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# European Communities

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## EUROPEAN PARLIAMENT

# Working Documents

1980 - 1981

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25 June 1980

Document 1-277/80

### REPORT

drawn up on behalf of the Committee on Budgets

on the ~~new~~ draft general budget for the 1980  
financial year,

Section I "Parliament"

Section II "Council"

Annex I to Section II "Economic and Social Committee"

Section IV "Court of Justice"

Section V "Court of Auditors"

Rapporteur : Mr Robert JACKSON

1980 JUN 25



On 6 September 1979, the Committee on Budgets appointed Mr Robert JACKSON rapporteur on Section I 'Parliament', Section II 'Council', Annex I to Section II 'Economic and Social Committee', Section IV 'Court of Justice' and Section V 'Court of Auditors'.

At its meeting of 24 June 1980 the Committee on Budgets adopted the following report and the annexed amendments by 22 votes to 2 with 2 abstentions on the basis of the new draft budget of Council submitted to it on 20 June 1980.

There were present: Mr Lange, Chairman; Mr Notenboom, first Vice-Chairman; Mr Spinelli, second Vice-Chairman; Mr Rossi, third Vice-Chairman; Mr Robert Jackson, rapporteur; Mr Adonnino, Mr Ansquer, Mr Arndt, Mr Baillot, Mr Balfe, Mr Barbi, Mr Bonde, Mrs Boserup, Mr Colla, Mr Dankert, Mr Fich, Mr Forth, Mrs Gaspard, Mrs Kellett-Bowman (deputizing for Mr Tuckman), Mr Langes, Mr Lega, Mr Megahy (deputizing for Mr O'Leary), Mr Nord, Mrs Scrivener, Mr Simonnet and Mr J.M. Taylor.

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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 new draft general budget for the 1980 financial year, Section I 'Parliament', Section II 'Council', Annex I to Section II 'Economic and Social Committee' section IV 'Court of Justice' and Section V 'Court of Auditors'

The European Parliament,

- recalling the amendments it adopted to the establishment plans and draft 1980 budgets of the other institutions on 7 November 1979,
  - having regard to Council's deliberations on these amendments at its meeting of 23 November 1979,
  - having regard to the further deliberations of Council of 20 June 1980, drawing up the new draft budget for 1980, (Doc. 1-270/80),
  - having regard to the report of the Committee on Budgets (Doc. 1-277/80),
1. Notes that Council's deliberations on Parliament's amendments, which Parliament had adopted following an exhaustive analysis of the requirements and programmes of the different institutions, have not been accompanied by any reasoned justification and cannot therefore be regarded as a valid statement of position;

as regards Section I 'the European Parliament'

2. Notes that Council has not in any way modified Parliament's amendments to its own draft budget;
3. Reaffirms its intention that the salaries of Members of Parliament should be paid on a common basis from the Community's general budget and not from national budgets; and confirms that this is a matter within the competence of the European Parliament;
4. Recalls, notwithstanding the Treaty and the subsequent right and obligation of the governments of the Member States to fix the site of the institutions, that Parliament is sovereign as regards the determination of its own working conditions and working places;

5. Will, in the context of the discussions on the necessary transfer for rent, take the appropriate action as regards its working places in the interests both of efficiency and of saving the European taxpayers' money;
6. Approves the necessary adaptations to its budget, following on the decisions relating to independent Members, taken in the context of its review of its Rules of Procedure;

as regards Section II 'Council'

7. Approves the Council's draft budget;

as regards Annex I to Section II 'Council: Economic and Social Committee'

8. Confirms through an amendment its decision of 7 November 1979 to strengthen the establishment plan of the Economic and Social Committee;

as regards Section IV 'Court of Justice'

9. Notes that Council on 23 November 1979 agreed to Parliament's amendment to create an independent interpreting service for the Court of Justice; approves the draft budget of the Court of Justice;

as regards Section V 'Court of Auditors'

10. Confirms by way of the amendments, its decision of 7 November 1979, strengthening the establishment plan of the Court of Auditors and treating the members of the institution on an equal footing with members of other Community institutions as regards their representation expenses;
11. Considers that increases in the establishment plan are fully necessary to permit the Court of Auditors to carry out the major responsibilities assigned to it by the Treaty;
12. Notes the guidelines submitted to it by the Court of Auditors in respect of the representation and mission expenses incurred by its members; considers, subject to detailed examination by its Budgetary Control Committee, that general guidelines should serve as a basis for the incurring of such expenditure by members of all Community institutions.

