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on the draft general budget of the European
Communities for the 1981 financial year
(Doc. 1-465/80)

Section III - Commission

Part II - EXPLANATORY STATEMENT

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Annexes I and II will be published separately.

B
EXPLANATORY STATEMENT

INTRODUCTION

The 1981 financial year: the Community at the crossroads

1. The 1981 financial year will probably be one of the most difficult but at the same time one of the most decisive for the Community since enlargement.
2. In a world political and economic situation that is fraught with uncertainty, the Community is going through an internal crisis and answers to the problems which it raises will have to be found sometime next year.

The political and economic background

3. The industrialized countries as a whole and the Member States of the Community in particular have not succeeded in recovering their economic balance which was severely shaken in the early '70s. Furthermore, there has been a series of international political crises which affect the stability and security of the western world of which the Community is a part.
4. Each in its own way, the Member States are finding it increasingly difficult to cope with the economic and financial necessities which the crisis has generated. The draft 1981 budgets which are being drawn up or have already been approved in the Member States clearly show with what narrow and, in some cases, inadequate margins and resources they are working, and this highlights the constraints that weigh on the national administrations and even more, in the last analysis, on the people themselves.

Economic convergence and development

5. The situation here forms a serious obstacle to the attainment of the basic objectives laid down in Article 2 of the Rome Treaty: the harmonious development of economic activities throughout the Community, a continuous and balanced expansion, an increase in stability and an accelerated raising of the standard of living. The progress towards convergence that needs to be made between countries and regions is at a standstill and the disparities between development rates and levels threaten to grow wider.
6. In this situation, the common policies should provide the main framework and instrument for the efforts made by the Member States to meet the challenge. At the present time, however, the Community is going through a difficult period in which what has already been achieved is sometimes called in question and there are no clear signs of better things to come.

7. The first observation to be made is that the concept of Community solidarity, whether political, economic or financial, has grown weaker and there are signs of a return to the illusion of withdrawal into nationalism as a means of protecting individual interests more closely.

8. The second observation is that there is some doubt as to whether it is advisable to carry further, or even continue with the task begun. Is it really necessary to develop new common policies? Does the Community offer the best frame of reference and the best instrument for further joint action? A striking illustration of those hesitations is provided by the energy policy: the need for common action in this field has been unanimously accepted and repeated time and time again at the highest level but nothing specific has yet been decided; the transport policy and the industrial policy could also be mentioned as cases in point... Owing to those hesitations, certain ideas like 'Europe à la carte' or 'a two-tier Europe' have again come to the fore.

9. More serious still is the doubt as to the actual effectiveness of a number of policies that have already been introduced (in the regional and social spheres, in research and even the common agricultural policy) for it would seem that their underlying purposes and initial objectives have been forgotten.

10. The ultimate Community objectives of economic solidarity, as originally conceived, now appear to have been ousted by general political objectives designed to maintain Europe's place and security in a troubled world.

The loosening of the institutional structure

11. The institutional structure of the Community has also been challenged: supreme decision-making power has gradually shifted upwards towards the European Council; six years after its inception, it is still highly unclear how it fits into the machinery provided for in the Treaties. Making the Council of the Community work is clearly a more difficult task than ever it was before: the frequent use of the unanimous vote, which goes against the rules laid down in the Treaty, and the lack of coordination between the 'general' Council on the one hand and the 'technical' Councils on the other slow down the decision-making process to a great extent. The Commission is no longer forceful and independent-minded enough in playing the role, assigned by the Treaties, of initiator and implementing authority; it does not seem to have found the proper balance in its relations with the Council and Parliament and it is precisely to restore this balance that Parliament wishes to be involved in one way or another in the appointment of the future Commission.

12. Less than six months after its election, the place and role of the new Parliament came under challenge and it had to go to the extreme length of rejecting the budget in order to defend its prerogatives, particularly where the budget was concerned.

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13. Given the problem raised by the UK contribution and the prospect of a further enlargement of the Community, discussions were held with the aim of clarifying all of the Community's internal problems. On 30 May 1980, the Commission was given a sufficiently broad mandate to carry out a general review of its problems and to propose satisfactory solutions during 1981.

The part which Parliament can play in this situation

14. There is no doubt that the situation described above creates confusion in public opinion. Having recently been made the direct representative of public opinion, the European Parliament has a very special role to play in relation to both national parliaments and governments and the other Community institutions.

15. It is for Parliament to air in public the problems referred to above and to lay down the political guidelines that are likely to meet the concerns which people feel. This task of clarifying the issues can be approached in two ways:

- as the political forum of Europe, Parliament can debate the major issues and publicly state what conclusions it has reached;
- as the budgetary authority, it can influence practical decisions and decide on the financing required to implement them.

16. The 1981 budget falls within this precise context. This budget will not of course solve every problem and the financial constraints applicable at the present time may well allow no more than modest progress. But this budget must provide the first indication of Community recovery by drawing clear lines for the future. The 1981 financial year will inevitably be a year of transition but this transition must be dynamic, meaning that it must bring hope for the future.

17. As is pointed out in a subsequent paragraph, the Community budget, like the national budgets, is a political just as much as a financial act. It provides an opportunity to take stock of the situation and to trace new lines of development. The powers vested in Parliament by the Treaties are primarily of a budgetary character: the annual adoption of the budget must therefore have a real significance and not be restricted by the arbitrary introduction of technical mechanisms such as the maximum rate of increase of non-compulsory expenditure.

18. The fact that responsibilities are shared between the two arms of the budgetary authority - reflected in the distinction between compulsory and non-compulsory expenditure - means that there must be close cooperation between Parliament and the Council: this cooperation must produce, at the end of the budgetary procedure, a common resolve on the part of the two institutions. If final agreement proved impossible, this would mean that the machinery provided for in the Treaties is not geared to the real situation and must therefore be changed.

I. THE SITUATION CREATED BY THE REJECTION OF THE 1980 BUDGET

The circumstances and reasons for rejection

19. On 13 December 1979, despite many last-minute attempts to reach agreement, Parliament rejected, by a large majority, the draft budget for the 1980 financial year, exercising for the first time a power guaranteed by the 1975 Treaty.

20. In its first reading of the draft budget, Parliament made it clear what conditions had to be met in its view if it was to adopt the 1980 budget:

- no unjustified cuts in non-compulsory expenditure,
- introduction of initial measures to control agricultural expenditure,
- incorporation in the budget of borrowing and lending by the European Development Fund (EDF).

21. Parliament also stressed that the depletion of own resources posed a threat to the development of Community activity, especially in the non-agricultural sector.

22. In its second reading of the draft budget, the Council agreed to a number of increases in non-compulsory expenditure (+ 255.2 m EUA) but did not change its stance on agricultural expenditure or on the incorporation of borrowing and lending in the budget.

23. At the final meetings between the Council and a Parliament delegation the impression gradually arose that the Council was unwilling to share in any genuine sense the responsibilities of the budgetary authority with Parliament. From that point on, the matter took on a political dimension since Parliament was quite naturally anxious to assume and assert its new responsibilities as a directly-elected Assembly in the conviction that it reflected the true aspirations and needs of the people of Europe.

24. The rejection of the budget on 13 December 1979 therefore carried both budgetary and institutional implications.

25. On 29 February 1980, the Commission adopted 'new budget proposals' on the basis of which the Council drew up a new draft budget on 20 June. This draft contained a number of improvements in the matter of non-compulsory expenditure but added nothing new as far as farm costs and budgetization were concerned.

26. On 27 June 1980 Parliament voted further increases in non-compulsory expenditure which the Council accepted in their entirety.

27. On 9 July 1980, following a vote against a proposal to reject the budget once more, the President of the European Parliament was able to declare the 1980 budget finally adopted.

The outcome of the budgetary procedure

28. All in all, Parliament made genuine headway in the matter of non-compulsory expenditure (+ 512.3 m EUA) in comparison with the Council's initial draft budget of 11 September 1979.

29. But little progress was made in the other areas:

- control of agricultural expenditure: the Council did not accept any of the proposed modifications voted by Parliament, the purpose of which was to initiate - in some case no more than symbolically - a process designed to bring those costs under closer control. The fact is that during the budgetary procedure, as was to be expected, total expenditure under the Guarantee Section of the EAGGF rose by 300 m EUA, primarily because of the increase in farm prices decided in June 1980 for the 1980/81 marketing year.

However, the rejection of the 1980 budget certainly helped to make the governments and the institutions more keenly aware of the need to control expenditure caused by structural surpluses. On this point, the action taken by Parliament and also by the Commission and certain delegations to the Council has proved worthwhile: the first signs of a real wish to gain control of production in areas where there is a chronic surplus (mainly through the introduction of a supplementary levy by the Council on milk production) and the announcement of steps to re-balance the Community's finances (agreements of 30 May 1980) owe much to the debate that took place on the 1980 budget.

