REPORT
drawn up on behalf of the Committee on Budgets

on draft supplementary and amending budget No 1 of the European Communities for 1982

Rapporteur: Mrs C. BARBARELLA
"..." PATEL was appointed rapporteur for the 1982 supplementary and/or amending budgets and for budgetary problems arising in this connection.

On 5 November 1982 the Commission of the European Communities submitted to the Council and notified Parliament of the preliminary draft supplementary and amending budget No. 2 for the financial year 1982.

On 8 November 1982 the Council established the draft budget and forwarded it to Parliament on 10 November 1982.

At its meeting on 7 December 1982, the Committee on Budgets considered this draft budget and decided to amend it. To this end it adopted 7 draft amendments.

During this meeting the Committee on Budgets adopted the following motion for a resolution by 21 votes to 8 with 1 abstention.

PRESENT: Mr Lange, chairman, Mr Notenboom, 1st vice-chairman, Mrs Barbarella, 2nd vice-chairman and rapporteur, Mr Abens, Mr Adam (deputizing for Mr Cluskey), Mr Adonnino, Mr Ansquer, Mr Balfe, Mr Balfour, Mr Barbagli, Mr Bonde, Mrs Boserup, Ms Clwyd (deputizing for Mr Orlandi), Mr D'angelosante, Lord Douro, Mr Fich, Mr Gouthier, Mr Helms (deputizing for Mr Croux), Mrs Hoff, Mr Kellet-Bowman, Mr Langes, Mr Lega, Mr Louwes, Mr Mouchel (deputizing for Mr Cousté), Mr Newton Dunn, Mrs Nikolaou, Mr Pfennig, Mr Price, Mrs Pruvot (deputizing for Mr Rossi), Mr Saby, Mrs Scrivener, Mr Wettig (deputizing for Mr Arndt).
CONTENTS

A. MOTION FOR A RESOLUTION ........................................... 5
B. EXPLANATORY STATEMENT .................................................. 7
The Committee on Budgets hereby submits the following motion for a resolution to the European Parliament:

**MOTION FOR A RESOLUTION**

on draft supplementary and amending budget No. 1 of the European Communities for 1982

The European Parliament,

A. having regard to preliminary draft supplementary and amending budget No. 2 submitted by the Commission of the European Communities to the general budget for 1982 (Doc. COM(82) 715),

B. having regard to draft supplementary and amending budget No. 1 for 1982 established by the Council of the European Communities (Doc. 1-930/82),

C. having regard to the report of the Committee on Budgets (Doc. 1-991/82)

1. Puts on record its grave concern at the proliferation of measures of national compensation contrary to the principles of a single comprehensive budget, transparency and political and financial control which form the basis of the Community budget;

2. Warns against the risk that these measures, through their prolongation and extension to an increasing number of countries, may undermine the essential cohesion of the Community;

3. Deplores the repeated failure by the Council to assume its own responsibilities in respect of the commitment entered into at the highest political level by the governments of the Member States to find a definitive solution by 1982 to the problem of equitable development of the Community budget;

4. Is strongly critical of the Commission not only for having failed to exercise its right and duty to submit specific legislative acts designed to bring about a lasting solution to the budgetary imbalance but also for continuing to seek transitional solutions once again for the next three year period;

- 5 - PE 81.971
5. Deplores, moreover, the fragmentation of the Commission's proposed amendments to the 1982 budget which has prevented Parliament from obtaining an overall view of the real resources available and hence of its own possibility of intervening to ensure a better and more balanced distribution of financial resources;

6. Puts on record at this stage its firm resolve to reject any further transitional solution and calls upon the Commission and Council, as a matter of urgency, to propose and approve by the earliest possible date, a financial reform based on a mechanism for ensuring financial balance in accordance with the guidelines repeatedly defined by Parliament;

7. Declares that it is unable to accept the draft supplementary budget

(a) without a political guarantee that these are the last special compensatory measures,

(b) unless the draft budget is amended to extend the validity of these special measures in the context of existing common policies,

(c) unless the expenditure for these financing operations is classified as non-compulsory;

8. Instructs its President to forward this motion for a resolution to the Council and Commission of the European Communities.
EXPLANATORY STATEMENT

1. The motion for a resolution and the amendments are based essentially
   - on the need to consider the new supplementary measures in favour of the
     United Kingdom as arising from a new regulation;
   - on the need to set in a Community context the special programme for energy
     development for the Federal Republic of Germany which is therefore to constitute
     the starting point for this policy;
   - on the need to introduce new budget lines
     (a) to take account of the Committee on Budgets' view of the nature of these
         two regulations
     (b) to provide a breakdown of estimated expenditure in general, in advances,
         balances and appropriations necessary for the carrying out of control duties
     (c) to make provision, as regards revenue, for the repayment of any sums
         improperly paid and to provide for the repayment of amounts improperly
         paid to a Member State under the supplementary measures taken for that
         Member State
     (d) to enter appropriations to be used for a second application of Community
         energy development programmes for countries other than the Federal Republic
         of Germany.