EXPLANATORY STATEMENTIntroduction

1. Your rapporteur has attached to this draft report a table showing the amendments to the establishment plans and budgets of the other institutions approved by Parliament at the time of the first reading of the 1980 budget on 7 November 1979. The table also indicates Council's decisions on these amendments and illustrates that Council approved all the amendments tabled on Section I 'the European Parliament' and the amendment to Section IV 'Court of Justice', concerning the interpretation service of the Court.
2. For the Court of Auditors (Section V) Council rejected both amendments tabled (amendment 87 strengthening the establishment plan and amendment 88 harmonising the entertainment and representation expenses of members of the Court).
3. For the Economic and Social Committee, whose budget is annexed to the Council's own budget (for which Parliament tabled no amendments), the Council approved the amendment increasing the allowances of members of the Committee but rejected the post conversions proposed in amendment no. 82.

Section I 'the European Parliament'

4. While Council accepted all of Parliament's amendments to its own establishment plan and budget, and has incorporated these amendments in the new draft budget, your rapporteur feels obliged to make a certain number of remarks on the letter<sup>(1)</sup> sent by the President of Council to the President of Parliament following the Council meeting of 23 November, which referred to two of Parliament's amendments tabled at the first reading:
  - (i) Amendment 340 which entered a token entry for the salaries of members of the institution;
  - (ii) Amendment 370 which reduced rents to 1979 levels and placed the forecast increments under the reserve Chapter of the budget. The purpose of this amendment was to provide an opportunity, during 1980, at the moment of the necessary budgetary transfer, for a full discussion on the working places of the institution.

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(1) Letter accompanying the 1980 draft budget.

5. Council expressed a certain disquiet as regards these two amendments without seeking to modify them.

It also drew attention to a letter from the President of Council to the President of Parliament, of 15 December 1978, which claimed that Member States were competent to decide members' salaries.

6. This statement does not conform with Parliament's own views, clearly expressed in the amendment, which pointed out in the Remarks that the salaries should be provided from the budget of the institution "rather than from the budgets of the Member States, in conformity with the practice for members of other Community institutions".

7. The existence, uncontested, of this line (with a dash against it) demonstrates that these salaries should be provided for, on a common basis, from the Community budget, and that this matter falls within the competence of the European Parliament.

8. As regards amendment 370, Parliament could not accept the view taken by Council that decisions governing the Parliament's working places should be taken by Member States, on the basis of a common agreement. Your rapporteur fully accepts that the Treaty gives to the Member States the right and the obligation to determine the seat of the institutions. However, as regards its Rules of Procedure and the working conditions, and consequently the working places of the European Parliament, Parliament itself is sovereign.

9. One further question concerning Parliament's budget requires elucidation. It will be recalled that the Parliament had already indicated, in its resolution of 7 November, that it might be necessary to make a further adaptation to its establishment plan and to its budget, following on the decisions relating to independent members taken in the context of its review of its Rules of Procedure. <sup>(1)</sup> It is proposed that Parliament authorise the necessary adaptation to the establishment plan of the political groups which should not engender any extra expenditure for 1980.

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(1) Doc. 1-404/79

Section II 'Council': Annex I 'Economic and Social Committee'

10. The Economic and Social Committee had initially proposed converting some 20 posts.

These conversions were brought forward to take account of the seniority of persons concerned, increases in their responsibilities, and to take account of promotion prospects within other Community institutions and bodies.

11. A proper personnel policy must recognise that a problem must exist in view of the drain to other institutions experienced by the Economic and Social Committee because of the more rapid promotion prospects that exist elsewhere. It will be recalled that the Council reduced the post conversions to 3 on a purely arbitrary basis. After examining the problem and after consulting the administration of the Economic and Social Committee, your rapporteur made what he considered to be a reasonable compromise proposal adding a further 5 up-gradings. This proposal was accepted by the Committee and by Parliament.