- budgetization: the incorporation of the EDF in the budget did not take place; the agreement on the Vith EDF concluded in July provides for funding by the Member States and not through the budget; however, the three institutions have come to a tacit agreement that incorporation in the budget will be written into the next agreement (i.e. from 1983 onwards).

There has been little or no change in the situation as far as the incorporation of borrowing and lending in the budget is concerned. The problem therefore remains exactly the same for the 1981 budget.

The budgetary and political consequences

30. From a purely budgetary point of view, the rejection of the 1980 budget led to the implementation of the system of provisional twelfths for a period of six months. This proved to be a difficult and complicated matter: Parliament was anxious to place a strict interpretation on the arrangements provided for (no transfers or carry overs of appropriations) in order to bring out the seriousness of the situation and the need for the Council to submit a new draft budget as soon as possible.

31. The system of provisional twelfths also acted very much as a damper on the Community's growth and activities during those six months although other factors, and particularly the problem of the UK contribution, were also at work.

32. From the political point of view, the consequences are more difficult to assess. Rejection of the budget, it is true, is no longer the somewhat academic exercise it was sometimes considered to be. But it must be conceded that it did not allow Parliament to win any more than part acceptance for its views. Parliament showed that it was ready to exercise its budgetary powers to the limit and thus to be a fully-fledged budgetary authority; however, the role of this budgetary authority in the overall inter-institutional context was again shown to be restricted compared with the political or legislative decision-making of the European Council or the Council of the Communities.

II. THE SITUATION AT THE TIME OF SUBMISSION OF THE 1981 BUDGET

Leaving aside the difficult economic and financial situation referred to above, there are four new features to the 1981 budget and these call for separate presentation: the exhaustion of own resources, the UK problem, the accession of Greece and the re-balancing of Community finances.

1. The exhaustion of own resources

(a) The facts

33. In its preliminary draft budget for 1981 the Commission proposes a VAT rate of 0.95%, leaving a 'margin' of no more than 552 m EUA before the limit of own resources is reached, in other words up to the 1% VAT ceiling. The draft budget, which shows cuts of approximately 800 m EUA, means a VAT rate of 0.88%, leaving a margin of 1,364 m EUA

34. According to the three-year forecasts, total available own resources should rise by roughly 10% in 1982 and 1983, more or less following the expected rate of inflation. There is no doubt that our closeness to the ceiling already has an inhibiting effect on the development of Community activity. Furthermore, the risk of going through the ceiling 'by accident' cannot be ruled out owing to the 'volatility' of certain items of revenue or expenditure (particularly in the agricultural sector).

35. Conscious of this trend, the Commission submitted in 1978 a memorandum on the outlook for the financing of the Community budget and put forward suggestions for the creation of new own resources but these did not reflect the full capacity for initiative which it had shown in 1969 when the Treaty and the legislative texts establishing the Community's financial autonomy were submitted and adopted. Its 1978 memorandum was more in the nature of a study rather than a political act of consequence certain to succeed.

36. These suggestions, moreover, did not find an immediate echo; in 1979 the European Council declared on the contrary that there could be no question of increasing own resources in the 'foreseeable' future. Parliament, for its part, looked more closely at the Commission's suggestions, setting up a working party under the Committee on Budgets; six months later, the working party submitted its preliminary conclusions which may be summarized as follows:

- improved use of present own resources
- development of borrowing and lending operations
- removal of the VAT ceiling
- equalization between Member States
- a five-yearly review of the Community's tasks and financial resources.

(b) Consequences on the 1981 budget

37. The situation faced by the budgetary authority is entirely new in that so far, the Community's financial resources were geared to the tasks that had to be carried out; it now seems that we shall have to take the opposite course.

38. The fact is that the Commission has been forced to slow down the rate of expansion of existing policies and to forego introducing any new policies. For the first time, it has somewhat restricted its budgetary initiative by making no provision for appropriations to cover Community measures which do not yet rest on a final legislative basis. This approach on the Commission's part is unacceptable to Parliament which regards the budget as providing a deliberately forward-looking dimension.

39. The Council, for its part, has made drastic cuts all across the line, with the exception of the appropriations for the EAGGF guarantee section, in order to maintain as wide a margin as possible for agricultural spending, seen as inevitable and considered as a priority.

2. The British problem

(a) The 'unacceptable situation' for the United Kingdom

40. The 'British problem' provides a striking illustration of the Community's inability at the present time to promote a harmonious and coordinated development of the Member States' economies. The 'unacceptable situation' in which the United Kingdom found itself from 1980 onwards would not have arisen if the aims of the Treaties had been respected and the machinery they provide had been properly used. Exceptional measures had therefore to be taken but what is important beyond these is that the re-balancing of policies at present under consideration should prevent the recurrence of a similar situation.

41. Following the meeting of the European Council on 27 and 28 April 1980, the Council of Ministers decided on 30 May 1980 to make up two-thirds of the United Kingdom's 'net contribution' to the Community budget - in other words, two-thirds of the difference between the United Kingdom's payments to the Community and spending by the Community for the benefit of the United Kingdom.

42. The implementing arrangements for this refund are laid down in a Council regulation; it will be effected on the basis of the financial mechanism (extended for the purpose) which provides for the refund of part of the contribution paid into the budget by a Member State which finds itself in particular economic difficulty - and also on the basis of 'supplementary measures' relating to Community participation in the funding of economic infrastructures in the United Kingdom.

43. This decision applies to the 1980 and 1981 financial years; the refunds will be made out of the following year's budget - i.e. the 1981 and 1982 budgets - with the possibility of 'advance' payments from one budget to the other.

(b) effects on the 1981 budget

44. The Council decided that the net refund to the United Kingdom would amount to 1,175 m EUA for 1980, the appropriations to be entered for the purpose in the 1981 budget running to 1,544 m EUA¹ broken down as follows:

- financial mechanism (Chapter 41)	469 m EUA
- supplementary measures including	1,074.7 m EUA
. chapter 58	974.7 m EUA for the 1981 financial year
. chapter 100	100 m EUA as an advance on the 1981 financial year ²

¹ The United Kingdom will also receive a refund in respect of its contribution to the financing of this expenditure. The appropriations provided may therefore be this much higher than the 'net refund' decided by the Council.

² An 'advance' in respect of the 1980 financial year - and hence chargeable to the 1980 budget - might still be decided and this would mean a corresponding decrease in the appropriations to be entered in the 1981 budget.

45. It should be noted however that the above figure could be higher if the UK net contribution was itself higher than anticipated.

46. Parliament has expressed serious reservations both on the principle of the refund and on the technical arrangements proposed by the Commission. It has also expressed the opinion that this expenditure is non-compulsory.¹

47. It will be seen that the cost of those measures seriously upsets the balance of the 1981 budget: they account for 8% of total payment appropriations in the draft budget and 26% of payment appropriations in the non-agricultural sectors.

48. As a result of this expenditure - which was still unforeseeable at the beginning of last year - the ceiling on the Community's own resources will be reached at least a year earlier.

49. The charge on the 1982 budget will be even heavier since the amount to be spent under this head has been put by the Commission at 1,632 m EUA. Finally, the mechanism could be extended beyond 1982 if the structural modifications planned for 1981 were not completed.

3. The accession of Greece

50. Beginning on 1 January 1981, Greece will be fully involved in the various Community policies, particularly the EAGGF Guarantee Section, the Regional Fund and the Social Fund. However, Greece will enjoy temporary exemption with regard to the payment of own resources:

- customs duties: Greek customs duties will not be aligned on the Common Customs Tariff until 1986. In the meantime, Greece will pay to the Community only that portion of its customs revenue that corresponds to the common tariff.
- VAT/GNP: Greece will not apply the 6th VAT directive until 1984. In the meantime, it will pay a financial contribution based on its GNP but a large bulk of this contribution will be refunded viz 70% in 1981, 50% in 1982, 30% in 1984 and 10% in 1985. This refund will cease in 1986.

¹ See opinion of EP dated 15.9.80 (Doc. 1-373/80)
" " " " 16.10.80 (Doc. 1-505/80)

51. The purpose of those exemptions is to prevent Greece from being a 'net contributor' to the Community budget¹. Although the Community has given no commitment, it is considered that the 1981 budget should leave Greece with a 'positive balance' of the order of 80 m EUA, rising perhaps to as much as 500 m EUA in 1985.

