary control. As pointed out by an academic authority who is also a former senator and Gaullist politician, the organization of the budget debates "since 1959 seems to be dominated by a single objective: speed. This horror of losing time consumes the managers of the National Assembly, the rapporteurs-généraux and the Government"[2].

Some civil servants are critical of the dates of the financial year. It puts great stress on them in August when controversial decisions have still to be taken. They complain that the Budget Division increases its activities precisely at the time when most of them are on holiday. But these criticisms are unlikely to bring about any change in the dates of the financial year. Indeed, over the last ten years, the preparation of the budget has become an all year-round activity.

2. Annual Appropriations and Annual Accounting

As embodied in the Organic Law of 1959 the annual principle means two things:

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1. P. M. Williams, Crisis, pp. 260 - 266.

2. Quoted in P. M. Williams, The French Parliament 1958 - 1962 (London 1967), p. 77 thereafter referred to as P. M. Williams, The French Parliament. See J. O., 9 November 1963, p. 7119.

First, public funds are appropriated for a period of one year only and, the authorization to raise taxes and to spend must be renewed every year. As stated in articles 2 and 17, the appropriations agreed to for a given year do not create any claim on the coming year. An appropriation which becomes without object during the financial year can be suppressed by the Minister of Finance with the agreement of the minister concerned (article 13). The money which has not been spent must be handed back at the end of the financial year. Hence, every year, the Budget Division and Parliament have the right to scrutinize and challenge all Government expenditure.

Second, the public accounting system is annual and on a cash basis. As stated in article 16:

> "Les recettes sont prises en compte au titre du budget de l'année en cours de laquelle elles sont encaissées par un comptable public. Les dépenses sont prises en compte au titre du budget de l'année au cours de laquelle les ordonnances ou mandats sont visés par les comptables assignataires: elles doivent être payées sur les crédits de ladite année, quelle que soit la date de la créance".

The Appropriation Accounts Bill, must be submitted to Parliament before the end of the year which follows the financial year it is concerned with[1]. The Bill:

> "Constate le montant définitif des encaissements de recettes et des ordonnancements de dépenses se rapportant à une même année". (Article 35)

France has known two different accounting systems: the comptabilité d'exercice abolished in 1954 and the comptabilité de gestion. Before 1954, under the comptabilité d'exercice the budget was an administrative account which recorded all the receipts and disbursements connected with a particular budget (say the 1950 budget) whatever may have been the year of the actual re-

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1. Décret no 62-1587 du 29 décembre 1962 portant règlement général sur la comptabilité publique, loc. cit., article 144.

ceipt or payment (say 1/53). Under this system the accounts of the 1950 budget could only be closed when all the transactions mentioned in that budget had taken place[1]. It used to take many years before the appropriation accounts still could be submitted to Parliament[2]. Under the comptabilité de gestion, the system of the Organic Law, the budget is considered as a cash account into which the receipts and disbursements (order for payment) are registered. The operations are recorded in the accounts of the budget of the year of their actual collection or payment.

3. Exceptions to the Annual Framework

By maintaining the annual framework, the Organic Law forces the Government to present every year a detailed programme of its financial activities and to control the implementation of that programme over the period of time concerned. It also assures a regular parliamentary control. Any attempt to loosen the annual character of the budgetary process may cause a diminution of the various possibilities of control offered by decreasing their frequency. However, in some cases the annual framework is much too narrow and rigid to enable the efficient working of the Government's economic and financial machinery, particularly as we have seen in the public investment sector. As a result, the Organic Law has evolved three main series of exceptions to the annual principle:

- the possibility of carrying over funds appropriated for a particular year (reports)
- the possibility of committing funds on the basis of authorization which will be embodied in the following budget (crédits d'engagement sur l'exercice ultérieur)

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1. See Duverger, Finances Publiques, p. 237.
2. Ibidem, p. 343 and Fisk, French Public Finance (New York 1923), pp. 171 - 172.

- the pluri-annual appropriations for the commitment of funds (autorisations de programmes).

a) Carry-over

The carry-over is an authorization which enables a ministry to make use, during the next financial year, of the sums appropriated for a particular financial year[1]. The adoption of a system of comptabilité de gestion results in a certain time-lag between the appropriation and the effective disbursement of the funds during the financial year concerned and, sometimes, even of the funds which have been committed or ordered for payment during the financial year. The carry-over procedure makes possible, in some cases, the transfer of the appropriated sums from one financial year to another without the need of new budgetary authorisations.

The application of this procedure works differently according to the current or capital nature of the expenditure[2].

Current expenditure: carry-overs are allowed in two circumstances. First, in the case of certain chapters listed in the budget, the ministries can ask the Minister of Finance for the authorization to carry-over the funds which have been committed before the end of the financial year. These chapters (there were fifty six of them in the 1967 budget) are concerned mainly with economic and social grants and the maintenance of public buildings. Second, in all other cases, a certain proportion of the funds of each chapter (1/10)

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1. See D. Floquet, loc. cit.

2. Article 17 of the Organic Law.

can be carried over. In other words, it is possible within a financial limit of ten per cent of the total amount of each chapter, to carry over funds which have been committed before the 31st of December.

Capital expenditure: in the case of capital expenditure the annual appropriation for payment (crédits de payement) can be carried over with the authorization of the Minister of Finance. The agreement of the Minister of Finance is nearly always automatic[1]. It is even possible for a minister to carry over and spend 2/3 of the available appropriations before he gets the approval of the Minister of Finance. Insofar as the autorisations de programmes are concerned their carry-over from year to year goes on without the need of sanction.

In all other cases the unused votes are annulled through the Appropriation Accounts Bill.

Carry-overs have never been very important in the case of current expenditure but, in the case of capital expenditure, they tend to involve large masses of funds (see table G). It seems that in the early 1960's some administrations were not organized to manage the vast capital expenditure projects envisaged by the national Plan and approved by the Government. They asked for and were granted the funds concerned but in many cases they could hardly spend fifty per cent of their appropriations thus jeopardizing the normal execution of the Government's capital projects[2]. Under pressure from the Planning Commissariat, the Budget Division, the Cour des Comptes and the parliamentary committees, the ministries concerned reorganized their financial and economic

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1. See Pallez, Cours, p. 144.
2. On this see Floquet, loc. cit., p. 50 and Pallez, ibidem, p. 145.

services as well as their contracting procedure in order to accelerate the implementation of their programmes. They have been quite successful and, as table 6 shows, from 1963 to 1966 the volume of carry overs has fallen from 2,350 to 1,093 million francs.

Table G

Civil Capital Expenditure: Carry-overs

(Appropriation for Payment)

	1963	1964	1965	1966	
	(million francs)				
Appropriations granted (1)	7,486	9,304	11,046	12,397	
Carry-overs from the previous year	2,324	2,350	2,442	1,996	
Total	9,810	11,654	13,488	14,393	
Appropriations used	7,460	9,212	11,492	13,300	(2)
Carry-overs to the following year	2,350	2,442	1,996	1,093	(2)

(1) Budgets, Supplementaries or décrets d'avances (and, eventually, arrêtés d'économies).

(2) Forecast.

(Source, Finance Bill for 1967, Rapport Général, p. 9.)

b) Appropriations for the commitment of funds in advance of the Following Financial Year (crédits d'engagement sur exercices ultérieurs)

This exception envisaged in article 11, alinea 2 of the Organic Law means that the budget can include special measures which enable the Government to commit certain funds in advance of the appropriations of the following financial year. For example, article 27 of the 1967 budget enabled "the ministers ..... to commit in 1967, in advance of the appropriations which will be allocated to them in 1968, expenditure amounting to a total amount of 134,094,000F, distributed by title and by ministry according to table D attached to the present Bill"[1]. Moreover, in addition to these appropriations included in the Finance Bill the Government can commit funds before the enactment of the next Finance Bill, without the need of a preliminary parliamentary approval[2]. This mechanism was used by the Government in the summer 1967 as a means to inflate the economy. Indeed, by early July 1967, the Government decided that some public investment programmes for housing, roads and telecommunications which were supposed to begin in 1968 only would be undertaken before the vote on the 1968 budget[3].

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1. "Les ministres sont autorisés à engager en 1967, par anticipation sur les crédits qui leur seront alloués pour 1968, des dépenses se montant à la somme totale de 134,094,000 F répartie par titre et par ministère, conformément à l'état D annexé à la présente loi".

2. Article 5 of the Decree of 14 November 1955: "A partir du 1er novembre de chaque année, et dans la limite du quart des crédits alloués au titre de l'année en cours, des engagements de dépenses ordinaires autres que les dépenses de personnel peuvent être pris au titre du budget de l'année suivante, etc." See also Amselek, op. cit., p. 3.

3. P. Drouin, "Mesures conjoncturelles et réformes de structures. En douceur..." Le Monde, 14 July 1967. These measures were announced by M. Debré himself on the French Television Network on 12 July 1967.

c) The Investment Programmes

The existence of a system of pluri-annual appropriations (autorisations de programme) in the case of the Government's investment programmes constitutes an important exception to the annual framework of the budgetary process. If in addition to this, one considers the ease with which funds for capital expenditure can be carried over from one financial year to another one cannot avoid coming to the conclusion that, in theory as well as in practice, the capital expenditure budget enjoys a special status insofar as the rule of annuality is concerned. Thus, the annual budget is still the instrument through which investment programmes are financed and controlled but the Government keeps a large freedom of manoeuvre within the annual framework. In fact, in the public investment sector it is the national Plan that matters most. The main aspects of the Government's investment programmes are already mentionned in the Plan and the Plan determines, four or five years ahead, the Government's budgetary policy in this sector; once taken, these decisions can hardly be effectively scrutinized, revised and challenged at the occasion of every annual budgetary debate.

G? THE BUDGETARY DOCUMENTS

The rules we have studied so far tell us how the budget is structured, what sector it covers, how expenditure finds its expression in the budget and how meaningful it is for the purpose of parliamentary control and of the "judicial" control of the Cour des Comptes. We know also, to some extent,

how informative the budget is on the financial life of each administration and the economic policy of the Government. But from this point of view the number, the form and the aim of the various budgetary documents submitted to Parliament every year are also important. How well informed Parliament is when the vote on the budget is taken is a determinent factor in the value which one can attach to that vote. Is it a well or ill informed vote ?

1. The Finance Bill

The Finance Bill itself is a very simple document. It is a synthesis, a summary, of the Government's financial and economic activities. In 1967, for example, the Finance Bill contained sixty three articles: twenty one dealing with revenue and forty two with expenditure. Each article is accompanied by an explanatory statement and a certain number of articles refer to detailed tables (états annexes législatifs). These tables are not purely informative. They have a legislative value because they are voted on with the articles. For example, article 24, alinea 1 of the 1967 budget[1] was concerned with the vote of 19,141,470,000 francs (autorisations de programme) for the capital expenditure

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1. Article 24, alinea 1: "Il est ouvert aux ministres pour 1967, au titre des mesures nouvelles sur les dépenses en capital des services civils du budget général, des autorisations de programme ainsi réparties:

	F
- Titre V "Investissements exécutés par l'Etat".....	6,173,100,000
- Titre VI "Subventions d'investissements accordées par l'Etat.....	12,818,370,000
- Titre VII "Réparations des dommages de guerre".....	150,000,000
Total:	19,141,470,000

Ces autorisations de programme sont réparties par ministère, conformément à l'Etat C annexé à la présente loi".

(new measures) of the civil ministries while table C allocated the appropriation title by title and ministry by ministry in comparing the 1966 and 1967 budgets. The Finance Bill, a document of some 250 pages (about forty pages in the Journal Officiel), forms the basis of the parliamentary debate.

The Finance Bill is divided into two distinct parts according to article 31 of the Organic Law.

The first part authorizes the collection of public resources and includes the ways and means to assure financial equilibrium; it forecasts the amount of resources coming from borrowing and treasury transactions; it authorizes the collection of the taxes assigned to local authorities and public enterprises; it determines the ceilings for the main categories of expenditure and establishes the basic elements of the financial equilibrium; it includes the measures necessary to legalize the borrowings of the Government.

The second part establishes, for the general budget, the global amount of the appropriation assigned to the services votés and determines, by title and by ministry, the appropriations assigned to the autorisations nouvelles; it authorizes, in distinguishing the services votés and the autorisations nouvelles, the operations of the budgets annexes and those of the comptes spéciaux du Trésor by category of special accounts and, eventually, by title; it regroups all the autorisations de programme according to their annual time-table; it mentions various legislative measures concerned with the information and control of Parliament and so forth (see article 1 of the Organic Law) in distinguishing those which have a temporary character from those which have a permanent character.

This division into two parts is borrowed from the previous system of the lois de maxima and the lois de développement. The lois de maxima used to forecast the receipts and to establish the maximum ceilings for each large category of expenditure while the lois de développement, attached to the lois de maxima and normally examined afterwards, included the allocation of expenditure by chapter. The vote on the lois de maxima was supposed to establish a kind of straight jacket for the following detailed analysis of the budget and was aimed at stressing the macro-economic dimensions of the budget. In fact, however, parliamentarians rejected this system and voted the lois de développement before the lois de maxima thus, keeping intact their freedom to increase expenditure beyond the ceilings of the lois de maxima. Now, part one of the Finance Bill corresponds to the lois de maxima and deals with the macro-economic aspects of the budget. It also establishes the general framework of the budget and must be voted on before part two (article 40). Part two, on the other hand, corresponds broadly to the lois de développement and presents an analysis of the expenditure budget by title and ministry (no longer by chapter).

The rationalization of the budgetary process was pushed even further in 1959 and, as we shall see later on[1], this bipartite approach is now applied to the preparation of the budget. Indeed, the first main period in the preparation of the budget is devoted to the establishment of the general framework within which and according to which the detailed preparation of the budget will take place (second period).

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1. See below p. 116

2. Annexes to the Finance Bill

The Organic Law and various measures introduced later on[1] make it obligatory for the Government to publish with the Finance Bill a series of annexes which fulfil three functions. First, they explain the main economic assumptions behind the Government's proposals (Financial and Economic Report). Second, they give details on the Government's expenditure programmes (Explanatory Annexes). Finally, they deal with some particular aspects of the Government's budgetary policy (General annexes). At the moment there are about 140 annexes which form the basis of the information provided to parliamentarians on the occasion of the budgetary debates[2].

a) The Financial and Economic Report

This report, based on the economic accounts attached to it[3], is divided into two parts: the first part deals with the economic and financial situation of the current year (let us say 1966) and with the policy followed by the Government; the second part deals with the Government's economic assumptions and forecasts for the coming year (1967) and shows the relationship between these and the budget. This presentation first introduced in 1956 enables Parliament to appreciate the Government's economic and financial policy for the coming year by comparison with the trends of the current year and the forecasts for the following year.

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1. Article 32: see, for example, law of the 4th August 1962, articles 2 and 3; ordinance of 30th December 1958, articles 163 and 164; etc. A chart including these measures is given in Textes relatifs aux pouvoirs publics, Assemblée Nationale, avril 1965 (Assemblée Nationale).

2. For more technical details on this whole question see Amselek, op. cit., pp. 158 - 189.

3. See below p.

The Financial and Economic Report is accompanied, in fact supported, by two series of reports prepared by the various national accounting and forecasting services (Institut National de la Statistique et des Etudes Economiques, Forecasting Division and Public Accounts Division) and examined by the Commission des Comptes de la Nation[1]. The first report, entitled Rapport sur les Comptes de la Nation de l'année 1965, presents the National Accounts for the last fully completed yearat the time the budget is submitted (in the case of the 1967 budget it was 1965). The second report, entitled Les Comptes Prévisionnels de la Nation pour 1966 et les Principales Hypothèses Economiques pour 1967, presents a forecast of the economic accounts for the current year (1966) based on the statistics already available in early September together with forecasts of their likely evolution during the coming year (1967) assuming that Parliament will vote the measures included in the budget. This report is prepared by the Forecasting Division in close collaboration with the Budget Division.

b) The Explanatory Annexes

They are the most numerous set of annexes and those particularly used by parliamentarians. They present a detailed analysis of the appropriations included in the budget for each ministry, annexed budget and special Treasury account. Each ministry and annexed budget is the object of three documents designated according to the colour of their cover and their head:

- the "Green" Budget Voté ;
- the "Blue" Services Votés - Mesures Nouvelles ;

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1. See below p. 149

- the "Yellow" Document annexe donnant la répartition des crédits par chapitre et par article .

The "green" book on the Budget Voté gives the detailed appropriations for the previous year by titles, parts, chapters, articles and paragraphs to enable parliamentarians to get an exact idea of the budget they have adopted the previous year. The "blue" book on the Services Votés - Mesures Nouvelles distributes the appropriations on a chapter basis. The appropriations are compared with those of the previous year and the variations between the two sets of appropriations are explained according to the criteria established for the Services Votés and Mesures Nouvelles. This book includes several tables as well as a detailed analysis of the investment programmes: their level of implementation, the new programmes to be undertaken, their time-table, their geographical location and so forth. The "yellow" book, concerned only with current expenditure, presents a more detailed analysis of the appropriations.

c) The General Annexes

The general annexes are not defined by article 32 of the Organic Law but Parliament through either amendments to the annual Finance Bills or requests from its committees has asked for the establishment of several general annexes in order to strengthen its control over public expenditure. The main general annexes are the following:

1) Evaluation des Voies et Moyens (Evaluation of Ways and Means); an important document because it gives the various assumptions upon which the revenue forecasts are based.
2) Coût et Rendement des Services Publics (Cost and Efficiency of the Public

Services). This document includes a functional analysis of Government expenditure and a study on the cost and efficiency of the various departments. This study should help Parliament to appreciate more precisely the efficiency and value of the services. Unfortunately, this document is based on very fragmentary evidence and is always submitted late.

3) Budget Social de la Nation (Social Budget of the Nation). Article 164 alinea 1 of the Ordinance of 1958 makes it obligatory for the Government to establish "Des tableaux faisant ressortir les diverses prestations dont l'ensemble constitue le budget social de la Nation, établis sur la base des résultats de l'année précédente, des perspectives de l'année en cours et des prévisions de l'année à venir". This document which covers the activities of all the Social Security services is submitted after the budgetary debate.

4) Rapport du Conseil de Direction du Fonds de Développement Economique et Social (Report of the Governing Council of the F. D. E. S.). This report is concerned with the civil investment programmes included in the budget. These programmes are divided according to the nature of their financial means (loans or taxes) and distributed by main economic sectors. Then the contribution (loans) of the F. D. E. S. (as well as other sources) to the financing of these programmes is analyzed in detail. This report includes interesting indications on the investment programmes of the nationalized industries and on their various financial resources.

5) Rapport sur l'exécution du Plan en 1965 et 1966 et sur la régionalisation du budget d'équipement pour 1967 et l'aménagement du terriroire (Report on the execution of the Plan in 1965 and 1966 and on the regionalization of the equipment budget for 1967 and on regional planning). This report, re-

quested by Parliament in 1962 during the debate on the IVth Plan, is being developped into one of the most important budgetary document. In 1966 (1967 budget) the report was divided into three volumes:

Tome I (63 pages) was concerned with the main aspects of the policy followed by the Government in the implementation of the IVth and Vth Plans at both the national and regional levels.

Tome II (310 pages) was concerned with the evolution of the national economy and the main sectors of production and with the overseas Departments.

Tome III (533 pages) dealt with the collective equipments envisaged by the IVth and Vth Plans, the regionalisation of the 1966 and 1967 budgets and included a series of indicators on the economic and social situation of each planning region together with forecasts of trends (these economic indicators are prepared by I.N.S.E.E.). This volume corresponds to the recent efforts of the Government towards the regionalization of the investment budget. A new dimension is added to the budget and it is now possible to know how much is being done for each planning region and to appreciate region by region the effects of the Government's budgetary policy. The document deals also with the other financial resources for regional equipment (loans from the Caisse des dépôts et consignations, the Crédit Foncier, etc.).

6) Récapitulation des emplois créés, supprimés ou transformés (Recapitulation of the posts created, suppressed or modified).

7) Etat récapitulatif de l'effort financier prévu au titre de la coopération avec les Etats en voie de développement (Recapitulation of the financial effort in favour of the developing countries).

8) Documents comptables et budgétaires concernant l'ORTF (Accounting and budgetary documents concerning the Radio and Television Network).

9) In addition to these general annexes, the Government is obliged by various texts adopted by Parliament to submit a series of reports on the implementation of various laws (the Defence programme-law of 23 December 1964, for example).

H. THE VOTING PROCEDURE

The idea behind the voting procedure established in 1959 is twofold: first, the budget had to be voted on in a much shorter period of time and in a much less detailed way than under the IVth Republic (before 1956) and, second, the right of Parliament to scrutinize the budget and control the financial activities of the Government had to be maintained[1].

To make possible the vote on the budget within the strict limits of time imposed by the Constitution of 1958 it was necessary to cut down the number of votes. But this could hardly be achieved without impairing the traditional right of Parliament to vote expenditure in such detail as to lay a precise obligation on the Government insofar as the amount and the object of each

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1. Giscard d'Estaing, J. O., 1959 - 60, p. 2328: "Le premier objectif était de donner au vote du budget un caractère autant que possible synthétique. Il fallait que le Parlement se prononce sur les grandes masses budgétaires, que, tout en allant, assez loin dans le détail, son examen n'ait pas pour objet d'éplucher chaque chapitre et de procéder à des votes d'une dimension trop modeste qui épuisent l'attention et qui ne permettent pas de prendre une vue d'ensemble de la politique budgétaire. L'autre objectif ..... c'était la possibilité d'un contrôle minutieux de l'action du Gouvernement en matière financière. Ces deux objectifs sont assez contradictoires...".

vote were concerned. Parliament had struggled hard for the establishment of this rule (le principe de la spécialité budgétaire) and any attempt of the executive to reduce the number of chapters and, once the chapter was the voting unit, of the votes was strongly opposed. In fact, with the powerful assemblies of the IIIrd and IVth Republics the number of chapters reached fantastic proportions (4,000 in the early 1950's). In these conditions the budget could hardly ever be voted on before the 31st December and the Government had to resort to the vote of monthly appropriations, "provisional twelfths", to keep the administration going. To put an end to this unsatisfactory situation the authors of the 1956 and 1959 reforms created a new voting procedure in budgetary matters.

The chapter is maintained as the basic budgetary unit for the purposes of parliamentary and audit control i.e. the funds must be spent and accounted for according to the amount and object of the chapter, but the budget, instead of being voted on a chapter basis, is voted on by large masses of expenditure. All the expenditure corresponding to the services votés is the object of a single vote while that corresponding to mesures nouvelles is voted on ministry by ministry, and within the ministry, by title[1]. For example, in 1967, the budget of the Ministry for Cooperation (mesures nouvelles) included more than twenty specialized chapters but only four votes were needed:

- Title III : + 34 million francs
- Title IV : - 37 million francs

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1. Article 41 of the Organic Law.

- Title V : + 1 million francs (autorisations de programme)
+ 500,000 francs (crédits de payement)
- Title IV : + 357 million francs (autorisations de programme)
+ 114 million francs (crédits de payement)

As a result of this voting procedure the number of votes needed to get the Finance Bill through both Houses is reduced to an average of 480[1].

But these votes are not detailed. The sums of money included under these votes are so large that were the budget to be accounted for on the basis of these votes any talk of parliamentary control would be derisory. To be binding the chapters must be given legal force. This is provided for by article 43 of the Organic Law, through the procedure of the allotment decrees (décrets de répartition). The allotment decrees, issued by the Government immediately after the adoption and the promulgation of the Finance Bill, distribute chapter by chapter the large masses of funds voted by Parliament. In fact, as we have seen, when Parliament votes on the budget it is provided with explanatory annexes in which each ministerial budget is analyzed on a chapter and even paragraph basis. These annexes are not voted on but, since parliamentary control depends on the budget being carried out according to their content, the allotment decrees give legal force to their content and force the administration to spend accordingly. Naturally, the allotment decrees take into account the changes which Parliament may have brought about to the budget[2].

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1. See Amselek, op. cit., p. 480.

2. See article 43 of the Organic Law. Under the system of the 1956 Decree these allotment decrees were submitted to the Finance Committees for approval but, at the time, no explanatory annexe of the detailed distribution of spending was given.

J. IMPLEMENTATION OF THE BUDGET

Once the budget has been voted on by Parliament it must be executed according to that vote. During the XIXth century parliamentary control was considered as depending on a strict interpretation of this rule and, no matter how they were carried out, changes to the annual budget were resented by Parliament. But with the growth of public expenditure and the increased complexity of budgetary policy it became more and more difficult to forecast with precision the exact needs of the Government for a particular year and various amending procedures were evolved. Some of these procedures constituted a revision of the basic budgetary forecast and as such, had to be submitted to Parliament for preliminary approval (revised budgets). Some, on the other hand, represented minor changes to the budget and, provided they were carried out according to a set of budgetary and accounting rules, they were allowed to take place without preliminary parliamentary sanction (virements). However, in both cases, procedures to amend the budget after the vote of Parliament were regarded as encroachments on the basic financial rules of the annuality and unity and thus, were strictly construed[1]. Other obstacles to the use of these procedures resulted from the fact that Parliament having spent nearly all its time on the main budget did not have enough time left for the consideration of supplementaries as well as from the fact that the number and preciseness of the votes made difficult the use of virements and transfers by the administration. The Organic Law of 1959 marks a break with this tradition. First, the revised budgets, no

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1. Up to 1959 the rules concerning supplementaries, virements and transfers were basically those of the Decree of 31 May 1862. See on their interpretation during the XIXth and early XXth century Stourm, Le Budget (Paris 1913), pp. 328 - 357.

longer considered as exceptional procedure, are given the same status as the ordinary Finance Bill[1]. They can be introduced during the financial year to bring about changes to the dispositions of the annual Finance Bill. Second, the possibilities of amending the budget at the administrative level are increased and systematized[2].

1. The Revised Budget

Articles 2 and 34 of the Organic Law state that revised Finance Bills can be submitted to Parliament in order to modify the votes of the main Finance Bills. Moreover, these articles specify that the revised Finance Bills have the same status and are subjected to the same rules as the main Finance Bill. The expression lois de finances rectificatives is preferred to that of supplementaries or collectifs to stress the fact that these Bills should not be considered only as mere additions to the previous Finance Bill but as corrections brought about to the revenue, and expenditure forecasts of the previous Finance Bill[3]. The relationship between both Bills has to be made clear.

The Organic Law does not specify any limit to the number of revised budgets which the Government can propose in any year. In the early days of the Vth Republic the stated policy of the Government was to submit two revised

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1. Article 2 of the Organic Law.

2. The authors of the Organic Law, it seems, were much less concerned here with the problems posed by the regularity and legality of public spending than with the problems of turning the budget into a flexible instrument adopted to the new economic role of the State. They thought that, within the general framework approved by Parliament and provided Parliament could follow the implementation of the budget, the Government had to keep room for manoeuvre.

3. See on this the debate between M. Debré, Minister of Finance and M. Paquet, Républicain Indépendant, J.O., 8 June 1967, pp. 1690 - 1707.

budgets a year:

> "L'un à la fin du premier semestre, pour tenir compte de l'évolution de la première moitié de l'année, et l'autre en fin d'année pour mettre à jour les autorisations de crédits et les prévisions de recettes"[1].

In fact, the Government scarcely ever followed this policy. And there were four revised budgets in 1959, three in 1960, two in 1961, three in 1962, three in 1963, one in 1964, one in 1965, one in 1966 and two in 1967. During the Stabilization Plan, M. Giscard d'Estaing, in order to keep public spending within bounds, reduced the number of revised budgets to the strict minimum and even threatened to abolish them altogether. The arrival of M. Debré at the Ministry of Finance in 1966 marked a return to the previous policy of two revised budgets a year[2].

The frequent use of the revised budget and the large amounts of money involved (nearly 5,000 million francs in 1965 and more than 7,000 millions in 1967) have often been criticized by Parliament partly because they show the unreliability of the Government's forecasts and partly because they lessen the value which should be attached to the vote of the main budget[3]. For example, it is easy for the Government to present, in October, a budget in which revenues and expenditure are perfectly balanced if it can modify this balance at a later stage by bringing about a revised budget[4].

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1. J.O., 19 December 1962, p. 160.
2. Criticized by a friend of M. Giscard d'Estaing for submitting a revised budget to Parliament, M. Debré had this to say: "J'aurais pu recourir à la procédure des décrets d'avances. J'ai préféré la procédure parlementaire. Alors, monsieur Paquet, en quoi ai-je manqué à la vérité et à la clarté?" J.O., 8 June 1967, p. 1705.
3. See, for example, the rapport général of the Finance Committee of the National Assembly on the revised budget for 1965, p. 6.
4. This aspect was particularly stressed by some parliamentarians during the debate on the second revised budget for 1967 (November 1967). See J.O., 23 November 1967, pp. 5194 and ff.

2. Changes that the Government can bring about to the Budget

a) Crédits évaluatifs, provisionnels et limitatifs

As we have already seen[1] these constitute the three different kinds of estimates included in the budget. As a rule all the estimates are restrictive (limitatifs). They indicate the maximum amount that can be spent. Any addition to that amount must be authorized by Parliament through a revised budget (article 11). The crédits évaluatifs, on the other hand, are an approximation of what the Government expects to spend in some sectors where expenditure is necessary but difficult to evaluate (Public Debt, for example). These appropriations can be overspent without any preliminary parliamentary approval. The crédits provisionnels are concerned with expenditure over the amount of which the Government does not have full control (contributions to international organizations, for example). These appropriations include a provisional amount of money which, if not sufficient, can be overspent with the authorization of the Minister of Finance through the procedure of décrets d'avances[2].

b) Décrets d'avances

Under special circumstances mentioned in article 11 of the Organic Law it is possible for the Government to spend more than the amount of a crédit limitatif without the preliminary approval of Parliament. The Govern-

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1. See above p.60

2. In fact, this procedure was never used in the case of crédits provisionnels, see Amselek, op. cit., p. 347.

ment can increase the estimates by decree.

The first series of circumstances considered by article 11 are concerned with calamities and urgent or unforeseen expenditure. In these cases the Government is allowed to open new credits within the limit of a global grant for accidental expenditure included in the Finance Bill. This is not a décret d'avances because the Government does not need to spend more than the global grant already approved by Parliament. However, the Government, by way of a decree can determine the use which will be made of the global grant.

The second series of circumstances is concerned with urgency. In case of urgency, if it is established in a report of the Minister of Finance to the Prime Minister that the balance (équilibre) of the last Finance Bill is not affected, supplementary credits can be made available by décrets d'avances approved by the Conseil d'Etat. These supplementary credits are ratified by Parliament in the next Finance Bill. In this case a décret d'avances is necessary because the Government intends to spend more than authorized under the previous Finance Bill even if the additional spending does not upset the balance of the budget.

The third series of circumstances is concerned with cases of urgency and absolute necessity in the national interest. When these conditions are met supplementary credits can be opened by décrets d'avances taken by the Council of Ministers and approved by the Conseil d'Etat. A Finance Bill ratifying these credits is submitted immediately if Parliament is in session or at the opening of the next session.

The importance and number of décrets d'avances vary from year to year but the trends of the last few years show that the Government often prefers to make use of them rather than wait for the vote of the Finance Bill or the

revised Finance Bills[1]. The interpretation given to the expressions, "urgency" and "urgency and absolute necessity in the national interest" has been very liberal[2] and, in some cases, the Government has not even asked for the ratification of the décrets d'avances by Parliament. Bills of ratification were submitted to Parliament but never called for discussion[3].

c) Virements and Transfers

As we have seen[4] despite the new voting procedure, the authorization to spend is, as a rule, detailed and specific. Money must be spent according to the aim of the chapters. Some chapters include general grants which are allocated to specific chapters (chapitres ouverts pour mémoire) only at a later stage but once the allocation of the funds has taken place the money must be spent according to the aim of the various chapters (article 7 of the Organic Law). As we have seen[5], this rule, called the spécialité de l'autorisation budgétaire, has traditionally been one of the main feature of the French budgetary system. During the XIXth century and up to the 1950's Parliament always fought for the enforcement and resisted any violation of the rule. The first major breach in the wall appeared in 1955 when the Government was allowed to proceed, within strictly defined limits, to the virement of funds from chapter to chapter. The old principle had been challenged and when the reform of 1959 took place a completely new system for transfers and virements was established.

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1. On this see Amselek, op. cit., pp. 349 - 358. M. Vallon, Rapporteur Général, was very critical of this practice in his report on the revised Finance Bill for 1966: see J. O., 1 December 1966, p. 5122.
2. Amselek, ibidem, p. 350.
3. Ibidem, p. 353. The Government controls the agenda.
4. See above p. 98
5. See p. 8

The procedure is no longer exceptional and by way of transfers and virements the Government "can modify the distribution of the funds between the chapters" (article 14).

The transfer is a change of the organ responsible for the spending of the vote[1]. It does not modify the object of the vote. Transfers must be authorized by the Minister of Finance.

The virements, on the other hand, aim at modifying the object of the vote[2]. They must be enacted through a decree taken on the report of the Minister of Finance. The virements, however, can only take place within specific limits: first, they must take place between the chapters under the same title and the same ministry; second, they cannot involve funds exceeding 1/10 of the amounts of the chapters concerned and, finally virements cannot take place between chapters including crédits évaluatifs or provisionnels and chapters including crédits limitatifs[3].

Because of the strict conditions attached to the use of the virements procedure the Government does not resort to it very often. The Cour des Comptes keeps a constant watch on the virements and informs Parliament of any misuse of the procedure when the Appropriation Accounts Bills come up for discussion[4].

The use of the transfers procedure being scarcely restricted the Government tends to resort to this procedure much more systematically. It is

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1. As if, for example, the funds allocated for the lycées agricoles were transferred from Agriculture to Education.
2. As if, for example, the funds allocated for the lycées agricoles were used, instead, to subsidize the price of milk.
3. Article 14, alinea 3 of the Organic Law.
4. See, for example, the Report of Senator Pellenc of the Senate Finance Committee on the Appropriation Bill for 1964 (Sénat, annexe au procès-verbal de la séance du 18 mai 1967) pp. 23-24) in which he mentions some cases of irregular virements referred to by the Cour des Comptes. Virements, within the general budget, amounted to 100,8 million francs in 1964 and, insofar as the annexed budgets were concerned, they amounted to 22.1 million francs.

also more difficult for the Cour des Comptes and, as a result, for Parliament to get a fair idea of what goes on under this procedure because no clear distinction is drawn between transfers which take place from the crédits global pour dépenses éventuelles and the crédits global pour dépenses accidentelles to the specific chapters through which this money is spent (articles 7 and 10 of the Organic Law) and the transfers of funds from one agency to another envisages by article 14. The reports of the Cour des Comptes and of Senator Pellenc show that the Government, sometimes, take advantage of this complexed situation to proceed to irregular reallocation of funds between the chapters[1]. Transfers of both kinds involved an amount of 5,140 million francs in 1964[2].

The numerous possibilities of amending the budget without the preliminary approval of Parliament and the liberal use which the Government makes of them in spite of the continuous warning of the Cour des Comptes have led many parliamentarians to doubt the value of the budgetary authorisations and of their control[3]. As pointed out by Senator Pellenc in the concluding remarks of his report on the Appropriation Accounts Bill for 1964:

> "Au terme de cet examen de la gestion des finances publiques en 1964 force est de constater que les irrégularités signalées antérieurement par la Cour des Compte pour des postes budgétaires déterminés et qui ont donné lieu en leur temps, à observations de votre Commission des Finances, n'ont guère été rectifiées. Des pratiques contestables, généralement liées à des imperfections de la nomenclature budgétaire des imputations erronées, des procédures critiquables qui ne s'autorisent d'aucun texte sont encore souvent relevées... Dans ces conditions, on est en droit de se demander si et dans quelle mesure le Gouvernement tient compte tant des avis présentés par le Parlement que des rapports effectués par les membres de la Cour des Comptes sur la gestion des crédits publics"[4].

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1. Report of Senator Pellenc on the Appropriation Bill for 1964, ibidem, pp. 24 - 26.

2. Ibidem, p. 24.

3. See, for example, the debate in the National Assembly on the Appropriation Accounts Bill for 1961, 1962 and 1963, J.O., 24 November 1966, pp. 4839 and f.f. See also Le Monde, 26 November 1966.

4. Report of Senator Pellenc, loc. cit.

J. THE APPROPRIATION ACCOUNTS BILL

The budgetary cycle (debate and vote on the budget, implementation) is closed by the vote on the Appropriation Accounts Bill. Parliament votes the annual budget; then the Government implements it according to the authorization given by Parliament; various comptrollers and accountants and the Cour des Comptes check the regularity of this implementation; when this verification is completed a document recapitulating all the Government's receipts and disbursements during the financial year is submitted to Parliament and voted on. This document is called the Appropriation Accounts Bill (loi de règlement).

The debates on the Appropriation Accounts Bill used to be the major feature of the budgetary process under the Restoration[1]. Later on, however, interest in the Appropriation Accounts Bill decreased rapidly. Indeed as a result of the accounting system de l'exercice and the growing complexity of budgetary matters the Appropriation Accounts Bills were submitted to Parliament several years after the vote on the original Finance Bills. For example, the Appropriation Accounts of the 1905 budget were approved by Parliament on the 16th March 1912 and those concerned with budgets of 1926 to 1933 were approved in the lump on the 13th January 1939. The adoption of a new accounting system (comptabilité de gestion) in 1954 made it possible to accelerate the preparation of the Appropriation Accounts. Parliamentarians, however, showed no interest in debating the accounts of Governments which were no longer in power and, as in the past, the Appropriation Accounts Bill remained a dead document[2]. In fact,

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1. See above p.6 and Duverger, Finances Publiques, p. 342.
2. Ibidem, p. 343.

during the IIIrd and the IVth Republics the vote on the Appropriation Accounts Bill did not really matter because of the very detailed scrutiny of the budget in Parliament. The budget was the object of several thousand votes and within this framework the Government had very little room to initiate changes of its own[1]. With the Vth Republic, things have changed. The introduction of a new voting procedure, the reduction of parliamentary rights with regard to the a priori control of expenditure, and the various procedures (virements, transfers, carry-overs) which the Government can use to modify the internal outlook of the budget have increased the need for a much more stringent parliamentary control of the implementation of the budget. The revalorization of the Appropriation Accounts Bill as an instrument of control was seen as the proper solution to this problem[2]. The Organic Law of 1959 and the reform of the Public Accounting system of December 1962 proceeded to a revision of the Appropriation Accounts' mechanism.

According to article 35 of the Organic Law the "annual Appropriation Accounts Bill establishes the final amount of the receipts collected and of the orders for payment issued during a particular year; moreover, when such is the case, it ratifies the opening of additional credits by décrets d'avances

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1. See on this the article of Léo Hamon and Jacques Vaudiaux "Loi de réglement définitif du budget" in Revue de Droit Public, September - October 1967, p. p. 893 f.f.

2. The Commission sur la réforme budgétaire established in 1947 had already made a recommendation to this effect in its preliminary report of 1949: see La Réforme Budgétaire, op. cit., pp. 130 - 132. See also the Report of the rapporteur général of the Finance Committee of the National Assembly on the Appropriation Accounts for 1957 and 1958: "La loi de règlement peut être, et doit être, pour le Parlement l'occasion d'un examen approfondi de la gestion budgétaire dans la mesure où elle récapitule l'ensemble des dépenses et des recettes effectuées au titre d'une même année". Quoted in Bertrand, loc. cit., p. 25.

and approves excesses resulting from situations of emergency (circonstances de force majeure)". The Appropriation Accounts Bill is accompanied by:

1° a series of explanatory annexes giving, among other things, the reasons for excess spending and explaining the nature of the losses and profits of the various special Treasury Accounts and so forth;

2° a report from the Cour des Comptes giving detailed information on the content of the Appropriation Accounts[1] and the statement of conformity between the accounts of the public accountants (attached to the Ministry of Finance) and those of the ministers. (This statement is issued by the Cour des Comptes and compares the accounts kept by each minister with those kept by the Public Accountants).

Furthermore, article 38 of the Organic Law and the decrees of 29 December 1962 made it obligatory for the Government to submit the Appropriation Accounts Bill as well as all the annexes and reports "before the end of the financial year which follows that covered by the Appropriation Accounts Bill". In other words, the Appropriation Accounts Bill corresponding to the 1966 budget have to be submitted to Parliament before the 31st December 1967.

In fact, the system did not work exactly according to the pattern envisaged in the Organic Law. The Appropriation Accounts Bills were submitted

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1. This report, aimed at the information of Parliament, is different from the main report of the Cour des Comptes which is submitted to the President as well as to the Assemblies. The latter report stresses some of the main irregularities mentionad in the former report but is mainly concerned with the efficiency of the Government's administrative and financial machinery.

well beyond the time-limit mentioned in the Organic Law and rushed through Parliament. For example, the Appropriation Accounts for 1961, 1962 and 1963 were, as in the past, grouped together and submitted to Parliament on 24th November 1966. Those for 1964 were presented to Parliament a few days later. The Finance Committees of both Houses were very critical of the Government's shortcomings and claimed that a proper a posteriori parliamentary control was not possible in these conditions[1]. Some parliamentarians also complained that the Government did not allocate enough time to the examination of the Appropriation Accounts Bill. They said that they were provided at the last minute with a flood of documents ("un bon kilogramme de documents" complained M. de Tinguy) which they did not have the time to analyze and then they were forced, through a vote bloqué, to accept or reject the Appropriation Accounts Bill as a whole. The Government undertook to change this situation and, in December 1967, the Appropriation Accounts Bill for 1966 was submitted to Parliament in accordance with the time-limit set up by the Organic Law[2].

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1. See the speeches of MM. Vallon and Palewski in the National Assembly, J.O., 25 November 1966, pp. 4839 and 4841 and that of Senator Pellenc, J.O., Senate, 21 December 1966, p. 2631.

2. As pointed out in the press communiqué which followed the meeting of the Council of Ministers of 14 December 1967: "M. Michel Debré a fait remarquer que c'était la première fois qu'une telle loi intervenait dans l'année de clôture de l'exercice budgétaire concerné. Celà a été possible, a-t-il souligné, grâce à une plus grande rapidité dans la centralisation comptable, grâce aussi aux efforts de mécanisation menés par la direction de la comptabilité publique, grâce enfin à la diligence particulière avec laquelle la Cour des Comptes a examiné le projet qui lui était soumis et fait connaître ses observations", Le Monde, 15 December 1967.

CHAPTER III

STAGES AND ACTORS

INTRODUCTION

The budgetary process does not consist only in legal and constitutional rules. It also involves a series of organs which participate to the process at the administrative, governmental and parliamentary levels. The aim of this chapter is to identify the main participants to the budgetary process and to describe their rôle with regard to the process[1]. However, in order to know where and when the participants or actors intervene, we begin this chapter by giving an outline of the main stages of the process.

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1. Pressure groups are not included because we consider that they do not intervene as actors in the budgetary process but, instead, are used by or try to influence those directly involved in the process. A series of interviews with leading members of some pressure groups (Confédération Nationale du Patronat Français; Fédération des Travaux Publics; Syndicat de la Construction Electrique; Fédération Nationale des Syndicats d'Exploitants Agricoles) confirmed this point of view. On the other hand, these pressure groups considered that they had an active and direct part to play in the elaboration of the National Plan.

A. STAGES

The budget must be ready in early October at the latest and must be voted within 70 days of its submission to Parliament. These time limits put pressure on the actors involved in the budgetary process and force them to organize their work according to more or less rigid procedures and patterns. At the parliamentary level, the various stages are stated in the Constitution. But at the administrative and governmental levels, they have been gradually evolved by the civil servants and the ministers. They aim at making certain that the Government is in a position to submit to Parliament a final budgetary decision by early October.

1. Preparation of the budget

a) Preparatory work

Budgeting is a continuous year-round activity. The choice of a specific starting point is, therefore, bound to be somewhat arbitrary. It is even more so in France where the money provided for the ministries by the previous Finance Bill has to be definitely allotted by decrees and the documents concerning the final form of the budget have to be prepared before the Ministry

of Finance can really begin its work on the evaluation of the services votés, one of the main parts of the coming budget. For this reason, one of the tasks of the Budget Division[1], in January, is to ask the spending ministries first, to prepare and send back for the middle of February the documents of the budget voté[2]. All the ministerial budgets votés are put together, checked and printed (between March and May[3]). At first sight, this procedure does not seem important but it has its significance for it is on the basis of the budgets votés that the estimates of the services votés are evaluated.

In this connexion, a second circular is sent by the Budget Division asking for the spending ministries' estimates related to the services votés for the coming year (circular generally sent in early March asking for the estimates to be presented to the Budget Division by the end of March). These estimates are checked in the Budget Division and then assembled and printed at once; for there are almost no problems arising out of this procedure, it is purely a mathematical exercise. It is nevertheless essential because the services votés represent roughly 80 per cent of the whole budget and form the background against which the whole budget is prepared. The service votés are seldom challenged and their amount, although it must be exactly evaluated, is often taken for granted. The same does not apply to new measures except, perhaps,

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1. "Budget Division" always refers to the Direction du Budget in the Ministry of Finance. "Bureau of the Budget", on the other hand, refers to the Bureau du Budget of each spending ministry.

2. i.e., as we have seen, the final draft of the budget as voted on by Parliament and allotted by decrees.

3. Unless otherwise specified, the dates mentioned in this section are based on the agenda for the preparation of the 1965, 1966 and 1967 budgets. The agenda for the preparation of the 1967 budget is given in appendix II. p. 447.

insofar as investments envisaged in the Plan are concerned[1]. The discussion of the new measures will be the focal point of the whole budgetary process.

b) The period of global preparation

This period aims at establishing a general framework for the preparation of the budget. It involves only the highest governmental instances (Finance, Prime Minister, President and Council of Ministers).

Early in January, the Budget Division in cooperation with others (Treasury, Revenue and Forecasting Divisions, Planning Commissariat, Délégation à l'aménagement du territoire, IREE) begins to think of the broad perspective of the next budget. Taking into account the previous budget and other general forecasts (for example data concerning the expected rate of increase in the G.N.P.), they must decide what the general shape of the next budget is most likely to be. Each sub-division of the Budget Division must prepare for the third or fourth week of January a memorandum (with some tables) on the likely evolution of the sector it is responsible for, without paying any attention to political or extraneous factors. These memoranda and figures are referred to the head of B2 (Sub-division "Budget") who makes a synthesis of them all and drafts a memorandum for the information of the Director of the Division. This memorandum, which in fact is a rough draft budget, is sent to the Director by the end of January. The Director of the Budget examines the draft, discusses it and issues instructions to the various Sub-divisions and bureaus of the Budget Division asking them for a detailed draft budget for each ministry distinguishing running expenditure and capital expenditure. By the end of February,

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1. The Government feels it ought to execute them as faithfully as it can. For example, if the Plan says that the rate of investment in education should increase by 50 per cent over a 5 year period, the 50 per cent increase can be spread evenly over the period and represent an annual increase of 10 per cent. Or it can be spread unevenly - 5 per cent a year, 15 per cent another - but the same result must be obtained by the end of the 5 year period if this is the aim of the Government.

these individual drafts are sent back to the head of B2 who, in the light of these and of other available information (coming mainly from the Forecasting Division), works out a detailed draft budget (end of March). A memorandum is prepared which indicates what shape the next budget might take on the basis of an expected rate of increase of the Gross National Product, salaries, etc. In this first projection, expenses always exceed revenues and it is clear that major decisions will have to be taken if the aim of the Government is to obtain a balanced budget. "Shall expenditure be cut or taxes increased, shall prices in the nationalized sector be increased and if so by how much ? Shall the Government accept a deficit and if so how large, etc. ?" These are the type of questions which the Director of the Budget will have in mind when he meets the Minister of Finance. His memorandum to the Minister of Finance generally takes the form: "If measures are not taken, the Budget for 196. will be as follows... and thus have a deficit of so many million or billion francs. To avoid this, I suggest that you increase taxes, cut programmes here and there, raise prices in the nationalized sector by x per cent, etc." [1].

During the same period and it seems without too much collaboration with the Budget Division, the Revenue Division and the Treasury Division do their own work with regard to the budget. Since the Budget Division deals mainly with the above-the-line budget and does not look, as the Treasury Division does, at the problem of financing the country's needs as a whole, it is necessary that both processes meet at some stage. Generally, this happens by the end of

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1. The first draft budget generally takes the form (billion francs)

	Expenditure above-the-line	Revenues
Title I : Public Debt	9	
Title II : President, Parliament, etc.	-	
Title III : Running expenditure	60	
Title IV : Capital expenditure	20	
Title V : Defence	20	
	109	106

Deficit of the budget above-the-line of 3 billion francs.

March in the Minister of Finance's office. The Minister of Finance looks at the situation and takes a personal stand on the whole question of the budget and it is this position that he will discuss with the Prime Minister and new high civil servants (end of March). During these meetings, the main options of the budget are determined and the general framework of the new budget decided on. The Prime Minister through his special advisers will already have an idea of what the next budget is likely to be and if he wants to alter the Minister of Finance's policies, it is at this stage that he can most effectively do so. By the beginning of April, an informal meeting (Conseil Restreint) is held at the Elysée. The President is informed of the broad lines of the budget and may alter them if he wishes.

The next day, the first general draft of the budget with the main priorities is submitted to the Council of Ministers for approval. Although it does not seem that a minister can successfully oppose, in the Council, the decisions he is asked to approve, the meeting of the Council remains the most important step of the whole budgetary process, for it is within the limits and priorities determined at that meeting that the budget will be prepared in detail. Instead of one, there may be two or three meetings of the Council of Ministers which deal with the main budgetary policies of the Government. One, at the beginning of April, determines priorities and the percentage increase of new civil and military running expenditure. Another, a week later, determines the percentage increase of new capital expenditure for civil ministries not envisaged by the Plan or the various programme laws. Finally, by May, a Council of Ministers approves capital expenditure envisaged by the Plan. These three meetings set up a framework within which departmental officials will prepare and discuss the estimates proposals for the next budget. Most disputes arising out of the detailed preparation will be

settled at the Minister of State for the Budget or Minister of Finance level and these which cannot be so decided will reach the prime ministerial or presidential spheres by June (for detailed preparation see below). In May and June the Minister of Finance and the Prime Minister (the President also involved) deal with the Defence estimates and take the major decisions concerning the level of expenditure and the priorities which have to be established between the forces and the various defence programmes.

By early August, most ministerial budgets are ready, final figures from the Revenue Division are available and the Government knows what the deficit or surplus of the above-the-line budget will be. The budget below-the-line takes shape as the Government knows more precisely of the needs of nationalized industries, social security services, local government, etc. Some final decisions are made aimed at balancing the whole budget. If the Government does not accept a deficit of the above-the-line budget, it will then proceed to some difficult adjustments, like cutting departmental programmes or "debudgeting" some of them (i.e. taking them out of the budget).

On the basis of Treasury recommendations, the Government will decide what part of the investment programme of the nationalized industries and local authorities it is ready to assume. When all these major questions are settled, the Finance Bill is ready for final approval by the Council of Ministers (September) and for printing and distribution (September).

This is what the French call the <u>préparation globale du budget</u>. Concurrent with and for most of the time inter-mingled with the former, the <u>préparation détaillée du budget</u> goes on mainly involving civil servants and only reaching higher levels when important conflicts arise.

c) <u>The period of detailed preparation</u>

The detailed preparation of the budget does not necessarily follow

the same pattern in each ministry, for very much depends on the internal organization of the ministry and on the importance of its estimates. But let us take a ministry with a General Secrétariat and a service du budget et des affaires financières (SBAF).

At the beginning of the financial year one of the first tasks of the SBAF is to deal with the concluding stages of the previous budget i.e. to settle the budget voté in accordance with the instructions received from the Budget Division (as we have seen a circular is sent by mid-January asking for the budget voté by mid-February). The winding up of the previous budget is linked with the preparation of the new budget because it is on the basis of the information contained in the budget voté that the spending ministry works out the estimates for the services votés i.e. the money needed to keep the ministry going on the same basis as for the previous year. These estimates must be sent to the Budget Division by the end of March (second circular [1]).

The spending ministries also have a period of global thinking about the coming budget. It takes place normally in the SBAF and in the cabinet of the Minister (February and March). During this period, the SBAF collects all kind of quantitative and qualitative information which enable it to make projections about the next budget. It works on the basis of its past experience and of its knowledge of the past budget. Its work on the estimates for the services votés is of great help at this stage for it enables it to have a precise idea of one of the most important parts of the coming budget. But the bulk of its work consists in collecting statistical data related to the the ministry's activities and clientèle. The Ministry of Education will,

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1. Copies of the circulars sent in 1966 (1967 budget) are given in appendices III and IV. See pp. 448 and 452.

for example, evaluate as exactly as possible the probable increase of the student population for the next year. It is on the basis of this increase that it will consider increases in its budget (so many new teachers for so many new students). The SBAF also takes into consideration recent political factors - for example, the public announcement of an administrative reform by the Minister - and evaluates the financial repercussions on the next budget. Furthermore, it holds meetings with the Minister and members of his cabinet to get an idea of what the Minister's intentions are for the next budget. What projects does he have in mind ? What are the likely costs ? Then it proceeds to get more detailed information from the various branches of the ministry. When enough information is assembled, the SBAF prepares a first draft of the budget and, by the beginning of April, a memorandum dealing with the main points of the budget is discussed with the Minister. In this document some measures are classified as absolutely necessary and some others as simple recommendations to the Minister. This note contains a catalogue de choix. Each alternative is evaluated and presented with its advantages and disadvantages. Account is taken of the most probable attitude of the Ministry of Finance and of the psychology of that Ministry. On the basis of this note, the Minister decides between the various alternatives. On these ministerial instructions, the SBAF proceeds to the preparation of a new draft budget, which this time will be sent to the Ministry of Finance by the end of April.[1] This document has two parts. First, it explains the general philosophy underlining the budget proposals and second, it presents single measures with their expected cost and the reasons supporting both the measures and their cost.

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1. The spending ministry is sent a letter and a circular (the third one) just after the meeting of the Council of Ministers which set up the general framework of the budget requesting that the estimates concerning running expenditure (new measure only) and capital expenditure (service votes and new measures) be sent to the Budget Division.

This draft is discussed successively at various levels. At the level of discussion takes place between the heads of the SBAF and the civil administrator of the Budget Division responsible for the ministry's budget. These officials try to settle as many problems as they can, leaving aside (réserve) those on which no agreement is possible. After the completion of the first review of the budget, each officer prepares a document for the information of his respective Minister. These documents enumerate all the measures which have been settled and all those which are deadlocked, with the arguments sustaining or opposing the controversial measures. These documents are studied by each Minister and a meeting takes place to discuss the controversial matters. Most questions are usually settled but it often happens that some controversial matters cannot be agreed upon. These are referred to the Prime Minister who is called to decide between the spending and the financial ministers. Both ministries prepare their dossiers and send them to the Prime Minister's cabinet where they are studied and presented to the Prime Minister.

When the appeal is heard, the Prime Minister is free to discuss any aspect of the ministry's budget, even those which have already been settled. He generally reserves his final decision for later on when he has heard most of the appeals. Then he meets the Minister of Finance and informs him of his decisions.

Once the technical Minister has been informed of the Prime Minister's decision, unless he is willing to press the matter further and go to the Elysée for a final appeal, it is within the limits and priorities set up by the Prime Minister that he proceeds to the allocation of monies between the services of his ministry. This work is done by the Minister himself in close collaboration with his cabinet and the SBAF. Then on the basis of these internal ceilings

and guidelines, the services are invited to work out their estimates. At the services' level, the bulk of the work is done by the various bureaux of the budget. When the detailed estimates are ready, they are assembled in the DBAF which scrutinizes and questions them. A new series of meetings take place within the ministry and when the whole budget has reached its final shape it is referred to the contrôleur financier who adds his written comments[1].

The detailed budget is then referred to the Budget Division with the written opinion of the contrôleur financier. The budget is discussed measure by measure. The basic assumptions decided on previously cannot be challenged at this stage but the Budget Division, for all kinds of reasons (opportunity of the measures, lack of precise information about the measures, etc.) will generally oppose some of the measures put forward.

The measures opposed by the Budget Division and on which the spending ministry does not yield are reserved for a further discussion between the general secretary of the ministry and the Director of the Budget. What remains unsettled at the end of this meeting is then referred to the ministers. If ministers cannot settle the conflicts the matter is referred to the Prime Minister for a final decision. Only a few matters reach this high level of discussion. They generally deal with problems of statute and remuneration of personnel, or involve questions of principle about which both ministries feel very strongly. They may concern the responsibility of transferring some responsibilities (and estimates) from one service to another. Finally, they

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1. The contrôleur financier generally does not participate in policy discussions within the ministry or between the ministries and the Budget Division but he often assists at meetings dealing with the detailed preparation so he is well informed about the budget. He is also asked by the Budget Division to send his comments on some parts of the budget.

may simply deal with individual measures politically or psychologically important[1]. This second series of appeals takes usually place in July and August. Once the Prime Minister has rendered his decision, the spending ministry completes the final draft of its budget called the bleu and sends it to the Budget Division which prints and distributes it to parliamentary committees. This distribution takes place between the middle of August and the beginning of September. In some ministries, the final draft must be submitted to an advisory board formed of representatives of the minister, of the services and of various professional organizations[2].

2. Discussion and vote by Parliament

The bleus are distributed to parliamentary committees during the second part of August and the beginning of September. During the first or second week of September, a meeting of the Council of Ministers approves the Finance Bill and, generally, just after this meeting, the Minister of Finance holds a press conference in which he outlines the main aspects of the Government's budget.

The Finance Bill, together with the economic and financial report and the requested explanatory appendices[3], is tabled in Parliament and

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1. Some years ago for example a well known economist, member of the Institute, asked for a Government car and a chauffeur. Although it seemed evident to the civil servants that all the rules were against this request, they refused to decide on the matter and referred it to the ministers and to the Prime Minister.

2. Such advisory boards exist, for example, in the ministries of Education and Post Office.

3. Article 32, Organic Law.

distributed to deputies, at the latest, by the first Tuesday of October[1]. It is at once referred back to the committees of the House which will, however, already have begun their analysis of the budget through written questions, interviews with civil servants and ministers and hearings. Indeed, by this time, the Finance Committee will have almost completed its main report and will soon approve, amend or reject the Finance Bill. The special and advisory reports will be issued regularly during the session. The National Assembly will begin the first reading of the Bill a week or so after it has been officially tabled in the House; and it disposes of a maximum of forty days for the first reading. When the first reading is completed or at the expiration of the forty day time limit, the Bill with its amendments is sent to the Senate.

The committees of the Senate will already have prepared their reports so that the Senate can at once begin the first reading of the Bill. A maximum of fifteen days is provided for the first reading. When the Senate has gone through the first reading of the Bill or at the end of the fifteen day time limit, the Bill, as amended, is referred back to the National Assembly. If the assemblies disagree on some clauses of the Bill, it can travel from one assembly to another until agreement is reached (navette). But the Government can stop the navette at once (and under the "urgent procedure" immediately after the first readings) by calling for a Joint Conference to be set up charged with finding a compromise. If the Joint Conference succeeds in this endeavour, the Government may[2] submit to both houses the Committee's text. No amendment to the text is allowed unless it comes from the Government or

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1. Article 38, Organic Law.

2. However, if it does not want to submit the text, the navette starts again. Article 113 of the Règlement of the National Assembly, thereafter referred to as Règlement.

is agreed to by the Government. If the Committee's text is rejected by either house or if the Joint Committee is unable to agree upon a compromise, the Government may, after another reading of the Bill by both houses, ask the National Assembly to decide finally. When this happens, the National Assembly has two alternatives. If a text has been proposed by the Joint Committee and previously examined by both houses, the National Assembly can vote on the Joint Committee's original draft with any amendments approved of or put forward by the Government. It can, on the other hand, vote on the text it has voted on last with the amendments adopted by the Senate. But in practice, the Government uses article 44 to require a single vote on the Joint Committee's text and on the amendments it has itself put forward or is willing to accept.

Parliament must vote on or reject the budget within a total period of time of seventy days for, otherwise, the Bill can be enacted by ordinance (Government order).

3. The allotment decrees and the budget voté

Once the Finance Bill has been voted on, the Government, by the end of December, distributes by decree the money provided for by the Finance Bill in rather large masses. These are called allotment decrees and give legal force to the detailed estimates. By the beginning of January, the budget voté is prepared, printed and distributed as explained above.

B. ACTORS

1. Administration, Ministers and Government

a) The spending ministries

All the ministries have at least one important function in common: they must prepare their annual budget. In each ministry, the main responsibility for preparing the budget falls on a Bureau usually called the Bureau of the Budget. But all the external and central services of the ministry have to work on the preparation of the annual budget[1].

At the regional and departmental[2] level, the preparation of the budget is handled mainly by technicians (engineers, agronomists, scientists, and so forth). Their main function is to put forward projects and estimate their costs. Following the administrative reform of 1964 their work is carried out in close collaboration with both the Departmental and the Regional Prefects and their respective staffs. The Departmental Prefect is kept informed of what goes on and he may, on simple request, intervene in

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1. Generally a ministry includes central (Paris) and external (Province) services. The internal organization of the ministries may vary but, on the whole, ministries are divided into Directions, the Directions into Sous-Directions, and the Sous-Directions into Bureaux. A typical Direction has the following hierarchical organization:

   - the director and, possibly, the sub-directors;
   - the heads of bureaus;
   - the various administrators (civil administrators, attachés d'administrations, etc.).

   The Directions fall under two broad categories:

   a) the horizontal Directions (Directions de l'Administration Générale, Secrétaire Général, Services des Affaires Financières, etc.) concerned with questions common to all the Directions, and

   b) the vertical Directions (Direction Générale des Arts et des Lettres, Direction des Archives de France, for example) concerned with the activities of the ministry.

   See on this B. Gournay, "Les administrations verticales" in Revue Economique No. 6, Nov. 1962, pp. 920-930.

2. In this sense "departmental" refers to the 93 administrative units called départements and which form the framework of the local government machinery in France.

any question concerning the affairs of his Department. The contribution of the Department and of the Commune to the financing of some of these projects is, sometimes, very important and the Prefect is in a strong position to initiate and co-ordinate policy[1].

Moreover all the matters related to more than one department and concerned with regional economic development and planning are referred to the Regional Prefect and his services[2]. The Regional Prefect has already played a leading rôle in the elaboration of the regional section of the national Plan and he is expected to ensure, in collaboration with the Departmental Prefects and the heads of the external services and the directors of public bodies, the coherent realization of the Government's investment programmes in the area. He has very few powers of decision but he must be kept informed of the projects put forward by the ministries and, in most cases, he has the right to make recommendations of his own provided

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1. Before the 1964 administrative reform, the heads of the external services were more or less independent of the Departmental Prefects. They used to deal directly with the central services in Paris, and as pointed out in a Government publication (The French Administrative Reform - Paris 1964): "As he (the Prefect) travelled about his department it was not unusual for a Prefect to "discover" major works, such as bridges, schools or hospitals built without his having been informed of their construction, because the decisions had been taken directly between a Paris Minister and his representative in the department". The decree of the 20th March 1964 aimed at making the Prefect "the controller and sole initiator of administrative action in the department. He has all the responsibilities until then exercised by the external departmental heads" (ibidem).

2. See on the organization of Regional Economic Planning in France and on the rôle of the Regional Prefects and of the services attached to them: Notes et Etudes Documentaires, No. 3212 (22 juillet 1965): "L'organisation régionale en France" and ibidem, No. 3243 (7 décembre 1965): "La régionalisation du budget de l'Etat et l'aménagement du territoire 1966". See also Mrs. Rhodes-James, "The Organization of Regional Economic Planning in France", Public Administration (Winter 1967), pp. 353-366.

he has consulted the regional administrative commission[1]. The Regional Prefect is also charged by the Délégation à l'Amenagement du Territoire et à l'Action Rurale (D.A.T.A.R.) with the preparation of an annual report on the situation of his region. This report is used for the preparation of the budgetary explanatory annexe on the regionalization of public investments. Responsible for the co-ordination and stimulation of the Government's economic action in the region, and directly answerable to the Prime Minister through the D.A.T.A.R., the opinions of a Regional Prefect may have important consequences on the decisions taken in Paris.

The claims of the external services are examined by the central Directions in Paris which, with the help of their own small Budget Bureaus establish their budgets. These budgets are then centralized in the service charged with the preparation of the Ministry's budget: the Bureau of the Budget.

The Bureau of the Budget is rarely an autonomous Direction. In most cases it forms part of a Direction du personnel et de l'administration. Within the Direction, it is, generally, only a Service or a Bureau responsible for the ministry's accounts and finances. The tasks of the Bureau are very heavy. For the preparation of the budget, it is the usual intermediary between the Ministry of Finance and the technical Directions of the Ministry. It receives from the Ministry of Finance all the general instructions related to the preparation of the estimates and distributes them to the various services and Directions. It must ensure that their estimates are sent back in time and prepared according to the rules specified in the budgetary

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1. The Regional Prefect is chairman of this commission. It is formed of 1) the Departmental Prefects; 2) the Treasurer Paymaster General of the region; 3) the Inspector General of the Inspectorate of National Economy in the area; 4) the regional representatives of interested ministries.

circulars. It may refer back to the Direction any estimates which, in its opinion, do not comply with these rules as well as any which are overtly ill evaluated. The Bureau of the Budget is an important participant to most budgetary meetings within the Ministry or between the Ministry and the Ministry of Finance. The head of the Bureau of the Budget helps the directors in their dealings with the Ministry of Finance and his experience and skill can be extremely useful. He also helps to prepare the Minister's files for the interministerial budgetary meetings. At the very end when the budget is ready for publication, the Bureau makes sure that the estimates are correct before sending them to the National Printing Office. Its work does not end here for when the budget is before Parliament the Bureau must answer the written questions put to the Minister by the Parliamentary committees (an average of 400, for example, in the case of the Ministry of Education) and it must prepare the Minister's file for the Committees' hearings. The head of the Bureau is often appointed commissaire du gouvernement[1] and allowed to sit beside the Minister in the parliamentary chamber, during the budgetary debates. After the vote on the budget he has to prepare the allotment decrees. He follows the implementation of the budget, makes sure that supplementary estimates are asked for if necessary. All matters concerned with the transfers, virements and carry-over of funds are

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1. Commissaires du gouvernement is the title conferred on those civil servants who, by virtue of an article of the Instruction Générale du Bureau de l'Assemblée Nationale and Senate have access to the committees' rooms and the hemicycle in both the National Assembly and the Senate.

referred to him[1].

In spite of the importance of its functions, the Bureau of the Budget is only a service among others. It has no authority over the Directions. It is rarely used by the Minister as an organ for controlling the activities of the Directions and it does not play an important rôle in the initiation of policy. One of the reasons for this is that, because of the importance of budgetary matters, the technical Directions do not like to hand over to another organ their responsibility in this field. Another factor which makes it difficult for the Bureau of the Budget to play a larger rôle in the budgetary process comes from the presence in every ministry of a representative of the Minister of Finance, the contrôleur financier whose functions sometimes overlap with those of the Bureau. This weak position lowers the prestige of the Bureau and makes it hard for it to press its point of view against the Ministry's most powerful Directions. The Bureau is not in a position to arbitrate the conflicts which may arise during the preparation of the budget. This rôle will generally be assured by the Minister and his cabinet. This lack of prestige is also reflected in the staffing of the Bureau of the Budget. On the whole, members of the grands corps (Inspection des Finances, Conseil d'Etat, Cour des Comptes) do not take appointments in the Bureau. However, the head of the Bureau is likely to have the grade of civil administrator which comes immediately

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1. Some information about the functions of the Bureau of the Budget is contained in the unpublished mémoire of M. Kerjolis, La Direction du Budget (Institut d'Etudes Politiques, Paris 1963), pp. 95 to 99; M. Bellon, "Le rôle du Bureau du Budget dans un Ministère" in Revue Administrative, Sept.-Oct. 1952, pp. 531-597; B. Gournay, L'Administration, Paris, 1964, p. 33; and the Bottin Administratif.

below the three prestigious grands corps.[1] But often he is the only official of the Bureau to have this grade.

In some ministries, however, where General Secretariats have been established to co-ordinate the activities of the Directions the organ responsible for budgetary matters may really be influential.[2] In the Ministry of Education, for example, the General Secretariat includes four services:

1 - Planning and Programming;

2 - Statistics and Forecasting;

3 - Legal;

4 - Budget and Finance.

Here the Service du Budget et des Affaires Financières has authority over all other Directions in financial matters. No Direction can organize a concours to fill a vacancy or to increase its establishment without the approval of the Service du Budget and the whole preparation of the budget

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1. A survey of fifteen ministries carried out in 1963 showed that ten out of fifteen heads of Bureaus of the Budget were civil administrators and eight Bureaus out of fifteen have only one more official of that rank: see Kerjolis, loc. cit. My own survey, carried out in 1966, gave the same results.

2. The recent appointments of strong General Secretaries to the Education, Defence and Posts and Telecommunications Ministries have resulted in the strengthening of the co-ordinating functions at the administrative levels as opposed to the ministerial level. Moreover, it seems that General Secretaries have been appointed by de Gaulle to assist "weak" ministers. Some have called them: "les secrétaires du Général". But French ministers like to co-ordinate policy at their own level. Conflicts between a minister and his General Secretary may very well end with the resignation or dismissal of the latter as was the case between M. Peyrefitte, Minister of Education, and M. Laurent, the General Secretary. See Le Monde, 8 May 1968.

(the Plan as well) is handled by the Service du Budget. It works very closely with the General Secretary and the Minister and plays an important rôle in setting up the criteria for the allocation of funds within the ceiling established by the Minister. The head of the Service du Budget participates and often directs the discussions between his Ministry and the Ministry of Finance.

b) Ministers and Ministerial Cabinets

1. The Minister

The functions of a minister, in budgetary matters, are threefold: first, as a member of the Government, he participates to the elaboration of the Government's economic and financial policy and is responsible for its implementation in the sector under his jurisdiction; second, as head of a technical ministry, he takes the major decisions concerning the budget of his ministry; third, he handles the passage of his budget through Parliament.

The minister is automatically a member of the Council of Ministers where the main budgetary decisions are approved. Even if he does not take any part in the process through which these decisions are reached, he is bound by them and must see that they are carried out. By virtue of ministerial solidarity, he is expected to defend these decisions in public and before Parliament[1].

The minister must also assure the proper working of his ministry. In this regard, the budget enables the minister to establish his control over

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1. See on this Les Institutions Politiques de la France, La Documentation Francaise, Tome I (Paris 1959), p. 270. Thereafter referred to as Les Institutions Politiques de la France, Tome I; there is also a Tome II (Paris 1961).

the Directions. The minister takes the major decisions concerning his budget. With the help of his cabinet and of the Bureau of the Budget, he co-ordinates the preparation of the budget, arbitrates conflicts between the services and deals even with detailed matters if he feels they have some political implications. If, as in the case of the Ministers for Equipment and Social Affairs, he is a kind of economic overlord with two or three Ministers of State (Secrétaires d'Etat)[1] under him, he may also have to co-ordinate the preparation of several departmental budgets. How far he goes into detail depends very much on himself and on the influence of his cabinet. For example, the Minister for Posts and Telecommunications himself takes the decisions concerning large masses of his budget i.e. he determines the general framework within which the administration will have to work: how much increase in investments; how much increase in staff and in salaries and so forth. He delegates to his cabinet and the General Secrétariat the co-ordination of the detailed preparation of the budget. A strong General Secretary, as in the Ministry of Education, will do much to prevent detailed matters from reaching the ministerial level but services with a long tradition of autonomy still by-pass the General Secretary and go directly to the minister. Generally, the minister does not intervene personally in the discussion between his departmental officials and those of the Ministry of Finance but, because of the importance of budgetary matters, he may ask to be kept informed of what goes on and in some cases he may have a word with

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1. The Secrétaire d'Etat is under the jurisdiction of a full minister, from whom he takes orders. The Ministre d'Etat is a senior minister without portfolio. In the hierarchical scale, he is above the ordinary departmental heads. In 1966 for example, MM. Malraux (Cultural Affairs) and Joxe (Administrative Reform) were Ministers of State. See on this De Laubadère, Cours de Grands Services Publics (Paris 1963-1964), pp. 37-42 and P. M. Williams, Crisis, p. 205 for IVth Republic.

the Director of the Budget Division in the Ministry of Finance. When the discussions between his Ministry and the Budget Division are completed, the minister is sent a memorandum on the points of agreement and disagreement[1]. He then meets the Secretary of State for the Budget and tries to settle with him some of the points in dispute. Certain points are set aside for discussion with the Minister of Finance. Now the rôle of the minister takes on a different aspect for here he no longer arbitrates or decides between the conflicting claims of the Directions but, like the Directions, he must try to get his share of the budgetary credits. If he is not satisfied by what he gets from the Minister of Finance, he may ask the Prime Minister to arbitrate between himself and the Minister of Finance.

Finally, when his budget is before Parliament, the minister must defend it and assure its vote by Parliament. Generally, he has to appear before one or two parliamentary committees in both the National Assembly and the Senate.

2. The Ministerial Cabinet

As no Permanent Secretary, in the British sense, exists in the French system of government, the minister is helped in the fulfilment of his budgetary tasks by his Ministerial Cabinet[2]. The members of the Ministerial Cabinet are appointed by the minister and, generally, fall into three groups

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1. This is based on an interview with a minister. He used the expression "liste des points d'accord et de désaccord".

2. A. Dutheillet de Lamothe, "Ministerial Cabinets in France", Public Administration (Winter 1965), Vol. 43, pp. 365-387; Les Institutions politiques de la France, Tome I, pp. 270-274; Robert Buron, Le plus beau des métiers (Paris 1963), pp. 176-189; Bernard Chenot, Etre Ministre (Paris 1967), pp. 71-83.

of assistants: a) those responsible for the minister's private secretariat and for maintaining and developing the minister's relations with his constituency[1], b) those especially concerned with the minister's relations with Parliament and c) those responsible "for the elaboration, on the basis of the minister's general direction, of the general policy he intends to follow and to assure its implementation by a continuous and close liaison, both with the various departmental divisions responsible to the minister and with the cabinets of other ministers"[2]. The first two groups have little to do in budgetary matters. They may draw the attention of the minister to the desirability, from a purely political point of view, of certain kinds of expenditure and the attachés parlementaires keep the minister informed of what goes on in Parliament. They may give him some advice on how he should handle his appearances before the parliamentary committees or the whole Assembly. The bulk of the budgetary work, however, is carried out by the third group of aids: the Directeur de Cabinet, the technical advisers on various departmental business and one or two special economic and financial advisers. These people come from two sources: the Grands Corps and the technical Directions. The Directeur de Cabinet is closest to the minister. He always is a high civil servant, generally Conseiller d'Etat, Prefect or Inspector of Finance. He is well connected with the major economic and

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1. According to the Constitution (article 23), the ministers must give up their seats in Parliament. In fact, they keep nursing their constituency for they are likely to be candidates again.

2. A. Dutheillet de Lamothe, loc. cit., p. 367

financial ministries and has immediate access to other ministerial cabinets, the Prime Minister's office and the Elysée. He co-ordinates the work of the cabinet and within limits defined by the minister he takes decisions, settles disputes between the Directions, initiates policy and controls the work of the whole ministry. He advises the minister on major budgetary decisions, appears before the interministerial budgetary committees and uses his influence in various other ministries to foster the claims of his ministry. During the parliamentary committees' hearings, he assists his minister as commissaire du gouvernement. He may also play a part in his minister's relationship with parliamentary study groups where he may be sent to present his minister's point of view[1].

The rôle of the technical advisers (conseillers techniques) is different. They deal only with a particular and generally well defined sector of the ministry's field of activity. They often come from the Directions and will almost certainly go back to them to pursue their administrative career. They are the intermediaries between the Directions and the Directeur de Cabinet and the minister. They supervise in their particular sector the preparation of the budget, carry out research projects for the minister and give advice on the budgetary problems which may come up in their sectors. The key rôle, however, in budgetary matters, is played by the technical adviser specially appointed to look after the budget of the ministry. This official comes from one of the main Grands Corps preferably from the General

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1. According to my interviews, such appearances are rare in budgetary matters but it seems that some ministers have allowed their Directeur de Cabinet to go before some of the "study groups" of the majority parties, the UNR and Independent Republicans.