12. The upgradings of an A7 to A6 and of an LA5 to LA4 are requested in order to take account of seniority within the grade, within the service and of the age of the official concerned.

For the upgrading from B2 to B1, account has been taken of the length of service of the official concerned and the development of the workload and the level of responsibilities involved in his job.

For the upgradings for the C category, account has been taken of the more complicated machinery requiring higher qualifications, used by the officials concerned. Furthermore, the rapporteur has noted the drain of a relatively high proportion of staff from the secretariat of the Committee (more than 10%) towards other institutions which are able to offer greater career opportunities. Within the Committee 12% of C grade officials are classified within the C5 grade whereas, in other institutions, recruitment at the C5 level is practically non-existent - staff being recruited directly at C4 or even C3 levels.

13. In view of the fact that no new argument has been brought forward against these proposals and in view of the further investigation of the question, your rapporteur suggests that the Committee on Budgets re-tables the amendment.

14. The Council had accepted Parliament's amendment increasing the allowances for members of the Committee from 3,000 to 3,300 Belgian francs, which took account of the increase in the inflation rate at the meeting place of the Committee and which corresponded with decisions taken by other institutions.

15. Parliament accepted your rapporteur's argument that it was appropriate to take a decision on allowances during the budgetary procedure. Whilst the Council retains the right, under Article 6 of the merger treaty, to determine the level of salaries and allowances where they are made "instead of remuneration", allowances, such as those paid to members of the European Parliament, which are separate from remuneration, are not determined exclusively by Council. In this case the budgetary authority may decide upon the level of allowances.

16. Your rapporteur notes that the Council has accepted this amendment but cannot concur with the accompanying remarks made by Council. The decision by the budgetary authority must, therefore, be taken as final: in other words, Parliament's amendment effectively increases the daily allowances to cover the subsistence expenses of members of the Economic and Social Committee. There is no need for any further decision by Council.

#### Section V 'Court of Auditors'

17. Council rejected both Parliamentary amendments concerning the Court of Auditors.

For the first amendment it was necessary, in order to strengthen the major control sectors within the establishment plan of the Court, to ask, originally, for 41 permanent posts and 4 temporary posts to be allocated as follows:

(a) For the control sector

1. Supervision of European schools and external and decentralised bodies:  
1 A 6/7, 1 C;
2. EAGGF Guidance Section:  
1 A 4/5, 1 C;
3. Regional Fund:  
1 A3, 1 A 4/5, 1 A 6/7, 1 B, 1 C;
4. ECSC and banking management and
5. Social Fund and other expenditure:  
1 A 4/5, 1 A 6/7, 1 B, 1 C;
6. Operational expenditure of the institutions:  
2 A 6/7, 1 C;
7. Expenditure on staff:  
1 A 6/7, 1 B, 1 C;
8. EAGGF Guarantee Section:  
1 A 3, 1 A 4/5, 1 A 6/7, 1 B;
9. Expenditure on development - Stabex - cooperation with developing countries and third countries:  
1 A 6/7. 2 B;
10. Research and investment, energy, industry and
11. General accounts:  
1 A 6/7, 2 B;
12. Computerised Control Section:  
1 A 4/5;
13. Autonomous revenue of the Community:  
2 B.

(b) For the 'horizontal', i.e. administrative, services:

1 A 6/7, 2 B, 4 C;

(c) For the language service

3 LA 7, 1 C;

(d) General service staff

1 D, 3 C.

Of these posts, Council agreed, in its first reading of the budget on 11 September 1979, to only 23 posts, without any breakdown.

Therefore the remainder was included in the parliamentary amendment.

18. The remainder of these posts are intended to complete the Court's control auditing teams, particularly for the following sectors: the EAGGF Guarantee and Guidance Sections, the Regional Fund, and the operational expenditure of the institutions, expenditure on development, Stabex and cooperation with development of third countries.

