

EUROPEAN PARLIAMENT

# Working Documents

1982-1983

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25 October 1982

DOCUMENT 1-777/82

## Report

drawn up on behalf of the Committee on Budgets

on the ~~draft~~ general budget of the European Community  
for the financial year 1983

Section III - Commission (Doc. 1-700/82)

Part A : MOTION FOR A RESOLUTION

Rapporteur: Mr R. JACKSON

PE 80.770/fin.



On 27 January 1982, the Committee on Budgets appointed Mr Robert JACKSON rapporteur on the draft general budget of the European Communities for the financial year 1983, Section III 'Commission'.

On 12 May 1982, the Member of the Commission responsible for budgetary matters presented the preliminary draft budget to the Committee on Budgets.

On 12 May 1982, the preliminary draft budget was presented in plenary sitting.

On 27 July, a delegation from the European Parliament met the Council.

The draft general budget of the European Communities for 1983, established by the Council on 28 July, and forwarded officially to Parliament on 29 September 1982, was presented in plenary sitting on 15 September.

The European Parliament referred this draft to the Committee on Budgets as the committee responsible and to the appropriate committees for their opinions.

At its meetings of 22 September, 29 September and 18/19/20 October 1982, the Committee on Budgets considered the draft budget in the presence of the Council and the Commission. At the last of these meetings it considered and adopted the draft amendments and proposed modifications.

At its meeting of 25 October 1982, the Committee on Budgets considered and adopted by 14 votes to 9 with 8 abstentions the motion for a resolution by Mr JACKSON.

Present: Mr LANGE, Chairman; Mr NOTENBOOM, first Vice-Chairman; Mrs BARBARELLA, second Vice-Chairman; Mr R. JACKSON, rapporteur; Mr ADONNINO, Mr BAILLOT, Mr BALFE, Mr BALFOUR, Mr BONDE, Mrs BOSERUP, Mr BROK (deputizing for Mr CROUX),

Ms CLWYD (deputizing for Mr ABENS), Lord DOURO, Mr ENRIGHT (deputizing for Mr LALUMIERE), Mr FICH, Mr GOUTHIER, Mrs HOFF, Mr E. KELLETT-BOWMAN, Mr LANGES, Mr LOUWES, Mr McCARTIN (deputizing for Mr BARBAGLI), Mr MOUCHEL (deputizing for Mr ANSQUER), Mr NEWTON DUNN, Mrs NIKOLAOU, Mr PRICE, Mr PROTOPAPADAKIS, Mrs PRUVOT (deputizing for Mr ROSSI), Mr RYAN, Mr SABY, Mrs SCRIVENER, Mr SIMONNET, Mrs VAN HEMELDONC (deputizing for Mr ORLANDI), Mrs VIEHOFF (deputizing for Mr ARNDT) and Mr von der VRING.

The opinions delivered by the various committees are published as an annex to this report.

A

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement.

MOTION FOR A RESOLUTION

on the Draft General Budget of the European Communities for the financial year 1983 (Section III - Commission)

The European Parliament,

- A having regard to the Draft Budget established by Council (Doc. 1-700/82),
- B recalling its Resolution of 22 April 1982 on "Guidelines for the 1983 Budget" in which Parliament set out in detail its priorities for the coming year (OJ No. C125 of 17.5.82.),
- C recalling its Resolution of 8 July 1982 on the Preliminary Draft Budget in the light of Parliament's Guidelines, in which Parliament specified the shortcomings of the Preliminary Draft and urged Council to correct them when establishing the Draft Budget (OJ No. C 238 of 13.9.82),
- D having regard to the meeting held on 27 July between the Council and a delegation from the Parliament at which Parliament's Guidelines for the 1983 Budget and its views on the Preliminary Draft Budget were debated,
- E having regard to the report of the Committee on Budgets (Doc.1-700/82 ),
- I. With regard to the remaining stages of the 1983 Budget procedure,
  - 1. Reaffirms its desire to see the 1983 Budget adopted in that spirit of cooperation between Council and Parliament implicit in the Joint Declaration of 30 June 1982;

2. Is of the opinion that, if the Budgetary Authority is to enable the Community to make a more effective contribution to tackling the exceptionally grave unemployment situation, as diagnosed in Parliament's Resolution on "Guidelines for the 1983 Budget" and in many Council Resolutions, it will be necessary for Council and Parliament to agree upon some increase in the "maximum rate" for 1983, as provided in Article 203(9) of the Treaty;

## II. With regard to the Council's Draft Budget

### (A) The fight against unemployment

3. Regards the Council's proposed increases of 16 per cent in commitments and 27 per cent in payments for the Social Fund as unsatisfactory in the light of a 20 per cent increase in unemployment in the last year and an average expected inflation rate of 9 per cent in the Community, and in the light of the decrease in the numbers of those currently benefiting from training and job-creation programmes financed by the Social Fund;
4. Finds equally unsatisfactory the increases of 8.6 per cent in commitments and 9.3 per cent in payments awarded to the Regional Fund, which will barely compensate for inflation; notes that the Council has not accepted the allocation of appropriations proposed by the Commission in its revision of the ERDF Regulation, nor yet made its decision on that revision in spite of Parliament's repeated Resolutions calling upon it to do so; reiterates its desire for a speedy and satisfactory revision;