Inspectorate of Finance[1]. His rôle may vary according to the minister but on the whole he is responsible for the elaboration in close collaboration with the Directeur de Cabinet of the minister's overall budgetary strategy particularly towards the Ministry of Finance[2]. The fact that he is a member of the Grands Corps and has colleagues in nearly all the financial and economic administrations (Finance, Plan, Prime Minister's office and so forth) facilitates the contacts between them and his ministry. Moreover, the fact that he does not come from one of the departmental Directions puts him in an ideal position to arbitrate the conflicts arising out of the preparation of the budget. When he deals with the Ministry of Finance, he presents the point of view of the whole ministry, including the minister, not only that of a particular Direction. (In some ministries, when the General Secretary tends to play that rôle, the minister's budgetary adviser has, of course, much less to do in budgetary matters). But, in the case of some ministries (Cultural Affairs for example), the budgetary adviser can very well be the éminence grise of the ministerial cabinet, defining the short term as well as the long-term budgetary strategy of the minister, preparing the files for the interministerial budgetary meetings, making recommendations on the internal

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1. As pointed out by Buron, a minister must have in his cabinet: "un inspecteur des Finances en qui il puisse avoir toute confiance. L'âge idéal de ce collaborateur est trente-cinq ans environ car il sera alors camarade de promotion des sous-directeurs de la rue de Rivoli et des membres du cabinet du grand argentier. Il aura en tout cas des relations amicales avec eux. Son rôle sera considérable. Il créera le climat nécessaire au succès nécessaire des entreprises de son patron". op. cit. p. 216.

2. According to Buron - and this is supported by my own interviews: "L'inspecteur des Finances passera la moitié de son temps rue de Rivoli et prendra en charge la présentation et la dépense du budget aux côtés du directeur de l'Administration générale..." Ibidem, p. 188.

allocation of ceilings, meeting the rapporteur of the parliamentary committees and so forth.

c) The Ministry of Finance

In the Ministry of Finance, three Divisions play a major rôle in the preparation of the budget: the Budget Division, the Treasury Division and the Forecasting Division. These Divisions work in close collaboration with other administrative organs which play an important part in the elaboration of the budget: the contrôleur financier, the Fonds de développement économique et social and the Commission des comptes de la nation. The Minister of Finance, assisted by a Minister of State for the Budget, co-ordinates the action of these Divisions and plays a crucial rôle in the making of the budget and in its submission to Parliament.

1. The Budget Division

The Budget Division is at the center of the French budgetary system. It was established in 1920 to look after the preparation of the budget and the control of its execution. It soon extended its control to nearly all sectors of the Government's activities and, as the diagram[1] shows, it now deals with all financial matters directly or indirectly connected with the annual budget: personnel, nationalized industries, Social Security funds, local finance, economic subsidies, etc.). If the traditional principle of the universality of the budget no longer applies to parliamentary control, it is still given the most comprehensive interpretation in the Budget

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1. The diagram is given in appendix V, p. 457.

Division. Despite the wide range of its activities, the staff of the Budget Division is relatively low: about sixty civil administrators.

The Division fulfils three basic functions:

1) It is charged with the overall preparation of the budget in cooperation with the technical ministries, other financial Divisions and the Planning Commissariat. The Budget Division works out the main budgetary forecasts and assumptions which enable the Minister of Finance to establish the general guidelines for the preparation of the budget. The Division issues and circulates instructions on the form of the estimates. It examines the estimates in detail and discusses them with the representatives of the spending ministries. The Director and the Sub-directors of the Budget Division participate in the various interministerial budgetary meetings.

2) When the budget is before Parliament, the Budget Division remains the main adviser of the Government on all the problems which may come up during the discussion. It must see that the Government is always in a position to answer written and oral questions, take a stand on each parliamentary proposals and be ready to make use of the constitutional and procedural weapons at its disposal [1].

3) Finally, it supervises the execution of the budget in order to ensure that spending is carried out according to budgetary provisions. This control is exercised by the financial comptrollers (officials of the Ministry of Finance attached to the various ministries) and through the continuous contacts between the officials of the Budget Division and those of the Departmental Bureaus of the Budget.

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1. For all other matters, this role is played by the General Secretariat of the Government.

The Division is headed by a Director (Directeur du Budget) answerable to both the Minister of State for the Budget and the Minister of Finance. He co-ordinates the work of the Sub-divisions, settles their disputes and, when major difficulties arise between his officials and those of other ministries, he meets his counterpart in these ministries (the General Secretary or the head of the Direction de l'Administration générale) and tries to find a solution. It is only when agreement is impossible at this level that matters are referred to the ministerial and interministerial levels. He represents his Division and plays an important rôle in the major interministerial committees concerned with budgeting and planning, for example, as an ex-officio member of the Fonds de développement économique et social (F.D.E.S.) which is responsible for the allocation of the Government loans to nationalized and private industries[1]. Though the Budget Division is staffed mainly with civil administrators, the Directors nearly always come from the General Inspectorate of Finance[2]. The Director is assisted by a high ranking official and a personal cabinet. Moreover, in the actual organization of the Division, the Service Central d'Organisation et Méthodes (S.C.O.M.) is attached to the Director.

The Budget Division is divided into six Sub-divisions which, in their turn, are divided into Bureaus. The first Sub-division is responsible for the overall preparation and control of the budget while the others are concerned with particular sectors of public spending. They provide the first Sub-division with all the information and detailed analysis it may require.

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1. See below p.146.

2. In 1966, the Director was M. de la Genière, an inspector of Finance and former Director of M. Giscard d'Estaing's cabinet. See on the inspectors of Finance and their influence on the budget, P. Lalumière, L'Inspection des Finances (Paris 1959), pp. 139, 147, 205-207.

Nearly one third of the officials of the whole Division are in the first Sub-division.

The first Sub-division (Budget of the State) includes four Bureaus of unequal importance: B5 (Control of expenditure) is merely an organ of liaison between the Budget Division and the financial comptrollers and the Cour des Comptes; B5 (Defence) deals with the Defence budget while BR (Studies and Revenues) is a research unit. It centralizes information on the evolution of the economy and provides the Division with its own set of economic forecasts and assumptions. It works in collaboration with the Forecasting and Revenue Divisions. The most important Bureau is B2 (Budget). It is charged with the preparation of the budget. It deals with every aspects of the question: revenues, current and capital expenditure, civil and military, etc. It discusses every ministries' budgets. B2 is formed of about twelve civil administrators. Each of them has about two or three departmental budgets under his jurisdiction and is assisted by lower rank officials (attachés d'administration)[1] who look after particular aspects of these budgets. A civil administrator keeps the same budgets for a period of about three to five years but an attaché d'administration may be responsible for the same sector for a much longer period of time. Those officials have frequent meetings with their opposite number in the technical ministries (Bureaus of the Budget). They scrutinize the estimates in detail and discuss them with the heads of the Bureaus of the Budget. Matters which cannot be settled at this level are referred to the Sub-directors and the Director for further discussion and arbitration.

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1. Executive class in Great-Britain.

The second Sub-division (Investments) includes two Bureaus: T1 (Investments) and T2 (Construction). Bureau T1 was formely in the first Sub-division where, during the 1950's, it played a leading rôle in the co-ordination of the Government's investment policy. But this rôle was gradually assumed by the Planning Commissariat and, as a result, the Bureau lost most of its prestige and influence. It became a mere organ of liaison between the Budget Division and the Planning Commissariat and as Kerjolis puts it: "Le Commissariat au Plan a tendance en ce domaine à se comporter comme un bureau spécialisé de la Direction du Budget"[1]. It was probably to change this situation and strengthen the position of the Bureau that, in 1966, it became part of a new Sub-division charged with the preparation and co-ordination of the investment budget in collaboration with the Planning Commissariat and the Treasury Division. It deals also with the matters related to Housing, Regional and Urban Planning and Reconstruction.

The third Sub-division (4 Bureaus) is responsible for all the matters concerning the status, wages and salaries, allowances and pensions in the Defence and Civil Services. It is a powerful organ with its own traditions and spirit[2]. The creation, in 1945, of a civil service Division (Direction générale de la fonction publique) under the direct authority of the Prime Minister reduced the power of the Sub-division. But little by little it regained its influence and, now, it sometimes happens that the Sub-division arbitrates the conflicts between the Direction générale de la fonction publique and the representatives of the civil servants Unions.

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1. Kerjolis, loc. cit., p. 60.

2. Ibid., p. 21.

The next three Sub-divisions are concerned with question linked only indirectly with the budget (local authorities, nationalized industries, Social Security and loans and economic subsidies) but, as pointed out by Messrs. Ridley and Blondel, these Sub-divisions "concern themselves not merely with loans and subsidies for these services but also with their budgets generally and the implication of their budgets for the national economy"[1].

2. The Financial Comptrollers

A particular feature of the French budgetary system is the presence in the various ministries of a representative of the Minister of Finance: the financial comptroller[2]. This official is not a member of the Budget Division but his functions are so closely entwined with those of the Budget Division that he is often considered as its representative (correspondant) in the technical ministry. His functions can be considered from three points of views: a) as a comptroller; b) as an accountant and c) as an adviser on budgetary matters. The first two tasks of the financial comptroller are not directly connected with the subject of this thesis but they are worth mentioning because they show why he can be relied upon for advice when the estimates are prepared. As a comptroller, the financial comptroller checks the regularity and accuracy of all proposed expenditure. His control, very much like Treasury control in Great-Britain, is exercised before the commitment of funds. As an accountant, the financial comptroller keeps

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1. Public Administration in France (London 1965), p. 178.

2. On the functions of the financial comptroller, see Ridley and Blondel, Ibid., p. 183; Pallez, Cours, pp. 272-277; Kerjolis, loc. cit., pp. 100-113.

record of the financial transactions of the ministry. His accounts are regularly compared with those kept by the ministry: they must be identical. Copies of these accounts are provided to the Finance committees in Parliament. Finally, because he fulfils these two functions, the financial comptroller is well aware of what goes on in the ministry and the Budget Division uses him as an adviser when the estimates of the ministry are sent for examination. This function, in fact, takes both a formal and informal aspect, the latter being much more important. The formal aspect consists in a written report which the financial comptroller attaches to the estimates of the ministry when they are sent to the Budget Division. In this report, he is supposed to give his opinion on the soundness of the estimates but these reports are often seen by the ministry (a financial comptroller told me that he shows his report to the minister "out of courtesy") and, if he wants to maintain good relations with it, he feels he cannot write what he really thinks. Hence these reports tend not to be given much weight by the Budget Division. On the other hand, the informal and, of course, oral relations of the financial comptroller with the Budget Division carry much more influence. In these private dealings, the financial comptroller can submit his views more freely. He refers to the main weakness of the ministry, explains some of its problems and gives various information on the soundness of the estimates. He can point out, for example, some over evaluation, give details on the amount of appropriated funds which are carried over and so forth. These meetings which generally take place before the budgetary discussion between the Budget Division and the technical ministries can very well determine the outcome of the discussion. The task of the financial comptroller, however, is complicated by the fact that the technical ministries

tend also to use them as consultants on budgetary matters. He may give them advice on how to prepare their estimates and, sometimes, on how to handle their relations with the Budget Division. These are delicate functions and he must be extremely careful for if he gets on too friendly terms with the technical ministry his opinions will lose weight in the Budget Division and vice versa.

3. The Treasury Division and the Fonds de développement économique et social

The responsibilities of the Treasury Division are complex[1]. Broadly speaking, they concern the elaboration and implementation of the Government's financial and monetary policy at both the national and international levels. Insofar as the budget is concerned, the Treasury Division deals with three main sorts of questions: a) the determination of the overall balance of the budget in a particular year; b) the preparation and control, in liaison with the Budget Division, of the part of the Finance Bill which corresponds to the Special Treasury Accounts[2] (essentially loans to the public and private sectors) and more particularly, the Fonds de développement économique et social (F.D.E.S.) which provides the loans and advances which the Minister of Finance is authorized to make as a contribution to financing the projects set out in the national Plan and in the regional expansion programmes such as those relating to building, rural equipment, increasing productivity, industrial and agricultural conversion, and industrial decentralization[3].

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1. Pallez, Cours, p. 46; Ridley & Blondel, op. cit., pp. 178-180; De Laubadère, Cours (1963-1964), pp. 121-125; André de Lattre, Politique Economique de la France depuis 1945 (Paris 1966), p. 21; François Bloch-Lainé et de Vogüé, Le Trésor Public et le Mouvement Général des Fonds (Paris 1960); A reorganization of the Treasury Division took place in 1966 and 1967 (See Le Monde, 10 oct. 1967).

2. See Chapter II p.29.

3. See Bauchet, Economic Planning the French Experience (London 1964) p. 82.

The F.D.E.S., in fact, is administered by a Governing Body (Conseil de Direction) chaired by the Minister of Finance and composed of the minister concerned with economic matters, the General Commissionner for the Plan, the Delegate for Regional Development, the Prefect of the Paris region, the Directors of the Budget, Treasury and Prices Divisions, the Governor of the Bank of France and the Directors of the four main public institutions concerned with credit: Caisse des dépôts et consignations, Crédit national, Crédit foncier and Caisse nationale de crédit agricole. Its secretariat is provided by the Treasury Division. The F.D.E.S. fulfils two functions: a) it gives general advice to the Government on its policy towards public and private investments and b) it examines the allocation of the Funds' annual expenditure and the conditions on which it grants loans and gives guarantees. To fulfil its second task, the Governing Body is assisted by a certain number of specialized committees which, when the budget is prepared, consider the various applications for loans and advances put forward by the technical ministries. Committee No. 1, for example, chaired by the General Commissioner of the Plan, is concerned with loans to the private sector. Another important committee deals with agriculture. The opinion of these committees are examined by the Governing Body which then issues a report dealing with all investment expenditure financed from public money and more particularly with the loans allocated by the F.D.E.S., the rate of interest, conditions of reimbursement and so forth. This report, Rapport du Fonds de développement économique et social, is published as an appendix to the Finance Bill[1]. When the budget has been approved by Parliament, the Governing Body and the committees complete the details of the various projects and supervise their

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1. See Chapter II p.96.

implementation[1].

4. The Forecasting Division and the Commission on National Accounts

In France, the preparation of the National Accounts (previous year) and of the National economic budget (current and coming year) is closely linked to the preparation of the Government budget. There is even a constitutional provision which makes this obligatory. It is, among other things, the task of the Forecasting Division to prepare, in liaison with the Budget and Treasury Divisions, the national economic budget. The Forecasting Division also contributes, in liaison with the Planning commissariat and the ministries concerned, to the preparation of the Government's medium and long-term economic policy. It can also carry out cost benefit studies of individual projects and proceed to overall re-assessment of major Government investment programmes (Concorde, for example). Up to 1965, the Forecasting Division was called the Service des études économiques et ~~statistiques~~ financières (S.E.E.F.) in the Treasury Division. It consists of about ninety civil servants of the highest grade (cadre A) coming from the main civil and engineering Grands Corps, the National Institute of Statistics (I.N.S.E.E.) and the Centre d'études des programmes économiques, an institute for the economic an

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1. Over the last few years the influence of the F.D.E.S., as an adviser on economic investments, seems to have declined. The amount of loans made through this account has fallen from 5,000 million francs in 1960 to 2,500 millions in 1967 (see Chapter IV p.337). M. Mendès-France (Courrier de la République, July 1966) has criticized this situation and recommended the transformation of the F.D.E.S. into a National Council for Investments "doté d'une compétence étendue à l'ensemble des interventions de l'Etat dans le domaine des investissements". For similar point of view, see Club Jean Moulin, Pour une Démocratie Economique (Paris 1964), pp. 94-95.

2. See J. Mayer, "Questions sur les budgets économiques", Etudes de Comptabilité Nationale, No. 2 (Paris 1961), pp. 3-27; E. de Jouvenel, The Art of Conjecture (London 1967), pp. 204-206; Elaine Mossé, Comment va l'Economie (Paris 1965), pp. 85-102; O.E.C.D., Techniques of Economic Forecasting (Paris 1965), Chapter III on France.

and mathematical training (recyclage) of civil servants. The Division can also hire various experts on contract.

In relation to the budget, the rôle of the Forecasting Division is twofold: first, it provides the Budget Division with short term and medium term forecasts and with economic assumptions used for the preparation of the preliminary budgetary perspectives. The Budget Division sends the first budgetary outlines to the Forecasting Division which, then, takes them into account in the establishment of more detailed forecasts and so forth. These exchanges of information are often co-ordinated by the Ministerial Cabinet. Second, this internal work is centered on and leads to the publication in early September of two important budgetary appendices: the Economic and Financial Report and the Comptes Prévisionnels de la Nation pour 1966 et les Principales Hypothèses Economiques pour 1967 (in other words the national economic budget). The Forecasting Division prepares the economic part of the Economic and Financial Report while the Treasury and Budget Division deals with the financial aspects. The national economic budget is prepared in collaboration with the Institut National de la Statistique et des Etudes Economiques (I.N.S.E.E.) (Since 1962, I.N.S.E.E. deals with the National Accounts of the previous year) and under the supervision of the Commission des Comptes de la Nation. The Forecasting Division provides the secretariat of this commission which was established in 1952 to examine and express its views on the National Accounts and the forecasts. This is how the forecasting process is linked with the work of the Commission and, ultimately, with the presentation of the Finance Bill in September.

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1. See below p. 94

The Commission meets twice a year, in May and September. In May, the Commission examines and discusses the National Accounts of the previous year, (say 1965), the revised forecast accounts for the current year (1966) and preliminary economic assumptions and forecasts for the coming year (1967). The latter are generally those used for the preparation of the coming budget. The proceedings of the May session are not published and parliamentarians no longer take part to these meetings[1]. In September, the Commission examines the Government's economic assumptions and forecasts and comments on them and the links between these and the Finance Bill are explained. In spite of the publicity which is given to the September meetings, it seems that they are more formal and deliberately less important than those of May (or any other meetings which may take place at the request of the Minister of Finance). This machinery, in the opinion of officials of the Forecasting Division, has two essential virtues: first, it forces the Ministry of Finance to prepare reports on the forecasts and to submit them to the scrutiny of a group of experts; second, it enables (particularly in the secret meetings) various interest groups to express their views quite freely and to discuss them with representatives of the Administration.

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1. Up to 1958 the Commission, composed of a large delegation of parliamentarians and of representatives of the Administration and of the various economic interests, met regularly under the chairmanship of M. Mendès-France. From 1958 to 1960, it did not meet because the Government did not like the idea of seeing high civil servants express their opinion on some aspects of the Government's economic policy in front of parliamentarians often hostile to the régime. In 1960, the Commission was re-organized. The Minister of Finance became the chairman and parliamentarians were excluded from the Commission's regular meetings. The Chairman and Rapporteurs Généraux of the Finance Committees of the National Assembly and the Senate were allowed, however, to participate to the annual meeting which precedes the debate on the budget. For the regular meetings, the Administration is represented by the Governor of the Bank of France, the General Commissioner to the Plan and the Directors of the various economic ministries. The other members consist of representatives of the Trade and Agricultural unions and of industry and of eight personalities appointed by the Prime Minister, for example, MM. Jacques Rueff, François Perroux, Alfred Sauvy, Raymond Aron, Bertrand de Jouvenel. On this, see de Lattre, op. cit., p. 53.

d) The Minister of Finance

> "... tout depend de la personnalité de l'homme installé aux commandes de la rue de Rivoli. Jeune ou vieux, désireux d'étendre ses responsabilités ou de les esquiver, domine par l'esprit de parti ou par une formation technique antérieure, féroce ou facile, ses caractéristiques individuelles peuvent changer du tout au tout son rôle propre - et ses relations avec ses collègues - et sa position vis-à-vis du pays".
>
> Dominique Leca, Du Ministre des Finances.

Before considering the ministerial organization of the Ministry of Finance and the specific functions of the Minister of Finance with regard to budgetary matters, I would like to look at his place in the Government i.e. in relation to his ministerial colleagues and the Prime Minister.

1. Place of the Minister of Finance in the Government

In theory the Minister of Finance is no more than the equal of his colleagues. Except in one or two instances where he has been elevated to the rank of an economic overlord[1], he has no authority over them. He is responsible for the overall preparation of the budget. The budget is the result of a decision-making process which involves all the members of the Government. The Minister of Finance may be challenged, his decisions contested and conflicts are resolved at the prime-ministerial level. The Organic Law of 1959 makes this clear when it states that the Minister of Finance prepares the Finance Bill under the authority of the Prime Minister and the general supervision of the Council of Ministers[2]. Both MM. Debré and Pompidou, as

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1. See André de Lattre, Ibid., p. 19.

2. Article 37. The decree of 1956 attributed much larger powers to the Minister of Finance when it stated in article 49: "Le projet de loi de finances est etabli par le Ministre des Finances. Il est présenté à l'Assemblée Nationale, au nom du Président du Conseil des Ministres, par le Ministre des Finances, qui est charge d'en exposer les motifs et d'en soutenir la discussion".

Prime Ministers, have exercised their prerogatives in economic and financial matters, thus stressing the subordinate rôle of the Minister of Finance. This has made it easier for other ministers to contest the Minister of Finance's leadership during the preparation of the estimates. A slight change took place in 1966 when M. Debré was appointed Minister of Finance. He seems to have been given larger co-ordinating responsibilities over economic ministries: Equipment, National Health and Agriculture. The Minister of Agriculture, M. Edgar Faure, however, let it be known that he would report direct to the Prime Minister, and not through the Minister of Finance and, on the whole, except perhaps in the case of the Minister of Social Affairs, M. Jeanneney, who is a personal friend of M. Debré, the Minister of Finance does not seem to have exercised larger co-ordinating and arbitrating functions than his predecessors. The Prime Minister, as we shall see, still plays a major rôle in this regard. What has changed is not the place of the Minister of Finance in the Government but the conception he has of his rôle[1]. In fact, the influence of the Minister of Finance varies according to his personality, his personal relationship with various ministers, the Prime Minister and the President and, particularly under the IVth Republic, his political (parliamentary) and public support[2].

There are, however, a series of factors which strengthen the position of the Minister of Finance vis-à-vis his ministerial colleagues. They are worth mentioning here because they show that, in practice, the Minister of Finance, because he holds the purse strings, has more influence on the activities of his colleagues than his constitutional position implies:

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1. See below pp. 297, 307-308.

2. See Dominique Leca, Du Ministre des Finances (Paris 1966).

First, any arrêté, decree or Bill which in one way or another implies the spending of public money must bear the counter signature (contreseing) of the Minister of Finance.

Second, officials of the Ministry of Finance sit on every important interdepartmental committee to ensure that due attention is paid to the financial aspects of any questions. They can object to decisions on purely financial grounds and they enjoy, in fact, a real power of veto. The composition of these committees is often more favourable to the Ministry of Finance than to the technical ministries. For example, on a committee set up to iron out conflicts between the Ministry of Finance and the Ministry of Posts and Telecommunications on the allocation of various grants to publishers, the Ministry of Finance had two representatives while the technical ministries had only one representative each[1].

Third, the presence in the spending ministries of an official and permanent representative of the Minister of Finance (contrôleur financier[2]) strengthens his position vis-à-vis his colleagues. Decisions committing public funds must be cleared with the contrôleur financier. In theory, he can only object to proposals on grounds of irregularity but, in practice, he often raises objections which have more to do with the desirability of the measure[3]. He can also provide the Minister of Finance with useful information on the activities of the spending ministry.

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1. See André Santini, L'aide de l'Etat à la presse (Paris 1966), p. 55 and ff. The most interesting pages of this book are devoted to the relationship between the Ministry of Finance and the Ministry of Posts and Telecommunications. They show that the former are much more rigid and negative in their approach to the question of governmental help to the press: in the committee "les fonctionnaires des Finances ont transporté leurs réticences à accorder si facilement les avantages, même autres que fiscaux, si importants. On assiste à un jeu d'alliances au service de l'indulgence, etc." p. 61.

2. See above p. 144.

3. See G. Deveaux, op. cit., pp. 10-11.

Fourth, all the public accountants are attached to the Direction de la Comptabilité Publique in the Ministry of Finance. They are concerned only with the regularity of spending but they represent the Minister of Finance and constitute another element which enables him to make his presence felt in every spending ministry.

Finally, the Minister of Finance has important powers with regard to questions of personnel and purchasing and contracting procedure in the civil service. He is responsible, in collaboration with the Direction Générale de la Fonction Publique, for matters related to the number and pay of the civil service. He also determines the conditions according to which contracts for the purchase of material and the realization of public works are entered into and carried out. These powers enable him to check the activities of his "spending" colleagues in fields essential to the implementation of their policies.

All these powers have been accumulated over the years. The Ministry of Finance attaches much importance to them for they enable it to control, through the financial network, the activities of the various ministries. They have led many people to speak of the all powerfulness of the Ministry of Finance and to see a de facto supremacy of the Ministry over the whole administrative machinery. But these powers are more negative than positive. They enable a minister to say "no" but not to initiate or, even, co-ordinate policy. Hence, the Minister of Finance may often find it difficult to object - on some of the grounds outlined above - to the policies put forward by a well informed

and determined spending minister[1].

2. Ministerial Organization

At the ministerial level, the organization of the Ministry of Finance has often varied. Various Ministers of State have assisted the Minister (Ministers of State for the Budget, Finance, Economic Affairs, Foreign Trade). In 1966, there were two Ministers of State: M. Boulin for the Budget and M. Nungesser for Foreign Trade. The Ministers of State "assistent le ministre dans l'exercice de ses attributions"[2].

3. The Minister of Finance and his Cabinet

The Minister exercises three main functions with regard to the budgetary process. First, he co-ordinates the action of the various Divisions of his Ministry concerned with the preparation and execution of the budget. He arbitrates conflicts between them and takes all the major budgetary decisions. Second, he prepares and discusses with the Prime Minister and the President and then submits to the full cabinet a general framework for the preparation of the budget. He writes, personally, to all spending ministers to inform them of the consequences of these general guidelines on the detailed preparation of their budgets. Third, when agreement has proved to be impossible

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1. Several civil servants when questioned about the "toute puissance du Ministre des Finances" have said that this was certainly no longer true. The representatives of the Ministry of Finance are sometimes overwhelmed by the complexity of the matters under discussion and their contribution to the discussion and, eventually, to the decision reached is of little significance. Santini, in his study on the working of some committees, shows that the representatives of the Ministry of Finance had to give way before the coalition of all the technical ministries involved (op. cit., p. 61). See also on "le mythe de la toute puissance du ministère des finances", G. Pallez, Cours, p. 23. French authors often point out that the Minister of Finance is in no way as powerful as the Chancellor of the Exchequer who they claim "exerce une prépondérance rcelle sur ses collègues": Duverger, Finances Publiques, p. 253.

2. J. O. 28 April 1967.

between the spending ministers and the Minister of State for the Budget, he meets the dissatisfied ministers and tries to find a solution. If the matter is referred to the Prime Minister or the President for final arbitration, he presents the point of view of his administration. Finally, he submits the Finance Bill to the Finance Committee of the National Assembly and participates in the main debate on the Bill. In collaboration with the Prime Minister and the minister responsible for the relations with Parliament, he decides the Government's strategy for the whole parliamentary debate.

To fulfil the heavy duties, he has the help of a generally large and powerful personal cabinet. The size and composition of the cabinet vary according to the ministers[1]. M. Giscard d'Estaing had a relatively small cabinet (about fifteen) formed of officials coming mainly from the various Directions of the Ministry. Seven of them were Inspectors of Finance. M. Debré, on the other hand, had a large cabinet (about forty) which, besides the officials provided by the various Directions, included several "outsiders" (polytechniciens and various engineers like MM. de Marcillac (I.N.S.E.E.), Suard (Ponts et Chaussées), Groussard (ingénieur agricole), etc.). Generally, three officials have special duties with regard to the budget: one deals with the estimates (expenditure) and overall co-ordination, one with revenues and

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1. This is a diagram on the organization of the Giscard d'Estaing cabinet:

   A. Chargé de Mission auprès du Ministre
   B. Director of the Cabinet
   C. Assistant Director of the Cabinet
   D. Chef de Cabinet and private Secretary
   E. Technical advisers and chargés de missions:

      1. Treasury
      2. Expenditure
      3. Revenues and taxes
      4. Prices (and stabilization plan)
      5. Agriculture
      6. Housing.

taxes and, finally, one with treasury matters. All the memoranda coming from the Budget Division are channelled through the technical adviser responsible for the estimates (he nearly always comes from the Budget Division) and the memoranda issued by other Divisions but concerned with the budget are also referred to him. They are discussed with the Director or assistant Director of the cabinet and, eventually, referred to the Minister. The Minister's budgetary policy is also outlined by his cabinet which then sees to its implementation by the various Divisions. The cabinet plays a major rôle in preparing for the various interministerial committees and meetings with the Prime Minister and the President. The Director of the cabinet and one or two technical advisers participate to these meetings. The cabinet assists the Minister in his relations with Parliament. Deputies and senators generally see members of the ministerial cabinet when they want to get some information or press their claims for particular projects and the cabinet is a useful adviser when the Minister appears before the Finance Committees and the National Assembly. However, like the Minister, the cabinet deals only with the most important questions for all the detailed matters are handled by the Minister of State for the Budget and his cabinet.

4. The Minister of State for the Budget

The Minister of State for the Budget (or Finance as the case may be) is, since 1945, a permanent feature of the ministerial organization of the Ministry. He derives all his powers from the Minister and their extent depends largely on his personal relationship with him. M. Giscard d'Estaing held this post (as Minister of State for Finance) under both MM. Pinay and Baumgartner (20 January 1960 to 14 April 1962). When he was appointed Minister

of Finance, the post went to M. Boulin, a member of the U.N.R. who held the post until 1968. Under Giscard d'Estaing, the scope of M. Boulin's action was strictly limited. They came from different political parties and Giscard d'Estaing, having held the post before, kept all budgetary matters under his direct control. M. Boulin's duties consisted mainly in dealing with the day to day business of the Budget Division and in following the debates in both the National Assembly and the Senate[1]. When M. Debré became Minister of Finance, he delegated more power to the Minister of State. Both were from the same political party and M. Debré thought that M. Boulin could assume more power without challenging his authority[2].

The relationship between the Minister of State for the Budget and the Director of the Budget (i.e. between a junior minister and the head of one of the most powerful Divisions in the whole Administration) might pose problems, but it does not seem to have for two main reasons. First, their work is complementary. The Minister of State deals with the political aspects of the budgetary process: meetings with ministers and, more particularly, the relationship between the Budget Division and Parliament. Second, the effective head of the Budget Division is the Director. He co-ordinates the work of the Sub-division and, on all important matters, he reports direct to the cabinet of the Minister of Finance[3].

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1. As a member of M. Boulin's cabinet told me: "Giscard d'Estaing était un jeune ministre. Il avait été secrétaire d'Etat auparavent et comme ministre des finances il jouait sa carrière politique. Il valait mieux pour lui tout avoir en main, tout contrôler".

2. Same interview: "Quant à M. Debré sa carrière est faite. C'est un ancien premier ministre. Il se sent plus libre vis-à-vis M. Boulin".

3. He participates to the various meetings which take place regularly in the cabinet of the Minister. M. Giscard d'Estaing used to meet the heads of the main Directions once a week. Under Debré they met every Monday in the office of the Director of the cabinet. (See on Debré, l'Express, 3-9 July 1967).

The rôle of the Minister of State is as follows:

First, he is closely associated with the elaboration of the Government's budgetary policy through his participation to all the inter-ministerial committees which directly or indirectly are related to the budget (economic, transport, regional development, etc.). However, he has no power of decision in this respect and his influence on the decisions is purely marginal[1].

Second, he follows the day to day preparation of the budget: issue of budgetary circulars; settlement of minor political problems; meetings with spending ministers to iron out points of conflicts between them and the Budget Division (some ministers, however, responsible for questions falling in the presidential sector, Defence and Foreign Affairs for example, deal only with the Minister of Finance). He generally has at least three budgetary discussions with each minister: a) one on their current expenditure; b) one on their capital expenditure projects mentioned in the Plan and c) one on their capital expenditure projects not mentioned in the Plan. The Minister of State participates to all the meetings held at Matignon for the arbitration of conflicts between the Minister of Finance and his ministerial colleagues.

Third, the main rôle of the Minister of State is in relation to Parliament. Budgetary debates are time consuming (if one includes the committee stage they lasted, in 1966, from 15 September when the Minister presented the budget to the Finance Committee to 7 December, date of the last vote) and the bulk of the work is carried out by the Minister of State. He

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1. It is important to note here that the Minister of State does not represent the Budget Division in these meetings for very often the Director of the Budget and the Minister of Finance are also members of these inter-ministerial committees.

appears once or twice before the Finance Committee and represents the Minister of Finance during most of the discussion on the floor in the National Assembly. In the Senate, his rôle is even greater for he must defend nearly all the ministerial budgets[1].

Finally, since he is generally the head of the Direction de la comptabilité publique as well as the Budget Division he follows the execution of the budget and the preparation of the Appropriation Account Bill. He authorizes a certain number of virements and transfers and controls the spending of credits.

e) The President and the Prime Minister

1. Coordination and Arbitration

To deal with the President and the Prime Minister's rôle in the budgetary process poses certain problems. In most cases, neither is specifically concerned with budgeting. They intervene either as co-ordinating organs or when they are solicited to arbitrate conflicts[2] between the Minister of Finance and his colleagues, or when they feel that their intervention is necessary to ensure the efficient implementation of the Government's policy. The Organic Law states that the budget is prepared under the authority of the Prime Minister. But it is the Prime Minister himself who determines how he exercises his authority. He may delegate his powers to the Minister of Finance who would then become an economic overlord, hierarchically superior

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1. Since the quarrel between the President of the Senate and General de Gaulle (1962), senior ministers refuse to appear before the Senate. Only the Ministers of State are allowed to appear. But see Chapter V for debates on the 1967 budget.

2. The French expression "arbitrage des conflits" is given a literal translation in this thesis.

to the "technical" ministers or he may choose to assume large responsibilities in budgetary matters. He could, for example, as it has sometimes been suggested[1], bring the Budget Division under his direct authority and supervise both the overall and detailed preparation of the budget. On the other hand, the President may think that it is he who has authority in budgetary matters and he who delegates the authority to whom he likes and this brings us to our second sort of problems.

The Constitution of 1958 is ambiguous[2]. The President is presented as the "arbitre national" and the Prime Minister as the head of the Government[3]. In normal circumstances, the President's function as an arbitrator could have been primarily that of an adviser of the Government[4]. In fact, the system has evolved rapidly towards the exercise of effective decision-making power by the President not only in the sectors attributed to him personally by the Constitution but in all those he thought he should be concerned with[5] as "the man the nation has chosen to answer for its destiny"

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1. By members of Mr. Pompidou's office for example or by Mr. F. Bloch-Lainé: "Pour une réforme de l'administration économique", in Revue économique, No. 6, November 1962, pp. 861-885.

2. See D. Pickles, The Fifth Republic (2nd ed., London 1963), pp. 31-32.

3. On the powers of the President as conceived in the early years of the Vth Republic, see P. Williams and M. Harrison, De Gaulle's Republic (London 1960), pp. 122-131.

4. D. Pickles, op. cit., p. 31.

5. As pointed out by Williams and Harrison as early as 1960-61: "This is not the simple arbitrator who merely solicits decisions, so passionately advocated by Debré. Instead, de Gaulle seeks to be "guide of France and chief of the Republican State, exercising the supreme power in all the breath it carries", ibid., p. 130. De Gaulle had so dominated his cabinet that Professor Duverger could ask: "Does Debré exist ?", Ibidem.

as de Gaulle himself described it in his press conference of 31 January 1964. However, de Gaulle also said that "his task implies that he be not absorbed without remission or limited by the political, parliamentary, economic and administrative round (conjoncture). That, on the contrary, is the lot, as complex and meritorious as it is essential, of the French Prime Minister". This clearly places the budget in the sector directly attributed to the Prime Minister. Then, however, he went on to say that there was "no water-tight separation between the two areas on which, on the one hand the President and, on the other he who seconds him, daily exercise their attributions.".

This last remark raises some problems for the Prime Minister. First, it means that any decision he takes with regard to the budget can be challenged by the President. Second, it enables the Minister of Finance (or any other minister who disagrees with the Prime Minister) to appeal to or deal directly with the President if, for various reasons, he feels that he is in a situation where the two "areas" overlap. Finally, it implies that the President can take (or "provoke" as M. Debré would put it) decisions with grave economic and financial consequences (the creation of an independent nuclear deterrent force for France for example) which the Prime Minister must take into account when he exercises his authority in budgetary matters. This does not mean that when such decisions are taken the Prime Minister, the Minister of Finance and the Government as a whole are not consulted by the President for, as pointed out by de Gaulle during the same press conference, "cabinet meetings and conversations are there to allow the Head of State to define as required the orientation of national policy, and to permit ministers and the Premier first of all, to put their points of view, explain their

activities in detail, and report on the execution". It means that once these decisions have been taken by the President the Government is obliged to comply with them.

2. The Prime Minister

Within these limits, the two Prime Ministers of the Vth Republic have been able to play a large rôle in the elaboration and co-ordination of the Government's economic and financial policy.

i) They never let the Minister of Finance take over the full control of the governmental economic machinery. The dismissal of M. Antoine Pinay as Minister of Finance in January 1960 and the appointment of a technocrat as his successor (M. Baumgartner, Governor of the Bank of France since 1949) enabled Debré to maintain his authority over economic and financial matters.

As pointed out by Philippe Bauchard [1] :

> "Baumgartner demeure comme symbole, mais de l'Hôtel Matignon le Premier Ministre règne en maître sur les affaires économiques. Un triumvirat contrôle maintenant les affaires d'intendance jusqu'en 1963. Debré, Premier Ministre, Jeanneney, Ministre de l'Industrie, Valéry Giscard d'Estaing, Secrétaire d'Etat au Budget, dirigent sans partage".

Debré intervened in all sectors (regional development, agricultural reforms, roads, professional training, etc.) and priority was given to the Plan. In 1962, the Planning Commissariat which had been attached to the Ministry of Finance since 1954 was brought under the authority of the Prime Minister and in 1963 a Délégation à l'Aménagement du Territoire was established and

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1. P. Bauchard, L'Economie au service du pouvoir, (Paris 1967) p. 27 and p. 30.

attached to the Prime Minister's office. These changes extended the powers of the Prime Minister in the economic field, because of the increasing importance of the two organs in the elaboration of the Government's medium and long-term investment programmes. They enabled him to intervene directly in the elaboration of the annual budget and in the control of its execution[1]. Now the main decisions concerning the relationship which should exist between the Plan and the annual budget, the percentage of increase of capital expenditure and the sectors and regions which should be given priority are taken at Matignon.

ii) The overall co-ordination of the Government's economic policy is carried out at the prime ministerial level through a complicated network of inter-ministerial committees and groupes de travail. There are two kinds of interministerial committees[2]. First, those established by a decree published in the Journal Officiel. These are formally constituted committees with a well determined membership, a permanent secretariat and, generally, they are assisted by advisory bodies composed of the representatives of various interests. At the moment, there are three committees of this kind:

- Aménagement du territoire et action régionale (decree of 19 November 1960);
- Recherche scientifique et technique (decree of 29 November 1958);
- Formation professionnelle et promotion sociale (law 66-892, 3 December 1966).

The second kind of interministerial committees consists of those which are given no formal status. The most important of these committees is the

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1. See Pallez, Cours, p. 37.
2. The interministerial committees are formed mainly of ministers while interdepartmental committees include civil servants only.

interministerial economic committee (le comité économique interministériel). It is chaired by the Prime Minister. Established under the IVth Republic with a very formal set up[1], it had its own secretariat but it never really worked[2]. With the Vth Republic, much greater use was made of the committee but it became less and less formal. It meets weekly and brings together ministers and high civil servants concerned with economic matters. Its membership varies according to the problems under study. The only permanent members are the Prime Minister and the Minister of Finance. In 1966, the secretariat of the committee was assured by M. Aubry (civil administrator from the Ministry of Finance) the economic adviser to the General Secretariat of the Government. In March 1966, three study groups were created and made answerable to the economic interministerial committee. Their main function was to follow the implementation of the Vth Plan in three basic sectors: public administration, public enterprises and industrial development. M. Iasry, conseiller d'Etat, was made rapporteur général of the study group on public administration (comité de l'Administration). M. Simon Nora was appointed rapporteur général of the study group on public enterprises and M. Ortoli, general commissioner of the Plan, was made rapporteur général of the study group on industrial development. The study groups included ministers, high civil servants and various experts. They were chaired by the Prime Minister. None of their rapporteur général came from the Ministry of Finance and they had to report to the interministerial economic committee. The

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1. B. Gournay, J. F. Kesler et Jeanne Siwek-Pouydesseau, Administration Publique (Paris 1967), and interview with B. Gournay.

2. In 1953 (decree of 19 March 1953), the Government created also an interministerial committee "charge de suivre la preparation et l'exécution du Plan". It never worked either. It was re-established by an arrêté of 31 July 1961 but was never convoked. According to the Club Jean Moulin, it fails to work properly because its secretariat was assured by the General Secretary of the Government instead of by the Planning Commissariat. op. cit., pp. 128-129.

creation of these study groups represents, in my opinion, an interesting development of the interministerial machinery and shows the important rôle played by the Prime Minister as chairman of the interministerial economic committee. Moreover, the tasks of the study group on public administration were closely related to the budgetary process. They were defined as follows:

> "repenser les missions devolues à l'Etat à l'occasion de la préparation de la loi de finances. Il devra mettre au point les reformes pouvant améliorer l'efficacité administrative, reformes qui pourront se traduire par des économies"[1].

Finally, most of the meetings of the economic interministerial committee have consequences of one sort or another on the budgetary process but generally speaking only two or three are specially devoted to the budget. On these occasions the committee may include, in addition to the Prime Minister and the Minister of Finance, the Minister of State for the Budget, the General Commissioner to the Plan, the Delegate for Regional Planning and Rural Development, the economic adviser to the President of the Republic and various members of the Prime Minister's and Minister of Finance's personal cabinets. Generally, no spending ministers attend these meetings. The committee considers the first draft budget that is proposed by the Minister of Finance and deals only with major questions: the overall balance of the budget, the global allocation of resources between current and capital expenditure, the

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1. See Le Monde, 30 March and 1 April 1966. See Chapter V for further details. This was the full membership of the study group: Minister responsible for administrative reform, Minister of Finance, Minister of State for the Budget, and various other ministers according to the object of the meetings, General Secretary of the Government (M. Bonnedieu de Jabres), directeur general de l'administration et de la fonction publique (M. Long) and the Director of the Budget (M. de la Genière); finally, the study group included various personalities: MM. Chalandon, (banker, former general secretary of the U.N.R. and now Gaullist deputy), Albert Jaccoud (Cour des Comptes), Martial Simon (Director of the Caisse Nationale de l'energie), René Cairn (former general secretary of the Department of Interior) and M. Racine, technical adviser to M. Pierre, Minister of Finance.

links between the national Plan and the investment budget, the determination of priority sectors and of various guidelines for the preparation of the budget. The main function of the committee is to iron out conflicts between the Prime Minister and the Minister of Finance so that when the Council of Ministers meet to consider the budgetary strategy for a particular year it is faced with a fait accompli i.e. a draft budget agreed to by the two main budgetary participants: the Prime Minister and the Minister of Finance. So far this mecanism tends to work in favour of the Prime Minister for it enables him to exercise large influence on the decisions taken in the economic and budgetary field[1].

iii) The Prime Minister does not get involved into the detailed preparation of the budget. But when the interpretation of the decisions taken at the highest levels (economic interministerial committee, conseils restreints and Council of Ministers) gives rise to conflicts between the Minister of Finance and the spending ministers, these conflicts can be referred by the parties involved (or evoked by the Prime Minister) to the Prime Minister for arbitration. Reports on the disputed matters, prepared by the Minister of Finance and the spending ministers, are sent to the General Secretary of the Government. They are examined by the economic adviser to the General Secretary and various members of the Prime Minister's cabinet. Some points may be settled at this level. Then the Prime Minister confronts both the Minister of Finance and each spending minister, hears their points of views and decides[2]. Unless

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1. As pointed out by Pallez, Cours, p. 37: "la technique des conseils interministériels est utilisée au profit du Premier Ministre plutôt qu'au profits du Ministre des Finances: celui-ci dispose bien entendu d'une très grande autorité, mais le Premier Ministre en raison de l'interêt qu'il porte aux problèmes économiques et financiers, exerce une très grande influence sur les decisions prises".

2. For membership of a typical meeting, see appendix VI, 46c.

a minister feels that the matter is important enough for a further appeal to the President or unless the President himself decides to intervene the decision of the Prime Minister is final and must be obeyed.

iv) The rôle of the Prime Minister is also crucial when the budget is before Parliament. M. Debré when he was Prime Minister used to hold conseils de cabinet[1] to discuss the strategy which the Government would follow during the budgetary session. It seems that General de Gaulle did not like this practice[2] and since 1960, instead of calling for a conseil de cabinet, the Prime Minister and a few ministers (Finance, Budget, Minister of State for Parliament, etc.) have an informal meeting to think over the Government's strategy for the budgetary debates[3]. During the debates themselves, while the routine work is carried out by the Minister of Finance, the Minister of State for the Budget and the various ministers, the Prime Minister often plays a crucial rôle in arbitrating conflicts between the ministers and influential members of the majority or rapporteurs[4]. Moreover, if the Government gets into serious difficulty, the Prime Minister may have to decide on the best tactic to get out of uneasy situations. The Prime Minister has delegated part of his responsibility in this respect to a Minister of State charged with the Government's relationship with Parliament

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1. See P. Avril, Le Régime Politique de la Ve République (Paris 1964, 2nd ed. 1967), p. 244. A meeting of all the ministers under the chairmanship of the Prime Minister.

2. See Soustelle, L'Espérance Trahie (Paris 1962), quoted by P. Avril, ibid., p. 245.

3. The subjects of those meetings are kept highly secret but it seems that such matters as the use of the package vote, and the concessions which could be made to the majority are considered (see Chapter IV p. 346).

4. Several meetings took place during the debates on the 1967 budget and even much more during the debates on the 1968 budget.

(from 1962-1967 M. Dumas and in 1967 M. Frey)[1] who works with the General Secretary of the Government. His office is located in the Hôtel de Castries a few yards from Matignon. His directeur de cabinet is in daily contact with the General Secretary and the directeur de cabinet of M. Pompidou when Parliament is in session.

v) Finally, a series of services attached to the Prime Minister (we have already mentioned the Planning Commissariat and the Délégation à l'amenagement du territoire) have transformed his office into a "rather heterogeneous government department"[2].

The core of the Prime Minister's office is formed by the General Secretariat of the Government. This is broadly the equivalent of the cabinet secretariat in Britain[3]. It is headed by the General Secretary of the Government and includes about fifteen charges de missions (the whole staff is about thirty). Its main functions are to help the Prime Minister to co-ordinate the work of Government (organization of interministerial and inter-departmental committees, preparation and circulation of agenda, keeping the minutes, etc.) and to follow the implementation of decisions (co-ordination of the drafting of bills, centralization of all arrêtes, circulars and instructions issued by ministers to implement the decisions of the Government,

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1. M. Dumas was also responsible for Tourism and some people in the General Secretariat thought that he spent too much time looking after Tourism and not enough on Parliament. Most of the work was carried out by the General Secretariat. When M. Frey was appointed in 1967, the relations between the Government and Parliament became a much more complicated responsibility and he had to devote more time to it.

2. Ridley and Blondel, op. cit., p. 75

3. For a comparison between the two organizations, see A. Bertrand, Les techniques du travail gouvernemental dans un etat moderne, (Bruxelles 1954).

publication of decrees and arrêtés in the Journal Officiel, relations with Parliament, etc.)[1]. The General Secretary himself (M. Jacques Donnedieu de Vabres) is secretary of the Council of Ministers. He is assisted by a small team of advisers. Every Tuesday, he discusses the agenda of the Council of Ministers with the Secrétariat Général de la Présidence de la République and with the President himself. After the meetings he draws a releve of the decisions taken. The economic adviser to the General Secretary is more specifically concerned with budgetary matters. He provides the secretariat of all the meetings (interministerial committees and arbitrages mainly) which deals with economic and budgetary matters. His rôle is particularly important during the budgetary arbitrages when, in collaboration with the economic and budgetary advisers to the Prime Minister, he prepares the Prime Minister's files for the meetings[2]. M. Aubry keeps the records of the meetings ("un catalogue sommaire des décisions prises").

Under the Secretary General, but forming rather separate units are a

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1. Three members of the Secrétariat Général are commissaires du Gouvernement and have access to the National Assembly and the Senate. They work with the Minister of State for Relations with Parliament. They send the Bills to Parliament, make time-table arrangements with the presidents of the two Chambers, draw the attention of the Prime Minister to cases where Parliament may have exceeded its powers, and transmit parliamentary questions to the Prime Minister and other members of the Government.

2. I could not interview M. Aubry himself but a civil servant in the General Secretariat describes the rôle of M. Aubry as follows: "1. il fixe l'agenda de la réunion; 2. il propose une solution au Premier Ministre en liaison avec M. Bernard (inspector of finance and budgetary adviser to the Prime Minister) et M. Montjoie (ingénieur en chef des mines, école polytechnique, adjoint au directeur des mines (1957-62), main economic adviser to the Prime Minister since 1962 and since June 1967 General Commissioner to the Plan)". It is more probable however that, in view of MM. Bernard's and Montjoie's high positions, the "solutions" were prepared by the Prime Minister's cabinet.

series of services, directions and delégations[1]. Two of these organs play an important rôle in the preparation of the annual budget: the direction générale de l'administration et de la fonction publique and the delegation générale à la recherche scientifique et technique.

The first direction, created in 1946, was placed directly under the Prime Minister[2]. It is responsible for the management of the civil service. Its functions were defined as follows by a decree of 1959: "to determine the rules of recruitment and supervise their application; to supervise the application of the civil service code; to consider the general principles of civil service remuneration". The direction is responsible for the Prime Minister's relation with the Conseil Superieur de la Fonction Publique and various other organs (commissions administratives paritaires, commissions techniques paritaires) where representatives of the civil service trade unions and of the Government meet to discuss the conditions of pay, status and so forth[3]. The direction works in close relation with the Budget Division where, as we have seen, there is a Sub-division also concerned with salaries and wages in the public services. The Budget Division is supposed to be

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1. Centre interministériel des renseignements administratifs: direction de la documentation; direction des Journaux Officiels; service juridique et technique de l'information; direction générale de l'administration et de la fonction publique; delegation générale à la recherche scientifique et technique.

2. Ridley and Blondel, op. cit., p. 53. In fact he has often delegated his authority to a Minister of State or to an Under-Secretary of State.

3. The National Civil Service Council advises the Prime Minister. It has twenty-eight members and the Prime Minister himself is its chairman (or the Minister of State for the civil service). He has a casting vote. The Council has three sorts of functions: it hears appeals from the administrative committees, it discusses and co-ordinates the work of the technical committees, and it is consulted by the Prime inister on all general matters of administrative organization. See for appreciation of work done Ridley and Blondel, ibid., p. 53.

concerned mainly with the financial aspects of the question but there seems to be some overlapping between the two services[1].

The délégation générale à la recherche scientifique et technique (D.G.R.S.T.) was established in 1958[2] to promote applied research in science and technology[3]. Its main function, in budgetary matters, consists in centralizing the estimates for scientific and technological research of the various civil departments. The examination of these estimates is now carried out according to the following process:

a) the technical departments send their estimates for scientific and technological research to the D.G.R.S.T. which put them together and submit them to an advisory committee formed of twelve well-known experts in the economic, scientific and technological fields chosen by the Prime Minister (Comité Consultatif de la recherche scientifique et technique, C.C.R.S.T.). The advisory committee scrutinizes the estimates in collaboration with the services of the D.G.R.S.T. and expresses its view on, first, changes (new measures) brought about to the previous year credits for current expenditure and, second, the estimates for capital expenditure;

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1. See Kerjolis, loc. cit., pp. 21-23. When the Direction Générale was established in 1946, it was thought that the Minister of Finance would lose some of its influence over this important subject. It worked as expected in the early days but gradually the Budget Division regained its previous influence and now it seems that the Direction Générale concerns itself mainly with the legal aspect of the fonction publique while the Budget Division deals with the financial aspect.

2. Decree of 28 November 1958 completed by the decrees of 18 March 1960, 26 February 1964 and 16 June 1965.

3. Here also the Prime Minister's responsibilities are often delegated to a Minister of State for Scientific Research.

b) then the estimates and the advisory committee's comments and suggestions are referred to the interministerial committee for scientific and technological research (Comité interministériel de la recherche scientifique et technique, C.I.R.S.T.) chaired by the Prime Minister[1]. The interministerial committee examines the estimates and the report in the light of the Government's overall policy for scientific research (as outlined in the Plan). The estimates and the reports can be modified. Then on the basis of this draft budget, the Minister of State for Scientific Research and the Minister of Finance proceed to a more detailed analysis of the estimates and try to determine ceilings for the main categories of expenditure. If they disagree the matters are referred to the Prime Minister for a final decision.

c) when these ceilings are agreed upon the D.G.R.S.T. and the Budget Division proceed to the detailed allocation of the resources made available[2].

d) some estimates, aimed at research development, are not included in this procedure. Their scrutiny follows the usual process[3].

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1. The official membership is as follows:
   - The members of the C.C.R.S.T. and D.G.R.S.T.
   - Minister of Education
   - Minister of Foreign Affairs
   - Minister of Co-operation
   - Minister of Armies
   - Minister of Finance
   - Minister of Industry
   - Minister of Agriculture
   - Minister of Public Health
   - The chairman of the Comité d'action scientifique de la défense nationale as an adviser of the Prime Minister.

2. See on this Delégation à la Recherche Scientifique et Technique, La Recherche Scientifique et Technique dans le Budget de l'Etat 1958-1967, pp. 10-11. Twenty-five per cent of the credits for scientific research are examined according to this procedure (about 650 million francs in 1967).

3. A table outlining the two processes is given in appendix VII, p. 461.

This procedure is an interesting example of how decisions are made in the Vth Republic. First, Matignon, as the co-ordinating organ, is at the center of the whole process; second, an attempt is made to involve the parties prenantes (C.C.R.S.T. and C.I.R.S.T.) in the process; third, the Prime Minister takes the final decisions in accordance with the Government's over-all policy; fourth, the details are worked out by the various ministries involved and disputes are always referred to higher levels for arbitration; fifth, the process is closely co-ordinated with the budgetary process and focuses on the allocation of resources rather than on the elaboration of big policy and long term programmes; the budgetary constraints (scarcity of resources and time pressure) force participants to decide on priorities [1]; finally, it is interesting to note that the various stages of the process are reported. The meetings of the C.C.R.S.T. and C.I.R.S.T. are generally followed by the issuance of press communiques. As a result pressure groups take advantage of the meetings and try to influence the decisions [2].

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1. As pointed out by M. François Bloch-Laine "La procédure financière facilite le fonctionnement de l'interministériel plus que l'elaboration de grande politique et de programmes" (F.N.S.P. and Nuffield College, Oxford, 17th Joint Conference, 21st-23rd October 1966, Oxford). Also M. Jean-René Bernard, budgetary adviser to the Prime Minister "C'est à l'occasion du budget que l'on tranche la plupart des problèmes importants. On peut critiquer le fait que l'occasion d'une procédure comptable serve à cette fin" (Interview, 20 July 1966).

2. In June 1967, for example, when the C.I.R.S.T. met to examine the budgetary estimates, the Syndicat national des chercheurs scientifiques organized "une journée d'action consacrée à la situation de la recherche scientifique (...) En se référant aux objectifs du Ve Plan et surtout à ceux des commissions du Plan et des ministères concernés les syndicats critiquent la politique du gouvernement". Le Monde, 24 June 1967.

3. The Cabinet of the Prime Minister

In addition to the General Secretariat, the Prime Minister has a large and powerful cabinet[1]. It includes a team of specialists able to follow the activities of all the Government departments and make sure that decisions are taken and executed in accordance with the Government's overall policy[2]. They play an essential rôle in the elaboration and co-ordination of policy. They advise the Prime Minister, participate in various interministerial and interdepartmental committees and, often, chair committees of civil servants and experts. A great deal of their work is done in collaboration with the Elysée and the various ministerial cabinets. Generally, a small team of conseillers techniques is more specifically concerned with economic and financial matters. In 1966, for example, M. Pompidou had an economic adviser (M. Montjoie, ingénieur en chef des mines, ancien élève de l'école polytechnique[3] and now General Commissioner to the Plan) and a budgetary adviser (M. J.-R. Bernard, Inspector of Finance and since October 1967 General Secretary of the interministerial committee on european economic co-operation[4]).

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1. See diagram in appendix VIII.

2. M. Ortoli, director of the Prime Minister's cabinet (from 1962 to 1966 when he was appointed General Commissioner to the Plan) explained his rôle as follows: "voir à ce que les décisions soient prises et exécutées"; M. J.-R. Bernard, budgetary adviser: "notre problème à Matignon c'est d'avoir des décisions toujours homogènes repondant aux principes que nous avons fixés au depart". Int. Ortoli 21 Oct. 1966 and Bernard 20 July 1966.

3. M. Montjoie succeeded to M. Ortoli in June 1967.

4. M. Bernard still keeps his post of budgetary adviser. The interministerial committee on European economic co-operation is responsible for co-ordinating the policy of the various ministries in relation with the Common Market. Former General Secretaries include: MM. Schweitzer (I.M.F.), Delouvrier (Prefect of the Paris Region), Jacques Donnedieu de Vabres (General Secretary to the Government), Ortoli and Dromer (economic adviser to General de Gaulle).

M. Bernard follows the preparation of the budget. During the preparation of the budget he is in continuous touch with the Ministry of Finance and the Elysée. He assists the Prime Minister in all the meetings (economic inter-ministerial committee and arbitrages) devoted to the preparation of the budget. He makes sure that the Prime Minister is well informed on what goes on in the Ministry of Finance and in the various ministries (he gets information from the other conseillers techniques), and is in a position to intervene when necessary. The fact that he has held the post since 1962 and that some of his former colleagues occupied important functions in the Government (in April 1967 M. Ortoli became Minister for Equipments, M. Chirac Minister of State for Employment and M. Montjoie General Commissioner to the Plan, etc.) strengthened his position.

4. The President

The President intervenes in three main ways in the budgetary process:

First, as chairman of the Council of Ministers and of conseils restreints;

Second, he can be asked or he may decide to arbitrate conflicts between members of the Government during the elaboration of the budget;

Finally, he takes all the major decisions concerning the budgets falling in the sectors for which he assumes direct responsibility (Defence, Foreign Affairs and Co-operation) or in which he may happen to be interested from time to time.

i) Chairman of the Council of Ministers and conseils restreints

The Government meets once a week under the chairmanship of the

President of the Republic as the Council of Ministers[1]. This body, recognized by the Constitution, transacts official business and formally adopts the policy of the Government[2]. The meetings of the Council are divided into three parts: part "A" is allocated to the examination of the decrees and bills already agreed to by the ministers concerned but which need the formal approval of the Council of Ministers. These give rise to little or no discussion[3]. All the Finance Bills (main Finance Bills, revised Finance Bills and Appropriation Accounts Bills) are subject to this procedure before being sent to Parliament[4]. Part "B" consists in the approval of mesures individuelles, i.e. appointment and promotion at the highest levels in the civil and military services. Finally, part "C", devoted to the examination of various questions (situations is the word most often used), gives rise to the most important and, sometimes, controversial debates. Generally the Minister of Foreign Affairs speaks on the international situation, the Minister of Finance on the economic situation, the Minister of Health on the social situation, and so forth. Ministers are also invited to inform the Council of the preparation or the execution of important policies. It is on these occasions that the Minister of Finance tells the ministers about the main budgetary decisions taken previously in the interministerial

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1. Article 9 of the Constitution. It can exceptionally be chaired by the Prime Minister (article 21 al. 4).

2. Ridley and Blondel, op. cit., p. 17. See also for descriptions of how the Council works P. Avril, op. cit., pp. 242-245; R. Buron, op. cit., pp. 218-223. Our account is based on an interview with a member of the Secrétariat Général du Gouvernement and on material drawn from various other interviews.

3. In the case of important disagreement the bills or decrees are sent back to the ministers concerned for further discussion at the interministerial level. See Buron, ibid., p. 219.

4. Organic Law, article 37.

committees held at Matignon and conseils restreints held at the Elysée. Ministers can raise objections but, at least in budgetary matters, this seldom happens, for everyone knows that what the Minister of Finance says has already been approved by the Prime Minister and the President. Moreover, the President often intervenes to give his full support to the reports of the Minister of Finance[1]. The meetings of the Council of Ministers are always followed by a press communiqué drafted by the Minister of State for Information in collaboration with the General Secretary of the Government and the General Secretary to the Presidence. In budgetary matters, the ministers are also sent a letter in which they are informed of the decisions taken and given further details on how these decisions apply to their particular budgets[2].

A conseil restreint is a similar meeting chaired by the President but including only a few ministers. In budgetary matters the meetings of the conseil restreint include the Prime Minister, the Minister of Finance and the Minister of State for the Budget. They take place after the meetings of the economic interministerial committee and a day or two before the meetings of the Council of Ministers which consider and approve the main budgetary proposals put forward by the Minister of Finance. The conseils restreints

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1. At least in budgetary matters, the Council of Ministers is not a decision-making organ. It was described once by a minister as "un organe d'enregistrement". This is what a high civil servant had to say about it: "En matière budgetaire le conseil des ministres enterine. On ne discute pas. Tout a lieu avant chez le Premier Ministre, le Ministre des Finances et parfois à l'Elysée. Même sous la IVe Republique on ne discutait pas du budget en conseil sauf quand un groupe parlementaire mettait en cause sa participation au gouvernement sur un point précis. Généralement, il s'agissait d'obtenir plus pour plaire à un groupe d'intérêt" (in the framework of a seminar on decision-making, Fondation Nationale des Sciences Politiques, academic year 1965-1966).

2. See Chapter V and appendix IX for typical letters. For appendix IX see pp 463 ff.

allow the President to examine the proposals agreed upon in the interministerial committee and to make sure, before they are submitted to the full cabinet, that they are in accordance with his policy. They also enable the President to arbitrate conflicts between the Prime Minister and the Minister of Finance. The President's intervention gives further weight to the decisions reached and presents the Council of Ministers with little alternative but to approve these decisions.

ii) The Arbitration of Conflicts

The President does not get involved in the detailed preparation of the budget. He is, however, kept informed by his advisers of what goes on in the Government and he may decide to intervene if he thinks that an important aspect of his policy is at stake or if he wants to take advantage of the situation (a conflict between the Minister of Finance and a spending minister) to redefine (réorienter) the policy of the Government. Sometimes, the President also intervenes because he fears that a minister he has appointed to carry out a particular policy is being prevented from doing so by the resistance of the Minister of Finance and the Prime Minister. He may then evoke the matter or let it be known that if no satisfactory settlement is reached he will consider the matter himself[1]. There are cases also where the Prime Minister refuses to arbitrate between the ministers and

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1. This is based on the notes of an interview with M. Dromer, economic adviser of General de Gaulle (20 July 1966). See also Avril, op. cit., p. 179.

refers the matter to the President[1].

iii) The Presidential Sectors

Finally, there are ministries which, though not directly attached to the President (they have ministerial heads), are considered as part of a sector for which the President is responsible. These are the Ministries of Defence and Foreign Affairs. When the budgets of these ministries are prepared, the President takes the main decisions. He consults the Government but it is clear that his influence on the decisions taken is determinant. The President may also pay a great deal of attention to the preparation of some budgets in order to ensure that the policies he has defined are followed. Over the last few years some of these budgets have included scientific research, aeronautical projects in co-operation with other countries, computer industry, etc.

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1. In September and October 1967 a series of conflicts (the price of butter, the reorganization of agricultural co-operatives, Common Market, etc.) most of them with serious repercussions on public finances, opposed M. Debré to M. Edgar Faure (Agriculture). The peasants' unions were organizing mass demonstrations in support of the policies advocated by the Minister of Agriculture. By the end of September, the Prime Minister said that "il se refusait à arbitrer entre deux membres de son gouvernement mais qu'il entendait rendre une sentence sur le fond des choses" (Le Monde, 1-2 October 1967). It was clear, however, that he could take no such impartial decision and on 30 October, General de Gaulle invited four members of the Government to participate (E. Faure, Fouchet (Interior), Couve de Murville and Debré) to an arbitrage.

5. The General Secretariat of the President[1]

The General Secretariat is very much like the cabinet of the Prime Minister[2]. It assists the President in the fulfilment of his functions. It keeps him informed of what goes on in the Government, gives advice on any matters which may interest him and plays a major part in the preparation of the decisions taken at the Elysée (conseils restreints). The General Secrétariat is headed by the General Secretary of the President and formed of several technical advisers and chargés de mission. The General Secretary co-ordinates the work of the Secrétariat and attends the most important meetings including the Council of Ministers. The technical advisers assisted by the chargés de mission are responsible for large sectors including several ministries. They form a kind of gouvernement parallèle to use the expression

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1. The Elysée Palace includes four different kinds of Services (September 1967):
   a) the General Secrétariat to the President (15 members);
   b) the General Secrétariat of the Community (2 members);
   c) the cabinet (14 members) and
   d) the état-major particulier (2 members).
   The General Secrétariat of the Community (M. Foccart) is responsible for the relations between the President and what is left of the French Community, and also for African Affairs. The cabinet looks after the day to day working of the Elysée (Agenda of the President, visitors, meetings, protocol, etc.). The état-major particulier is responsible for the relations with the army and defence matters. For further details on the services of the Elysée, see P. Avril, op. cit., pp. 247-251. P. Viansson Ponté "Les pouvoirs parallèles" in l'Evenement, 10 March 1966. A. Passeron "La maison civile du Président de la République", Le Monde, 25 and 26 October 1967.

2. An outline is given in appendix XI p 472.

of M. Pierre Viansson-Ponté[1]. In budgetary matters, the main rôle is played by the economic and financial adviser and his chargés de mission. They participate in all the interministerial committees and arbitrages which take place at the Hôtel Matignon. They do not intervene in the discussion but they report to the General Secretary and to the President. They act as the President's watchdogs and sometimes their reports may provoke the intervention of the President[2]. They have daily contacts with the Prime Minister's cabinet as well as with the cabinet of the Minister of Finance[3].

2. Parliament

a) Government and Parliament

The function of Parliament in the budgetary process is clearly stated

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1. M. Viansson-Ponté suggests that the General Secrétariat is as powerful as the Government: "Certes, les grands ministres, ceux du 'domaine réservé', sont confiés aux grands ducs du règne. Mais Jean Dromer ne fait pas mauvaise figure en face de Michel Debré; Jacques Narbonne apparaît parfois comme le véritable ministre de l'Education Nationale en face de Christian Fouchet, gestionnaire de la rue de Grenelle; René Saint-Légier de la Saussaye participe presque autant que Maurice Couve de Murville à l'orientation - sinon à la mise en oeuvre - de la politique extérieure; enfin, Jacques Boitreaud est sans doute le juriste le plus influent de l'Etat. Ce sont là les quatre conseillers techniques du Secrétariat Général, quatre ministres en quelque sorte du super-exécutif élyséen", in l'Evénement, loc. cit.

2. As pointed out by M. Dromer, economic adviser to the President: "Sur la base des informations que je lui fournis le Général agit. Toute information peut se transformer en action" (Interview 20 July 1966).

3. M. Dromer had a meeting at Matignon every day of the week I interviewed him: Monday on housing, Tuesday on prices, etc.

in the Constitution: Parliament votes the budget[1]. The budget must be submitted first to the National Assembly but it must also be examined and voted on in the Senate "with a view to the adoption of an identical text"[2]. The Senate disposes of less time (fifteen days for the first reading) than the National Assembly (forty days)[3] to proceed to the examination of the budget but, like the National Assembly, it has the right to reject the budget and, within the constitutional limits, it shares with the Government the right of amendment[4]. But as we shall see, in case of disagreement between the Assemblies, the Government can ask the National Assembly to decide finally. The budget is still an important legislative event. It provides the Assemblies with the possibility of scrutinizing and criticizing the Government policies and handling of public money and the rejection of the budget is an ultimate weapon in the hands of the Assemblies if they want to force the Government into an untenable position.

In fact, the Constitution of 1958 is not remarkable so much for the powers it gives to Parliament as for those it takes away from it. Indeed, the relations between Government and Parliament in budgetary matters have

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1. Articles 34 and 47 of the Constitution. In the Vth French Republic the rôle of Parliament is often looked at with a sceptical eye when it is not simply ignored. Commenting on the presentation of the 1967 budget to the Council of Ministers a reporter of the National Television network went as far as to suggest that after its approval by the Council the budget would become law, thus ignoring the ensuing debate and vote in Parliament. This was reported in Le Monde, 12 October 1966, R. Roussel "Les impôts, hier et demain".

2. Articles 39 and 45 of the Constitution.

3. See Chapter II.

4. Article 44, ibid.

been deeply affected by the Constitution. Parliament has seen the scope of its powers limited and the Government has been given all the necessary means to pursue its policy without being subject to the usual kind of obstacles raised in the Parliament of the IVth Republic. Not all the reforms of the Vth Republic are new but most of them were put forward in a spirit which is, in many aspects, different from that of the IVth Republic. The authors of the 1958 Constitution aimed at increasing the powers of the Government at the expense of Parliament. The reformers of the IVth Republic concerned themselves mainly with finding suitable means of ensuring a more rapid and effective way of dealing with Finance Bills without ever attempting to modify the balance of powers between Parliament and the Government. They aimed at smoothing and clarifying the relations between them. But the authors of the 1958 Constitution intended to and, succeeded in altering the balance in favour of the Government by restricting or abolishing several of the rights previously enjoyed by Parliament and by giving to the Government all the weapons it needed to impose its policy.

There are several ways in which the powers of Parliament have been restricted. We have already considered some of them[1]. For example, the strict time limits on the budgetary debates, the prohibition of budgetary riders (prohibition which has been much more rigidly applied in the case of riders proposed by private members than in the case of those proposed by the Government), the impossibility for parliamentarians to sponsor the assignment of particular sources of revenue to the payment of particular items of expenditure (here again the Government is allowed to proceed to such assignments through the mechanism of the special Treasury Accounts), and the reduction in the number of votes are important restrictions of the powers previously

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1. See Chapter II.

enjoyed by Parliament. In this section, however, we shall deal with three further restrictions: first, the abolition of the right of private members to propose increases in public expenditure or to diminish revenue (article 40 of the Constitution); second, the strict delimitation of the boundaries within which Parliament can legislate and propose amendments (articles 34 and 41); third, the reduction of the number and powers of the parliamentary committees (article 43). In another section, we shall deal with the powers which the Government can use during the budgetary debates. These powers are sixfold: first, the Government's control of the agenda; second, the right of amendment; third, the Government can object to a private member's amendment which has not been previously submitted to a committee; fourth, the package vote (vote bloque); fifth, the joint conference and, sixth, the question of confidence.

1. Reduction of the rights of Parliament

i) Article 40 of the Constitution forbids private members' proposals to increase public expenditure or reduce revenue.

Article 40 of the Constitution states that "Proposals (propositions) and amendments drafted by members of Parliament are out of order when their adoption would have as consequence either a diminution of public revenue or

the creation or the increase of public expenditure"[1].

It is completed in budgetary matters by article 42 of the Organic Law which states that:

> "Aucun article additionnel, aucun amendement à un projet de loi de finances ne peut être présenté, sauf s'il tend à supprimer ou à réduire effectivement une dépense, à créer ou à accroître une recette ou à assurer le contrôle des dépenses publiques (...) La disjonction des articles additionnels ou amendements qui contreviennent aux dispositions du présent article est de droit".

As a result of these two articles, deputies can propose only three kinds of amendments to the Finance Bills:

a) the suppression or effective reduction of an item of expenditure;

b) the creation or the increase of a tax;

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1. "Propositions" may be "de loi" (private members' bills) or "de résolution" (private members' motions). This note as well as the translation above are borrowed from P. M. Williams and M. Harrison, op. cit., p. 239. The right of deputies to increase expenditure and decrease revenue was progressively limited during the IVth Republic ("avec timidité d'abord, avec davantage d'assurance par la suite": P. Avril, op. cit., pp. 38-39). Article 17 of the 1946 Constitution stated that deputies had the right to create expenditure but added in a second paragraph that this right could not be used during the debates on the Finance Bills or revised Finance Bills (see for historical background, H. George, op. cit., pp. 45-49). Moreover, from 1948 on, an article included in every Finance Bill established ceilings for each category of public expenditure. These ceilings could not be exceeded during the year thus setting up a limit to private members' proposals brought about outside the budgetary debates. But deputies found ingenious ways around these rules (see, for examples, P. M. Williams, Crisis, p. 267 and Blamont, Les Techniques parlementaires, Paris 1958, p. 92). However, the Government was determined to enforce these rules (the deputies, in fact, showed little opposition). The decree-law of 1956 (article 58) construed very strictly the right of parliamentarians to put forward proposals increasing expenditure and in March 1958, a few months before the collapse of the IVth Republic, deputies "accepted the logic of their own restraint and agreed, with little opposition, to renounce by constitutional amendment their right to propose higher expenditure or lower taxation", Williams, op. cit., p. 266.

c) amendments aiming at a more efficient control of public expenditure. The token or indicative amendments, so popular under the IVth Republic, are banned. To be accepted an amendment must aim at "suppressing or reducing, effectively, an item of expenditure" and this aim must be clearly stated. Amendments proposing an increase of expenditure but offsetting the cost of the new measure either by proceeding to a cut elsewhere or to an increase of taxes (amendements compenses) are also banned[1]. Moreover, the expressions "public resources" and "public charges" are given the most extensive interpretation. They mean not only the revenues and charges of the central Government but also those of the départements, local authorities and various other public bodies like the Social Security services or the nationalized industries. An amendment reducing, for example, the Government's grant to the Social Security services would not be allowed because it would automatically result in an increase of the charges assumed by the Services themselves[2]. Finally, amendments aimed at improving the control of public spending, although welcomed by the Government, must be restricted to the "domain of the law" as defined in article 34 of the Constitution. For example, in 1964 (Finance Bill for 1965) an amendment extending the jurisdiction of the Cour des Comptes to the Bank of France and various other public owned banks was objected to by the Government on the ground that it was not within the boundaries of article 34. The matter was referred to the Constitutional

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1. This latter rule has been more strictly interpreted by the Government in matters of expenditure than in matters of taxes. The Government has often allowed deputies (specially those of the majority) to offset the reduction of a particular source of revenue by the creation of another. See on this P. Delvolvé and H. Lesguillons, op. cit., p. 159 and Amselek, op. cit., pp. 211-212 and 220.

2. See J. O., 9 June 1966, pp. 1861-1862.

Council for arbitration and the Council upheld the Government's decision. The control of public expenditure, it said, "doit s'entendre du contrôle des seules charges de l'Etat et non de celles d'organismes de la nature de ceux ci-dessus mentionnés"[1].

Who decides whether article 40 of the Constitution and article 42 of the Organic Law apply or not ? Amazingly the Constitution is silent on this and the problem had to be settled by Parliament itself when it elaborated its own standing orders (Règlement)[2]. The procedure adopted varies in the National Assembly and the Senate. In the National Assembly, when an amendment is put forward in committee, the chairman of the committee decides whether article 40 applies or not. If he is in doubt the matter is considered by the bureau of the committee[3]. On the other hand, when an amendment is presented before the Assembly, the President of the Assembly decides. If he is in doubt, he consults the chairman or the Rapporteur Général of the Finance Committee[4]. In practice, during the budgetary debates, the applicability of article 40 is nearly always decided by the chairman of the Finance Committee[5]. In the Senate, the admissibility of an amendment is decided on

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1. Constitutional Council, 18 December 1964: quoted in Amselek, op. cit., p. 264.