2. These proposals by the Committee on Budgets are presented in the form of
   amendments since the committee feels, in line with the joint declaration of
   30 June 1982, that the supplementary expenditure for the United Kingdom and for
   the Federal Republic of Germany constitutes non-compulsory expenditure and must
   therefore be decided on through the budgetary procedure and not by regulation.
   The following table illustrates how the draft budget should be presented,
   on the basis of the amendments adopted by the Committee on Budgets.
### CHAPTER 53 - SUPPLEMENTARY MEASURES IN FAVOUR OF THE UNITED KINGDOM

<table>
<thead>
<tr>
<th>Chapter Item</th>
<th>Heading</th>
<th>Initial Appropriations</th>
<th>Draft Supplementary and Amending Budget No 1/82</th>
<th>New Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>Commitments</td>
<td>Payments</td>
<td>Commitments</td>
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<tr>
<td>530</td>
<td>Supplementary measures in favour of the United Kingdom</td>
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<td></td>
<td>Non-differentiated appropriations</td>
<td>1,654,212,000</td>
<td>1,654,212,000</td>
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<tr>
<td>531</td>
<td>New supplementary measures in favour of the United Kingdom</td>
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<td>5310</td>
<td>Advances on supplementary measures to be put into effect in the following financial year: first payment</td>
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<tr>
<td>5311</td>
<td>Advances on supplementary measures to be put into effect in the following financial year: second payment</td>
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<tr>
<td>5312</td>
<td>Supplementary measures to be put into effect during the financial year</td>
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<td>5313</td>
<td>Control of the implementation of Community financing</td>
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<td>CHAPTER 53 - TOTAL</td>
<td></td>
<td>1,654,212,000</td>
<td>1,654,212,000</td>
<td>1,092,000,000</td>
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<tr>
<td>Art.</td>
<td>Item</td>
<td>Remarks</td>
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<td>530</td>
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<td>Council conclusions of 30 May 1980 (OJ No C 158, 27.6.1980, p.1) and 25 May 1982 on the United Kingdom contribution to the financing of the Community budget. Council Regulation (EEC) No 2744/80 of 27 October 1980 instituting supplementary measures in favour of the United Kingdom (OJ No L 284, 29.10.1980, p.4). These supplementary measures, which are part of special multiannual programmes, should help to solve the main structural problems in the United Kingdom and thus contribute to the convergence of economic trends in the Community.</td>
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<td>531</td>
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<td>This appropriation is to cover the implementation, in the form of financial assistance, of measures for carrying out certain categories of investments that meet the following criteria: a. they must contribute to the social and economic development of the Community; b. they must contribute to Community integration; c. they must ensure in a diversified manner the development of economic and social infrastructures and progress in Community research; d. they must not give rise to distortions of competitions; e. they must be in line with the relevant Community policies and in particular - in the field of infrastructures: correspond to the new criteria laid down by the Commission and the European Parliament for the revision of the basic regulation of the Regional Fund particularly as regards identifying regions in which special Community measures may be taken (ERDF non-quota). be compatible with the proposals put forward by the Commission in its memorandum on the role of the Community in the development of transport infrastructures (OJ C 207/76, 240/77 and 89/80) and with Parliament's decisions on this matter (OJ C 293/76 and 197/80) which give priority to public transport - in the field of energy and research: correspond to the objectives laid down in particular in the following three Community programmes approved by Parliament the exploitation of substitute energy sources, energy savings and hydrocarbon substitutes; liquefaction and gasification of solid fuels; rational use of energy.</td>
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<td>5310</td>
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<td>Appropriations for the implementation of supplementary measures are entered in the budget for the financial year following the year in which an unacceptable situation arises for a Member State. Advances may be granted in the course of the latter year within the limit of available budgetary resources and the requests for assistance submitted. The second payment of advances for 1983 can only be made provided that 1. these measures are the last measures of a provisional nature 2. in 1983 a definitive system for financial equalization based on national wealth and the total taxable revenue in Member States is introduced.</td>
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### CHAPTER 53 - SUPPLEMENTARY MEASURES IN FAVOUR OF THE UNITED KINGDOM

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<th>Art. Item</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>5311</td>
<td>Where the projects are implemented in their entirety in the year in which the advance was granted and where the conditions laid down under this article are met, the advances against the supplementary measures may attain the totality of the Community support committed for these projects.</td>
</tr>
<tr>
<td>5312</td>
<td>This appropriation is to finance supplementary measures to be put into effect in the course of the financial year. The financial assistance may not exceed 70% of the annual expenditure estimated for the execution of the investment programme subsidized by the Community. To permit the acceleration of the implementation of the programmes, an advance of 50% of the annual expenditure may be paid to the public authority supervising the programme in question.</td>
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<tr>
<td>5313</td>
<td>This item is intended for the entry of an appropriation to cover expenditure connected with controls and on-the-spot checks of the implementation of the supplementary measures. The Commission will make its financing decisions subject to conditions making it possible to check (a) the compliance of the administrative practices with Community rules; (b) the existence of supporting documents and their conformity with the operations financed; (c) the conditions in which the operations financed are carried out and checked; (d) the conformity of the projects actually carried out with the operations financed.</td>
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