4. Rebalancing the budget

52. The agreements reached on 30 May 1980 did not only settle the specific issue of the UK contribution; they were also intended to solve the problem, with effect from 1981, of the structural changes to the system of Community financing².

53. The Commission was given a broad mandate with a view to the submission of satisfactory proposals in June 1981.

The essential aim is to strike a better balance:

- between the various policies (agricultural/non-agricultural) pursued by the Community,
- between the costs/benefits accruing to the various Member States.

¹ Under the 1981 draft budget, Greece will pay approximately 354.8 m EUA in own resources, i.e. 1.8% of the total revenue obtained from the Member States.

Out of those 354.8 m EUA, however, Greece will receive approximately 117 m EUA by way of refund. Its net payments will therefore amount to 237.8 m EUA, i.e. 1.2% of the funds provided by the Member States.

It should also be noted that in 1981, Greece will not contribute to the financing of the agreements of 30 May 1980 to assist the United Kingdom and will thus obtain an additional refund of 7.13 m EUA.

² The Community undertakes to settle the problem of structural changes as of 1982 (according to the mandate assigned to the Commission for completion by the end of June 1981, the review will cover the development of Community policies but neither joint financial responsibility for those policies, which are funded out of the Community's own resources, nor the basic principles of the common agricultural policy should be called in question. By allowing for the specific situation and interest of each of the Member States, the review will seek to prevent the recurrence of an unacceptable situation in any of the Member States). If this objective is not achieved, the Commission will submit proposals based on the solution agreed for 1980-1981 and the Council will act accordingly.

(Conclusions reached by the Council on 30 May 1980 on the UK contribution to the financing of the Community's budget - OJ C 158/1, 27.6.1980).

54. However, this review must not call in question the basic principles underlying the Community's own resources and the common agricultural policy.

55. This general review should not produce any direct financial consequences as far as the 1981 financial year is concerned.

56. When the draft 1981 budget is discussed, however, the various institutions, and Parliament in particular, should take the opportunity to indicate in broad outline what reforms should be envisaged.

III. PARLIAMENT'S GENERAL BUDGETARY POLICY FOR 1981

57. Parliament has developed, since 1970, a broad-based concept of the role of the budget in Community life. In Parliament's view, the budget should be:

- (a) an action programme that is comprehensive, binding and short term:
 - a comprehensive programme for it must cover all sectors of expenditure;
 - a binding programme for it incorporates a firm overall financial ceiling which cannot be exceeded but must be effectively used;
 - a short-term programme the results of which can in principle be assessed following a short period of only one year.
- (b) a forward-looking act which, while allowing the development of current policies, also provides for the financing of measures that will be introduced during the financial year under consideration; this confirms the importance of the commitment appropriations as well as the need to give the budget a genuine multiannual character.
- (c) a political act of fundamental importance for it reflects and lends full dimension to the decisions, commitments and guidelines adopted by the Community.
- (d) a coherent act for it reflects an overall sense of purpose centred on a certain number of priorities.
- (e) a democratic act on which legitimacy is conferred by Parliament's authorization to levy resources and to commit expenditure.

1. The 1981 budget and the difficult economic and financial situation

58. The European Parliament cannot show indifference to the problems with which the Member States are and will be faced, particularly in 1981, of limiting the public sector borrowing requirement. This is a vital consideration which must be borne in mind during the budgetary procedure. However, the following points should be made:

- the purpose of Community action is precisely to back up national measures through coordination and rationalization. Regional policy is a typical example for it is recognized on all sides that regional policy confined to the national level is an illusion.
- Community spending is a higher form of public spending which, in a period of recession, has an obvious part to play in sustaining and even promoting the recovery of economic activity, particularly in the investment sector.
- the levy of own resources does not directly affect the balance of the national budgets; it is of course a levy on the economic wealth of the Member States but, from the time that the Community's financial autonomy became effective, own resources have no longer been channelled through the national budgets and cannot therefore affect budget equilibrium.

2. Own resources - possibilities and limits

(a) the margin available for the 1981 budget

59. The size of the margin will obviously depend on the scale of expenditure finally decided by the budgetary authority. However, it may be estimated at between 500 and 1,000 m EUA and should be large enough to ensure that the 1981 budget is financed in the ordinary way; but an 'accident' could happen if agricultural expenditure rose more than expected: an increase of only 5% in the EAGGF Guarantee Section over current estimates would entail additional spending of approximately 600 m EUA, which is half of the available margin.

(b) exceptional ways of increasing financial resources

60. It would be advisable for the budgetary authority to consider special ways and means of finding additional funds under the present legislation governing own resources. This would not only be useful for the 1981 budget but also for the other financial years preceding the increase in present own resources. Such special ways and means may be summarized as follows:

- making available to the Commission - in a form to be decided - of any interest on revenue credited to the Community's account with the Treasuries of the Member States;
- maintaining at the Community's disposal the appropriations voted but not used during the previous financial year together with any balance (revenue/expenditure) from previous financial years;
- temporary withholding of all or part of the refunds due to the Member States in respect of the collection costs of own resources.

61. It would be difficult to put a figure on the amount of supplementary revenue that could be obtained in this way until such time as the technical aspects of the relevant proposals have been considered. However, these measures would probably bring in an estimated 1,000 m EUA.

62. It is clear that none of those measures can be introduced without the approval of the two arms of the budgetary authority and the participation of the Commission, but ratification by the Member States should not be necessary. These matters should be discussed when the 1981 draft budget is considered.

(c) creation of new own resources

63. It is quite clear that no 'new' own resources will be available in 1981 and that the budget will show up the problems raised by the imminent exhaustion of own resources and point to the need to give serious thought to this matter. The Commission has done some preliminary work and Parliament is preparing to provide political guidelines on the matter, for it is one which primarily concerns it since those resources are levied directly on the goods and services consumed by the people of Europe.

64. The Commission should therefore submit its proposals in the matter at the earliest date, perhaps under the mandate assigned to it on 30 May 1980 as the Commission itself suggested in its preliminary draft.

65. The increase of own resources is of course linked to the question of rebalancing expenditure but, regardless of the outcome of the 1981 review, it can already be stated that in the near future, the Community must be able to draw on greater resources than at present.

66. It should also be borne in mind that it will probably take longer to create new own resources than it will to implement the measures required to rebalance the Community's finances. It would therefore be somewhat risky to try to keep an absolutely parallel course between the one and the other.

3. The control of agricultural expenditure

(a) Parliament's basic stance

67. The stance adopted by Parliament in this matter - particularly during the debate on the 1980 budget - is clear:

- the principles governing the common agricultural policy and its implementing arrangements (a single market and price system, financial solidarity) are both sound and economically justified and must not be called in question; at the present time, the common agricultural policy is a highly integrated Community policy and, as such, a strong factor making for Community cohesion, even if the way it works creates genuine problems;
- however, changes are needed in the way that the common agricultural policy is now evolving - particularly in the financial sector - in order to redress the unacceptable imbalances which have occurred as a result of structural surpluses. From the budget point of view, this development is leading to soaring prices, which are entirely unjustified from the economic point of view, and, indirectly, to a standstill in the expansion of other policies;
- the budget clearly cannot be the main instrument of the necessary reform which, for obvious legal and technical reasons, must be accomplished through legislation. However, the budget can serve to create a keener awareness of the problems raised by run-away costs and to bring about substantial improvements on the management side.

(b) objectives for the 1981 budget

68. The overall budgetary ceiling laid down in the draft 1981 budget for the EAGGF Guarantee Section (titles 6 and 7) is 12,920 m EUA¹. This is an increase of 12.5% compared with 1980².

69. The following table shows the corresponding figures and increases since 1974.

	EAGGF Guarantee Section Expenditure (in m EUA)	Annual rate of increase
1974	3,390	
1975	4,327	+ 27.6)
1976	5,710	+ 31.9)
1977	6,512	+ 14.0) 25.2
1978	8,679	+ 33.2)
1979	10,387	+ 19.6)
1980	11,485	+ 10.5
1981	12,920	+ 12.5

70. Seen in this perspective, the increases scheduled for the 1980 and 1981 financial years point to an improvement in the hitherto uncontrolled rate of increase in agricultural expenditure.

71. On this basis, Parliament might find the total amount of agricultural spending under the 1981 draft budget acceptable provided that two conditions are met:

First condition: the overall budget must not be exceeded

72. The rise in farm prices for the 1981/82 marketing year will entail additional expenditure during the 1981 financial year³; a 5% rise in farm prices in 1981/82 (the same figure as decided for the 1980/81 year) would entail extra spending of the order of 250 m EUA, giving a net effect of + 190 m EUA.