2. See Goguel, Cours, p. 586 for explanation.

3. Article 86, al. 4 of the Règlement.

4. Article 98, al. 6 of the Règlement.

5. The procedure is somewhat different in the case of a private member's proposal. The Bureau of the National Assembly considers the proposal. Then, if the Government which controls the agenda of the Assembly allows the proposal through, and if someone objects to the proposal on the ground of article 40 the Bureau of the National Assembly decides (article 92 of the Règlement).

by the Finance Committee.[1]

The Government may disagree with the decision reached by any of these organs but it cannot prevent the Assemblies from voting on the amendment. But if the amendment is adopted by both houses, the Government can submit the adopted measure to the appreciation of a judiciary organ external to the Assemblies: the Constitutional Council[2]. Indeed, according to article 61 al. 2 of the Constitution: "les lois peuvent être déférées du Conseil Constitutionnel, avant leur promulgation, par le President de la République, le Premier Ministre ou le President de l'une ou l'autre Assemblée". The Council decides whether the laws are in accordance or not with the Constitution[3]. No such appeals ever took place in budgetary matters but, in the case of a few ordinary laws referred to the Council, the Council decided that article 40 should have been applied by the Assemblies[4].

In the early days of the Vth Republic, the new constitutional rules were strictly interpreted. The chairman of the Finance Committee and his

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1. Article 45, al. 1 and 2 of the Règlement.

2. The Council is composed of past Presidents of the Republic ex officio, and nine members appointed for nine years (three by the President of the Republic, three by the President of the National Assembly and three by the President of the Senate). Its functions are defined in articles 56 to 63 of the Constitution and various ordinances and decrees. The ultimate safeguard of the distinction between law and decree rests with the Council.

3. See for a detailed analysis of the constitutional and legal aspects of this final appeal: Amselek, op. cit., p. 236-239.

4. See Amselek, ibid., p. 238 note 75. Commenting on the Constitutional Council's decision on the loi relative aux assurances-maladie, invalidité et maternité des exploitants agricoles which had been referred to by the Prime Minister, M. L. Philip (Sirey, 1961, p. 164) thought that the Council had no right to reject certain parliamentary amendments on the grounds of article 40. In his opinion, Parliament alone controls the application of the article: see P. Avril, op. cit., p. 41 note 12.

advisers feared a return to the old practices and in 1959 nearly all the private members' proposals were rejected because of their financial inadmissibility[1]. This led to ridiculous situations[2] and caused much discontent among the deputies[3]. An old convention soon revived and the new rules were often applied more flexibly to ordinary bills than to budgetary amendments (in the old days restrictions had been applied strictly only during the budgetary debates when the dangers of log-rolling amendments were greatest)[4]. Even in budgetary matters, parliamentarians soon found a way around the rule prohibiting indicative amendments by proposing, in accordance with the wording of article 42 of the Organic Law, effective cuts in expenditure while aiming, in fact, at increasing them. This interpretation of article 42 was opposed by the Government but, at least in the Senate, these amendments were considered as perfectly constitutional by the Finance Committee[5]. In the

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1. See P. Avril, ibid., p. 40.

2. For example, a proposal aiming at the ratification by the French Government of an international agreement on the repression of prostitution was opposed because its adoption would have obliged the Government to strengthen its police forces thus increasing expenditure: see Avril, ibid., p. 40.

3. As pointed out by a Communist deputy: "L'application rigoureuse des dispositions constitutionnelles sur l'augmentation des dépenses aboutit au fait que presque toutes les propositions de loi furent purement et simplement rejetées par la commission des finances. C'est à chaque instant que les députés dans les couloirs, voire dans la presse, se plaignent que telle ou telle de leurs propositions qui pourtant ne comportait pas d'augmentation de dépenses n'avait pas été retenue": quoted in C. Roig, 'L'évolution du Parlement en 1959', p. 80, in E. Guichard-Ayoub et al, Etudes sur le Parlement de la Ve République (Paris 1965).

4. P. M. Williams, The French Parliament, p. 82.

5. See Amselek, op. cit., p. 241, note 78.

National Assembly, however, the interpretation of article 42 is stricter and these amendments are often rejected at the Government's request. But they constitute an excellent way for the deputies to show to the Government what their feelings are with regard to particular budgetary measures and, sometimes, the Government is put in a position where it cannot easily invoke articles 40 and 42 for fear of losing the support of some majority or mild opposition members[1]. In some other cases, the Government opposes articles 40 or 42 to parliamentary amendments and, then, once the amendment has been rejected, it puts forward the same amendment again[2].

ii) The domain of the law

Article 34 of the Constitution lays down boundaries within which "alone Parliament can legislate and where normally the Government cannot; everything else forms the 'domain of regulations' where the Government can make rules with which Parliament cannot interfere"[3]. Disputes between the Government and Parliament about their respective fields of jurisdiction may be referred to the Constitutional Council[4]. The budget falls in the domain of the law. Its content however is strictly defined by article 1 of the Organic law[5] and the Government may object to any parliamentary amendment

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1. During the debates on the 1967 budget (see Chapter V), the Government often refused to invoke article 40 (see J. O., 1966, p. 4013). Faced with five indicative amendments the Minister of Defence said that he would not invoke articles 40 and 42 because he felt that the National Assembly should assume its responsabilities in budgetary matters. The amendments were adopted. Sometimes article 40 is not used by the Government because it knows that there is a firm majority against the amendment: see C. Roig, op. cit., p. 87.

2. See Chapter V. See J.O., 10 November 1966, pp. 4524-4539.

3. P. M. Williams, The French Parliament, p. 57.

4. Article 41 of the Constitution.

5. See Chapter II. p 21.

which is outside the budgetary sphere as defined in this article and in article 34. We have seen that in 1964 the Government opposed, precisely on this ground, an amendment extending the jurisdiction of the Cour des Comptes to the Bank of France. In 1960 (revised Finance Bill for 1960), the Government used the same arguments against a parliamentary amendment proposing that the payment to the Treasury of the financial surplus of the state owned radio and television network (R.T.F. as it was then called) be deferred till the yearly scrutiny of the accounts of this organ had taken place. The Bill and the amendment were adopted but referred to the Constitutional Council for a decision on the admissibility of the amendment. The Council decided that the amendment was of a pure accounting character and, thus, constituted an intervention of Parliament in a domain where only the tutelary minister had authority[1].

iii) Reduction of the powers of the Standing Committees

During the IVth Republic, "standing committees were the central feature of French parliamentary procedure. All bills, before the house debated them, went to committees which killed the majority and redrafted the remainder (...). It was through its committees above all that Parliament asserted legislative and encroached on executive powers"[2]. There were normally nineteen standing committees. Each had forty-four members, one fourteenth of the whole assembly; so each party group had a committee place for every fourteen members[3]. Most committees were highly specialized[4]

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1. Constitutional Council, J. O., 13 August 1960, p. 7599.
2. P. M. Williams, Crisis, p. 243.
3. Ibid.
4. See on this M. Harrison's unpublished thesis "Regards sur les commissions de l'Assemblée Nationale sous la IVe République", Institut d'Etudes Politiques de Paris (1958).

(liquors, press, industry, merchant navy, etc.) and often "were only the parliamentary organ of a pressure group"[1]. Some committees of which the Finance Committee was the most important had larger fields of action and sometimes supported the Government against other committees' demagogic measures[2]. But the large numbers of committees made it difficult for a bill to reach the floor of the House and when it reached it to keep its original form and meaning, for the committees could not only delay the debate on the bill by refusing to report it back but they could also modify it completely and substitute their own draft for the Government's proposal. In addition to the committee which had to prepare the main report, other committees could claim the right to examine the bill and present advisory reports. Parliament could be put in an embarrassing situation when these reports were conflicting. Under these circumstances, the Finance Bills were seldom voted on in time and never in their original form. Numerous dilatory measures were developed by the committees and on some occasions the Finance Committee rejected the budget and substituted a budget of its own[3]. Reforms were put forward under the IVth Republic to streamline budgetary procedure but nothing was done to modify the structures and organization of the committee system[4].

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1. F. Goguel, Cours, p. 592.

2. See M. Harrison, loc. cit., p. 43.

3. In December 1949 for example, the Finance Committee "threw out the budget, substituted a budget of its own, rejected three compromise plans, supported most of the wrecking senatorial amendments and was defeated only by lavish use of votes of confidence in the house". Again in 1952, the Committee rejected Pleven's budget and substituted an unbalanced one: see on this P. M. Williams, Crisis, pp. 253-254.

4. Except for a few minor changes brought about by the decree of 19 June 1956. See P. Avril, op. cit., p. 50.

The authors of the 1958 Constitution, determined to end these practices, severely restricted the powers of the standing committees:

First, according to article 43 of the Constitution, bills, including the Finance Bills, are no longer automatically referred to one of the standing committees. On the contrary, they are sent first to committees specially set up for their examination and dissolved immediately after they have reported. The standing committees are consulted only when no special committees have been proposed. In fact, this arrangement never worked as intended because, in most cases, the Government found it more practical and advantageous to send the bills to the standing committees. Moreover, the standing committees, because they disliked losing their jurisdiction, objected to the setting-up of these rival committees[1].

Second, the number of standing committees is reduced to six for each assembly. Their membership and field of jurisdiction are enlarged in order to prevent the over-specialization which prevailed in the committees of the previous regime.

The setting-up of sub-committees is also prohibited but, as we shall see later, parliamentarians soon found ways around this rule. In the National Assembly the committees are:

- Finance, General Economy and Plan
- Foreign Affairs

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1. On this see J. L. Parodi, Les rapports entre le legislatif et l'exécutif sous la Ve République, published by the Centre d'Etude de la Vie Politique Française (Paris 1962), pp. 11-12 and P. M. Williams, The French Parliament, pp. 64-65. In June 1961, in spite of both Government's and Finance Committee's opposition, a special committee was set up to examine and report on a revised Finance Bill. The Government withdrew the bill in order to kill the committee. This is the only case of a setting-up of a special committee in budgetary matters (i.e. Finance Bills for deputies have sometimes succeeded in establishing special committees in the case of taxation bills in spite of the Finance Committee's hostility: see Williams and Harrison, op. cit., p. 222, note 3 and J. O. 19 October 1967 pp. 3823-3824 ~~1957~~ and Le Monde, 21 October 1957-).

- National Defence
- Legislation
- Production and exchanges
- Cultural, Familial and Social Affairs [1].

In the Senate:

- Cultural Affairs
- Social Affairs
- Foreign Affairs and Defence
- Legislation and administration
- Finance and Economic Accounts of the Nation
- Economic Affairs (Plan) [2].

The Finance Bill is sent to the Finance Committees for the main reports and to any other committee that wishes to submit advisory reports on some aspects of the budget.

Finally, instead of debating the committee's draft of the bill, the National Assembly now debates the Government's draft to which the committee presents amendments [3]. It is no longer possible for the Finance Committee to substitute its own budget for the Government's. The Senate debates the Finance Bill as amended by the Assembly [4].

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1. The Finance, Foreign Affairs, Legislation and Defence committees each have sixty members and the other two one hundred and twenty. The committees with the most important and heavy task have the smallest membership.

2. The first three committees have forty-four members each, the Legislation and Finance committees have thirty-five members and the Economic Affairs committee sixty-eight.

3. Article 42 of the Constitution. Supporters and enemies of the Vth Republic agreed on this reform. However, the old habit of redrafting bills has not altogether disappeared and in some cases, particularly in the Senate, the number of amendments proposed to the Finance Bill reached proportions that amount to a redrafting of the Bill (see Chapter V).

4. Article 42, al. 2.

2. The powers of the Government

The Constitution of 1958 not only restricted the powers of Parliament but it also attributed to the Government a series of weapons which enabled it to intervene at all stages of the legislative process. These weapons strengthen the position of the Government during the budgetary debates and enable it to make sure that the budget is voted on in time and without the difficulties of the previous Republic.

i) The control of the agenda of the Assemblies

Under the Third and Fourth Republics, Parliament always insisted on the right to control its own timetable and obliged the Government to deliver battle weekly to get its business - even the budget - on to the agenda of the Assembly[1]. Under the Fifth Republic the use of Parliament's time is determined by the Government[2]. This presents the Government with two serious advantages; first, it can ensure that Finance Bills are given priority on the parliamentary timetable and, second, it can, by overloading the agenda, force Parliament to spend less time than it otherwise would on the estimates[3]. The example of the Autumn session of 1964 is particularly striking in this respect; the debates on the Finance Bill were thrown into the shade by a series of debates on a series of other bills (options of the Vth Plan, defence programme-law, agricultural policy, reform of the pensions code, etc.; about

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1. See P. M. Williams, The French Parliament, p. 44-45.

2. Article 48 of the Constitution, "L'ordre du jour des Assemblées comporte, par priorité et dans l'ordre que le gouvernement a fixé, la discussion des projets de loi déposés par le gouvernement et des propositions de loi acceptées par lui".

3. See P. M. Williams, ibid., p. 65, "at budget time in particular the Gaullists resumed the night sittings which they had so vigorously criticized in the past. The autumn session was overloaded as the Government tried to squeeze extra business into the time allotted for the estimates...".

forty bills were voted during that session). The committees were overworked and parliamentarians devoted less time than usual to the scrutiny of the budget. The Finance Bill was adopted at least a week before the expiration of the constitutional time period and only one navette (shuttle) between the two Houses was needed.

ii) The Government's right of amendment

According to article 44 al. 1 of the Constitution, the Government has the right to propose amendments to its own bills. Until 1958 the Government had to find deputies willing to present, on their behalf, its own amendments. The Government was in a weak position when it wanted to modify its own attitude during the debates and often found it difficult to propose suitable compromise between its own text and the Committee's draft. Under the new system the Government often uses its right to propose amendments in order to go half way to meet the Committee's amendments or those proposed by members of the majority but which it could not accept because of their unconstitutionality. Moreover, when the Finance Bill has been voted in one assembly and the other assembly discusses the Bill in its amended form, the Government can propose further amendments to this Bill. This right can also be used to amend the texts elaborated by the Joint Conference and this is particularly useful for the Government since it does not sit on the Joint Conference [1].

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1. The Government, instead of proposing amendments to its own text, can use the procedure of the rectifying letters. It has, however, the disadvantage of extending the period of time allotted for the budgetary debates.

iii) The right to refer amendments to the Committee

During the debate the possibility is also given to the Government to object to any amendment which has not been previously examined in committee. The Government, however, has seldom used this procedure for, as pointed out by M. Goguel [1] :

> "L'expérience prouve que ces improvisations de séance, bien qu'elles soient perilleuses, sont cependant souvent nécessaires: de la discussion peut sortir une suggestion de compromis entre les thèses qui paraissent a priori opposées mais qu'il est possible de rapprocher".

iv) The package vote

The Government can ask for a single vote on "tout ou partie" of a bill. Interpreted to mean "all and part" it permits one single vote to be taken on the whole bill, modified if the Government so agrees, without a separate vote on any of the politically difficult clauses or amendments [2]. It constitutes a kind of "petite question de confiance" [3] for the choice left to the Assembly is limited to the straightforward adoption or rejection of the whole or part of the draft. The procedure is, in fact, inspired by a practice of the IVth Republic whereby the Government made frequent use of the question of confidence in order to force the Assembly to adopt contro-

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1. Cours, p. 606.

2. See P. M. Williams, The French Parliament, p. 66; article 44.3 reads as follows: "Si le Gouvernement le demande, l'Assemblée saisie se prononce par un seul vote sur tout ou partie du texte en discussion en ne retenant que les amendements proposés ou adoptés par le Gouvernement".

3. See P. Avril, "Le vote bloqué" in R.D.P. (June 1965), pp. 399-457. Avril quotes M. René Capitant, left-wing Gaullist deputy and chairman of the Legislation Committee: "Le vote bloqué n'est rien d'autre qu'une modalité de la question de confiance". See also J. L. Parodi, op. cit., p. 15.

versial articles or amendments[1]. This eroded the Government's political credit and in 1958 the package vote was introduced as a less solemn and more flexible procedure which would reduce the number of confidence votes while enabling the Government to achieve the same aim[2]. From 1958 to the end of December 1964 package votes were called 118 times: 45 times in budgetary matters. With the exception of the 1959 - enacted by ordinance - and 1961 budgets, the package vote procedure has always been used in the case of the annual Finance Bills[3]. It can be used in several different kinds of circumstances. In budgetary matters, however, one can distinguish two main ways of using the package vote procedure: first, on the Bill as a whole and, second, on one or several clauses of the Bill.

First, the Government can, at the occasion of a second reading or after a Joint Conference has been set up to propose a compromise, ask for a single vote on the whole Finance Bill and exclude any parliamentary amendments with which it disagrees. When a Joint Conference is set up and a compromise proposed, the Government then puts forward its own amendments to the Joint Conference's text, rejects the parliamentary proposals it does

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1. For example, in order to get the 1950 budget through Parliament 38 votes of confidence were required. See H. George, op. cit., p. 81.

2. P. M. Williams, The French Parliament, p. 66.

3. Number of package votes:

Finance Bills	National Assembly	Senate	Total
1960	2	2	4
1962	3	2	5
1963	3	4	7
1964	9	4	13
1965	1	2	3
1966	4	4	8
1967	6	4	10

(Source: P. Avril, loc. cit., pp. 410-411; Amselek, op. cit., and my own data).

not like and calls for a vote on both the compromise and the Bill as a whole. Except for the 1963 budget, this latter method has always been used in the case of the annual Finance Bills.

Second, during the clause by clause examination of the budget, the Government can ask for a global vote on one or several clauses modified, as the case may be, by the Government's amendments and those parliamentary modifications with which it may agree. This is sometimes done to meet the grievances of the members of the majority half way and to force them to rally behind the Government in support of the clause as amended. Some other times, the Government just does not want to give way and the Assembly is asked to accept or reject the clause as it stands. However, if the outcome of a package vote on the article is doubtful, the Government can ask for this article to be reserved[1]. Then when the rest of the Bill has been examined, the Government calls for a package vote on both the reserved clauses and the Bill as a whole. A variation of this procedure consists in asking for a second deliberation[2] on the Bill at the end of the first or second reading. Then the Government proposes its own amendments, rejects all the parliamentary amendments with which it disagrees and calls for a package vote on the whole of the Bill and on those clauses of the Bill for which it wanted a second deliberation.

This procedure offers many advantages to the Government. First, it

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1. In the National Assembly the reservation of an article is automatic if asked by the Government or the Committees (article 95.3 of the standing orders). In the Senate, a request for the reservation of an article must be approved by the senators (article 44.6 of the standing orders).

2. In the National Assembly, the second deliberation is granted automatically (de droit) if requested by the Government or the Committee (article 101.2). In the Senate, it must be approved by the Assembly (article 43.4). See on Government's use of second deliberation, L. Hamon and C. Courvoisier, "Vie et droit parlementaires", in R.D.P. (Jan. - Feb. 1966), pp. 99-100.

is an effective weapon against parliamentary amendments which the Government has been unable or unwilling to oppose on other grounds (article 40 for example). It can be very useful against indicative amendments. Second, in presenting the deputies or the senators with no other alternative than the adoption or rejection of the whole or of important sections of the budget, the Government puts them in an untenable position. Its most determined opponents may still cast their votes against but the members of the majority and some mild opposition members (who think that the vote on the budget is more technical than political and, thus, that Parliament must grant to the executive the money it is asking for) have in fact no choice. Naturally, parliamentarians from all groups are critical of the use the Government makes of the package vote procedure but it is obvious that in some cases, as pointed out by P. M. Williams: "the deputies of the majority accept and even welcome it, for it saves them the embarrassment of having to vote openly for unpopular clauses which the ministers are determined to defend, or against attractive amendments which their leaders obstinately resist"[1].

v) The Joint Conference

Another weapon which the Government can use to put additional pressure on Parliament is the Joint Conference[2] (a committee of seven deputies and seven senators which can be set up at the Government's request to iron out conflicts between the two Houses). According to the Constitution, a bill must be adopted on identical terms by both Houses and, normally, the bill goes through a navette between the two Houses until agreement is reached. However, this may be a long process and the Joint Conference is specially designed to

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1. The French Parliament, p. 67.

2. Article 45 of the Constitution.

put an end to the navette and speed up the legislative process[1]. In budgetary matters the Government can call for the setting up of the Joint Conference after a first reading in both Houses. The Conference examines the conflicting clauses of the Finance Bill and tries to find an agreement. If it succeeds, the Government may submit the compromise to Parliament together with the amendments which it has itself introduced or accepted. Parliamentarians cannot amend the Committee's draft unless the Government agrees. This places the Government in a very favourable position because, first, it can take advantage of its powers to re-establish the budget in its original draft (or close to it) and, second, it can force the Assemblies to vote on both the compromise as amended and the whole Finance Bill in a package vote. This last procedure was used for all the annual Finance Bills with the exception of the 1961 Finance Bill when no package vote took place and of the 1965 Finance Bill when the package vote was called for but only in the Senate[2]. If, on the other hand, the Committee disagrees[3] or if its

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1. It is particularly useful in budgetary matters because of the constitutional time limit within which the discussion and vote on the budget must take place. The Government can, as we have seen, at the end of a period of seventy days, enact the budget by ordinance. This possibility increases the pressure on the Assemblies to try to find a settlement at their own level.

2. The number of amendments proposed by the Government to the Committee's drafts were as follows: fourteen for the 1960 Finance Bill; two for the 1961; eight for the 1962; two for the 1963 (1st part); nine for the 1964; two for the 1965; six for the 1966 and six for the 1967. For further data particularly on the revised Finance Bills where Joint Conferences are less often set up (six times for sixteen revised Finance Bills): see Amselek, op. cit., p. 442. For more details on the working of Joint Conferences, see P. M. Williams, The French Parliament, pp. 68-70; H. Trnka, "Les commissions mixtes paritaires" in R.D.P. (March 1963), pp. 476-534 and "Evolution de la procédure de la commission mixte paritaire au cours de la seconde législature de la Ve République" (July - August 1967), pp. 739-770.

3. This never happened so far in the case of the main Finance Bill and there exists only one case of failure to report in the case of the revised Finance Bills: the revised Finance Bill for 1962.

draft is rejected[1] in either House, the Government may ask the National Assembly for a final decision. The deputies, however, can only adopt (or reject) either their own draft, with or without all or some of the Senate's amendments, or the Joint Conference's draft, with any amendments accepted by the Government. The Government has always given the last word to the National Assembly when agreement between the two Houses has proved impossible after either one or two subsequent readings[2].

vi) The question of confidence

This is the ultimate weapon which the Government can use to force its will on the National Assembly (the question of confidence cannot be put in the Senate. Hence the advantage of the Joint Conference which gives the final decision to the lower House). It is stated in article 49 par. 3 of the Constitution:

> "Le Premier Ministre peut, après délibération du Conseil des Ministres, engager la responsabilité du Gouvernement devant l'Assemblée Nationale sur le vote d'un texte. Dans ce cas, ce texte est considéré comme adopté, sauf si une motion de censure, déposée dans les vingt-quatre heures qui suivent, est votée dans les conditions prévues à l'alinéa précédent" 3.

In practice, article 49 means that, if the Government makes the acceptance of a Finance Bill a matter of confidence, the Bill is passed unless the opposition puts down a censure motion within twenty-four hours and finds a majority of the whole House (not just of those voting) to carry

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1. As it happened in the case of the 1962 and 1966 budgets for example, both were rejected by the Senate and the deputies had the final decision.

2. 1966 budget for example: see Chapter V.

3. These are the necessary conditions: the censure motion must bear the signatures of one tenth at least of the members of the National Assembly; the vote takes place forty-eight hours after the motion has been tabled; only those voting in favour of the motion are counted and a majority of the whole House is required to pass it so that absentees and abstainers help the Government. See for more details on confidence and censure P. M. Williams, The French Parliament, pp. 51-55.

it[1]. Moreover, if no censure motion is proposed the House does not even vote and the Bill is considered as adopted. This puts the Government in a strong position for, first, it forces the opponents of the Bill to take the initiation of a censure motion if they want to kill it or even if they simply want to show their strength; and, second, if no censure motion is proposed it reveals the weaknesses of the opposition while concealing possible cracks in the majority[2].

The question of confidence was put twice in budgetary matters: once on the Finance Bill for 1960 and another time on the supplementary estimates for 1962. In both cases, it was not the budget as a whole which was challenged but, in the first case, the credits for the ex-servicemen pensions, and, in the second case, additional credits for the nuclear deterrent force. In both cases, the majority showed signs of dissidence while the Government was determined to get the measure through without making any major concession.

In 1959 (the Finance Bill for 1960), the Government succeeded without much trouble. It reserved the vote on the matter in question and made a matter of confidence the adoption of both the Finance Bill as a whole and the reserved clauses. A censure motion was tabled on 25 November but, when the vote took place on 27 November only 109 deputies supported the motion (it needed 277 to pass)[3]. The Bill, considered as adopted by the National Assembly, went to the Senate. No further vote of confidence was required.

In 1962, three votes of confidence were needed for the credits allocated to the construction of a nuclear centre at Pierrelatte to get through the House. The Government took the following steps. Immediately

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1. P. M. Williams, op. cit., p. 53.
2. Ibid., p. 55.
3. J. O., 27 November 1959, p. 3091.

after the first reading in the National Assembly the Government called for a single vote on the disputed clauses as well as on the Bill as a whole and made the acceptance of the whole a matter of confidence. On 13 July a censure motion was put forward. It attracted 206 votes, 35 votes short of the absolute majority required[1]. The Senate, however, rejected the Bill (a package vote was asked for). Determined to give the final word to the National Assembly, the Government called for the setting up of a Joint Conference. No suitable compromise could be found and the National Assembly had to consider the draft adopted at the first reading. Again the Government put the question of confidence but this time no censure motion was proposed. Hence the text was considered as adopted. The Senate rejected it again (on a package vote) and the National Assembly, on a third question of confidence, adopted the Bill without even voting since no censure motion had been put forward.

The new relationship between the Government and Parliament established by the Constitution of 1958 is crucial to an understanding of the budgetary process under the Vth Republic. As we shall see in Chapters IV and V, it has profond influences on the attitudes and strategies of the various budgetary actors. However, before dealing with these questions, I shall conclude this chapter by giving a rapid outline of how Parliament has organized its work with regard to the budgetary process.

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1. J. O., 16 July 1962, p. 2523. See also Amselek, op. cit., p. 448. In the meantime, the total membership of the Assembly had changed, dropping from 552 to 482 when Algeria became independent in July 1962.

b) The organization of the budgetary debates

Parliament scrutinizes and votes on the budget through its two constituting organs: the National Assembly and the Senate. If the Government wishes, conflicts between the two chambers are dealt with by a Joint Conference. Moreover, in each chamber, the preliminary work on the budget is carried out by the Finance Committee and some of the other standing committees.

1. National Assembly: the Committee system

i) General

Every deputy and senator can be member of one committee only. Members are chosen by their parliamentary groups[1] and each group is proportionately represented on the committee. The way members are selected depends on the organization of the various parliamentary groups. It is usual to send its most experienced and influential members to the Finance Committee.

The organization of the committees has not varied much from the IVth to the Vth Republic. Each committee elects a chairman and a small bureau formed of three or four vice-chairmen, three or four secretaries and of a rapporteur général in the case of the Finance Committee. During the second Parliament (1962-1967) party discipline applied to the election

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1. A parliamentary group must include not less than thirty members. Smaller groups of deputies belonging to no group must affiliate to a larger group. However, a committee can complete its membership by asking individual deputies to join the committee (articles 19 and 37 of the Standing Orders).

and all the posts went to members or supporters of the majority[1]. The chairmen of the committees and, in case of doubt, the bureau decide whether article 40 applied to the amendments proposed in committee. The bureau organizes the work of the committee, fixes the agenda and appoints the rapporteurs[2].

The committee can always be convened by the Chairman of the National Assembly when asked for by the Government. During the session, however, they are convened by their chairmen and outside the session by their chairmen on the initiative of the bureaux. During the session, Tuesday, Wednesday, Thursday and Friday mornings are reserved for committee sittings. Attendance is obligatory but the penalties for absenteeism are not applied and as under the IVth Republic, only a nucleus of members attend regularly[3]. Most members attend only when the committee deals with questions they are particularly interested in or, mainly in the case of the majority, when forced to do

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1. In 1965, posts were distributed as follows:

   Chairmen: 4 UNR, 1 Independent Republican, 1 Centre Démocrate (M. Maurice Schumann);
   Vice-Chairmen: 15 UNR, 5 Independent Republicans;
   Secretaries: 12 UNR, 6 Independent Republicans, 1 Centre Démocrate (Mme Aymé de la Chevrelière), 1 non-inscrit (M. Palmero).

2. Generally the majority groups (UNR and Independent Republicans) make their own choice and inform the bureaux.

3. See for IVth Republic, P. M. Williams, Crisis, p. 244. For Vth Republic, see Chapter IV pp. 351-352.

so[1]. For a committee to meet a majority of its members is necessary. But the lack of quorum does not pose any problem (even when a vote is taken) unless a third of the members attending raise the question.

Votes in committees are either by show of hands or, if asked for, by secret ballot (par scrutin). The meetings take place in camera. Committee staffs are present. There is no formal limits to what can be discussed in committee. Minutes of proceedings are kept but they remain confidential. By custom, they are never referred to in the House. Important meetings are often followed by the issuance of press communiqués and, each week, a Bulletin des Commissions is published mentioning votes (not in the Senate however) and giving information on the organization and work of the committees.

In the early period of the Vth Republic standing committes, despite the Constitution, divided into sub-committees or "working groups". But ministers, particularly in budgetary matters, and some majority members did their best to sabotage the work of these groups. The Finance Committee never had "working groups" except for a small group of selected members (it

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1. In 1965-1966 each parliamentary group had a committee member responsible for attendance and party discipline. It seemed however that only the UNR and the Communist groups cared about these questions. The UNR has in each committee "un responsable chargé de coordonner les travaux de la commission et d'en rendre compte au Bureau Politique et au Groupe" (article 16 of the statutes of the UNR). In April 1966, they were:

MM.	Rabourdin	- Cultural Affairs
	Comte Offenbach	- Foreign Affairs
	Poujade	- Defence
	Souchal	- Finance
	de Grailly	- Legislation
	Bousseau	- Production

Article 24 of the same statutes specifies that "le manque d'assiduité aux seances des commissions, qui diminue les moyens d'action politique du Groupe, constitue une faute grave susceptible d'être sanctionnee". In the Finance Committee attendance is high on the first part of the Finance Bill (tax). On the estimates and other matters an average of twenty members attend. As pointed out by a committee clerk: "Ce sont souvent les mêmes. Le comité compte un fond assez stable de membres qui assistent régulièrement aux reunions".

did not include Communist deputies) which used to meet to hear the Minister of Defence on confidential matters. The Committee on Production and Exchange had "four vice-chairmen who each presided over a 'working group' in which membership was continuous and the parties were represented proportionately..."[1] but they did not work properly and, instead, the Committee organizes its agenda so that members with a specific interest need only assist when their subject comes for discussion[2]. The "working groups" set up by the Committee on Social and Cultural Affairs were in no way more successful[3] and the Committee had to organize its agenda on the pattern explained above. In some cases, however, the Committee evolves a semi-official type of "working group" called "groupes de travail budgétaires". These groups are sponsored by rapporteurs who want to arouse interest in their subject or because the budgets on which they report are of particular interest to some members. In 1965, for example, there were two of these "working groups": one on labour and one (headed by M. Gorce-Franklin, the rapporteur) on education. Sometimes, also, what could hardly be called a study group burgeons to oppose a specific budgetary measure. In 1963, for example, yielding to outside pressure some members formed a group to look into the possibility of increasing the

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1. P. M. Williams, The French Parliament, p. 63.
2. A typical agenda is given in appendix XII p 473.
3. They were two of them: one on the financing of the Social Security Services and another on l'assurance-maladie des travailleurs non-salaries. The former never met and the latter ceased to exist when the bill extending the advantages of the Social Security Services to self employed labour was passed.
4. The "working groups" met the representatives of various trade-unions and teachers unions.

Government subsidy to the producers of press paper. This group met the representatives of large paper industries and a member of the Minister of Finance's cabinet and decided to fight for an increase. The Defence Committee, in spite of its relatively small membership has several "working groups": one for each force (Army, Navy and Air) and four groups which deal with specific questions (space and aeronautical questions, lodging of servicemen, Gendarmerie Nationale and health). These groups, however, do not work well and, in fact, in budgetary matters, the work is done by the rapporteurs and the Committee staff.

Committees have clerical assistance. In 1965, more than twenty-five clerks constituted the service des commissions. These officials are employed and paid by the National Assembly. Several of them are graduates from the law faculties. They are distributed among the Committees[1]. They tend to remain with the same committee, if not for their whole career, at least for very long periods of time. They specialize in one or two fields. In the Finance Committee, for example, subjects were distributed as follows: article 40 (MM. Thomas and Bonenfant); merchant navy, information (Mlle Dumas); overseas finance, cultural affairs (M. Bonenfant); defence, education (M. Trnka); tax, parafiscalité, nationalized industries, defence (M. Dupas); plan, regional planning, social affairs (M. Montebeyrie); general documentation (M. Chevrin). Their main function is to advise the chairman of the committee on procedural matters and, in budgetary matters, to assist the committee members and the rapporteurs in the fulfilment of their tasks. Professional staff is also provided to the

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1. Finance Committee had seven; Cultural and Social affairs six; Production and Exchange six; Legislation four; Foreign Affairs and Defence shared four. Key posts (chef or sous-chef de Division) were held by people who had joined the committees in the early period of the IVth Republic.

Finance and Defence Committees by the Finance and Defence Ministries[1]. They are still paid by their own ministries but they are put at the disposal of the committees for an indefinite period of time. Although not coming from the grands corps the officials provided by the Finance Ministry have the rank of civil administrator or attaché d'administration. Their main function is to advise the Committee (mainly the rapporteur général and the rapporteurs spéciaux) and to maintain a direct and permanent link between the Committee and the Ministry. The contrôleurs généraux of the armies provide the Finance Committee with technical advice on the defence budget while four officers carry out the same function in the Defence Committee[2].

ii) Finance Committee

The tasks of the Finance Committee are heavy. All the Finance Bills (the main Finance Bills, the revised Finance Bills and the Appropriation Accounts Bills), the National Plan and Bills with important financial repercussions are referred to the Committee. The Committee, however, does not have more powers than the Assembly. It is an organ of the Assembly charged (if no special committee is called for) with the scrutiny of legislation. It reports

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1. In 1965 five officials came from the Finance Ministry: one contrôleur financier (he has been with the Committee since 1949); three administrateurs civils and one attaché d'administration. Three contrôleurs généraux of the armies (one for each force) were assigned to the Finance Committee and four officers (two colonels, one capitaine de vaisseau and one lieutenant) to the Defence Committee.

2. Article 5 of the Instruction Générale du Bureau de l'Assemblée Nationale (22 July 1959) reads as follows: "Les fonctionnaires des administrations centrales, mis à la disposition des commissions de la Défense Nationale et des forces armées et des Finances, de l'economie générale et du plan, à la demande de leurs présidents, en qualité d'experts, ont une mission de simple information et relèvent uniquement, sous sa responsabilité personnelle, du président de la commission". They are, in fact, assigned to the rapporteur général and various rapporteurs. This article also states that they do not take part to the Committee meetings and have no right of access to the corridors and services of the Assembly. In practice, however, none of these restrictions seem to be applied.

to the Assembly which, in the light of its recommendations, decides whether to accept or reject the Bill or to amend it.

Organization

The Committee's work is organized around the chairman, the rapporteur général and the rapporteurs spéciaux.

The chairman is the formal head of the Committee. He convenes the Committee, fixes its agenda, presides over its meetings, decides on the application of article 40 and is consulted on the agenda of the National Assembly. Generally, he does not write a report on part of the budget, but M. Giscard d'Estaing, when he was appointed chairman in 1967, took the report on the estimates of the Cultural Affairs Ministry. The chairman, if he is a prestigious parliamentarian and a former minister (MM. Reynaud and Giscard d'Estaing, for example) can also be the real leader of the Committee, directing its work, presenting its views and trying to influence both the House and the Government. If he lacks any of these qualities and if, in addition, he is the U.N.R. nominee (as M. Palewski, 1962-1967, was), he may remain the nominal head only, with the rapporteur général doing all the work and speaking for the Committee.

The rapporteur général is the financial and economic expert of the Committee. His main task is to prepare the main report on the budget (rapport général). He leaves to the rapporteurs spéciaux the detailed (ministry by ministry) analysis of the budget and focuses his attention on large issues: the first part of the Finance Bill (fiscal policy and overall balance), the form of the estimates and parliamentary control. With the help of two or three committee advisers (the civil administrators), he follows the preparation of the budget as closely as he can and as soon as the budget is ready he

starts preparing the first draft of his report for he is the first member of the Committee to speak on the budget. He explains the Finance Bill to his colleagues, expresses his views and suggests modifications. He must also take into account members' comments and proposals and, if they reflect the opinion of the Committee he must include them in his report. Amendments adopted by the Committee are mentioned and proposed to the Assembly by the rapporteur général as committee amendments.

Every year some thirty-five members are appointed rapporteurs spéciaux: one for each ministry's budget though some ministries like Defence or Finance have more than one rapporteur. They prepare the Committee's reports on the estimates of each ministry[1].

Methods of work

The Committee, within the limits stated in the Constitution, the organic laws and the Règlement, determines its methods of work[2]. In budgetary matters three main methods are used leading to the publication and distribution of the Committee's reports: the written questions, hearings and meetings.

1) Written questions

When the Committee receives the estimates (and sometimes before) the first task of the rapporteurs and Committee staff is to draw a list of written questions which is sent to the Minister of Finance by the chairman of the Committee. The form of the questions varies with the rapporteurs or

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1. The special reports are published as appendices to his own report. A typical title reads as follows: Rapport fait au nom de la commission de l'économie générale et du plan sur le projet de loi de finances pour 1967 (no 2044) par M. Louis Vallon, rapporteur general, deputé, annexe no 7 Rapport sur le fonds d'orientation et de régularisation des marches agricoles. Rapporteur spécial: M. Pierre Godefroy.

2. Article 40.5 (Règlement). See on the origin of the article, P. Avril, op. cit., p. 73.

the clerk but, generally, they aim at finding out possible changes in the policy of the ministry and at getting detailed information about the estimates[1]. A hard working rapporteur with a complex budget may ask as many as one hundred questions. The Ministry of Finance has about a week to prepare the answers. In practice, however, the questions are referred to the ministry concerned which prepares the answers and sends them back to the Ministry of Finance. Their consistency with the Government policy is checked and they are sent to the Committee. The same procedure is followed in the case of the questions prepared by other standing committees except that these committees tend to avoid the control of the Ministry of Finance and deal directly with the spending ministries. If the rapporteur is not satisfied with the answers given, he may put supplementary questions or raise the matter when the minister concerned is heard by the Committee. These questions and answers should be made available to the other committees of the National Assembly and to those of the Senate. But, in fact, there seems to be very little collaboration between the committees.

2) Hearings (auditions)

Ministers may appear at their request before the Committee. The chairman of the Committee may also ask for a minister's appearance[2]. Normally civil servants are not heard unless the minister approves[3]. The Finance

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1. Some typical questions and answers are given in appendix XIII.

2. Article 45 (Règlement): "Les ministres ont accès dans les commissions; ils doivent être entendus quand ils le demandent. Ils ne peuvent assister aux votes. Le Président de chaque commission peut demander l'audition d'un membre du Gouvernement; sa demande est transmise par le Président de l'Assemblée au Premier Ministre (...)".

3. In April 1968, M. Debré refused to let a delegation of the Finance Committee proceed to the interview of three civil servants. He told the committee that he was the only "interlocuteur valable" of Parliament and of the committee. In his opinion "les auditions d'experts dépendant hiérarchiquement d'un ministre, ou soumis à sa tutelle, ne peuvent avoir lieu que dans des cas exceptionnels, avec l'autorisation du ministre, en sa présence". See Le Figaro, 19 April 1968.

Committee usually hears the Minister of Finance, the Minister of State for the Budget and several economic ministers (Agriculture, Equipments, Interior on local government finance, etc.). The ministers, assisted by experts, present the budget and answer the questions put by the rapporteurs and Committee members. The author of an amendment and the rapporteur appointed by the other standing committees can also be asked to appear before the Committee. They must, however, leave the Committee when the vote takes place (article 86.5).

3) Meetings and reports

The Committee meetings enable the Committee to inform itself on the budget (hearings and reports of the rapporteurs) and to vote on the budget and on the various amendments proposed. These meetings are a kind of preparation for the debate on the floor. Ministers explain the budget, rapporteurs read their reports, members and parties spokemen express their views and propose amendments and, finally, the Committee votes on each clause of the Finance Bill and on the Bill as a whole. In September and October, the Committee has a heavy timetable. In October 1966, for example, it used to meet at least three mornings a week. The first two meetings were devoted to the hearing of the Minister of Finance and to the consideration of the rapporteur général's introductory report. Then the Committee voted the first part of the Finance Bill (tax and overall balance) before it begun the examination of the second part (the estimates). The reports[1] are presented to the Committee, discussed and adopted with any modifications suggested by the Committee. They must conclude with recommendations for the adoption or rejection of the estimates or

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1. In 1966 (1967 budget) the Finance Committee submitted 45 special reports. They varied from ten pages (Légion d'Honneur et Ordre de la Libération) to ninety-one pages (Intérieur et Rapatriés): see Chapter V, p. 353.

for amendments[1]. They include, in appendice, the amendments submitted to the Committee when they are in accordance with article 40 of the Constitution. They also include accounts of the hearings and of the debates in Committee. They must be printed and distributed to the deputies in time for the debate on the floor[2].

iii) Other committees

When the Finance Bill is referred to the Finance Committee, any of the other standing committees may send one or several representatives to the meetings of the Finance Committee where they have the right of discussion and not that of voting. They may also hear the rapporteurs spéciaux on the aspects of the Finance Bill which correspond to their jurisdiction and the rapporteurs speciaux must mention in their reports the comments of the members of the Committee[3]. In practice, however, standing committees do not take advantage of these rights. These committees can also ask to submit one or several advisory reports (avis) on the whole or part of the Finance Bill[4]. For this purpose they appoint rapporteurs pour avis. The rôle of these rapporteurs is to look at the estimates from the committee's point of view. They are less concerned with the financial and economic aspects of the budget and more with its repercussions in the fields which interest the Committee. The Defence Committee, for example, ensures that the Government fulfils, through the annual budget, its obligations under the five years military programme law while the Finance Committee studies the possible repercussion of the Defence budget on the national economy.

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1. Article 86.2 (Règlement).
2. Articles 86.1 and 87.4 (Règlement).
3. Articles 117.2 and 117.3 (Règlement).
4. Article 87.1 (Règlement).

These committees work on the same basis as the Finance Committee. They send written questions, hear ministers, prepare, publish and distribute reports. They have the right to propose amendments provided they are in accordance with article 40. The specialist committees, however, do not vote on the clauses of the Finance Bill. They express, through their reports, a favourable or unfavourable view. The number of advisory reports varies from committee to committee. In 1966, for example, the Social and Cultural Affairs Committee presented seventeen reports: Production and Exchanges nineteen, Defence eight, Legislation and Foreign Affairs four each.

2. National Assembly: Debate on the Floor

After the Committee stage the budget is discussed by the whole assembly. Ministers and committees contribute to the information of the deputies, the former by explaining their budgets and answering questions, the latter by presenting their reports, proposing amendments or expressing their views on deputies' amendments. The deputies intervene on the various clauses of the Bill. They vote on the clauses and the amendments before concluding the first reading by a vote on the Bill as a whole. We have seen the constitutional and procedural aspects of the debate on the floor. Here we deal with its organization.

It is divided into three main parts: the general discussion, the detailed examination and vote (article by article) on the first and second part of the Finance Bill and, finally, the vote on the Bill as a whole.

The aim of the general discussion is to enable the Government, the Finance Committee and the economic and financial spokemen of the various parliamentary groups to speak on the budget. The discussion is generally

opened by the rapporteur général who gives a summary of his reports[1]. He does not propose the Committee's amendments but indicates that they will be presented later on during the detailed examination. He is followed by the Minister of Finance who presents his budget and replies to the rapporteur général. Then the party spokemen express their views on the Government's economic and financial policy as embodied in the budget. These interventions determine the atmosphere likely to prevail during the rest of the budgetary session. One or two meetings (séances) are devoted to the general discussion[2].

It is immediately followed by the detailed examination and vote on the Bill. Normally, the articles are called in their numerical order but, sometimes, for tactical reasons, the Government changes their order[3]. The timetable for the discussion is established by the conférence des Présidents[4] in collaboration with the Government. Because of the time limit within which

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1. The Government has the right to speak first but it often gives way to the rapporteur général. During the IVth Republic, however, the Government always spoke last (after the rapporteur général, various rapporteurs and party spokemen and any individual deputy who may have been willing to intervene) "... un peu comme en cour d'assises, l'accusé a toujours le dernier la parole pour répondre à ceux qui l'ont mis en accusation": Goguel, Cours, p. 616.

2. Ten hours in October 1966 (1967 budget) M. Goguel wonders if these introductory debates still fulfil any useful function "Elles avaient plus de sens autrefois quand les orateurs avaient la bonne habitude de ne pas préparer complètement leurs interventions, mais d'arriver en séance avec des notes assez complètes mais suffisamment souples, si je puis dire, pour qu'ils fussent en mesure de modifier la structure de leur intervention en fonction de ce qui aurait été dit par les orateurs qui les auraient précédés...", ibid., p. 617.

3. In October 1966 for example, the usually controversial ex-servicemen budget was called first.

4. This body includes the chairman and vice-chairman of the National Assembly, the chairmen of the standing committees, a representative of the Government, the rapporteur general. See article 48 of the Règlement.

the debate must take place, the speaking time is allocated in a rather rigid way. In early October, before the debate begins, the conférence des Presidents publishes its timetable allocating the time, first, between the various articles and ministries' budgets and, second, within these limits, between the Government, the committees and the parliamentary groups. In 1966, for example, Agriculture had 13 h. 45, Education 10 h. 45, Defence 8 h. 30 and Foreign Affairs 8 h. 45 while Cultural Affairs, Justice and Scientific and Technological Research were given less than three hours. Then within these global ceilings, the speaking time is distributed among the Government, the committees and the various parliamentary groups according to the following pattern (the budget for 1965 is taken as an example):

1) the conférence des Présidents had to allocate a global ceiling of 121 hours;
2) the Government was given ¼ of the available time: 30 h. 15;
3) the committees 15 minutes per report submitted: Finance 10 h.; Cultural Affairs 3 h. 45; Foreign Affairs one hour; Defence 1 h. 45; Legislation one hour; Production 3 h. 45. Moreover, 3 h. 45 were allocated to the examination and vote of the amendments submitted by the committees and 45 minutes to those submitted by the deputies: total 26 h. 45.
4) finally, the remaining 64 hours were allocated proportionately among the parliamentary groups.[1]

On controversial issues, however, more time can be allocated to the parliamentary groups although this does not necessarily mean that they will all

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1. J. O., 20 October 1964, p. 3386.

have sufficient time to let all the interested members intervene[1].

The final part of the debates is the vote on the Bill as a whole. It is often preceded by a second deliberation on the articles which have been reserved during the previous stages. A short period of time is also devoted to the explications de vote sur l'ensemble[2]. But, as pointed out by M. Goguel[3]:

> "C'est souvent l'occasion d'une sorte de nouvelle petite discussion générale, d'ailleurs inutile à l'Assemblée et qui ne sert qu'à l'information de ceux qui suivent les débats parlementaires, au cours de laquelle sous forme d'explication de vote, les représentants des différents groupes politiques exposent les motifs du vote qu'ils vont émettre, critiquent le projet ou, au contraire, l'approuvent".

Sometimes, the chairman of the Finance Committee uses this short debate to express his views on the way Parliament has exercised its control of public finances[4].

3. Senate: the Committee System

The committees of the Senate are organized and work on the same basis as those of the National Assembly. The Finance Committee is by far the most important. As in the National Assembly, it gets four technical advisers from

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1. On 18 October 1966, for example, the debate on Titles III and IV of the ex-servicemen budget was organized as follows: Government (1 h. 10); committees (35 min.); UNR-UDT (1 h. 20); Socialists (20 min.); Centre démocrate (20 min.); Communists (15 min.); Rassemblement démocratique (15 min.); Independent Republicans (10 min.); isolated members (5 min.). Some of the speakers had less than two minutes: J. O., 18 October 1966, p. 3472. The system favours the Government and its majority for, generally, the committee spokemen are members of the majority.

2. Article 54.3 (Règlement): "Hormis les débats limités par le règlement, le Président peut autoriser des explications de vote, de cinq minutes chacune, à raison d'un orateur par groupe".

3. Cours, p. 625.

4. See, for example, J. O., 9 November 1963, p. 7114.

the Ministry of Finance. The Committee gives reports to all its thirty-four members.

In theory, the committees have to wait until the National Assembly has completed its first reading before beginning their work. In practice, this can hardly be done and the rapporteurs are already at work by early October. The committees, however, have to take into account any modifications brought to the Bill by the National Assembly. They wait until the last moment before taking a final decision on the budget and publishing their reports. Since ministers do not appear before the whole Senate, committee hearings are treated as much more important by the ministers and the senators. If any concession is made by the Government, it is more likely to happen in the committee stage. Committee membership is more stable than in the House and rapporteurs keep the same report for long periods of time. The chairman of the Finance Committee, M. Roubert, has held the post since 1945 while M. Pellenc has been rapporteur général since 1952.

4. Senate: Debate on the Floor

Except for the absence of senior and departmental ministers and for the shorter period of time (fifteen days) allocated to the first reading, the debate on the floor follows the same pattern as in the House. The Government (i.e. Ministers of State) however always speaks first on the Bill and the speaking time is allocated in a more flexible way. The time-table is not imposed by the conference des Presidents but proposed by it to the senators and remains open to modifications at any time. Each parliamentary group (they were seven of them in 1966) gets fifteen minutes on each

ministerial budget plus a period of time proportional to its strength. Groups can trade their speaking time.

5. Joint Conference

The Joint Conference which is charged with ironing out conflicts between the two Houses is formed of seven senators and seven deputies. In practice, there are twenty-eight, as each full member has a substitute who sits and can speak (but can vote only if his principal is away)[1]. The Government is not a member of the Committee. Under the first Parliament, ministers acted as mere outside advisers to the Committee. They did not make proposals. Under the second Parliament, they appeared in Committee and, sometimes, even took part to the discussion. During the debate on the 1965 budget, the Minister of State for the Budget submitted a series of amendments to the Committee and this method has been used since then. The Government, however, refuses to participate to the activities of the Committee as a full time member in order to keep a margin for manoeuvre at latter stages.

In the first Parliament, members were chosen in rough proportion to party strengths. This always gave the opposition parties a majority, since among the senators they were six to one and among the deputies either two against five or three against four[2]. But in the second Parliament, the National Assembly decided to send only members of the majority, i.e. UNR and Independent Republicans. The Senate, on the other hand, kept the former formula.

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1. See P. M. Williams, The French Parliament, p. 69. See also H. Trnka, loc. cit. (May 1963), pp. 477-534 and (July-August 1967) pp. 739-770.

2. See P. M. Williams, ibid.

This gave the majority parties a majority of one, since among the senators there were always a member of the UNR or Independent Republicans.

The Committee elects a bureau formed of a chairman, a vice-chairman and two rapporteurs. These posts have always been assumed by the chairmen and rapporteurs generaux of the Finance Committee[1].

The Committee examines the disputed clauses according to the usual procedure. Votes take place but are not made public and there is no report on the proceedings. But when the Committee has completed its work the rapporteurs issue a report stating whether agreement has been reached or not and, if it has, proposing a draft compromise. This report is printed and distributed in the two Houses and sent to the Prime Minister. Then the Prime Minister decides whether to submit it to the National Assembly[2]. So far, as we have seen, the Joint Committee has always been able to reach agreement and the Prime Minister has always submitted the draft (with amendments) to the assemblies. But if the National Assembly has always adopted the draft on a global vote, the Senate, on the other hand, has twice rejected it (in 1961 and 1965).

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1. From 1963 to 1966 MM. Palewski and Roubert have alternatively occupied the chairmanship and vice-chairmanship while MM. Vallon and Pellenc have been rapporteurs.

2. Articles 112 and 113 (Règlement).

CHAPTER IV

ATTITUDES AND STRATEGIES

A. Introduction

The aim of this chapter is to show how different functions produce different outlooks and opposing strategies. Spending ministers ask for money, present their claims in the most favourable way and make use of the existing process and of particular circumstances (the state of the economy, an election, pressure groups activities, etc.) to foster their demands. They see themselves as representatives of particular sectors. They defend the interests of these sectors without paying too much attention to the interest of other sectors or to the common interest. They assume that someone else sees that "other's" interests and the common interest are taken into account.

This rôle is claimed by the Ministry of Finance. Indeed the Ministry of Finance, because it controls the purse strings and is responsible for the management of the national economy, sees itself in the position of a co-ordinator and arbitrator of diverging sectional and regional interests. The officials of that Ministry think of themselves as representatives of the

common interest and consider that their rôle is to ensure that this interest prevails in the allocation of public funds. But since demands always exceed resources, someone must decide ultimately between the various alternatives. The Ministry of Finance, if it cannot take these decisions itself, will make sure that the crucial choices are made in the right places (i.e. the Prime Minister, the President or the Council of Ministers) and not reached through various sorts of deals at the interdepartmental level.

However, certain factors, some peculiar to the French system of Government, make things more complex. First, these differences are accentuated in the French system because of the large number of administrative units, the traditional autonomy of each of these units (cloisonnement) and the absence, at the administrative level, of a permanent head to co-ordinate the action of these separate units. This rôle is played by the Minister who, as political head, is bound to implement the policies determined by the President, the Prime Minister and the Government as a whole while at the same time he must defend the interest of his Ministry as opposed to that of the Government as a whole. Within each ministry (including Finance) one finds diverging interests which express themselves through the Bureaux, Sous-Directions and Directions and which oppose "horizontal" to "vertical" administrations. Some (the vertical administrations) see themselves as spenders of money and aim at getting the highest amount possible for their sector, very much on the same pattern as the spending ministry vis-à-vis the Ministry of Finance. Some, on the other hand, like the Minister, the General Secretariat or the Service Financier find themselves in the position of the Ministry of Finance vis-à-vis the spending ministries. They see themselves as defending a more general interest (that of the Ministry's budget as a whole)

and show more concern for efficient spending and a just allocation of resources at the ministry's level. These differences are also found in the Ministry of Finance where similar cloisonnements exist between the various Directions and Bureaux.

Second, ministries and Directions are also divided on a geographical basis between services extérieurs (départements) and services centraux (Paris). The former defend the interests of a region or département while the latter look at the interest of the country as a whole. The high degree of centralization of the French system, which ensures that decisions are taken in Paris, puts the services extérieurs in the situation of spending ministries vis-à-vis the services centraux.

This situation is a source of continuous conflicts at the administrative level. But during the budgetary process, the time pressure and the need to produce an annual document make the rapid settlement of conflicts necessary. Because of the reluctance of civil servants to accept de facto arbitration from a permanent head of department, co-ordination and arbitration are carried out at the political level, i.e. at the level of the Minister and ministerial cabinet, and higher up in the hierarchy, by the Prime Minister, the President and their staffs.

At the parliamentary level, one could have found similar patterns under the IVth Republic. The Finance Committee played the rôle of the Ministry of Finance vis-à-vis the specialist committees and vice versa, and different interests clashed within the committees[1]. Disputes were decided - when they were - by the Assembly as a whole. Under the Vth Republic, the parliamentary scene has changed drastically. True, one can still find divisions

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1. See M. Harrison's unpublished thesis, loc. cit.

between and within committees. These conflicts, however, are more or less irrelevant, for important questions have been settled and decisions taken at the administrative and governmental stage. It is at this stage that ministers and civil servants adjust their budgets to try and forclose any potential parliamentary opposition. Moreover, these decisions are presented to Parliament (and to the Government majority therein) as unchallengeable. The majority may try to bring about some changes, but it is likely to succeed only if the Government agrees or, in case of persistent disagreement, if it is determined to defeat the Government. A Government's defeat on a minor point may not have serious consequences but, if the Government makes use of the vote bloqué (the "petite question de confiance") as it always does in budgetary matters, one can no longer speak of minor points for a Government's defeat then would mean the rejection of either large chunks of the budget or of the budget as a whole. This might well result in the dissolution of the Assembly[1]. In this chapter, we shall analyse some of the changes this situation has brought in the relations between civil servants, ministers and parliamentarians. The attitudes and strategies of parliamentarians however are studied in the next chapter where we deal with some aspects of the debates and votes of the 1967 budget.

B. External versus Central Administrations

Several spending ministries (Agriculture, Education, Public Works, to name a few) are divided on a geographical basis between external (départements or regions) and central services (Paris) which have different points of

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1. This has never happened as yet.

view as to what the budget should be like. The officials in the external services are in the field. They are in almost continuous contacts with the mayors[1], conseillers généraux and the clientele of the ministry. They have personal knowledge of the situation of an area and, as a result, are sensitive to local problems and pressure[2]. They look at the budget from their narrow geographical point of view, emphasize their needs and insist that priority should be given to their area, their lycée, their roads and so forth. They are unaware of what goes on in other services and take into consideration their particular problems only. They are often "techniciens" (they come from Polytechnique, Ponts et Chaussées, Ecole Centrale des Mines, etc.) and do not have very much respect for the administrators (often from E.N.A.) with whom they may be in contact during the preparation of the budget[3]. Their aim is, of course, to get as much money as possible. They know that they will not get

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1. See Charles Van Hecke: "Qu'est-ce qui fait courir M. le maire?", Le Monde, 2 November 1966 and J. P. Gilli: "Le maire dans le département des Alpes Maritimes", R.F.S.P., Vol. XVIII, June 1968, pp. 467-507.

2. See Gournay, Cours, p. 121 for an interesting account of the situation of the officials of the service départemental des Ponts et Chaussées de Seine-et-Oise. Also Catherine, Le fonctionnaire français (Paris 1961): "Il a les sens des nécessités temporelles, circonstancielles: il est en relation permanente avec les autorités locales, avec les maires qui sont en prise directe sur leurs concitoyens et sur les problèmes de tous les jours et qui viennent le relancer (...) Il a pris l'habitude de raisonner d'abord sur les faits, sur les données concrètes, des chiffres plus que des idées. Bref, il est plus porté au réalisme - un réalisme d'ailleurs fatalement fragmentaire - que ne l'est son collègue parisien", p. 290. This chapter is based on two main sources of information: first, on material collected at the occasion of our interviews with civil servants and deputies, and, second, on university courses given by civil servants or books published by civil servants and ministers. We refer to specific interviews only for direct quotations.

3. See for similar conflicts between "techniciens" and administrators on the boards of various nationalized industries: J. Billy, Les Techniciens et le Pouvoir, (Paris 1963), pp. 85-87.

all the money they need but they will emphasize the fact that they can efficiently spend all the money they are granted. M. Catalifaud, rapporteur of the estimates for transport and himself a former ingénieur des ponts et chaussées often expresses the views of these services during the budgetary debates:

> "Les ingénieurs et le personnel des ponts et chaussées peuvent faire face aux travaux nécessaires à la remise en état, à la réfection et à l'amélioration du réseau, ainsi qu'à la construction des autoroutes. Les entreprises de travaux publics ne sont utilisées actuellement qu'à 50 ou 60 pour 100 de leur potentiel. Alors, qu'attend-on ? Tout le monde le sait, c'est le financement" [1].

The officials do not deal directly with the Ministry of Finance and are thus inclined to put the blame on their counterpart in the central services for not being aware of what goes on at the grass-roots and thus for not granting the money that is asked for. They see the officials in Paris as the "dictature des ronds-de-cuir" [2] always turning down their most basic requests on grounds of budgetary stringencies or in the name of the more general interest of the sector the ministry is responsible for. They may also be told, if priority has been given to another programme than the one they sponsor, that this is purely temporary and that they may expect to get some funds another year. There is, of course, dissatisfaction and criticism at the grass-roots. It is often voiced by the Conseils Généraux, the Commissions de développement économique régional (C.O.D.E.R.) and various officials including prefects [3].

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1. J. O., 4 November 1964, p. 4574.

2. See P. Pasteur, La dictature des ronds-de-cuir (2nd ed., Paris 1967). P. Pasteur is the nom de plume of a well-known prefect.

3. See for typical examples of protests by Conseils Généraux and prefects: Le Monde, 3 and 4 December 1967; by CODER: Le Monde, 7 December 1966; by officials: Le Monde, 9 November 1967 "Nous avions demandé un crédit de 1 million de francs, or on nous a donné 52 000 francs" (the dean of the faculty of science of Nice; see also a letter of M. Yves Martin, proviseur of the lycée of Font-Romeu in Le Monde, 14 September 1967, etc.

The officials in the central services, on the other hand, usually do not have personal knowledge of the problems in the field. Their offices are in Paris and, because of the traditional cleavage between them and the officals in the field, they are little inclined to pay visits to the latter. Moreover, in some Divisions, civil servants of the central services are never assigned to the external services and appointments of a civil servant from the external services to the central services are rare[1]. As pointed out by Catherine:

> "Les fonctionnaires centraux sont d'abord presque toujours des gens assis, matériellement assis dans leur bureau de la capitale (...) Souvent, ils n'ont jamais eu l'occasion d'exercer leur métier en province dans un cadre réduit où les difficultés matérielles, individuelles s'expriment directement et d'une façon concrète. L'Administré est pour eux un être presque aussi mythique qu'est l'Administration pour ledit administré"[2].

They see the investment programmes of the Division through numbers and estimates for they work mainly on files and on reports coming from the external services. Their approach to budgetary matters is broader than that of the external services for they look into the needs of the Division as a whole and take into consideration general as well as local and particular interest. They have relations with the ministry's clientele but they aim at establishing a balance between the various needs of the services. They are in much the same position as the Ministry of Finance towards spending ministries. They consider themselves as less permeable to private and local interest and more

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1. See Jacques Lautman and Jean-Claude Thoenig: "Conflits internes et unité d'action: le cas d'une administration centrale", p. 307 in Sociologie du Travail, Juillet-Septembre 1966, special issue on L'Administration face aux problèmes du changement.

2. op. cit., pp. 288-289.

aware of the general interest[1]. Sometimes this makes them look at their colleagues in the external services as inferior[2]. In some ministries (Public Works, for example) most of the civil servants are "techniciens" and not "administrators" and this may facilitate understanding between central and external services[3]. But in other ministries (Education and Agriculture to some extent) the experts are in the external services and the "administrators" in Paris[4]. The lack of understanding may then be increased. Decisions, however, have traditionally been taken by the Directors in Paris with little possibility for external services to alter them.

Recent attempts to decentralize and streamline French decision-making by bringing the external services under the authority of the departmental prefects and establishing the region as an intermediary stage between the départements and Paris for matters concerning more than one département may have modified the traditional relationship between the external and central administrations. Although it is too early to appreciate exactly the impact of

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1. Gournay, Cours, p. 124: "Alors que l'ingénieur départemental des Ponts et Chaussées se borne à avoir des relations avec les conseils municipaux, les maires, les conseillers généraux et les entreprises de son département, le Directeur des routes a affaire à tous les conseils généraux de France, à toutes les municipalités, à toutes les chambres de commerce. Il est en rapport avec tous les groupes de pression qui sont organisés à l'échelon national, par exemple la Fédération Nationale des Transporteurs routiers ou le Touring Club de France. Il subit donc un grand nombre de pressions, pressions qui d'ailleurs sont parfois en sens contraire".

2. F. de Baecque: "Pour une politique cohérente de décentralisation: éléments de réflexion sur les administrations centrales", R.F.S.P., Vol. XVII, February 1967, p. 22: "Il est certain que trop souvent, actuellement les agents en service à Paris considèrent leurs collègues de province comme d'un niveau inférieur, et qu'il arrive aussi qu'ils les croient entièrement soumis à l'influence des élus locaux..." (M. de Baecque is a civil servant).

3. See Lautman and Thoenig, loc. cit., p. 307.

4. Gournay, Cours, pp. 314-315.

these changes recent studies[1] and statements of civil servants suggest some of the following trends. First, the regrouping of the external services under the departmental prefects and the allocation of additional powers to the prefects were not considered as necessarily improving the situation of the external services in the bargaining process with Paris[2]. Second, the new position of the departmental prefect is overshadowed by the fact that for matters overlapping the bounderies of his <u>département</u> he must pass through the regional prefect. His possibilities of intervening directly in Paris are thus reduced. As pointed out by Louis Faure:

> "Le corps préfectoral, profondément uni dans l'égalité de ses membres, pétri de traditions jacobines et peu porté à l'économisme, a accepté difficilement l'interposition d'un échelon régional entre les départements et les ministères. Bien que la réforme renforce leurs pouvoirs sur les services départementaux, beaucoup de préfets y voient une hiérarchisation dangereuse pour leur liberté d'action, sinon pour leur carrière. Le préfet de région, leur collègue, doit-il devenir leur chef ? Ce sentiment a suscité dans les conférences administratives régionales une réaction de défense d'autant plus vive que la régionalisation leur est apparue comme une action patiente mais inéluctable vers une refonte complète de l'administration en province"[4].

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1. See the special issue of <u>Sociologie du Travail</u>, <u>loc. cit.</u>, particularly P. Grémion "Résistance au changement de l'administration territoriale: le cas des institutions régionales", pp. 276-295. See also by the same author <u>La mise en place des institutions régionales</u> (Paris 1966); B. Gournay, Kessler et al, <u>op. cit.</u>, pp. 171-202 and F. de Baecque, <u>loc. cit.</u>

2. See for example "L'organisation départementale et communale à l'épreuve du vingtième siècle", <u>Actes du colloque tenu du 12 au 14 octobre 1966 sous l'égide de l'association des corps préfectoraux et des hauts fonctionnaires du ministère de l'intérieur</u>, in <u>Revue administrative</u>, 21e année, no. 59, 1967. Hereafter referred to as <u>Actes du colloque</u>.

3. M. Pairn, former General Secretary of the Ministry of Interior was very critical of the decrees of 1964 "qui ont donné aux préfets des départements des nouveaux pouvoirs sur les services externes des ministères (...) La région risque de devenir un lieu de confrontation beaucoup plus qu'une instance de collaboration féconde": <u>Actes du colloque</u>.

4. "Où en est la mue administrative et économique régionale ?", <u>Le Monde</u>, 7 and 8 June 1967.

Third, the regional prefects whose jurisdiction has been extended to the affairs of several departments have accepted the reform with enthusiasm[1]. But the cumulation of departmental and regional responsibilities has put them in a delicate position vis-à-vis their colleagues and some of them have been rather reluctant to make full use of their powers in the allocation of investment credits[2]. Finally, the main benefactors of the reforms may well have been the officials of the central services and particularly those concerned with economic planning (Planning Commissariat, Délégation à l'aménagement du territoire, Hôtel Matignon). Indeed the reforms have enabled them to extend their control to the activities of external services and to compete more effectively with the Ministries of Finance and Interior.

C. Division versus Division

A French ministry is like a confederation of autonomous states. The ministry has no permanent single head; each division is independent and master in its own field; only the minister and his cabinet have overall control - but they are not permanent. The existence of a General Secretary means more coordination in financial and establishment matters but not necessarily centralization of power. The General Secretary is the head of a division among other heads of divisions[3]. He does not have a higher status but his authority

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1. M. Vié, prefect of the Champagne region, thought that the 1964 reform was "une expérience exaltante (...) Les investissements qui jadis étaient décidés par Paris selon deux principes: 'saupoudrage et débrouillardise' tiennent mieux compte aujourd'hui des besoins réels des régions", Actes du colloque.

2. L. Faure, loc. cit.

3. As pointed out by B. Gournay (a civil servant): "En fait, il est très difficile pour un directeur d'administration centrale, même s'il est pourvu du titre de directeur des affaires générales et des services financiers, d'imposer ses vues à ses collègues et d'arbitrer entre leurs demandes", Cours 1965-66, pp. 125-126.

is over services common to all divisions and this gives him a more general knowledge of the problems of the ministry and may enhance his position.

Furthermore not only are the divisions autonomous but bureaus within a division, too, often refuse to co-operate even on projects common to all. Each bureau works out its estimates and sends them to somebody further up in the hierarchy, but they rarely co-operate in their work with other bureaus. The tendency is for files to go up and down but not across. The attitude of the bureaus has been described as follows by Gournay: "Les bureaux et leurs occupants veulent plus de ressources financières (...) Les bureaux ne peuvent pas remplir leurs tâches sans argent. Eux aussi réclament: 'des crédits ! des crédits !' " [1]. So that when the budget is prepared the head of the division will have the difficult task of establishing a balance between the various and expensive claims of the bureaus. He will centralize these estimates and compile the budget of the division. A first attempt at settling conflicts and co-ordinating estimates is made at that level.

This hostility which divides the administrations responsible for particular sectors ("vertical" administration) and prevent useful co-operation between them plays also a crucial rôle in the relations of these divisions with those responsible for sectors common to all (essentially establishment, accounting and financial matters). The services financiers or bureau of the budget of a ministry are of the latter type i.e. "horizontal" administrations. The "vertical" divisions prefer to deal directly with the Ministry of Finance and to fight their own budget battles rather than run the risk of being betrayed by

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1. Ibid., p. 311

an intermediary[1]. Hence they often resent the creation of powerful General Secretariats with well organized and authoritarian bureaus of the budget[2]. They see it as an additional obstacle in the budgetary process. This attitude does not help the preparation of the budget and, sometimes, enables the Budget Division[3] to invoke the lack of agreement between these divisions to oppose their estimates.

On the other hand, if the bureau of the budget of a ministry has established itself as the main spokesman in budgetary matters, the chances of the ministry versus Finance are increased. It is always better to have a united front when one deals with the Ministry of Finance and a strong united front may include not only the divisions but also the minister, some deputies and, of course, the ministry's clientele[4]. But this is not always the case and the Budget Division, during the discussion of the budget, makes full use of conflicts between divisions, and between divisions and the bureau of the budget, to throw doubts on the programmes put forward by the spending ministries: "Would not this project for example be better executed by another division", etc. On the other hand, internal conflicts are more likely to be temporarily forgotten in budgetary matters than in others. Money is so important that it is probably in this field that conflicts within a ministry are

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1. As Gournay points out: "Ils cherchent d'abord à assurer leur indépendance à l'égard d'autres bureaux. On s'explique ainsi la réserve sinon l'hostilité des directions de ministères à l'égard de services horizontaux chargés de coordonner leur action. Les directions de personnels sont toujours suspectes de vouloir porter atteinte à l'autonomie des autres directions", Cours, p. 307.

2. As it was the case when a General Secretariat was set up in the Ministry of Education in 1962. (Int. M. Blanchard, 21 march 1966).

3. "Budget Division" always refers to the Direction du Budget in the Ministry of Finance.

4. As it was the case for the Ministry of Agriculture in 1966. As a Budget Division's official pointed out: "Le dossier de l'agriculture fut brillamment défendu cette année. Vous voyez les résultats".

most quickly settled and that the general strategy of the ministry prevails over individual and selfish interests. A strong General Secretariat and an effective minister will always insist upon having things under control before dealings start with the Ministry of Finance.

D. Spending ministers versus Ministry of Finance

1. Ministry of Finance: internal conflicts

The Ministry of Finance also has its internal problems. The cloisonnement between the various Divisions is even greater than in most technical ministries. The transfer of officials from Division to Division is rare. Civil administrators and inspectors of finance pass the whole of their career in the same Division and officials of the external services are not often appointed in Paris[1]. Each Division perceives the general interest in its own way and assumes the appropriate attitudes[2]. When the 1967 budget was prepared, for example, the Budget Division was a staunch supporter of financial orthodoxy. The Prices Division was concerned with the danger of inflation while the Forecasting Division was expansionist. Both were critical of the narrow financial outlook of the Budget Division and the Prices Division did not think (as the Budget Division did) that a balanced budget achieved through the raising of prices in the nationalized industries would stop inflation[3]. The Budget Division is responsible for

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1. Gournay, Cours, p. 302. See also ibid. p. 314 where he speaks of relations between inspectors of finance and civil administrators and various other corps.

2. See F. Ridley and J. Blondel, op. cit., p. 188.

3. See next chapter, p. 310.

the overall preparation of the budget but most of the co-ordonating work is carried out at upper level by the cabinet of the Minister and the Prime Minister's office. There is also some overlapping between the Divisions. Indeed, at least until recently, the Budget Division had its own statistical office which competed with the Forecasting Division (formerly Service d'études économiques et financières) and its relationships with the Revenue Division have traditionally been difficult[1]. It still has its own bureau des investissements which competes with the General Planning Commissariat[2], and a Sub-division for personnel which often clashes with the Direction Générale de la Fonction Publique.

2. The Budget Division

The Budget Division, because of its position in the budgetary process, is under continuous pressure from all sides. The budget must be ready - under a constitutional rule - by early October at the latest. During a short period of time, all kinds of information flow into the Division: reports from the contrôleurs financiers, the Cour des Comptes, the Comité central d'enquête sur le coût et le rendement des services publics, the General Inspectorate of Finance, etc. The spending ministries send their claims, provide supporting evidence and put pressure on the Division in order to get its agreement. Pressure from the top is not less significant. Indeed, the President, the Prime Minister, the Minister of Finance, high civil servants from the Planning Commissariat or various interministerial committees may have views

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1. See Catherine, op. cit., p. 285.

2. The fact that this bureau des investissements has lost most of its power shows the increasing importance of the Planning Commissariat in this field.

or desires which conflict with those of the Division and the Division must fight hard to keep the budget within the limits and according to principles in which it believes. What one of its former Heads said about the Ministry of Finance is even truer of the Budget Division:

> "A l'intérieur des très epaisses murailles grises du Palais du Louvre, le ministère des Finances peut être comparé à une forteresse chroniquement en etat de siège" [1].

This continuous pressure has two consequences on the attitude of the officials of this Division. First, aware of the intentions, selfish motives and, even ruses of the spenders, they tend to consider them with mistrust and to approach the budgetary discussion with a rather unsympathetic and cynical view of their counterparts. Second, because of their central position and overall view of the Government activities, these officials feel they are in a better position than the spending ministries to interprete and decide what is best for the country. They tend to emphasize the importance and unselfishness of their rôle [2]. As pointed out by H. W. Ehrmann:

> "Many of the ranking administrators in the Ministry of Finance feel ordained to 'set things right' in a political universe reeking with special interests" [3].

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1. G. Devaux, op. cit., p. 185.

2. Gournay, Cours, pp. 129-130. See also Claude Gruson's "Message d'adieu" where he describes the official of the Ministry of Finance as "un homme profondément sérieux. C'est sa vertu fondamentale (...) Seule une conception très haute de l'intérêt général le détermine": quoted in Le Monde, 18 April 1968. M. Gruson is a former director of the Service d'études economiques et financières and INSEE.

3. "French Bureaucracy and Organized Interests", Administrative Science Quarterly (March 1961), p. 540.

Hence, officials of the Budget Division generally believe that most spending ministries are financially irresponsible and pay insufficient attention to the efficient use of public money. They know of the existence of secret accounts where the spending ministries put the money not yet spent in reserve rather than surrending it back to the Treasury[1]. They know that spending ministries have evolved various ways of avoiding the control of the contrôleurs financiers[2]. They are well aware also that the spending ministries, spend with a frenzy towards the end of the financial year in order not to have to refund the unspent money[3]. All these practices and several others, regularly condemned by the Cour des Comptes, strengthen the belief of these officials that spending ministries are unreliable partners in the control of public money. As a result, the Budget Division insists on centralizing financial decisions at the Ministry of Finance's level. It has always resisted change in the Governmental economic organization and, according to Kerjolis, it has never been keen on reforming its own internal organization[4]. The establishment and development of the Planning Commissariat were deeply resented by the Budget Division and, up to the early 1960's, it refused to

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1. This practice called "caisses noires" is well described in Devaux, op. cit., pp. 211-212. According to several high servants, it is still used by some administrations.

2. Devaux, ibid.; for example, the contrôleurs financiers have jurisdiction only on the money spent by the central administrations and their control is sometimes avoided by signing contracts at the level of the départements. But to prevent this, since two years ago, the Heads of Divisions have been obliged to sign the contracts. It is, thus, possible to trace responsibility: int. M. Mas 23 February 1966.