5. Recalls the particular emphasis which Parliament placed on the need for convergence, and its judgement that the proposals for the Mediterranean regions made in the PDB were insufficient; is dismayed therefore to find that Council has dismantled these new initiatives. Resolves to restore the PDB proposals to enable these important measures to come into force; recalls its desire for enlargement of the Community and its wish for measures to be set in train to facilitate that enlargement;
  
6. Underlines the importance it attaches to the rapid expansion of Community borrowing and lending operations, especially in the productive sector where Community lending has fallen off substantially in recent years; and proposes that the decision of the European Council in November 1981 to expand the New Community Instrument by 3 billion ECU be put into force through the 1983 Budget;

(B) The fight against world hunger

7. Recalls the very high priority given by Parliament to expanding the Community's contribution to the fight against world hunger and cannot consider that an increase of 6 per cent is an adequate response to that priority. Recalls the criticisms it has made of the management of food aid and expects that measures are being taken to remedy the defects in implementation of the programmes; notes with regret Council's decision to delete the new article 929 which would finance an imaginative scheme to enable beneficiaries to take development aid in place of their allocation of food aid; approves however the transfer of food aid refunds to Titles 1 and 2 as called for in its resolutions;

(C) Restructuring the Budget

8. Regrets the Council's discriminatory treatment of non-compulsory expenditure; considers that Council is failing to set an example of financial prudence in the obligatory sector on which it has the last word - when, in spite of the past record of over-provision in that sector, it leaves obligatory appropriations almost untouched (- 0.3 per cent); urges the Council to think again about its apparent strategy of discrimination against the whole range of the Community's policies outside the farm sector (reduced by 20 per cent from the PDB);
  
9. Notes that the uncritical acceptance of the Commission's proposals for EAGGF Guarantee expenditure combined with severe reductions in the non-compulsory sector has worsened the balance of the budget between agriculture and other sectors, and, within agriculture, between Guidance and Guarantee. This not only contradicts Parliament's wishes as expressed in the Guidelines Resolution and in the course of previous budget procedures - it also contradicts all the Council's own objectives expressed in the "Mandate" exercise;
  
10. Urges yet again that action be taken to revitalize the Guidance sector by removing the "ceiling" of 3755 mECU so as to permit the introduction of new programmes designed to concentrate the measures both geographically and in their objectives. Deplores the failures in management which result in the poor utilisation of existing appropriations and which at present make it futile for Parliament to award increased funds to so many lines in this sector;



(D) Development of Community policies

11. Expresses its disapproval of the Council's treatment of proposed new policies and its negative attitude to the expansion of existing policies favoured by Parliament;
12. Regrets that the Commission's proposals for aid to non-associated countries have been cut by almost 100 mECU in commitments; has restored most of the appropriations in this and important related sectors but in some cases has only made partial restoration in view of the limited resources that are available;
13. Recalls that it congratulated the Commission on taking the first substantive step to fulfilling the Treaty obligation regarding "the adoption of a common policy in the sphere of transport"; deplores the replacement of appropriations by token entries when proposals are at present before Council; resolves to restore realistic appropriations for this sector to enable measures to be implemented in 1983;
14. Records its disapproval of the Council's reductions in the energy, research, environment and industrial sectors and its surprise at its justification of its actions by reference to the need for legal bases when proposals have already been made by the Commission; recalls the difficulties caused in many cases for the implementation of funds in these sectors by procedural delays for which Council and its organs are responsible; welcomes the fact that in future disputes over ceilings will no longer hinder programmes since ceilings will be avoided; regrets, however, that until there is evidence of improved implementation, it cannot fully restore the Commission's proposals;

15. Is especially critical of the manner in which the Council has treated policies such as those for the information market, education, culture, women, social protection and health to which Parliament attaches high priority but which do not make heavy demands on the budget; stresses the importance of such policies for the Community and resolves to restore at least the appropriations foreseen in the PDB;

(E) Commission staff

16. Notes the Commission's response to the review requested by Parliament in its Guidelines Resolution; concludes that the Commission has paid regard to Parliament's priorities in previous years and proposes therefore to accord some additional staff to the Commission;

(F) Consultative committees

17. Records its continuing concern with the proliferation of management and consultative committees which in many cases interfere with the clear responsibilities of the institutions as laid down in the Treaties and delay the implementation of important policies; resolves to place a proportion of the appropriations for such bodies in the reserve chapter pending examination by the Committee on Budgetary Control of these committees;

(G) Presentation of the Budget

18. Welcomes the fact that Council has at last accepted the sensible reform, proposed by Parliament, of clearly presenting commitment appropriations alongside payments; regrets, however, that Council has otherwise taken little account of Parliament's views. Resolves to reinstate the presentation of the common fisheries policy and the European Development Fund as embodied in the 1982 Budget; calls on Council to give now a commitment to enter the VIth EDF and the Community's borrowing and lending activities in the budget, as an earnest of its willingness to respect the spirit of cooperation manifested in the Joint Declaration of 30 June 1982;

(H) Own Resources

19. Records that it is keenly aware of the budgetary problems of the Member States; considers however that the criteria which apply to the Member States' budgets cannot be crudely applied to the Community budget which represents less than 1 per cent of the Community GDP and which is the concrete expression of the will towards European integration;
20. Instructs its President to forward this resolution and the report of its committee to the Council and the Commission.