¹ Including 195 m EUA in chapter 100

² Authorized appropriations: 11,485 m EUA

³ On current estimates, a 1% rise in farm prices during the 1981/82 marketing year would entail the following additional expenditure:

	Effect on expenditure	Effect on revenue	Net effect
1981 financial year	+ 50	+ 12	+ 38
over 12 months	+ 150	+ 50	+ 100

73. There is also the possibility that developments in the agricultural situation during the 1981 financial year will entail either an increase or a decrease in expenditure over initial estimates.

74. Parliament considers that, whatever happens, the initial overall ceiling on the draft budget should be such that any increased spending during the financial year can be absorbed through savings either in the management of the common organizations of the markets or through specific statutory measures.

The Committee on Budgets therefore tabled a proposed modification to the draft budget seeking to:

- (a) reduce by 2% (or 254.5 m EUA) the total appropriations in Titles VI and VII,
- (b) enter this amount in a reserve within the EAGGF/Guarantee Section (Chapter 79); the purpose of this reserve is to enable the Commission to cover, during the financial year, fluctuations in expenditure resulting from the impact of prices and the influence of the cyclical situation in agriculture.

75. It should be added, however, that Parliament's determination to ensure that the overall ceiling on agricultural appropriations provided for in the draft budget is not exceeded should not prevent it from proposing - chiefly on the basis of suggestions from the Committee on Agriculture - that the appropriations in the EAGGF Guarantee Section should be allocated in a different way than provided for by the Commission and the Council; this is the normal purpose of proposed modifications, as provided for in the Treaty.

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76. As a consequence of its basic stand in this matter, Parliament will refuse during the 1981 financial year any proposal (whether for a supplementary budget, a rectifying budget or a transfer) which seeks to increase the overall ceiling for the EAGGF Guarantee Section once it is approved and established in the 1981 budget.

Second condition: the process of rebalancing the common agricultural policy, begun in 1980, must be continued

77. Parliament's main criticism of the agricultural policy has to do with the uncontrolled increase of expenditure on sectors where there are structural surpluses.

78. As a result of the 1980 budgetary procedure, the Council strengthened the system of co-responsibility in the milk products sector.

79. The process of rebalancing thus introduced must be extended during the 1981 financial year by means of:

- the related measures which will accompany the increase in farm prices for 1981/82;
- more radical measures proposed by the Commission under the general mandate assigned to it by the Council on 30 May 1980.

80. At this stage, it is necessary that the Commission should provide, during the 1981 budgetary procedure, clear signs of its intentions as far as the control of structural surpluses is concerned.

4. More effective spending in the non-agricultural sector

81. Experience has shown that the Community has not paid sufficient attention to the economic and financial benefit of the action it has taken. In order to remedy this situation, it is necessary to:

- (a) carry out as accurate and systematic an assessment as possible of the real impact of spending on certain common policies such as research, the Social Fund, the Regional Fund and cooperation. The Commission must have at its disposal at the earliest possible juncture a satisfactory 'cost benefit' evaluation method from which, in cooperation with the budgetary authority, useful conclusions can be drawn; it should also be pointed out that certain Community measures whose cost is negligible (competition policy, harmonization of legislation, opening up of markets, etc.) are of considerable benefit to all Member States even if, from the 'cost benefit' point of view, it is not easy to provide an exact figure.

(b) conduct systematic reviews of the utility and profitability of all programmes of expenditure. Here, the Community might usefully draw on methods of the 'zero-based budgeting' kind already applied in other countries. Under this method:

- . the spending authorities (in this case the Commission Directorate-General) are required to justify their current programmes starting from the base (hence zero-based) as if they were new programmes;
- . the minimum level of appropriations needed to carry out each programme is determined;
- . the various programmes are classified in order of priority as are the various units within each programme.

On the basis of the data thus acquired, a line can be drawn (between and within the programmes) below which appropriations could be decreased or even refused under the budgetary conciliation procedure.

In a more general way, consideration might be given to a review - over a five-year period for example - of all programmes of Community expenditure from a cost benefit point of view. Following this review, the budgetary authority would be in a position to decide which of these programmes should be dropped, which should be continued unchanged and which should be continued with a different level of spending (higher or lower).

(c) reach as soon as possible in the sectors concerned - particularly those with regional objectives - the 'efficiency threshold' below which problems cannot be settled and the return on expenditure remains marginal.

In this respect, the conclusions drawn from the studies made by the McDougall group should be taken into consideration.

5. The concentration of effort

82. The sheer diversity of the action pursued by the Community has resulted in a certain blurring of basic priorities and a dispersal of effort; this comes out very clearly in the budget, as witnessed by the absence of a clear approach and specific standards with which to make a basic assessment of Community policies. After 20 years of experience, the time has come, in your rapporteur's view, to work out an approach that would allow a better qualitative selection of Community policies and measures, and hence a better arrangement of priorities over the years. It is necessary for this purpose to:

- (a) identify clearly and sponsor those policies which the Community can carry out more effectively and/or at less cost than the Member States. This must be made - or once again be made - the basic criterion for all Community activity;
- (b) assign clear priority to structural measures which attack the roots of the problems, avoiding a sprinkling of superficial and temporary measures;
- (c) accord preference to specifically Community policies which seek to provide answers to problems common to all the Member States and refrain from supporting disparate and even incompatible national policies, except in cases where temporary assistance must be provided, by way of exception, to a Member State faced with special difficulties;
- (d) favour constructive policies - as opposed to assistance measures pure and simple - with realignment around the main axis of Community regional policy.

6. The need for continuity

83. The present uncertainties and difficulties must not be allowed to jeopardize the pursuit of vital Community policies in 1981: any weakening of those policies would compromise the success of the reforms which will have to be decided in the course of the financial year.

84. More specifically, the multiannual commitments must continue to progress normally in order to prevent any sustained slow-down of Community action in those fundamental areas.

85. Similarly, those difficulties and problems should not prevent the introduction, in 1981, of such new policies as have been unanimously accepted as worthwhile: here again, all of the necessary commitments must be entered in the 1981 budget.

86. From a technical point of view, it must be pointed out that the exhaustion of currently available resources essentially restricts the growth of payments to be charged to the 1981 financial year but only partly affects appropriations for commitment most of which will not effectively entail any payments until after the 1981 financial year, in other words once it has been possible to settle the problem of the Community's overall finances.

87. By the same token, Parliament considers that the rate of increase in non-compulsory expenditure cannot be applied - except in an indicative manner - to the growth of commitment appropriations which must be geared to the harmonious and gradual development of the common policies. The experience of the past few years has shown that there is no automatic relationship between the annual rates of increase of commitments and payments.

IV. APPLICATION OF THE BUDGETARY MECHANISMS AND PRINCIPLES

88. As in previous years, the rapporteur on the budget is required to make an assessment of the problems raised by the application of the budgetary principles and mechanisms as provided for in the Treaty and the Financial Regulation. There are differences of opinion between the Institutions on this matter, although there have been frequent attempts at conciliation both during the budget debates and in the 'inter-institutional dialogues' which have been held since 1976.

89. Although the positions of Parliament and the Commission have to a considerable extent been reconciled over the years, there are still substantial differences of opinion between Parliament and the Council.

90. The rapporteur on the 1981 budget should therefore retrace the problems involved, placing particular emphasis on those aspects which are appearing for the first time in the current budgetary procedure. Some progress has, however, been made: at the first budgetary meeting of 23 September 1980 the Council and the Parliament delegation agreed to organize informal conciliation meetings dealing in particular with the following matters and aimed at achieving substantial reconciliation between their positions:

- budgetization of borrowing/lending operations and of the EDF
- classification of expenditure
- application of the maximum rate
- relationship between the Community budget and Community legislation.

1. Budgetization of certain Community expenditure

91. For several years now, and in particular in connection with the adoption of the 1980 budget, Parliament has insisted that the budget should include all the Communities' financial activities, whatever their nature. This is a general and fundamental principle of budgetary law from which the Communities cannot be exempted. There are still two major areas which do not comply with this rule: borrowing/lending activities and expenditure under the European Development Fund.

(a) budgetization of borrowing/lending activities

summary of the problem

92. There is little point in repeating the background to this problem or the positions of the various institutions¹.

The Community's current borrowing/lending potential is as follows:

ECSC	1,000 m EUA ¹
Balance of payments loans	3,000 m EUA ²
Euratom	1,000 m EUA ²
NCI	1,000 m EUA ²
(EIB	3,000 m EUA) ^{1,3}
Total	9,000 m EUA

¹ Annual volume of operations (based on 1979)

² Ceiling provided for in the regulations

³ The EIB's activities are included for information but are not directly affected by the question of budgetization.