3. Députés-maires know of this end-of-the-year spending drift and do all they can to get a share of the "reliquat" as it is usually called.

4. op. cit., p. 10.

be involved in the preparation of the plans or to pay any serious attention to them when preparing the annual investment budgets. Gradually, however, they could not resist the Planners pressure and had to agree to the introduction of "programme-laws". They also came to prepare part of the investment budget according to the general framework outlined in the plan. But in 1963 at the first signs of an inflationary trend they dropped the commitment and wholeheartedly applied a stabilization plan[1]. Even now, at budget time the plan is a factor among others[2]. It must always be interpreted in the light of short term economic trends and it would be disastrous to commit the Government to a certain level of public investments four or five years ahead. It must also be interpreted restrictively. The plan does not include all Government investments nor does it set up minimal targets. The plan's targets are maximum targets and the equilibrium of the budget is more important than the achievement of these targets. Hence, if an administration has not spent all the credits allotted to it or if it is expected it will be unable to do so the following year, the Budget Division puts forward ceilings which are well below the targets of the plan. The same

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1. See Pallez, Cours, pp. 160, 165-168; Int. M. Despas, Dec. 1966; these views were often expressed by the Ministers of Finance: "le Plan, c'est l'inflation" Giscard d'Estaing once said. He told the Economic and Social Council, in March 1964, that it was necessary to break away from the idea that if an investment was considered appropriate, it followed that the State had to finance it at any cost, without taking monetary imperatives into account: see The Economist, 23 May 1964. Both Pinay and Baumgartner held these views: see on Baumgartner, P. Bauchard, op. cit., p. 28. And even Debré: "Les objectifs du Plan ne sont pas abandonnés, sous une réserve cependant: c'est qu'un plan pour cinq ans ne peut être appliqué sans correction en cours de parcours" (speech to the meeting of the economic press, Le Monde, 15 June 1967).

2. Pierre Drouin in Le Monde, 21 July 1965: "Pour le Ministre des Finances, on le sait, le plan n'est qu'un pilier parmi d'autres du temple économique, et la politique budgétaire ainsi que celle du crédit lui paraissent plus importantes encore qu'une bonne programmation".

applies to the investment programmes embodied in various "programme-laws".

Moreover, very often the Budget Division and the spending ministries disagree on the application of the principles which govern the budgetary procedure. As we have just seen the Budget Division never likes to be embarked on schemes (plans and "programme-laws") which break away from the principle of an annual budget and prevent it questioning the value and financial soundness of the programmes at least once a year. It is against any distortion in the budget caused by allowing an agency or public enterprise to carry on activities with an ever increasing deficit. It is against the earmarking of particular sources of revenue to specific items of expenditure and, of course, against the use of loans to finance expenditure which normally are financed through taxes[1]. So on many issues the Budget Division has an attitude which differs essentially from that of the spending ministries.

The aim of the Budget Division is to prepare the State budget within a predetermined and rigid procedural framework, according to Government policies and sound financial principles. It also wants to improve the administrative process and to set very precise boundaries to what spending ministries can and cannot do. Finally, the Budget Division, conscious of its powers, not only tries to influence the general policy of the Government during the period of global preparation of the budget but it also takes advantage of the period of detailed preparation to scrutinize, approve or disapprove every detailed new measure put forward by the spending ministries. This might very well lead it, as some spending ministries claim, to try to substitute its own policies for

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1. Often as we have seen (above p. 37), spending ministries and their clients, when they know that they can rely on widespread public support, suggest that the Government borrows money rather than increase taxes to finance various investment programmes (mainly roads and education).

those of the Government or the spending ministries and to play a more active rôle than it probably should[1].

The Budget Division's strategy towards the spending ministries does not vary much and explains the spending ministries' belief that it has a purely negative conception of its rôle. Indeed when a spending ministry sends in its proposals, the Budget Division at once takes the offensive and expresses its dissatisfaction with the organization of some of the ministry's services and with large sectors of the estimates. It asks for important cuts and objects to many proposals right at the beginning so as to look generous when, at the very end, it has to give way on certain items. This tactic puts the ministry on the defensive and forces it to spend most of its energy defending its present programmes and fighting just to maintain the status quo[2].

Although it cherishes the reputation of being impartial, the Budget Division, from time to time, favours some ministries and dislikes others. The latter are given a hard time by the Budget Division's officials[3]. They have an answer ready for any argument put forward by the spenders in favour of their

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1. See Gournay, Cours, p. 135; Devaux, op. cit., p. 35 where he speaks of "L'esprit de la rue de Rivoli" and Pallez, Cours, p. 187.

2. In 1966, for example, when the Ministry for Cultural Affairs sent in its estimates, the reaction of the Budget Division was to ask for a series of cuts, to claim that it had never heard of the Prime Minister's agreement to grant an overall increase of 15%, to refuse to increase the subsidy of the national theatres unless the Ministry increases the prices of the tickets (the Prices Division strongly objected to the Budget Division's proposal). The Budget Division was unco-operative and several important questions were left unsettled: a situation which few spending ministries like for last minute decisions under time pressure at the very end of the administrative stage are rarely favourable to them (Int. Trapenard, 5 July and December 1966).

3. See Pallez, Cours, p. 27. Agriculture and ex-servicemen are distrusted. On Agriculture, see M. Cépède and G. Weill, L'Agriculture (Paris 1965), pp. 469-470.

claims. If, for example, they ask for the upgrading of a category of civil servants, the Budget Division at once replies that it cannot do that without at the same time affecting the general status of the Public Service. If estimates are put forward for the employment of engineers, the Budget Division says there are no engineers of that category now available on the market. A spending ministry which is particularly lucky in getting the credits it wanted in one year can expect trouble from the Budget Division if it tries to keep the trend going[1]. These are often mere rules of thumb for time is limited and the Budget Division's officials are overworked[2]. However, it is always possible for the Budget Division to postpone its decision till an inquiry is carried out by the General Inspectorate of Finance or a cost benefit analysis by the Forecasting Division.

The Budget Division carefully checks whether the ministries can really spend the funds allocated for the implementation of their investment programmes. The amounts of money carried over are scrutinized. The contrôleurs financiers are of great help in this respect. If a large amount is involved, the Budget Division may simply refuse to increase the crédits de paiement for the coming year or object to the launching of new programmes. Moreover, the Budget Division insists on allocating the funds in the greatest detail. For example, if it agrees on a credit of one million francs for the construction of a lycée, it

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1. This was the case of the Ministry of Education in 1966. A Budget Division official pointed out: "Nous tenons compte de la progression des crédits d'un service d'une année à l'autre. Par exemple, de 1958 à 1965, les crédits de l'Education nationale ont beaucoup augmenté. Or, nous avons constaté du gaspillage. Nous réduirons donc la progression cette année": int. 28 April 1966.

2. See Kerjolis, loc. cit.: "L'administrateur du budget est un homme débordé. Il n'a pas toujours le temps d'étudier ses dossiers à fond. Il donne l'impression d'être arbitraire", p. 154.

sees that the Ministry of Education does not use these funds to undertake five lycées[2]. The most difficult arguments to overcome are the technical ones. But the Division is doing its best to acquire expert knowledge. In 1965, for example, it sent officials in the United States to study the methods used in that country to evaluate highly technical projects. At the same time, its technical staff consisted of an engineer and a statistician !

3. The spending ministries

The outlook of the spending ministries differs sharply from that of the Budget Division. True, when the central administrations deal with the claims put forward by the external services or when the Bureaus of the Budget scrutinize the proposals of the various Divisions, they are in a situation which is close to that of the Budget Division and tend to assume some of its attitudes and strategies. But when, having settled their own internal problems and decided how much to ask for, the central administrations begin to discuss with the Budget Division, their attitude changes. They become advocates of the causes they represent. They see the budget only in terms of their financial needs[1]. They pay little or no attention to the interests of others and do not care much for the state of the economy or the general interest[2]. They emphasize

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1. See for similar attitude in the agencies of the US Federal Government: A. Wildavsky, op. cit.

2. Les institutions politiques de la France, Vol. II (1961), p. 314: "Dans la tradition politique actuelle, ceux-ci (les ministères techniques) se considèrent comme responsables de la défense des intérêts qui ressortissent à la spécialité de leur département. Par la nature des choses, les administrateurs techniques prennent à coeur les questions qu'ils étudient. Sans un minimum d'intérêt pour le secteur que l'on gère, le métier administratif serait inhumain et terriblement ennuyeux. Mais ce minimum de sympathie fait immédiatement prendre parti pour les intérêts en question dans les conflits où ils sont opposés à d'autres intérêts également légitimes". This book, published by the Government, was written by a team of civil servants under the chairmanship of M. Marcel Martin, from the Conseil d'Etat.

the importance of their programmes, stress their absolute necessity and develop strategies aimed at getting all the funds they need.

In their attempt to get as much money as possible, the spending ministries are realistic and adapt their strategies to the various stages and procedures of the budgetary process. They also present their claim in the best possible way and make use of every favourable circumstances or arguments to foster their cause. These strategies vary from ministry to ministry, as well as the results they achieve. However, inquiries carried out in three ministries and discussions with several civil servants, pressure groups' representatives and parliamentarians have shown the following pattern.

The first thing a spending ministry tries to achieve is to make sure that the amount of money which has been granted in the previous budget to keep the ministry going and to enable it to implement its programmes normally will not be touched. It expects to get that amount of money renewed without difficulty. It also expects that the Budget Division will grant without argument any additional credits resulting from circumstances or decisions over which the ministry has no control: increases in prices or costs as well as increase of public servants' salaries. In procedural terms, this means that the spending ministry is very unlikely to accept cut in its services votés and crédits de paiement. These belong to the ministry as of right and should not be questioned. When told by the Budget Division that it has not even spent half of the crédits de paiement granted the previous year, a ministry gives all sorts of reasons for this delay in executing the programmes and insists on carrying over the unspent money [1].

The second thing a ministry tries to achieve is to get a fair share of the extra amount of money available in the new budget. This is already more

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1. See D. Fouquet, loc. cit., pp. 50-53.

difficult for, first, these funds are limited and competition very sharp and, second, the highest governmental instances (the Minister of Finance, the Prime Minister and the President) proceed to a rough allocation of these funds during the period of global preparation when they determine the general framework of the budget and the sectors which shall get priority. Spending ministries have little to say at that stage of the budgetary process and, generally, they try to influence these decisions or to give them a favourable interpretation during the period of detailed preparation when they send their detailed proposals to the Budget Division. In 1966, for example, education and professional training were included in the priority sector. This meant that ministries which could produce programmes connected with these questions had a much better chance of being granted additional credits. Hence, the Ministry for Cultural Affairs (a former Division of the Ministry of Education), which for every other purposes tries hard to differentiate itself from the Ministry of Education, insisted this time that it was a natural part of education, and that priority should be extended to its programmes. The fact that most of a ministry's programmes fall within the priority sector puts it in a strong position when it deals with the Budget Division. Then, it may take advantage of this favourable wind to expand existing programmes and put forward new ones. If, on the other hand, a ministry does not get priority or has no chance of getting it at a later stage, its position is weakened[1]. It may then try to get its estimates increased according to the average increase established for the budget as a whole. In the 1967 budget, for example, the overall increase in budgetary expenditure followed the

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1. Some ministries, like Education in 1966 (1967 budget), may obtain nominal priority for purely political reason and then not have more than the average increase. On the other hand, some ministries, like Defence, may never be included among priorities but profit largely from the fact that, for example, scientific research is the priority of priorities.

expected rate of increase of the G.N.P. (10.50%)[1]. By comparison with 1966, civil current expenditure increased by 10.38% and civil capital expenditure (crédits de paiement and autorisation de programme) by 16.2%[2]. By these standards the Ministry for Cultural Affairs was quite successful for it increased its current expenditure by 14.2%, its crédits de paiement by 52% and its autorisation de programme by 11.2%, an overall increase of 25% according to the Rapport économique et financier (p. 44). Some ministries, however, were less successful and failed either to increase their estimates (Co-operation) or to get the average increase (Youth and Sports).

Within the ceilings set up during the period of global preparation and according to the guidelines included in the circulars and letters from the Ministry of Finance, the spending ministry must present its detailed proposals and justify them. At this stage, the tactics used by the spending ministries may vary a great deal.

Generally, spending ministries ask for more money than they really expect to get but this is for purely tactical reasons[3]. They will fight for it all, for as pointed out by a former head of Division:

> "Je préparais mes crédits, demandais trois millions là où je n'en avais pas besoin et luttais pour ce montant jusqu'au bout. Je menaçais de démissionner, etc. En fait, je préparais le terrain pour l'item suivant auquel je tenais vraiment"[4].

A spending ministry must always give the impression that it has much to do and that it can do it all. But spending ministries do not always over-estimate

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1. For way of evaluating G.N.P. see Chapter V p. 373.
2. Some minor changes in the presentation of the 1967 budget are taken into account.
3. In March 1966, for example, when the Ministry for Cultural Affairs sent in its estimates it asked for an overall increase of 25% while in fact it was expecting to get about 15%.
4. Int. Duhamel, 6 June 1966.

their claims. In some cases it is preferable to present "true" estimates and to fight to the last appeal to get them accepted for this alliance of frankness and determination may impress the Budget Division[1]. Finally, in some cases especially on highly technical and complex projects, it may be better to under-estimate its claims on the assumption that, because of its lack of expert knowledge, the Budget Division may find it difficult to challenge them. Moreover, low estimates have the advantage of raising less doubt in the mind of Budget Division's officials. The costs will increase sharply later on but then it may be too late for the Government to cancel the project[2].

When they deal with the Budget Division, spending ministries take great pain to create the most favourable impression. They always present themselves as extremely well organized and well managed. If told that the Budget Division is reluctant to agree to some of their demands because of their inefficiency, they say that they want more money in order precisely to improve the quality of their services or to speed up the execution of their programmes. But if they fail to get increases or are asked as they often are to proceed to some cuts and economies, they may try to cut where it is absolutely impossible and unrealistic to do so so that six months later the credits have to be re-established.

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1. This, for example, became the policy of the Ministry of Education after the establishment of a General Secretariat in October 1963.

2. This seems to have been the case for Concorde and some defence projects. In the 1967 budget for example, nearly all the credits for civil aviation had to be devoted to Concorde, an increase of 57% by comparison with 1966. In 1966, officials of the Budget Division and Matignon had doubts about the truthfulness of some of the estimates put forward in the framework of the budget for scientific and technological research. But, as pointed out by one of them: "Ces services sont specialisés et d'une certaine manière la Direction du Budget est dans un état d'infériorité" (Int. Vidal, 28 April 1966).

They sometimes use their clientele to put political pressure on the Government and thus influence decisions during the various budgetary meetings[1]. The Ministry for Post Office and Telecommunication is alleged to have prompted press campaigns forty-eight hours before budgetary meetings dealing with some measures popular among the general public but strongly opposed by the Budget Division[2]. They take advantage of any political or social events or disturbances which may occur at budget time[3]. They refer to public commitments made by the ministers especially when these were made in the presence of the

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1. The Fédération des Travaux Publics uses the various technical ministries it may be in contact with (Equipment, Industry, Interior, etc.) to put pressure on the Ministry of Finance but as pointed out by the Délégué Général: "Il arrive aussi que ce soit le ministère de tutelle qui nous avertisse des mesures envisagées et qui nous demande d'utiliser notre influence auprès des Finances" (Int. Clouet, 4 July 1966).

2. See for example France-Soir, 6 July 1966. See also the special issue of Sondages sponsored by the P.T.T. (Paris 1965), No. 2-3, 214 p.

3. For example, the Ministry of Agriculture in 1965 and 1966 exploited the coming presidential and legislative elections to foster its demands. The ministry responsible for Housing usually takes advantage of the fact that the annual congress of the Organismes d'Habitation à Loyer Modere (H.L.M.) takes place in June in the midst of the budgetary discussions to point out to the highly critical and pessimistic reports on the housing situation generally produced by the congress. In June 1967, for example, some participants to the congress asked "que cesse le jeu de raquette sur les crédits entre le Ministère de l'Economie et des Finances et celui de l'Equipement et du Logement" (See for examples of such reports Le Monde, 22 June 1966, 4 and 5 June 1967). See for the well time "cri d'alarme" of the deans of the faculties of Sciences, Le Monde, 1 July 1966: "Un cri d'alarme des doyens des Sciences: si des crédits supplémentaires ne sont pas accordés, des facultés devront cesser leurs paiements à la rentrée" or Les Echos, same date: "Les facultés de sciences manquent de crédits". In May 1966, the Ministry for Cultural Affairs took advantage of a strike of the professors of Beaux-Arts to ask for increased estimates for its scheme to reform the architecture studies (Int. Trapenard, 5 July 1966 and Le Monde, 8-9 May 1966).

Minister of Finance or the Prime Minister[1]. They may also invoke speeches or promises made by the Prime Minister or the President or proclaim that Parliament will never let them down on critical issues as seemed to have been the case with the Ministry for Ex-servicemen in 1966[2].

Contrarily to the Budget Division, officials of the spending ministries tend to be staunch supporters of the plan. They play a leading rôle in the Modernization Commissions concerned with their sectors where their representatives often held the key position of rapporteurs[3]. They generally behave as their ministry's spokemen, and use the Commissions as a public tribune to emphasize their needs and set up ambitious targets which upset the "basic financial equilibrium" defended by the Ministry of Finance's representatives[4]. They feel that the Government should be bound by the plan (including the Modernization Commissions' reports) and they consider the budgets as the annual translation of the plan. A high proportion of the officials of a Division of the Ministry of Health thought, for example, that their best weapon against the Ministry of Finance during the preparation of the budget was "l'appui du Commissariat au Plan" and several officials saw

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1. In January and February 1966, for example, the new Minister for Agriculture, M. Edgar Faure, made several promises to the French farmers (see Le Monde for that period). Officials from the Ministry of Finance dismissed them as "promesses inconsidérées" and objected to the measures put forward by the Ministry of Agriculture.

2. The Ministry for Cultural Affairs stressed the fact that the Prime Minister had agreed with a minimum increase of 15% of the estimates. The Minister for Ex-servicemen took the rather unusual step for a minister of the Vth Republic of appearing before the Social Affairs Committee of the National Assembly in May 1966 and to give an outline of what he would be asking for in the 1967 budget (see Le Monde, 19 May 1966).

3. See La planification comme processus de decision, Cahiers de la Fondation Nationale des Sciences Politiques (Paris 1965), p. 70.

4. The Ministry of Health is said to have asked for 50 billion francs for its investment programmes during the Vth Plan's span. Twelve billions were granted.

the plan as "une arme contre la tyrannie des Finances"[1].

They also use comparative arguments which show that much more is done in their particular field of interest in other countries of the Common Market. But, if France is leading other countries in one field, they claim that more money is needed to maintain her advance. A particularly strong argument in the cases of scientific research, nuclear research or technological development consists in showing, on the basis of cost benefit studies, that the expenditure is profitable economically and therefore that it is not really expenditure. That the expenditure is profitable to society as a whole is another argument often used in the cases of investments on roads and highways. Some sentimental or humanitarian arguments may also be put forward in some very sensitive fields like ex-servicemen, education and health. But the Budget Division is well aware of these arguments and tactics and some of these weapons are not as effective as they might look at first sight. Their too frequent use tends to play in favour of schrewd Budget Division's officials[2]. They often need to have ministerial and strong political support to make an impression on the Budget Division.

The relations between spending ministries' and Budget Division's officials are not of the most friendly kind. Officials of spending ministries are outspoken critics of the Budget Division. They emphasize the lack of practical experience of these officials. They suggest that Budget officials should have had some preliminary experience in spending ministries. In their opinion some of them should be chosen among officials of spending ministries and not come to the Budget Division directly from the Ecole Nationale

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1. J. Lautman and J. C. Thoenig, loc. cit., pp. 308 and 311.

2. As pointed out by Kerjolis, loc. cit., p. 141: "En somme c'est la maladresse des administrations qui fait une partie de la force de la Direction du Budget".

d'Administration. They would then be more aware of the problems of the spending ministries and have a more positive and less financially minded approach to budgeting. It is a pity, some of them would say, that the first reaction of the Budget Division is always to cut without even discussing the social value of the programmes. For even if the Budget Division does not directly challenge the policies implied in the estimates, they question the estimates in such a way that, finally, policies are affected. They claim that the Budget Division uses the budgetary procedure to examine and cross-examine items of expenditure so that the spending ministries are never sure whether they will get the money or not. For example, they claim that the Budget Division takes advantage of the two phases in the preparation of the budget to restrict expenditure at two different stages. Finally, spending ministries say that the Budget Division is not impartial and that it has ministries it likes and ministries it despises. To change all this, it has sometimes been suggested that the Budget Division should no longer be attached to the Ministry of Finance but transferred to the Prime Minister[1].

The aims, attitudes and strategies of both the spending ministries and Budget Division are so different that it is not an exaggeration to say that their relations are essentially those of opponents. Two factors, however, may help to smooth the process: first, the presence in the spending ministry of the contrôleur financier and second, the experience that the Budget Division administrator responsible for the estimates of a ministry may gain in his dealings with the ministry.

The spending ministries and the Budget Division are in almost continuous contact through both the contrôleur financier and the civil administrators in the Budget Division responsible for their estimates. If the relations

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1. See Kerjolis, op. cit., pp. 6-7 and Club Jean Moulin, op. cit., p. 134.

with the contrôleur financier and the Budget Division administrators are good, many clashes will be avoided during the preparation of the budget. The contrôleur financier will not only be seen as a nuisance, an obstacle or a spy within the ministry but as somebody who is well informed on the intentions of the Ministry of Finance and who has good relations there and thus can greatly help the ministry during the preparation of the budget[1]. If he says that a project has no chance to get past Finance, his advice will have great weight. If he fully agrees with the estimates and makes this clear to the Budget Division, this increases the chances of the spending ministry[2]. On the other hand, he is often seen as an obstacle[3]. Then the strategy of the ministry will be to consult him only when it is necessary and to hide from him as much as possible. The ministry will do

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1. The same is true to some extent of the Trésorier-Payeur Général who represents the Ministry of Finance at the regional and departmental levels. As pointed out by a TPG addressing a meeting of officials of regions: "...le Trésorier-Payeur Général connaît les habitudes de la rue de Rivoli. Il sait parfaitement comment on doit parler au Ministre des Finances (...) pour le convaincre et emporter son adhesion. Il peut donc vous apporter une aide précieuse dans la presentation des dossiers et dans la sélection des arguments." (Le Trésorier-Payeur Général, Exposé de M. Jean Farge, Ministère des Finances et des Affaires Economiques, février 1965).

2. As pointed out by a contrôleur financier: "Le contrôleur financier agit souvent comme conseiller du ministère dépensier dans ses relations avec le ministère des Finances. Il indique comment le ministère dépensier peut le plus souvent obtenir satisfaction de la Direction du Budget. Ceci évidemment lorsque lui-même est convaincu de la valeur de la mesure envisagée. Il arrive que le contrôleur financier à cause de sa connaissance pratique des besoins d'un ministère soit convaincu de la valeur de certaines mesures. Il fera tout en son pouvoir pour en faciliter l'adoption." (Int. M. Mas, 23 February 1966).

3. "En bref, le contrôleur financier apparaît par la force des choses comme l'incarnation du Ministère des Finances et de ses préoccupations 'uniquement financières' ", Kerjolis, loc. cit., p. 115.

its very best to diminish the information and thus the influence of the contrôleur financier. It may even try to throw discredit on the contrôleur financier (as it seems to have been the case when Sudreau resigned as Minister of Education in 1962) or to criticize the form of control he performs[1]. If a contrôleur financier has a low opinion of the ministry's financial officers and of the programmes they sponsor his advice will be negative and rather dangerous for the ministry. On the other hand, if he stays in between, as usually seems to happen, criticizing some aspects of the ministry's programmes but praising others, his presence will not be resented. This attitude which is the normal result of his ambiguous position, diminishes his influence on the Budget Division and his advice does not necessarily have all the weight it might. A contrôleur financier may often have, as time goes by, greater sympathy than he should by the Budget Division standard for the ministry he supervises[2].

The civil administrator of the Budget Division when he has acquired some experience of the ministry for whose estimates he is responsible may become less suspicious of the spending ministry. He may succeed in imposing himself as a bright and very knowledgeable person and thus greatly improve the relation between himself and the financial officers of the spending ministry[3].

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1. See for several examples: "Colloque des anciens de l'ENA", Le Monde, 22, 23 and 24 November 1967, and for fuller account, Promotions (No. 83) 4e trimestre 1967 and 1er trimestre 1968 (No. 84), numéros spéciaux, Association des Anciens Elèves de l'ENA, colloque du XXe anniversaire 1947-1967, "Réflexions sur l'administration d'aujourd'hui". See also for Cour des Comptes criticisms, Le Monde, 8 July 1967.

2. "Un contrôleur financier en vient à avoir une veritable sympathie de fait pour le ministère qu'il contrôle. Il faut changer. Il était temps que je parte des P.T.T." (Int. M. Mas, 23 February 1966).

3. This was certainly the case between the Ministry of Defence's financial services and the civil administrator of the Budget Division in 1966.

E. Civil servants and ministers

Most contacts between ministers and their administration pass through the ministerial cabinet. In some ministries, the minister takes the major decisions concerning the budget. He establishes the strategy to be followed and the cabinet informs the various Divisions of these decisions. The Divisions then prepare their estimates in accordance with these instructions. If conflicts arise between the Divisions, the minister may intervene to settle them. Matters which remain unsettled after the various meetings with the Budget Division are also dealt with by the minister and his cabinet. In some ministries, the cabinet does not have confidence in the capacity of the Divisions - even in the Bureau of the Budget - to handle the preparation of the budget. It may then assume this responsibility itself[1]. In some other ministries, it is the opposite[2], and Divisions will try to settle at their level as many problems as possible, for the minister may well spoil the department's case when dealing with the Ministry of Finance. If, on the other hand, the minister is influential and experienced, the Divisions are more likely to rely on him to lead them during the preparation of the budget[3]. They may also try to convince the minister to pursue the policies they themselves want to see implemented[4].

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1. Ministry for Cultural Affairs in 1966, for example.

2. Under M. Fouchet, in the Ministry for Education the most important matters were handled at the General Secretariat's level.

3. Agriculture under E. Faure; or if the cabinet includes powerful members of the Grands Corps.

4. Buron, op. cit., p. 190: "En face de lui (the directeur) le ministre fait quelque peu figure de passant, doué de certains pouvoirs sans doute mais à titre provisoire. Les ordres qu'il donne, dans la mesure où ils ne sont pas la simple confirmation officielle des propositions émanant des directeurs, traduisent les conceptions d'un monde étranger, extérieur à l'Administration, celui de la politique qui est en mesure parfois d'imposer ses vues mais dont il importe de limiter les initiatives et d'en pallier les consequences".

If they feel that the minister has a good chance to win his point in an appeal to the Minister of Finance or to the Prime Minister, they will be in a much stronger position when dealing with the Budget Division. They will consider one who never succeeds in getting a favourable decision as a bad minister. For an administration, it is almost always preferable to have a ministerial head. When Cultural Affairs were part of the Ministry of Education, their interests were always neglected during the budgetary meetings. But when it became a ministry, it was certainly much easier for it to get a fair share of the credits assigned to education and culture. The same applies to the Ministry for Sports and Youth. There is perhaps one exception: when an administration is directly answerable to the Prime Minister. This means much more freedom of action and puts it in a strong position vis-à-vis the Budget Division[1].

However, the minister and his cabinet, being responsible for co-ordinating the preparation of the budget and for dealing with any political aspects of it, are not necessarily the best friends of the administrations. They are high in the opinion of those they favour but low in the opinion of the others. But if a minister and his cabinet do well during the budgetary process in putting forward the claim of the ministry, their administrations will not have much to be critical of[2]. A minister who too often speaks of reforms and of changes in his administration, particularly when his opinions agree with those of the Budget Division, is not likely to be very popular and the administrations he

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1. This opinion was shared by officials of the Hôtel Matignon and of the Ministry of Finance.

2. The Minister of the P.T.T., M. Marette, is not very highly regarded by some Divisions of his department for they claim he is only a politician who does not know anything about their problems. "He should play politics less and care more about us" said an engineer from the Ministry.

wants to reform are not in the best position, at least before the reform is proceeded with, to get the credits they want[1].

It is quite possible that the relations between the Minister of Finance, his cabinet and the Budget Division are better than in other ministries. Both under M. Giscard d'Estaing and M. Debré the responsibility for co-ordinating the preparation of the budget in the cabinet of the Minister laid with a former member of the Budget Division[2]. It may then be more difficult however, for other Divisions also concerned with the budget (Forecasting, Treasury, Prices) to make their point of view prevail.

F. Civil servants and Parliament

Under the IVth Republic, high civil servants had to spend a good deal of their time in Parliament and with the deputies. Now the same civil servants seldom go to Parliament[3]. Their contacts with deputies have certainly decreased but many still remain particularly in connection with the budget.

During the preparation of the budget, civil servants and parliamentarians rarely meet: civil servants do not rely much on parliamentarians to

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1. M. Pisani, who was then Minister of Agriculture, certainly did not have the full support of the administrations concerned when he decided to reform the external services of his ministry. See on reform, B. Gournay, J. F. Kesler and others, op. cit., pp. 233-234.

2. Giscard d'Estaing: M. Vidal, civil administrator in the Budget Division. M. Vidal left his cabinet and became head of the Bureau No. 2 which co-ordinates the preparation of the budget. Debré: M. Cortesse, former head of Bureau No. 2 was responsible for the budget in M. Debré's cabinet.

3. All civil servants interviewed agreed on this. On relations between civil servants and Parliament, see Catherine, op. cit., pp. 337-349.

influence at that stage the policies of the Government[1]. Of course, it might be wise to inform a particularly influential deputy of the majority that a project he is interested in is getting into trouble, for he might raise the question with ministers or instigate protests. A hard working rapporteur will normally prompt such information by sending a series of written questions in June asking for details about the coming budget. He may also hold private meetings with civil servants. But these are exceptions and in general, it is with the publication of the "bleus" sometime in August that the contacts between civil servants and deputies begin.

Civil servants from spending administrations tell you that there is, then, a complete change of attitude toward their budget. So far, they have been complaining about it and expressing dissatisfaction and disagreement. Now they must defend the budget and proclaim that it is the best budget they ever had. "Of course, it is not perfect but it does much more than has been done in the past, etc., etc.". Before they had to convince the Budget Division that they could never achieve their minimum objectives with such a budget. Now, their strategy is to emphasize the fact that with their estimates, they will fulfil all their obligations and meet the various targets established in the Plan and programme-laws.

This is, at least, the official attitude; to friendly deputies and senators, they paint a more realistic picture of the budget. When they meet the rapporteurs, they may give them a general impression of the battle they

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1. Except maybe, on highly political issues when a deputy or group of deputies from the majority can be of some help. M. Bricout, deputy and chairman of the U.N.R. "groupe d'étude agricole", said that the interventions of his group "facilitent le travail du ministère de l'agriculture" (Int. 15 June 1966). In May and June 1966, it was generally acknowledged that the pressures of MM. Bayle, Laurin and Bourgeois, U.N.R. deputies of Var, contributed largely to the fact that the Ministry of Finance had to give way and grant more than 50 million francs of aid to the nearly bankrupt Chantiers Navals de La Seyne (Var).

have fought against the Ministry of Finance. They point out aspects on which they have had good results and those on which they have failed[1]. They say that the Ministry of Finance could have done more and give arguments that the rapporteurs will use in their reports. Some ministries go so far as to draft the report of the rapporteurs of both assemblies[2]. On questions of establishment, promotion, change of status, increase of salaries, etc., the civil service unions express their dissatisfaction to the rapporteur especially when, as sometimes happens, he is a former civil servant[3]. Some even use the influence of a friendly deputy to put forward an amendment in their favour[4]. The answers to written questions put to the minister by the rapporteur are prepared by the administration. The Ministry of Finance insists that they must be cleared with it before sent to the rapporteur and that if the normal procedure is not followed, the Government is not responsible for the answers given; but spending ministries do not always comply with this rule and send their answer directly to the parliamentary committees. They sometimes put the case of the spending ministries in a light which is not always favourable to

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1. Some rapporteurs know how much the Division has asked for and how much it finally succeeded in getting. Such information does not come from the Ministry of Finance.

2. This was the case, for example in the Ministry for Posts and Telecommunications.

3. Senator Tron, rapporteur of the estimates of the Ministry of Finance, said that every year the civil service unions communicate with him (Int. 6 July 1966).

4. In December 1965, the Minister of Finance accepted an amendment improving the status of the Directeur des champs de tir in the Ministry of Interior. Several opposition deputies protested against a clear case of a personal favour made, at the occasion of the budgetary discussion. Moreover, the amendment was clearly outside the domain of the law. J. O., 20 December 1965, pp. 4971 -4972.

the Ministry of Finance[1]. The answers contain details which can be used by the Committee to criticize the policies of the Government particularly insofar as the implementation of the national Plan and the programme-laws are concerned[2]. Parliamentarians much prefer to deal directly with the administrations concerned. This sometimes enables them to bring to light conflicts between the administrations and the Ministry of Finance[3].

Civil servants, during the budgetary session, go to committee hearings with their minister. They do not generally intervene in the discussion but give information to the minister which he uses to answer the questions. Sometimes a minister agrees to send a high civil servant, particularly qualified and reliable, to give evidence before a committee[4]. When committees set up working groups to look into specific, sometimes technological, questions, most ministers object to sending civil servants before these unofficial sub-committees

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1. This is for example, how the Ministry of Defence explained its attitude in an answer to a written question about the pension rights of some employees of the Ministry put by the Defence Committee of the National Assembly: "Comme les intéressés eux-mêmes, le Département des Armées aurait souhaité que puissent être maintenus aux ouvriers, à titre permanent, les avantages qu'ils tiennent de la loi du 2 août 1949, modifiée. Mais devant l'opposition absolue du Département des Finances à cette solution, il a demandé l'arbitrage du Premier Ministre, etc." (Defence Committee, Questionnaire of M. Hébert, rapporteur, 10 July 1965). Only one example is given here but in a survey of all questions and answers for the 1966 Defence budget there were several similar answers.

2. "Souvent les ministères préfèrent communiquer directement leurs informations à la commission. Ceci leur permet de mieux faire valoir leur point de vue, point de vue qui parfois n'a pas triomphé au ministère des finances. D'un autre côté, si la procédure normale est suivie, cela permet au ministère des finances de mettre son nez dans les affaires d'un ministère et de voir plus exactement ce qui s'y passe" (Int. M. Reny, 15 December 1965).

3. Same witness: "Ceci crée une impression désagréable. Les députés veulent savoir qui a raison. Le ministère crie au scandale et envoie des informations supplémentaires aux députés". The witness was referring to a specific case which involved a clash between Finance and Agriculture.

4. M. F. Bloch-Lainé, former head of the Caisse des dépôts et consignations and M. G. Pallez, directeur des collectivités locales au ministère de l'intérieur, have, in the past, given personal evidence to committees.

but civil servants do sometimes put the point of view of the ministry before these working groups[1]. It seems also that civil servants, probably always from ministerial cabinets, have contacts with "study groups" set up by and and within the parliamentary political groups. The UNR "study group" on agriculture has relations with officials of the ministries of Agriculture and Finance[2]. These relations take place mainly at the ministerial cabinet level and rarely involve civil servants of technical divisions.

Officials of the Budget Division do not usually have direct contacts with parliamentarians. Their relations with Parliament are handled by technical advisers, often coming from the Division who are appointed - mis à la disposition - by the Government to help the Finance Committees of Parliament[3]. These officials are in a very peculiar position. They are not, as such, members of the administrative staff of the Assemblies, nor do they remain officials of the Division they come from although they are on the payroll of the Ministry of Finance. They aim at playing a purely technical rôle as financial advisers but they are, most of the time, in the extremely difficult position of trying to get from the Government information which may later on be used by parliamentarians to criticize the Government policies. They do their best

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1. A working group on the problems of the newsprint industry heard the director of the cabinet of the Minister of Finance and the representatives of the professional organizations (Int. Mme Collet, 7 July 1966)

2. Int. M. Bricout, 15 June 1966. Ministers, assisted by civil servants often go before these "study groups" (Int. M. Tomasini, 5 July 1966).

3. See Chapter III. p. 210.

to maintain good relations with their colleagues in the Budget Division[1]. But on the other hand, after some years of experience in Parliament, they become very close advisers of some deputies and senators. They understand more than their colleagues in the Division the problems of the parliamentarians and are more inclined to share their beliefs regarding the administration. On the other hand, because they know them, they are more critical of the parliamentarians. They feel deputies do not really make use of their services and that deputies are not, in fact, interested in financial matters. Deputies come to them only when they are in trouble or when they want some rather insignificant information. And also they want the administrator to draft their reports for they are unable or unwilling to do them themselves.

Although they work on the same documents and deal with the same problems, the technical advisers of the Senate and National Assembly Finance Committees do not collaborate much with each other. They may share the written information sent by the administration but that is about all[2]. The relations between these officials and the members of the permanent administrative staff of the assemblies are even worse. They co-operate only insofar as it is necessary for the preparation of the reports and do not have a high opinion of each other. Technical advisers do not consider the Assembly staff as very competent and find them rather lazy. Assembly officials are shocked by this contemptuous attitude for they also write reports and do a good deal of budgetary work for the committees.

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1. La Réforme budgétaire, p. 18: "Faut-il ajouter que le Ministre des Finances en mettant à la disposition des commissions des finances un certain nombre de ses agents, et souvent des meilleurs, est très loin de faire le marché de dupe dont s'indignent ceux qui croient qu'il fournit ainsi des verges pour se faire fouetter. Nourris dans le serail et formés aux disciplines de la rue de Rivoli, ces apparents transfuges en conservent l'esprit. Même s'il devait douter de leur loyalisme politique, le Ministre des Finances pourrait toujours se fier à la sûreté de leurs réflexes professionnels. Aussi dans un certain sens du mot le Ministre des Finances 'contrôle' l'oeuvre budgétaire du Parlement".

2. Most of them said that they meet once or twice a year on social occasions.

During the budget debate, civil servants go to Parliament. The Bureau of the National Assembly has even set up rules concerning their access to the lobbies, the meeting rooms and the Chamber[1]. If an official is appointed commissaire du gouvernement, he is allowed to sit with his minister in the National Assembly. It is rare for a commissaire to intervene directly in the debate. During the budget debate, both the Minister of State for the Budget and the technical ministers are surrounded by assistants. The functions of the technical minister's aides are delicate for sometimes the questions put to the minister reflect on the Minister of Finance. They must avoid an open clash between the two ministers. The aides from the Ministry of Finance insist on checking beforehand the answers prepared by their colleagues[2].

With the Vth Republic, the attitude of civil servants towards Parliament has changed. While under the IVth Republic, they had to worry continuously about what could happen to their budget in Parliament, nowadays, they seldom think about it. The new financial procedure and, most of all, the existence of a majority in Parliament make them feel secure. They are satisfied with the new system and their main criticism is that Parliament should make fuller use of it both to discuss the important policies implied in the estimates and to control the execution of the budget. Parliament has an indirect impact on the budget of which civil servants are well aware. In their discussions they have to take into account the likely reaction of Parliament to

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1. Prefects, members of the cabinet of the President of the Republic, members of ministerial cabinets, officials of the General Secretariat of the Government and some other civil servants are only allowed in the lobbies of the Palais Bourbon. They are not allowed into the Chamber unless they are appointed by decree "commissaire du gouvernement". See Règlements of the National Assembly, pp. 196-198.

2. Generally ministers answer the questions put to them by the deputies only at the end of the debate on their estimates. Advisers have the time to prepare the answers and clear them with the Minister of Finance's aides.

the budget. Without Parliament, the budget would probably be quite different[1] and the spending ministries, particularly those with an electorally important clientele, would be in a much weaker position vis-à-vis the Budget Division when they fight for their estimates. There are reforms which the Budget Division would like to implement but never asks for because of their political repercussions. This is, for example, how a Budget Division's official described the impact of Parliament on the budget: (this quote is so typical of the attitude of most civil servants towards Parliament that I reproduce it in full)

> "Le budget c'est l'oeuvre du Gouvernement et n'a pas à être modifié par le Parlement. On pourrait même concevoir que le budget n'aille pas devant le Parlement à cause de l'existence d'une majorité fidèle. Mais le Parlement constitue un garde-fou qui empêche le Gouvernement de faire n'importe quoi. S'il n'y avait pas de Parlement, le budget serait différent, c'est certain. La necessité de presenter le budget au Parlement lui confère une coloration politique qu'il n'aurait pas autrement. Il faut tenir compte de la discussion au Parlement. Cette discussion est beaucoup plus favorable aux ministères dépensiers qu'aux finances".[2]

If, by any chance, the Budget Division suggests a controversial reform, although the cabinet of the minister may be in agreement with it, it may oppose it for fear of the reaction of Parliament. In some cases, however, controversial measures are included in the budget for purely tactical reasons.

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1. As pointed out by the head of the Services financiers of the Ministry of Education: "Le fait que nous sachions qu'il y aura un débat législatif sur notre budget nous force à prévoir des choses que nous ne prévoyerions pas autrement ou à n'en pas prevoir d'autres. Ceci nous force à mettre dans le budget certaines choses et à en exclure d'autres. Les députés sont sensibles et il faut en être conscients si nous voulons éviter de causer à notre ministre des difficultés énormes". Then he referred to the system of the university restaurants which, in his opinion, was financially unsound but could not be transformed because of the uprising it would cause in Parliament (Int. 21 March 1966).

2. Int. Vidal, 15 April 1966.

They upset Parliament so much that large parts of the parliamentary discussions are devoted to their scrutiny while more essential problems are neglected. At the end of the debates, the Government gives way at very little financial cost and great political credit[1]. Every year, the Minister of Finance sets aside a small amount of money to meet the costs of the concessions he will make to the most obvious requests of his majority[2]. Spending ministries know of this and some of them even compete for a fair share of this amount for Parliament is seen by some of them as the last court of appeal. They know that deputies are no longer the main defenders of the traditional principles of financial control and that, like spending ministries, they are in favour of increased expenditure, assignment of revenues and so forth. They find in the committees and rapporteurs friends whose support may still be of some limited use. But it is the potential for trouble in Parliament that may really help a ministry to get its way - at the administrative level, where the important adjustments are made. Parliament's bite has been effectively muzzled; its bark therefore inspires no great fear, and the budgetary debates change the budget very little.

Although it is difficult to appreciate what impact they have on Parliament, many civil servants are members of Parliament and of the Finance Committees. In 1965, for example, the Finance Committee of the National Assembly had fifteen civil servants (four teachers are not included) among its fifty-nine members. Two of them were from the Conseil d'Etat, two from the Cour des Comptes, four from the Ministry of Finance, two from the Ministry of Overseas Territories, two were prefects, one civil administrator, one

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1. The abolition of the quarter fare ticket for soldiers on leave is a typical example of a controversial measure introduced for tactical reasons (see next chapter, p. 406.

2. "Cette année (1965) nous avons lâché 100 millions de francs. C'etait prévu. Nous avions même prévu le cas des anciens combattants". (Int. 15 April 1966).

engineer of the Ponts et Chaussées and, finally, one came from Foreign Affairs.[1] These deputies have kept good relations with their old departments, and obtain useful information from friends in the civil service. It is also interesting to note that the two most important parliamentarians in financial matters, the rapporteurs généraux of the Finance Committees were former civil servants, proud of this background and, when interviewed, rather contemptuous of their colleagues' lack of understanding of economic and financial problems. Moreover, the most important and outspoken financial experts of the political parties are present or past civil servants: Senator Tron, Pierre Uri and Deputy-Mayor Duffaut for the Federation of the Left; Jacques Duhamel for the Rassemblement Démocratique (now Progrès et Démocratie Moderne); de Tinguy for the Centre Démocratique; Michel Rocard (now General Secretary for the P.S.U.) and not least, Giscard d'Estaing for the Républicains Indépendants[2].

G. Ministers

1. Ministers and the budget

Ministers have many good reasons to pay a great deal more attention to the preparation of their budget than to any of the other activities of their ministry.

It is through the budget that a minister can most successfully co-ordinate the activities and programmes of his ministry. Also the administration

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1. In the Senate Finance Committee 9 out of 29 rapporteurs were civil servants.

2. All of them come from or have in one way or another been connected with the Ministry of Finance. If one adds to this that several budgetary advisers in ministerial cabinets come from the Ministry of Finance, one sees the extent of the influence this ministry has on the French political scene.

- and he is well aware of this - will judge him on his success or failure in piloting the ministry's budget past the Minister of Finance, the interministerial committees and finally through Parliament[1]. The Minister, most of the time, supervises personally - i.e. through a special adviser normally from the Inspectorate of Finance or one of the other Grands Corps - the preparation of the budget. He keeps an eye on everything and insists upon being informed of all the details of the meetings between his officials and the Budget Division[2].

Furthermore, ministers need money to realize policy or programmes about which they really feel strongly. Sometimes, a minister will make as a condition for his acceptance of a troublesome ministry that he will be given all the financial support he needs to implement his policies. In such a case it may be extremely difficult, at least at the beginning, for the Minister of Finance to oppose the new minister on financial grounds alone - especially if this appointment follows a period of crisis or when his predecessor has been eliminated because of a failure of his policies[3]. On the other hand, when a minister has to resign or is unable to pursue the policies he has said he would, it may well be as a result of the lack of support of the Ministry of

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1. Duron, op. cit., p. 199: "Dans la mesure où le ministre apprend à connaître ses dossiers et se révèle efficace défenseur de services auprès du Parlement et surtout auprès du Ministère des Finances, il peut obtenir de son administration l'apport maximum pour le bien du pays".

2. Ibid., p. 316.

3. Edgar Faure was appointed Minister of Agriculture to win back the important farmers vote for the Gaullists. Of all the economic and financial ministers, he is the only one who was made answerable directly to the Prime Minister and not to the new Minister of Economy and Finance. He furthermore accepted the post on the understanding he would be given every opportunity to "jeter les bases d'une sorte de nouveau contrat social de progrès pour la paysannerie" (See Le Monde, 9-10 January 1966). See also Pallez, Cours, p. 27.

Finance[1].

Another reason for the minister to pay personal attention to the budget comes from the fact that most ministers are politicians - and almost all are likely to be candidates at the next general elections. The minister must please his clientele, particularly if it is electorally important. He must always give the impression he is doing all he can to get the largest possible share of public expenditure for his ministry and hence for his clients[2]. It is often essential for a spending minister to cultivate his relationship with the pressure groups during the preparation of the budget. Edgar Faure made what were considered at the time rash and almost ill-considered promises to the farmers. It was even said that his statements resulted in putting him in a weak and dangerous position. But in fact the opposite happened and it was not Faure but the Minister of Finance whose position was weak. Faure's appointment and his policy statements aroused hopes in the peasantry which no Government would have dared to deceive before the March 1967 election[3]. So although the Minister of Finance always claims that statements of public policy made by his colleagues are not binding upon him unless they have his previous approval or were clearly statements of Government policy, ministers sometimes find it advantageous to make such

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1. On 24 August 1961, M. Rochereau resigned as Minister of Agriculture mainly because the Minister of Finance would not give him the funds necessary to the realization of his policy and this in spite of the fact that his policy had been agreed to by the Government. For more details on Rochereau's resignation, see J. Raux "Les remaniements ministériels sous la cinquième République" in R.D.P., March-April 1965, No. 2, pp. 220-223.

2. If of course this is what his clientele is interested in (public works for example). If, on the other hand, the interest groups are interested in less spending and tax reduction (CNPF, for example) the action of the minister must be different.

3. See on E. Faure's "dangerous" statements, Le Monde, 27-28 February 1966. The statement in question was mainly concerned with agriculture prices but in fact had repercussions on the budget.

statements. This often happens when ministers are visiting the provinces. The statement can be used later on in the budgetary discussion[1]. It will have a much more powerful impact on the budgetary discussions if it is made by the President or the Prime Minister either in Paris or during one of their now famous and traditional tours[2]. During his recent tour of the north of France, the President examined the economic and financial problems of the region. He even held on the spot an economic interministerial committee ("Un véritable conseil économique" was the headline in Le Monde, 28 April 1966) and certainly did much to strengthen the case in favour of any programmes long-sponsored by the local services but opposed in the central services and in Finance. On another occasion he expressed his dismay when told by Trade Union representatives that the Government grant to their Union was 1/10 of what it should be and of what the President himself has promised them it would be a few months earlier[3]. So not only the relations between spending ministers and their clientele but those of the President and the Prime Minister with groups of all sorts are important during the preparation and debate of the budget.

Ministers have also their constituencies to look after. Some of

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1. The Ministry of Finance claims that these statements have no influence whatsoever on decisions taken at budget time.

2. cf. M. Pompidou's well publicized tours of Cantal, the region he comes from and for which he often claims to have done so much. M. Debré made some tours of his own. In early March 1966, he visited Alsace, but was extremely careful not to commit Government finance and failed to give satisfaction to the Alsatians when he said that: "Le régime des aides accordées à l'Alsace ne pouvait pour des raisons budgétaires être modifié actuellement", Le Monde, 8 March 1966.

3. See Le Monde, 2 July 1966.

them are also mayors and président du Conseil Général[1]. This means that they pay some attention, and sometimes a great deal, to the aspects of the budget which are likely to affect their region or constituency[2]. There normally is in every ministerial cabinet an adviser who looks into these matters and reports frequently to the minister[3]. But he does not himself handle these delicate matters for the minister will raise the matters personally with his colleagues. The Minister of State for the Budget, for example, is in a strong position to help his constituency and increase his popularity but he must not ask too many favours from his spending colleagues for he may have to pay a very high price for them[4].

Despite these various loop-holes, the ministers' margin of manoeuvre is limited in the budgetary field. First, the amount of money available each year for the realization of new policies is small and secondly, since they

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1. Strangely enough though ministers must give up their parliamentary seat within a month of their appointment they can remain mayors. Municipalities like having a minister as mayor or municipal councillor: Pompidou for Cajarc, Boulin for Libourne, Charbonnel for Brive, etc. Even if they have given up their seat in Parliament, ministers keep a very close eye on their constituency and even more so when they cultivate one for a coming election. As early as April 1966, M. Messmer, the Minister of Defence, begun to nurse the town of Lorient where he was to be an unsuccessful candidate in March 1967. The dockyards of Lorient depend entirely on Government's contracts. See Le Monde, 17-18 April 1966, "Les arsenaux de la marine sont des oasis de prospérité" declare M. Messmer à Lorient and also Le Monde, 18 October 1966.

2. Even Giscard d'Estaing, according to a member of his cabinet used to devote a great deal of attention to matters concerning his region and those of the members of his parliamentary group.

3. Often a sous-préfet, writes Buron, op. cit., p. 117.

4. The present minister has claimed to have strengthened his position in his constituency because of all the things he was able as Minister for the Budget, to do for his region. (Le Monde, ~~early~~ January 1966) and Catherine, op. cit., p. 319: "C'est ainsi que chaque cabinet aura avec les autres cabinets une sorte de compte permanent 'actif et passif' qui se traduira par un 'crédit' plus ou moins ouvert sur celui-ci ou celui-là ou, au contraire par des dettes".

cannot do everything at the same time, ministers must determine priorities and convince the administration that they have taken the right decisions. This is not an easy task for their administration may well disagree with them and raise all kind of obstacles to oppose these decisions[1].

The Minister of Finance also faces the same kind of problems. He does not dispose as he likes of the extra amount of money to be distributed every year. He is the head of a powerful administration of which he is often seen as the mere spokesman[2]. He is of course free to choose the members of his cabinet as he likes but by tradition he should take them from the Ministry itself. They form around him a powerful braintrust more inclined, perhaps to saveguard the policies of the administration they come from than the interest of the Minister. They do not neglect his interests but do certainly take care

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1. A contrôleur financier told me that he was sometimes asked by Directeurs "to make it clear to the Minister that the Ministry of Finance would oppose his policies on financial grounds". Buron has some interesting comments on relations between ministers and services, op. cit., pp. 189-199.

2. See Buron, ibid., p. 215: "...le Ministre des Finances qui est souvent bien plutôt le porte-parole de la haute administration de la rue de Rivoli que son véritable chef...". This is also the opinion of some Inspectors of Finance I have interviewed: "Le Ministre des Finances suit la plupart du temps la politique suggérée par ses services à moins que comme Giscard d'Estaing il en soit lui-même un expert..." (Int. Bernard, 20 July 1966). It seems that Pinay was much more a tool in the hands of the Inspectorate of Finance than it is generally thought.

of the more permanent interests of the Ministry as a whole[1]. When M. Debré was appointed Ministre de l'Economie et des Finances (a new title for the previous one was Ministre des Finances et des Affaires Economiques), one might have thought that he would bring about radical changes in the policies previously pursued by the Ministry. He, at once, gave audiences to people from all quarters representing all kind of interests and promised that he would soon make public a "train de mesures sociales et economiques". For example, on 4 February 1966, he met M. André Bord, Minister of State at the Ministry of Interior, M. Gingembre, Délégué Général of the Petites et Moyennes Entreprises (P.M.E.), the executive committee of the Confédération Nationale de l'Artisanat et des Métiers (C.N.A.M.), M. Marjolin, vice-chairman of the Common Market's political commission, M. B. Chenot, former minister and chairman of the Insurance Companies Group, and three other persons: two spokesmen for the Paris region and one for the Ardennes[2]. These interviews

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1. M. Giscard d'Estaing had seven Inspectors of Finance in his cabinet. His conseiller technique for the budget came from the Budget Division and was back in the Budget Division as head of Bureau B.2 (Budget) and the director of his cabinet is now director of the Budget. When interviewed, the conseillers techniques, like others, claimed to have been purely technical advisers. M. Cortesse, assistant director of M. Debré's cabinet and responsible in it for budgetary matters is the former head of Bureau B.2 (Budget) in the Budget Division. These links between the cabinet of the minister and the Budget Division are not irrelevant factors if what Pallez says about the dynamique of the Budget Division is true: "Les services du Ministère des Finances et notamment la direction du budget, ne se bornent pas à donner une presentation globale des problèmes budgetaires de l'annee à venir (...) mais s'efforçant de jouer un rôle dynamique, de faire accepter leurs conceptions budgétaires à l'occasion de cette phase de préparation", p. 187. Giscard d'Estaing gave weight to this opinion when he said: "Je n'approuve pas la tendance qui consisterait à faire du Ministère des Finances un deuxième gouvernement français, ce que souhaite parfois la direction du budget" (Le Monde, 15 November 1966).

2. See Le Monde, 6-7 February 1966 "La préparation du programme economique".

went on for weeks and raised hopes in many quarters[1]. But when his first instalment of economic and social measures was made public after the Council of Ministers of 16 February 1966, it failed to meet these hopes[2]. In fact M. Debré had a very narrow margin of manoeuvre, much narrower than he probably thought at first, and because of that the choices he and the Government had to make were difficult ones. The fears arised by disappointing results of the presidential elections had put ministers with a large and electorally important clientele in a strong position vis-à-vis the new Minister of Finance and they took advantage of it to ask for credits. They, in fact, wanted some sort of a new budget much more generous than the severe budget put forward by Giscard d'Estaing in 1965. But both the Vth Plan and the 1966 budget had already been adopted and M. Debré soon found out that there was little he could do to change the policies therein embodied and that it was dangerous for himself in a post and pre-electoral period to be put into the situation of having to decide between various equally popular claims. He kept the same prudent attitude during the preparation of the budget for 1967. He did not give way on the amendement Vallon and despite his reforming reputation did not propose the long needed reform of the Social

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1. A civil servant told me at the time "We know that the Minister of Finance will probably give up something around 1,000 million francs and we are doing our best to obtain our fair share of this amount" (Int. Colonel Christienne, February 1966). In Le Monde, 13-14 February 1966: "De nombreux tête-à-tête précèdent le week-end et lundi, le comité économique interministériel qui aura pour objet, mardi, de préparer le conseil des ministres où sera définitivement mis au point mercredi le programme économique et social du Gouvernement. Cette procedure compliquée - qui rappelle très logiquement la préparation des budgets - a été rendue nécessaire par le nombre et la complexité de choix que doit faire le Gouvernement".

2. See Le Monde, 17 February 1966, article by P. Drouin: "Dans la foulée..." and also "Debré comme Giscard..." and "Une certaine modestie", Le Monde, 24-25 February 1966. Interest groups were disappointed and the Fédération de la Gauche Démocrate et Socialiste (F.G.D.S.) denounced "le trompe-l'oeil du plan Debré", Le Monde, 24 February 1966.

Security system with its heavy deficit[1].

Limitation to his action in budgetary matters comes also from the top. M. Debré was indeed given - in a special letter from the Prime Minister - larger responsibilities in financial and economic matters and the right to instigate meetings of the newly appointed overlords (MM. Pisani for Equipments, Jeanneney for Social Affairs and Faure for Agriculture) and to their Ministers of State. But as we have seen M. Faure said he would only report to the Prime Minister and the Prime Minister has remained chairman of the powerful Economic Interministerial Committee. The Ministry of Finance's decisions in budgetary matters were supposed to be final in a much more important number of cases than before. But the number of appeals by spending ministers to the Prime Minister and the President, during the preparation of the 1967 budget, was comparable with the Giscard d'Estaing period[2]. Furthermore the increasing rôle played by the President in all fields, including the financial and economic one, creates another step in the budgetary process and although the President is a believer in principles of financial orthodoxy he may well disagree with the Minister of Finance and decide in favour of

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1. He prudently increased instead the rate of the corporations' contribution to the Social Security fund. This led the Conseil National du Patronat Français (C.N.P.F.) to say that the new minister was quick to take back the advantages he gave them in February when corporation taxes were lowered in order to accelerate investments ('l'avoir fiscal').

2. This was confirmed by the General Secretary to the Government.

the money-seeking technical ministers[1].

The Minister of Finance is also in a position to impose limits on the freedom of action of his colleagues. On the grounds of financial orthodoxy he will resist any attempt by them to by-pass the classical principles by which financial procedure is governed in France[2]. He will often ask his colleagues for more financial rigour in the way they spend their funds. He may even go as far as M. Giscard d'Estaing and try to establish new budgetary principles which will help him to resist their claims and impose his will. Indeed, beside arguing for a return to the old rule of the balanced budget, Giscard d'Estaing proclaimed that it should also be a rule that the rate of growth of public spending should never exceed the rate of growth of the G.N.P.[3]. The Minister of Finance also has a kind of monopoly over short term economic forecasting (coming mainly from the Forecasting Division and INSEE) which put him in a strong position when he warns that too much expenditure will lead to inflation. The Prime Minister himself finds it

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1. As de Gaulle did for agricultural prices in March 1966, see Le Monde, 13-14 March 1966. Very wisely E. Faure by-passed the prime ministerial level and appealed directly to the Elysee. See on increasing rôle played by General de Gaulle in various sectors of government, N. Wahl, "The Fifth Republic: 1965". Basis for remarks to be made at the 1965 annual meeting of the American Political Science Association, Washington D.C., 8-11 September 1965.

2. It is easier for spending ministers to succeed with specific claims outside the normal financial procedure when the budgetary aspects of the questions may be considered as less relevant. See Pallez, Cours, p. 27: "Il est par contre plus aisé à un ministre dépensier d'obtenir satisfaction à l'occasion de la discussion d'un problème spécifique, de caractère essentiellement politique dont l'aspect financier apparaît souvent comme secondaire. Les ministres dépensiers font adopter plus aisément des textes de circonstances sur un problème particulier que des dispositions s'insérant dans une loi de finances et comportant des majorations de crédits".

3. See Année Politique 1964, p. 125 and ff.

difficult to overcome his objections[1]. As we have seen, during the period of global preparation of the budget, most of the work and the major decisions concerning the budget are taken without much consultation with the spending ministers. They resent this very much and in 1961 an attempt was made to associate them more closely with the preparation of the budget. The procedure of ceilings which previously applied only to the Ministry of Defence was extended to all ministries. Ceilings concerning each ministry were established in close consultation with the spending ministers. Then the spending ministers proceeded to the determination of their own priorities within these ceilings (one for running expenditure and one for capital expenditure). But the spending ministers soon found that the Minister of Finance was using this procedure to force them to take extremely difficult and unpopular decisions, if only as the result of its own rigour in distributing the credits and setting up priorities. Furthermore, during the detailed preparation of the budget, the Budget Division kept challenging and opposing items of expenditure which were the automatic results of the previous approval of the ceilings and should not have been questioned at that stage. So instead of being subject to one series of control, the ministers were subject to two successive series of control. Their position therefore had not improved. The procedure was further modified for the 1963 budget in a way which again did not help the spending ministers. Indeed the Minister of Finance decided that spending ministers would have to prepare their budget in accordance not only with ceilings but with principles

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1. Buron, op. cit., p. 217: "...le Premier Ministre tremble lui-même en face de son ministre des finances qui lui répète sans cesse et sous tous les régimes: 'attention, l'inflation nous menace: si vous cédez cette fois encore à notre collègue, je ne réponds plus de rien' ".

set up beforehand by himself and his administration[1].

Of course these principles would be submitted to the economic inter-ministerial committee and discussed in the Council of Ministers but not directly between the Minister of Finance and the spending ministers. This, again, reduced the margin of discussion left for each minister and consequently shortened the period of budgetary meetings between ministers[2]. The only way spending ministers could influence these options was - and still is - through personal good relations with the Minister of Finance and his administration or through the Prime Minister and the Elysée.

It has been said that the first thing a minister should do is to have good personal relationship with the Minister of Finance. This is essential if he wants to get through the budgetary process with most of what he asks for. Buron, for example, paid particular attention to his dealings with the Minister of Finance. He wanted them to be friendly and as informal as possible[3]. His cabinet included several friends of the Ministry of Finance. He also insisted that his departmental officials showed the highest regard to their colleagues in the Ministry of Finance and obtained his agreement

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1. These changes are well explained in Pallez, Cours, pp. 188-192 and also same author Mise à jour du cours de 1963-1964, pp. 21-22. Some officials of the Budget Division were surprised that I should have known about them.

2. For example these were the general guidelines for the preparation of the budget for 1964: "A - sont prioritaires pour les dépenses ordinaires les dépenses liées à l'enseignement et à celles de la recherche scientifique, pour les dépenses en capital, les investissements prévus au Plan. Pour cette catégorie est prévu l'établissement d'un 'secteur directeur' et la fixation de plafonds globaux. B - les autres dépenses non prioritaires doivent être stabilisées au niveau de 1963 ou réduites. Dans ce cas la Direction du Budget estime que les plafonds sont fixés au préalable, et qu'il n'y a pas lieu de faire précéder la discussion détaillée d'une discussion globale": Pallez, Cours, p. 191. See next chapter for 1967 budget.

3. As he puts it: "...il sera bon que les deux épouses lient amitié. Dans une rencontre familiale et détendue beaucoup de choses peuvent se dire et des accords se nouer", op. cit., p. 217.

before meeting the Director of the Budget. He himself considered the Director of the Budget and the Director of the Cabinet of the Minister of Finance as the equivalent of his ministerial colleagues and he did not hesitate to deal directly with them[1]. Things may be easier for a minister if the Minister of Finance comes from the same political party[2] or if the Minister of Finance has a personal knowledge of the ministry's problems either because he has been head of the ministry himself or because he is particularly interested in some of the ministry's programmes[3]. On the whole, however, there are few ministers who can achieve good personal relationship with the Minister of Finance and most of them must rely on shrewder tactics.

From a strategic point of view, the situation of a spending minister during the budgetary process has some advantages and the Minister of Finance is not always in a strong position vis-à-vis his colleagues. For example, the spending ministers often have outside support from the public and from Parliament, a kind of help the Minister of Finance seldom has[4]. Moreover, when the spending minister meets, sometimes in May or June, the Minister of State for the Budget or the Minister of Finance, he is not without arguments

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1. Buron, op. cit., pp. 216-217.

2. UNR ministers were pleased with the appointment of Debré as Minister of Finance in January 1966. He was the first member of the UNR to hold this crucial post.

3. For example, the fact that M. Debré has a special interest in architecture made things easier for M. Malraux in 1966. The same is true of M. Debre's special interest in the reform of medical studies carried out under the chairmanship of his father and when Debré was Prime Minister.

4. The most active study groups of the UNR parliamentary groups are those devoted to the analysis (and defence) of particular problems, not the study group on economic and financial matters chaired by M. Palewsky, the chairman of the Finance Committee: see J. Charlot, L'U.N.R. Etude du Pouvoir au Sein d'un Parti Politique (Paris 1967), p. 165. Moreover, the parliamentary amicales and working groups are more likely to intervene in favour of the spending ministers.

and if the meeting has been carefully planned by his ministry and above all, by his personal financial adviser, he is not necessarily in a weak position. He should normally have a better knowledge of his budget and his strategy should be clearer. This is, for example, how the aides of M. Malraux had planned a budgetary meeting involving MM. Malraux and Boulin (Minister of State for the Budget), the Director of the Budget, his assistant, the Director of M. Malraux's cabinet, his assistant and the Director of the Administration Générale of the Ministry for Cultural Affairs. The meeting was concerned with the current expenditure of the Ministry. The Minister was told that an increase of 20 per cent (39 million francs) should be asked for. Then, four reasons for this increase were outlined [1] :

1 - the Ministry is new and must be given all the funds necessary for its gradual and normal expansion (8 millions);

2 - some funds are necessary just to enable the Ministry to meet its commitments (13 millions);

3 - new measures with regard to the establishment of a true policy for the development of culture in the fields of music, artistic creation and decentralization of theatres (10.5 millions);

4 - new measures for the development of artistic teaching (4 millions) [2].

Then, in the second part of the memorandum, the Minister was given an outline of the strategy he should follow during the meeting. He was told of the estimates where he should not yield ("certaines demandes sont manifestement

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1. I give here a summary of the "note pour Monsieur le Ministre" prepared by the cabinet of the Minister. A copy of the whole note is reproduced in appendix XIV.b.482.

2. This represented an increase of 22% by comparison with the previous year (1965). M. Malraux's budgetary adviser said that this substantial increase was asked because this was a "domaine que nous savions populaire et susceptible d'être classé prioritaire" (Int. Trapenard 5 July 1966).

capitales dans leur principe") and of those where he should be ready to accept a compromise ("à noter que de nombreux chiffres sont discutables et peuvent donc être l'objet d'un compromis"). Some estimates, it was pointed out, were brought up by his officials for purely tactical reasons ("certaines demandes ne peuvent être maintenues telles quelles") while some others were likely to attract much criticism from his colleague ("une demande risque de soulever une discussion délicate: les 5 millions de crédits d'entretien pour les bâtiments civils - on va vous reprocher les reports de crédits"). Finally, the Minister was warned that there were questions he should not speak about ("ne pas parler du service des eaux de Versailles" or of the "stérilisation de crédits antérieurs") and some others about which he should only get the agreement of the Minister of State for the Budget that they would be discussed separately and at a later stage. The order of the discussion was even fixed in advance but, according to M. Malraux's budgetary adviser, the meeting took place in the office of the Minister of State for the Budget and he took advantage of this to run the meeting as he liked refusing to follow M. Malraux's proposed agenda[1]. The discussion was "très serrée". Every reaction of M. Boulin and the Director of the Budget had to be watched and very detailed notes were taken by M. Malraux's aides. After an hour or an hour and a half of discussion, some matters still remained unsettled and it was clear that M. Malraux would have to appeal to the Prime Minister.

Because of the rôle he plays in the budgetary process, nearly every minister has to see the Prime Minister about his budget either informally at the occasion of a private meeting or more formally at the occasion of an interministerial committee meeting or of an arbitrage budgétaire. Buron considers that informal discussions with the Prime Minister are to be preferred

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1. And this in spite of the fact that M. Malraux was a senior minister.

to the second type where ministers tend to be assisted by officials of their ministry and, hence, take more rigid stands for fear of loosing the confidence of their civil servants[1]. In early 1966, for example, the officials of M. Malraux's cabinet thought that their Minister should have a private meeting with the Prime Minister in order to secure his approval of a 15 per cent increase in the estimates of their Ministry. The Prime Minister agreed and wrote to the Minister of State for the Budget in this spirit a move which did much to help the Ministry in its dealings with the Budget Division (see above). However, in budgetary matters, most meetings with the Prime Minister are rather formal and generally take the form of an appeal (arbitrages as the French call them). The Minister of Finance, assisted by the Minister of State for the Budget and several officials of his Ministry is, then, in a strong position. Hence, to strengthen his case, a wise minister may ask his closest collaborators to have semi-official meetings beforehand with the member of the Prime Minister's cabinet responsible for the case. If they succeed in convincing him of the value of their point of view that probably means that the Prime Minister is likely to follow his collaborator's advice. Most arbitrages only involve the Prime Minister, the Minister of Finance and the spending Minister. But in some cases, several spending ministers may be invited to assist and then as Buron says:

> "L'art pour un ministre technique est d'être solidement associé aux autres ministres dépensiers contre le ministre des Finances et de passer pourtant auprès de ce dernier comme plus 'régulier' que les autres. C'est un art difficile. Pour être pratiqué il exige du ministre intéressé qu'il entretienne de bonnes relations avec le ministre des Finances et le directeur du Budget d'une part, avec le Premier Ministre et son directeur de cabinet de l'autre".[2]

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1. "La discussion est alors interminable et chaque ministre craignant les indiscrétions de ses collaborateurs vis-à-vis de l'Administration lutte jusqu'au dernier moment pour qu'on ne dise pas de lui dans son ministère qu'il a cédé sans combat ou pire qu'il n'a pas su faire valoir les arguments préparés par ses directeurs", op. cit., p. 214.

2. Ibid., p. 215.

But if the spending minister is alone, unless he has previously convinced the Prime Minister or his aide as we have seen or is a particularly good debater an arbitrage is more likely to be favourable to the Minister of Finance than to the spending minister. The main reason is that the Prime Minister generally decides on the case on the basis of the file which is sent to him by the Minister of Finance rather than on that provided by the spending ministry[1].

When a spending minister realizes that the Prime Minister is already won over to the Minister of Finance's point of view or when he is informed of the Prime Minister's unfavourable decision, he has the choice between three attitudes:

1 - to accept the Prime Minister's decision;

2 - to ask for a personal intervention of the Elysée; or

3 - to raise the matter at the weekly Council of Ministers.

This is an extremely embarrassing choice for if he does not push the matter further up, his administration may well think it has been betrayed by the Minister. On the other hand, the present President does not show much liking for what he once called the "intendance". But his advisers keep him informed of what goes on and the President may sometimes feel that the matter is urgent enough for him to intervene personally. He has already participated to the elaboration of the main budgetary options and he may think that his intervention is necessary in order to clarify the situation. But for most matters a dissatisfied minister must raise the point directly with the President and ask him to "arbitrate". Or he can express his sorrow to the President and if the President agrees then the minister can safely raise the matter at the

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1. This was often mentioned to me as an important factor which works against the spending ministers during an arbitrage.

Council of Ministers[1]. If not he can still do it but with almost no chance of success for not only the Minister of Finance will be against him but his other colleagues who will be afraid that he will get what he wants at their own expense[2]. He may then regret having raised the question altogether.

The budgetary process does not encourage prolonged discussions. Like other decision making processes (and probably more than others) it gives rise to a multitude of conflicts but, unlike most, it is marked by speed and the need to reach a final and unchallengable decision by a precise date and according to a well defined procedural framework. Hence, also the emphasis on the elaboration of methods to facilitate the settlement of conflicts: periods of global and detailed preparation, conférences budgétaires, inter-ministerial committees, arbitrages, appeals to the President and the Council of Ministers. Above all, the participants to the administrative and governmental part of the budgetary process are governed by the need to submit to Parliament (and the public) a document which is defensible as a whole if not in all its parts. Dissatisfied ministers will forget, during the public discussion, their internal quarrels for they know that little is to be gained in Parliament - and in the hope that next year will be better.

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1. As a high civil servant for the Ministry of Education said: "Il s'agit que le Général de Gaulle se dise sensible et se montre aimable pour que l'affaire soit réglée à l'avance". And Buron, op. cit., p. 223: "...depuis quelques années les demandes d'audience au chef de l'Etat ont plus de portée pratique en général que les interventions au Conseil".

2. I am told that the tactic of the Minister of Finance is to reiterate with the President's approval that the budget must be balanced, that he understands his colleague's point of view and would like to give him the necessary credits but that some cuts would have to be made somewhere and very possibly in the estimates of other ministries...

2. Ministers and Parliament

i) Aim and attitude

When the budget is submitted to Parliament the aim of the Government is to ensure that it goes through the parliamentary stage unaltered and within the constitutional time limits. During the IVth Republic this was never achieved. Budgets were challenged and modified and rarely voted on in time for the financial year. The parliamentary phase was hard on ministers. They had to spend long hours in the Assemblies, defending their budgets and seeking the support of powerful committee members and parliamentary groups[1]. With the Vth Republic things have changed. Budgets, always adopted in time, are hardly ever modified against the Government's will. Moreover, to borrow an expression of M. Viansson-Ponté, ministers are "aparlementaires" (with a privative a)[2]. Deputies or senators, on becoming ministers, must resign their seats in Parliament (article 23 of the Constitution) and, up to 1962, several members of M. Debré's Government were technocrats who had never held a parliamentary post. The sessions of Parliament are much shorter (article 28) and, generally, a minister goes to the National Assembly (since 1962, he no longer goes to the Senate) only to defend his budget, the bills he sponsors and to listen to the Prime Minister's statements[3]. But, above all, ministers are conscious that

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1. See B. Chenot, op. cit., pp. 45-46: "On imagine mal aujourd'hui la place que tenait l'action parlementaire dans la vie d'un ministre des anciennes républiques. Pour chacune des Assemblées, un membre de son cabinet, homme de confiance, était chargé de suivre les débats, de surveiller les commissions, de parcourir les couloirs en recueillant les paroles ou les désirs des parlementaires. Le ministre lui-même devait assez souvent se montrer dans l'hémicycle, serrer les mains, écouter les sollicitations ou les conseils. Au moindre incident, à toute heure du jour ou de la nuit, il devait partir pour la Chambre, avec un dossier préparé à la hâte, monter à la tribune, répondre, faire voter (...). Le succès parlementaire était la condition de la réussite: de lui dépendaient la survie du gouvernement et la carrière du ministre".

2. Quoted in A. Chandernagor, op. cit., p. 41.

3. B. Chenot, ibid., pp. 48-49.

power now is in their hands and no longer in those of the Assemblies:

> "Le rapport des forces a changé ! Le Parlement ne siège pas en permanence. Le ministre n'est plus à la merci d'un débat. La procédure du vote des lois de finances est telle qu'un député, à plus forte raison un sénateur, n'ont aucune chance d'obtenir le relèvement d'un crédit s'ils n'ont l'accord du ministre. La nouvelle organisation économique donne à celui-ci le pouvoir de répartir les équipements sur l'ensemble du territoire, dont dépend en définitive l'essor d'une ville ou d'une région. Le système politique, dans la conjoncture de ces neuf dernières années, a rendu improbable, et en tous cas impuissante, toute attaque frontale contre le ministère et même contre ses ministres. Le parlementaire n'a plus d'arme de guerre, mais ses besoins sont accrus. Par lui-même il ne peut rien pour ses électeurs. Il se présente en solliciteur devant un monstre puissant".[1]

Ministers deal with parliamentarians and face Parliament with a high degree of self confidence.

ii) Some problems

Yet, the parliamentary stage may pose some problems. First, pressed by their constituents, powerful lobbies and dissatisfied civil servants, deputies, if they cannot challenge the budget successfully, can, at least, be very critical. Moreover, influential majority members and rapporteurs may, by threatening to withdraw their support or by organizing skillful assaults on some aspects of the Government's policy, put a minister into difficulty. Finally, faced with harassing criticisms, indicative amendments and dissension within the ranks of the majority, the ministers do not always show the same degree of determination. Hence, while the Minister of Finance and the Minister of State for the Budget do all they can to refute criticism, reject illegal amendments and resist assaults, some spending ministers show less courage and

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1. B. Chenot, ibid., pp. 48-49. M. Chenot, former civil servant and member of several ministerial cabinets of the IIIrd and IVth Republic, was minister from 1958 to 1962.

try to cover themselves up by breaking the rule of ministerial solidarity and shifting the blame on the Minister of Finance[1].