19. These new posts are also accompanied by proposed upgradings for the assistants of Members of the Court who are assigned with administrative duties. The Court accompanied its request with full explanations, providing a job description for each post sought and an account of the strength of each section within the establishment plan.

20. In his explanatory statement, your rapporteur indicated that a certain re-examination of priorities should take place, as regards the disposition of staff, with greater emphasis on the need to control certain funds, i.e. the Social Fund.

21. It was also noted that the Court had stated its intention not to request further posts for next year. This would be possible as the Court considered that were the extra posts agreed it would be fully equipped to meet the tasks set it by the Treaties.

22. The amendment on the entertainment and representation allowances would put members of the Court of Auditors on an equal footing with members of the other institutions. Your rapporteur added, in the justification, a remark to the effect that the Court should set an example to the other institutions by applying strict rules to its members as to the use of these allowances.

23. These two amendments were adopted unanimously by the European Parliament at the session of 7 November 1979.

Council rejected both amendments, without any justification.

## Conclusions

### 24. The Committee on Budgets

- (i) confirms its decisions of 7 November 1979 as regards the establishment plans and budgets of the other institutions;
- (ii) expresses its desire to see both parts of the budgetary authority engage in a constructive dialogue on the development of the administrative budgets of all the institutions so that the quality of the budgetary dialogue may be improved.
- (iii) notes that the amendments tabled, given the delays in the adoption of the 1980 budget, will have no financial implications for the 1980 financial year. They will, however, permit the institutions concerned to start up recruitment procedures.

Amendments tabled by Parliament during the first reading of the 1980 budget on 7 November 1979 to Sections I, II, IV and V showing the decisions of Council on these amendments taken at its meeting of 23 November 1979 and confirmed by its decisions in drawing up the new draft budget on 17 June 1980

## SECTION I - PARLIAMENT

Budgetary Line	Heading	First Reading DA	Effect	Council decisions of 23.11.1979	
				Approved	Rejected
STAFF	1 A5/4 - 5 C3/2 (secretariat of Quaestors)	330	To be taken from general reserve of 188 posts	X	
	6 C3/2 permanent posts (to assist Vice-Presidents)	331	To be taken from general reserve of 188 posts	X	
	123 temporary posts in secretariat of political groups - 61 frozen	332	Increase PA by 1,875,750 EUA	X	
	1 A1 temp. ad personam - 1 A3 temp. - 1 B3 - 1 C1 (President's Private Office) 113 temp. posts in Secretariat Conversion of 7 posts	333	Increase PA by 2,888,600 EUA	X	
	Addition of following permanent posts: 3 A3, 2 A5/4, 2 A7/6	369	Of these 1 A3, 2 A5/4, 2 A7/6 to be taken from general reserve of 188 posts Increase PA by 50,500 EUA	X	
<u>TITLE 1</u>					
Ch. 100	Members of the Institution	327	Increase PA by 10,825,000 EUA Decrease by 9,250,000 EUA approp. against Article 1000: 'Reserve'	X	
Item 1000	Basic salaries	340	Token entry	X	

## SECTION I - PARLIAMENT

Budgetary Line	Heading	First Reading DA	Effect	Council decisions of 23.11.79	
				Approved	Rejected
<u>TITLE 2</u>					
Item 2100	Rent	370	Reduce PA by 5,841,200 EUA. Enter 5,841,200 EUA in Ch. 100	X	
Title 2	Buildings, equipment and miscellaneous operating expenditure	329	Increase PA by 1,832,750 EUA	X	
Item 2720	Expenditure on information, publicity and participation in public events	36	Increase PA by 300,000 EUA	X	
Item 2991	Subsidies towards the cost of visits by 'opinion multipliers' from Member States (new heading)	37/rev.	Enter PA of 200,000 EUA	X	
<u>TITLE 3</u>					
Item 3706	Other political activities	328	Increase PA by 788,600 EUA	X	