93. Since 1975 Parliament has been calling for the budgetization of these transactions and seeking to initiate detailed talks with the Council. It has, however, been unsuccessful, despite the attempts it has made in connection with the adoption of the basic regulations, the inter-institutional dialogues, the various revisions of the Financial Regulation or the annual budgetary procedure.

¹ See in this connection the working document by the rapporteur (PE 67.829)

94. The failure to make any headway with this matter was one of the reasons behind Parliament's rejection of the 1980 budget on 13 December 1979. The Council had not honoured its undertaking to complete within six months consideration of the Commission proposal on the amendment of the Financial Regulation (in respect of the budgetization of loans), so as to establish a joint position¹.

95. In Parliament's view the budgetization of the borrowing/lending activities is intended to:

- provide a clear overall picture of the Community's borrowing/lending policy and of its degree of indebtedness;
- provide, on an annual basis, the possibility of concluding borrowing/lending transactions;
- fix the volume of the operations authorized in the budget, in the context of the relevant regulations and in accordance with actual requirements;
- provide a guarantee for the Community's creditors;
- enable the budgetary authority to obtain information during the financial year on the principal transactions which are proposed or have been implemented;
- enable retrospective checks to be carried out as part of the discharge procedure to ensure that these transactions have been carried out in a regular manner and in accordance with the principles of sound financial management.

96. Since 1978 Parliament has agreed with the Commission on the technical arrangements for this budgetization as set out in the proposed amendments to the Financial Regulation of 15 June 1978 and in the preliminary draft budget for 1980:

- the ordinary budget (Part I) covers borrowings (under revenue) and loans (under expenditure) solely for guarantee purposes, with a token entry and suitable remarks;
- the capital budget (Part II) fixes the authorized amounts for borrowings (Title 1) and loans (Title 2) for each existing mechanism². It also gives details of the annual payments made to or by the Community in connection with these operations.

¹ See minutes of the sitting of 13 December 1979 (OJ No. C 4, 7.1.1980)

² That is, in 1980, Community loans (support for Member States' balance of payments) - Euratom loans - NCI loans (to promote investments)

a solution to this problem in the 1981 budget

97. Parliament believes that a solution to this problem can be delayed no longer and that borrowing/lending activities should therefore be entered in the 1981 budget.

98. In this connection Parliament hopes that the informal conciliation procedure accepted by the Council on 23 September 1980 will lead to an agreement in principle, whereby these activities can be incorporated in the 1981 budget in due and proper form. The corresponding amendment of the Financial Regulation, which will represent the technical application of this agreement, should be completed by the end of the first quarter of 1981.

99. If such agreement proves impossible, Parliament could introduce this budgetization in an appropriate form when it adopts the 1981 budget, while at the same time expressing its willingness to continue the discussions on the matter, notably in the context of the revision of the Financial Regulation.

(b) budgetization of the EDF

100. In 1980 it was not possible to budgetize the EDF when the second Lomé Convention was signed. In this connection there was a lack of cooperation on the part of the Council, which presented Parliament with a fait accompli. Until 1984, therefore, the EDF will continue to be financed from national contributions and its operations will not be entered in the budget, while the budgetary authority will have no opportunity to comment on this expenditure and will be inadequately informed.

101. Some slight progress has, however, been made in the 1981 budget, in that the Commission attached to its preliminary draft a memorandum which the Council has endorsed. In particular, it emerged from the meetings between Parliament and the Council that the latter was in favour of the budgetization of the next EDF.

102. Parliament welcomes this undertaking but would like it to be made official before the end of the procedure for the adoption of the 1981 budget. Parliament will reinstate Chapters 90 and 91 of the budget, which are set aside for EDF expenditure, and will annex to the budget the Commission memorandum, which could form a basis for discussion on the general guidelines for the year-by-year policy pursued in this field.

2. Classification of expenditure

103. Ever since the introduction of the CE/NCE classification (cf. classification of ERDF expenditure in 1975) there have been differences of opinion between the institutions which have gradually widened over the years, to the extent that, in connection with the 1981 budget, they relate to thirty items involving expenditure of 3,000 m EUA.

104. However, there has recently been a reconciliation between Parliament's position and that of the Commission, since, in its preliminary draft budget for 1981, the Commission agreed to classify certain major items of expenditure, such as the EAGGF, Guidance Section, and food aid as non-compulsory expenditure.

105. The Council still takes a much more restrictive attitude, since:

- it has not altered any of its previous positions on the matter, despite requests by the Commission and Parliament to do so;
- it has never clearly explained its reasons for classifying existing or new expenditure as compulsory or non-compulsory, thus confirming that it sees this distinction merely as a means of controlling Parliament's powers;
- it has never been prepared to hold genuine discussions with Parliament on the whole question of differences of opinion concerning classification.

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106. The rapporteur has drawn up a working document on this matter (PE 67.518) which lists the differences between the three Institutions¹. He hopes that it can form the basis for a genuine inter-institutional dialogue and that some of the differences, at least, can be settled in time for the adoption of the 1981 budget.

107. The question of classification cannot be resolved by strict reference to legal criteria, in view, in particular, of the extremely laconic wording of Article 203 of the EEC Treaty, which establishes the principle of a distinction between compulsory and non-compulsory.

¹ This document complements the document on the same subject by the rapporteur on the 1980 budget (Doc. 1-458/79/Ann. I, p. 146).

108. The necessary negotiations between the three Institutions should therefore be based on a more practical approach and on a willingness to make mutual concessions.

109. If these negotiations failed to produce any tangible results, the budgetary procedure would become increasingly complex, thus jeopardizing not only the clarity of the debates but also the eventual outcome of the procedure¹.

110. As a result, it would clearly be necessary fundamentally to reconsider the whole concept of the classification of expenditure. It should be recalled that, during the negotiations on the 1975 Treaty amending certain budgetary provisions of the EEC Treaty, Parliament described the distinction as complex and indeed arbitrary and felt that it should be implemented on a provisional basis and reassessed in the light of experience.

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¹ The classification of expenditure determines not only the powers of the two arms of the budgetary authority but also the calculation of the maximum rate of increase in non-compulsory expenditure and the possible fixing of a new maximum rate.

General considerations

111. The distinction between compulsory and non-compulsory expenditure was introduced in 1969 and incorporated in the 1970 Treaty, which was to take effect in 1975. Its aim was not so much to provide a legal definition of compulsory and non-compulsory expenditure but rather to determine and circumscribe the European Parliament's powers during the budgetary procedure with regard to the appropriations to be entered in the budget. It established the principle of Parliament's ultimate powers in the context of the division of responsibility between the two arms of the budgetary authority, with the intention that this division should of necessity gradually weaken and eventually disappear.

112. The Council forwarded the first list of compulsory and non-compulsory expenditure to Parliament on 3 February 1970 at the request of the President of Parliament. It represented a practical attempt to divide the items at that time entered in the budget into compulsory and non-compulsory. The Council acknowledged that the list might require subsequent modification, taking account in particular of the Community's operating requirements. The 1970 list, which concerned 3.61% of expenditure from a total budget of around 3,258,000,000, was afterwards gradually extended.

113. Non-compulsory expenditure now accounts for at least 17% of payments and 20% of commitments. This increase is the result of the constant, and partially successful, efforts by Parliament to have expenditure on the new policies in the budget decided since 1970 classified, as a general rule, as non-compulsory expenditure.

114. The distinction between the two types of expenditure is clearly out of date, since its main purpose is to restrict Parliament's powers in relation to the establishment of the budget.

However, it can in no way weaken or strengthen the Community's obligations towards third parties. It prevents the possibility of a second reading for all the expenditure proposed in the draft budget, since it gives the Council the right to have the 'last word', which it exercises after the first reading of the draft budget in Parliament.

115. This distinction has a decisive influence on the budgetary procedure, since it excludes Parliament from decisions which, though in substance falling within the Council's terms of reference, would be taken only after careful and reasoned discussions between the two arms of the budgetary authority, were it not for the fact that Parliament's role is basically treated as a formality. The Council's attitude leaves Parliament the least possible room for manoeuvre, thus distorting the principle of a first and second reading provided for in the Treaties to facilitate agreement between Parliament and the Council with a view to using a maximum rate higher than the rate originally determined.

116. Parliament has already made it clear that it cannot accept a substantial weakening of its budgetary powers as a result of the exaggerated and systematic re-appraisal of the distinction between the two categories of expenditure. Moreover, it can, by rejecting the budget, block tactics ultimately designed to undermine its right, laid down in the 1975 Treaty, to participate in the definition of budgetary law¹. It is of course to be hoped that this does not happen.