To overcome these difficulties, ministers can always use one or several of the weapons provided by the Constitution, the Organic Law of 1959 and the Règlement (see Chapter II). Ministers, however, do not like to make constant use of force to ensure the vote of their budgets for this upsets parliamentarians (including those of the majority) and does not necessarily enhance their prestige within the Government or their own administration[2]. Persuasion, conciliation, acuteness and personal charm are probably the ministers' best weapons.

The task of a minister is always made easier if he has good relations with his parliamentary group and particularly with any groupe or sous-groupe d'étude spécialisé which may be concerned with the affairs of his sector[3]. Pinay and Giscard d'Estaing, for example, could rely on the support of their parliamentary groups during the budgetary sessions and Debré, in 1966, had the help of the UNR[4]. Marette, when he was Minister for Posts and Telecommuni-

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1. For example, M. Marette, Minister for Posts and Telecommunication, when pressed hard on a particular chapter of his budget replied: "D'autre part on m'a fait observer que la prime de résultat d'exploitation n'est augmentée que de 25 francs. J'avais demandé davantage à mon collègue des finances et, je peux le dire, je demanderai encore plus l'année prochaine...", (J.O. 19 October 1966, p. 3573).

2. See Buron, op. cit., pp. 205-206.

3. See Charlot, op. cit., pp. 159-160, on effectiveness of the UNR "groupes d'études agricoles" and pp. 160-161 on inaction of the "groupes d'études des affaires économiques et financières".

4. On Pinay and the Indépendants, see C. Roig, op. cit., pp. 135-137. On Giscard d'Estaing and Debré, see next chapter.

cation had frequent contacts with the bureau politique of the UNR as well as one or two meetings a week with parliamentarians of the majority. His budget would sometimes be discussed at the occasion of these meetings[1].

Most ministers try to have the best possible relations with rapporteurs and committees. The Minister of Finance attaches much importance to his dealings with the Finance Committee. Giscard d'Estaing, for example, used to receive the rapporteur général regularly and to keep him informed of the main budgetary decisions. Most ministers pay special consideration to their rapporteurs. Buron recommended that a minister entertain them at lunch every year[2]. In 1965, M. Fouchet, Minister of Education, provided the rapporteur spécial with an office in the Ministry so that he finds it easier to meet civil servants and prepare his report. Moreover, rapporteurs are often consulted on matters concerning their constituencies or professions. Some ministers also show that they have confidence in their rapporteurs. In 1965, for example, M. Messmer distributed confidential, secret and top secret information to the rapporteurs. When interviewed, M. Marette said that he never hesitated to tell them the whole truth about his budget, the conflicts with the Ministry of Finance and the results of the arbitrages of the Prime Minister[3].

Committee hearings although they have lost some of their previous importance still remain a crucial moment[4]. The minister is faced with several

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1. Malraux, on the other hand, was unco-operative. He even refused in 1965 to appear before the committee on Social and Cultural Affairs. He asked his advisers to find him uncritical and docile rapporteurs.

2. op. cit., p. 204. Debré did even better in 1967 when he invited all the majority members of the Finance Committee to have lunch with him on rue de Rivoli.

3. Interview, 11 July 1966.

4. See Buron, ibid., p. 204: "Les auditions en commission sont plus importantes qu'on ne l'imagine généralement". Marette said about committee hearings: "C'est intéressant et plus profitable que le débat en séance publique", int. 11 July 1966.

experts on his ministry's activities and, sometimes, with a former minister. He must answer their questions, refute their criticisms (though he may in fact be in agreement with some of them), and ask for the withdrawal of amendments. Spending ministers, however, often take advantage of the secrecy of these meetings to speak frankly about their budgets. As pointed out by a committee clerk:

> "En commission les ministres eux-mêmes soulignent les réductions de crédits opérées par le ministre des finances. Les ministres qui défendent intégralement leur budget sont rares: Malraux est un cas. En revanche, lors du débat général, les ministres sont beaucoup plus fermes".[1]

An influential rapporteur of the Defence Committee described as follows the strategy of the Minister during committee hearings:

> "Le ministre est plutôt vague. Il essaye de reporter l'attention des commissaires sur des problèmes secondaires tels le salaire des sous-officiers ou le logement des gendarmes. Il cède sur de petits points afin d'éviter une discussion sur l'essentiel. En septembre 1965, par exemple, il s'est dit d'accord avec M. Bignon (UNR and spokesman of the NCO's lobby) sur le fait qu'il était nécessaire d'augmenter les soldes des sous-officiers. Il a référé aux longs débats entre les ministères et les ministres des Armées et des Finances, souligné l'importance des pressions exercées par la commission de la Défense nationale sur le Premier Ministre et félicité la commission pour le succès obtenu".[2]

Unlike the previous Republic, the small number of committees and their size make it difficult for a minister to play one committee against another. On the whole, however, a minister can expect the support of the Finance Committee

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1. M. Thomas, int., 23 March 1966.

2. I was given access to the Committee's notes related to this particular hearing. It was quite clear that the Minister had planned the whole discussion in advance. The Committee's delegation which had asked to see the Prime Minister about the situation of the NCO's had not yet been received by the Prime Minister. The Minister said: "Je sais que le Premier Ministre a décidé de recevoir M. Moynet (chairman of the Committee) et les membres de la commission qui doivent l'accompagner avant la discussion du budget à l'Assemblée Nationale et qu'il a décidé de se saisir lui-même de cette question". On 21 October 1965, on the floor he said that "Pour répondre aux préoccupations exprimées par presque tous les rapporteurs, j'ajoute qu'une décision récente de M. le Premier Ministre permettra d'augmenter les indices de fin de carrière des sous-officiers à partir du 1er janvier 1966", J. O., p. 3043.

against the proposals to increase expenditure put forward by rapporteurs or members of the three main specialized committees (Production, Social and Cultural Affairs and Defence). But the Finance Committee, as some ministers found out in 1966 is not always a reliable partner[1]. It may refuse to decide on the admissibility of article 40 and show little inclination to track indicative amendments. Under the present system it seems that ministers find it more profitable to play, within a particular committee, faction against faction, say in the Defence Committee, supporters of the Air Force or Nuclear Deterrent Force against those of the Army, or within the Air Force budget, those in favour of a particular type of aircraft against the supporters of another type. These tactics are not of great relevance to the context of the Vth Republic where party discipline applies to votes in committee and, in most cases, is sufficient to get ministers out of trouble.

A minister who succeeds to get the support of the committees and, above all, the rapporteurs is on safe ground when his budget is discussed on the floor. As the experienced minister knows, it is then mainly a question of being nice to everybody including opposition members:

> "C'est pourquoi les vieux routiers, au risque d'en être ridicules, multiplient les phrases aimables en réponse aux intervenants, distribuent sans compter les louanges aux rapporteurs, remercient leurs adversaires, reconnaissent volontiers leurs propres insuffisances, s'abaissent, s'humilient, mendient presque le vote favorable... et souvent obtiennent par la prière un résultat meilleur que s'ils avaient remporté une victoire apparente dans la guerre des arguments massues et des formules brillantes".[2]

On the other hand, if a minister fails to get the support of the committees and rapporteurs or gets it by a too narrow majority, he may expect trouble on the floor. Generally, however, committee dissatisfaction consists in

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1. See next chapter p. 372.

2. Buron, op. cit., pp. 207-208.

criticism only but in some cases the rapporteurs propose and the committee approve amendments which cut expenditure sharply but are aimed, in fact, at obtaining changes in the estimates (indicative amendments). If the Finance Committee itself is sponsoring the amendment or if it decides not to apply article 40 against another committee's amendment and if the minister is determined to force a vote on his budget, he may end up with a budget amputated of a large proportion of its funds. But, since it is in the interest of both the Government and the majority to avoid clashes in the open, they often ask for short suspension of the debates in order to discuss the matter behind the scenes.

Discussions behind the scenes may be arduous but if the majority is determined to back the committees and the rapporteurs, compromises are generally worked out at the cost of minor concessions on the part of the Government. When the matter is referred back to the floor, either immediately or later on at the occasion of a second deliberation, the majority is asked to approve through a vote bloqué the compromise as well as the budget as a whole. Each budgetary session, even the quietest ones, gives rise to controversies of this kind. In October 1965, for example, the budget for Ex-servicemen gave rise to one of the most controversial debate of the second Parliament[1]. The estimates were 2.8 per cent higher than those of the previous year but included a cut of 6,600,000 francs in the grant to the Office National des Anciens Combattants. Inspired by the powerful Ex-servicemen lobby, the Finance Committee condemned the measures as "graves, inopportunes et maladroites"[2] and asked the Assembly

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1. As pointed out in l'Année Politique 1965: "L'examen, le 26, du budget des Anciens Combattants donne lieu à un petit coup de théâtre. Pour la première fois en effet le gouvernement, sous la pression de la majorité, est obligé de reviser ses intentions initiales", p. 76.

2. J. O., 27 October 1965, pp. 4123 - 4124. Later M. Fossé was dismissed as rapporteur.

to vote against Title III (current expenditure) of the budget. M. Bernud (UNR), on behalf of the Social and Cultural Affairs Committee, gave his support to the Finance Committee. The Minister, M. Sainteny, explained that the cut was fully justified and gave data showing that the number of persons using the services of the Office National had been in continuous decline. But he failed to convince the Assembly and in order to avoid a Government defeat on the Finance Committee's amendment the UNR parliamentary group asked for a suspension of the debates. After four hours of discussion between the Ministers of Finance and Ex-servicemen and the leaders of the majority groups the Government agreed ("à la demande de la majorité"[1]) to re-establish the grant of the Office national des Anciens Combattants. The vote on Title III however, took place later on at the occasion of a second deliberation. In the process, the Minister of Finance lost 6,600,000 francs[2], but M. Sainteny's prestige as Minister for Ex-servicemen suffered from his mishandling of a touchy subject on the eve of the presidential election of December 1965. Later on, he was to lose his post (Government reshuffle of 9 January 1966) and some people thought that his failure to get his budget through Parliament without major clash was a factor in his dismissal.

Debates of this kind, however, are exceptional for most departmental estimates are adopted without difficulty. Controversial debates (i.e. debates where several amendments are proposed or where particularly critical reports are submitted) take place only when active and well organized lobbies intervene

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1. ibid., p. 4147.

2. But this, it seems was expected and could be met out a budgetary surplus of 140 million francs. As pointed out by M. Duffaut (SFIO): "Je ne parle pas de l'excédent de 140 millions, je pense qu'il est destiné à permettre d'accorder quelques satisfactions, quelques menues satisfactions aux membres de la majorité", J. O., 7 October 1965, p. 3366.

and find a favourable response in Parliament[1] or when Parliament is determined to take advantage of the budgetary debates to discuss some important aspects of the Government's policy[2]. In most other cases, the debates are sans histoire[3]. The interventions of the ministers and rapporteurs (nearly all rapporteurs are majority members), which take place at the beginning of the discussion of the departmental estimates beside taking a great deal of the time allocated by the Bureau of the National Assembly for the discussion, take a lot of the steam out of the debates. As a result when the individual deputy intervenes all important aspects of the budget have been covered and there is little a deputy can add to what has already been said. Hence, speeches tend to be repetitive and dull and focus on professional and local questions[4]. Moreover, impressed by the immense powers enjoyed by the Government in budgetary matters, deputies have a "defaitist" approach to their rôle in this field. They resent their lack of powers and wonder whether the budgetary debates still fulfil any important function[5]. The majority would like to have a rôle of "control" and "stimulation" and to be privileged as the main intermediary between the Government and public opinion. But this rôle implies discussion, criticism and even challenge of the Government's policy and it can hardly be performed in the

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1. For example, during the Second Parliament (1962-1967) the debates on the following departmental estimates were to be particularly arduous: Justice (Amnesty) in 1963 and 1965; Foreign Affairs (mainly Algeria) in 1963 and 1965; Interior (mainly rapatriés) in 1963, 1964 and 1965; Agriculture in 1964 and 1965; Ex-servicemen in 1965; Defence (Sub-Officers, etc.) in 1966.

2. For example, Education from 1963 to 1966; Defence (Nuclear Deterrent Force and related questions) in 1963 and 1966; Information (O.R.T.F.) in 1963 and 1964 and in 1965 and 1966 in the Senate; Housing in 1964 and 1966.

3. The expression was often used by committee clerks and parliamentarians to describe the atmosphere of the debates.

4. See A. Laurens, "Le métier de député", Le Monde, 8-9 October 1967.

5. See F. Lalumière, "Les débats budgétaires ont-ils encore un intérêt ?", Le Monde, 30 January 1963.

open. Since 1963 the majority has made great efforts to organize its internal structure[1] in order to be in a better position to influence policy. But, at least in budgetary matters, it has achieved little success. The members of the opposition parties are in an even worst situation. Deprived of important posts in the committees, having less than one-third of the speaking time allocated for the debates, they show little interest in the budgetary debates. Absenteism is particularly high in their ranks (except for the Communists)[2], speeches tend to be ill-prepared and parochial, and, often, departmental estimates are adopted just by show of hands of those present in the Assembly[3]. When registered votes (scrutin public) are called for departmental estimates are adopted with majority largely in excess of the numerical importance of the parliamentary groups supporting the Government[4]. However, party discipline is applied more strictly when votes bloqués or votes on the budget as a whole are taken but, still, some mild opposition members prefer to vote in favour of the budget or abstain rather than vote against it[5].

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1. See J. Charlot, op. cit.

2. See A. Laurens, "L'absentéisme", Le Monde, 7 October 1967 and next chapter.

3. In 1966 (1967 budget) for example, the estimates of the Foreign Affairs and Interior Ministries were adopted "à main levée", see J. O., 24 October 1966, p. 3800 and 4 November 1966, pp. 4215-4216.

4. In 1966, for example, the estimates for Education and Social Affairs were adopted by 327 votes to 144 and 321 to 146 votes respectively. Many members of the Democratic Centre and some of the Rassemblement Démocratique voted in favour of the estimates; see next chapter.

5. These deputies are not supporters of the Government. They consider that the vote on the budget is of technical nature ("un vote technique") which does not commit them to support the Government in other fields. In their opinion the budget is an act of the executive. It must be rejected only when major political questions are at stake. These deputies (mainly from the Democratic Centre and the Rassemblement Démocratique) constitute what is conveniently called the "majorité budgétaire".

iii) Senate

Since 1962, ministers no longer go to the Senate. They appear only in committees where, in the opinion of MM. Marette and Malraux, hearings are more difficult as a result of the larger experience and greater specialization of the senators. On the floor the bulk of the work falls on the Ministers of State and particularly on the Minister of State for the Budget. The latter must present and defend the first part of the Finance Bill and a large proportion of the estimates. This is not an easy task for, as we shall see later [1], the Senate is far from playing the rôle assigned to it by the authors of the 1958 Constitution and instead of being a conservative and reliable House concerned with correcting of the lower House's mischiefs it plays the rôle of a House which systematically opposes and challenges the Government's policies. Moreover, the Finance Committee of the Senate gives a less restrictive interpretation of article 40 than its counterpart in the National Assembly and, above all, the absence of a majority puts the Government in a position where particularly useful constitutional weapons like the vote bloqué lose their effectiveness. It is only when the Joint Conference is set up that the Government takes the initiative again in being able to give the final word to the National Assembly.

For the Government as well as for most ministers, the passage of the Finance Bill through Parliament no longer raises major problems and for them the fact that the budget is always adopted in time and without important changes is seen as a tremendous achievement.

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1. See below p. 378.

CHAPTER V

THE PROCESS: THE CASE OF THE 1967 BUDGET

INTRODUCTION

This chapter traces the administrative, governmental and parliamentary progress of the 1967 budget. It shows how the budgetary process works when a specific budget is prepared, discussed and voted by the organs and according to the rules described in the previous chapters.

The 1967 budget was chosen for purely technical reasons. It was the budget under preparation when I began my research in Paris and I soon found out that the persons I was interviewing could answer with more assurance the questions related to the budget under preparation or discussion (i.e. the 1967 budget) than those based on information I had gathered about previous budgets[1]. It was also easier for me to follow up decisions. Of course, this chapter does not present a thoroughful analysis of the budgetary process as it worked in 1966. Several aspects are neglected (the work done in the services extérieurs and in each spending ministries for example) but, by concentrating on the main actors and stages (Finance, Prime Minister, President of the Republic, Parliament and some spending ministers) we are able to give an overall view of how the main decisions were reached and of how Parliament and some pressure groups reacted to these decisions.

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1. As for earlier chapters, interviews are referred to in the footnotes only for direct quotes.

But is the 1967 budget typical ? Does it show how the process usually works ? Each budget poses problems of its own and the 1967 budget had specific features. These are mentioned in this study. They have influenced the way decisions have been taken and compromises reached but, on the whole, one can say that the 1967 budget remains a good example of how budgetary decisions were made under the Government of M. Pompidou (1962-1967).

This chapter is divided into two parts: first, the preparation of the budget and, second, the debates and vote in Parliament. The second part is longer because we take advantage of the case study to analyze some of the main attitudes and strategies of parliamentarians [1].

A - PREPARATION OF THE BUDGET

1. Some preliminary remarks

a) Specific features of the 1967 budget

1) Political factors played a major rôle in its elaboration. It followed a cabinet reshuffle and the appointment of a new Minister of Finance, M. Michel Debré, former Prime Minister and the first Minister of Finance to be member of the U.N.R. It seems that, on the eve of the general election, the President had decided to concentrate economic power into reliable U.N.R. hands. Moreover, M. Giscard d'Estaing was identified with unpopular policies (the Stabilization Plan for example). M. Debré was to have a more expansionist view of the economy and would be less inhibited

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1. See the conclusions pp. 420 - 431.

than his predecessor in carrying out some long needed reforms into the Social Security system and the nationalized industries. Finally, many people felt that the execution of the Vth Plan was already compromised by M. Giscard d'Estaing's attitude of indifference towards planning. M. Debré, it was expected, would give priority to planning and to the management of the economy as a whole as opposed to his predecessor's more traditional conception. The Ministry of Finance changed its title and became the Ministère de l'Economie et des Finances. Second, it preceeded the general election. Particular attention would have to be paid to some sectors of the electorate. The U.N.R. should have the credit for these politically rewarding policies, not Giscard d'Estaing's Independent Republicans.

2) The 1967 budget is a good example of how little room is left for changes in policy when a new Minister of Finance takes office. In the case of M. Debré, the Vth Plan and the 1966 budget had just been adopted. But, as a result of M. Giscard d'Estaing's policy of restraint, the 1966 budget was far behind the Plan's objectives for 1966. To catch up M. Debré had to commit the bulk of the 1967 budget's resources. Moreover, to stimulate production, M. Debré had to reduce corporation tax thus reducing the revenues available for the 1967 budget. There was also a permanent limit to the Minister of Finance's action: the mere bulk of inevitable expenditure (services votés). They alone represented 95 percent of the 1966 budget and were expected to be as high, if not higher in 1967. This expenditure can hardly be cut because, first, it is given legal recognition in the Constitution and is generally dealt with separately and more expeditiously and, second, the lack of time and the growing complexity of the budgetary matters make it almost impossible for the Budget Division to

revise this expenditure. As a result the budgetary process focuses on the big policy decisions and on the careful analysis of the new measures put forward by the spending ministries.

b) Approach

There are different ways of explaining how a budget has been prepared. We could follow the mere chronological order of events. Or we could, as we have done in the previous chapter, distinguish two main periods in the administrative and governmental part of the budgetary process: one which deals with the big decisions and one with the detailed preparation of the budget. However, since I have been provided with the "calendrier de préparation du budget de 1967", I shall follow the order of events as presented in this document in distinguishing four main stages [1].

A first stage consisted of the preparation of the services votés, i.e. evaluation of expenditure to which the Government was already committed as a result of past budgets, recent legislation and Government measures, inevitable changes in particular types of current expenditure (for example, the increasing number of prisoners in the State prisons), the implementation of projects embodied in previous budgets or laws which included capital expenditure extending over several years. This stage insofar as civil current expenditure was concerned took place between 24 December 1965 and 6 June 1966. For civil capital expenditure the final estimates were established only in July and August. The Government wanted precise information on the execution of the investment programmes before agreeing to the estimates [2].

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1. This calendar comes from the Budget Division. It is reproduced in appendix II p. 447

2. If one includes the final printing of all budgetary documents into this first stage it extended well into October 1967 (the last documents were printed 21 October 1967).

A second stage dealt with the setting up of the budget's main priorities. It was during that period that the big decisions regarding the budget were taken. This stage took place between 18 January and 4 May 1966. It involved a limited number of participants and tried to establish with precision the sectors where new measures were likely to be considered.

During the third stage the spending ministries' new proposals were put forward, analyzed and discussed at both the ministerial and administrative levels. It was then that spending ministries could most successfully influence policy. It began on 4 April 1966 with a letter from the Minister of Finance asking the spending ministers to prepare their estimates according to the rules and guidelines set up by the Government. It officially ended on 15 September 1966 when the Finance Bill was ultimately approved by the cabinet. However, it was considered as definitely close for 9/10 of the ministers when they were informed by the Prime Minister, by the beginning of July, of his final decisions concerning the appeals they had made to him against some of the decisions of the Minister of Finance.

A fourth stage took place during the summer of 1966. It dealt with the general equilibrium of the budget in the light of more precise information on the revenues for 1967. Some readjustments were made during that period. The Defence budget and the estimates of both the Post Office and the Ministry of Education were completed only by the end of the summer. The situation of some nationalized industries and special funds was considered at the same time. These questions were solved at the last minute for they depended on the general situation of the budget at the time.

2. FIRST STAGE PRELIMINARY WORK: PREPARATION OF THE SERVICES VOTES

It is the law in France that the coming budget must be prepared on the basis of the previous budget as it has been voted by Parliament. So, the first task of the administration when it began the preparation of the 1967 budget was to establish with precision the content of the 1966 budget. On 24 December 1965, a few days after the vote of the Finance Bill for 1966, the Budget Division issued a circular asking the spending ministries to send the final draft of their estimates as they stood after their passage through Parliament and their subsequent detailed distribution by decrees. These documents began to flow back to the Budget Division by 25 January 1966. They were then checked, assembled, printed and distributed to Parliament from 14 February to 2 May 1966.

On 25 February 1967, the Minister of Finance issued a circular of seventeen pages in which technical ministers were asked to present in detail the estimates concerning civil and defence current expenditure which they wanted to see renewed in the 1967 budget. These estimates had to be sent to the Minister of Finance on 10 March at the latest. They had to be accompanied by the opinion of the contrôleur financier of the Ministry and prepared in accordance with the rules laid down in the circular[1]. These rules laid down the form according to which the estimates had to be presented and enumerated seven categories of measures which could be proposed: 01 measures included in the final draft of the 1966 budget; 02 transfers; 03 virements; 04 extension over a period of twelve months of measures which had been effective only for part of the previous year; 05 measures which come to an end; 06 adjustments of crédits évaluatifs or provisionnels; 07 measures resulting from the application

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1. Parts of this circular are reproduced in appendix III./ p 448.

of recent legislation or Government policy. Each measure had to be put on a single slip[1] and the measures falling under categories 02, 03, 06 and 07 had to be supported by documentary evidence also presented on a single slip and framed in accordance with models included in the circular. This is an example of how a measure resulting from a recent Government policy had to be justified:

MODEL C

Measure 01 - 07 - 10

Application of the regulation of 11 April 1965 (date of the Journal Officiel and No. of the page) modifying the status of pedagogic consultant to the service of penitentaries.

Financial incidence of the measure:

Chapter No. 31-01...	+ 690
Chapter No. 31-91...	+ 138
Total:	+ 828

Justification of the estimates:

The estimates and the evidence supporting them were examined by the Budget Division's officials from 20 April to 17 May 1966. As soon as they were agreed to, the budgetary documents relating to these estimates were prepared and printed (from 29 April to 6 June 1966). Although these estimates repre-

1. These slips are put into computers.

sented more than 70 billion francs in 1967[1] they were seldom challenged and their amount, provided it has been exactly evaluated and legally justified was agreed to without discussion. It was a mere mathematical exercise. M. Debré resented this procedure very much for the weight of this current expenditure bore so heavily on the budget that he could hardly increase capital expenditure in accordance with the objective of the Plan without incurring a deficit and risking inflation[2]. The only solution was to cut this current expenditure. As the Minister of State for the Budget explained to the Finance Committee of the National Assembly:

> "Il faut donc contenir, voire réduire la masse des dépenses ordinaires civiles. C'est le choix permanent entre la consommation et l'investissement"[3].

But the Government felt that the budgetary process, in view of the time pressure, was not appropriate to such a pruning of the estimates, and decided to set up an interministerial committee of inquiry (comité des structures de l'administration). The committee was composed of the Minister of State for Administrative Reform, the Minister of Finance, the Minister of State for the Budget and the General Commissioner of the Plan. The committee was assisted by a study group of high civil servants drawn from the Cour des Comptes, the General Inspectorate of Finance, the Budget Division, the Public Accounts Division and from the ministries under investigation. M. Lasry, conseiller d'Etat, was appointed rapporteur of the committee[4]. The committee was charged

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1. According to the statement of the Minister of State for the Budget to the Finance committees in June 1966 (confidential document).

2. Rapport Général de M. Vallon on the 1967 budget, Volume I, p. 7.

3. See note 1 supra.

4. The committee is often referred to as the "Lasry committee". For relationship between this committee and the economic interministerial committee see chapter III. p. 165.

with carrying out inquiries into various sectors and suggesting reforms which would ensure a more efficient and less expensive use of the administrative machinery. The Commissioners were asked to translate into concrete proposals the budgetary cuts which might come out of their suggestions. These would be considered immediately by the Minister of State for the Budget and used in the budgetary discussions which were to take place between the Budget Division and the various spending ministries. As for the recommendations upon which no immediate budgetary action could be taken, they were looked into more deeply by the study group of civil servants and referred to the interministerial committee[1]. In fact, the committee was set up too late to bring about significant modifications to the level of the 1967 current expenditure estimates. It was hoped, however, that important results would be achieved in the 1968 budget[2]. The main beneficiary of the setting up of the committee was the Minister of Finance. In the past - and even in the 1967 budget as we shall see - in spite of the existence of a Central Committee of Inquiry into the Costs and Efficiency of the Administration, the spending ministries, when told that they had to cut current expenditure, remained free to make these cuts where they wanted provided they were real cuts. The new procedure enabled a predominantly financial committee to indicate where the cuts had to be made and the Minister of State for the Budget was able to reduce the estimates accordingly.

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1. According to the statement of the Minister of State for the Budget to the Finance committees mentioned earlier.

2. The Minister of State for the Budget assured the Finance Committee that it would be kept informed of the work carried out by the Committee of Inquiry. The members of the Finance Committee of the National Assembly wanted to be associated with the Committee's work (see below).

In long range capital expenditure programmes included in previous budgets, the estimates - also considered automatically renewable - were dealt with in a second circular issued on 13 April 1966[1]. These estimates provided the money needed in 1967 to carry out the various long range investment programmes of the Government. These programmes and their total estimated cost had already received parliamentary approval but the money needed for their execution had to be attributed on a yearly basis. This procedure enables both the Ministry of Finance and Parliament to control the execution of the programmes. The spending ministries were asked to indicate the amount of money which had been allocated to the programmes in 1966 and to specify by how much it had been under or overspent. This surplus or deficit was taken into account in the evaluation of the disbursement of money they were asking for in the 1967 budget. The unspent money was carried over from 1966 to 1967 provided ministries could establish their ability to spend it in 1967. But the Budget Division paid a great deal of attention to minimizing these carry-overs and generally, the more a ministry was carrying over the less it was given in the 1967 budget[2]. M. Giscard d'Estaing, the previous Minister of Finance, had, since the 1963 Stabilization Plan, kept the estimates for the execution of capital expenditure programmes to an unusually low level, so that by 1966 most ministries had run out of credits. M. Debré, as soon as he was appointed Minister of Finance, fostered the execution of the capital expenditure programmes by asking Parliament to approve of more than 1,000 million francs of supplementary estimates for these programmes. In the 1967 budget these estimates

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1. This 39-page circular was by far the most important of the budgetary process, for it dealt also with the new civil current and capital measures; see appendix IV for reproduction of the first five pages of this circular.

2. As a result of this policy it seemed that by the end of the financial year ministries rushed into spending all the money they had. However, this is largely prevented by the tight control which is exercised by the contrôleurs financiers over the disbursement of money.

were increased by 30 percent over the 1966 budget (20,700 million francs as opposed to 15,956 in 1966). This was a sharp change from M. Giscard d'Estaing's previous policy of tight control and restrain often resulting in a slowing down of the execution of the Government investment programmes in order to control inflation.

The scrutiny and final evaluation of these estimates by the Budget Division was completed late in August. In July the contrôleurs financiers were consulted on the ministries' likely level of consumption of crédits de payement in 1966 and 1967. They were asked to explain any change in the rhythm of credits consumption by comparison with the previous years. Their reports had to reach the Budget Division before 1 August 1966[1]. In the light of these reports the Budget Division discussed and established with the spending ministries the crédits de payement granted in 1967 for the execution of the Government's investment programmes[2].

This concluded the preparation of the services votés. This stage of the budgetary process, or more precisely this aspect of the budgetary work, did not involve important policy decisions and did not give rise to much controversy and discussion. M. Debré's decision to prune current expenditure more systematically was motivated by his desire to increase capital expenditure and thus was not resented by the spending ministries as much as one might have expected if it had been designed to cut the total amount the ministries were asking for. He was cutting in one sector to increase the volume of credits in another sector. And, as we shall see later on, in spite of the setting up of a new Committee of Inquiry into the Organization of the Ministries, the spending

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1. Letter of 23 June 1966. See appendix XV for a copy of this letter.

2. When these discussions took place in August the new capital expenditure programmes of the ministries had been agreed to in the meantime and were, thus, included into the final reappraisal.

ministries kept a large degree of freedom in determining where the cuts were to be made[1].

3. SECOND STAGE: BIG DECISION-MAKING

The next stage of the internal preparation of the 1967 budget was chiefly concerned with the making of the big decisions. During that period the Government set up priorities and guidelines in order to make the best possible use of its limited resources. We have seen that the bulk of the total Government resources were already committed to "inevitable" expenditure. What was left for the realization of new policies was thus rather narrow and the competition for it very strong. To keep things under control the Minister of Finance, the Prime Minister and the President in collaboration with the main financial organs of the State took time to consider the budget as a whole. They set up priorities and guidelines and then tried to impose them on the spending ministers. The strategy of these three main actors was to take these decisions as early as possible in the financial year so that spending ministers knew the policies of the Government from the beginning of the budgetary process and prepared their budgets accordingly. There were three main phases in this period of global preparation:

1. The Minister of Finance determines his budgetary policy (from 18 January to 21 March 1966);
2. His policy was discussed with the Prime Minister on 22 March and with the President on 30 March 1966;

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1. M. Foyer, Minister of Justice, was told by the Minister of Finance that, except for four priority sectors, he would have to reduce his current expenditure estimates as they appeared in the services votés by 4.1 million francs. He was left free to proceed with these cuts where he wanted. (See letter of 4 April 1966 of M. Debré to M. Foyer reproduced in appendix IX p.463.

3. It was submitted to the Council of Ministers on 31 March for civil and military current expenditure and, on 4 May, for civil capital expenditure. (The Defence budget was considered as a whole. Its preparation followed a different process).

a. The Minister of Finance determines his policy

In January 1966, M. Debré who had just been appointed Minister of Finance was too busy organizing his personal cabinet and preparing the programme of social and economic measures he had promised, to pay much attention to the preparation of the 1967 budget. The members of M. Giscard d'Estaing's cabinet had gone back to the various divisions of the Ministry and M. R. de la Genière, his Director of Cabinet, had just been appointed Head of the Budget Division. M. Debré had also drawn some of his personal staff from the Ministry and the assistant Director of his cabinet came from the Budget Division. The Minister appointed him Special Adviser in Budgetary Matters. His situation was somewhat delicate at the time, for M. Debré had made it quite clear that he wanted to keep the initiative and bring about radical changes in his predecessor's policies. The Budget Division had been largely responsible for these policies and had profited from M. Giscard d'Estaing's disregard of the Plan and his commitment to financial orthodoxy. The Division saw M. Debré more as an enemy than an ally. He was committed to expansionist policies and had taken sides openly in support of the Plan thus tying his hands in advance in important and decisive sectors. The huge size of his cabinet was causing some anxiety. He welcomed outside advice and had a few pet ideas which might lead to expensive projects. Debré had had no previous connection with

the Ministry, whereas Giscard d'Estaing was an inspector of Finance. And, with the U.N.R. Minister of Finance taking office on the eve of a general election, political pressure might be directed against painful but long needed reforms and in favour of politically rewarding projects. There was therefore more mistrust than confidence between the Budget Division officials and the new Minister when they began to sketch out, by early January, the main budgetary perspectives for 1967.

The Budget Division's officials had to draft two kinds of budgetary prospects: the rough prospects and the detailed prospects. On 18 January each Sub-division was informed orally that by 20 January they would have to send to the first Sub-division[1] rough prospects concerning the evolution in the sectors they were responsible for. These reports were short and did not pay any attention to political or accidental factors. They were based on data drawn from the 1966 budget and were forecasting the likely evolution of various aspects of the public sector. When he received these reports, the Head of the first Sub-division made a summary and addressed it to the Director of the Budget Division. The Director discussed it and issued instructions to the Sub-division and Bureaus in which he explained how the detailed prospects had to be prepared and when they had to be ready (for 10 February in the case of capital expenditure and 16 February for current expenditure). The Bureau Etudes et Recettes de l'Etat was asked to work out some basic economic assumptions for the information of the Division[2]. In fact, the Budget Division built up its own draft

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1. See appendix V for a diagram of the Budget Division.

2. Internal note of 19 January 1966.

budget based on its own economic and financial assumptions[1]. When the detailed perspectives were ready, the Head of the first Sub-division where the whole work was co-ordinated made a synthesis of all current expenditure forecasts on 22 February and of the whole 1967 budget (including revenue) on 3 March. He then drafted a covering note for the information of the Director of the Budget Division. On the basis of this note, the Director prepared a full report and on 17 March sent it to the Minister of Finance, the Prime Minister and the President. This report was of great significance for, although the Budget Division refrained from making any recommendations on the coming budget at this stage, it stated the facts as the Division saw them by early 1966. This analysis of the budgetary situation could be, and indeed was challenged, but, on the whole, the Budget Division was to stand by it and to base on it its main recommendations to the Minister of Finance. The report contained three parts:

1) A summary table of revenues and expenditure;

2) The main assumptions concerning the economy in 1967:

   - the likely increase of the Gross National Product both in real terms and in monetary terms;
   - the price levels;
   - the various assumptions concerning the increase of the cost of some public utilities (French Railways and the Paris Metro for example);
   - the increase forecasts in transfer payments;
   - the wage and salary increases in the Public Sector;

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1. It is important to note that at roughly the same time the cabinet of the Minister asked other Divisions in the Ministry to provide him with their own set of forecasts and their suggestions concerning the 1967 budget. At this stage each Division (essentially Budget, Treasury, Forecasting, Prices, Revenue and also the Planning Commissariat) worked independently. Any contacts between themselves were only semi-official. Their work was co-ordinated at the cabinet level.

3) The likely evolution of each ministry's estimates (a report of one or two pages per ministry).

The copy of the report which was sent to the Minister of Finance was accompanied by a series of recommendations[1]. It is impossible to know of the exact content of the report. Officials from the Hôtel Matignon said, however, that as usual it took a very pessimistic view of the French economy. Expenditure was largely in excess of revenue[2]. The main economic assumptions envisaged inflationary trends in the economy. Finally, the estimates of the ministries showed important increases. In their recommendations, the Budget Division's officials considered various policies. First, the Government would have to decide whether it wanted a budget in deficit or in surplus, how large the deficit or the surplus should be, and for what purpose it should be used. The Budget Division gave its opinion on these possibilities and assuming that the Government was to maintain its pledge to a policy of balanced budgets[3], it suggested various measures. The deficits of the Social Security system and of some of the Nationalized Enterprises would have to be cut down. This would enable the Government to reduce its subsidies to them. It forecasted important increases in transfer payments resulting from the increasing number of beneficiaries, and warned against the inflationary effects of large wage and

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1. I believe that these recommendations were not sent to the Prime Minister and the President.

2. Officials from other divisions or ministries said quite clearly that the Budget Division underestimated revenue and exaggerated expenditure to justify its stand against tax cuts and in favour of cuts in expenditure.

3. The Budget Division argued that the most effective way of controlling the price levels was to have a balanced budget. The Forecasting and the Prices Divisions, on the other hand, argued that the link between the price levels and the budget was not that clear and thus that a more expansionist policy could be followed without resulting in increased prices.

salary increases in the Public Sector. The rate of increase of the estimates of the ministries as envisaged by the budget would be higher than the rate of increase of G.N.P. Thus, if the Government was to follow its previous policy of keeping both rates at more or less the same level, it would have to limit expenditure[1].

The Budget Division did not play a purely passive rôle in the elaboration of the Government's budgetary policies. It came out with its own perspectives on the likely evolution of the 1967 budget and suggested policies which would enable the Government to make the most of its limited resources. It was, however, much more concerned with keeping Government expenditure under control and with preventing expensive policies from being adopted than with formulating policies to permit a higher rate of expansion. The Budget Division had produced the type of economic analysis which was likely to please M. Giscard d'Estaing[2].

M. Debré was well aware of this and to counter-balance the Budget Division's report he asked other Divisions (Treasury, Forecasting, Prices, Revenue) and the Planning Commissariat to submit their own forecasts of the development of the economy. The most important was the general economic survey prepared by the Forecasting Division. It was drafted by economists and statisticians. It paid less attention to the question of financial control and, on many points, differed from the Budget Division's report. The Forecasting

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1. The relationship between the two rates was a recommendation of the Common Market Commission. Giscard d'Estaing became its main defender. This, of course, enabled him to oppose the rate of growth of public spending as envisaged by the Plan. See Le Monde, 16 September 1966.

2. It is interesting to note that M. Giscard d'Estaing's numerous comments during the elaboration of the 1967 budget were often in agreement with the Budget Division's point of view: "Il n'est pas certain que l'équilibre budgétaire, réalisé pour la première fois en 1965, soit maintenu cette année: on voit réapparaître un certain déficit et la situation devrait être redressée". Giscard d'Estaing in Le Monde, 2 July 1966. See also ibidem, 16 September 1966.

Division took a more expansionist stand and was said to have been behind most of M. Debré's recent schemes to accelerate expansion. It favoured tax reductions and increased expenditure. M. Giscard d'Estaing had developed this Division in order to be able to challenge the experts of the Planning Commissariat on their own ground. But M. Debré had no intention of opposing the Plan and on many questions the officials of the Forecasting Division and Planning Commissariat were likely to agree against the Budget Division.

The first ministerial meeting took place on 18 March in the office of the Minister of State for the Budget. The Minister of State discussed with the Budget Division's officials the content of their report. The other Divisions are answerable directly to the Minister of Finance and did not participate in this meeting.

On the two following days a series of budgetary meetings were held with the Minister of Finance. All the Divisions mentioned above and the Planning Commissariat were represented and the report of the Budget Division formed the basis of their discussions[1]. The Minister had, however, already discussed matters with his personal advisers and had evolved and even made public, the main aspects of his economic policy. He made it clear that he would stand by this policy and reaffirmed the three main lines of attack he had defined soon after his appointment: first, the stability of prices would be maintained; second, the expansion of the economy would be encouraged by productive investments and finally, the Plan's objectives would be achieved[2].

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1. It is to be noted that the Budget Division was represented at these meetings both by the Director of the Division and by the Minister of State. This gave it two voices.

2. To realize these policies he had already announced a programme reducing corporation taxes and increasing the rate of public investments.

At the end of these meetings M. Debré reached three main conclusions:

First, he agreed with the Budget Division that the stability of prices implied a balanced budget. He recommended that the surplus of the budget above-the-line be kept at the 1966 level of 3,779 million francs[1]. As a corollary he added that the overall rate of growth of Government spending would follow - not exceed - in volume the rate of growth of G.N.P. (At the time the Minister of Finance was expecting a growth rate of 5.5% and an increase in prices of 2.3%. Thus expenditure should not have increased by more than 7.8%. However, the pressure for more expenditure increased and by July the Minister of Finance was forecasting a likely increase of 10.5%, largely in excess of the rate of growth of G.N.P. Nevertheless, M. Debré was not to be accused of inconsistency for he put forward a new way of evaluating the rate of growth of G.N.P. which boosted it to 10.5%).

Second, in order to realize in 1967 the Plan's objectives - at least insofar as the central Government was concerned - he decided that a special effort would be made to realize the investment programmes envisaged by the Vth Plan. The Government would have to make up for Giscard d'Estaing's failure to realize the Plan in 1966. Current expenditure would thus have to be kept at the lowest possible level. Some would have to be cut and the savings used for capital expenditure projects. The Vth Plan also had a policy of "true prices" for nationalized industries and his pledge to follow the Plan should have led M. Debré to agree with the Budget Division's proposal to increase the prices in the French Railways and the Paris Metro. But he rejected this recommendation

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1. In fact, the 1967 budget when tabled in Parliament in October 1966 was more than 2,000 million francs short of this objective. But this did not affect the overall balance of the budget as the cost of the above-the-line budget had been reduced by nearly 2,000 million francs and used to finance the whole of the below-the-line budget (i.e. Government loans to various sectors mainly to the cheap housing programmes and the Fonds de Développement Economique et Social, a total of 3,773 million francs in 1966 and of only 1,779 million francs in 1967).

for the time being for he agreed with the Prices Division that such a policy would bring about a general increase in prices. He decided, however, to increase slightly the prices on the French Railways but excluded the Paris Region from the measure[1]. The Budget Division had also urged a reform of the Social Security system. Workers' and employers' contributions to the Fund should be increased to offset most of the existing deficit. But, although he agreed with the urgency of the reform, he thought that the Government was not ready to proceed with it[2]. He recommended, however, an immediate increase in the rate of the contribution paid to the Fund by business[3] and promised a reform for next year.

Finally, the Minister took two important decisions concerning the Revenue Budget. To foster productive investments he decided on an immediate reduction of Corporation tax. This was expected to cost the Treasury more than 700 million francs. It was to be made effective by a law passed by Parliament on 18 May 1966. He also recommended a revision of the basis of income tax. The measure would be announced later (it was made public in July) but since it was expected to cost more than 700 million francs, the Budget Division would have to take it into account when preparing the budget (for less revenue than expected would be available in 1967). It was doubtless with this in mind that M. Debré, two weeks later, warned the Council of Ministers that "Le budget de 1967 sera difficile et rigoureux".

These decisions were to form the core of the budgetary process. They

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1. His arguments against extending the measure to the Paris Region were the following: first, the Unions would ask for wage increases to offset the increase in transportation costs or second, the industries would increase their transport subsidies to their workers and finally, there would be much more road traffic in Paris.

2. The reform would have affected all Frenchmen and for electoral reasons could not have been carried out at the time.

3. This measure was applied almost immediately. It very much upset business. They felt that it neutralized the Government's fiscal incentives to accelerate expansion.

were taken early in the financial year for the Minister of Finance wanted, from the start, to keep the initiative in budgetary policy. A failure of the Minister of Finance to take a clear stand on the coming budget would give too much room for manoeuvre to the spending ministers and would make it difficult for the Minister of Finance to initiate policy because of the prior commitment of most available resources. In 1966, some spending ministers, as we shall see, tried to commit the Government to policies which did not comply with the Minister of Finance's requirements but because he had made his policy clear he could successfully resist these moves. It is also interesting to note that some of these decisions, though they were taken within the budgetary process and had profound repercussions on the 1967 budget, were announced and sometimes made effective long before the publication of the budgetary documents (for example, the reduction of the rate of Corporation tax was made effective in May and the lower rate of income tax was announced in July). This, it seems, was a way for the Minister of Finance to strenghten his position vis-à-vis the spending ministers. When policies are stated publicly - even more when they are already enacted - there is little the latter can do to modify them. Hence, M. Debré's numerous public statements in favour of a balanced budget, of a higher rate of growth of G.N.P., of public investments envisaged by the Vth Plan. Hence also his desire to take all these budgetary decisions within a larger economic and financial policy framework and to link the whole together so that the parts could not be upset without challenging the whole. M. Debré's decisions also had important repercussions on his own Ministry. He sometimes overruled the Budget Division on important issues (Social Security, Nationalized Industries, the implied criticism of the 1966 budget contained in his commitment to the

Vth Plan). They resented this very much[1]. But on the whole they largely succeeded in imposing their economic and financial analysis (the budget was to be balanced). The Minister took advantage of the budgetary process to affirm his authority over the Ministry. He, not they, was formulating policy and dictating guidelines for the preparation of the budget. He played Divisions against one another, and policy was co-ordinated at his level and not between the Divisions.

Once the Minister of Finance has taken a personal stand as to what the coming budget should look like he must first, convince his colleagues and above all the Prime Minister and the President that he has evolved the right policies and second, determine with them the sectors which will get priority in 1967.

b, <u>The Minister of Finance discusses his policy with the Prime Minister and the President</u>

It is difficult to know precisely how much of M. Debré's policies were known by the Prime Minister but as chairman of the interministerial economic committee he was probably already aware of M. Debré's main economic assumptions and budgetary proposals for 1967. Moreover, he surely discussed some of these questions when M. Debré was appointed Minister of Finance and given, at least in theory, larger responsibilities than his predecessor in the economic and financial fields. Pompidou shared with Debré an expansionist view of the economy and was also deeply committed to the targets of the Vth Plan. Since they were both members of the <u>U.N.R.</u> party, they were more likely to agree on political

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1. Officials I interviewed in December 1966 were on the whole more critical than fond of M. Debré's policies. My impression was that they sounded much happier under M. Giscard d'Estaing. The latter was certainly an easier Minister for them to deal with than M. Debré with his huge and diverse cabinet of advisers.

matters than when the Minister of Finance was an Independent Republican. On the other hand, the two Ministers had very different personalities[1]. Moreover, the transformation of the Hôtel Matignon into a powerful centre for economic decision-making undertaken under Debré[2] had been further developed under Pompidou. Co-ordination, planning, regional economic reorganization, scientific and technological research were fields where Pompidou held major responsibilities not to mention his special and continuous interest in education. Now this very machinery Debré had helped to create was in expert hands[3] and could be used to curtail his own powers as Minister of Finance. Finally, the Prime Minister also had his own network of economic advisers. M. Ortoli, his former Director of cabinet, had just been appointed General Commissioner to the Plan. His personal cabinet had been in touch with various interest groups and was providing him with enough data to question, when he chose, the economic assumptions of his colleague.

MM. Pompidou and Debré met on 22 March. They were accompanied by their economic advisers[4]. They agreed on the basic policies outlined by M. Debré and determined the priority sectors for 1967 (i.e. sectors where both current and capital expenditure could be increased above average). These sectors were:

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1. See on Debré's personality and style as Prime Minister, N. Wahl, The French Political System, in S. H. Beer and A. B. Ulam - Pattern of Governments, The Political Systems of Europe, New York 1962.

2. See N. Wahl, ibidem, p. 415. In Au Service de la Nation (Paris 1963) Debré outlines his conception of the rôle of the Prime Minister. It is also intended for his successor. The emphasis is on a Prime Minister exercising co-ordinating functions only and against the transformation of Matignon into a power house. On the other hand, he said that the Prime Minister under exceptional circumstances (war, economic crisis, needs for reforms, etc.) must assume large duties and play a large rôle.

3. M. Pompidou, a former Director of the Banque Rothschild, was said to have a good understanding of economics.

4. People in the Prime Minister's office thought that M. Debré came to the economic interministerial committee with too many advisers and too many files. M. Pompidou was said to be much more informal and inclined to rely on his own knowledge of the problems under discussion. He had a tremendous memory for numbers.

- Scientific and technological research;
- Professional retraining and "social promotion";
- Education (it is interesting to note that the priority sectors corresponded to fields into which both MM. Pompidou and Debré had a special interest. It was in the two first sectors that the estimates were increased most - 52 percent and 39 percent respectively).

They also agreed to reduce the income tax burden[1]. This was a rough outline for other sectors were to be given priority later on[2]. It is quite possible that some sectors like Agriculture were not given an explicit priority at the time for tactical reasons. Indeed important interministerial discussions were going on at the time to fix a basic price for milk and meat and the Minister of Finance and the Minister of Agriculture were at odds on the issue. To have given priority to Agriculture would probably have settled the balance of power in favour of the Minister of Agriculture and fostered his claims for higher expenditure. Moreover, Agriculture was the big stick with which the Government would persuade Parliament in October. It was better to wait in order to make a greater impact on Parliament.

It was also decided that the estimates of some ministries and offices would be frozen or cut to save some 300 million francs. Finally, they considered the situation of some nationalized industries and of the low cost public housing programmes (H.L.M.) and decided that Government loans to these sectors should be reduced. Instead, the Government would help these sectors to secure

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1. See article by Gilbert Mathieu, in Le Monde, 23 March 1966.
2. The Economic and Financial Report for 1967 (published in September) mentioned in addition: Agriculture, Transport and Energy, local development and Housing, Tourism and regions.

loans from both the public and private banking systems. This would make it easier for the Government to balance its budget and, as M. Debré was to explain later, it was only the execution of a recommendation of the Plan. The Government was engaged in a process of débudgétisation[1].

When they agree on their policies, the Prime Minister and the Minister of Finance submit them to the Council of Ministers. As we have seen[2], however, the meetings of the Council rarely gives rise to policy discussions and it has become the practice to have, a day or two before the meeting of the full Council, a meeting with a few ministers at the Elysée (conseil restreint). Since the 1963 Stabilization Plan the meetings of this economic inner cabinet have taken an increasing importance. Indeed other ministers deeply resented the power to cut expenditure and to slow down the execution of various investment programmes which the Stabilization Plan conferred on the Minister of Finance. As a result, they have become very touchy and reluctant to obey his decisions. The preparation and execution of the budget was made more difficult. To strengthen the position of the Minister of Finance it was felt necessary to associate the President with the main budgetary decisions. For when he accepted the decisions of the Prime Minister and the Minister of Finance, no minister would dare challenge them, at least openly. The President was thus led to play a greater part in the budgetary process. His rôle, however, was already very important. It is he who takes all major decisions concerning the budgets for Defence and External Affairs. In 1967, the Defence budget alone represented 20.6 percent of the whole expenditure budget. He does, furthermore, pay a great deal of attention to what is usually called the "prestige sectors". These

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1. Many parliamentarians were to be critical of this new policy. At the Spring Session of 1967, during the debate on the Government's request for special powers, M. Debré accused M. Mendès-France of mixing-up déplanification and débudgétisation.

2. See above chapter III. p. 178.

included in 1967 scientific research, aeronautical projects in co-operation with other countries and the Plan to develop a French computer industry. Moreover, in 1966, de Gaulle chaired all the interministerial committees which dealt with scientific research (a budget of 3 billion francs in 1967). His intervention in these sectors did much to strengthen the position of some agencies and of their clientèle during the preparation of the 1967 budget. Budget Division's officials and some people in the Prime Minister's office resented this. They felt that engineers and experts of all kinds were taking advantage of this situation to commit the Government to extremely expensive projects on the basis of assumtions they could not test[1]. In this respect the President's intervention makes life harder for the Minister of Finance. In 1966, for example, as a result of the American Government's objections to the delivery of three highly sophisticated computers to France, the President decided that, no matter how it would cost, France would set up, almost from scratch, her own computer industry. The Ministry of Finance was faced with a straightforward decision which would bear heavily on the coming budgets but could not say anything against it. Owing to temporary factors, the President can also be more sensitive to certain problems and thus he can be led to intervene in favour of a particular ministry. In 1966, for example, he felt that a special budgetary effort should be made to win over the peasant vote he had lost at the 1965 presidential election. As a result, and against the will of the Minister of Finance, Agriculture was given a semi-official priority which enabled the Minister of Agriculture to increase his current expenditure estimates by 21.8 percent and his capital expenditure

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1. An engineer who was working on the Plan to develop a French computer industry told me how lucky he was to be involved in a Plan for which de Gaulle had assumed direct responsibility: "The Ministry of Finance is no longer a problem for me. I, at last, have all the money I need without having to argue with the Budget Division's officials".

estimates by 18.4 percent[1]. Finally, there is an aspect of the President's intervention in the budgetary process which cannot be neglected. It is the President's belief in the absolute value of certain principles of financial orthodoxy. France must have a strong gold reserve, she must not be indebted towards other countries and, in budgetary matters, the budget must be balanced. He has even erected the latter principle into one of the dogmas of the Vth Republic. At the inner cabinet meeting of 30 March he made it clear again that he stood by this principle and the following day at the meeting of the full cabinet he stressed that a balanced budget was necessary in 1967[2]. Such a statement coming from the Head of the State made it much easier for the Minister of Finance to resist his colleagues' pressure for high expenditure specially when some of them appealed to the President against his decisions.

c. <u>The policies are submitted to the Council of Ministers</u>

Once the President, the Prime Minister and the Minister of Finance had agreed on the main options for the preparation of the 1967 budget, the policies were submitted by the Minister of Finance to the full cabinet. A first meeting took place on 31 March and dealt with:

- the main options;
- current civil expenditure;
- Defence expenditure.

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1. As an official in the Budget Division put it: "Ce fut la pagaille. Il (the Minister of Agriculture) a fait toutes sortes de déclarations publiques engageant les finances de l'Etat sans nous consulter. Il fut très habile et il a obtenu ce qu'il a voulu grâce à l'Elysée".

2. Press communiqué, Council of Ministers of 31 March 1966: "Le Général de Gaulle a rappelé quant à lui que l'équilibre du budget restait nécessaire et devrait être maintenu". Quoted in <u>Le Monde</u>, 1 April 1966. He reaffirmed his stand at another meeting of the inner cabinet held on 5 July 1966. See <u>Le Monde</u>, 7 July 1966.

A second meeting concerned with civil capital expenditure took place on 4 May.

On 31 March and 4 May, the Minister of Finance told the cabinet of three basic decisions for the preparation of the 1967 budget and mentioned the consequence of these decisions for the civil expenditure estimates. The three decisions were the following:

- as in the past the growth of public expenditure would have to be restricted to remain in harmony with the rate of growth of G.N.P.[1];
- the balance between expenditure and revenue would be maintained;
- the current expenditure would be reduced to allow the increase of capital expenditure.

These principles led the Government to take the following decisions with regard to the current expenditure estimates:

First, the ministers would be allowed to increase the estimates in three sectors only:

- teaching;
- professional training; and
- technological and scientific research.

Second, this decision would not prevent ministers from taking new measures but their cost would have to be offset by an equivalent cut in the minister's estimates; moreover, no measure improving the status of the ministry's personnel would be accepted[2].

Finally, in all other sectors ministers would have to envisage a cut

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1. The expected rate of growth was, at the time, 7% to 8% in volume. See Le Monde, 23 March 1966.

2. A week earlier, the cabinet had agreed to a general wage and salary increase of 4.5% in the public sector. This decision, however, was taken outside the normal budgetary process: see Le Monde, 24 March and 14 April 1966. This meant that beyond this general increase no particular measures would be accepted.

in running expenditure. The main guidelines for the Defence budget were also approved at that meeting. It was, however, a mere formality for the Defence estimates were prepared according to a different decision-making process. The cabinet was informed of the general ceilings for both current and capital Defence expenditure. The major decisions concerning the Defence budget were taken by the Defence Council. This organ was chaired by the President. The Prime Minister, the Minister of Finance and the Minister of the Armed Forces were members of it. It met twice a month. On the basis of these major decisions the Ministry of the Armed Forces prepared its estimates. They were scrutinized by the Budget Division.

On 4 May, the cabinet was informed of the ceilings concerning new capital expenditure projects (autorisations de programmes). These had been previously agreed to at an economic interministerial committee held at Matignon on 2 May [1]. For that purpose new capital expenditure programmes were divided into two types:

- those which had been envisaged by the Plan (dépenses programmées);
- those which had not been envisaged by the Plan (dépenses non programmées).

The first category included the investment programmes which had been evolved by the various commissions d'équipement et de modernisation of the Plan [2] and agreed to by the Government. The second category of investment was

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1. The Prime Minister, the Minister of Finance and the General Commissioner to the Plan took part in that meeting.

2. Although the reports of these commissions were not embodied in the Plan as such, they were given so much publicity by the spending ministries and some interest groups that many, including the Cour des Comptes (see Rapport de la Cour des Comptes 1964, pp. 31-45) tended to believe that these reports were part of the Plan. In fact, the Plan itself included only very broad targets for public investments for which there was no detailed breakdown (see Vth Plan, pp. 118-135).

not studied by these commissions and remained under the direct control of the Budget Division. They consisted mainly of administrative buildings and of subsidies to various programmes (Housing and Merchant Navy for example). The technical ministries were consulted on the establishment of the first category of projects. But they were not directly involved in the process. The main rôle was played by both the Planning Commissariat and the Budget Division. Each of them had prepared their own set of estimates. These were compared and discussed at the interministerial committee referred to above. The ceilings proposed by the Planning Commissariat were higher than those of the Budget Division and there was disagreement between their reports on the rate of monetary inflation. It is important to note that these ceilings were not concerned with the amount of credits that a spending ministry would be allowed to spend on its various capital expenditure programmes in 1967, but with the autorisations de programmes.

These two meetings of the full cabinet ended the period of the preparation of the 1967 budget. As usual, it was restricted to a limited number of actors. The spending ministers were involved but only at the last moment and could hardly intervene to change policy. They would, however, take advantage of the next stage to attenuate the impact of these decisions on their respective budget.

4. THIRD STAGE: THE DETAILED PREPARATION

The next step after the making of the basic decisions underlying the 1967 budget was the execution of these decisions by the various spending ministries. It started by the issuance of budgetary letters and circulars. These were followed by a series of budgetary meetings between the Ministry of Finance

and the technical ministers. Conflicts were settled by the Prime Minister and, sometimes, the President. Finally, all matters concerning the budget above-the-line were definitely settled by a Council of Ministers in July.

a. Letters and Circulars

The two meetings of the Council of Ministers mentioned above were followed by instructions as to how, within the general framework previously agreed to, each spending minister had to prepare their estimates.

The letters dealing with current expenditure were sent on 4 April 1966 and those dealing with capital expenditure on 9 May 1966.

The letters varied from minister to minister but on the whole, the letters sent by M. Debré to M. Foyer, Garde des Sceaux and Minister of Justice and to M. Pisani, Minister for Equipment, were fairly typical. The first one dealt with current expenditure, the second with capital expenditure[1].

1) Outline of M. Debré's letter to M. Foyer

First, the Minister was reminded of the decisions he had agreed to in cabinet.

Second, he was told how these decisions affected the preparation of his budget in general and in particular. He was asked to cut the estimates for current expenditure by 4.1 million francs and it was specified that these had to be real cuts. They would often imply the re-examination of some agencies and grants.

Third, the Minister's attention was drawn on the need to act according

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1. These two letters are reproduced in appendices IX and X.

to the rules. Furthermore, his detailed estimates for new current expenditure would have to be prepared according to the rules laid down in a separate circular. They would have to be sent back to the Minister of Finance before 22 April.

Fourth, if the Minister so wished, he could discuss these estimates with the Minister of State for the Budget. Afterwards, the study of the proposals would be undertaken by the services of both Ministries in the traditional budgetary meetings in May.

Finally, the Minister of Finance took advantage of this letter to inform the Minister of Justice of the amount allocated to his inevitable current expenditure (services votés) in 1966. It was from that amount (631.8 million francs) that the cut (4.1 million francs) had to be made.

2) Outline of M. Debré's letter to M. Pisani

First, the Minister was reminded of the decisions taken in the previous Councils of Ministers.

Second, as a result, these were the ceilings concerning the estimates for capital expenditure of his Ministry (in million francs):

	Housing	Public Works	Civil Aviation	Merchant Navy
Sectors included in the Vth Plan	88	2,512	194	-
Sectors not included in the Vth Plan	3,008	1,193	691	232.86

Third, the Minister was asked to send back before 15 May 1966 his proposals for the allocation of these ceilings between the same headings as in 1966 (these headings were enumerated in appendices to the letter: nine for Housing, sixteen for Public Works, eleven for Civil Aviation and five for Merchant Navy). His proposals would be examined at the budgetary meetings which would take place in May with the Minister of State for the Budget: in case of conflicts between these two Ministers appeals to the Prime Minister and the final allocation of ceilings would have to be completed by 15 June.

Finally, the allocation of ceilings by chapters would have to be made in accordance with the rules laid down in the circular of 13 April 1966 for the programmes which were to be authorized in 1967 as well as for the credits necessary in 1967 both for the programmes previously approved and for those to be initiated in the 1967 budget. These allocations would have to be sent back to the Minister of Finance within fifteen days of the final agreement on the new programmes for 1967.

These two letters and the circular of 13 April were, from the point of view of both the Minister of Finance and the spending ministers of great importance. The former, using the power granted to him by the Constitution[1], was informing his colleagues of the effects of the Government's decisions on their budget. He was making the general guidelines more precise and stressing their obligatory character. The spending ministers were left almost no room for manoeuvre. They were, however, told that they could discuss their proposals with the Minister of State for the Budget. Moreover, the second letter referred

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1. Article 37 of the Organic Law of January 1959: "Sous l'autorité du Premier Ministre, le Ministre des Finances prépare les projets de loi de finances qui sont arrêtés en conseil des ministres".

to possible appeals (éventuels arbitrages) in case of disagreement. Thus, on the one hand, the Minister set up rules which must be obeyed but, on the other hand, indicated that there remained a possibility of discussion. The spending ministers were to take advantage of it.

b) Budgetary meetings

There were two possible reactions to M. Debré's instructions on the part of the spending ministers: first, they could obey them literally or second, prepare their estimates as if these decisions had never been taken. In the former case no conflict arises and the estimates are quickly agreed to by both the spending and Finance ministries' officials. Once they are ready they are printed and, by the end of August, distributed to the various parliamentary committees[1]. In the latter case the ministers send estimates exceeding the limits established by the Government[2] thus putting themselves in conflict with the Minister of Finance.

Even when they knew that their credits would not be increased as a result of their attitude most ministers chose the second alternative. There were two main reasons for this: first, it was important specially for newly appointed ministers to show to their officials as well as to their clientèle that they would not give up the fight for more credits, that, if they failed to implement some of their most forward-looking policies, it would not be their fault but that of the Ministry of Finance. Moreover, it was part of their

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1. The bleus for the services votés were printed from 29 April to 6 June 1966. Those for the mesures nouvelles were printed between 16 August and 27 September 1966. A second series of documents called the Jaunes were printed and distributed between 27 September and 22 October 1966.

2. I use "Government" because they have been agreed to by the full cabinet.

strategy for the next budget, and in some cases for the supplementary budget, to show that, with their expanding activities, their ministries could absorb much higher estimates; second, some ministers, as a result of special factors (a special relationship with the Prime Minister or the President, their personal strength in the Government, their ability in defending the interests of their ministries and of their important clientèle, etc.), could expect to obtain more favourable conditions for their ministries.

It was with these objectives in mind that the ministers sent their new budgetary proposals to the Minister of Finance in April (current expenditure) and in May (capital expenditure). Generally, these proposals were ready when the ministers received the letters and, in some cases, they were sent to the Minister of Finance even before the letters were issued. Indeed some spending ministers thought that by taking the initiative they were increasing their chance of success.

The new proposals were examined by the Budget Division's officials and by the Minister of State for the Budget. Then the spending ministers were summoned to budgetary meetings. These meetings took the following form:

1. The Minister of State, and in some cases, the Minister of Finance, informed the Minister that his estimates for new proposals would have to be cut to meet the Government's decisions; if the Minister disagreed with these he would have to see the Prime Minister;

2. Then he dealt with the new measures one by one. His attitude could be threefold:

   a) he agreed with the measures;

   b) he agreed on conditions; and

   c) he rejected the measure.

If the spending ministers agreed with the decisions of the Minister of Finance, the meeting was closed and the officials were told to prepare the budget accordingly. If, on the other hand, they disagreed on the first point the matter was automatically referred to the Prime Minister. Any disagreement on the second point gave rise to discussion, compromise or conflict. The matters at issue were either kept for fuller study or referred to the Prime Minister. All the matters agreed upon were referred to the administration for detailed scrutiny. This work was carried out under the authority of the Sub-director of the Budget Division between 27 May and 1 July 1966. If any of these matters reached deadlock again, it was reserved for further discussion at the interministerial level and possibly for the Prime Minister.

c) Appeals to the Prime Minister

For every proposal on which ministers disagreed, files had to be prepared by the two ministries and referred to the Prime Minister's cabinet where they were examined by technical advisers. Additional meetings took place at the ministerial cabinet level. The representatives of the spending minister and the Minister of Finance made their last attempts to influence the Prime Minister's decision. Some ministers had private meetings with the Prime Minister and tried to put their case in the best possible light.

When all the files were ready, the Prime Minister in a series of inter-ministerial committees (called arbitrages) held between 14 June and 1 July 1966, heard the different points of views. During this period, the Prime Minister

held two or three arbitrages a day. He was assisted by a group of high civil servants including some of his technical advisers, the General Secretary of the Government and a representative of the Délégation à l'aménagement du territoire. The President sent one of his special economic advisers. The Budget Division was represented by one of its top officials. Three ministers usually came to the meetings: the Minister of Finance, the Minister of State for the Budget and the spending Minister. They were assisted by one or two special advisers and all of them were accompanied by their Directors of cabinet[1]. At the meetings each minister presented the case of his ministry. In some matters, the Prime Minister gave his decision immediately. But in most cases, he reserved it till he had heard all the appeals for only then he would know of the overall demand made on the Treasury by the various spending ministries. This would also enable him to proceed to some readjustments between the estimates of the various ministries. He could, for example, decide to reduce the estimates of one ministry in order to increase the estimates of another. In some cases, he did not even bother to offset increases in the estimates for he knew that the Minister of Finance had, as usual, under-estimated the revenue budget. On the whole, however, his decisions were much more favourable to the Minister of Finance than to the spending ministers. It was generally said that the Minister of Finance won 9/10 of the "appeals". The reasons for this were threefold:

First, officials in the Prime Minister's office agreed that the files submitted by the Budget Division were much better and much more convincing than those submitted by the spending ministries.

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1. A diagram of a typical meeting is given in appendix VI p. 460.

Second, the Prime Minister and his officials were thus inclined to work on the basis of these files and not on those of the spending ministries.

Finally, it has become the practice for the Prime Minister to consult the Minister of Finance before giving his final decisions. Such meetings took place at Matignon on 5 July and 12 July 1966, a day before the Council of Ministers met to consider the effects of these decisions on the budget above-the-line[1].

Not all the decisions of the Prime Minister were of equal importance at least in financial terms. For, sometimes, ministers disagreed on relatively trivial issues. But generally the decisions he was asked to take had profound repercussions on the budget. It is quite clear, for example, that he took the major decisions concerning the Agriculture, Post Office and Equipment budgets. On the Agriculture budget, the arbitrage took place on 28 June 1966 and Le Monde reported that M. Edgar Faure, Minister of Agriculture, obtained substantial concessions from M. Pompidou[2]. These, however, had to be ultimately approved by the President. On the Equipment budget MM. Debré and Pisani disagreed on two essential issues: on housing where M. Pisani resisted M. Debré's attempt to cut the Government's subsidies to some housing programmes, and on roads where M. Debré opposed M. Pisani's priority for the highways programme. These matters too had to be referred to the President for an ultimate decision. The decision reached was typical of such a bargaining process for M. Debré got his way on the first item and M. Pisani on the second. M. Pisani was to be criticized on both

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1. Le Monde, 13 July 1966 and 14 July 1966.
2. Le Monde, article of F.-H. de Virieu, 29 June 1966.

grounds later on in Parliament[1]. It is also typical of these important arbitrages that they are given some publicity. This enabled pressure groups to intervene for they knew that questions affecting them were at stake. On 1 July, for example, a few days after the arbitrages on the Agriculture budget, the Chairmen of the U.N.R. Agricultural Study Group and the rapporteur of the Agriculture estimates met the Prime Minister to put forward the party's point of view on some of the issues involved. On 30 June the advisory committee on scientific research formed of twelve experts met at Matignon under the chairmanship of the Prime Minister to give their opinion on the allocation of credits for scientific research. They insisted on additional current expenditure credits and recommended an increased estimate for agricultural and medical research. The Prime Minister was to take a final stand on the issue the following day.

In most cases the Prime Minister's decisions were final (specially when they had received the approval of the President at the conseil restreint of 5 July 1966). But in the case of some particularly important ministries (Defence, Post Office and Education), a final decision would only take place in August when more would be known about the likely development of the economy and when the estimates of these ministries would have been worked out in detail. All the questions relating to the budget below-the-line were also kept for further consideration in August.

On 5 July, the President intervened again in the budgetary process. He approved of M. Pompidou's decisions[2] and reaffirmed his stand for a balanced

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1. See below for M. Royer's report on housing and M. Catalifaud's report on highways.

2. Reports on this meeting were somewhat contradictory. Some said that the President intervened to take the final decisions and settle some points in conflict (Le Monde, 2 July 1966). Others said that the President intervened only to confirm decisions already taken by the Prime Minister and agreed to by the Minister of Finance. They said that before going to Moscow, the President had "laissé le feu vert" to MM. Pompidou and Debré. According to the same report there might have been difficulties if expenditure had been higher than revenues. But, finally, M. Debré revised his revenue forecasts and this enabled him to keep the budget balanced. (Interviews with the Budget Division).

budget[1]. Many spending ministers thought that this meant unfavourable decisions for them and, possibly, cuts in estimates already agreed to. They urged their directeurs de cabinet to keep in close touch with the Elysée to make sure that no such cuts, if any, would apply to their ministry. But, finally, the President showed more understanding than some had expected. The Minister of Finance agreed to a revision of some of his economic assumptions. The revenue forecasts were scaled up and a new way of evaluating the rate of growth made it possible for the Government to increase expenditure by more than 10 percent without giving up the principle that the rate of increase of Government expenditure should be comparable to the rate of growth of G.N.P.[2]. It is quite evident that, at the time, the Government had decided that economic and financial principles had to give way to electoral considerations.

During the week which followed the meeting with the President both the Prime Minister and the Minister of Finance checked the estimates again ministry by ministry and decided the overall balance of the budget above-the-line. On 12 July this part of the budget was ready and M. Debré, in an interview with France-Soir[3], commented on the main measures included in the 1967 budget. The cabinet had not yet heard of them. On 22 July, after the meeting of the cabinet, he commented on them on television. On 13 July the Council of Ministers approved

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1. Le Monde, 7 July 1966.

2. Paul Fabra in Le Monde, 14 July 1966 described the process as an "habile présentation". Senator Pellenc, rapporteur général for the Senate's Finance Committee, did not agree with the Government's interpretation: see his report on the 1967 budget p. 38. See also how the Government justified it again in the Rapport Economique et Financier, Budget pour 1967, at pp. 37-38.

3. 12 July 1966; see also Nation, 12 July 1966.

the budget above-the-line[1]. But since the President, the Prime Minister and the Minister of Finance had already agreed on it the presentation to the full cabinet was a mere formality.

The following day each spending minister received a letter from the Prime Minister informing them of his decisions concerning their appeals and the final ceilings for their current and capital expenditure as they had been agreed in the Council of Ministers. Ministers were asked to proceed to some cut in their estimates but not to a significant extent[2].

5. FOURTH STAGE: THE FINAL DECISIONS

After the period of interministerial discussion and arbitration came the final decisions. But for a few ministries - Defence, Education and the Post Office - the estimates for the budget above-the-line were ready. The budgetary documents concerning the current expenditure (services votés) were already printed and from 16 August on the remaining budgetary documents were sent to the Government Printer as soon as they were ready. On the basis of the reports of the contrôleurs financiers[3] the Budget Division was able by the beginning of August to determine what amount of credits (crédits de payement) would be needed in 1967 for the execution of the Government's investment programmes. Any problems which arose out of this procedure were settled by the Minister of Finance himself. Nothing went to the Prime Minister's office. By

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1. Le Monde, 14 July 1966.
2. Sometimes, as it happened after the Stabilization Plan, the Prime Minister may, at this stage, ask for sharp reductions in the estimates.
3. See in appendix XV copy of the Budget Division's circular of 23 June 1966 asking the contrôleurs financiers to send their reports before 1 August 1966.

the same time new revenue forecasts were made available[1] thus enabling the Minister of Finance to settle the Revenue Budget and to work out in detail his tax reductions. In the light of these final readjustments the Government could now proceed to the establishment of the budget below-the-line i.e. loans to:

- the housing programmes;
- the Fonds de Développement Economique et Social;
- some civil capital expenditure programmes; and
- other funds.

This process involved new participants and, in some ways, changed the relationship between the previous participants. The President did not play any direct rôle in the settling of the budget below-the-line. The Prime Minister and his Services, the Planning Commissariat and the Délégation à l'Aménagement du Territoire played a major part. In the Ministry of Finance the leading rôle was played by the Treasury Division in liaison with the Budget Division and the Conseil de Développement Economique et Social.

Three main sectors had to be considered:

- Housing;
- The Fonds de Développement Economique et Social;
- Social Security.

a) Loans to the housing programmes

Many people in the Government thought that loans to the housing programmes should no longer be made through the annual budget. The responsibility for making these loans should be shifted to the public and private banking

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1. A circular of 13 June 1966 asked for these revised revenue forecasts to be sent to the Budget Division before 31 July 1966.

sectors and no account of these loans would be included in the budget (débudgétisation). The Government central saving bank (La Caisse des Dépôts et Consignations) would make the loans directly to a special Saving Bank for Housing (Caisse Nationale des H.L.M.). The latter would distribute the loans according to the Government's housing policy. This solution, which was to be sharply criticized later on in Parliament, was agreed to by the Government. The total amount of budgetary loans to housing was cut from 2,717 million francs in 1966 to 930 million francs in 1967. This cut, as one could easily see, was one of the basic factors which enabled the Government to balance its 1967 budget.

b) Loans to the Fonds de Développement Economique et Social (F.D.E.S.)

In June 1966 the Council of the F.D.E.S. had suggested that the total amount of the Nationalized Industries' investment programme should be increased by 9.3 percent in 1967 (10.3 percent in 1966)[1]. On 20 September - a few days after the final approval of the 1967 budget by the full cabinet[2] - the Council of the F.D.E.S. reduced slightly the rate of increase suggested in June. The Council authorized a total investment programme for the Nationalized Industries of 9.9 billion francs (+ 13.2 percent by comparison with the initial forecasts for 1966 and + 5.3 percent by comparison with the results effectively achieved in 1966). Nearly 28 percent (27.9 percent - 3,538 million francs) of this

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1. Le Monde felt that this lower percentage was in contradiction with the aim of the Vth Plan (17 June 1966).

2. As an official of the Budget Division put it: "It is not the Council of the F.D.E.S. which decides, it is the Minister of Finance. The Council simply approves". The decisions approved by the F.D.E.S. on 20 September were in fact taken at a meeting of the economic interministerial committee held on 1 September 1966 (Le Monde, 3 September 1966). However, the budgetary documents concerning the Nationalized Industries' programmes were published after the meeting.

investment programme would be financed by the Nationalized Industries themselves out of their own revenues. One thousand one hundred and sixty-two million francs would come from the Government in the form of subsidies. The rest, i.e. 5,300 million francs, would have to be borrowed: 400 million francs from the public and various financial institutions. In some quarters there were doubts whether it would be possible for the Nationalized Industries to raise so much money on the financial market. But, on 6 October 1966, the Ministry of Industry to which many of the Nationalized Industries were answerable, said that these doubts were ill-founded[1]. The Council agreed also to make, out of its own funds, the following loans to the private sector:

- Agriculture	60 M
- Harbour	110 M
- Tourism	180 M
- Artisans	90 M
- Fisheries	30 M
- Co-operatives	24 M
- Industries	821 M
Total:	1,315 M

The Government would thus make out of the budget surplus a total loan of 1,810 million francs to the F.D.E.S.

