

EUROPEAN PARLIAMENT

# Working Documents

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PROPOSAL FOR REJECTION  
OF THE DRAFT GENERAL BUDGET OF THE  
EUROPEAN COMMUNITIES FOR THE  
FINANCIAL YEAR 1981

tabled, within the meaning of Article 203(8)  
of the EEC Treaty

by Mr PANNELLA, Mrs BONINO, Mr CAPANNA,  
Mrs MACCIOCCHI and Mr COPPIETERS



The European Parliament,

- having regard to the guidelines adopted by it at the start of the budgetary procedure for the financial year 1981,
- having regard to the draft general budget submitted by the Council,
- having regard to the modifications and amendments adopted by it on 21 November 1980,
- having regard to the deliberations of the Council on 2 December 1980,
- having regard to the deliberations of its Committee on Budgets on 9, 10 and 11 December 1980,
- having regard to all the proposed modifications and draft amendments tabled by its committees, individual Members and political groups during the first reading of the budget for the financial year 1981,
- recalling the guidelines which emerged during the budget procedure for the financial year 1980 as a result of which the draft budget was rejected on 13 December 1979 for specific reasons of a political nature subsequently belied by the passive acceptance by the big political groups in the European Parliament of the second draft budget which was substantially identical to, if not worse than, the budget rejected in December 1979,
- considering that this budget is the result of increasingly apparent resignation by the Community Institutions in face of the Council which is the sole arbiter of Community policy and has the power to effectively rule the Community territory without any form of juridical or administrative control by the European Parliament, a body elected democratically by the peoples of Europe,
- drawing attention to the inadequacy of the measures proposed by the European Parliament as regards the definition of compulsory and non-compulsory expenditure and the perpetuation of the situation in which the Council continues to arrogate to itself the right to decide on this whole matter,
- whereas in particular
  - as regards the budget items relating to the economic treatment of the members of the various Institutions there has for some time been a proliferation of a disproportionate and excessive number of such items which in reality constitute a concealed remuneration onto which light should be thrown forthwith,

- the 14 Commissioners are entitled to and actually collect under various headings:
  - an annual basic salary
  - a residence allowance
  - family allowances
  - a representation allowance
  - a retirement pension
  - a transitional allowance
  - refunds of travel expenses
  - an installation allowance
  - reimbursement of removal expenses
  - reimbursement of mission expenses
  - a special allowance for the purchase of clothing suitable for tropical climates
  - an allowance for reception and entertainment expenditure
  - an allowance for their initial installation, reinstallation and transfer

all of which totals more than 5,000,000 EUA which is a higher sum than the civil list of Queen Elizabeth of England;

- this self-same jungle of remuneration also exists for the benefit of Members of the European Parliament who, in addition to their daily mission allowances, receive:
  - a monthly allowance of 500 EUA for secretarial costs
  - a monthly allowance of 400 EUA for miscellaneous expenditure which is not further defined
  - a monthly allowance of 1,930 EUA for a 'personal assistant', this sum being paid directly to the Member of Parliament,
  - a monthly allowance of 400 EUA for constituency travel
  - a flat-rate annual allowance of 2,500 EUA to cover the cost of other travel by Members
- this policy of 'Euro salaries' is accompanied by another still more laxist policy in respect of the rental of the premises housing the Community Institutions, the cost of which is so exorbitant that it would have been possible to acquire buildings and write-off the cost of the investment if the necessary political determination to do so had existed
- responsibility for this policy is shared by the 3 Community Institutions who are contravening the principle of sound financial management stipulated in Article 206 A, second paragraph of the EEC Treaty

- the rental of premises at the places of work of the EEC is accompanied by the maintenance of luxurious representational offices in certain capitals of the Member States at very high cost, as reflected in the annual bill of 6,765,000 FB for the Paris office (plus ancillary costs) and 10,230,000 FB per year (plus ancillary costs) for the London office even though the latter is substantially smaller than the former
- the absence of any policy on the part of the Community Institutions in the matter of buildings is confirmed by the absurd contract concluded with the company which constructed the new 'residence' in Strasbourg which is costing the European tax payer 18 million French francs per year for an effective use of no more than 50 days each year
- expenditure on receptions to which Members of the European Parliament are invited in various capacities amounts to a total of 380,000 EUA, giving an average figure of more than 1,900 EUA per working day,
- similar anti-economic practices are followed in respect of the management of motor vehicles, furniture and office equipment which are replaced too often without any real need to do so and are more often than not sold at less than their real value without any adequate planning of expenditure and depreciation on the part of the responsible body, despite the principle referred to above of the need to ensure 'sound financial management',
- expenditure on external meetings of committees and delegations has reached disproportionate levels without this travel meeting a real political need so that these journeys are organized unnecessarily, as confirmed by the recent visit of the EEC-Greece delegation to Rhodes which, for obscure or in reality only too clear, reasons was strengthened by 6 additional members at the very time when its activities were coming to an end, and as further evidenced by the striking difference between attendance at a meeting of the ACP-EEC Joint Committee in Arusha (Tanzania) where all the members were present as compared with an attendance of only 6 to 8 persons at a similar meeting in the Grand Duchy of Luxembourg,
- considering further that:
  - the appropriations in the energy sector have been severely cut back by the Council, thus confirming its intention of imposing the exclusive nuclear option while deliberately neglecting research and