117. Under these circumstances, it is difficult to see the point of preventing Parliament from having any substantial say, based on two readings, on the question of agricultural expenditure, which accounts for the major part of the budget appropriations.

118. The 1980 budget procedure clearly illustrates the above points. Before deciding to reject the 1980 budget Parliament adopted, at the first reading (13 November 1979), a resolution which, inter alia, warned that the budget would be rejected unless agricultural expenditure were reduced.

119. This demand was repeated and amplified at the second reading and, although it could not be formulated as a proposed modification to the budget, it led to the rejection of the budget following the Council's negative and unsatisfactory decisions concerning agricultural expenditure.

¹This is the analysis which can be made on the basis of acceptance of the Commission's proposed classification, which represents a compromise between Parliament's position and the Council's, with its restricted category of non-compulsory expenditure.

120. In adopting this course of action, Parliament showed that it could make its own assessment of the whole range of expenditure entered in the budget in the form of the resolution, referred to above, which it adopted at the first reading and without any special majority.

121. Indeed, this resolution carried greater weight in the budgetary procedure than the amendments to individual items, which require a large majority for adoption; this was in fact inevitable, given the fact that agricultural expenditure accounts for such a large share of the budget. Parliament thus found the means of exercising its irrevocable powers of democratic control.

122. In addition to being obsolete, the distinction between the two categories of expenditure is counterproductive for the following reasons:

- if, during the budgetary procedure, the inter-institutional dialogue does not cover all the items in the estimates, thus enabling both arms of the budgetary authority (the Council and Parliament) to play their proper role over the two readings, the differences of opinion between the two Institutions are polarized more rapidly;
- the impossibility of considering in a second reading policies such as the agricultural policy, which account for the major part of the expenditure entered in the budget and are classified as compulsory, narrows the scope for mediation between the two Institutions. Such mediation should form an automatic part of the budgetary procedure and indeed of the attitude adopted by the Council and Parliament (designated by the Treaty as the budgetary authority), whose task it is, on the basis of powers which are not merely formal but involve effective participation in the establishment of the budget, to create the necessary conditions for the final adoption of the budget and thus for agreement between the two Institutions;
- while respecting the provisions of the Treaty, the procedures should be conceived in such a way as to prevent the situation where Parliament can be directly involved in the establishment of the budget only by rejecting the Council's draft. The distinction between the two categories of expenditure should therefore be re-thought, particularly in view of the adverse effects and the imbalances which could result if the rejection of the budget also affected supplementary budgets, which are usually intended to cover sectoral estimates or to support a single Community policy.

123. It is therefore essential not only to reach realistic agreement on the list of expenditure to be classified as compulsory or non-compulsory, so as to prevent the disputes and disagreements which have characterized the last three financial years, but also, and above all, to determine the conditions which will enable the two Institutions to hold meaningful discussions, at the second as well as the first reading, on all items of budget expenditure.

124. The Council should draw from the flexible interpretations of the existing rules, already formulated in previous financial years, the conclusions drawn by Parliament and should therefore agree with Parliament that, when examining the budget and reaching the final decisions, all proposals for expenditure on all Community policies should be treated in the same way.

125. For political reasons and in order to assist the implementation of the policies covered by the budget, it is important for the two institutions to work together to develop the rules as at present laid down in the Treaty. It is also logically desirable if, in the Community's interests, we wish to escape from a procedure which is and problematic and whose weakness leads to imbalances, contradictions and deadlock.

126. As mentioned above, a year ago Parliament asserted at the first reading a position which had clear implications for the second reading and which did not require any special majority for adoption. It thus has at its disposal an instrument which, when based on a clear political will, can prove far more powerful than amendments relating only to non-compulsory expenditure, which require a large majority

127. By giving careful consideration to events connected in particular with last year's budgetary procedure, it should be possible, unless they deny the evidence, for the Council and Parliament to reach the same conclusions. If it is based on the points set out above, which have clear legal and political significance, the discussions on the classification of expenditure should automatically produce positive results. In the short term this is undoubtedly the most practical solution.

3. Application of the maximum rate

128. Under the Treaty, the maximum rate limits the annual increase in non-compulsory expenditure.

129. At the beginning, when there were only payment appropriations, this rate could be applied without any problem. Since 1977, however, the concept of commitment appropriations has been made official and extended to a large number of budget headings.

130. It therefore became necessary to establish whether this maximum rate was also applicable, on the same terms, to the increase in commitment appropriations. Parliament and the Council gave initial consideration to this question during the revision of the 1977 Financial Regulation and they provisionally agreed that the maximum rate should be applied separately, but in the same way, to both payment and commitment appropriations.

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131. The Council and Commission both feel that the maximum rate is fully applicable to commitment appropriations.

132. Parliament has contested this view since 1978, for the following reasons:

- in a given budget, the commitment appropriations merely represent authorization to implement a programme and have no direct influence on the payment appropriations for the financial year or, as a result, on the volume of own resources; the principal aim of the maximum rate, as conceived by the authors of the Treaty, was precisely to limit the annual increase in payments and hence in the Community's resources;
- commitment appropriations have a multiannual basis; it is therefore illogical to link their rate of growth to the volume of appropriations for a single financial year.

133. Parliament does, however, consider the maximum rate to be a useful point of reference for the determination of the annual increase in commitment appropriations but has never felt that it should have binding force. Moreover, the sections of the rate relating to payments and commitments are usually at different levels, which confirms the absence of an automatic link between these two aspects.

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134. The rapporteur will make a further attempt to obtain an agreement on this point during the informal conciliation discussions on the 1981 budget, to which the Council has agreed in principle.

135. As with the question of classification, there is no firm legal basis for a clear-cut decision between the positions adopted by the institutions. It is therefore important that a political or pragmatic agreement should be reached in time for the adoption of the 1981 budget. If such an agreement proved impossible, Parliament would be obliged, as in the case of the CE/NCE classification, to question whether it can continue to accept the principle of a maximum rate of increase for NCE, which, incidentally, it criticized when the 1975 Treaty was adopted.

4. Relationship between the Community budget and Community legislation

136. This is a familiar problem which has been discussed on many occasions in the context of previous budgetary procedures: what is the role and authority of budgetary law in relation to Community legislation proper? How are the responsibilities and powers of the budgetary authority and the legislative authority of the Communities to be allocated?

137. It is necessary first to postulate the principle whereby the adoption of the budget in itself constitutes the authorization given to the Commission to implement expenditure; it represents neither the accounting aspect of decisions which have already been taken nor a guide for future planning. The budget is a legislative act.

The application of this principle raises several problems:

(a) can the authorization implicit in the budget be contingent upon an existing legal basis (e.g. a regulation)?

138. This question concerns mainly new measures and policies and prompts several replies:

- in the case of the day-to-day management of Community affairs, the adoption of the appropriations in itself authorizes the implementation of the relevant expenditure; the budget therefore forms the legal basis;

- in the case of more substantial measures or policies which involve the direct and relatively straightforward application of the Treaties, the adoption of the budget constitutes sufficient authorization of the expenditure but it may be necessary to indicate in the budgetary law (above all in the nomenclature and the remarks) the principal arrangements for the measures in question; thus the budget again forms the legal basis;
- however, in the case of major new policies which are not explicitly provided for by the Treaties and which are relatively complex, the budgetary authority must be in a position to enter appropriations before the necessary basic regulation is adopted; this entry should induce the Commission to propose, and the Council to adopt, the essential legal bases during the financial year to enable the expenditure to be implemented from the budget in question; here the budget still forms the legal basis for the appropriations but their implementation is subject to the adoption of the regulation.

The Council has in the past already agreed to enter new headings in the budget simply on the basis of proposals for regulations submitted by the Commission; this is similar to the situation in which, if necessary, the budgetary authority instructs the Commission to submit proposals at short notice and, in any event, in time for the measure concerned to be adopted and its implementation to begin during the financial year in question.

(b) the budgetary authority has sole responsibility for fixing the volume of appropriations

139. The Treaties clearly state that decisions on the principle and the amount of expenditure are the sole responsibility of the budgetary authority, which includes the democratically elected Parliament. It is therefore unacceptable for the legislative authority to decide the volume of a particular item of expenditure, in particular by placing ceilings on appropriations.

140. It is of course desirable for legislative proposals to be accompanied by financial statements containing an estimate of the cost involved. However, this estimate can be used only as a guide and the texts of the regulations should contain no reference to the appropriations required. The Commission has now adopted this procedure.