Closely connected with the Nationalized Industries' investment programmes was the question of the increase in their prices. The Government (MM. Pompidou and Debré) decided not to increase these prices for the time being for it needed to know more about the evolution of the financial situation

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1. See Le Monde, 1 October and 6 October 1966.

of the nationalized enterprises before putting forward any further increases. As the economic commentator of Le Monde put it: "L'opportunité politique rejoint ici l'analyse technique: mieux vaut décider les hausses après les élections législatives qu'avant"[1].

c) Financing the Social Security System

The same analysis led MM. Pompidou and Debré to reject any proposal for a reform of the Social Security system. They assumed that the recent increase in the rate of employers' contributions to the system would be enough to offset the deficit. No credit to meet possible deficit was thus included in the budget.

On 15 September, the budget was submitted to the Council of Ministers for approval[2]. In the afternoon the Minister of Finance gave an outline of the budget to the Finance Committee of the National Assembly and, afterwards, to the press. In 1965, M. Giscard d'Estaing had done the opposite and presented his budget on television before appearing before the Committee.

6. Some conclusions

1) There is a notable absentee among the actors in the preparation of the budget: Parliament. It did not play any rôle when the budget was prepared. We interviewed some parliamentarians and they did not think it was part of their rôle to intervene in the preparation of the budget. Moreover,

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1. Gilbert Mathieu, 3 September 1966.

2. Article 37 of the 1959 Organic Law makes this formal approval necessary.

ministries and pressure groups did not think that parliamentarians could be of some help. Exceptionally, however, a member of the majority could have been used as an additional weapon against Finance but his action was marginal. Parliamentarians wrote letters and paid visits to ministers and civil servants asking for more credits for their region, département or constituency but their interventions had no significant effect on the position and attitudes of the main actors.

2) The basic distinction between services votés and mesures nouvelles continued to form the core of the French budgetary process. It was criticized and a committee was set up to scrutinize more fully the vast amount of services votés - 95 percent of the whole budget. But no significant results were achieved in this respect. Ministers were informed that these expenditure had to be kept at a low level and even cut but they remained free to make the cuts where they wanted. Such a system gave weight to the spending ministries and their clientèle because a large part of their estimates was considered as "untouchable". It also prevented major reforms of the administrative machinery for too much initiative was left to the particular ministers and civil servants who, often, did not feel any urgency to modernize their administration with the aim of reducing current expenditure. It remains to be seen if the new interministerial committee on the structure of the administration will prove to be successful in 1967.

3) In the investment sector the Government had little room for manoeuvre, owing to its initial commitment to the Vth Plan and to the conception of

the Minister of Finance that the budget should be the "fidèle serviteur du Plan". Part of the Government's investments programmes was established by the Commissions de Modernisation of the Plan. These were not questioned, they had to be implemented. Moreover in some sectors - Defence for example - the objectives and programmes of the Government were included in "programme-laws" and although not considered as obligatory, inhibited the action of the Minister of Finance. He kept full authority only in the so-called "secteur non-programmé" but I was told that the Planning Commissariat intends to intervene more and more in this sector. In fact, when the Government is committed to execute the Plan this tends to work in favour of the spending ministries, strengthening the various arguments they can invoke to defend their programmes. The Minister of Finance, on the other hand, if he cannot oppose the programmes, can always control their execution through his contrôleurs financiers. Through them he will control the inflow of money into these programmes. He can slow it down in a period of inflation or speed it up in a period of deflation. However, such a negative and burdensome form of control is resented by the spending ministries and has its limits.

4) Because he realized how narrow his margin for manoeuvre was, the Minister of Finance gave much importance to the period of big decision-making when he, the Prime Minister, the President and a team of high civil servants take alone the main decisions i.e. without the interference of spending ministers except at the very end when these decisions are submitted to the Council of Ministers. These decisions constituted a framework within which the detailed preparation of the budget had to take place.

5) This, however, upset the spending ministers and they reacted vigorously. Insofar as they were affected by these decisions, they rejected them and came along with proposals largely in excess of the limits set up. They appealed to the Prime Minister and, if strong enough, to the President. But the Rue de Rivoli resisted well, most of its power coming from its technical skill, its claim to speak for the general interest, its rôle as watchdog of the economy and its ability to link minor decisions to a broad economic and financial framework - to look at the budget above-the-line in relation to the budget below-the-line and to the whole budget in relation to the overall economic situation. From such a standpoint it was easy to obtain the support of the President.

6) The administrative budgetary process is formalized to the point of being nearly a judicial process with a vast range of successive appeals from the administrative level to the ministerial, Prime Ministerial, Presidential and, at least in theory, Cabinet levels. Moreover, in the case of some pressure groups, Parliament is considered as a final court of appeal[1], and, even when the budget has been adopted, it is not considered as final by ministers who still seek to modify it through other procedures: transfers, virements, supplementary budgets, "décrets d'avances", etc.

7) In this paper we have looked at the budgetary process mainly from the point of view of the Budget Division. This may be considered by some as a very restrictive approach. But insofar as the Budget Division is the main actor of the budgetary process it is very revealing. The Budget Division intervenes at all stages and is the only actor to be involved

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1. See below next section.

in both minor and major issues. It does not always succeed in imposing its will but its opinions carry so much weight that ultimately they have more chance of prevailing than those of other Divisions and ministries.

8) Finally, our analysis showed the determining rôle played by the Prime Minister and the President in the budgetary process. M. Pompidou was present at all the crucial stages [1] :

a) he determined with the Minister of Finance the general outlook of the 1967 budget;

b) during the arbitrages he met nearly all the ministers and reviewed their budgets;

c) finally, he played a very active rôle in the establishment of the budget below-the-line.

The President, on the other hand, intervened less often and was less involved [2] . In March, the President approved of the main budgetary options determined by the Prime Minister and the Minister of Finance. Later on, he settled disputes opposing MM. Faure and Pisani to the Minister of Finance and in July he discussed the Defence budget. The President had an overall view of what was going on. He made sure that the budget was in accordance with his basic policies, took the major decisions concerning Defence and let his staff, the Prime Minister and the Minister of Finance handle the rest.

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1. The Calendar of the Budget Division reproduced in appendix II mentions several meetings at the Hôtel Matignon: 22 March (grandes options) from 14 June to 1 July (arbitrages), 29 June (Defence), 5 and 12 July and 1 September (Equilibre).

2. The same calendar mentioned two meetings at the Elysée: 30 March (grandes options) and 5 July (Defence).

B. DISCUSSION AND VOTE OF THE BUDGET

1. Political Background

Because of the coming election, the Government had made a great effort to prepare an attractive budget without, at the same time, at least in theory, giving up its professions of faith in the principles of financial orthodoxy. The real test for its policy had come with the debate in Parliament. The Government was well aware that, even from what is often considered as an "unconditional" majority, trouble may come specially on the eve of an election when deputies were likely to be more sensitive to the pressure of constituencies and organized interests than to the "general interest of the nation". Of course, there were enough procedural weapons in the Constitution for the Government to be able to cope with any attempt to alter the budget. But if they are used too frequently, this upsets the majority and the public. Worse, none of these weapons could hinder criticisms and prevent the press from making the most of them, especially when they are uttered by members of the majority or by respectable and influential rapporteurs. The Government controls the State television and radio network - as it showed when it reproduced on television only M. Debré's budget speech but not the criticisms of the main opposition speakers-. But it does not control the press. Furthermore, if last year, many members of the U.N.R. parliamentary group had expressed reservations about M. Giscard d'Estaing's budget, the Government could expect some, this year, from the Independent Republicans who recently had had to accept the dismissal of their leader as Minister of Finance. Moreover, the opposition was

still strong in the Senate, which General de Gaulle, during the summer, had threatened to abolish. Last year it had rejected the budget on the eve of the Presidential election[1]. The Government was determined not to let that happen again this year before the General elections. Even with an attractive budget the task that the Government was faced with was not easy and it would have to make use of great tactical skill to get the budget through Parliament with the maximum of favourable publicity and the minimum of criticism.

The budget itself, as the Government knew, was not without faults. The large deficit of the Social Security system had not been accounted for in the budget to keep the budget balanced. Some important sections like housing, hospitals and education had been somewhat neglected to allow more electorally rewarding expenditure elsewhere: agriculture and highways, for example. Current expenditure for Defence - the type of expense which affects most the "moral" of the army - had been kept at a low level to help finance the Nuclear Deterrent Force without increasing excessively the overall burden of Defence expenditure. Finally, when pledging itself to the much disliked Stabilization Plan, the Government forecast a likely increase in prices of 2.3 percent[2].

So, even if the Government could claim to have done much to meet the most evident wishes of the majority already involved in pre-electoral campaigning it would only learn in Parliament if the effort had been worthwhile.

The interest groups were already at work. They soon began to let it be known to the Government and to Parliament, which so many of them still consider as the "court of appeal" in budgetary matters, what they thought of the

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1. J.O. (Senate) 13 November 1965, pp. 1942 and ff. particularly p. 1951.
2. Projet de loi de finances pour 1967, Rapport économique et financier, p. 32

budget. The Government knew that their attitude always has an important impact on a Parliament flourishing with cenacles and "study groups" of all sorts and therefore keen on being an intermediary between pressure groups and the Government. Unfortunately, for the Government, the pressure group front was not altogether quiet in September and October. The Civil Servants' Unions expressed deep dissatisfaction about the wages increases[1]. Many organizations found the tax reductions unsatisfactory[2]. Various organizations of ex-servicemen and war victims were unhappy about the budget and said that "in view of the Government's failure to fulfill its obligations they would try to reestablish their rights through a last appeal to Parliament and the Nation"[3]. Even the farmers were grumbling and the Fédération Nationale des Syndicats d'Exploitants Agricoles (F.N.S.E.A.) pointed out in the 1967 budget a certain number of "very alarming insufficiencies"[4]. These protests were to inspire many amendments in both the National Assembly and the Senate and the Government had to decide what would be its strategy in Parliament. The Government had a 118 million francs budgetary surplus which it could use to meet some of the most irresistible claims. But the resources were limited and both the Prime Minister and the Minister of Finance carefully planned where and how much the Government would give way.

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1. F.O., C.G.T., C.F.D.T. and the Fédération de l'éducation nationale (autonome) all said that they would undertake "des démarches de protestations auprès des représentants des pouvoirs publics et auprès des parlementaires". Le Monde, 6 October 1966.

2. For example: the comité de liaison pour l'allègement de la fiscalité: Le Monde, 20 September 1966; the Fédération force ouvrière des ingénieurs et cadres: Le Monde, 1 October 1966; the Associations Familiales and the Paris Chamber of Commerce: Le Monde, 15 October 1966.

3. Le Monde, 7 October 1966.

4. Ibidem.

Parliament also had problems of its own. Many members of the majority had not yet been selected as official Gaullist candidates for the next election. A sword was hanging over their heads and for some of them it meant less freedom of speech and action during the budgetary debate for the Government, if unhappy about their attitude, could very well withdraw the whip[1]. On the other hand, some deputies or rapporteurs either because of a locally strong position[2] or because they were not running again[3] felt perfectly free to criticize the Government - all the more so in that in the first case criticism of the Government is very much appreciated by the constituency voters and in the second case, it sometimes happened that deputies had decided not to run again because they knew the party intended to withdraw the whip anyway. But a good many deputies were afraid of criticizing the budget in case they had the whip withdrawn and this strengthened the Government. On the opposition side, things were no better, and even worse than in 1965. The Democratic Centre (essentially Christian Democrats and supporters of Lecanuet) was split. Some of its members were staunch Gaullists and most of the others were part of what is conveniently called the majorité budgétaire which adds to the normal majority a certain number of deputies who, in budgetary matters, feel they cannot vote against the budget because it is essentially an acte de l'exécutif. The leaders of the Fédération de la gauche démocrate et socialiste were busy settling their strategy for the next election and, to the great dismay of some

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1. Twenty seven majority deputies did not get the official Gaullist candidature (25 U.N.R. and 2 R.I.). Six were not standing again (5 U.N.R. and 1 R.I.).

2. M. Le Theule (U.N.R.) for example, dynamic mayor of Sablé (Sarthe) who challenged important defence expenditure (see later p.396) and M. Royer, Gaullist but "non-inscrit", mayor of Tours, elected at the first ballot in 1962, who put forward three amendments modifying the housing estimates (see later p.409).

3. For example, M. Morce-Franklin, U.N.R. and rapporteur for the education estimates who was critical of the budget.

of their partisans[1] but to the satisfaction of the Government, were most of the time absent from Parliament[2]. The members of the "counter-Government" (Shadow Cabinet) were disgusted by the use the Government makes of Parliament and, perhaps wrongly, felt that their most effective protest would be their absence from it. Only the Communists were fully united and, at least in their speeches if not always in their votes, able to put up some sort of opposition in Parliament.

It was against this background that the budget entered the parliamentary stage in September.

2. National Assembly

a) Finance Committee

There are three stages in the Finance Committee examination of a budget:

1 - The appearance of the Minister of Finance before the Finance Committee;

2 - The main report of the Rapporteur Général;

3 - The examination of the Finance Bill.

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1. M. Jean Daniel in Le Nouvel Observateur, quoted in Le Monde, 20-21 November 1966: "Comment Mitterand ne comprendrait-il pas que nous regrettions son absence à l'Assemblée au moment d'un vote aussi important que celui du budget (...) ?"

2. See J.O., 3 November 1966, p. 4172 where M. Fouchet, Minister of Education, was warmly applauded by the majority when he referred to the "counter-Government" which was not even able to propose a "counter-budget" and so forth.

1 - The Appearance of the Minister of Finance before the Finance Committee

For M. Debré, as for every Minister of Finance, it was a challenge to present his first budget to the Finance Committee. The Committee is a political body. It is divided on party lines and for the Minister it meant his first direct contact with the opposition. The Committee also plays a technical role. Many of its members are former high civil servants and others have acquired, through experience, a good knowledge of financial and economic problems. All of them have witnessed the performance of other ministers in committee and are eager to see how the new Minister will handle the statistics and answer their sometimes embarassing questions .

The Minister's hearing took place on 15 September a few hours after the Council of Ministers had approved the budget. The attitude of the Minister during the hearing made a very favourable impression on the Committee. He was humble - unlike his predecessor he did not give the impression of knowing everything -, he was frank - he "spontaneously" referred to the deficit of the Social Security system[1]. The main policies of the budget were welcomed by the majority and somewhat disarmed the opposition. Some criticisms were voiced on minor points but nobody seriously challenged the Government policy. The most difficult point to swallow was the deficit of the Social Security system but the Minister promised to study the matter in 1967 and nobody found very much to say about the question. But it may very well have been that, on the eve of an election, neither the majority nor the opposition could afford to suggest reforms which finally would have to be paid for by the tax payers.

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1. As M. Vallon, rapporteur général, wrote in his report: "Le Ministre de l'Economie et des Finances, entendu par votre commission le 15 septembre, a présenté le projet de loi de finances pour 1967 avec lucidité et sincérité", Rapport Général, Vol. I, loi de finances pour 1967, p. 13. Thereafter referred to as Rapport Général.

2 - The main Report of the Rapporteur Général

A week later, on 22 September, the Committee heard the main report of the rapporteur général, M. Vallon. M. Vallon, a left-wing Gaullist, never had any great liking for M. Riscard d'Estaing and his reports, to the great satisfaction of the opposition, were always major criticisms of the budget. But, this year, M. Vallon's report was much milder and, on the whole, quite favourable to M. Debré's budget. It made three main recommendations to the Government:

1° - a too large amount of public spending was being approved every year without being seriously questioned and scrutinized. The Government should pay more attention than it does at present to the scrutiny of the services votés;

2° - too much public expenditure was financed outside the normal budgetary framework and, as a result, Parliament was unable to exercise its control. A fuller presentation of the accounts was necessary to enable Parliament to extend the scope of its control to these sectors which, because of the new policy of débudgétisation, were financed outside the budget;

3° - he concluded his report by recommending a complete reform of the tax system which would, first, reduce tax evasion and, spread more evenly the fiscal burden[1].

The last recommendation was more political. It was to be used at length by the opposition to embarass the Government during the debates and there was little the rapporteur could have done to avoid this except not to

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1. Rapport Général, p. 59 and Bulletin des Commissions, 3 October 1966, pp. 44 - 47.

have raised the question in the first place. Many amendments were inspired by his criticism of the income tax system and, although they were all defeated, the Government, at the end of the debate, was committed to the reform.

3 - The examination of the Finance Bill

On 28 September, the Committee began the examination of the Finance Bill. It proceeded first with the articles of the first part of the Bill (taxes and overall balance of the budget) and, later, with the second part of the bill (estimates and attached articles[1]).

On the first part of the Bill the rapporteur was M. Vallon. The discussion centered on three electorally important issues (income tax, local authorities, farmers) and on a tax where a well organized pressure group (cinema owners) had succeeded in winning the support of some deputies. The Communists and Socialists failed in all their attempts to amend the Bill. The members of the Rassemblement Démocratique (Radicals and allies) and Democratic Centre (Christian Democrats) could claim some victories (three of their amendments were adopted) but the most successful were the Gaullists: four of their amendments were adopted.

The only controversial amendments proposed on article 2 reducing the rate of income tax was that of M. Baudis (Democratic Centre) asking for a complete reform of the income tax system. It was adopted, after some discussion, by eighteen votes to fourteen. It embodied the recommendation made to the

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1. These articles are often "riders". The Government takes advantage of the fact that the urgency procedure applies automatically to Finance Bills to get the approval of various measures.

2. The Bulletin des Commissions only gives the number of votes for or against and of abstention without indicating the names and the political affiliation of the voters unless it is a vote by "appel nominal" when parliamentary groups are indicated. It does not always indicate the substance of the amendments, when the amendment is of minor importance or does not give rise to discussion.

Government by the rapporteur général. M. Baudis, a mild opposition member, succeeded with his amendment probably because of absenteism in committee. The U.N.R. always have a committee whip but he does not always succeed either in maintaining party discipline or in avoiding absenteism.

Article 9, providing for an additional tax on cinema tickets, was to arise much controversy later between the Government and some members of its majority who had pledged themselves to defend the interests of the very active cinema lobby. The article was amended at the request of M. Ansquer (U.N.R.) in order to increase slightly the rate suggested by the Government and as a result to increase the grant to cinema owners.

Finally, the Committee unanimously opposed article 17 which increased the rate of farmers' contributions to the Fund to help elderly farmers. The discontent was general and the Committee decided to hear at once the Minister of Agriculture, M. Edgar Faure. After the Minister had promised he would do all he could to persuade the Government to drop the article, the Committee decided to reserve its vote on the article and on article 21 which was dependent on it. M. Faure did well and on 6 October, M. Boulin, Minister of State for the Budget, was able to inform the Committee that the Government had decided to withdraw article 17. But, on 11 October, the Minister of State proposed to the Committee two amendments reducing the Agriculture estimates (Title IV) by fourteen millions to compensate for the loss of revenue resulting from the withdrawal of article 17. The amendments were rejected by eight votes to four - the Committee has sixty members -. The Government would have to look elsewhere to find the money needed to offset the loss of revenue for the deputies could not afford to accept a reduction of the electorally important Agriculture budget. They had all along supported M. E. Faure in his endeavour to get rid of

article 17. They had succeeded but this must not be at the expense of the farmers. But why had the Government been so naive in proposing Article 17 and M. E. Faure so confident that he would be able to obtain its withdrawal? The people closely involved thought that it was part of the strategy of the Government to put in the budget items which it knew would cause much discontent but on which it would gently give way when the pressure became irresistible. Otherwise, the Government would probably have had to yield on some issues which it would not have chosen and this might very well have been worse for it. Here again one sees the importance given by the Government to satisfying the claims of the farmers on the eve of the election and the major role played by M. E. Faure in this connection.

On 13 October, the Committee concluded the examination of the first part of the Finance Bill.

The examination of the second part of the Finance Bill took most of the Committee's time. Forty five reports were presented by thirty three rapporteurs all members of the majority or supporters of the Government. The Committee held sixteen meetings and heard seven ministers, some of them several times. The discussion, however, was conducted without controversy and with only one minor alteration to the estimates of the Ministry for Cultural Affairs Indeed, at its meeting of 6 October, the Committee adopted by five votes to four and two abstentions an amendment of M. Christian Bonnet, Democratic Centre deputy for Morbihan, dropping the 2,500,000 francs grant to the Théâtre de France. M. Bonnet submitted this "indicative" amendment to protest against the representation of the controversial play Les Paravents by the subsidized theatre There was a joke in the play about Catholic and conservative Morbihan which the deputy and his electors did not like. On 27 October, after an animated debate

in the National Assembly, the Committee proceeded to a second examination of M. Bonnet's amendment and rejected it by twelve votes to one and one abstention. M. Bonnet had had all the publicity he wanted and the Committee which was having damaging publicity in the artistic and well-informed press was eager to get rid of an amendment which, in fact, had been adopted in a somewhat confused moment - the absentees were certainly numerous.

The second part of the Finance Bill included twenty attached articles which had to be voted on separately but which, most of them at least had been discussed with the estimates. Only two of these articles gave rise to discussion: article 52 increasing the cost of licenses for chain stores (the increase had been decided on in 1963 but postponed at Parliament's request till the implementation of the reform of the T.V.A. (value added tax) in 1968; article 50 postponing to 1 December 1967 instead of 1 January 1967, the date of coming into force of the reform of the registry system voted on by Parliament the previous year. Two important lobbies were concerned with these articles.

In the first case, the Confédération Nationale des Petites et Moyennes Entreprises (P.M.E.) were opposing the measure as they opposed, in 1965, the implementation of the reform of the T.V.A.[1]. In the second case, the registrars were protesting against the financial loss that they would suffer as a result of the Government measure. On the first point, M. Godefroy (U.N.R.) submitted an amendment dropping the article. After some discussion, the amendment was defeated by eleven votes to five: eight U.N.R., one non-inscrit, one Communist and one Socialist voted against the amendment; two Democratic Centre,

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1. P.M.E. were active at Government and Parliament levels. The amicale des P.M.E. chaired by M. Pezé, U.N.R. and vice-chairman of the Production Committee, was very active. Several members of the Finance Committee were members of the amicale but M. Vallon, rapporteur général, came under sharp attack for refusing to support the P.M.E. See Volonté du commerce et de l'industrie, the P.M.E. weekly (1965).

one U.N.R., one non-inscrit and one Radical voted in favour. On the second point, two amendments presented by M. de Tinguy (Democratic Centre) and aimed at some sort of compensation for the loss suffered were rejected but one presented by M. Sabatier, U.N.R. and rapporteur, and almost identical, was adopted. The vote on article 52 shows that the votes in committees are not always partisan, particularly when a powerful article is concerned. The vote on article 50 shows that a rapporteur has often more chance to get his amendment adopted than an opposition member. Both articles show, again, how the elections were upsetting the deputies.

At its meeting of 13 October, the Finance Committee adopted the Finance Bill by fifteen votes to two.

b) Other Committees

With the exception of the Defence estimates in the Defence Committee and the Housing estimates in the Production Committee (they are dealt with separately[1]) where important amendments were adopted and fought for on the floor, the examination of the estimates by the other committees was effected without any difficulty for the Government.

Some rapporteurs, like M. Gorce-Franklin (U.N.R.) who claimed that education had not, in fact, been given the "priorité des priorités" as the Government said it had been[2] and M. Catalifaud (U.N.R.) who disagreed with

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1. See later pp. 391-420.

2. See J.O., 2 November 1966, p. 4107 and p. 4171 when the Minister of Education said: "Je regrette même - je le dis tout net - que M. le rapporteur ait mentionné cette expression dans son exposé et à cet égard, je ne suis absolument pas d'accord avec lui".

the priority given to highways in the Transport budget[1], were more critical than others but none of them seriously challenged the budget on these issues. M. Gorce-Franklin's criticisms, to the great displeasure of the Government, were amply exploited by the opposition and the press[2]. But probably because he knew that he was not standing at the next election, M. Gorce-Franklin felt freer than other rapporteurs to criticize the Government's policies.

The usually highly controversial ex-servicemen budget was adopted by the Social Affairs Committee. The rapporteur regretted that the promises in favour of the war widows made by the Minister on 2 June 1966 before the National Assembly had not been fulfilled. He had promised that he would ask the Ministry of Finance for an increase of ten points in war widows' pensions and he had obtained only three points. The Committee charged the rapporteur with a special mission to the Minister to remind him of his promises. But that was all at the Committee stage and the estimates were adopted.

Another budget which almost never gets through the Committee stage without some amendments and at least strong criticisms, the Agriculture budget, was given a friendly reception by the Production Committee. The Committee heard M. Edgar Faure, Minister of Agriculture, and could not have been more pleased with a Minister's hearing. Indeed, M. Faure agreed to all the Committee's suggestions and regretted that "les nécessités de l'équilibre budgétaire ne permettent pas de doter plus largement encore les travaux de l'équipement rural"[3]. Moreover, he committed himself to improve in 1968 some estimates

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1. M. Catalifaud, despite the Committee's approval of the estimates, recommended on the floor, a vote against: see his Rapport, loi de finances pour 1967, VI. Travaux publics et transports, 66 pages and J.O. 8 November 1966, p. 4360.

2. See for example, Le Monde, 3 November 1966, article by B. Girod de l'Ain: "L'enseignement est-il prioritaire?" in which M. Gorce-Franklin's report is referred to.

3. Bulletin des Commissions, No 17, 13 October 1966, p. 609.

which had suffered in 1967. The Government's amendment suppressing article 17 was approved and, to help offset the loss of revenue resulting from it, the Committee which has a strong "anti-vegetable fats" lobby proposed an amendment increasing by 25 percent the rate of taxes on vegetable fats[1].

The estimates referred to the Foreign Affairs Committee were quickly approved. The Legislation Committee did the same with its estimates but like the Finance Committee had long discussions on article 50 (Reform of the Registry). But unlike the Finance Committee, an amendment presented by M. Krieg, rapporteur for the Justice estimates, postponing to 1 September instead of 1 December 1967 (the date proposed by the Government), the coming into force of the reform, was adopted. However, an amendment put forward by M. Chandernagor (Socialist) and aimed at suppressing the article was rejected.

From the Government's point of view, the committees, with the exception of Defence and Production (on housing), had done a good job. Almost all the amendments put forward by opposition members had been rejected. It could not accept most of the amendments successfully sponsored by majority members, but the discussion on the floor where party discipline can be applied more vigourously would give it a better opportunity to oppose some of them.

c) <u>The Floor</u>

There were four main stages in the examination of the 1967 budget in the National Assembly:

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1. These taxes had been established three years before but never collected by the Government because of strong pressure coming from the "pro-vegetable fats" lobby which consists of two or three big corporations (Unilever is one of them). M. Giscard d'Estaing was sensitive to that pressure but M. Debré, as soon as he was appointed, asked for the collection of these taxes.

1 - The general discussion;

2 - The discussion of the articles of the first part of the Finance Bill (taxes);

3 - The discussion of the second part of the Finance Bill (estimates);

4 - The second deliberation and vote on the Finance Bill.

1 - The General Discussion

The general discussion gave rise to the traditional, but this year, rather gentle "combat de coqs" between the rapporteur général and the Minister of Finance and allowed the financial spokesmen of each parliamentary group to express his group's opinion on the budget.

The first speaker was M. Vallon, the rapporteur général, whose intervention always opens the budget discussion. His speech was more political and less technical than his report to the Finance Committee. Almost like the opposition leader in Britain he analyzed, approved some aspects and criticized some others of the Government's economic and financial policy. He pointed out weaknesses in the budget and made suggestions to correct them. Since he could not attack the Minister directly he did not spare, to the great satisfaction of the Communist and Socialist benches, the attacks against the rue de Rivoli[1]. It was a technical speech also, for he put forward his proposals for a stricter scrutiny of the services votés: an enlarged presentation of the budget and a

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1. For example, see J.O., 12 October 1966, p. 3331 where addressing himself to the officials of the Ministry of Finance, he says: "Allons, messieurs, au travail! Ayez un peu d'imagination et gardez, bien entendu, beaucoup de bon sens!" (Exclamations et rires sur les bancs des groupes socialistes et communistes et sur divers bancs).

reform of the income tax system. The last issue arose much controversy for, on the one hand, it pleased the opposition and embarassed the Government; on the other hand when he condemned tax evasion among the farmers, it pleased the Minister of Finance but created mixed feelings among the deputies[1]. But later, M. Faure, to the deputies' great satisfaction, was to show the inaccuracy and irrelevancy of M. Vallon's statistics!

The Minister of Finance followed with an intervention which was warmly welcomed by the Gaullist deputies. M. Paquet, however, the official spokeman for the Independent Republicans had some reservations about the budget. It was in some way a good budget but one which differed in many ways from those of M. Giscard d'Estaing. He said it would be easy for him to point out the differences but he would not do it on the eve of an election because his party supported the Government and would continue to do so[2]. Like many further speeches that were made during this session, this speech was less concerned with the budget and the control of public finance than with making the position of his party clear before the election.

Except for M. Vallon's strictures, the budget came out of the general discussion without having been seriously challenged. The U.N.R. deputies were satisfied, the Independent Republicans had mixed feelings but they would vote for the Government, the Christian Democrats[3] and the Radicals[4] were divided and could not decide whether to approve or reject the budget (at the final vote thirty Christian Democrats out of fifty-four and seven Radicals out of thirty-

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1. Ibidem but mainly in his Rapport Général at p. 54.

2. J.O., 13 October 1966, p. 3385: "Il me serait facile, à quelques mois des élections, de prendre quelque distance à l'égard de ce budget, de le critiquer, de m'appliquer à le différencier de ceux qui l'ont précédé".

3. Their spokeman was M. Fontanet, see J.O., ibidem, p. 3361.

4. See for M. Dumasol' intervention, ibidem, p. 3364.

eight abstained), the Socialists[1] and the Communists as expected, said that they would vote against the budget. Among the opposition, the more one moves to the right the less critical and the more nuancé and discriminating the speakers become. Sharp criticisms are more likely to come from either left-wing Gaullists like M. Vallon or Communist or Socialist speakers than from the Radicals or the Christian Democrats. The interventions of the main opposition spokemen often missed the point for M. Vallon took away from them the real role of opposition leader. But, unfortunately, as M. Ballanger (Communist) so rightly pointed out, he was an "éminent" Gaullist who, despite his criticisms, would vote in favour of the budget[2].

2 - The discussion of the articles of the first part of the Finance Bill (taxes)

Where the British Parliament spends many days on debating the fiscal policy of the Government, the French Parliament deals with these matters in one or two days only. But, regardless of the Constitution which states that deputies cannot reduce revenue, it is during these few days that Parliament most successfully influences the Government. It has always been so since 1959. As a French author put it:

> "Les parlementaires, essentiellement ceux de la majorité, sont très souvent parvenus, par voie d'amendement aux profits de la loi de finances, à modifier les dispositions fiscales. Le gouvernement, devant la résistance des commissions et des chambres, a été souvent obligé de retirer ou de modifier son texte[3].

The discussion which took place in the National Assembly on 13 October fully justified the above appreciation. Many amendments were presented. Those of

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1. M. Duffaut, member of the "counter-Government", made one of the few interventions of the whole session on behalf of the Socialists and the Federation of the Left. He very often quoted M. Vallon's report to point out the weaknesses of the budget and to stress how, in so many respects the budget was electoral and demagogic. See J.O., 12 October 19[illegible], pp. 3355 - 335[illegible].

2. Ibidem, p. 3350.

3. Pierre Delvolvé and Henry Desguillons, op. cit., p. 159.

the opposition were all rejected. But out of seven majority amendments, four were adopted: two with the Government's approval and two against its will. Moreover, some amendments suggested by majority members but put forward by the Government were also adopted. The discussion centered on the same issues as in Committee:

- article 2 modifying the basis for the income tax:
- article 9 establishing a new tax on cinema tickets:
- article 11 dropping a previous tax on wheat and establishing a new but less onerous one:
- article 15 creating a new tax on betting: and
- article 17 increasing the rate of farmers' contributions to the Fund to help elderly farmers.

On the first issue the Government, acceeding to a suggestion made by M. Souchal (U.N.R.) on behalf of the majority, proposed two amendments increasing the level of the minimum taxable to the Government from 120 francs to 190. These amendments were easily adopted. But, the amendment previously adopted by the Finance Committee at the instigation of M. Baudis (Democratic Centre) and forcing the Government to reform the income tax system by 1963 was opposed by the Government and defeated by 266 votes to 206. Although the amendment was the normal consequence of one of M. Vallon's recommendations, all Gaullist members of the Finance Committee voted against it. Only twenty six committee members voted in favour of the amendment[1].

It was on the tax on cinema tickets that the Finance Committee won its major victory. MM. Vallon and Ansquer (U.N.R.) sponsored the amendment

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1. Le Monde, 15 October 1963.

adopted by the Finance Committee and aimed at increasing the rate of the tax on some categories of tickets and at assigning the product of the new tax to the financing of deficitory rural cinemas. The amendment, strongly opposed by the Government, was adopted. This was the first set back of the session for the Government[1].

It was soon followed by another defeat on article 11 which removed an unpopular tax on wheat but established a new one. The tax on wheat established by the 1966 budget was much resented by the wheat producers. The Senate took advantage of this unpopular measure to reject the 1966 budget just before the presidential election. Many Gaullists were convinced that this measure alone had cost Général de Gaulle some three million votes. In July 1966, after a great deal of discussion with majority deputies and representatives of the wheat producers, the Government decided to drop the tax. But at the same occasion, it created a new but less onerous tax to offset part of the loss of revenue. The compromise proposed by article 11 did not please the Agriculture lobby and M. Briot (U.N.R.) its main spokesman put forward an amendment specifying that the rate of the new tax should not exceed two percent of the price of wheat. Furthermore, the amendment assigned the product of the new tax to the Agriculture budget. The Finance Committee had rejected the amendment in committee. The Government opposed it in the Assembly on two grounds: first, it was badly drafted and, second, it reduced revenue[2]. But probably because it did not want to alienate the farmers again on that issue, the Government did not invoke article 40 of the Constitution which clearly prohibited the amendment. The amendment was adopted and the Government never

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1. J.O., 13 October 1966, pp. 3402 - 3407.

2. Ibidem, pp. 3410 - 3411.

dared to return to the subject for the rest of the session. No Government, even with the support of both the Finance Committee and the Constitution, could resist such a powerful combination as M. Briot + Agriculture lobby + coming elections. The common experience of the IVth Republic can still reappear under the Vth when the Government is reluctant to use the weapons put at its disposal by the Constitution.

On the article setting up a new tax on betting, the Government, on the contrary, made full use of the Constitution and by asking for a "package vote" dismissed two opposition amendments assigning the product of the tax to local Governments. But two amendments adopted by the Finance Committee and proposed by small left deputies were kept although they restricted to Paris the application of the tax. These amendments were no more acceptable to the Government from a strictly financial point of view than the opposition amendments (they were restricting to a particular area the application of a general tax on betting) but to please influential members of the majority the Government had agreed with them[1].

The Government had also given way, in committee, by agreeing to withdraw article 17 which increased the rate of farmers' contributions to the fund for elderly farmers. But the withdrawal of the article caused an important loss of revenue which had to be compensated for. The Government thus proposed an amendment transferring to the fund for elderly farmers four percent of a credit assigned to an agricultural modernization programme. Deputies were very opposed to this measure and M. Commenay, rapporteur for the Production Committee put forward his committee's amendment which offset the loss by increasing the tax on vegetable fats. But the Government rejected the amendment

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1. Ibiden, pp. 3411 - 3412.

and under the "package vote" procedure forced the majority to adopt the article[1].

All other articles were adopted without any difficulty and the whole Part I of the Finance Bill, as amended, was approved by the House.

For the Government, the discussion had been sometimes quite difficult. On two occasions (tax on cinema tickets and tax on wheat) it had been defeated and four times it had to use the unpopular "package vote" procedure. But, on the other hand, all opposition amendments had been rejected. The majority came well out of the discussion and its victory on "cinema tickets" certainly upset the Government. It would, however, take its revenge later on. On the floor, even more than in committees, the discussion had focussed on highly electoral issues like income tax or on points involving a large and influential clientèle like cinema owners, wheat producers and farmers. It was on these matters that Parliament had been most united and the Government most embarassed.

3 - The discussion of the second part of the Finance Bill (estimates)

The discussion on the estimates took place between 13 October and 10 November. Unlike the previous year's discussion on foreign policy, it gave rise to no large debate on policy. The shadow cabinet's ministers were absent or their attacks ineffective. But for defence, housing and a few excep-

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1. Ibidem, p. 3428: "Puisque vous demandez le vote bloqué et que nous sommes bien obligés d'accepter cette procédure, je tenais cependant en mon nom et au nom de la commission de la production et des échanges à vous faire ces quelques réserves" (M. Commenay).

tions like M. Morice-Franklin on education and M. Catalifaud on transport, the reports were unusually mild and so was the discussion. There were two main reasons for this: first, the priority given in the budget to public investment was extremely popular and, second, many U.N.R. deputies were less critical than usual of the Government's policies because of the danger of losing the party's nomination at the coming election. Most of the debates consisted in long and dull series of interventions defending professional or local interests. The deputies spoke more than ever before - an extra day was needed to conclude the debate -. But their speeches, carefully written, were not intended for Parliament but for publication in the constituency press[1].

The traditional pressure groups were active (ex-servicemen, NCOs, aircraft industry, Petites et Moyennes Entreprises and the farmers) but some of them, like the farmers, less than usual. The Amicale Agricole did not hold any meeting. Some pressure groups like the registrars made one of their first appearance on the budgetary scene but did not have any trouble finding supporters in Parliament. All of them had been very active at the committee stage, where they were more likely to be welcomed. Some of them would slightly increase the pressure on the floor.

All ministers came to defend their estimates. Many of them had been able, for the first time in that Parliament, to fulfil their promises. Those who had not, like the Minister for Ex-servicemen, would be told so by the

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1. As Goguel says in his Cours, p. 618: "Mais, par une sorte de dégradation de la notion de débat parlementaire, la discussion générale est considérée maintenant comme le moyen pour un certain nombre de membres de l'Assemblée de prononcer un discours qui sera reproduit dans les journaux de leur circonscription, dont peut-être, s'ils ont beaucoup de chance, s'ils sont en bons termes avec le pouvoir, la radio ou la télévision diront un mot, discours qui, par conséquent, pourra leur servir dans leur circonscription".

majority and opposition would have to make minor concessions. But these "gifts", as the Minister of State for the Budget was to call them, were not hard to extract for they were part of the general strategy of the Government. The main problem for the Government would be to make them at the right moment and to sell them hard. It would, for example, promise to consider the controversial matters during the first reading but give way only at the second deliberation where it would use the single "package vote" procedure on the whole Bill forcing the majority either to accept or to reject the whole lot.

The most interesting discussions took place on the Ex-servicemen, Agriculture and Education estimates and on articles 50 (reform of the registry) and 52 (chain stores): Ex-servicemen because they showed how a minister was led, after much opposition, to make a minor concession; Agriculture because they showed the electoral significance of the budget and how much deputies appreciated IVth Republic style ministers: Education because they showed how a critical report pleased the opposition but embarrassed the minister: finally, articles 50 and 52 because both gave rise to illuminating conflicts between the Government and Parliament.

The Ex-servicemen estimates were the first to be discussed on the floor. The reports were favourable to the estimates but recommended to the

Minister that he submit an amendment increasing war widows' pensions. The Committees could not do it, it was said, because of article 40 of the Constitution which prevented deputies from increasing expenditure[1]. M. Sanguinetti Minister for ex-servicemen, regretted he could not agree with the recommendation. The issue became a burning one immediately after his speech. So many deputies had asked to speak that, in view of the time limit the Chairman of the National Assembly, had to give only two, three or four minutes to some of them. The main speakers came out all in favour of a larger increase of the war widows' pensions and criticised the Minister for not having fulfilled his promises. The Ministry of Finance, the arch-foe of the ex-servicemen was under heavy attacks and the rapporteurs were criticised for their mild reports[2]. The opposition speaker often referred to their colleagues from the majority who agreed with them on the issue. The speeches were openly electoral. M. Marchicourt (Socialist) remined on behalf of the Federation of the

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1. J.O., 18 October 1966, p. 3473.

2. Ibidem, p. 3476: "Vous venez d'avouer que vous vous étiez heurté aux piqueurs de la rue de Rivoli et que vous aviez été battu, comme l'ont été maintes fois vos prédécesseurs dont vous suivez à cet égard les traces": said M. de Pinay (Democratic Centre) to M. Sanguinetti and to the rapporteurs: "Voilà les relèvements dont se félicitaient les rapporteurs".

Left that if it won the March election it would at once implement the programme-law for ex-servicemen which had never been respected by the Government. The spokesman for the Amicale des Anciens Combattants, M. Bignon, begged the Minister to yield and to give away something on the war widows' issue. The pressure became more and more difficult to resist and finally, the Minister promised he would increase from three to six points the war widows' pensions. However, the vote on the article was reserved for the vote on the whole financial Bill[1].

The Agriculture estimates gave rise to the longest debate of the session[2]. Beside the Minister and eight rapporteurs (three from the Finance Committee, three from the Production Committee and two from the Social Affairs Committee) there were eighty speakers[3]. Except for the Minister's speech, it was the dullest debate of the session. There was no fruit, no vegetable, no animal, no wine, no region which did not have its defender. The rapporteurs and the deputies from all parties but the Communists were very happy with the budget. Some opposition members even congratulated the Minister and encouraged him to pursue his "fight within the Government":

> "Vous avez été, monsieur le Ministre, le bon artisan d'un progrès nécessaire. Continuez votre lutte au sein du gouvernement et, en particulier, auprès de M. le Ministre de l'Economie et des Finances afin que l'agriculture dispose de crédits plus importants et bénéficie de meilleurs prix" (M. Gauthier, Radical)[4].

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1. Ibidem, pp. 3476 - 3482.
2. Wednesday, 26 October, in the morning, afternoon and evening and Thursday, 27 October, in the morning.
3. Ibidem, p. 3684.
4. J.O., 27 October 1956, p. 3963.

The debate was for M. Faure, the Minister of Agriculture, a great success. He made what was considered as the best speech of the session and the deputies gave him a friendly welcome[1]. Indeed, he had something to be proud of: the Agriculture estimates had increased by 21.30 percent by comparison with 1966. For the social sector alone the estimates had increased by 43 percent. The budget annexe des prestations sociales agricoles (various funds to help the farmers) had grown by 43 percent and the Fonds d'Action Sociale pour l'Amélioration des Structures Agricoles (fund to help modernising French agriculture) had augmented by an astronomical 82 percent[2]. In all respects, Agriculture had been favoured for very evident electoral purposes: "Nous préparons peut-être les élections prochaines", said the Minister, "mais aussi les suivantes"[3]. The only shadow in the budget was article 17 but it had been dropped at the majority's request. Many deputies were unhappy about the lack of estimates assigned to agricultural teaching. He promised that an increase of some 17 million francs would be proposed by the Government at the second deliberation on the Bill[4]. He never hesitated to differentiate himself from the Minister of Finance. He had comments for every rapporteur, an answer

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1. Le Monde, 20 October 1966: "Documenté, mais sans lourdeur, nourri d'idées générales, mais aussi d'observations de bon sens, son exposé a été celui d'un homme aussi éloigné du dogmatisme que de la politique à la petite semaine, qui, certes, sait ce qu'il veut et ce qu'il ne veut pas, mais qui a accepté, si même il ne le sollicite pas le concours du Parlement".

2. Projet de loi de finances pour 1967. Rapport économique et financier, pp. 44 - 46. See also Senate, Rapport général par M. Marcel Pellenc, T. II, Le Projet de Budget de 1967, p. 52. Hereafter referred to as Pellenc, Rapport général.

3. Le Monde, 28 October 1966.

4. J.O., 27 October 1966, p. 3965.

for every speaker, a cajolery for every organized group[1]. But for a few exceptions, like M. Vallon whose statistics on tax evasion among the farmers were quickly dismissed by the Minister as irrelevant[2], deputies very much enjoyed such a dynamic and lively Minister and at one stage as Le Monde put it: "La majorité applaudit...la IVème République"[3].

M. Faure certainly gave the best show of the session and the Socialist deputy who at a particularly hot point of one of the Minister's numerous interventions shouted: "C'est Mandrake!" could not have been more right[4]. But this "magic" Minister had been appointed by Général de Gaulle to win back to the Gaullists the large peasant vote and he succeeded in doing so.

The Minister of Education whose estimates were discussed on 2 November was given a much more turbulent reception than M. Faure. Not because the opposition had plotted a rough passage for him but because, as he has been used to in the past, one of the rapporteurs described his budget as a "stagnation budget"[5]. This criticism upset the Minister and weakened his position during the debate. All opposition speakers, including M. Billières (Radical), responsible for Education in the "shadow cabinet" referred to the rapporteur's remarks:

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1. For example, Ibidem, 26 October 1966, p. 3904: "Je n'ai jamais eu qu'à me louer des vétérinaires!".
2. Ibidem, p. 3906.
3. Le Monde, 28 October 1966.
4. J.O., ibidem, p. 3899: "M. René Cassagne: C'est Mandrake! (...) Un député communiste: c'est de la prestidigitation!".
5. Ibidem, 2 November 1966, p. 4107.

"M. le Ministre, je veux d'abord constater que les rapporteurs de votre budget s'ils partagent vos opinions politiques, ne partagent guère votre satisfaction. Leurs rapports écrits constituent de véritables réquisitoires et je m'associe sans réserve aux critiques qu'ils expriment et aux inquiétudes dont ils témoignent" (M. Dupuy, Communist)[1].

M. Bokanowski in giving munitions to the opposition had done exactly what the Government most feared. The Minister could hardly cope with that kind of criticism. However, at the end of the debate, just before the vote on his estimates, he showed some kindness for the majority by agreeing to increase the estimates by 1,500,000 francs (the Education budget amounted to 19.4 billion francs!)[2]. The amendment increasing the estimates was reserved and the estimates were adopted by 327 votes to 144. All the rapporteurs voted in favour as well as many opposition members from the Democratic Centre[3].

As it is often the case in the National Assembly, the most serious opposition had come from the rapporteurs and some majority members. They had spoken freely on the estimates, very often contradicting the Government's policies, but when the vote was called they all supported the Government. The opposition parties had been weak, ineffective and forced to base their speeches on the committees' reports. Moreover, one of the opposition parties voted in favour of the estimates.

The discussion of the Justice estimates as in committees, centered on the date when the law reforming the Civil Registry (article 50) was to come into force. The Government wanted to postpone it from 1 January 1967 to 1 December 1967. The registrars wanted the reform to be implemented at once.

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1. J.O., Ibidem, p. 4119.
2. Ibidem, 3 November 1966, p. 4175.
3. Ibidem, p. 4177.

They had set up a lobby and tremendous pressure was put on the deputies, specially the lawyers from both the Finance and the Legislation committees[1]. The debate took place at a very late hour (between midnight and three o'clock in the morning). Only a small team of "experts" from the committees was present. Several amendments (nine altogether but some of them were identical), inspired by the registrars' lobby, were proposed by private members and committees. Some, opposed by the Minister and the Finance Committee, were easily defeated[2]. Some others, however, sponsored by the Legislation Committee were adopted against the will of both the Minister and the Finance Committee in spite of the fact that they were increasing expenditure. An amendment, previously defeated in the Finance Committee, obtained the support of the Committee's rapporteur on the floor[3] and was adopted against the Minister' will. Finally, hardly pressed and tired, the Minister agreed to make some concessions to the registrars in order to ensure, at three o'clock in the morning, the vote of the article. During the discussion, majority and opposition members were often united against the Government and the Finance Committee. All along, the Legislation Committee showed much understanding for the registrars' interests and, at least on one occasion, even the Finance Committee - always conscious of the financial repercussions of amendments, as its rapporteur had put it[4] - could not resist the registrars' pressure.

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1. Took part to the discussion: MM. Chandernagor (Conseil d'Etat), Dejean (barrister), Caille (registrar), Krieg (lawyer), Sabatier (Lawyer), de Tinguy (Conseil d'Etat), Mennier (insurance broker), Hoguet (barrister).

2. J. O., 27 October 1966, p. 4013: the Government did not have to invoke article 40.

3. Ibidem, p. 4014: as the rapporteur said: "J'ai été très sensible aux arguments qui ont été développés en sa faveur (the amendment) et, après réflexion, je ne m'y oppose pas. Si la commission des finances se réunissait de nouveau, elle changerait peut-être d'avis."

4. Ibidem, p. 4015: "Elle (the Finance Committee) a, en effet, par vocation, le souci des incidences financières des textes législatifs ou des amendements".

The last controversial article to be called in for discussion was article 52 (increasing the cost of 1 cents for chain stores). Here again, an important pressure group, the Petites et Moyennes Entreprises, was opposing the article. It had found supporters in every party[1]. However, the attack was led by M. de la Malène (U.N.R.) who presented an amendment suppressing the article. M. Vallon, on behalf of the Finance Committee opposed the amendment. The Minister of State for the Budget insisted that it be rejected by the Assembly. But the Assembly, against his recommendation, voted in favour of the amendment and dropped article 50[2]. As in the case of the Civil Registry, the Finance Committee had supported the Government but this had not prevented it from being defeated.

4 - The second deliberation and vote on the Finance Bill

By virtue of article 101 of the Standing Orders, the Government asked for a second deliberation on the Bill. This procedure would allow the Government to put forward a series of amendments either reestablishing in their original form some articles which had been altered during the discussion or modifying some others to satisfy the most evident wishes of its majority.

Thirty-four amendments were thus put forward by the Government. They were discussed by the majority parliamentary groups and, as the law prescribes (article 101 of the Règlement), referred to the Finance Committee for report.

The Finance Committee rejected three of these amendments:

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1. See M. Duffaut's intervention, J.O., 10 November 1966, p. 4520.

2. Ibidem.

- an amendment reestablishing article 9 (the tax on cinema tickets) in its original form.
- an amendment raising by 2,500,000 francs the estimates of title IV of the Agriculture budget to pay for part of an increase it was proposing elsewhere (an amendment on cattle rearing).
- an amendment reestablishing article 50 (date of the coming into force of the law reforming the Registry) in its previous form. Here, the committee adopted instead the amendments which MM. Sabatier (U.N.R.) and de Tinguy (Democratic Centre) had, successfully, fought for during the debate on the floor.

After having heard the Minister of State for the Budget, the committee refused to change its attitude and reported back to the House[1].

The discussion on the floor took place the same day - 10 November - and was completed quickly. The Government had agreed to give way on the most controversial issues: war widows' pensions, elderly farmers' pensions, NCOs, "quarter fare ticket", military allowances, public housing, and, most amazingly, was not asking for the reestablishment of article 52 (tax on chain stores). All those concessions would reduce the budgetary surplus by nearly 100 million francs (out of 118 millions). The Government considered it could not afford to do more even under the strongest pressure from its majority.

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1. Bulletin des Commissions, 15 November 1956, pp. 711 - 714.

The Government proposed its amendments, opposed all other ones including those coming from the Finance Committee, reserved for later on the vote on all the amendments and articles concerned and, as usual but to the great dissatisfaction of opposition as well as majority deputies[1], asked for a single "package vote" on the whole lot. The majority faced with the possibility of either rejecting or adopting the whole compromise had to vote in favour of it. Only the Communists and the Socialists clearly indicated that they would vote against it.

The Finance Bill was voted by 295 votes to 142. There were thirty-nine voluntary abstentions and six deputies did not vote for various reasons. Compared with the vote on the budget for 1966, the vote was as shown on table H.

By comparison with the 1966 budget, eight additional deputies voted in favour of the 1967 budget. The "ordinary" majority (those who almost always support the Government) was increased by thirteen deputies giving a "budgetary" majority of 295 (adding to the "ordinary" majority those who would either support the Government or abstain on financial issues but would never vote against it). Eight or nine of the Christian Democrats and nine of the "non-inscrits" who voted in favour of the budget would have a Gaullist candidate against them at the next election. Six Radicals moved from "vote against" to "voluntary abstention". Only the Communists unanimously voted against the budget. The Socialists nearly did so. But only four Christian Democrats out of fifty-four voted against.

A favourable vote such as this one was particularly pleasing for the Government. The budget had been voted on within the constitutional time-limit, and by a larger majority than in the past. As M. Baumel, senator and General

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1. See for many examples of deputies' discontent, J.O., 10 November 19 . M. de Tinguy (Democratic Centre) at p. 4525, M. Spénale (Socialist) at p. 4526, M. Hoguet (U.N.R.) at p. 4532.

The Votes on the first reading of the 1967 and 1967 Budgets

1967	1966	No. of deputies in each group
Voted in favour: 295 deputies	287	
228 U.N.R.	225	230
33 I.R.	34	35
19 D.C.	17	54
14 "non-inscrits"	9	18
1 Soc.	0	66
0 Rad.	2	38
0 Com.	0	41
Voted against: 142 deputies	148	
64 Soc.	65	66
41 Com.	41	41
29 Rad.	35	38
4 D.C.	3	54
4 "non-inscrits"	4	18
0 U.N.R.	0	230
0 I.R.	0	35
Abstained voluntarily: 39 deputies	41	
30 D.C.	35	54
7 Rad.	2	38
1 U.N.R. (but as a result of a mistake)	3	230
1 Soc.[1]	0	66
	1 "non-inscrit"	
Have not taken part to the vote		
1 U.N.R. (the Chairman of the National Assembly)	2	230
1 Rad.		38
Absent or unable to vote		
2 I.R.		35
1 D.C.		54
1 Rad.		38
	1 "non-inscrit"	18
	1 U.N.R.	230

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1. I was told by a clerk of the National Assembly that M. Weinman ("non-inscrit") has been registered by mistake, as having abstained. The same explanation was given by M. Deferre (Soc.) in Le Monde, 12 November 1966.

Secretary of the U.N.R. party was to say three days later when addressing an electoral rally:

> "C'est une majorité brassée et très élargie qui a adopté le budget, une majorité qui va bien au delà de la majorité gouvernementale habituelle. Si tant de députés ont voté ce budget, c'est qu'il est équilibré et harmonieux. C'est un fruit d'expansion et de progrès pour la nation, voté en temps utile, sans concession à la majorité ni à la facilité"[1].

It had shown again, that the institutions of the Vth Republic were working well and, most of all, were providing stable government.

Of course, the Government had to use the single "package vote" procedure more often than it would have liked but with success. Only the amendments it had been willing to accept, had finally been adopted and the budget was still balanced. It had successfully resisted pressure from both the cinema owners and the registrars' lobbies. It had been, however, less successful with the NCOs, the farmers, the ex-servicemen and the soldiers on the "quarter fare ticket", but, on the issues concerned, political wisdom had made it yield. Housing had been a difficult moment. But there again, the Government had been wise to give way for a few days later the rapporteur, a "non-inscrit" and an influential mayor, was to accept the Vth Republic label[2].

Except for some issues such as the tax on cinema tickets, the reform of the registry and other minor points, the majority had won some victories and, surely, could claim to have done its best to help those who had sought for its support.

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1. Le Monde, 15 November 1966.

2. I interviewed M. Royer on Friday morning, 9 December 1966, and by chance we met again at the Hôtel Matignon in the afternoon. He then told me that M. Pompidou had offered him the Gaullist nomination for the election. This was confirmed later on, see Le Monde, 31 December 1966.

It was the opposition which had gained least in the process. It had shown its internal divisions not only during the debates but on the vote where some supported the Government and other, prudently, abstained. None of its spokesmen, with the possible exception of M. Duffaut (Socialist), had seriously challenged the budget by putting forward, on the eve of an election, alternative policies. It had been negative, ineffective when not simply absent. To quote again from M. Baumel's speech:

> "...Mais pourquoi les grands leaders de l'opposition, qui se plaignent de ne pouvoir dialoguer suffisamment avec la majorité, n'ont-ils pas profité de la magnifique occasion du débat budgétaire pour proposer d'autres perspectives financières ou politiques, c'est-à-dire une véritable contre-budget? En fait, à part les critiques injustes et la démagogie facile, rien de sérieux n'a été apporté dans ce débat par les oppositions, d'accord pour détruire, mais incapables de s'unir pour une nouvelle politique française"[1].

3. The Senate

The Senate's rejection of the 1965 budget on the eve of the presidential election of December 1965 had not pleased the President. During the summer of 1966 he renewed his threats to abolish the Senate so that when they undertook their first reading of the 1967 budget the senators were worried about their future. But, if all the senators shared concern, their reactions to General de Gaulle's threats varied. Senators from the right thought that the only way to avoid abolition was a more favourable attitude towards the Government. Senators from the left, on the other hand, became even more sour and were determined to

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1. Le Monde, 15 November 1966.

use the Senate as a chambre d'opposition. In 1967, however, the Government's strategy was to do all it could to get the budget through the Senate without too much damage. Hence, after threats came the cajoleries. For the first time since 1962, departmental ministers, and not only ministers of state, were invited to appear on the floor[1]. Moreover, although the Government made great use of the single "package vote" procedure, it took some precautions, if only oratorical, before doing so. More often than usual, the Minister of State for the Budget had friendly comments for M. Pellenc, rapporteur général and arch-foe of the Government and for M. Tron, the shadow cabinet's Minister of Finance[2]. As a whole, the Senate was handled less bluntly than in the past and it was clear that the Government wanted the Senate to accept the budget. It was to have some success for the Senate would vote the budget (with serious alterations on the first reading) and make no difficulty about accepting the compromise proposed by the Joint Conference.

a) Committees

When the budget was officially referred to the Senate, the committees had already begun their work on the budget and completed their reports (leaving some room for last minute modifications). As usual, the committees were less partisan and more technical in their approach to the budget than those of the Na-

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1. For example, M. Pisani (Equipment), M. Faure (Agriculture), M. Sanguinetti (ex-servicemen), Foyer (Justice). But none of them came when M. Monnerville, President of the Senate was in the chair.

2. J.O., 15 November 1966, p. 1541: "Je dis que M. Duclos (Communist) a fait une intervention de laquelle le moins que l'on puisse dire c'est qu'elle n'a pas, à l'inverse du rapporteur général apporté des propositions constructives (...) M. Tron a fait un exposé trop complet, trop méticuleux, pour que je puisse me permettre de lui répondre en quelques minutes"

tional Assembly. Both Gaullists and opposition members had reports. The votes in committee were rare and never reported in the Bulletin des Commissions. Furthermore, senators gave almost no publicity to committee meetings and in accordance with an old parliamentary tradition never referred to them during the debate on the floor.

The Finance Committee held twenty-six meetings and heard eight ministers. All its thirty-four members were appointed rapporteurs and they, altogether, submitted forty-two reports. The rapporteur général, M. Pellenc, a strong opponent of the government and a somewhat pessimistic senator who, every budgetary session, warns that France is on the verge of an economic crisis, submitted this year a rather mild report. He pointed out many positive aspects in the 1967 budget[1]. However, one of the most illuminating chapters of his report was entitled: Des préoccupations qui ne paraissent pas sans rapport avec la proximité des élections[2]. It showed that the rapporteur général was also interested in the electoral aspects of the budget.

As a result of a quarrel with M. Monnerville, President of the Senate, General de Gaulle, had ordered his ministers not to appear before the Senate. But this had never prevented them from testifying before the committees of the Senate. Indeed most of them considered their appearance in these committees much more important than in the committees of the National Assembly. The government was particularly astute in the choice of the ministers it sent to the Senate this year. Among the ministers who appeared before the committees, three were former senators: MM. Debré (Finance), Faure (Agriculture) and Pisani (Equipment). The father of another one, M. Jeanneney (Social Affairs) had been President of the Senate during the IIIrd Republic. What could have pleased the sena-

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1. Pellenc, Rapport Général, p. 54.

2. Ibidem, pp. 51 - 53.

tors more than an informal committee talk with these old friends of the Senate?

As usual and mainly because both the opposition and the Gaullists had reports, the committee stage gave rise to no serious controversy in the Senate.

b) The Floor

As usual the debates on the floor were much more controversial than in committees and several amendments unfavourable to the Government, were passed. Nearly all the articles of the first part of the Finance Bill (taxes) were modified[1] and the estimates of many ministries were altered and some attached articles were either dropped or amended. In some cases they were altered because the Senate disapproved of the policy followed by the Government in the field concerned and in some others because the Senate was dissatisfied with the level of the estimates proposed.

The estimates for current expenditure of the Ministry for Foreign Affairs were rejected because the Senate could not approve of the Government's policy towards NATO and Europe[2]. The estimates for the Nuclear Deterrent Force in the Defence budget were dropped because the Senate thought that the French Nuclear Deterrent Force should not be used by the Government to pursue "un effort solitaire de défense", but should be integrated in the larger defence framework of the Atlantic Community[3]. Finally, an article (tax on radio and television sets)

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1. Just on the first part of the Finance Bill twenty-one amendments were submitted. The debates centered on the same issues as in the National Assembly. The Government called for the "package vote" procedure four times and when the final vote took place on the first part of the Bill, it had lost five articles in the process.

2. J.O., Senate, 23 November 1966, pp. 1568 - 1589.

3. Ibidem, 16 November 1966, pp. 1607 - 1625. See below for Defence estimates.

was dropped from the Ministry of Information budget not because the Senate disagreed with the tax but because it was dissatisfied with the use made of the ORTF for Government propaganda.

On the other hand, the estimates of the Ministries of Interior, Agriculture and Ex-servicemen, for example, were altered not because the Senate disagreed with the Government on big policy issues but simply because the Senate wanted to placate the Government in the hope that it might be disposed to grant the Senate some concessions at the Joint Conference stage[1]. The Government wholly disagreed with that procedure and claimed that these "indicative" amendments, aimed in fact at increasing expenditure, were contrary to article 40 of the Constitution[2]. But the Finance Committee would not agree with the Government's interpretation[3].

As in the National Assembly some highly sensitive articles attached to the estimates of the Ministries of Justice, Agriculture and Industry opposed the Government and the Senate. Article 50 (postponing from 1 January to 1 December 1967 the date of coming into force of the law reforming the Civil Registry) was dropped by the Senate after an arduous discussion with the Government[4]. An article 57 bis (increasing the rate of the tax on water supply) was proposed by a group of senators during the debate on the Agriculture estimates. It caused

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1. As one of the rapporteurs put it: "Pour donner au Gouvernement la possibilité d'un acte d'engagement", Le Monde, 18 November 1966, and J.O., Senate, 17 November 1966, p. 1663.

2. An interesting debate took place between the Minister of State for the Budget, Mme Carlot, rapporteur, and M. Pellenc, rapporteur général on the interpretation of these articles and amazingly the Minister, at one stage, said that he did not see why the Senate felt obliged to cut drastically the expenditure when it would be so simple to propose very minor cuts in the estimates, J.O., 17 November 1966, p. 1664.

3. Ibidem, p. 1666.

4. J.O., Senate, 18 November 1966, pp. 1752 - 1753.

much embarrassment to the Minister of State for the Budget who wanted to oppose it, for M. Faure, the Minister of Agriculture, had "spontaneously" approved the amendment without consulting the Government[1]. The Minister of State had to ask for its withdrawal but the senators, strong in their knowledge of M. Faure's approval, refused to withdraw it and the article was adopted[2]. Quite surprisingly, the Government was more successful on article 52 (tax on chain stores). The article had been dropped by the National Assembly but the Government had not asked for its reestablishment on the second deliberation. Since the article was not affecting the small towns co-operatives of which the Senate was the strong defender, the Government thought that the senators would see no objection in increasing the tax on chain stores, the co-operatives' main competitors. The Government's argument impressed the Senate and the article was reestablished. Only the Communists showed some sympathy for the Petites et Moyennes Entreprises and voted against the article[3]. This was the only occasion when the Senate played exactly the role assigned to it by the authors of the 1958 Constitution and corrected, at the Government's request, one of the lower House's mischievous amendments. The remaining articles were adopted and the vote was called on the whole Finance Bill.

The Finance Bill, however, had been significantly amended and the position of many senators towards it was complex. The Gaullists had to decide whether the budget was still worth a favourable vote and the opposition whether

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1. J.O., Senate, 26 November 1966, p. 2047.
2. Ibidem, p. 2071: "C'est avec plaisir qu'à titre personnel j'aurais souscrit à la proposition de M. le Secrétaire d'Etat (and withdraw the article), mais je ne peux pas lui donner cette satisfaction pour une raison majeure à mon sens de parlementaire. Ce matin, sans même que je le sollicite, M. Edgar Faure a fait état de cet amendement. Il a déclaré qu'il y souscrivait personnellement et qu'il souhaitait que le Sénat le vote" (M. Lalloy).
3. J.O., Senate, 28 November 1966, pp. 2176 - 2178.
4. Ibidem, p. 2165.

they would vote in favour of a budget which was completely distorted as a result of their action. The Communist and Socialist spokesmen said that because they were against the Government, they would vote against the budget anyway[1]. The M.R.P. spokesman explained that the majority of his group would vote in favour of the budget as it had been amended in the hope that the Government would make concessions at least on some technical points at the Joint Conference stage. But he warned the Government that if it failed to make these concessions his group would vote against it at the second reading. The conservative spokesman expressed the deep dissatisfaction of his group with the use the Government made of the "package vote" procedure in the Senate. His group, however, would vote in favour of the budget. It was M. Soufflet, the U.N.R. senator, who was in the most embarassing situation. As he explained, his group could not vote for a budget which clearly condemned the Government's foreign policy. But it could not oppose it either for fear that this action might be misrepresented by the press. The only solution for the U.N.R. senators was to abstain he said. The Government whose position was no better than that of the Gaullist senators would not recommend any attitude. The budget, as amended, was adopted by 144 votes to 89, the U.N.R. senators abstaining[2].

The first reading of the finance Bill in the Senate had been, as usual, a setback for the Government and for its majority in the National Assembly. Many articles had been dropped and almost every departmental estimates had been altered. The opposition had had its revenge. But it did not get much praise for it[3] and was soon to lose the battle to the Government and the Gaullist majo-

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1. J.O., Senate, 28 November 1966, p. 2165.

2. Ibidem, pp. 2166 - 2180.

3. The press mainly stressed the fact that the Senate took pleasure in distorting the budget. Combat, for example, had an article in its front page on 29 November 1966, entitled "Le Sénat a défiguré le budget".

rity in the House. On some articles, however, the Senate's action had profited either the Government or the National Assembly. The Government had quite miraculously obtained the reestablishment of article 52 (tax on chain stores) and the National Assembly - more naturally - the suppression of article 9 (tax on cinema tickets) it so much disliked. But on the whole, the Senate had been faithful to its "vocation de chambre d'opposition"[1].

4. The Joint Conference

Once the budget had been voted on in the Senate, the Government was faced with two alternatives. First, it could let the Finance Bill go back and forth between the two houses till agreement was reached. Or it could, under the urgency procedure which always applies to financial matters, stop the navette by setting up a Joint Conference of senators and deputies charged with proposing a compromise on the remaining disputed articles of the Finance Bill (25 out of 63 articles). The first alternative would have meant, in the likely event of persistent Senate opposition, that the budget could not be voted on within the constitutional time limit of seventy days: in this case the budget may have had to be passed by ordinance under the terms of article 47 of the Constitution. The second alternative, on the other hand, made it almost certain that the vote would take place in time, for it prevented further Senate obstruction except at the Joint Committee stage and it gave the National Assembly the final decision on the budget. Indeed, no matter what might happen in the Joint Committee or what

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1. Le Monde, 30 November 1956: "Les sénateurs, qui n'ont pas d'autres moyens pour exprimer leur volonté, sont donc amenés en "butant" sur les mêmes articles que les années précédentes, de leur case bien restait fidèle à leur vocation de chambre d'opposition".

the Senate might later do to the Joint Committee's compromise if one was reached, the Government would be able to ask the National Assembly to decide finally on the Finance Bill. With a solid majority in the lower House the Government, quite obviously, favoured the second alternative as it had done every year. On 28 November, a Joint Conference was set up[1].

It was formed of seven senators and seven deputies. The National Assembly appointed members of the Gaullist majority only. But the Senate as usual chose to follow the principle of proportional representation and appointed a Gaullist senator among its representatives on the Committee[2]. The Senate thus lost its last chance to challenge effectively the Government and showed how mild its opposition was. Indeed, provided the Gaullist senator abstained or voted with the Gaullist majority there were no possibility of the Senate preventing the Committee reaching a compromise much less imposing its own views. The Senate could gain only when the Gaullist majority agreed and this was not to happen often.

The Government itself was not a voting member of the Joint Committee, although ministers could appear before the Committee and submit amendments. This, however, did not put the Government in a weak position for, first, it had a majority of one on the Committee and, second, only the Government had the right to amend, later on, the Committee's proposals. The strategy of the Government towards the Committee was quite clear from the start. On the one hand, it would

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1. Assemblée Nationale, Rapport de la Commission Mixte Paritaire, loi de finances pour 1967, p. 2.

2. The Joint Conference was composed as follows:
   a - National Assembly: six U.N.R. and one Independent Republican;
   b - Senate: two Independents, one M.R.P., two gauche démocratique, one Socialist and one U.N.R.

help the Committee, by proposing amendments and making concessions, to find a suitable compromise and, on the other hand, it would always make it clear that any amendment adopted against its will would be rejected in the National Assembly.

The National Assembly could expect, provided it had the support of one senator, to obtain some concessions from the Government. But the Government would be reluctant to make its concessions to the Committee and would much prefer to make them later in the Assembly where they could be used to compensate for sacrifices the Government intended to obtain from its majority.

On 30 November, the Committee met to discuss both the estimates and the articles. The discussion on the estimates gave rise to no controversy. The senators made almost no objection and all the estimates were reestablished in their previous form. On the Foreign Affairs and Defence estimates a vote was taken. But the Senate lost by six votes to eight, the Gaullist senator voting with the deputies. On the ex-servicemen estimates, the deputies let it be known that they would follow the senators on a minor amendment adopted by the Senate unless the Government agreed to increase the estimates for the Ex-servicemen's Superannuation Fund. The Minister of State for the Budget, who appeared on behalf of the Government, agreed with the Committee and promised to increase the estimates later on in the National Assembly[1]. This, in a way, could be considered as a mild victory for the Senate. But it was possible only because the Government had agreed to the request of the Gaullist majority.

On the attached articles the text of the National Assembly prevailed in most cases. But on a few articles, the discussion was difficult. The Go-

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1. Rapport, loc. cit., p. 35.

vernment had to make some concessions and when it refused to make any the Committee either proposed an amended article or faced a deadlock.

On two articles, one (article 7 bis) proposed by senator Blondelle to amend the law concerning the lease of cattle and another one (article 11) creating a new tax on wheat and defeated in the Senate, the Committee informed the Government that it would, in the first case, adopt the Senate's text and, in the second case, reestablish the article but in an amended form (the Committee would assign the product of the tax to finance a cattle rearing programme). However, the Government agreed to make concessions in both cases provided the Committee withdrew article 7 bis and reestablished article 11 in its original form. In the first case, the Government promised to give its most serious consideration to the matter. In the second case, it assured the Committee that it would make available through supplementary estimates any additional money which might be needed during the year for the cattle rearing programme[1]. The Committee agreed to the Government's proposals. Here again one could see how both Parliament and the Government throughout the debate treated with caution the powerful and influential farmers' lobby.

Article 9 increasing the tax on cinema tickets had previously caused much controversy. It was to be the burning issue of the Joint Committee stage. Indeed, both the Senate (which had suppressed the article) and the National Assembly (which had adopted the article against its will on a "package vote") wanted to impose a compromise upon the Government. But the Government refused to give way on the issue and the Committee proposed its own draft of the article. The product of the tax would be used to help rural cinemas[2]. There

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1. Ibidem, p. 35.
2. Ibidem, pp. 38 - 39.

was nothing that the Government could do faced with such unanimity. It would have to wait for the final stage in the National Assembly to impose its own draft of the article. Another article (article 54) proposed and adopted by the Senate and forcing the Government to compensate the Post Office for the use of its services was, quite surprisingly, adopted by the Committee to please the Senate. But the Government would not accept the article which the National Assembly later dropped. These were the only two straightforward victories of the Committee against the Government but they were only temporary.

Finally, on one article (article 50 regarding the date of coming into force of the law reforming the civil registry) the Committee could not find a compromise. The Government later asked the National Assembly to reestablish the article in its original form.

From the Government's as well as from the National Assembly's point of view, the Joint Committee stage had been successful. Indeed, most articles of the Finance Bill had been reestablished in their original form. The Government had wisely agreed to please an electorally important clientèle (the veterans and the farmers) and the National Assembly had shown its loyalty to the cinema owners' lobby. Of course the Senate, by distorting the budget, had been responsible for bringing about the discussion of these issues at the Joint Committee stage but, unfortunately for the Senate, nobody would believe that the Government had given way on these issues because of the Senate's pressure. On the contrary, the Government had done so to please its majority. As the Minister of State for the Budget put it later on in the National Assembly:

> "Le gouvernement, à la demende, je le souligne, de la majorité (mouvements divers) - et il n'a pas de raison de ne pas faire de cadeaux à la majorité pour qu'elle vote le budget - a décidé de satisfaire à une revendication formulée depuis de nombreuses années par les caisses mutualistes d'anciens combattants et victimes de guerre..."[1].

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1. J.O., 6 December 1966, p. 5267.

The Senate, in fact, had been defeated on most issues and its point of view had prevailed only when it had agreed with that of the National Assembly or the Government.

5. Final Stages

The Joint Committee's compromise was submitted to the National Assembly on 6 December. A few minutes before the discussion, M. Debré informed a joint meeting of the U.N.R. and Independent Republicans parliamentary groups of the intentions of the Government regarding the committee's proposals. The Government would make three important concessions to the majority:

- to fulfil its promise to the Joint Committee it would increase by one million francs the estimates for the ex-servicemen Superannuation Fund;
- to please the Senate it would increase by four million francs the grant to departmental and communal roads;
- finally, it would make a special grant of some twenty million francs to the cinema industry.

But, on the other hand, the National Assembly would have to:

- reestablish article 9 (tax on cinema tickets) in its original form;
- accept the Government's decision regarding the date of coming into force of the law reforming the civil registry (1 December 1967 instead of 1 January 1967) and;
- reject article 64 adopted by the Joint Committee and increasing the Government's subsidy to the Post Office.

These proposals formed a whole which the majority could either adopt or reject but not modify without the agreement of the Government. The majority agreed with M. Debré's recommendations and the Chairman of the U.N.R. and Independent Republicans assured him that the debate would take place without incident.

So it did except for a last minute but quite important concession by the Government. Article 52 brought forward from 1 January 1968 to 1 January 1967 the date of enforcement of a new tax on chain stores. M. Bas, a U.N.R. member of the Finance Committee, proposed to restore the later date, against which the Government had fought hard in both Houses. Now, although it could have defeated the amendment, the Government performed a volte-face and accepted it, postponing until 1968 - after the election - the application of the new tax. The Petites et Moyennes Entreprises had, throughout the debate, been fierce adversaries of the measure and only at the last moment did the Government yield to their pressure. M. Vallon, rapporteur général, who as a left-wing Gaullist had no liking for pressure groups such as the P.M.E. was shocked. He asked for the amendment to be referred to the Finance Committee at once. But when the Committee reported back a few hours later it had approved the amendment. The majority had won another victory but again the real victims were the senators. After the National Assembly had rejected the article, the Government had persuaded the Senate to adopt it in order to help small town co-operatives. Now the Government had let them down.

The text of the Joint Committee, as amended by the Government, together with the whole Finance Bill were adopted in a "package vote" by 288 votes to 104.

The following day, on 7 December, the Finance Bill as amended was considered by the Senate. The Government asked for a "package vote" on the whole

Bill and it was adopted by 131 votes to 100 (Communists and Socialists). This ended the discussion and vote on the 1957 budget.

6. Case Studies: Two Examples of Parliamentary Influence on Budgetary Policy

a) The Defence Estimates

The discussion of the Defence estimates for 1957 was particularly interesting in showing interaction between Parliament and Government:

1) it showed how a rapporteur, when he submits a well informed report and seriously believes in what he says, can succeed in influencing the Government by making it think twice before pursuing an ex ensive project;

2) it showed how a majority of deputies when united against a Government measure it disapproves, can force the Government to modify its attitude;

3) finally, it showed that the Government provided it is willing to make minor concessions to its majority can get its budget through both Houses almost unaltered, if it is ready to use all the weapons put at its disposal by the Constitution.