investment in the sector of alternative and renewable energy sources,

- this energy policy is making Europe increasingly dependent on external sources of supply and contingencies, so that its dependence is in fact rising and its role within the international community is being seriously jeopardized, especially as regards the transfer of technology and know-how in the area of alternative and renewable energy sources towards countries of the third and fourth world,
- expenditure on the Social Fund has been cut back sharply, especially as regards aid for the handicapped and unemployed, without eliciting strong reactions from the major political groups in the Parliament and this at a time when unemployment in Europe has reached danger point,
- a substantial part of the budget is taken up by extraordinary financing for the benefit of the United Kingdom at the very time when the need for a far-reaching review of Community assistance to the less developed and peripheral countries is dramatically evidenced by the tragic earthquake which has struck some of the poorest regions of the Italian Mezzogiorno with economic and above all social consequences which are at present difficult to foresee,
- the cost of price support for certain agricultural products has once again grown in absolute terms to the point where it covers two-thirds of the budget, thus demonstrating that the distortions of the EAGGF system are far from being resolved and require radical and critical action to bring about full control as evidenced by the recent observations of the Court of Auditors on the subject of fraud and extreme short-comings in the sector of refunds,
- the whole common agricultural policy, created to meet the wishes of a single founding Member State and based on the economic needs of that country has proved over the years, and especially after enlargement in 1973, completely inadequate to meet the changed internal circumstances of the nine member countries and the role of the Community in its relations with those countries in which hunger and under-development prevail,
- the Council has failed to take adequate account of the guidelines and specific proposals set out in the FERRERO resolution on world hunger, although those proposals were in fact modest and general in nature, in deciding on the chapter relating to cooperation with the developing countries,

- the Council has rejected most of the European Parliament's amendments in this area,
  - this attitude confirms the tendency already expressed by the British and German Governments in the United Nations to drastically reduce their own public development aid despite their international obligations reflected in innumerable international resolutions on this matter,
  - the fight against world hunger has been the primary objective of the first year of existence of the elected Parliament and the hopes of the disinherited people of the third and fourth world had been placed in its action since at least 30 million people are bound to die from hunger and malnutrition next year through lack of food and adequate conditions of hygiene,
  - the commitment solemnly given in the ACP-EEC Consultative Assembly on 26 September 1980 to earmark 250 million EUA for emergency aid and 2 million tonnes of cereals for the refugees from the ACP countries has been disavowed by the Community budgetary authority, thus further reducing the chances of survival of the people concerned,
1. Notes that the 1981 draft budget is seriously inadequate and fails to take account of the need to give fundamental priority to
- a thorough review of the common agricultural policy with a view to the gradual reduction in scale of the EAGGF, Guarantee Section,
  - suitable financing for investment in the sector of alternative and renewable energy sources with the simultaneous cessation of further support for the nuclear sector which has proved dangerous, inefficient and uneconomic,
  - an increase in the endowment of the Regional and Social Funds, contributing at the same time to the solution of the British problem while taking account of the interests and aspirations of all the underprivileged areas and sectors of the Community population,
  - resolute and effective action against world hunger through the coordination of aid from the member countries at Community level with a view to the attainment by 1981 of the target of 0.7% of GNP in public development aid with the formation of a Community task force for urgent intervention in the countries most affected by hunger and the elaboration of suitable food strategies for the third and fourth world, on a country-by-country basis, in order to achieve individual and collective self-sufficiency in the food sector,

- respect for 'sound financial management', especially as regards the system of refunds and the entire administrative and management section of the budget;
- 2. Rejects therefore the draft budget for the financial year 1981 as modified by the Council;
- 3. Calls upon the Commission to submit a new preliminary draft budget taking account of the requests put forward by Parliament through its amendments and by individual Members in the course of the 1981 budgetary procedure which has taken place up to now between the Community Institutions and constitutes the basis for the presentation by the Council of a new draft budget within the meaning of Article 203(8) of the EEC Treaty.

#### JUSTIFICATION OF THE REQUEST FOR URGENT DEBATE

Rejection of the draft general budget for the 1981 financial year is justified by the arguments put forward in paragraph 1 of the substantive part of this motion for rejection of the budget.