(c) the budgetary authority's decision alone is binding on the Commission

141. Apart from the question of the legal basis, the entry of appropriations in the budget should be the only prerequisite for the implementation of expenditure, since Article 205 of the EEC Treaty lays down that the Commission is required to implement the budget, on its own responsibility, as adopted by the budgetary authority. The Council should therefore do nothing to impede implementation :

- either through the management committees,
- or, even less, by reserving the right to give direct approval to every detail of each of the specific expenditure programmes proposed by the Commission.

142. In this connection the present situation is unsatisfactory and is in fact deteriorating, since the Council is interfering to an ever greater extent in the day-to-day management of certain policies, particularly in the energy sector.

5. Budgetary cooperation procedure

143. The 1970 budgetary cooperation agreement between Parliament and the Council envisages a series of contacts throughout the procedure between the two institutions which form the budgetary authority in order that the budget for the next financial year should be the result of a real common decision between the Council and Parliament and in order that this objective should, without reference to the different categories of expenditure, apply to the whole budget which should thus determine and reflect the financial and budgetary policies for the forthcoming year.

144. Once the preliminary draft budget has been transmitted by the Commission, Parliament's delegation, according to the custom of previous years, is required to explain the main elements of its approach to the Council before the latter draws up the draft budget.

145. This year there are particular budgetary difficulties given the approaching exhaustion of the Communities' own resources and the need to transform the budget, in as realistic a way as possible, into an instrument capable of distributing these resources in such a way as to enhance convergence. Therefore, these delegation meetings, their preparation and their results will more than ever seek to improve cooperation between Parliament and the Council, both technically and, above all, in such a way as to achieve concrete political results for the 1981 budget.

146. This aspect of the budgetary dialogue was underlined by President Colombo when he reported on the activities of the Italian Presidency and by President Thorn when he presented the Luxembourg Presidency's programme to Parliament.

147. President Colombo said that the gap between now and the envisaged dates of decisions relating to the structural reform of the Community's policies, which will also affect the budget, must be used to strengthen understanding of the problems confronting the Community.

148. It is therefore certain that, unless the institutions refuse to accept their responsibilities, the budgetary procedure should provide an occasion for a substantial scrutiny of these problems and for the first attempts to find solutions. In this way the two arms of the budgetary authority - the Council and Parliament - should use the procedure and the opportunities created by the frequency of contacts in order to find a means of transforming this budget of transition into a budget of dynamic transition which should point the way to the solution of the major problems of rebalancing the budget - problems which will have to be examined during the course of the year. Only by following this path will it be possible to avoid a static budget, which could only aggravate the existing situation.

149. President Thorn not only emphasized the need to find common approaches to the solution of these problems - thus involving Parliament more fully in the life of the Community - but also pointed out that it would not be realistic to think that all the major problems relating to the Community budget could be solved during the 1981 financial year. Account should be taken in this context of the essential decisions which will be required in order to enable the Community to pursue its tasks in an adequate and balanced manner.

150. In order to maximise the positive effects that could be achieved from the budgetary procedure, meetings should be organised several days before decisions are taken by the Council or Parliament. In this way each institution and their responsible committees would be able to take full account of the arguments and proposals of the other institution.

151. Along these lines, the rapporteur will seek to communicate, before each budgetary conciliation meeting, at least to the Council Presidency, the reflections which are likely to be put forward by Parliament's delegation. Thus Council could, during the course of these meetings, give a considered and constructive reaction to Parliament's position.

152. It would be desirable, therefore, in order to give these budgetary meetings a more substantial value, for Council to indicate how it could provide the Committee on Budgets and its rapporteur with as much information as possible on the Council's own deliberations and those of its specialized bodies.

This joint effort would thus permit the two institutions to improve mutual information.

153. In order to deal with certain basic problems which are linked to the budget and will be examined during the course of the budgetary procedure, it would be useful to envisage ad hoc meetings between Members of the Council and Parliament in order to work out solutions in principle to the problems already raised during the 1980 budget procedure - or even before - and which will undoubtedly present themselves in relation to the 1981 budget. For example, these meetings could assist a rapid joint decision leading to the budgetization of borrowing and lending activities as well as the determination of a joint agreement - even in the absence of a sufficient legal basis - on the operational nature of certain budgetary lines which concern priority actions irrespective of the amount of appropriations concerned.

154. These points not only indicate the importance of the budgetary procedure but also underline that the most constructive results can be achieved if the budgetary provisions of the Treaty are applied in such a way during the course of the budgetary procedure as to achieve a convergence of views between the two arms - the Council and Parliament - of the budgetary authority. Such a convergence can be achieved without difficulty, if the cooperation procedure leads to an adequate discussion of the problems.

V. MULTI-ANNUAL FINANCIAL FORECASTS

1. General considerations

(a) Multi-annual financial forecasts as an instrument of budgetary policy

155. Pursuant to the Council Decision of 21 April 1970, adopted together with a series of rules relating to the financial autonomy of the Community and pursuant to the Treaty of the same date strengthening the budgetary powers of Parliament, the Commission must draw up annually a financial forecast for the three subsequent financial years, which is then studied and assessed by the Council, after receiving the opinion of the Assembly.

156. The Committee on Budgets has asked since 1970 that these estimates be submitted at the same time as the annual budgetary proposals so that in addition to the annual estimates of revenue and expenditure, it would have available an instrument essential for the creation of a rational budgetary policy, that is to say the forward projections, even if only on an indicative basis, for revenue and expenditure. It has now become practice for this document to be forwarded to Parliament at the same time as the preliminary draft budget.

157. Unfortunately, in recent years the institutions have failed to give proper consideration to the multi-annual forecasts drawn up by the Commission and there has been a consequent weakening in the importance each of the institutions attaches to viewing the preparation and assessment of these estimates as essential for a proper evaluation of future trends. As a result, the assessment of the annual budget has suffered from the failure to assess and make every possible effort to respect the multi-annual financial forecasts, although this is now more important than ever in view of the need for the Community's budgetary policy to show a planned, rational development.

158. The situation was further changed when, following the European Council in Rome on 1 and 2 December 1975 which called for a joint meeting of the Council of Foreign Ministers and the Council of Finance Ministers in spring of the following year to carry out an overall assessment of the Community's budgetary problems, the Commission proposed in 1976 a communication to the joint Council meeting which provided a basis for assessing these problems in the light of the annual budgetary estimates which the Commission must draw up under the Treaty by 1 July, closely following the holding of the above meeting.

159. Fortunately, particularly as a result of the views put forward by Parliament, this document drawn up by the Commission - following the request of the joint Council of Foreign Ministers and Finance Ministers - was drawn up in such a way that it would not place any restriction, prior to the annual budgetary procedure, on the scope of the proposals which the Commission is called upon to make under Article 203 of the Treaty. Since, however, the points of view put forward by the joint Council between 1976 and 1979 have always centred principally on limiting Community expenditure, these innovations and the procedures for examining the Commission's assessment of budgetary problems have done little to strengthen the commitment which the Community institutions, and in particular the Commission and the Council should bring to the drafting, consideration and assessment of the multi-annual financial forecasts.

160. It is the opinion of the rapporteur that the value of these forecasts is limited in particular by the restricted role assigned to Parliament by the Council decision of 21 April 1970 laying down the procedure for drawing up and assessing the multi-annual financial forecasts.

161. In this decision, which is clearly of some importance, particularly in the light of the above comments, the Assembly has only a secondary role since Parliament merely has to deliver an opinion on the financial forecasts. With the 1975 Treaty, the decision should have been reviewed and brought into line with Parliament's new budgetary responsibilities. It is clear that had this been done, the Assembly would certainly have played, in this area as in the budget, the leading role it has assumed in recent years and which has allowed it to turn the budget into an essential instrument for implementing common policies.

(b) Brief assessment of the proposals annexed by the Commission to the preliminary draft budget for 1981

162. The following chapter illustrates in detail the assumptions on the growth of the budget in 1981, 1982 and 1983 set out by the Commission and attached to the preliminary draft budget for 1981.

163. This is intended to be merely a first general judgement on the Commission's proposals. The Commission has not, as in previous years, submitted financial forecasts for the next three years but instead a document which it describes as 'projections for the budget'. The very title makes it clear that the Commission unfortunately does not intend to shoulder its full responsibilities for the essential problems relating to the prospects for revenue and expenditure in coming years, but aims primarily to reduce the multi-annual forecasts which have extremely important political significance, to mere technical assumptions.

164. The Commission has basically been influenced by the tendency to defer all action and await the proposals for restructuring Community policies and related financial problems which it is to submit in 1981; in this way, far from taking into account the gradual growth of the Community in the light of this development, the Commission confines itself to considering the present, purely transitional period.