Budgetary Line	Heading	First Reading DA	Effect	Council decisions of 23.11.79	
				Approved	Rejected
<u>SECTION II - COUNCIL</u>					
<u>ANNEX I - ECONOMIC AND SOCIAL COMMITTEE</u>					
<u>STAFF</u>	5 post conversions: 1 A7 into A6, 1 LA5 into LA4, 1 B2 into B1, 2 C5 into C3	182/rev.	Increase PA in Title 1 by 14,210 EUA Reduce appropriation in Ch. 100 by 14,210 EUA		X
	Increase by 300 BF the flat rate daily allowance to cover expenses of members of ECSC	183/rev.	Increase PA in Article 250 by 110,000 EUA Reduce appropriation in Ch. 100 by 165,790 EUA	X	
<u>SECTION IV - COURT OF JUSTICE</u>					
<u>STAFF</u>	Create 13 perm. posts in LA category (interpreters)	322	Increase PA by 389,160 EUA Decrease by 326,090 EUA expenditure on 'Joint interpreting service' (Item 2391)	X	
<u>SECTION V - COURT OF AUDITORS</u>					
<u>STAFF</u>	Add 18 posts: 2 A3, 3 A6, 2 A7, 1 B2, 2 B3, 1C2, 4 C3, 3 C4 Convert 2 B5 posts into 1 B4 and 1 B3 Convert 6 temp. C1 posts into 6 B3 secretarial posts Create 4 new temp. A4 posts Regrade 3 secretariat posts B3, B4 and B5 to 3 B posts in same grade	87	Increase PA by 715,695 EUA		X
Item 2400	Members of the institution	88	Increase PA by 23,500 EUA		X

DRAFT AMENDMENT

BUDGET

# EUROPEAN PARLIAMENT

.25. JUNE 1980.....

Doc.1-270/24



DRAFT  
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES  
FOR THE FINANCIAL YEAR 1980

DRAFT AMENDMENT No. 24..

tabled by Mr R. JACKSON, rapporteur

## SECTION II - COUNCIL

### Annex I - Economic and Social Committee

Staff posts - add to the establishment plan the following 5 post conversions:

- 1 A 7 into A 6
- 1 LA 5 into LA 4
- 1 B 2 into B 1
- 2 C 5 into C 3

#### A - Expenditure

Unchanged (as regards expenditure for the 1980 financial year).

#### B - Compensation

-

#### C - Revenue

Unchanged.

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DRAFT AMENDMENT

BUDGET

# EUROPEAN PARLIAMENT

.. 25 JUNE 1980 .....

Doc1-270/25



DRAFT  
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES  
FOR THE FINANCIAL YEAR 1980

DRAFT AMENDMENT No. 25...

tabled by Mr R. JACKSON, rapporteur

## SECTION V - COURT OF AUDITORS

### PAYMENTS

Item 2400 : Entertainment and representation expenses of members  
of the institution

#### A - Expenditure

Unchanged (as regards expenditure for the 1980 financial year).

#### B - Compensation

-

#### C - Revenue

Unchanged

### COMMITMENTS

-

### REMARKS

Add to the remarks the following comment:

' These entertainment and representation expenses are hereby increased  
to bring them into line with the expenses of members of other  
institutions.'

# EUROPEAN PARLIAMENT

25 JUNE 1980 .....

Doc.1-270/26



DRAFT  
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES  
FOR THE FINANCIAL YEAR 1980

DRAFT AMENDMENT No. 26.

tabled by Mr R. JACKSON, rapporteur

## SECTION V - COURT OF AUDITORS

Table of staff - amend the establishment plan as follows:

### Permanent posts

- (a) add the following 18 posts (from 23 to 41): 2 A 3, 3 A 6, 2 A 7, 1 B 2, 2 B 3, 1 C 2, 4 C 3, 3 C 4;
- (b) convert 2 B 5 posts into 1 B 4 and 1 B 3;
- (c) convert 6 temporary C 1 posts into 6 B 3 secretarial posts;
- (d) create 4 new temporary A 4 posts;
- (e) regrade 3 secretarial posts grades B 3, B 4 and B 5 respectively, to 3 B posts in the same grades.

### A - Expenditure

Unchanged (as regards expenditure for the 1980 financial year)

### B - Compensation

-

### C - Revenue

Unchanged.

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### REMARKS

Modify accordingly the remarks against the items referred to above.

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