Committees

As soon as they were published the Defence estimates were referred to the Finance Committee for report and the Defence Committee for an advisory report.

The Finance Committee appointed two rapporteurs: M. Laurin (U.N.R.) for current expenditure and M. Germain (U.N.R.) for capital expenditure and the estimates of the National Powder and Petrol Factories[1]. The Defence Committee appointed six rapporteurs and distributed the advisory reports as follows:

MM. d'Aillières	(I.R.)	Title III: current expenditure
Le Theule	(U.N.R.).	Title V : capital expenditure
Voilquin	(I.R.).	Common sector
Clostermann	(U.D.R.).	Air
Hébert	(ex. U.D.R.) . . .	Navy
Le Theule	(U.D.R.)	Army
Jarrot	(U.D.R.)	National Powder and Petrol Factories and Secrétariat Général de la Défense Nationale.

They had all been rapporteurs for the last budget but not all on the same estimates. The appointment of M. Sanguinetti, former rapporteur of Title V, as Minister for Ex-servicemen, had made it necessary to find a new rapporteur. M. Le Theule, who had reported on Title III, was transferred to Title V and M. d'Aillières was moved from the Secrétariat Général de la Défense Nationale to Title III.

Finance Committee

The Finance Committee spent only its meeting of 5 October on the Defence

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1. The budget is not important but was, in 1965, one of the only budgets to be handled by a rapporteur from the opposition. But M. de Tinguy, member of the Democratic Centre, lost this report last April, because he voted against the Government on France's withdrawal from NATO. Only a few opposition members have reports either because, like M. de Tinguy, they approve the "spirit" of the Constitution regarding the relations between Government and Parliament in budgetary matters or because, like M. Boscher who reported the Bill on cattle rearing, nobody in the majority can match their expertise.

estimates. Both reports by M. Laurin and Germain were favourable to the adoption of the estimates. Their discussion did not cause any controversy except on one point. Both majority and opposition members were extremely critical of a new measure which severely restricted the right of soldiers on leave to travel at cheap rates on the French railways. In his written report, M. Laurin referred to these criticisms and concluded:

> "Pour toutes ces raisons votre rapporteur se prononce contre les restrictions envisagées dans l'octroi du 'quart de place' aux militaires du contingent"[1].

But although later on during the discussion before the National Assembly, he proposed a personal amendment to the estimates, M. Laurin concluded in favour of the adoption of the estimates. As the defender of financial orthodoxy the Finance Committee does not like to sponsor amendments which are aimed at increasing expenditure. This is more appropriate to the work of other committees.

M. Germain's report on Title V (capital expenditure) was a well documented report which dealt at length with the problems of French aircraft industry. It drew the attention of the committee to the need for more precise evaluation of the costs of Defence programmes and asked the Government for a complete revision of the 1964 Defence programme-law which would take into account recent changes of policy[2]. He also recommended that the Minister should take advantage of the budget debate to give some explanation about the likely development of the Anglo-French joint aircraft programmes. His report was approved by the Committee[3] and, on 10 October, the Finance Committee, without further discussion, adopted the estimates of the Ministry of Defence[4].

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1. Rapport, loc. cit., annexe 38, p. 41.
2. Ibidem, annexe 39, p. 33.
3. Bulletin des Commissions, 11 October 1966, p. 513.
4. Ibidem, 17 - 18 October 1966, p. 569.

Defence Committee

As usual the Defence Committee spent much more time on the Defence estimates than the Finance Committee. Six meetings were held to examine the estimates and there was, in that Committee, much more discussion than in the Finance Committee.

At its meeting of 5 October 1956, the Committee heard M. Messmer, Minister of Defence. The Minister's report was mainly concerned with explaining how the various Defence programmes were executed and how the 1957 budget was, in fact, contributing to the realisation, in time, of all the Defence programmes envisaged by the 1956 programme-law. After his report he answered the questions put to him by members of the Committee. The questions centered on four problems: three regarding current expenditure and one, capital expenditure:

1 - the Committee felt that the increase of six percent in military allowances (soldiers abroad, etc...) was not enough;

2 - the Committee wanted to know why there had been no new measures in favour of the NCOs in 1957 (the NCOs' lobby is very active in the Defence Committee);

3 - the Committee was opposed to the restriction on the use by soldiers on leave of the "quarter fare ticket" on French railways;

4 - M. Le Theule, rapporteur, had some doubts on the Jaguar aircraft joint programme with Britain.

The answers of the Minister did not satisfy the Committee and the rapporteurs decided that to get more satisfactory answers further action was needed.

At the Committee's meetings of 12 and 19 October, three rapporteurs came out with extremely critical reports[1]. M. Le Theule recommended that the Committee reject the measure restricting the use of the "quarter fare ticket". M. Voilquin formulated "two serious criticisms" about the budget: first, on the "quarter fare ticket"; second, on the absence of any measure increasing the salaries of the NCOs. Finally, M. d'Aillières added to his colleagues' criticisms a further one regarding the unsatisfactory increase in military allowances. To express its disapproval of the Government's policies on the issues, the Committee adopted two "legislative" amendments reducing the estimates and, as the rapporteur put it:

> "...dont l'adoption devrait inciter le Gouvernement à réexaminer le problème de la rémunération des personnels de carrières (sous-officiers) et celui de la suppression du "quart de place" aux militaires du contingent pour les permissions de courte durée"[2].

With these restrictions and amendments[3] the estimates for current expenditure were adopted.

On the capital expenditure side the reports, at least at the beginning, arose less controversy. The problem of the Jaguar aircraft project was less personal than the "quarter fare ticket" and affected an electorally less important clientèle than the NCOs. It was a technical issue involving the Government, the aircraft industry and a few experts on the committees. At its meeting

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1. Bulletin des Commissions, 12 October 1966, p. 569.

2. Ibidem, 25 October 1966, pp. 636 - 637.

3. The first amendment proposed a reduction of 102,655,361 francs in the credits of article 25 (new measures - current expenditure - Defence). The second amendment proposed a cut of 204,400,000 francs - i.e. the total amount of the grant made by the Ministry of Defence to the French railways - on the credits of the same article.

of 13 October, the Committee approved M. Clostermann's report on the Air Force estimates which, besides formulating some criticisms about the increase in costs of the Jaguar aircraft, was favourable to the estimates[1]. But at its meeting of 19 October, the Committee heard a much more straightforward and critical opinion on the Jaguar aircraft from M. Le Theule, rapporteur of the estimates for capital expenditure. M. Le Theule pointed out that the 1964 Defence programme-law not only had envisaged a much less expensive aircraft than the Jaguar (the I.C.A.T.) but did not provide for the purchase of any such aircraft before 1968. The credits for the purchase of the Jaguar were asked for by the Government one year in advance and there was no justification for this[2]. He then explained that the Jaguar aircraft project was the result of a compromise between both the French and the British Defence staffs which was far from being favourable to France's interests. When France was committed to buy the first series of 150 aircraft Britain was only committed to considering the matter of buying some 150 by 1970. Furthermore, the joint understanding did not make allowance for the fact that France, because it was buying the first prototypes - none of them had flown yet -, was paying a much higher price per aircraft than Britain would have to pay later on. The cost of the aircraft was much in excess of the forecasts of the 1964 programme-laws and this unexpected increase would probably make it impossible for the Government to pursue any other project envisaged by the programme-law[3]. In his opinion, the Government had now either to

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1. Ibidem, 18 October 1966, pp. 567 - 568.

2. It is through a written question put to the Minister when he examined the estimates that M. Le Theule discovered the irregularity.

3. Mainly a sophisticated combat airfighter which the Air Force would need by 1972. Many aircraft industries were bidding for that project. The British and French Governments had discussed the possibility of another joint project but M. Dassault was already developping a project of his own. It could very well have been the reason for M. Dassault's disguised attack on the Jaguar aircraft. See below on M. Dassault's attack.

choose between the various projects envisaged by the law or to cut the cost of the Jaguar aircraft by sharing its cost more evenly with Britain[1]. He concluded his report by proposing a amendment cutting the credit provided for the purchase of the first series of Jaguar aircraft (250 million francs). Such an amendment he said, would enable the Government to respect the targets set up by the Defence programme-law, to obtain from the British Government a revision of the joint project and to give more thought to its future defence policy. His amendment was adopted by the Committee, even by M. Clostermann who had previously recommended a vote in favour of the Air force budget[2].

The amendment arose a storm in the press[3]. The rapporteur and the Committee were accused of jeopardizing Anglo-French co-operation. Both the Air force and the aircraft industry issued information contradicting M. Le Theule's analysis. But there was probably more truth than first appeared in M. Le Theule's report for the ingénieur général Bloch, who had negotiated the agreement on behalf of the French Ministry of Defence, was dismissed and it was said that General de Gaulle himself was quite upset when he learnt that the agreement was not safeguarding French interests. He had even asked for all aeronautical matters to be referred to him at once[4]. The rapporteur was given a scolding by

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1. Avis no 207, loi de finances pour 1967, p. 26.
2. M. Clostermann is one of the directors of Reims Aviation which has many joint projects with Nord Aviation and Bréguet. Bréguet has the French part of the contract for building the Jaguar aircraft.
3. See for example The Times, 26 October 1966.
4. Paris-Presse, 26 November 1966. The article announced a big reshuffle in the Ministry of Defence and said that the Government was probably contemplating a review of Anglo-French co-operation. This article produced a controversy in the press. I was told that it was inspired by M. Dassault, a U.N.R. deputy and one of the most important aircraft supplier of the Government. His corporation makes the famous series of Mirage. He opposed Anglo-French co-operation because it reduced the likelyhood of selling his airplanes. On the 29th, Combat published an article stating that Paris-Presse and some of their British "colleagues" had gone too far in their interpretation of the President's attitude. It seems that the article in Combat was inspired by the Elysée.

the chairman of the U.N.R. parliamentary group and the Prime Minister himself discussed the matter with him[1]. The Minister of Defence asked the ra porteur to withdraw his amendment but the rapporteur said he would not do it unless he were given, in the National Assembly, firm assurance that the agreement would be revised. The Committee itself showed signs of disunity and M. Clostermann informed the rapporteur that he had changed his mind again about the whole issue and would not support him in the National Assembly.

Insofar as M. d'Aillières's amendments were concerned the situation evolved more smoothly. A delegation of members from the Committee discussed the issues with the Prime Minister and the Minister of Defence. On the first point (salaries of NCOs) the Prime Minister agreed to increase the estimates by fourteen million francs to help the NCOs provided the Minister of Finance approved the measure. On the second point ("quarter fare ticket" on railways) the Prime Minister said he would agree to the reestablishment of the "quarter fare ticket" but only for four trips during the soldier's military service. On the third point (military allowances) the Prime Minister gave his approval to an increase but, again, the measure would have to be agreed to by the Minister of Finance. This restriction was new to the deputies for before December 1965, when M. Giscard d'Estaing was Minister of Finance, the Prime Minister had never made his concessions subject to the approval of the Minister of Finance. M. Debré, when the matters were referred to him approved the first measure but opposed the third one[2].

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1. By chance, M. Le Theule met M. Floriot, Chairman of Bréguet, the maker of the Jaguar aircraft and one of the most important subscribers of the U.N.R. electoral funds in M. Pompidou's waiting room.

2. When M. Giscard d'Estaing was Minister of Finance, M. Pompidou would never have taken a decision in Defence matters subject to the Minister of Finance's approval. The former was the leader of the conservative Independent Republican party and the latter, the leader of the U.N.R. Their relations were not friendly. It seemed that, as a result of M. Debré's appointment - a U.N.R. - the Prime Minister was inclined to rely more on the Minister of Finance when political issues were involved.

On 25 October the delegation took its stand to the Committee. On the first point, the Committee ignored the compromise and rejected the amendment then the Government proposed the new bill in the National Assembly. On the second point, the Committee did not agree with the Prime Minister's proposal and decided that it would yield only if the Government agreed to give two free trips first, a soldier's wife by service and to maintain the "quarter fare ticket" for army trips made by soldiers on leave between their garrison and the place of their family residence[1].

The Floor

The Defence estimates were submitted to the National Assembly the same day. The debate was opened by M. Laurin. On the "quarter fare ticket" issue, M. Laurin felt that simple criticism was not enough. Political pressure had probably become too strong and he decided to submit an amendment identical to the Defence Committee's one and cutting the grant to the French railways. On the NCOs' issue, he said he would not deal with the matter since the Defence Committee intended to do so. This was quite contradictory with his attitude on the "quarter fare ticket" where he presented an amendment although the Defence Committee had already submitted one. He pointed out, however, that the Finance Committee, fully agreed with the other Committee's attitude[2].

M. d'Aillières followed with a sharp criticism of the current estimates[3], and concluded his remarks by pointing out that the Defence Committee would ap-

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1. A measure which could not but please many mothers on the eve of an electoral campaign.

2. J.O., 25 October 1960, p. 3013.

3. Ibidem, p. 3014.

prove this budget only if the Government agreed to increase military allowances and to reestablish the "quarter fare ticket". His comments opened a large debate in which nineteen deputies took part, all supporting him, thirteen of whom were members of the opposition. The rapporteur's report was often used to embarass the Government and everybody stressed the unanimity of the National Assembly on the issues (essentially the "quarter fare ticket" and the salaries of the NCOs). As the spokesman for the NCOs' lobby put it:

> "Tout le monde s'intéresse à la situation des sous-officiers et des officiers mariniers. Monsieur le Ministre vous nous avez souvent affirmé être leur ami. M. le Premier Ministre, M. le Ministre de l'Economie et des Finances et M. le Secrétaire d'Etat au budget nous ont tenu le même langage ..... M. le Ministre, votre budget n'est pas bon pour les sous-officiers..."[1].

Before the vote on the amendment, the debate was interrupted at the request of M. Ley, the chairman of the U.N.R. parliamentary group to hold further caucuses. The majority was informed that the Government had not changed its attitude and was asked to support the Government.

But when the Assembly resumed, five "indicative" amendments were proposed, all cutting the grant to the French railways but aimed at obtaining from the Government the reestablishment of the "quarter fare ticket"[2]. The Minister of Defence opposed the amendments. However, he would not invoke the article 40 which prohibits "indicative" amendments because he felt that the National Assembly should assume its responsibility in the matter[3]. He concluded by warning

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1. Ibidem, p. 3049.

2. They were sponsored by M. Laurin (Finance Committee), M. d'Aillières (Defence Committee) and by members of the Democratic Centre, the Rassemblement Démocratique and the Socialist group.

3. M. Messmer: "Ces responsabilités ne sont pas celles de tel ou tel groupe. Ce sont les responsabilités de chacun vis-à-vis de lui-même et vis-à-vis de ses mandants". Ibidem, p. 3055.

the Assembly: "S'il s'agit d'une manoeuvre, il serait sans doute possible ..... d'en faire l'économie"[1]. His remarks failed to convince the Assembly and 243 deputies to 145 voted in favour of the amendments. Both the Finance Committee and the Defence Committee were split on the issue. The Chairman and the rapporteur général of the Finance Committee voted against the amendments. M. Germain, rapporteur, abstained. Thirty members of the Defence Committee voted in favour of the amendments and nineteen against. MM. Le Theule, Voilquin, d'Aillières and Moynet, the Chairman of the Committee, voted for and MM. Hébert, Clostermann and Jarrot voted against. M. Henri Rey, the Chairman of the U.N.R. parliamentary group and member of the Defence Committee, voted against the amendments. Of the 145 deputies who opposed the amendments nearly all were U.N.R. and none of them were Independent Republicans. The vote was an important setback for M. Messmer and the Government. Many members of the majority had refused to follow the Government and the Defence estimates were severely cut.

The next amendment presented by M. d'Aillières, on behalf of the Defence Committee, aimed at cutting the Defence estimates by another 102,355,361 francs in order to obtain an increase in the NCOs' salaries and in military allowances. The Minister promised he would make important concessions on both matters on the second deliberation on the Finance Bill. M. d'Aillières agreed to withdraw the amendment and the estimates for current expenditure, as amended, were adopted.

The debate on M. Le Theule's amendment dropping the credits for the purchase of the Jaguar aircraft evolved in a quite different way mainly because of open opposition to the amendment coming from M. Germain, rapporteur for the Finance Committee and M. Clostermann. Both rapporteurs said that the Jaguar aircraft was a perfectly suitable air fighter. M. Germain attacked M. Le Theule

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1. Ibidem, p. 3855.

personally for his role in instigating, in the past, so many amendments which have proved, later on, to be disastrous[1]. He denounced the "rigueur de jugement excessive" of M. Le Theule and warned:

> "Ne nous y trompons pas, nous jouons de façon inconsidérée avec l'avenir d'une industrie, dont nous avons besoin dans notre économie pour notre défense et notre indépendance"[2].

The Minister of Defence asked M. Le Theule to withdraw an amendment which, he said, could only damage Anglo-French co-operation. He promised, however, that he would discuss the Anglo-French agreement with his British colleague and report back to the Defence Committee. M. Le Theule agreed and the amendment was withdrawn.

The Defence estimates had been severely altered as a result of the clash on the "quarter fare ticket". The Government could have sent them in this form to the Senate and asked the Senate to reestablish them as they were originally. But for lack of any reliable majority in the Senate, the Government decided instead to ask for a second deliberation on the Finance Bill before referring the estimates to the Senate. The Government intended to use this procedure to reestablish the estimates in their original form. To win over the vote of the majority it would have to make some concessions but, on the whole, the budget which the Senate was to examine would be the Government's budget and not the budget of the National Assembly. The Government made its proposals known to the majority and on 9 November 1966, the Defence Committee met to discuss them. On the "quarter fare ticket" issue and on the other two points, the Government agreed to

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1. The first defence programme-law was voted during the Algerian war and M. Le Theule, at the time, has presented amendments supporting the infantry to the expenses of the Air Force and the Nuclear Deterrent Force. M. Germain had supported the Air Force but M. Le Theule had, temporarily at least, won his point.

2. Ibidem, p. 3858.

the Committee's requests and the Committee registered its approval. On 10 November, at the occasion of the second deliberation in the National Assembly, the Government put forward three amendments reestablishing the estimates in their old form and asking for the approval of additional estimates to pay for the new measures it was proposing. The vote on these amendments was reserved until later and at the end of the second deliberation, the Government asked for a single "package vote" on ten articles of the Finance Bill and a series of thirty-four amendments and sub-amendments it had reserved during the debate. All these, including the whole Finance Bill were adopted by 295 votes to 142. This ended the first reading of the Finance Bill in the National Assembly[1].

Senate and Joint Committee

On 16 November, the Defence estimates were examined by the Senate. As in the National Assembly, the estimates were substantially altered but not as a result of a disagreement on the "quarter fare ticket". The issue involved was more fundamental, for the Senate disapproved of the whole Defence policy followed by the Government. Of course, the Senate could not resist on the eve of an election, the temptation of presenting an amendment on the "quarter fare ticket". But, after some explanations by the Minister of State for the Budget, the amendment was withdrawn and the estimates for current expenditure were adopted.

When the credits for the Nuclear Deterrent force, some six billion francs, came up for discussion two amendments were put forward both aimed at cutting these credits but for different reasons. The first amendment presented by the Communists proposed to cut the credits because the party was against the

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1. See above pp. 375-376.

Nuclear Deterrent force. The second one, presented by the M.R.P. was to reduce the credits because they argued that the Nuclear Deterrent Force should not be used by the Government to pursue "un effort solitaire de défense" but should be integrated in the larger defence framework of the Atlantic Community[1]. The Government opposed the amendments. The first amendment was rejected but the second one was adopted by 133 votes to 109, the Communists and the Gaullists, as it often happens on foreign policy, voting against it. The estimates for Defence capital expenditure, as amended, were adopted. On 30 November, the Joint Committee reestablished, without discussion, the Defence estimates in their previous form by eight votes to six, the U.N.R. senator voting with the National Assembly representatives.

Concluding Remarks

The discussion and vote on the Defence estimates were the most controversial of the budget debate and as someone in the Senate put it: "Seen from here, one would have thought that, in the budget debates, the National Assembly was only interested in the "quarter fare ticket" "[2]. The Senate could very well afford to be cynical about it for the issue had been fought for and won in the National Assembly. But if the National Assembly had failed, what would have debates looked like in the Senate? On the whole, however, the Senate's opposition was very mild. As usual it was centered on the Nuclear Deterrent Force and it was mainly aimed at showing how the Senate is consistent in its opposition. But at the Joint Committee stage the Gaullist senator chosen by the Senate voted

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1. J.O., Senate, 16 November 1966, p. 1641.
2. Quoted from an interview with a clerk of the Senate.

for the estimates and they were reestablished as they were before. Anyway, the big show of protest had taken place, the Senate had kept its reputation of a "chambre d'opposition" and the French atomic bombs kept exploding in the Pacific.

In the National Assembly things were different. Criticisms came from the majority spokesmen and not much from the opposition. None of the "counter-Government's" ministers intervened or were even present. It was on points of human and electoral importance and not on major policies or major expenditure that most criticisms were voiced. One of these was very old - NCOs -, one quite new - "quarter fare ticket". On the former, the Government was certainly expecting criticisms and had probably set aside a reserve in order to be able, at the height of the budget discussion, to give away a few million electorally profitable francs. On the latter, it is unclear whether the Government expected so much trouble and was taken by surprise or whether it had foreseen the reaction in advance. Its strategy could very well have been to put in the budget a measure which it knew would, on the one hand, because of its electoral implication, cause uproar in Parliament but, on the other hand, prevent the deputies from discussing big policy issues and make them fight on minor points on which, at the end, in a much publicized move of generosity, the Government would give way. What could be electorally more rewarding than that? If this interpretation is valid, the Government of M. Pompidou had mastered the art of political manoeuvre.

Another remark worth making concerns the strategy of the rapporteurs. Assuming that M. Le Theule's aim was to obtain a revision of the Anglo-French agreement why did he succeed in getting what he wanted by finally withdrawing his amendment when, on the other hand, M. d'Aillières on the "quarter fare ticket" won his point by refusing to withdraw his amendment? M. Le Theule had to con-

vince the Government that it was doing something wrong and this is not an easy task even for a brilliant rapporteur. He had to set up a strategy and use the best weapons at his disposal to press his point on the Government. These are few and in the case of M. Le Theule consisted mainly, first, in preparing an impressive report; second, in obtaining from his Committee the approval of an amendment likely to get publicity and to upset the decision-makers - the President of the Republic, if possible - finally, in forcing the Minister (by refusing to withdraw his amendment during his private dealings with the Minister) to discuss the issue in the National Assembly so that the weakness of his position came out and obliged him to accept the rapporteur's recommendations. Secrecy and private dealings were not the best weapons of the rapporteur. Many good reports are never read by the Government and, often, it is through public debates that a rapporteur is likely to influence the Government. M. d'Aillières, on the other hand, had to push through his amendment. The reason for that is probably to be found in the attitude of the Government. Indeed, while in M. Le Theule's case the Government agreed to his conditions before the vote was taken on the amendment, in M. d'Aillières's case, the Government did not yield before it had been defeated on the amendment. But again had the Government expected to be defeated? Or was it its plan that it happened that way? Was the Government very stupid? Or very clever?

Finally, two points must be made about financial control: one on the Jaguar aircraft project and another on the reasons which the Government claimed led it to abolish the "quarter fare ticket".

On the Jaguar aircraft what made M. Le Theule's amendment so alarming for the Government and interesting for Parliament was that, in fact, it only asked the Government to comply with the targets set up by the Government itself

in the 1961 Defence programme-law and approved by Parliament. The Government was not fulfilling its obligations towards Parliament. This example illustrates the importance which Parliament attaches to plans and programme-laws and also their interest from the point of view of parliamentary financial control.

On the "quarter fare ticket" it was as a result of an inquiry of the General Inspectorate of Finance requested by Parliament in 1965 that the Government said it has been led to abolish the "quarter fare ticket". Indeed, the previous year, during the budgetary discussion, the Finance Committee thought that the grant made by the Ministry of Defence to the French railways was, for the most part, a disguised grant made by the Government to help finance the deficit of the nationalised corporation. It asked for an inquiry by the General Inspectorate of Finance. The Government agreed and, although the inquiry found that the grant was fully justified, it suggested, to reduce it, some economy measures. So, through the 1967 budget, Parliament learnt of the inquiry's findings and was informed of the abolition of the "quarter fare ticket". Parliament could not accept, for evident political reasons, the conclusions of the inquiry it had caused. M. d'Aillières was thus in an embarassing position and that is why he had, in the conclusion of his report, to express dissatisfaction with the findings of the inquiry he had been responsible for and asked for the setting up of another one in 1967:

> "Pour que dans le cadre du prochain budget, le Parlement puisse se prononcer d'une façon précise sur le transport des personnels militaires par la S.N.C.F."[1].

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1. J.O., 10 November 1966, p. 4529.

b) The Estimates for Housing

One of the main features of the 1967 budgetary session was the success achieved by M. Royer, rapporteur of the Housing estimates for the Production Committee, in inducing the Government to modify its policy towards cheap housing and to amend the estimates accordingly. This case showed how the debate on the budget could be a unique occasion for Parliament to influence the policy of the Government provided it was clear as to the aim it pursued and determined to achieve it through persuasion, and if necessary, by force. It showed also how skillful a rapporteur must be in the elaboration of his strategy. His resources are limited and he must make full use of them if he wants to convince both his colleagues and the Government.

The Rapporteur

A preliminary word must be said about M. Royer's personal political situation. M. Royer was a professor. His reports have the reputation of being clear, convincing and well written. He was also an effective speaker always to the point and, even when he handled statistics, never boring. He spoke without referring to his notes and concentrated all his energy in trying to convince the National Assembly and the Government. He was deputy "non-inscrit" for Indre-et-Loire since 1958 and mayor of Tours. Although he described himself as a strong admirer of General de Gaulle, he was not an official member of the majority, and did not participate to the activities of the majority parliamentary groups. Since budgetary reports were allocated to members of the majority only, he should not, normally, have had a report. But because of his great knowledge of the question the Production Committee had given him the advisory report on

Housing. His position as rapporteur was less secure than that of a U.N.R. rapporteur, for the majority could always withdraw his report and, particularly on the eve of an election, give it to a safe and uncritical U.N.R. deputy. M. Royer was well aware of this possibility and always tried to carry the majority parliamentary groups with him. But the fact that he himself was not a member made this sometimes difficult, especially this year as the majority was being careful not to criticize the Government's policy for fear of giving ammunition to the opposition for the electoral campaign. But on the other hand, provided he managed to keep his report, M. Royer's position was very strong.

Mayor of the fast growing city of Tours, in the 1962 general election he had been elected at the first ballot and he could safely expect the same to happen in March 1967. As an independent deputy nobody could threaten him with the withdrawal of the party nomination and the Gaullists could not think of putting up a serious challenger against him at the coming election[1]. He felt free to criticize the Government for, with or without the Gaullist support, he was sure to be reelected. On the other hand, the Gaullists could scarcely afford to alienate such a powerful deputy friendly to the Vth Republic in general, however critical he might have been of certain policies of the Government. The only sanction they could have applied to him was the loss of his report, but even then, given French parliamentary tradition, when a deputy has a report it is not easy to take it away from him without provoking a ruckus especially if he is considered effective and influential by a large clientèle (in this particular case various associations for cheap housing and the mayors of France). Another factor strengthened M. Royer's position. As it often happens within the Government,

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1. In December he was offered the Gaullist nomination and after some hesitation, he accepted it.

the opposition to M. Royer's proposals would come from the Ministry of Finance but M. Royer would get some support from the newly appointed Minister of State for Housing, M. Nungesser. M. Nungesser could not say so in public but he would, throughout the debate, be reluctant to oppose M. Royer's ideas. His superior, the Minister for Equipment, M. Pisani, would be firmer in his defence of the Government's policy but certainly not as much as the Minister of Finance would have liked. In spite of governmental solidarity, dissatisfied spending ministers do not always support the Minister of Finance during the budgetary debate and this makes the position of the latter very insecure when there is a majority against him in Parliament. As a high civil servant from the budget division told me: "We must always check what spending ministers do or say in the National Assembly".

The Report

The estimates for Housing were referred to the Committees in September. M. Taittinger (U.D.R.) was to prepare the main report for the Finance Committee and both M. Royer and Martin were to draft advisory reports for the Production and Social Affairs Committees. But as the most effective rapporteur always do, M. Royer had already collected all the necessary information for his report. He had made a personal and methodical survey of the Housing crisis in sixty carefully selected French towns[1]. The mayors and the Housing Offices of these towns were asked to answer questions as to how many requests for houses they had received and found justified during the year: how many had they been able to meet and what type of houses and flats were people looking for: cheap or expensive

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1. See appendix XVI for pp. 5 and 6 of M. Royer's report.

houses: the monthly income of these people? He had also made a study of the state of housing in various areas and this revealed that a good many houses were "over-crowded, uncomfortable and old"[1]. He reached the conclusion that the need for new but cheap houses was urgent and that the efforts made by the Government in this field were not sufficient. He formulated two main criticisms of the Government's action. First, the implementation of the various housing programmes was much too slow and, in many respects, the administration of these programmes was ineffective. Second, the Government's targets were by far too ambitious compared with the financial means it was ready to put at the disposal of the various housing programmes. As a result, many programmes were behind schedule:

> "... il est évident que pour trois catégories de logement, les réalisations budgétaires sont trop optimistes et que nous risquons de ne point les exécuter.... La France ne construirait donc que 425,000 logements prévus, mais à peine 400,000, si bien qu'en dépit de l'accroissement de H.L.M. (cheap houses), le budget de 1957 se présente comme un budget de régression"[2].

This was a severe condemnation of the Government's policy and, as M. Royer certainly expected, the press and the opposition gave it much publicity[3]. To correct the situation, at least temporarily, M. Royer put forward three measures aimed at improving the budget but without increasing public charges. He suggested:

- to drop 7,000 I.L.N. (normal price houses) - on 10,000 envisaged in the 1957 budget only 2,020 had been built -

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1. Rapport, p. 3.

2. Ibidem, pp. 57 and 59.

3. See Le Monde, 9 November 1957, front page: "Un ralentissement de la construction est prévu pour 1957" and an article by Gilbert Mathieu entitled: "Une promesse oubliée..." In a television programme with M. Maurice Schumann, M. Mendès-France often referred to M. Royer's report.

and to build instead 5,000 additional H.L.M. (cheap houses) for which there were a very high demand;

- to increase by 5,000 the number of special governmental loans to purchasers of cheap houses;
- to cut by 60,000,000 francs an estimate of 98,000,000 francs provided for the purchase of land by the new towns. The rapporteur thought that for technical reasons the estimate should not have been included in the 1967 budget[1].

The modifications recommended by the rapporteur would cost some 160,000,000 francs but they would be upset by a saving of 165,000,000 francs[2]. It would thus be more difficult for the Government to dismiss the rapporteur's claims on the ground that they were increasing expenditure for one is not always sure whether article 40 will strictly be construed.

The Rapporteur's Strategy

Convinced that his criticisms were well founded and that the remedies he suggested would be acceptable to the Government, M. Boyer set up his strategy. First, he would have to obtain the full support of his Committee and, if possible, of the Finance Committee. Second, he would try to convince the ministers (MM. Pisani and Mungesser), at the occasion of their appearance before the committees, that he was right and that his ideas were acceptable to the Government. Third, he would have to explain his report - for deputies rarely read reports - to U.N.R. and Independent Republican deputies by organizing meetings with the most influential of them and by canvassing the others. With majority depu-

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1. Rapport, p. 59.
2. Ibidem, p. 60.

ties, M. Royer would mainly stress the fact that politically speaking, the housing estimates were bad and that it would be suicide to go and fight an election without at least trying to amend them. Fourth, he would be very careful not to play the game of the opposition[1]. He would remain in continuous touch with the Government (essentially the Prime Minister and the Minister of Finance). Finally, he would, throughout the process, make it clear that should the Government fail to give him satisfaction, he would not hesitate to vote against it on the issue. In short, it was essential for the rapporteur to obtain the support of the majority and to use that strength to press his point on the Government. Strong in the intrinsic value of his report but well aware of the potential dangers of his action, the rapporteur began his fight at the Committee stage.

Committees

On 29 September, M. Royer submitted his report to the Production Committee. The Committee was impressed by his suggestions and decided to hear the ministers before taking any definite stand on them[2]. MM. Pisani and Nungesser appeared before the Committee on 5 October. M. Nungesser showed much sympathy for M. Royer's proposals but M. Pisani remained undecided. The meeting was inconclusive. Informed that the Finance Committee was to devote its meeting of 10 October to the discussion of the housing estimates, M. Royer, at once, asked

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1. In fact, the opposition was incredibly ineffective on the whole issue. The opposition spokesman agreed with M. Royer but let him fight his own battle alone. The shadow cabinet issued a press communiqué in which it denounced: "la tragique insuffisance (of the housing estimates) reconnue même par les rapporteurs appartenant à la majorité" (Le Monde, 10 November 1960). As pointed out by A. Philip, La Gauche Mythes et Réalités (Paris 1964), p. 201: "En fait, l'assemblée n'use pas tous les moyens dont elle pourrait disposer et l'impuissance de l'opposition est d'abord celle de son imagination et de sa volonté".

2. Bulletin des Commissions, 3 October 1960, pp. 478 - 479: "Compte tenu de l'importance de ces suggestions ....., la Commission ne se prononcera sur ce budget qu'après l'audition des ministres responsables".

to be heard by the Finance Committee[1]. The Committee agreed and, immediately after M. Taittinger but before it heard MM. Pisani and Munpasser, M. Royer explained his proposals to the Committee. But he failed to win over the Committee's support. The well documented but non-commital report of M. Taittinger was approved. The Finance Committee preferred to remain neutral on the issue. There were many reasons for M. Royer's setback. First, when he appeared before the Finance Committee he was not considered as the official spokesman of the Production Committee, for the latter had not yet approved his report. This weakened his position. Second, M. Taittinger, an influential and usually quite critical rapporteur, disapproved of M. Royer's action because he thought that party discipline was absolutely necessary on the eve of an election. Finally, M. Pisani clearly rejected the proposals. His reaction was much more straightforward in the Finance Committee where he knew he had some support than it had been in the Production Committee where he did not have much[2].

The following days, M. Royer asked the Production Committee to approve three amendments to the estimates:

- an amendment stating that the credit allocated to the Normal Priced Houses programme which would not have been spent during the year would be transferred by the Minister to the Cheap Houses programme;
- an amendment providing for the reduction by sixty million francs of the credit assigned to the purchase of lands by

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1. Normally, committees ask for other rapporteurs to appear before them. It is rare that rapporteurs ask to be heard by another committee. In fact, M. Royer was the only rapporteur to have made such a request in 19[illegible]. This illustrates how determined he was in his endeavour.

2. See Bulletin des Commissions, 18 October 19[illegible], pp. 572 - 577 (mainly p. 57).

the new towns and transferring the amount to the Cheap Houses programme:

- an amendment setting up a public body which would finance, through public borrowing, purchases of land by the new towns[1].

The amendments were adopted by the Committee. Furthermore, the Committee asked M. Royer to do all he could to press the Committee's claims on the Government before the debate on the floor[2].

The Government

With his mandate, M. Royer met both the Prime Minister and the Minister of Finance. The Prime Minister showed a keen interest in M. Royer's proposals and said that the Government would make an effort to meet the rapporteur's request. On the other hand, the Minister of Finance and his assistants were not favourable to M. Royer's suggestion[3]. The Government was divided on this issue. The Prime Minister and M. Nungesser were anxious to do more for housing than envisaged by the budget, and they agreed that, on the whole, the proposals put forward by M. Royer were perfectly sensible. The Minister of Finance, on the other hand, was reluctant to accept any change in "his" budget. In his opinion, the financing of the various Government housing programmes was a fundamental problem which could not be properly solved by cutting the estimates in one sector and transferring them to the Cheap Housing programmes. Moreover, the Minister of Finance had the Fifth Plan on his side. The Plan intended a gradual reduction of

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1. M. Royer claimed that since the Government was pursuing a policy of "débudgétisation" in this sector of activities it should be consistent and not finance these activities through budgetary grants. J.O., 8 November 1966, pp. 4351 - 4352.
2. Bulletin des Commissions, ibidem, p. 605.
3. M. Royer said that he was given a very bad reception when he went to the Ministry of Finance. He could not see the Minister and the aides he met were in his opinion "des jeunes rudes".

the governmental subsidy to these programmes and suggested the creation instead of a new type of public saving bank with the special function of canalizing private savings into these programmes thus diminishing the budgetary charges (this is called "débudgétisation"). M. Pisani, the Minister for Equipment, was probably more sensitive to M. Debré's arguments than to those of his junior minister. In fact, the conflict was between those who thought that the human and political side of the problem should be given more consideration and those who thought, on the other hand, that its financial aspect should prevail. From the rapporteur's point of view, any disagreement within the Government could very well turn out in his favour provided he succeeded in keeping the pressure on the Government.

The Majority

The canvassing of the majority was very successful. Deputies showed great interest in M. Royer's proposals. The Independent Republicans' parliamentary group invited him to address one of their weekly meeting. They assured him of their full support. Many influential U.N.R. deputies did the same and, when the housing estimates were called up for discussion on 8 November, M. Royer knew that whatever happened the majority would follow him and not the Government.

The Floor

M. Royer opened the debate by defending his first amendment (cutting by sixty million francs the grant to the new towns and affecting the amount to the Cheap Houses Programme). M. Pisani opposed the amendment. In his opinion, the Government could not, without upsetting the economy as a whole, invest more in its housing programmes. M. Taittinger, on behalf of the Finance Committee sup-

ported the Government[1]. M. Royer made a last attempt to convince the Government but failed to get the Minister's approval:

> "Cela dit", said M. Pisani in concluding his remarks, "je lui répondrai qu'il ne m'a pas convaincu du tout, peut-être moins encore que je ne l'ai convaincu"[2].

The Minister asked for the rejection of the amendment but the National Assembly adopted it. M. Royer's second amendment (setting up a new public body charged with financing, through public borrowing, the purchase of land for the new towns) was also opposed by the Government on the ground that it increased expenditure. The Finance Committee agreed with the Government and said that article 40 of the Constitution applied to this situation. M. Royer, reluctantly, withdrew his amendment[3]. However, the position of the Government was becoming very difficult. It knew now that the majority was determined to vote for M. Royer's third amendment and that nothing could be done to prevent this. So, just before M. Royer's third amendment was to be called up for debate, the Chairman of the U.N.R. parliamentary group asked for a suspension of the debate. A sharp discussion went on behind the scene between the Government and its majority, but the deputies would not obey the Government. When, three quarters of an hour later, the sitting resumed, M. Pisani informed the House that the Government had agreed to the Production Committee's proposals to build some 10,000 additional cheap houses[4]. M. Royer thanked the Government for its understanding and withdrew his third amendment[5]. M. Nungesser, Minister of State

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1. J.O., 8 November 1956, p. 4353.
2. Ibidem, p. 4354.
3. Ibidem.
4. Ibidem, 9 November 1956, pp. 4451 - 4457.
5. Ibidem, (applaudissements sur les bancs de l'UNR - UDT du groupe de républicains indépendants, du centre démocratique et sur divers bancs).

for Housing was certainly at least as pleased as M. Royer. He could not resist the temptation of intervening to express his great satisfaction[1]. A last attempt was made by the Socialist group to propose M. Royer's amendment again. But the opposition's intervention was ridiculously late and could not have any effect. The rapporteur had been the only outspoken and effective critic of the Government's policy and by his very action had deprived a weak and disorganized opposition from the possibility of challenging the Government.

Concluding Remarks

What gave so much weight to M. Royer's report? Why was he one of the most effective rapporteurs of the 1966 budgetary session? Why did the Government give way on the housing issue?

M. Royer's basic strength came from the fact that he was speaking not only as a deputy but also as the mayor of a city which was faced with a housing crisis. He knew personally what was wrong with the Government's programmes. But to show that he was not the mere spokesman of the particular interest of his city, he made an inquiry into sixty other cities. The results showed that he was right. Sixty mayors of France agreed with him and produced data to sustain their claims. As a result, M. Royer had reached a level of expertise which enabled him to challenge the Government on its own ground, for the Government could not say that only Tours was in this situation. M. Royer had pointed out a real weakness in the Government's housing policy. The Government could not prove the contrary: all it could do was to say that the rapporteur's solution to the problem was bad. But then, the Government would have had to propose a

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1. Ibidem, p. 4460: " Je me réjouis vivement avec M. Royer du dialogue qui s'est ouvert entre le Gouvernement, les commissions de l'Assemblée et des résultats positifs qu'il a permis".

solution of its own. It failed to do so and, at the end, it became futile for it to keep opposing M. Boyer's solution. At first, the Government tried to discipline its majority and asked it to reject the amendment. But it failed. Then it used article 40 of the Constitution. It succeeded but the majority deputies were disgruntled and the Government knew that it could not do it again on M. Boyer's third amendment. It had to give way. This was probably the only "defeat" which the Government had not planned in advance.

It is also interesting to note that M. Boyer when he faced the Government in the National Assembly was no longer an isolated rapporteur. It had become the spokesman of the majority on the issue. The majority could not have expected a better spokesman, on the eve of an election, than an independent deputy who was not inhibited by the fear of having the whip withdrawn.

7. Conclusion

From our analysis of the parliamentary discussion on the 1967 budget two essential impressions remain upon which we would like to base our concluding remarks:

- the Government has been perfectly at ease in its new role under the 1958 Constitution. From the start, it was determined to get its budget through Parliament unaltered and in time. In this endeavour, it used all the weapons put at its disposal by the Constitution no matter how unpopular they were in Parliament and in the public. The Government knew what it wanted and how to achieve it with a minimum of concessions.

- Parliament, on the other hand, did not give the impression of knowing exactly what it stood for in the budgetary discussion: demagogy or control of public spending? defence of particular interest or care for the soundness of public finance? Throughout the debates it oscillated between these poles leaning more often to the former side than the latter. Was it that parliamentarians did not know what purpose was served by budgetary debates? Or is it more likely that for parliamentarians the budget debates served other purposes than those provided for by the 1958 Constitution?

All through the budgetary session the Government was clear as to both its objective and the methods it would use to realise it. The Government was conscious of the importance to the executive of having its budget voted on in time and in its original form. For the Government the budget formed a whole which Parliament could criticise or reject but not modify by raising all kinds of obstacles during the debates. The time had passed when votes of confidence and months of arduous discussion were needed to force the budget - always amended and never in time - through an all powerful Parliament[1]. By using all the procedural weapons put at its disposal by the 1958 Constitution and the 1959 Organic Law the Government had <u>forced</u> its budget through Parliament. The expression is not too strong for, as we have seen, it has not simply relied on the loyalty of the majority to do it. It has forced the approval of its policies by using the "package vote" procedure and left no alternative to the majority but to reject or adopt the budget as it was. Minor concessions were made to smooth the

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1. P. Williams, <u>Crisis</u>, pp. 266 - 267.

process but most of them had been planned in advance and could not be considered as being the fruits of a close collaboration between the Government and its majority. The "dialogue", which M. Henri Rey, the Chairman of the U.N.R. parliamentary group, was so fond of[1], was acceptable to the Government only because the latter was sure to have the last word through the "package vote" procedure. Only after M. Giscard d'Estaing, the Independent Republican leader, had lost his ministerial post did he dare to say that the majority gained no benefit from a "dialogue" which concluded with a "package vote". A real "dialogue" simply would not need to be sealed by such an arbitrary procedure which enabled the Government to give way on trivial issues and ask for unconditional approval of the essential. The Senate was in no better a position for the Government, by setting up a Joint Committee, effectively deprived it of any further possibility of challenging the budget. In both Houses, the Government stood firm on its budget and the policies therein embodied. These were put forward and explained but the Government always made it clear that the budgetary discussion was not the occasion for it to revise them or even accept a "dialogue" on them. There could be no better summing up of the Government's attitude than M. Debré's remark to a disgruntled deputy:

> "Mais sachez bien que nous ne sommes pas, que je ne puis vous souhaiter ni nous souhaiter d'être à jamais dans un régime d'assemblée. La caractéristique de tout régime parlementaire est que le budget est un acte du gouvernement, l'acte qui traduit l'essentiel de son activité quotidienne. Il est donc normal - et c'est le cas dans nombre de démocraties parmi les plus anciennes - que n'intervienne qu'un seul vote pour apprécier politiquement l'acte du gouvernement"[2]. (my italics)

But it may well be that under the Vth Republic the budget has become too much of an "acte du gouvernement" so that the role of Parliament in the process is far from being clear.

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1. J.O., 10 November 1966, p. 4536.
2. Ibiden, p. 4537.

It is difficult to put the blame for this on the Constitution. Indeed, the student of the 1958 Constitution as completed in budgetary matters by the 1959 Organic Law cannot but be impressed by the role assigned to Parliament in the new constitutional framework. Not only has the Constitution, at last, sharply reduced Parliament's capacity to modify the budget and to harrass the Government with all sorts of "irresponsible mischief"[1] but it has also tried to shift Parliament's interest from these to a much more dynamic and effective role in the control of public spending and through it, of the administration as a whole. In this endeavour the authors of the Constitution realized three main reforms: first, a reform of the committee system; second, a reform of the presentation of the budgetary documents; third, a prohibition of the use of "indicative" amendments by allowing deputies to propose only amendments which effectively reduce expenditure or increase taxes. Taken as a whole the reform provided Parliament with a new approach to public finance. But the authors of the reform were soon to realize that it is much easier to change the text of a Constitution than the habits of French parliamentarians. A Parliament which for years has despised the financial administration and favoured, often demagogically, the interests of some key spending ministries and their clientèle could hardly be moved, by a constitutional text, from one pole to another. There is plenty of evidence for this in the debate on the 1967 budget.

The fact that committees were less numerous and that their membership was larger has not prevented them from spending in 1966 much more time and energy on issues of human and electoral importance than on issues concerning

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1. P. Williams, Crisis, p. 266.

either a more effective control of public expenditure or important policy commitments. The committees, through some of their members, have been permeable to outside pressure. As the reports showed, they were much keener on defending pressure group interests against governmental encroachments than on helping the latter to resist outside pressure for the common good or the health of public finance. No more convincing evidence of this attitude could be found than the action of the Legislation Committee when it took up the defence of the Registrar's lobby or that of the Defence Committee when it became the spokesman of the NCOs' lobby. The Finance Committee itself showed more affection for the farmers, the cinema owners and even, at the end of the debate, the Petites et Moyennes Entreprises than for the Cour des Comptes. Indeed its proceedings referred only once to the Cour des Comptes and then only to ask it for an enquiry into some special cases of tax exemption. The Committee itself would not undertake the enquiry for it might hurt influential lobbies (essentially the newsprint manufacturers)[1]. The Public Accounts Committee type of work has no appeal whatsoever for the French deputy.

The rapporteurs were submerged by the amount of information which came from the administration. The committees' clerks had to do most of the preliminary research and sometimes they drafted the reports. Except for a few economists on the staff of the rapporteur général, the clerks were not experts and all they could do was to prepare a clear and non-committal report pointing out the main aspects of the budget. The rapporteur himself would stress some particular deficiencies which had generally been mentionned to him by a dissatisfied

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1. Bulletin des Commissions, 7 October 1956, p. 454, article 12 of the Finance Bill. An interview conducted at the Cour des Comptes revealed that most of the time Parliament asks for inquiries into highly political issues. The Cour resents this very much and does not show any interest in helping Parliament on this sort of project.

civil servant or by a pressure group. They rarely undertook (as they are allowed to) special investigation into the ministries or the Nationalized Industries. All they did was to pay a visit of courtesy to the administration under their control and they often took advantage of it to ask for a few personal favours[1] or to get for their colleagues in the House precise information on the coming defence contracts[2]. The rapporteurs were the best friends of the ministries for which they were responsible and they rarely voiced criticism of them. The only ministry which had no supporter was the Ministry of Finance which parliamentarians, like spending ministries, greatly disliked[3]. On the whole it was rarely because they wanted to reduce expenditure or make the administration more effective that rapporteurs took the trouble to visit their departmental ministers. They did it to ask for increased estimates[4] or to express their dissatisfaction with new measures resulting in reduced expenditure ("quarter fare tickets" for example). In fact, the rapporteurs were not interested in controlling expenditure or in looking for faulty administration. M. Debré, the main author of the Constitution, showed how well the Government realized this when he said to M. de Tinguy, a mild opposition member who, till this year, used to be rapporteur for the Finance Committee:

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1. Some rapporteurs asked for the attribution of the "Légion d'Honneur" to some of their electors and in the Ministry of Cultural Affairs for free entry to the National Theatres.

2. For example, J.O., 25 October 1966, p. 3812: "Pour rassurer nos collègues représentant des circonscriptions sur le territoire desquelles sont installés des arsenaux, je signale que les plans de charge des établissements de Cherbourg, Lorient, Brest, Toulon, Indret, Guérigny, Saint-Tropez et Ruelle sont convenables pour 1967..." (M. Laurin, rapporteur, Defence estimates).

3. See for example, J.O., 26 October 1966, p. 3884.

4. As the rapporteur for the Ex-servicemen estimates who was sent to see the Minister to ask for an increase of the war widows pensions.

> "Vous estimez..... que vous n'avez pas la possibilité de contrôler les dépenses quand pendant des semaines et des semaines la faculté vous a été donnée d'interpeller tous les ministres, de leur poser des questions.
> N'y a-t-il pas dans votre pensée, lorsque vous parlez de 'contrôle des dépenses' quelque chose d'autre et de bien différent qui est - vous le montriez tout à l'heure - le désir d'augmenter sans cesse les dépenses"[1].

There were, of course, exceptions like M. Royer on housing or M. Le Theule on the Jaguar aireraft project but these are best explained by the particularly dynamic personalities of the two rapporteurs. They showed what can be achieved by an effective rapporteur both in terms of control of expensive programmes and of influence on policy when a rapporteur is determined to use all the weapons at his disposal. From that point of view it is interesting to look into the rapporteur général's report. As we had seen, M. Vallon has put up some suggestions aimed at strengthening parliamentary control over the budget and at reforming the income tax system. Parliament strongly supported the last recommendation and the Government had to promise to do something in this regard. But it paid no attention whatsoever to the former recommendation. As one of M. Vallon's assistants pointed out to me: "It is only when we can make a fuss in Parliament that the Government pays some attention to what we say and generally it takes years before we see the realization of any of our suggestions". As in M. Le Theule's case it was not only the intrinsic value of the suggestion made by the rapporteur which mattered but the political pressure which he succeeded to put on the Government[2]. These three cases (MM. Le Theule, Royer and Vallon) showed that good reports plus political pressure can influence the Government but

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1. J.O., 10 November 1966, p. 4535.

2. That is one of the reasons why M. Pellenc, the rapporteur général for the Senate, has no influence on the Government. He is a strong opponent of the Government often good at finding weaknesses in the budgets. But since he uses his findings as political arguments to criticize and embarass the Government, he is not taken very seriously.

these were exceptions in 1966.

The impression is no better when one looks at the role performed by the opposition during the last budgetary debate. The opposition was divided and was rarely consistent. Sometimes the Government was faced with a large and vociferous opposition extending into the ranks of its majority on highly sensitive issues and at other times, mainly on crucial votes, it was the majority which extended its grip as far as the Radical benches. In fact, the real opposition began on the Socialist benches but for lack of effective leadership it very often had to use committees' reports as a source for informed criticism of the Government. Furthermore, even more than the majority, the opposition had kept a Fourth Republican approach to budgetary debates as M. Duffaut's (Socialist) opinion on the "usefulness" of these debates illustrated very well:

> "En établissant la somme des modifications qu'en cinq ans les débats budgétaires avaient apportées au volume budgétaire, j'ai constaté qu'elle devait représenter à peu près dix millième ou un cent millième des crédits proposés à notre approbation. Ce qui confirme bien 'l'utilité' effective de ces débats"[1].

For the Left, a Parliament which, in 1966, succeeded in adding only 100 million francs to the budget was a weak and ineffective Parliament.

It was not necessary to spend much time in Parliament, in 1966, to realize that the reform of the presentation of the estimates, like the reform of the committees, had failed to modify deputies' attitudes during the budgetary debates. There were no debates on broad policy in the National Assembly (except maybe on Defence on the Jaguar aircraft project). There were a few in the Senate but the ministers were absent. On the contrary, the debates, often based

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1. Ibidem, p. 4534.

on committees' reports, dealt with issues which most of the time concerned lobbies or constituencies. Deputies were not concerned with questions of national interest. They spoke on local and limited problems and their speeches, as we said earlier, were not intended for Parliament but for the constituency press or the lobbies' weeklies[1]. It was not on basic policy underlining the estimates or on new policies for the coming year that ministers had trouble and that long and arduous debates took place but on the taxes on wheat, cinema tickets, war widows' pensions, "quarter fare tickets", NCOs' salaries and so forth.

The failure of the Constitution in this regard is much more stricking if one considers that by preventing deputies from either increasing expenditure or reducing revenue it should normally have made it ridiculous and time-wasting for them to concentrate all their efforts on trying to get something on these issues. It should also have discouraged pressure groups from addressing themselves to Parliament to obtain satisfaction. But "old style" pressure groups did not seem to have realized the change in the Constitution, and, as in the past, they kept putting pressure on Parliament for lower taxes and expensive programmes. As a clerk of the National Assembly put it: " We deal either with backward lobbies or with pressure groups which by mistake have learnt only at the last moment that the budget contained an unpleasant measure for them". But these organisations may not be completely wrong after all for, in spite of the Constitution, deputies have kept proposing "indicative" amendments aimed at increasing expenditure and reducing taxes. Moreover, the Government by agreeing, every budgetary session, to some of these claims, simply encourage these lobbies to keep their ties with Parliament in a last attempt to get their fair share of the 100 million francs

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1. The Petites et Moyennes Entreprises's weekly La volonté du commerce et de l'industrie for example, often gives reports of speeches made by their spokemen in Parliament.

gift which the Government makes to its majority every year. By its own actions the Government made it difficult for the deputies to get rid of their old habits and old friends. The Gaullists, who are so proud to describe themselves as the arch-foes of pressure groups are surprisingly keen, when circumstances make it necessary or advantageous, to improve their relations with them.

There is no doubt that from Parliament's point of view, the budgetary reform has not been altogether successful. Many Gaullists would acknowledge this but they would say that it is no longer the public debates which matter but the continuous "dialogue" which goes on behind the scene between the Government and its majority. There, they would say, the majority really influence the Government and control policy. But if one looks at the kind of "dialogue" which took place in the case of the 1967 budget, one sees that it was far from extending to discussions on big policy issues. It was mere "log-rolling" bargaining process which resolved itself into minor concessions made by the Government on issues of little importance but which certainly did not give any say to the majority in the elaboration or control of the Government's budgetary policy.

The debate on the 1967 budget showed that Parliament, unlike the Government, had not adjusted itself to its new role. Parliamentarians do not feel at ease in the new constitutional framework. Often their outlook in budgetary matters has remained the same despite the change in rules. This new adjustment left them frustrated and very resentful of the role which they felt was left to them: to adopt or reject a budget of 130 billion francs in a single vote. Hence, fewer members were present than ever before in the National Assembly debates in 1966. This absenteism and lack of interest upset the Government, for how can it maintain effective relations with Parliament if the latter becomes a deserted House where nobody goes because it is a waste of time. But who

can blame dynamic deputies for becoming more and more interested in local and regional politics and less and less in national politics for which they share no responsibility?

This is the price paid for reacting so sharply against a very strong, well-entrenched and persistent tradition. The authors of the Constitution had met, in their reform, the wishes of the Government but not those of parliamentarians. They assumed that French parliamentarians would like to play a role similar to that of their British counterparts but forgot that the French and the British parliamentary traditions were wide apart. Of course, French Parliament looks more like its British counterpart today than ten years ago, but more time and probably a new generation of deputies are needed to bring together the two models. Yet, this may well never happen if France is to move more and more towards the presidential system.

Most of these remarks are based on the 1967 budget. But from the point of view of Parliament, was it a typical budget? It preceded an election. A good part of it was aimed at pleasing the electorate. The Government had made beforehand more concessions than usual, and when the budget was submitted to Parliament many sensitive sectors of the electorate had already obtained satisfaction. The budget, on the whole, had met in advance most part of the majority's electoral requirements. The majority was pleased with it and the opposition disarmed. Moreover, for fear of losing the whip many majority deputies were less inclined to be critical and to challenge the Government's policy. Some locally strong deputies could but those who owed their seats essentially to General de Gaulle, could not. Another factor also bore heavily on the atmosphere of the debates. The Gaullists were to fight the election on the need for stable Government and on the proposition that only they could provide this for

Frenchmen. How could then the majority be consistent and challenge the Government on budgetary issues whatever important they may have been? These special circumstances must surely be taken into account.

But, on the whole, the fact remains that in 19[illegible], as in 1965, 1964 and 1963, parliamentarians have focussed their attention on the same human and sensitive subjects and yielded to the same pressure groups. They have used their powers not to restrict expenditure but to increase the estimates. In the past, however, it is true that the majority was more critical of the Government than this year, and, sometimes, large debates on policy took place[1]. Nevertheless, the committees, the rapporteurs, and the deputies were far from playing the role assigned to them by the Constitution in the control of public expenditure. In France, the problem of parliamentary control of expenditure is still an unsettled one. The Government had decided, recently, to assume some responsibility for this by setting up its own committee of enquiry and control. M. Vallon, in his report on the 1967 budget[2], mentionned, quite rightly, that normally Parliament should have been associated to the work of that committee. The Government had simply forgotten.

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1. For example, on the 1966 budget, a large debate took place on foreign policy. see J.O., 3 November 1965, pp. 4404-4456.

2. Loc. cit., p. 8.

GENERAL CONCLUSIONS

This thesis has been concerned with describing the budgetary process as it operates today. What are the rules which govern the process; who are the main actors; what are their functions; when and how do they intervene in the budgetary decision; what are their goals and how do they seek to achieve them; finally, how does the process work when a particular budget is prepared, discussed and voted? We have not attempted so impossible a task as trying to look into all the aspects of budgeting. But the questions we have dealt with enable us to sum up some of its main features.

1.

One of the most striking features of the French budgetary process lies in its formalism, in the role played by legal and constitutional rules. Evolved for the purpose of ensuring adequate parliamentary and audit control, these rules now form a systematic framework for financial and economic decision-making in the Government.[1] The reforms of 1958 and 1959 by streamlining some of the basic principles of budgetary procedure, clarifying the budgetary accounts, setting up precise time limits for the preparation and vote of the budget and, most of all, by transfering to the executive, powers that it previously shared with Parliament contributed largely to the improvement of the budgetary process as a decision-making process.[2] But not all the participants

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1. See on relationship between budget policy and budget procedure XIIIth International Congress of Administrative Sciences, Paris 20-23 July 1965. New Techniques of Budget Preparation and Management, General Report by Hendrick J. Hofstra (Brussels 1965) particularly pp. 13-14.

2. Officials in the budget told us that ten years ago less than three months (the summer) were spent on the preparation of the estimates. There was less discussion and hence lesser need for co-ordination at the administrative and governmental levels. The arduous and time consuming stage of the budgetary process was parliamentary.

found the reforms equally advantageous. Parliament and the Finance Committee lost most of their previous powers. The reorganization of the accounts was often made at the expense of agencies and their clientele. The Budget Division, on the other hand, gained much from the reforms. The division of the process into clear cut and well timed steps which correspond to different types of work and decisions and the need to reach a final decision within precise constitutional time limits enable it to put pressure on the various participants and force them to accept compromises or arbitrages that might have been impossible in other circumstances. Moreover, the great complexity of budgetary rules works in favour of those who understand them best and have, as does the Budget Division, the task of interpreting them and defining every year how the estimates shall be prepared and presented.

But actors not only work within the constitutional rules, they also make active use of them. For example, the legal recognition given to the services votés is used by the spending ministries to resist attempts to revise their programmes or cut in what they have obtained the previous years. Rules can also be used for political purposes as in 1965 when it was thought that the Government's commitment to the principle of l'équilibre budgétaire would impress Frenchmen and gain votes in showing how careful the Government was in its handling of public money ("just like the ordinary Frenchmen"). The tactic was not very successful and, a few months later, it presented M. Debré with a serious handicap when he had to prepare another pre-electoral budget. He could not disallow - at least openly - his predecessor's policy but had nonetheless to commit the Government to expenditure largely in excess of revenues.

2.

From time to time in the course of this thesis, it has been shown how narrow the margin for the initiation of new policies was in budgetary matters.

In the 1967 budget, for example, less than seven billion francs out of a total of one hundred and seventeen billion francs were devoted to the financing of new measures.[1] The bulk of budgetary resources, as usual, was already committed leaving the President, the Prime Minister and the Minister of Finance with very little room to initiate or change policy to suit themselves. This, in the opinion of officials at the Hotel Matignon and the Ministry of Finance, is the major problem posed by the budgetary process. In an attempt to cope with this situation and to make maximum use of the amount available each year for new policies the Government has evolved a system whereby the budgetary process focusses on big policy decisions (grandes options) and on the detailed scrutiny of the new measures put forward by the spending ministries. In addition, a special effort is now made to exercise stricter control on the evolution of the services votes. But as M. Ortoli must surely have realized when, immediately after the May 1968 events he had to prepare the 1969 budget, the development of budgetary expenditure follows patterns that are often beyond the reach of even the most sophisticated budgetary machinery. These were exceptional circumstances but the fact remains that in budgetary matters the Minister of Finance is often in the position of one who has to pay for decisions taken or agreements reached outside his sphere of direct influence. In budgetary matters it is not easy to modify well entrenched patterns of spending. The past bears heavily on decision-makers and even the present (an election for example) imposes policies that may not coincide with the aims pursued by the Minister of Finance and his officials.

3.

Another aspect of the budgetary process which comes out of our analysis

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1. According to a survey made by the Rapporteur General, M. Vallon, and referred to in his report on the 1967 Budget, loc. cit. pp. 7-12.

is how different functions produce opposing outlooks and strategies. Spending ministries act as advocates of increased expenditure and the Ministry of Finance as the guardian of financial orthodoxy. In this conflict the most effective co-ordinating mechanisms are, at the ministerial level, the minister and his cabinet and, at the interministerial level, the Prime Minister, the President and their respective staffs. After fixing the main priorities they regularly intervene as impartial arbitrators of the conflicts opposing the Divisions of a particular ministry or between the spending ministries and the Ministry of Finance. Their intervention is sought by the parties concerned and the decision they reach is accepted (at least for the time being for much the same patterns of conflicts are found from year to year). The problem with this quasi-judicial process is that participants do not give way because they finally agree, after lengthy discussion, on the policies that should be pursued, but mainly because pressure of time, budgetary rules and tradition make it obligatory to submit an annual budget to Parliament. As a result, as critics of the budgetary process point out, the dynamic of the process lies more in the pressure of financial rules than in the need to elaborate a coherent set of economic and financial measures.

4.

In many respects budgeting is a good example of how decisions are made under the Vth Republic. First, the accent is on efficient decision-making at the top. The President, the Prime Minister and the Minister of Finance take advantage of the process to initiate new policies, correct or revise some others, and to ensure their control over any activities that need annual financing. Individual ministers use the budgetary process to achieve the same aim at their own level. The President is probably less involved in this process than an American President for, in law as well as in fact, the preparation of the budget

is considered as a responsibility of the Prime Minister. The President does, however, take decisions which have important repercussions on the allocation of resources. He supervises the elaboration of the main budgetary policies and the fact that he sometimes intervenes to arbitrate disputes between the ministers enables him to exercise his influence on detailed matters.

Second, the influence of high civil servants mainly from the grands corps is determining. They held nearly all the key posts of economic and financial advisors in the ministerial cabinets and head the main branches of Government concerned with budgeting. They are in continuous touch with the main policy-makers. They are members of the various economic and financial interministerial committees and sub-committees. They prepare the budgetary arbitrages and assist ministers when these meetings take place. Well informed on the Government's main lines of policy, particularly aware of General de Gaulle's most likely reaction to any question that comes up for discussion, convinced that, because of their education and privileged position, they are best placed to appreciate what is in the best interest of the country, they probably have most influence in the budgetary process.

Finally, the role of Parliament in the budgetary process is far from being clear. In theory, Parliament should use the budgetary debates and the various powers of control granted to its committees and rapporteurs to scrutinize, control and challenge the Government's budgetary policy. It has not excelled in this role and the major part of the budgetary session is devoted to arguing about detailed and sometimes unimportant measures while important policy decisions are left unchallenged. Civil servants and Gaullist ministers show contempt for such behaviour but, beside reforming the Constitution, little is done to convey to parliamentarians the impression that they have a role to play in the elaboration and control of the budget. The

Government is satisfied if the budgets pass, unaltered, through the parliamentary stage in time. Those who criticize it for being too rigid, too strict and for adopting unparliamentary attitudes are reminded of the dark ages of the previous Republic when partisan politics and demagogy prevented budgets from being adopted in time.

Although few parliamentarians disagree with the budgetary reforms of 1959 most of them think that the Government should give up the use of the package vote procedure. This, they say, would improve the climate of the budgetary debates in showing that the Government considers them as responsible politicians and not as mere trouble makers. But, given the relationship between the Government and Parliament, it is doubtful that such a minor reform would change the situation. In France, as in many other countries, the parliamentary system seems unable to develop new ways of exercising democratic control over a complex and highly developed administrative and governmental machinery.

APPENDIX I

THE EXTRA-BUDGETARY SECTOR: SCOPE AND PARLIAMENTARY CONTROL

1 - Treasury transaction

These are short term monetary transactions or weekly Treasury tenders which aim at raising money quickly to meet the Government's needs[1]. They are different from the Government medium or long term borrowing activities whose cost is included in the budget (Title I: cost of the public debt)[2]. M. Duverger agrees that these monetary activities should be kept outside the budget but the Cour des Comptes has sometimes criticized the Government for including in the accounts of these transactions revenues and expenditure which had nothing to do with them, thus avoiding budgetary procedure and parliamentary control[3]. Moreover, the Government has given a narrow interpretation to Title I and excluded from the "charges of the public debt" the cost of its redemption[4]. Recently, the Finance Committee of the National Assembly has asked for the integration of these transactions to the overall balance of the budget. As pointed out in the Rapport Général of the Finance Committee on the 1967 budget:

> "Le rapprochement du budget de l'Etat et du budget économique prévisionnel serait donc fortement facilité si l'équilibre de la loi de finances était élargi jusqu'à englober l'équilibre du Trésor. Cette présentation élargie des comptes publics aurait le double avantage de faciliter la compréhension de la politique financière et de la politique économique définies par le Gouvernement.

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1. See on the working of the Public Treasury: F. Bloch-Lainé and Pierre de Vogué, Le Trésor Public et le Mouvement Général des Fonds (Paris 1960).

2. Duverger, Finances Publiques, p. 262.

3. Reports of the Cour des Comptes, year 1959, p. 513 and years 1960-61, p. 212. See Amselek, op. cit., p. 52 note 29.

4. See Finance Committee of the National Assembly, Rapport Général on the 1967 budget, p. 21.

Il serait, pour le Parlement, intéressant de connaître de quels moyens l'Etat peut disposer, au niveau de la prévision, pour financer les charges du Trésor au cours de l'année budgétaire en discussion. Assurer la trésorerie par des ressources à court terme ou à long terme, implique des choix qui peuvent varier d'une année sur l'autre, être infléchis en fonction de la conjoncture, mais ne sauraient ignorer les perspectives d'évolution dégagées par la comptabilité nationale (...) En remplaçant le budget dans son contexte économique, il serait même plus facile de convaincre le Parlement du caractère impérieux des règles imposées à l'action de l'Etat. Une telle réforme permettrait enfin au Gouvernement, en restituant au financement des prêts du Trésor par l'emprunt sa juste partie économique, d'abandonner certaines habilités comptables présentes dans les derniers budgets (...) Une réforme de la présentation de la loi de finances dans le sens d'une plus complète intégration des charges de l'Etat pourrait donner à l'autorisation parlementaire la portée économique et financière, prévue par la loi organique, sans que le Gouvernement, en raison de la souplesse évidemment nécessaire aux opérations de trésorerie, ne soit enfermée dans des règles trop strictes"[1].

This proposal however did not get a particularly warm welcome from the Government[2].

2 - Financially Autonomous Bodies

The development of financially autonomous public bodies was one of the major features of French Public Finances in the post-war period. It took, from the financial and public accounting points of view, forms which were criticized by the Cour des Comptes[3], and was resisted by the members of some traditional

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1. Rapport Général, pp. 21-23.
2. J. O., 12 October 1966, p. 3331 and ff.
3. See particularly the report for 1960-61.

Directions of the Ministry of Finance (Public Accountability and Budget)[1]. The Organic Law does not deal with this question and three major kinds of financially autonomous bodies remain:

a) Etablissements publics (Public Bodies);

b) Entreprises nationalisées (Nationalized entreprises);

c) Semi-public and private organizations which carry out public services.

a) Public Bodies

The établissements publics are financially autonomous[2], but do not have the status of a public corporation. Some are set up for purely administrative purposes (universities, lycées, hospitals, national museums). Some carry out important financial or industrial functions: the Caisse des dépôts et consignations (9,113 million francs in loans and advances in 1964) or the Service d'exploitation industrielle des tabacs et allumettes (turnover of 5,367 million francs in 1963). In spite of their autonomy, most of these bodies have numerous and complex financial relations with the budget; in some cases, part of their expenditure is paid out of budgetary appropriations (personnel of universities and museums, for example); in some other cases, they get various kinds of subsidies. Finally, some have the same degree of independence as a nationalized industry.

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1. G. Devaux, La Comptabilité publique (Paris 1957), p. 206, on the dilemma of the director of the Budget: "Le directeur du Budget était en présence de singuliers dilemmes. Toute concession de sa part était interprétée comme une faiblesse et l'amènerait à de nouvelles concessions. Toute tentative de résistance lui faisait perdre des 'clients administratifs' qui s'exilaient parmi les comptes de trésorerie puis s'évadaient dans le secteur para-public".

2. Some of them, however, have annexed budgets (Ordre de la Légion d'Honneur for example) and cannot be considered as financially autonomous.

b) Nationalized industries

The importance of this sector is well shown in the following excerpt taken from the eighth report of the Commission de vérification des comptes des entreprises publiques:

> "...elles emploient un million de personnes (...) soit 13% environ des salariés concourant à la production et 5.3% de la population active. Leurs investissements, affectés pour près des deux tiers aux ressources énergétiques, représentent presque 20% de l'investissement brut national. Elles produisent la quasi-totalité du charbon, de l'électricité, du gaz naturel et des engrais potassiques. Elles fabriquent 60% des matériaux aéronautiques, 30% des véhicules automobiles et des produits azotés. Elles assurent presque tous les transports ferroviaires, les deux tiers du trafic aérien et maritime sous pavillon national, reçoivent 50% des dépôts bancaires et 40% des primes d'assurance"[1].

The budget does not include the revenues and expenditure of the nationalized industries and their accounts are not subject to the rules of public accounting: they are more or less run like private commercial enterprises. In some ways, however, they are related to the budget from which they get:

- capital grants: they are included in a chapter of the budget called charges communes (1,345 million francs in 1966).
- running subsidies: they are included under Titles IV and VI of the general budget.
- loans: they are included in the special treasury accounts: Fonds de développement économique et social.
- their excess profits are paid to the revenue budget.

c) Semi-public and private organizations which carry out public services

Under this category are, first, a certain number of private and

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1. J. O., Documents Administratifs, 22 January 1963, p. III.

professional organizations which get their income or part of it from the budget, and second the social security services (sécurité sociale, allocations familiales) which in France, unlike Britain, are financed partly from extra-budgetary resources. The contribution of the State to the financing of the social security services is important (33.2 billion francs) but only a small part of it is channelled through the annual budget. This contribution, however, has increased much over the last three years as a result of the growing deficit of the social security services (1,100 million francs in 1965 and more than 3,000 in 1966). Every year, a document entitled budget social de la nation is submitted to Parliament. It brings together all the expenses and resources of the various social security services for the information of Parliament.

The importance and the complexity of the extra-budgetary sector posed many problems to those responsible for the elaboration, co-ordination and control of the Government's economic and financial policy. The budget looses much of its value as instrument of co-ordination and control when too many of the Government's financial activities are not included in it. The notion of "balanced" and "unbalanced" budget is made meaningless because the surplus or the deficit vary according to the degree of "budgétisation" or "débudgétisation". But, in spite of these inconveniences, the Ministry of Finance and the Planning Commissariat have succeeded, to some extent, in establishing their control over that sector by working closely with the various bodies concerned[1]. But administrative control has been at the expense of parliamentary control. The sub-

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1. See for Ministry of Finance, Pallez, Cours, pp. 75-76 and for Planning Commissariat, Bauchet, Economic Planning the French Experience (London, 1964), pp. 40-43.

committees which, under the IVth Republic, used to control the nationalized entreprises, were abolished in 1958 leaving great masses of expenditure outside parliamentary reach. As pointed out by senator Pellenc, Parliament, during the budgetary discussion, deals with one third only of total Government expenditure, i.e. with the sector of Government spending which corresponds to the rôle of the State before the second World War. For the other two third (nationalized industries and social services), parliamentary control hardly exists within the framework of the budgetary discussion[1].

In 1958-1959 an effort was made, however, to organize some forms of parliamentary control over the extra-budgetary sector. This effort took three directions:

a) committees of control.

b) better information of Parliament and its standing committees.

c) extension of the rôle of the budgetary rapporteurs to the extra-budgetary sector.

a) Committees of control

Committees of control can be established by Parliament to examine the financial, technical and administrative organization of public services and nationalized industries and to report to Parliament on their findings[2]. To make sure that these committees would not be transformed into more or less permanent institutions as under the IVth Republic, it was specified that they could not be set up for a period longer than four months and that a new committee could not be established to investigate the same matter within twelve months of the

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1. Pellenc, Conditions d'un redressement français (Paris 1958), pp. 17-18.

2. Ordinance of 17 November 1958 on the working of the Parliamentary Assemblies, article 6; Règlement de l'Assemblée Nationale, articles 139-143.

previous committees' investigation.

b) Information of Parliament and of its standing committees

Because of the lack of comprehensiveness of the budgetary documents and of the complexity of their relationship with the extra-budgetary sector, the authors of the 1959 reform decided that Parliament should be provided with a set of documents and accounts which would enable it to extend its control to nearly the whole of public spending [1]. These are the main documents which must be presented to Parliament before the opening of the budgetary session:

1 - a list of all nationalized industries with indications of their status together with a list of their subsidiaries;

2 - a list of all the sociétés d'économie mixte in which the State controls more than 30 per cent of the shares;

3 - the names and qualifications of the directors of these corporations must be stated;

4 - the accounts and the financial situation (profits or endebtment) of all the nationalized industries and of all the sociétés d'économie mixte in which the State controls more than 50 per cent of the shares;

5 - the estimates of revenues and of current and capital expenditure of all the nationalized industries and sociétés which get budgetary grants, subsidies or loans;

6 - tables which give a global picture of all the social security services (budget social de la Nation) and which are based on the results of the previous years, the perspective of the current year and the forecasts for the coming year;

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1. Ordinance of 30 December 1958 (Finance Bill for 1959), article 164.

7 - tables on the activities of various organizations concerned with agriculture, reconstruction and the overseas territories, etc.

In addition to this, Parliament is given various *a posteriori* reports on the accounts and management of the nationalized industries:

1) The annual report of the Commission de vérification des comptes des entreprises publiques. The individual reports are put at the disposal of the rapporteurs.

2) The annual report of the Commission de surveillance de la caisse des dépôts et consignations.

3) A monthly report on treasury operations and on the situation of the Public Debt is published in the Journal Officiel.

c) Extension of the rôle of the budgetary rapporteurs to the extra-budgetary sector

In fact, the Constitution of the Vth Republic did not explicitly extend the rôle of the budgetary rapporteurs to the extra-budgetary sector. It had only mentioned that the persons designated by Parliament to supervise the nationalized industries were allowed to have, in addition to the individual reports of the Commission de vérification des comptes des entreprises publiques mentioned above:

> "Tous documents de service, de quelque nature que ce soit, relatifs au fonctionnement des entreprises, sociétés ou établissements soumis à leur contrôle"[1].

This was considered as too vague by the rapporteur général of the Senate Finance Committee and, in 1960, the Government agreed to extend these powers

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1. Ordinance, 30 December 1958, article 164.

and to make it clear that they belong to the committees and the rapporteurs:

> "Les rapporteurs disposeront, sur décision de la commission compétente, des pouvoirs d'investigation les plus étendus sur pièce et sur place. Dans ce cas, tous les moyens matériels de nature à faciliter leur mission devront être mis à leur disposition"[1].

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1. Loi de finance rectificative pour 1960, article 17.

APPENDIX II

CALENDRIER DE PREPARATION DU BUDGET 1967

Travaux Préparatoires

Date de réception des documents à B 2	Documents mis au point
Perspectives	
- esquisse rapide — 20 janvier (demandes verbales le 18 janvier)	21 janvier 1966
- perspectives détaillées — 16 février pour B2 (note intérieure du 18 janvier) - 10 février pour BI	synthèse: fonctionnement le 22.2. d'ensemble le 3.3.66
5 février pour autres bureaux (note sous-directeur du 18 janvier) (hypothèse économiques: note intérieure du 19 janvier).	note sous-directeur du... note directeur du 17 mars réunion Secrétaire d'Etat le 18 mars réunion Ministres les 19 et 21 mars
Budget voté — 25 janvier (circulaire du 24 décembre 1965)	Imprimé du 14 février au 2 mai 1966
Services votés — 10 mars (circulaire du 25 février)	Mise au point du 20 avril au 17 mai 1966 (imprimé du 29 avril au 6 juin)
Mesures nouvelles — 25 février	Conseil des Ministres du 13 juillet lettre d'arbitrage du 16 juillet
(Pour mémoire: compte-rendu d'exécution du budget de 1966) — 28 mai	Imprimé du 16 août au 27 septembre (5) 18 juin (distribué le 25 juin.)

ELABORATION PROPREMENT DITE

	Conseil des Ministres	Propositions demandées pour le	Dates de discussion				
			Secrétaire d'Etat	Sous-Directeur	Ministre	Premier Ministre	Chef de l'Etat
I - Grandes options)	31 mars(1-2)	-	-	-	-	22 mars	30-mars
II - Préparation par secteur)							
1-Dépenses ordinaires civiles(y compris budgets annexes)		22 avril lettre du 4 avril 1966	) 17 mai au)8 juin	27 mai au 1er juillet	8 juin et 10 juin (4)	14 juin au 1er juillet	
2- Dépenses Civiles d'équipement(programmées et non programmées)	4 mai	15 mai(lettres du 9 mai 1966	Crédits de payement (courant d'août)				
III- Dépenses militaires	31 mars (1-2)	22 avril (lettres du 4 avril 1966)	23 mai	en août	25 juin	29 juin	
IV - Equilibre	15 septembre (approbation de la loi de finances	-(3)	-	-	4 juillet	5 et 12 juillet 1er septembre	5 juillet

1 - une réunion préparatoire a eu lieu le 30 mars chez le Chef de l'Etat
2 - circulaire du 13 avril 1966
3 - recettes: évaluations demandées pour le 31 juillet (circ. du 13.6.66)
4 - Affaires sociales: D.O.M. - T.O.M.
5 "Jaunes" imprimés du 27 septembre au 21 octobre 1966.

Source: BUDGET DIVISION, MINISTRY OF FINANCE, DECEMBER 7 1966.

MINISTÈRE
DE L'ÉCONOMIE
ET
DES FINANCES

Direction du Budget

BUREAU E 2

APPENDIX III

CIRCULAIRE N° B 2-11 DU 25 FÉVRIER 1966 (1)

LE MINISTRE DE L'ÉCONOMIE ET DES FINANCES,

À MM. LES MINISTRES ET SECRÉTAIRES D'ÉTAT.

OBJET : Préparation du budget de 1967

(Services votés. — Dépenses ordinaires civiles et militaires)

J'ai l'honneur de vous demander de bien vouloir établir vos propositions applicables aux services votés pour 1967. Ces propositions devront me parvenir le 10 mars prochain au plus tard, accompagnées de l'avis du Contrôleur financier près votre Département.

Elles porteront sur les dépenses ordinaires civiles et militaires. Les conditions dans lesquelles les dotations « Services votés » seront arrêtées pour les dépenses en capital feront l'objet d'instructions ultérieures.

Pour l'établissement de vos demandes, je vous prie de bien vouloir vous conformer aux indications pratiques que vous trouverez en annexe à la présente circulaire.

LE MINISTRE DE L'ÉCONOMIE ET DES FINANCES.

Pour le Ministre et par délégation :
Le Secrétaire d'État au Budget,
Signé : R. BOULIN.

(1) This circular has 17 pages. Only the first five pages are reproduced here. The other pages include a series of models according to which the estimates must be presented.

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PRÉSENTATION DES PROPOSITIONS BUDGÉTAIRES RELATIVES AUX SERVICES VOTÉS POUR 1967

Vos propositions, établies en double exemplaire **dactylographié au recto seulement**, comporteront deux catégories de documents :

— documents destinés à l'établissement de l'annexe budgétaire;

— documents divers destinés à justifier vos demandes.

1°. Documents destinés à la préparation de l'annexe budgétaire

A. Présentation générale

Ces documents, qui pourront faire éventuellement l'objet d'envois séparés, seront ainsi présentés :

I. Une analyse des mesures acquises pour 1967.

Les différentes « Mesures acquises » seront analysées par titre, et, au sein de chaque titre, classées et codifiées :

— par service;

— par catégorie de mesures;

— par numéro d'ordre.

Les services seront, comme les années précédentes, affectés d'un numéro de code à deux chiffres.

Les catégories de mesures ne sont pas modifiées. Leur codification demeure la suivante :

01 Mesures traduites dans le budget voté;

02 Transferts;

03 Virements;

04 Extension en année pleine;

05 Non-reconduction;

06 Ajustement de crédits évaluatifs ou provisionnels;

07 Application de textes.

Enfin, les mesures sont numérotées de manière ininterrompue.

En définitive chaque mesure se trouve caractérisée par un numéro composé de trois éléments désignant successivement le service intéressé, la catégorie de la mesure et la mesure elle-même. Ainsi, par exemple, la mesure nº 01-05-04 s'analysera comme suit :

01 Service de l'administration centrale;

05 Non-reconduction;

04 Quatrième mesure de l'annexe « Services votés ».

II. Une fiche établie par mesure, conformément au modèle A, qui permettra l'exploitation mécanographique du document (*a*).

Chaque mesure donnera lieu à l'établissement d'une seule fiche, quel que soit le nombre des chapitres concernés, observation étant faite qu'une mesure ne pourra concerner que les chapitres d'un même titre.

Chaque fiche devra comporter le numéro d'identification de la mesure, ainsi que le numéro de code du ministère.

Les fiches ainsi établies seront classées par titre, par service et par catégorie de mesure, et adressées en double exemplaire au Bureau B 2 de la Direction du Budget.

III. Une récapitulation par titre, par service et par catégorie des crédits prévus au titre des mesures acquises pour 1967, établie conformément au modèle B.

IV. Un tableau des créations, transformations et suppressions d'emplois prévues pour 1967, établi conformément au modèle des années précédentes.

B. Observations particulières

I. La rubrique 01 « Mesures traduites dans le budget voté » sera ventilée comme suit :

A. Incidence des majorations de salaires.

B. Incidence des revisions statutaires, indiciaires et indemnitaires.

C. Cotisations de sécurité sociale (cette ligne comprendra le total des deux sous-rubriques figurant au budget voté de 1966 sous le titre général « Sécurité sociale »).

D. Prestations familiales.

E. Transferts pour ordre.

F. Divers.

II. Les crédits correspondant à l'incidence en année pleine des mesures de revalorisation des rémunérations publiques à intervenir en 1966 pour compter du 1er avril et du 1er octobre 1966 devront être inscrits à chacun des chapitres intéressés sous la rubrique 04 « Extension en année pleine ».

Ces crédits seront calculés sur les bases suivantes :

— traitement de base à l'indice 100 : 4.627 F (taux au 1er octobre 1966);

— maintien des indices réels actuels (100–760) conformément au tableau de correspondance A annexé au décret nº 62-805 du 17 juillet 1962.

Les traitements à retenir pour les emplois classés « hors échelle » sont mentionnés dans l'annexe A.

(*a*) ***La fiche modèle A sera fournie sur demande par l'Imprimerie Nationale, à laquelle il convient d'adresser directement les commandes, sous la référence : fiche « Mesures acquises ».***

Les crédits à prévoir pour les indemnités liées aux traitements par un rapport automatique seront augmentés selon la même proportion que les traitements et soldes (+ 3,50 %).

Les taux à prendre en compte pour le calcul des crédits relatifs aux indemnités forfaitaires pour travaux supplémentaires des personnels titulaires des administrations centrales sont donnés dans l'annexe A.

III. Il conviendra d'apporter un soin tout particulier à l'explication des mesures afférentes aux catégories 06 « Ajustement de crédits évaluatifs ou provisionnels » et 07 « Application de textes ». Les ajustements aux besoins devront être justifiés avec la plus grande précision. Les textes cités devront notamment figurer avec leur numéro, leur date et le libellé sous lequel ils ont été publiés au *Journal Officiel*.

Les ajustements des crédits destinés au payement des loyers devront être classés dans la rubrique 06 « Ajustement de crédits évaluatifs ou provisionnels ».

2°. Pièces justificatives

Les documents visés ci-dessus devront être accompagnés d'une fiche justificative par mesure, sauf pour les mesures classées dans les catégories 01 (« Mesures traduites dans le budget voté »), 04 (« Extension en année pleine ») et 05 (« Non reconduction »).

La fiche justificative modèle C sera utilisée pour les mesures des catégories 02 (» Transferts »), 03 (« Virements ») et 07 (« Application de textes »).

La fiche modèle D sera utilisée pour les mesures de la catégorie 06 (« Ajustement de crédits évaluatifs et provisionnels »), étant précisé que dans ce cas une fiche unique sera établie par chapitre, pour l'ensemble des services.

Ces fiches seront numérotées comme les mesures dont elles constituent la justification.

Les crédits supplémentaires demandés au titre de l'extension en année pleine des mesures de revalorisation des rémunérations publiques à intervenir en 1966 feront l'objet d'un tableau récapitulatif établi par chapitre et par article conformément au modèle E.

Une fiche établie conformément au modèle F, et visée par le Contrôleur financier, devra être établie pour chacun des chapitres dotés de crédits évaluatifs ou provisionnels, même si aucun ajustement de crédit n'est demandé.

APPENDIX IV

MINISTÈRE
DE L'ÉCONOMIE
ET
DES FINANCES

Direction du Budget

BUREAUX B1-B2

CIRCULAIRE B1-B2 N° 19 DU 13 AVRIL 1965 (1)

LE MINISTRE DE L'ÉCONOMIE ET DES FINANCES,

A MM. LES MINISTRES ET SECRÉTAIRES D'ÉTAT.

OBJET : Préparation du projet de budget de 1967

Dépenses ordinaires (mesures nouvelles)

et dépenses en capital (services votés et mesures nouvelles)

La présente circulaire que j'ai l'honneur de vous adresser a pour objet de préciser les conditions selon lesquelles devront être établies vos demandes détaillées concernant, d'une part, les mesures nouvelles relatives aux dépenses ordinaires (cf. annexe I) et, d'autre part, les services votés et mesures nouvelles des dépenses en capital (cf. annexe II) pour 1967.

Je vous serais obligé de bien vouloir m'adresser ces propositions accompagnées de l'avis du contrôleur financier près votre Département aux dates qui vous ont été indiquées par ailleurs. Les demandes concernant les dépenses ordinaires et les dépenses en capital feront l'objet d'envois séparés.

En ce qui concerne les dépenses ordinaires, les modalités de la présentation définie pour la préparation du budget de 1966 ont été maintenues. Quelques modifications mineures y ont été apportées de manière à faciliter les rapprochements entre les divers documents. Je vous serais reconnaissant de bien vouloir veiller au respect du cadre ainsi défini et je vous en exprime par avance mes remerciements.

Le Ministre de l'Économie et des Finances

Pour le ministre et par délégation :

Le Directeur du budget,

Signé : R. MARTINET

(1) This circular has 39 pages. Only the first five pages are reproduced here. The other pages include a series of models according to which the estimates must be presented.

66 0703 0 72 006 3. — *Modèle n° 1.*

ANNEXE I

DÉPENSES ORDINAIRES

Présentation des propositions budgétaires relatives aux mesures nouvelles pour 1967

Vos propositions devront, comme pour 1966, être présentées par mesures. Elles comprendront :

I. Un premier dossier dans lequel figureront les récapitulations générales ci-après :

— récapitulation, par service et par catégorie, des mesures nouvelles pour 1967 (modèle A),

— récapitulation des créations, transformations et suppressions d'emplois demandées pour 1967 (modèles B et B'),

— tableau des effectifs au 1er mars 1966 (modèle C).

II. Autant de dossiers que de services à étudier. Chacun de ces dossiers devra être ainsi constitué :

1. L'ensemble des propositions concernant un service devra être encarté dans une chemise cartonnée et accompagnée d'un bordereau (modèle D) donnant la liste des mesures, regroupées par catégories, intéressant le service visé. Chaque titre (III ou IV) fera l'objet d'un sous-dossier distinct.

Il vous appartiendra d'isoler le cas échéant, si vous l'estimez préférable, les mesures concernant le titre IV dans des dossiers autonomes.

2. Vos propositions seront insérées à l'intérieur de ces dossiers. Elles devront être ainsi présentées :

a. Une fiche formant chemise (modèle E) analysant la demande. Les justifications fournies devront être suffisamment précises pour permettre une appréciation tant des motifs que du montant de cette demande;

b. Dans cette chemise devront être insérées, dans le cas où la proposition comporte des créations, suppressions ou transformations d'emplois, deux fiches supplémentaires : l'une justifiant les modifications d'effectifs proposées (modèle F), l'autre explicitant le détail du coût de ces modifications d'effectifs (modèle G).

Chaque mesure donnera lieu à l'établissement d'une seule fiche, quel que soit le nombre des chapitres concernés, observation étant faite qu'une mesure ne pourra *concerner que les chapitres d'un même titre.*

Ces mesures seront numérotées de manière ininterrompue.

A l'intérieur de chaque dossier, elles seront classées par catégorie selon la même nomenclature que pour 1966.

TITRE III.

1. Mesures liées à une modification de l'activité ou de l'organisation des services.
2. Mesures intéressant la situation des personnels.
3. Ajustement aux besoins.
4. Transferts et virements.
5. Économies.

TITRE IV.

6. Actions nouvelles en matière d'interventions publiques.
7. Ajustement aux besoins.
8. Transferts et virements.
9. Économies.

III. Un dernier dossier devra contenir les fiches donnant la situation financière définitive de chaque chapitre pour la gestion 1965. Cette fiche sera établie sur imprimé Modèle 5, tel qu'il est donné en annexe à ma circulaire B 1-B 2-50 du 3 septembre 1964. Elle devra être visée par le Contrôleur financier près votre Département.

IV. Lorsqu'un chapitre du titre IV ou des 4e et 5e partie du titre III sera affecté par plusieurs mesures, il devra faire l'objet d'une fiche (modèle H) récapitulant les modifications proposées.

V. Les fiches (modèle I), destinées à l'exploitation mécanographique, ne seront établies qu'après fixation définitive du montant des mesures nouvelles, au terme des conférences budgétaires.

Ces fiches devront alors être adressées, sans délai, en double exemplaire, sous le timbre de la Direction du Budget (bureau B2), de manière à permettre l'achèvement en temps utile des travaux d'impressions des fascicules budgétaires.

VI. En outre, l'analyse chiffrée des mesures par article figurant dans le document annexe donnant la répartition des crédits par chapitre et article, devra être complétée — tant pour les mesures acquises que pour les mesures nouvelles — par une totalisation pour chaque mesure de l'incidence globale sur les divers articles intéressés.

N. B. — Afin de faciliter l'établissement des documents, j'ai fait imprimer par l'Imprimerie nationale des fiches modèles E, F, H et I. Je vous laisse le soin d'adresser directement à ce service les commandes correspondant à vos besoins.

ANNEXE II

DÉPENSES EN CAPITAL

Présentation des propositions budgétaires relatives aux services votés et aux mesures nouvelles pour 1967

I. — Services votés

Il est rappelé que les services votés ne comprennent que les crédits de payement afférents aux opérations en cours.

Ceux-ci seront présentés dans un tableau établi conformément au modèle K ci-annexé et leur montant devra être arrêté dans la limite des prévisions de l'échéancier figurant dans les documents annexés au budget de 1966. Ils seront réduits en-deçà de ces limites dans toute la mesure du possible.

De même, l'échéancier des payements prévisibles devra être réajusté avec un soin tout particulier, compte tenu des reports effectivement constatés de 1965 à 1966.

En outre, pour justifier les demandes ainsi présentées, un tableau par chapitre faisant apparaître l'évolution de la consommation depuis 1962 sera établi conformément au modèle N.

L'échéancier type, applicable à l'ensemble des dépenses du ministère, qui résulte lui-même de la confrontation des échéanciers types afférents aux différentes catégories de travaux, devra être expressément défini dans une note annexe.

II. — Mesures nouvelles

Celles-ci comprennent :

— les tranches 1967 des lois de programme existantes;

— les opérations annuelles;

— les réévaluations pour variation des conditions économiques ou aléas techniques;

— les opérations nouvelles proprement dites.

Le montant de ces mesures nouvelles sera au plus égal au plafond des autorisations de programme qui vous sera notifié.

Les propositions correspondantes feront l'objet d'une fiche par chapitre où seront détaillés la consistance physique, la localisation géographique et le coût unitaire des opérations prévues. Lorsque les propositions concerneront le titre VI « Subventions d'investissements accordées par l'État », la fiche par chapitre devra également mentionner le volume des travaux afférents au montant des dotations demandées.

Il est rappelé que toutes les installations ou extensions dans la région parisienne des services et établissements relevant de l'État ou soumis à son contrôle doivent être soumises à l'agrément préalable du Comité de décentralisation créé par l'article 1er du décret n° 55-883 du 30 juin 1955, modifié par le décret n° 58-1461 du 31 décembre 1958.

Je crois devoir préciser que le fait de retenir des propositions concernant des opérations de cette nature ne saurait, ni dispenser de recueillir l'avis du Comité de décentralisation, ni préjuger la décision qui sera prise par cet organisme.

Le total des crédits de payement demandés pour les mesures nouvelles devra être arrêté sur la base de l'échéancier type général visé ci-dessus.

III. — Dispositions générales

a. Les demandes présentées au titre des « Prêts divers consentis par l'État » (prêts du titre VIII) devront être incluses dans les propositions.

b. Les propositions seront établies en milliers de francs.

c. Ces propositions seront accompagnées des annexes explicatives ci-après :

1° Un tableau par chapitre établi conformément au cadre unique normalisé figurant en annexe (modèle M) accompagné de la liste détaillée des opérations.

La récapitulation au 31 décembre 1965 des engagements de dépenses d'investissement (circulaire du 1er décembre 1956), qui doit vous parvenir en juin, sera utilisée pour déterminer les chiffres concernant les opérations terminées, les affectations et les engagements définitifs afférents aux opérations en cours.

2° Les récapitulations générales suivantes :

— autorisations de programme et crédits de payement demandés pour 1967 (modèle J);

— services votés (modèle K);

— tableau récapitulatif des autorisations de programme et des crédits de payement comportant notamment l'échéancier indicatif des prochaines années (modèle L).

d. Dès le lendemain de la conférence au cours de laquelle les dotations définitives en autorisations de programme et en crédits de payement auront été arrêtées, les fascicules budgétaires correspondant aux décisions intervenues devront m'être adressés dans la double forme du document de passage (tableau par chapitre, modèle M) et du projet de loi de finances (forme simplifiée du « bleu » : tableau par chapitre modèle O et récapitulations : tableaux modèles P et Q).

IV. — Budget des armées

Par dérogation aux principes indiqués ci-dessus, les propositions applicables aux budgets militaires seront présentées dans la même forme que l'année dernière.

APPENDIX V

The Budget Division (1 December 1966)

Director: M. R. de la Genière

Head of Service: M. R. Malafosse

Sub-Directors: MM. J. Fourgous
J. Calvet
E. Raoux
J. Bonnefont
P. Cortesse (Assistant Director of the cabinet of the Minister)
G. Vidal

Cabinet of the Director: M. C. Dupuis (Trésorier-payeur général)
Secrétariat: Mlle A. Agneray

Central Service for Organisation and Methods (S.C.O.M.)

Head: M. R. Gaudriault

First Sub-division

BUDGET OF THE STATE

Sub-Director: M. Fourgous

Bureau B2: Budget

- overall preparation of the budget
- revenue budget (taxes, etc.)
- elaboration of Finance Bills and Revised Finance Bills

Bureau B3: Control of expenditure

- financial control
- relations with Court of Accounts and Court of Budgetary discipline.

Bureau B5: Defence

- Current and capital expenditure

Bureau R: Studies and revenues

- Establishment of main assumptions and forecasts

Second Sub-division

INVESTMENT OF THE STATE

Head of bureau responsible
for the Sub-division: M. Caradet

Bureau T1: Investments

- Investment budget
- Liaison with General Planning Commissariat and Treasury Division

Bureau T2: Construction

- Housing and rents
- Regional and urban planning
- War damages

Third Sub-division

CIVIL AND MILITARY PERSONNELS

Sub-director: M. E. Raoux

Bureau F1: General Affairs and pensions

Bureau F2: Salaries of civil personnel

Bureau F3: Indemnities of civil personnel

Bureau F4: Personnel of the Defence Ministry and local authorities

Fourth Sub-division

ECONOMIC INTERVENTIONS AND AUTONOMOUS BODIES

Sub-director: M. J. Bonnefont

Bureau E1: Energy

Bureau E2: Transport

Bureau E3: Industrial bodies

Bureau E4: Administrative bodies

Fifth Sub-division

AGRICULTURAL INTERVENTIONS - LOCAL FINANCES - COOPERATION

Sub-director: M. J. Calvet

Bureau C1: Local Finances

Bureau C2: Aid and co-operation

Bureau C4: Agricultural interventions

Sixth Sub-division

SOCIAL AFFAIRS - INTERNATIONAL ORGANIZATIONS

Sub-director: M. C. Vidal

Bureau S2: Saving, Relief, Welfare

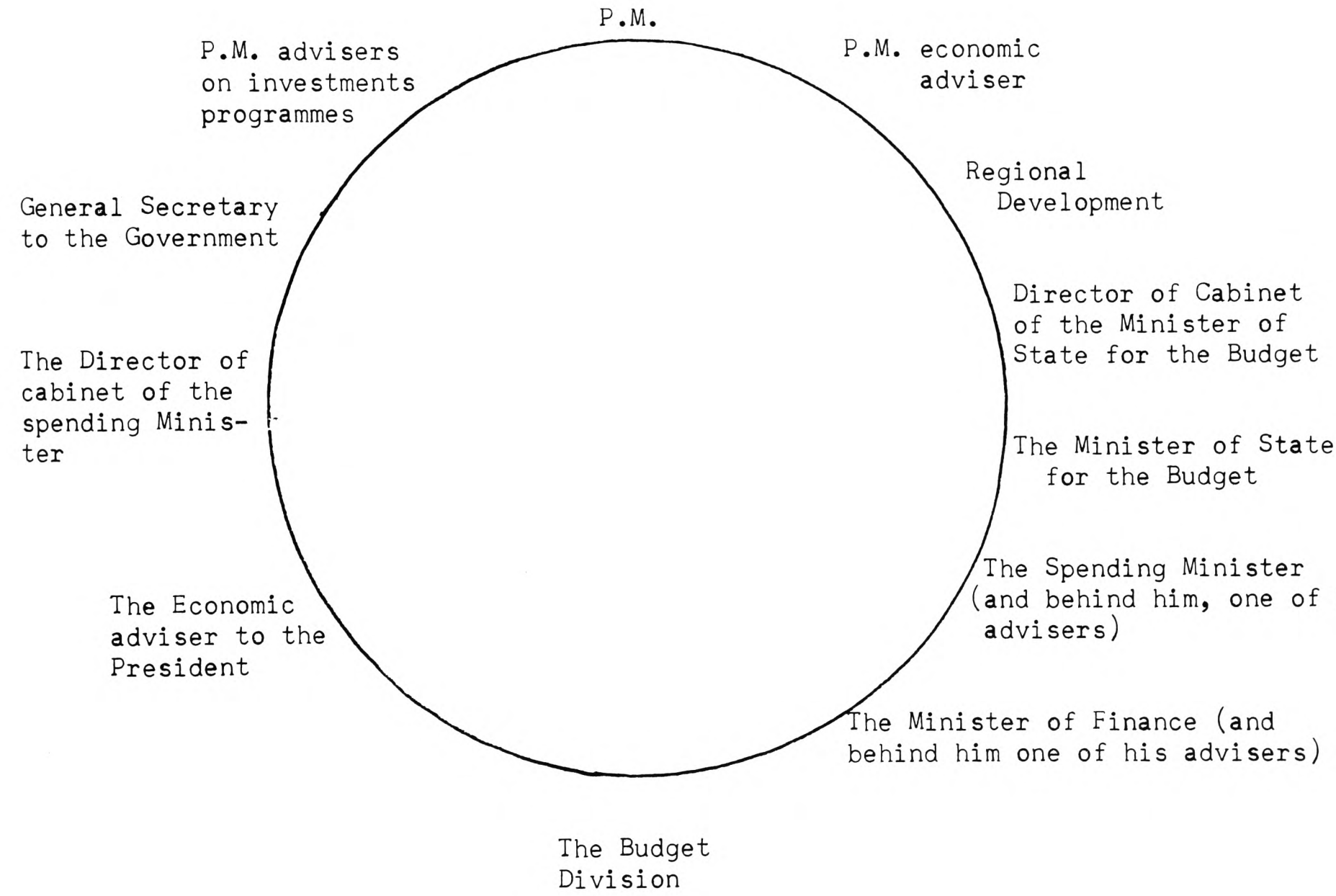
Bureau S3: Social Security

Bureau S4: Salaries and employment

Bureau S5: International organizations

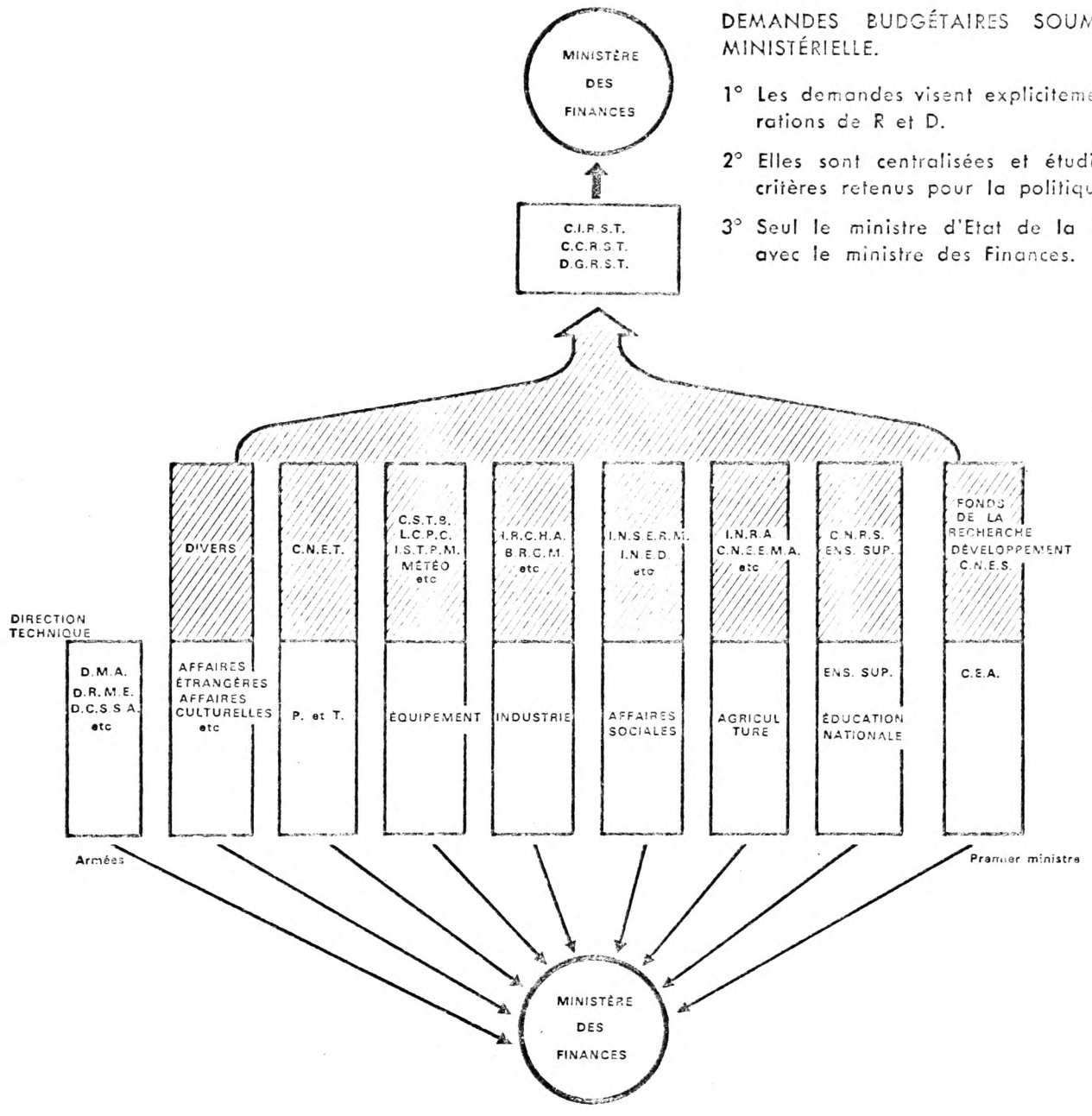
APPENDIX VI

Setting up and membership of a typical interministerial budgetery meeting



PREPARATION OF THE ESTIMATES FOR SCIENTIFIC AND TECHNOLOGICAL RESEARCH

1 — SCHÉMA MONTRANT LES DEUX VOIES D'INSTRUCTION DES DEMANDES BUDGÉTAIRES INTÉRESSANT LA RECHERCHE.



DEMANDES BUDGÉTAIRES SOUMISES A DISCUSSION INTERMINISTÉRIELLE.

1° Les demandes visent explicitement des organismes ou des opérations de R et D.

2° Elles sont centralisées et étudiées ensemble en fonction des critères retenus pour la politique scientifique.

3° Seul le ministre d'Etat de la Recherche mène les discussions avec le ministre des Finances.

DEMANDES BUDGÉTAIRES NON SOUMISES A DISCUSSION INTERMINISTÉRIELLE.

1° En règle générale les demandes ne visent directement ni des organismes, ni des opérations de R et D.

2° Ces demandes ne sont pas mises en masse.

3° Chaque ministre les présente lui-même au ministre des Finances dans le cadre de son budget propre.

(Source : "La recherche scientifique et technique dans le VIe Plan 1971 - 1975" published by the délégation générale à la recherche scientifique et technique.)

APPENDIX VIII

CABINET OF THE PRIME MINISTER POMPIDOU - JANUARY 1966

Chargé de Mission auprès du Premier Ministre:

O. Guichard, délégué à l'aménagement du territoire

Directeur du Cabinet:

M. Jobert, Conseiller Référendaire à la Cour des Comptes

Conseillers Techniques:

E. Balladur, Maître des Requêtes au Conseil d'Etat
G. Gaucher, Conseiller des Affaires Etrangères
R. Journiac, avocat général
P. Juillet
R. Montjoie, ingénieur en chef des mines

Chargés de Mission:

J.-R. Bernard, inspecteur des Finances
C. Brosse, administrateur civil
J. Chirac, Conseiller Référendaire à la Cour des Comptes
J. Corbon, sous-préfet
P. Delmon
H. Domerg, agrégé de l'Université
J.-L. Javal, docteur ès-sciences économiques
P. Lelong, Conseiller Référendaire à la Cour des Comptes
J. Patault, administrateur en chef des Affaires d'Outre-Mer
A. Roullaud
Mme Simonne Servais

Chef de Cabinet:

Mme A. M. Dupuy

Chef du Secrétariat Particulier:

Mlle Madeleine Negrel

Cabinet Militaire:

Chef du Cabinet Militaire: Général de division Deguil

(Source: Bottin administratif)

APPENDIX IX

LETTER OF M. DEBRE, MINISTER OF FINANCE,

TO M. FOYER, MINISTER OF JUSTICE

Paris, le 4 avril 1966

Signé: M. Debré

LE MINISTRE DE L'ECONOMIE ET DES FINANCES

à Monsieur le Garde des Sceaux,
Ministre de la Justice

Objet: Préparation du budget de 1967.

Le Conseil des Ministres du 31 mars a défini les lignes directrices selon lesquelles sera préparé le budget de 1967.

Conformément aux objectifs du Ve Plan, ce budget devra contribuer au développement économique et social en respectant les équilibres fondamentaux.

La progression des dépenses de l'Etat sera donc limitée afin de rester en harmonie avec la croissance de la production nationale et, comme les années précédentes, l'équilibre des charges et des ressources sera maintenu. En outre, les dépenses de fonctionnement seront réduites afin de permettre l'augmentation des dépenses d'équipement.

Ces principes ont conduit le Gouvernement à prendre des décisions dont il m'appartient de vous rappeler les conséquences.

En ce qui concerne les dépenses ordinaires, seuls pourront être majorés les crédits concernant l'enseignement, la formation professionnelle, la promotion sociale, la recherche scientifique et technique. Cette dispo-

...

sition n'interdit pas toute autre mesure nouvelle, mais exige alors une économie qui la compense. Je vous précise toutefois qu'aucune amélioration statutaire ou indemnitaire ne pourra être acceptée.

Dans tous les autres domaines, en revanche, il convient de prévoir une réduction des moyens de fonctionnement.

C'est ainsi qu'en ce qui concerne le budget de votre Département, les dotations qui vous seront allouées en 1967 devront être inférieures de 4.1 MF aux services votés, dont vous trouverez ci-joint le montant prévisionnel ainsi que l'analyse par grandes rubriques. Les abattements ne pourront porter sur les crédits qui ont un caractère évaluatif ou provisionnel.

Je ne mésestime pas les difficultés de l'action qui vous est imposée. Elle impliquera souvent un réexamen des services placés sous votre autorité et des dépenses d'interventions publiques inscrites à votre budget.

J'appelle votre attention sur la nécessité de respecter les règles ainsi définies et je vous prie de m'adresser, pour le 22 avril prochain, vos propositions détaillées, établies selon les indications de forme que je vous adresse par circulaire séparée. Vous pourrez alors, au cas où vous le souhaiteriez, en discuter avec M. le secrétaire d'Etat au budget. Puis l'étude de ces propositions sera entreprise par nos services au cours des conférences budgétaires traditionnelles qui auront lieu dans le courant du mois de mai.

En ce qui concerne les dépenses au capital qui seront examinées prochainement par le Conseil des Ministres, les directives nécessaires vous seront communiquées ultérieurement.

BUDGET DE LA JUSTICE

Montant des services votés 1967 (en millions de francs)

	Titre II	Titre IV	Total
Crédit voté 1966	603.7	1.6	605.3
Mesures acquises 1967			
1) Non reconduction	- 0.3	- 0.1	- 0.4
2) Ajustement de crédits			
a - évaluatifs (+ 8.1)			
. Prestations sociales	+ 3		+ 3
. Frais de justice	+ 5		+ 5
. Réparations civiles	+ 0.1		+ 0.1
b - provisionnels (+ 18.8)			
. Indemnités de résidence	+ 1		+ 1
. Loyers	+ 0.5		+ 0.5
. Entretien des détenus	+ 16		+ 16
. Entretien des mineurs	+ 1.5		+ 1.5
Total des mesures acquises...	+ 26.6	- 0.1	+ 26.6
Services votés 1967	630.3	- 0.1	631.8

N. B.: 1.- Le montant des services votés figurant dans le tableau ci-dessus est donné à titre prévisionnel: les dotations correspondantes feront, selon l'usage, l'objet de mises au point au niveau des services.

2.- Les chiffres indiqués ci-dessus ne comprennent ni l'incidence des mesures traduites dans le budget voté ni l'incidence en 1967 du relèvement de rémunérations publiques décidé en 1966. Les crédits correspondants viendront abonder les dotations figurant dans la présente annexe.

APPENDIX X

LETTER OF M. DEBRE, MINISTER OF FINANCE,

TO M. PISANI, MINISTER FOR EQUIPMENT

Paris, le 9 mai 1966

LE MINISTRE DE L'ECONOMIE ET DES FINANCES,

à Monsieur le Ministre de l'Equipement

Objet: Préparation du budget d'équipement pour 1967.

Le Conseil des Ministres, le 31 mars, puis le 4 mai, a arrêté les principes selon lesquels le budget de 1967 sera établi. Il a notamment donné son accord aux "plafonds" d'autorisation de programme intéressant les dépenses civiles d'équipement.

C'est en application de ces décisions que les plafonds d'autorisation de programme intéressant les budgets de votre Département s'élèvent aux chiffres suivants (en millions de francs):

	Construction	Travaux Publics	Aviation Civile	Marine Marchande
Secteurs programmés par le Ve Plan	88	2,512	194	-
Secteurs non programmés	3,008	119.3	691	232.86

Vous trouverez en annexes les principales rubriques s'appliquant à ces deux catégories de dépenses ainsi que les dotations correspondantes ouvertes en 1966.

...

Je vous demande instamment de m'adresser pour le 15 mai 1966 au plus tard vos propositions de répartition de ces plafonds selon les mêmes rubriques qu'en 1966. Le respect de ce délai est nécessaire pour le déroulement normal de la procédure constitutionnelle.

Vos observations seront examinées au cours de conférences qui se tiendront dans le courant du mois de mai chez Monsieur le Secrétaire d'Etat au Budget.

Les éventuels arbitrages et la fixation définitive des autorisations de programme ainsi que leur répartition interviendront avant le 15 juin.

En ce qui concerne la répartition détaillée par chapitres tant des autorisations de programme que des crédits de paiement nécessaires aussi bien pour les opérations en cours que pour la couverture des autorisations de 1967, vos demandes devront m'être adressées comme il a été prévu par la circulaire BI-B2/19 du 13 avril 1966, dans les quinze jours qui suivront la fixation définitive des autorisations de programme.

ANNEXE I

Budget de la Construction pour 1966

Dépenses d'équipement

Autorisation de programme.

(en millions de F)

I - Secteurs programmés

Rénovation urbaine	70
Bidonvilles	-
Espaces verts	2
Total:	72

II - Secteurs non-programmés

Primes à la construction	1,719
Subvention aux H.L.M.	1,720
Etudes	20.5
Logements des fonctionnaires	40
Décentralisation	28
Divers	5.5 (a)
Total:	3,533

(a) Recherche exclue

ANNEXE II

Budget des Travaux Publics et des Transports pour 1966

Dépenses d'équipement

Autorisations de programme

(en millions de F)

A - **Secteurs programmés**			
a) Ports (commerce-pêche-plaisance-phares et balises métropole)...		198	
b) Voies navigables...		202	
c) Phares et balises dans les D.O.M.-T.O.M. ...		4.5	
d) Transports urbains...		95	
e) Routes:			
- Voierie de rase campagne:			
*** autoroutes de liaison...**	650		
* routes nationales (y compris **ponts)...**	254		
- Voierie urbaine:			
* autoroutes de dégagement...	450		
*** autres voies...**	217		
Total... (a)		1,571	
Total des secteurs programmés...			2,070.5 (a)
B - **Secteurs non programmés**			
a) Routes et ponts...		12	
b) Défense contre les eaux (dépenses directes)...		7.5	
c) Institut géographique national...		2.5	
d) Immeubles...		16.5	
e) Phares et balises dans les Etats africains...		1	
f) Défense contre les eaux (subventions)...		12.5	
g) Barrages Seine-et-Marne...		27.7	
h) Voie ferrée de Grenoble...		45	
Total des secteurs non programmés...			124.7 (a)

(a) Recherche exclue

ANNEXE III

Budget de l'Aviation civile pour 1966

Dépenses d'Equipement

Autorisations de programme

(en millions de F)

A - Secteurs programmés		
Infrastructure métropole...	114.5	
Ecoles et stages...	15	
Formation aéronautique...	14.1	
Achat d'appareils légers (subventions)...	5.9	
Aménagement d'aérodromes (subventions)...	0.5	
Achat de matériel (subventions)...	3.3	
Infrastructure D.O.M.-T.O.M. ...	47	
Total des secteurs programmés...		200.3 (a)
B - Secteurs non programmés		
Achat de matériel aéronautique...	1.15	
Essais de matériel aéronautique...	8.35	
Etudes et prototypes...	398.7	
A.S.E.C.N.A.	18	
Total des secteurs non programmés...		426.20

(a) Recherche exclue

ANNEXE IV

Budget de la Marine Marchande pour 1966

Dépenses d'équipement

Autorisations de programme

(en millions de F)

Secteurs non programmés

Aide à la construction navale...	232.9
Enseignement maritime...	1.65
Inscription maritime...	5
Adaptation de l'industrie des pêches maritimes...	2.85
Subvention d'équipement aux sociétés de sauvetage...	0.7
Total...	243.1 (a)

(a) Recherche exclue

APPENDIX XI

GENERAL SECRETARIAT OF THE PRESIDENT OF THE REPUBLIC - SEPTEMBER 1967

General Secretary
Bernard Tricot
(Conseiller d'Etat)

Legal Matters

Bernard Ducamin
Technical Adviser

assisted by J. Patin (Justice)
M. Dupuch (Government and relation with the Prime Minister's office)

Economy and Finance

J. Dromer
Technical Adviser
and Inspector of
Finance

assisted by H. Deniau (Industry and Agriculture)
D. Bailly Du Bois (Science and Nuclear Development)
G. Carrère (Regional Planning)
J. Chabrun (Economy and Finance)

Foreign Affairs

R. de Saint-Léger
de la Sausaye
Technical Adviser

assisted by J. Géry (Internal Economic Relations)
F. Bujou de l'Estang (Foreign Affairs)

Social Affairs

M. Pinet
Technical Adviser

assisted by S. Loste (Education)
Ph. de Maistre (Health and Social Affairs)

THE AGENDA OF A COMMITTEE IN 1966

Commission des AFFAIRES
[illegible]
du Sénat.

4 juillet 1966.

PROGRAMME de TRAVAIL de la COMMISSION

Mercredi 21 septembre.

15 h. ..... Audition de M. JEANNENEY :
- Loi de programme formation professionnelle
- Budgets : Santé
Travail
Sécurité sociale.

Jeudi 22 septembre.

10 h. ..... Audition de M. PEYREFITTE :
- Loi de programme recherche scientifique

15 h. ..... Audition de M. BOURGES :
- Information O.R.T.F. (budgets).

16 h. 30 ..... Audition de M. MISSOFFE :
- Jeunesse, budget.

Mercredi 28 septembre.

10 h. ..... Avis Loi programme : M. HERMAN
15 h. ..... " " " : Dr. BERGER (?)

Jeudi 29 septembre.

10 h. ..... Audition de M. FOUCHET (Budget Education nationale)

15 h. ..... Audition de M. MALRAUX (Budget Affaires culturelles et cinéma).

Mardi 4 octobre : matin : Avis budgétaires en commis. (3 par matinée si possible)
Mercredi 5 " : " : " " "
Jeudi 6 " : " : " " "

MINISTERE DE L'AGRICULTURE — REPUBLIQUE FRANCAISE

DEUXIEME QUESTIONNAIRE DE LA COMMISSION DES FINANCES
DE L'ASSEMBLEE NATIONALE

INSTITUT NATIONAL DE LA RECHERCHE AGRONOMIQUE

Question n° 20

Justifier, de façon précise, les augmentations de crédits prévues. Indiquer notamment dans quelles orientations doivent s'engager les recherches prévues par le Plan.

I - ORIENTATION DES TRAVAUX DE L'INRA -

Le programme d'un organisme de recherche, tel que l'I.N.R.A., porte généralement sur plusieurs années. De ce fait, le programme de l'année 1966 comprend, pour une part importante, la suite des travaux et des opérations en cours en 1965, avec des modifications (en plus et en moins) qui tiennent compte, à la fois, des orientations envisagées par le projet du Ve Plan et des moyens matériels et humains disponibles.

Il convient donc d'abord de rappeler les faits les plus marquants de l'activité de l'I.N.R.A. en 1965, qui intéressent plus spécialement l' accroissement de moyens demandé pour 1966.

II - PRINCIPALES OPERATIONS EFFECTUEES EN 1965 -

1°/ - Développement des équipes de recherches du Centre de Recherches agronomiques d'Avignon-Montfavet :

Ce Centre est spécialisé dans l'étude des problèmes posés par l'agriculture en zone irriguée, et plus spécialement par les cultures maraîchères en plein champ et sous-serre. Ces productions sont susceptibles d'avoir des débouchés intéressants si des progrès sont réalisés, non seulement dans les structures de commercialisation et de production, mais encore pour le coût de production, la régularité des récoltes et l'adaptation des qualités à la demande.

.../...

Ces objectifs inspirent le programme de recherches du Centre.

Le développement de ce Centre, prévu au IVe Plan, est très avancé, grâce aux investissements effectués ces dernières années. Une station de bioclimatologie sera créée en octobre 1965 ; elle sera spécialisée dans l'étude des problèmes d'irrigation et de brise-vents.

Grâce aux moyens matériels mis en place, ce Centre a pu recevoir récemment un certain nombre de jeunes chercheurs, formés au Centre National de Recherches Agronomiques de Versailles. L'effectif total de chercheurs approche actuellement la trentaine ; il pourra sensiblement être accru, au cours des prochaines années.

2°/ - Mise en route du Centre de Recherches Vétérinaires et Zootechniques de Tours-l'Orfrasière :

Ce Centre sera spécialisé dans les problèmes suivants :

- la physiologie de la reproduction animale. Une meilleure connaissance de la physiologie des mammifères domestiques permet d'espérer des progrès, notamment dans les techniques d'insémination artificielle pour les espèces bovine, porcine, caprine, ovine, par la multiplication du nombre d'agnelages, par une fréquence plus grande des naissances doubles chez les bovins et les ovins ;

- la pathologie de la reproduction. La brucellose (avortement épizootique) constitue probablement le plus grand fléau qui frappe le cheptel français. Elle constituera le thème essentiel des travaux qui seront conduits par le Département de Recherches vétérinaires, à côté des études portant sur les mammites, qui, dans certains cas, ont déjà permis de préconiser des méthodes de lutte efficaces ;

- la pathologie aviaire. Le développement de la production avicole, l'accroissement de taille des établissements de production, la spécialisation de petites régions et le souci de réduire au minimum le coût de production, imposent un développement des recherches dans ce domaine. Les travaux poursuivis intéressent naturellement l'ensemble des maladies et des parasites dont les incidences ont été chiffrées à 200 millions en 1963, et à 0,33 F. par poulet, mais surtout la pullorose et la coccidiose;

- l'élevage avicole. La concurrence difficile que se livrent les différents pays producteurs de volailles ne permet pas de se contenter des progrès techniques et économiques réalisés au cours des vingt dernières années. L'aviculture française doit pouvoir disposer de services scientifiques au moins aussi efficaces que ceux des nations voisines. Le développement de recherches de base sur l'alimentation, la sélection et la physiologie de la ponte, permettent d'espérer de nouvelles améliorations, tant en ce qui concerne les coûts de revient (accroissement de la production par animal, diminution des frais d'alimentation et de main d'oeuvre, meilleure conception des logements) que la qualité. Ces travaux sont menés parallèlement avec les chercheurs du Département de Recherches économiques et sociologiques.

.../...

Ces différentes recherches sont actuellement poursuivies par des équipes travaillant surtout au Centre National de Recherches Zootechniques de Jouy-en-Josas, mais la création du Centre de Tours l'Orfrasière, décidée en 1962 par le Ministre de l'Agriculture, permettra de leur donner une impulsion notablement accrue.

L'état d'avancement des constructions et de l'équipement des laboratoires permet d'envoyer, dès l'automne 1965, les chercheurs de physiologie animale et pathologie aviaire. Les chercheurs en pathologie de la reproduction suivront en 1966. A la fin de l'année 1965, environ 15 chercheurs seront en place. Au total, près de 80 personnes travailleront dans ce nouveau Centre.

3°/ - Mise en route du Centre de Recherches Zootechniques et Vétérinaires de Clermont-Ferrand :

La création de ce Centre était prévue par le IVe Plan. Il doit être spécialisé dans l'étude des problèmes qui concernent la production bovine et ovine et l'utilisation de la demi-montagne pour la production animale.

Actuellement et dans un proche avenir, les travaux de recherches doivent être conduits dans les directions suivantes :

- Alimentation et nutrition des ruminants :
  - . valeur alimentaire des fourrages,
  - . méthodes d'alimentation (pâturage, rationnement et stabulation),
  - . conservation et mode de présentation des aliments (fenaison, ensilage, broyage de foins et pressage),
  - . sevrage des veaux et des agneaux ;

- Physio-pathologie de l'alimentation :
  - . troubles alimentaires des veaux et des agneaux,
  - . maladies du pâturage,
  - . carences ;

- Méthodes d'élevage et de production du lait et de la viande :
  - . mise en état des vaches de réforme,
  - . engraissement intensif des jeunes bovins,
  - . étude des races et des croisements pour la production de lait et de viande,
  - . étude de la croissance musculaire.

Les terrains nécessaires au fonctionnement de ce Centre ont été acquis en 1962. L'adjudication des premiers bâtiments a été effectuée à la mi-1963. Les premiers laboratoires seront utilisables en Octobre 1965 et une première équipe d'une dizaine de chercheurs a été affectée en juillet 1965. Ils seront rejoints, fin 1966, par deux nouvelles équipes d'une quinzaine de chercheurs. Tous ont été formés au Centre de Recherches Zootechniques de Jouy-en-Josas et à l'Ecole Nationale Vétérinaire d'Alfort.

.../...

A la fin 1965, une cinquantaine de personnes participeront à la réalisation du programme général de recherches de ce Centre.

4°/ - Développement du Centre de Recherches Agronomiques de Dijon-Epoisses :

Les laboratoires et installations de ce Centre sont répartis entre un terrain contigü à l'ensemble universitaire de Dijon et le domaine expérimental d'Epoisses, situé à une douzaine de kilomètres de la ville.

Comprenant à l'origine une station d'agronomie et une station d'amélioration des plantes, il a commencé à recevoir certaines équipes de recherches venant du Centre National de Recherches Agronomiques de Versailles.

Doivent être développées notamment :

- des recherches sur la biologie des sols (microbiologie, faune, microflore pathogène), nécessaires pour améliorer les techniques de fertilisation, favoriser le développement des microorganismes utiles et freiner celui des microorganismes nuisibles ;

- des recherches de physiologie végétale, en particulier l'étude des relations hôte-parasite, afin de perfectionner les méthodes de sélection de variétés résistantes et d'obtenir éventuellement des précédés nouveaux de lutte ;

- des recherches de microbiologie, biochimie et nutrition, dans le but de perfectionner les techniques des industries agricoles et alimentaires, afin d'obtenir des produits de meilleure qualité hygiénique ou technologique.

La première tranche de laboratoires nouveaux (à Dijon) sera achevée au début de 1966, une deuxième tranche (à Epoisses) vient d'être adjugée et son achèvement pourra être prévu pour la fin de 1966.

25 à 30 chercheurs nouveaux pourront donc être installés au Centre en 1966 et au début de 1967.

5°/ - Développement du Centre de Recherches des Antilles-Guyane :

Au début de l'année 1965, l'I.N.R.A. a commencé à développer ce Centre, dont les effectifs de chercheurs et d'ingénieurs ont été portés de 3 à 8.

Les travaux entrepris visent à donner des bases scientifiques suffisantes au développement de la production animale (recherches zootechniques et fourragères) et à la diversification des cultures (cultures maraîchères, notamment). Un secteur important de recherches phytosanitaires (maladies des plantes et "parasites" animaux) a été créé et se développera encore dans les prochaines années.

.../...

III - PROGRAMME DE RECHERCHES EN 1966 -

Le programme est en cours d'élaboration ; il s'inspire des résultats de discussions des différents groupes de travail du Ve Plan auxquels plus de 50 chercheurs de l'I.N.R.A. ont participé.

Les principaux problèmes qui bénéficieront de l'extension des moyens demandés sont :

- production de viande et de lait (Clermont-Ferrand),
- cultures maraîchères et irriguées (Avignon),
- problèmes de productions végétale et animale des départements d'Outre-Mer (Antilles),
- maladies de la reproduction (Tours), de la nutrition (Clermont-Ferrand), d'origine virale (Grignon),
- études de base :
  - . de biologie végétale, afin d'améliorer les méthodes de sélection ou de lutte contre les maladies des végétaux,
  - . de biologie des sols, afin d'améliorer les techniques de fertilisation,
  - . de microbiologie, biochimie et nutrition, afin d'améliorer la qualité des produits végétaux transformés (Dijon).

En outre, le recrutement et la formation des chercheurs forestiers, et hydrobiologistes, seront poursuivis et de nouvelles équipes mises en place à Nancy, Bordeaux, Avignon, Biarritz.

QUESTIONNAIRE DE LA COMMISSION DES FINANCES
de l'ASSEMBLEE NATIONALE

DIRECTION GENERALE DE L'ENSEIGNEMENT ET DES
AFFAIRES PROFESSIONNELLES & SOCIALES

Service de l' Enseignement

Question N° 98 - Fournir de façon très générale les bases de calcul des crédits demandés pour les constructions scolaires en distinguant : prix du terrain, coût de la construction proprement dite, coût de l'aménagement intérieur. Indiquer comment a évolué , depuis deux ou trois ans, le prix de ces différentes catégories de dépenses.

a) Prix des terrains -

En vertu d'instructions expresses du Ministère des Finances, les domaines d'assiette des établissements d'enseignement agricole doivent être mis gracieusement à la disposition de l'Etat par les Collectivités locales intéressées.

D'une manière générale, ces terrains sont acquis par les départements avec le concours des Communes d'implantation.

Les acquisitions effectuées sur le Chapitre 56-30 art.1 restent donc exceptionnelles en ce qui concerne l'enseignement technique agricole et ne visent, en général, qu'à faire disparaître des enclaves , à redresser des limites de propriétés et à procéder à des achats d'importance secondaire destinés à regrouper ou agrandir les domaines existants.

Par contre, en ce qui concerne l'enseignement supérieur, il est bien évident que les établissements à réaliser ayant une vocation nationale c'est à l' Etat qu'il appartient d'effectuer, sur ses crédits propres, les acquisitions immobilières nécessaires.

../...

c) Aménagement intérieur

L'équipement d'un Lycée Agricole comptant 350 élèves dont 90% d'internes exige la prévision de crédits de l'ordre de 850.000 Frs non compris, d'une part, les véhicules, d'autre part, le matériel de culture, les affectations à cet égard étant très variables selon l'orientation de l'établissement, l'étendue de son domaine et sa situation géographique dans le contexte départemental.

Le crédit de 850.000 Frs est normalement utilisé de la manière suivante :

- mobilier (salles de classe, salles de travaux pratiques, amphithéâtres, locaux socio-culturel, réfectoires, dortoirs, infirmeries, chambres de surveillant, bibliothèques).....400.000 Frs
- matériel de cuisine.....100.000 "
- matériel de laboratoire.....100.000 "
- matériel d'ateliers..... 70.000 "
- équipement sportif..... 20.000 "
- vaisselle, verrerie..... 20.000 "
- lingerie, économat..... 30.000 "
- matériel de protection contre l'incendie 7.000 "
- matériel d'entretien..... 20.000 "
- matériel mécanographique audio-visuel 30.000 "
- matériels divers..... 50.000 "

Pour un Collège Agricole qui ne compte normalement que 250 élèves, le montant des équipements à prévoir est de l'ordre de 600.000 Frs, cette somme étant majorée, bien entendu, du prix des matériels d'exploitation et des véhicules.

APPENDIX "C"

MEMORANDUM ON M. MALRAUX'S SPEECH FOR HIS MEETING WITH THE MINISTER OF STATE FOR THE BUDGET

Le 19 mai 1965

Note

pour Monsieur le Ministre

BUDGET DE FONCTIONNEMENT DE 1966

I - Physionomie d'ensemble

. Montant des demandes nouvelles: 39 millions

(Ce qui représente par rapport au budget de fonctionnement de 1965, soit 221 millions, une augmentation d'un peu moins de 20 %).

. Objet des demandes nouvelles

Il est quadruple:

1) Constitution du Ministère

a - démembrement de l'Education Nationale, le Ministère des Affaires Culturelles n'a pas encore l'ossature indispensable à un vrai ministère.

b - on ne parviendra à la lui donner que par étapes successives: encore faut-il ne pas s'arrêter.

Les mesures correspondant à cet objectif (création d'emplois à Paris et en province, crédits de matériels) s'élèvent à environ 8 millions.

2) Moyens nécessaires pour faire face à des obligations déjà contractées ou inéluctables

a - des investissements nouveaux ont été réalisés ou sont en voie d'achèvement, comme l'aménagement de nouvelles salles dans les musées, de galeries au Grand Palais, la construction de nouvelles maisons de la Culture; il faut les hommes et le matériel pour les exploiter.

b - des travaux d'entretien s'imposent dans de nombreux bâtiments civils et monuments historiques.

c - des personnels ne bénéficient pas encore d'indemnités accordées à d'autres agents se trouvant dans la même situation.

d - ajouter des obligations diverses comme le tricentenaire de l'Academie de France à Rome (MM. Jacquinot et de Broglie doivent faire respectivement leur affaire de la Lorraine et d'Hastings), la prise en charge par l'Etat de l'enseignement du cinéma, etc.

Total des mesures correspondantes: un peu plus de 13 millions dont:

- 2 millions 3 pour les nouvelles salles de musées,
- 2 millions 5 pour les maisons de la culture,
- 5 millions pour l'entretien des bâtiments civils et monuments historiques,
- 2 millions pour le cinéma.

3) Actions nouvelles (enseignement excepté)

Actions qui conduisent peu à peu à une veritable politique de la culture. Cette année, accent mis sur:

a - la musique

b - la création artistique

c - la décentralisation dramatique.

Total des mesures à ce titre:

- 10 millions 5 (dont 4 pour la musique, 1.5 pour la creation, 4 pour la décentralisation dramatique).

4) Enseignement artistique

4 millions demandés (ce qui represente par rapport au crédit actuel - soit 18 millions - une augmentation d'environ 22%).

Ajouter pour mémoire 2 millions 3 demandés pour le service des eaux de Versailles.

II - Discussion

A - Mode de discussion

Il me semble qu'il faut:

1 - faire admettre - comme l'annee dernière - que ce qui concerne l'enseignement doit être traité à part et renvoyer la discussion sur les chiffres aux services.

2 - ne pas parler du service des eaux de Versailles, veritable anomalie qui fait du Ministère des Affaires Culturelles un marchand d'eau.

3 - examiner les fiches une à une dans l'ordre prévu dans la lettre du 29 avril aux Finances.

B - Priorité de nos demandes

a) à noter que de nombreux chiffres sont discutables et peuvent donc être l'objet d'un compromis.

b) certaines demandes sont manifestement capitales dans leur principe: musique, maisons de la culture, nouvelles salles de musées et galeries d'exposition, certains crédits de personnel et de matériel.

c) certaines demandes ne peuvent être maintenues telles quelles: en particulier la demande de 165 emplois pour les Archives.

d) une demande risque de soulever une discussion délicate: les 5 millions de crédits d'entretien pour les bâtiments civils - on va nous reprocher les reports de crédits.

C - Stérilisation de crédits antérieurs d'équipement

Il ne faut pas en discuter aujourd'hui.

Le cabinet Boulin est d'accord sur ce point: la discussion aura lieu entre eux et moi, soit vendredi, soit samedi.

Antoine Bernard
(Director of Cabinet)

APPENDIX XV

LETTER OF THE MINISTER OF FINANCE TO THE FINANCIAL COMPTROLLERS

MINISTERE DE L'ECONOMIE
ET DES FINANCES

Direction du Budget

Bureau B1

N° 66.06.21/3-B1

PARIS, le 23 juin 1966

LE MINISTRE DE L'ECONOMIE et DES FINANCES,

à Messieurs les CONTROLEURS FINANCIERS

1 p j

Objet : Préparation du budget de 1967 - Crédits de paiement concernant les dépenses d'équipement.

En vue des conférences budgétaires qui se tiendront dans la première quinzaine d'août et qui porteront notamment, en ce qui concerne les dépenses d'équipement, sur la fixation des crédits de paiement en 1967, je vous demande de me faire parvenir pour le 1er août 1966, délai de rigueur, pour chaque budget soumis à votre contrôle des tableaux établis à la fois globalement et par chapitre, suivant le modèle ci-joint.

J'appelle votre attention sur le fait que ce tableau devra comporter vos prévisions sur la consommation en 1966 et 1967 et sur les reports en 1967 et 1968.

Si vos prévisions traduisent un changement de rythme de consommation par rapport aux chiffres qui résulteraient de l'évolution constatée les années précédentes, vous devrez expliquer les motifs de l'accélération ou du ralentissement que vous prévoyez./.

Pour le Ministre et par délégation
LE DIRECTEUR DU BUDGET,

Par empêchement du Directeur du Budget
LE SOUS-DIRECTEUR,

Signé : J. FOURGOUS

PREPARATION DU BUDGET DE 1967

- EQUIPEMENT -

Budget de

en millions de F.

	1963	1964	1965	1966	1967	1968
A. P.						
C. P. ouverts + reports						
Consommation réelle						
Ordonnancement au 31 Juillet						
- valeur absolue						
- % de la consommation de l'année						

Demandes de logements justifiées enregistrées en 1965 et 1966 dans 60 villes de France.

VILLES.	POPULATION en 1962.	DEMANDES de logements justifiées.		ANNÉE 1966.				MOTIFS de la demande : expulsion, insalubrité, surpeuplement.
		1965.	1966.	Demandes correspondant à des ressources mensuelles inférieures à 400 F.		Demandes correspondant à des ressources mensuelles comprises entre 400 et 750 F.		
				Nombre.	%	Nombre.	%	%
on	536.000	»	30.000	»	»	»	»	»
ims	139.000	»	9.300	»	»	»	50	»
ntes	246.000	6.349	7.484	703	9,4	3.370	45	89
urs	120.000	7.300	7.221	1.120	15,5	2.430	34	30
st	143.000	»	6.038	550	9	2.479	41	40
on	141.000	»	5.900	419	7,1	1.982	33,6	70
nes	105.000	»	5.804	614	10,5	2.906	52	54
leurbanne	108.000	4.000	4.500	220	5	1.170	26	45
léans	88.000	4.188	4.430	»	»	1.674	38	78
gers	122.000	4.000	4.264	309	7,25	1.520	36	45
tz	110.000	4.600	4.000	1.000	25	2.300	60	45
uen	123.000	»	3.950	428	11	»	»	»
anne	53.000	2.880	3.464	389	11	1.845	53	65
rient	64.000	2.484	3.346	455	13,5	1.871	56	45
ntluçon	59.000	2.476	3.148	312	9,9	2.521	80	72
nnes	158.000	»	3.064	292	9,5	1.119	36,4	29
rsailles	95.000	»	3.000	»	»	1.500	50	67
Havre	184.000	»	3.000	150	5	1.402	37	73
x-en-Provence	73.000	2.600	2.820	98	3,5	1.012	36	57
noges	121.000	2.507	2.439	231	9,4	984	40	54
int-Brieuc	47.000	»	2.364	237	10	1.041	46	50
alon-sur-Saône	46.000	»	2.246	324	14,4	842	37,4	42
lence	55.000	»	2.231	178	7	1.116	49	85
int-Etienne	204.000	»	2.200	110	5	1.540	70	60
nes	59.000	2.860	2.200	44	2	1.298	59	47
ziers	76.000	»	2.150	200	9,3	215	10	91
lhouse	111.000	1.976	1.982	102	5	911	46	20
oulon	173.000	»	1.920	134	7	1.152	60	45
sançon	102.000	»	1.815	103	5,7	694	38,2	48
attrelos	41.000	»	1.800	108	6	1.422	79	27
lenciennes	47.000	»	1.787	120	6,7	1.214	68	73
val	43.000	»	1.595	107	6,7	393	25	31
oulogne-sur-mer	40.000	1.789	1.471	221	15	838	57	56
oyes	69.000	»	1.459	57	4	396	27	40
rbes	50.000	»	1.433	205	14,3	707	49,3	52
vers	41.000	2.094	1.431	156	10,9	486	34	38
erbourg	40.000	»	1.430	86	6	529	37	69
int Quentin	63.000	»	1.290	42	4	886	68	58
Rochelle	»	»	1.257	47	3,7	622	50	50
ntony	»	»	1.237	62	5	271	22	64
ennevilliers	»	»	1.235	»	»	»	»	50

(Source: M. Royer's Report on the 1967 Housing Estimates).

VILLES.	POPULATION en 1962.	DEMANDES de logements justifiées.		ANNÉE 1966.				MOTIFS de la demande : expulsion, insalubrité, surpeuplement.
		1965.	1966.	Demandes correspondant à des ressources mensuelles inférieures à 400 F.		Demandes correspondant à des ressources mensuelles comprises entre 400 et 750 F.		
				Nombre.	%	Nombre.	%	%
Montpellier	123.000	1.100	1.234	186	15	728	59	54
Poitiers	66.000	3.080	1.200	89	7, 4	550	45	35
Evreux	»	»	1.190	34	2, 8	379	30	33
Castres	»	»	1.182	272	23	544	46	67
Alès	»	»	1.092	149	13, 5	702	64	71
Châteauroux	»	»	946	85	9	400	22	60
Arras	46.000	1.212	900	225	25	468	52	47
Annecy	»	»	834	41	5	140	17, 4	70
Angoulême	51.000	»	831	133	16	457	55	58
Aulnay-sous-Bois	»	»	800	16	2	376	47	50
Tourcoing	90.000	1.307	737	152	21	233	31, 5	56, 5
Arles	42.000	1.500	642	23	3, 5	332	51	60
Colmar	»	»	635	39	6	134	21	44
Neuilly-sur-Seine	»	»	311	18	6	155	50	90
Maisons-Alfort	»	»	290	32	11	74	25	60

Ampleur et évolution des demandes justifiées dans 15 centres importants de France (centres régionaux en métropole d'équilibre).

CENTRES.	DEMANDES déposées en 1965.	DEMANDES déposées en 1966.	POURCENTAGE des demandes correspondant à des ressources modestes (inférieures ou égales à 750 F par mois).
			%
Limoges	2.507	2.439	50
Metz	4.600	4.000	85
Orléans	4.418	4.430	40
Tours	7.300	7.200	49
Montpellier	1.100	1.234	74
Angers	4.000	4.264	43
Aix-en-Provence	2.600	2.920	40
Rennes	»	3.064	54
Le Havre	»	3.000	42
Rouen	»	3.950	»
Dijon	»	5.900	40
Reims	»	9.300	»
Nantes	6.349	7.384	54
Lyon	»	30.000	»

LIST OF PEOPLE INTERVIEWED[1]

MM.

BARADUC,	Services de la Commission de la Défense Nationale.	26 May	1966
BARDIN,	Directeur des Services Législatifs de la Confédération Nationale du Patronat Français (C.N.P.F.).	3 July	1966
BARGOIN,	Chef de Cabinet, Secrétariat Général du Gouvernement.	17 July	1967
BAUDOUIN,	Directeur du Service Economie et Finances, Syndicat Général de la Construction Electrique.	6 July	1966
BERNARD,	Inspecteur des Finances, Conseiller Technique (affaires financières) au Cabinet de M. Pompidou.	20 July	1967
BLANC,	Préfet de Corrèze.	March	1967
BLANCHARD,	Chef de Service, Service du Budget et des Affaires Financières, Secrétariat Général, Ministère de l'Education Nationale.	21 March	1966
BLOCH-LAINÉ,	Inspecteur Général des Finances, Directeur de la Caisse des Dépôts et Consignation.	October 1967 in Oxford	
BOUSSON,	Contrôleur Financier, Ministère des Finances, mis à la disposition de la Commission des Finances du Sénat.	9 February	1966
BRICOUT,	Député U.N.R., Questeur et Président du groupe d'étude U.N.R. sur les questions agricoles, membre de la Commission des Lois.	15 June	1967

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1. The interviews lasted on average of an hour an hour and a half. In some cases (Budget Division and Finance Committees) interviews took the form of meeting with the head of a Bureau or sub-Division and one or two civil administrators or officers. In this list the posts mentioned were those held at the time of the interviews. They are given in French.

BROSSE,	Administrateur Civil, Sous-Préfet, Conseiller Technique au Cabinet de M. Pompidou.	13 April 9 December	19 19
CAMO,	Services de la Commission de la Défense Nationale.	26 May	19
CAMPBELL,	Services de la Commission des Finances du Sénat.	25 March	1966
CATALIFAUD,	Député U.N.R., Vice-président de la Commission de la Production et des Echanges, Rapporteur du budget des Transports.	6 December	1966
CARCELLE,	Ministère des Finances, mis à la disposition de la Commission des Finances du Sénat.	9 February	19
CHAPALAIN,	Député U.N.R., Membre de la Commission des Finances, Rapporteur du budget de l'Education Nationale.	29 June	1966
CHRISTIENNE,	Direction des Services Financiers, Ministère des Armées.	Several times between December 19 5 and August 1966.	
CLOUET,	Délégué Général de la Fédération des Travaux Publics.	4 July	1966
COLLET, Mme	Chef des Services de la Commission des Affaires Culturelles, Familiales et Sociales de l'Assemblée Nationale.	7 July 7 December	1966 1966
CORTESSE,	Administrateur Civil, Ministère des Finances, Sous-directeur à la Direction du Budget, Assistant-directeur du Cabinet de M. Debré, Ministre des Finances.	5 December 8 December	1966 1966
DELORME,	Inspecteur des Finances, anciennement Conseiller Technique au Cabinet de M. Giscard d'Estaing, Ministre des Finances.	22 March	1966
DENIEUL,	Administrateur Civil au Ministère de l'Intérieur, Conseiller Technique au Cabinet de M. Frey, Ministre d'Etat chargé des relations avec le Parlement.	12 July	1967

DESPAS,	Inspecteur des Finances, Chargé de Mission au Commissariat Général du Plan.	7 December	19 7
DORANGE,	Conseiller-Maître à la Cour des Comptes.	7 July	19 6
DRIANT,	Sénateur, Membre de la Commission des Finances du Sénat, Rapporteur du budget de l'Agriculture.	30 June	19 6
DROMER,	Inspecteur des Finances, Conseiller Technique (questions économiques et financières) au Secrétariat Général de la Présidence de la République.	20 July	1966
DUFFAUT,	Député S.F.I.O., Membre de la Commission des Finances.	22 June	1966
DUHAMEL,	Député du groupe du rassemblement démocratique, Membre de la Commission des Finances, Maître des Requêtes au Conseil d'Etat.	6 June	1966
ELDIN,	Inspecteur des Finances, Sous-directeur à la Direction de la Prévision au Ministère des Finances.	9 July	1967
FROMANT,	Contrôleur Financier, Ministère des Finances, mis à la disposition de la Commission des Finances de l'Assemblée Nationale.	4 April	1966
GOGUEL,	Secrétaire Général du Sénat.	9 November	1965
HENRY,	Services économiques et financiers de la Fédération Nationale des Syndicats d'Exploitants Agricoles (F.N.S.E.A.).	22 July	1966
LAMPS,	Député, Parti Communiste, Membre de la Commission des Finances.	6 December	19 6
LE THEULE,	Député U.N.R., Membre de la Commission de la Défense Nationale, Rapporteur des crédits d'équipement	1 June 7 December	1966 1966
MARETTE,	Ministre des Postes et Télécommunications.	11 July	1966
MARTIN,	Services de la Commission des Affaires Culturelles, Familiales et Sociales de l'Assemblée Nationale	7 July	19 6

MAS,	Contrôleur Financier, Ministère des Postes et Télécommunications et Ministère des Départements et Territoires d'Outre-mer.	23 February 196[illegible]
MAY,	Administrateur Civil, Ministère des Finances, Chef de bureau à la Direction du Budget.	5 December 196[illegible]
ORTOLI,	Inspecteur des Finances, Commissaire Général du Plan (former Director of the Cabinet of M. Pompidou, in April 1967 he became Minister of Equipments and in July 1968 Minister of Finance.	21 October 196[illegible]
PELLENC,	Sénateur, Rapporteur Général de la Commission des Finances du Sénat.	3 February 196[illegible]
PICARD,	Ingénieur polytechnicien, Ministère des Postes et Télécommunications, Plan Calcul.	Several times between January 1966 and August 1967
POIRIER,	Député U.N.R., Membre de la Commission des Affaires Culturelles, Familiales et Sociales. Rapporteur du budget de l'Education Nationale.	9 June 1966
RASTOIN,	Auditeur à la Cour des Comptes, Conseiller Technique au Cabinet de M. Debré, Ministre de l'Economie et des Finances (formerly in the Cabinet of M. Boulin, Minister of State for the Budget).	21 July 19[illegible]
RATEAU,	Services de la Commission des Finances au Sénat.	15 March 196[illegible]
REMY,	Administrateur Civil, Ministère des Finances, mis à la disposition de la Commission des Finances de l'Assemblée Nationale.	15 December 1965 16 March 196[illegible] 1 July 19[illegible] 15 July 196[illegible] 5 December 1966
RIVAIN,	Député U.N.R., Membre de la Commission des Finances, Rapporteur du budget de l'Agriculture.	21 June 196[illegible]

ROCARD	Inspecteur des Finances, Secrétaire de la Commission des Comptes de la Nation.	27 June 19
ROYER,	Député non-inscrit, Membre de la Commission de la Production et des Echanges.	9 December 19
SOUCHAL,	Député U.N.R., Membre de la Commission des Finances, responsable U.N.R. à cette Commission.	1 June 19
TESSIER, Mlle	Administrateur-adjoint, Division des Informations parlementaires et administratives, Assemblée Nationale.	18 April 19
THOMAS,	Chef des Services de la Commission des Finances de l'Assemblée Nationale.	23 March 19 2 December 19
de THUGNY,	Député, Centre démocratique, Membre de la Commission des Finances, Conseiller d'Etat.	14 June 1966
TOMASINI,	Député U.N.R., Membre de la Commission des Affaires Culturelles, Familiales et Sociales de l'Assemblée Nationale.	5 July 19
TRAPENARD,	Conseiller référendaire à la Cour des Comptes, Conseiller Technique (budget) au cabinet de M. Malraux, Ministre d'Etat, Chargé des Affaires Culturelles.	5 July 19 7 December 19 and on several other occasions
TRON ,	Sénateur, Membre de la Commission des Finances, Rapporteur des Crédits du Ministère des Finances.	6 July 1966
VALLET,	Administrateur Civil, Ministère des Finances, mis à la disposition de la Commission des Finances du Sénat.	9 February 19 15 February 19 15 March 19 12 July 19 5 December 19
VALLON,	Député U.N.R., Rapporteur Général de la Commission des Finances.	4 December 1965

VIDAL,	Administrateur Civil, Ministère des Finances, sous-Directeur à la Direction du Budget (former Conseiller Technique in the Cabinet of M. Giscard d'Estaing, Minister of Finances).	Several times between April and December 1966
VIOT,	Conseiller Référendaire à la Cour des Comptes, Chargé de Mission au Commissariat Général du Plan.	October 1966 in Oxford
VIVIÈS,	Administrateur Civil, Service du Budget et des Affaires Financières, Secrétariat Général, Ministère de l'Education Nationale.	25 July 1967
VIZENTINI,	Chef des Services de la Commission de la Production et des Echanges de l'Assemblée Nationale.	18 April 1967 5 December 1966
ANONYMOUS,	Un Conseiller Technique, Cabinet de M. E. Faure, Ministre de l'Agriculture.	5 December 1966

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