165. Does the Commission, then, succeed at least in this aim? The rapporteur feels that in any case, the Commission's projections, even if described as 'technical assumptions', have a political significance, and that the judgement on that must be negative.

166. The Commission's financial forecasts are based on three possible scenarios. However taken together, none of the scenarios provides an adequate response to the fundamental political problem posed by Parliament and, indeed, by the Council and the Summit some time ago, that is to say the need to restructure the Community budget either by changing the proportion of agricultural expenditure or by altering the balance in favour of other Community policies, particularly structural policies.

167. Taken together, the three assumptions made by the Commission have one common feature; leaving aside a number of basic changes which are purely marginal, in view of the large sums involved which total several hundred millions, the budget in the next three years will reflect the same features as at present, perhaps with a slight reduction in agricultural expenditure, on the best assumption, and an improvement on a number of points in appropriations for structural policies.

168. Indeed, in this document the Commission would appear to be compromising in advance the proposals which it is to make in June on the containment of expenditure on the common agricultural policy and on the development of the other structural policies of the Communities and which, if they are to have any substance, must be viewed on a totally different scale from that which the Commission seems prepared to accept for the next few years.

169. It is true that the likely trends, as set out by the Commission, vary according to political assumptions, but in this document the Commission makes no contribution to influencing these options and it is not true to say, as the Commission does in section C of the document, that its responsibility lies in awaiting the restructuring of the budget requested by the Council on 30 May 1980.

170. The Commission should know, on the basis of the experience of recent years, that it has succeeded only when it has drawn up its own political proposals based on a consistent approach and on a series of measures designed to reaffirm progressively the validity of that approach.

171. In this document, on the other hand, the Commission seems to be doing a disservice to itself and to the Community. The only thing that emerges clearly from this document is that the Commission does not appear to believe with any conviction in a substantial growth in revenue and expenditure over the next three years or in the decisive role which it could play in what is certainly a difficult situation but a decisive one for the very future of the Community.

172. It has to be pointed out that the Commission has not based its proposals for growth in the budget on the legislative proposals it has put to the Council or which are planned for the coming years.

173. For example, on energy policy, it does not even include the new proposals for a Community programme forwarded by the Commission to the Council in spring 1980 providing for a very significant quantitative and qualitative improvement in projects to strengthen this policy and which, according to the Financial Regulation in force (Article 1) should have been considered of sufficient importance to be entered in the budget itself.

174. Parliament's confidence in the new Commission will depend partly on the Commission's attitude to these forecasts for budgetary growth which, because of their limited nature, will certainly not enhance the role of an institution which under the Treaty is supposed to initiate and implement Community policy resolutely and dynamically.

175. These forecasts would have been valid if they had at least met the expectations based on a number of assumptions constantly stressed by Parliament such as, for example, increases in the existing own resources of the Community, the qualitative selection - through constant supervision - of Community policies, the practical implementation of a number of policies on convergence which cannot be put off much longer, the approach, however gradual, to a Community budget of the volume proposed in a number of recent reports by groups of experts, so that the budget itself can play a role of financial redistribution between higher income and lower income areas of the Community, thereby making it an instrument for the achievement of one of the fundamental objectives of the Treaty.

176. It was not necessary to draw up a document full of theoretical principles, but nor was it necessary to confirm with figures differing only slightly from those of recent budgets, tendencies to stagnation which are inevitably retrogressive and therefore do not ensure any real progress in the construction of the Community and consequently will themselves contribute to the crisis in which the Community could become bogged down, with little hope of finding a solution.

2. The Commission's analysis

177. The three year financial forecasts which the Commission draws up each year on the basis of the Council decision of 21 April 1970 are here given as simple assumptions for growth whose reliability is largely uncertain.

Forseeable trends in revenue

178. Assuming that on accession Greece will pay the agricultural levies and customs duties as if it were applying the common customs tariff and that it will initially calculate its VAT contribution on the basis of the gross national product, the trend of Community revenue should present the following features:

- (a) the total available own resources would increase as a whole by 10% per annum approximately. This rate is slightly lower than the rate of growth of the gross domestic product of the Community and is barely sufficient to cover the rate of inflation on present trends.
- (b) Customs duties, taking account of the forseeable increase in imports and of tariff reductions decided in GATT, are likely to increase by approximately 7% per annum, from a gross contribution of 6,274 million EUA in 1981 to 7,100 million EUA in 1983.
- (c) For agricultural levies and sugar levies a variation of approximately 8-12% is foreseen. This would increase their contribution to Community revenue by 2,400 million EUA in 1981 and 3,000 million EUA in 1983. The Commission points out that variations in world prices or in the volume of imports could lead to a wide divergence from the forecasts.
- (d) Own resources accruing from VAT, taking account of forecast growth in private consumption, would increase, within the 1% VAT limit, by approximately 12% over this period, from 20,400 million EUA in 1981 to 24,800 million EUA in 1983.

179. The total estimated revenue, calculated on the basis of existing budgetary provisions, is as follows:

(m EUA)				
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
	17,800	20,400 ¹	22,400	24,800

Trends in expenditure

180. Although estimates of revenue are reliable to a large extent since they are based on macroeconomic data, which in general remains stable in the short term, the assumptions about the growth of expenditure are much more uncertain.

¹Total amount in the preliminary draft budget for 1981

181. Even assuming, as the Commission does, an increase of 2-3% per annum in the gross domestic product and of 8%¹ in general price levels, and taking into account the gradual integration of Greece, the growth of agricultural expenditure still remains a major unknown factor. Precisely because of the fixed nature of the revenue, the possibility of operating policies to re-establish social and economic balance within the Community directly depends on the importance which the agricultural policy assumes in the reference years. It is precisely because of the impossibility of providing reliable forecasts of the increase in the costs to be borne by the Guarantee Section of the EAGGF that the Commission presents three different assumptions for the allocation of expenditure:

- the first alternative assumes a rate of growth in agricultural expenditure of 6% per annum, to be achieved either by very favourable conditions in variable factors (fluctuation of production and world prices) or through a very rigorous containment of costs, possibly followed by changes in the existing rules. This assumption provides for vigorous development of structural policies, and is described by the Commission as best serving the Community's interests².
- In the second assumption, the rate of growth of agricultural expenditure would be on average 12% per annum. This would be a result of current marketing rules corrected by a number of containment measures for milk products (contributions by producers to financing the cost of surpluses) and for sugar (limitation on quantities guaranteed). Taking account of expenditure in the other sectors, the 1% VAT limit would be exceeded in 1982;
- In the third assumption, the increase in expenditure on the Guarantee Section of the EAGGF is fixed at 18% per annum, which is approximately equivalent to three-quarters of the increase recorded in the years 1975 to 1979.
Increases of this kind would lead to the VAT ceiling being substantially exceeded immediately.

¹This figure is probably an underestimate.

²Projections for the budget, 1981, 1982 and 1983, page 3, Volume 7/B of preliminary draft budget for 1981.

For the common agricultural policy

182. The Commission gives the percentage breakdown for the EAGGF guarantee section for the three assumptions illustrated only for 1982:

<u>Commitment appropriations</u>			<u>Payment appropriations</u>		
<u>Assumption</u>	<u>Assumption</u>	<u>Assumption</u>	<u>Assumption</u>	<u>Assumption</u>	<u>Assumption</u>
1	2	3	1	2	3
58.6%	59.0%	60.3%	60.6%	61.5%	62.8%

183. These figures show that the trend in agricultural expenditure will occupy a smaller proportion of the budget than in 1981. The preliminary draft budget for next year shows that it would take up 59.5% of the total commitment appropriations and 64.5% of payment appropriations.

For structural policies (EAGGF Guidance Section, social policy, regional policy, energy, research etc.)

184. Special considerations apply to the structural policies for the years 1982 and 1983 which will not only depend on the growth in agricultural expenditure, but will also be subject to the nature of the increase in commitment appropriations they are allocated.

185. For non-compulsory appropriations in the social and regional sector the Commission sets out two assumptions:

- on the first assumption, commitment appropriations would increase at a rate equal to the maximum rate for non-compulsory expenditure, calculated on the basis of Article 203 of the Treaty. For the period in question this rate would be approximately 12%;
- the second assumption shows a larger rise, closer to that proposed by the Commission for 1981, and therefore more in line with the desires expressed by the European Parliament. On this assumption the rate of increase would be 25% per year.

186. It should however be borne in mind that appropriations for the Guidance Section of the EAGGF, for example, were fixed at 3,600 million over five years for the period 1980-1984 by Regulation No. 929/79 and that the amount of these appropriations is therefore approximately 720 million EUA on average per year.

187. It is also clear that the second assumption corresponds more closely than the first to expectations in the social field and the need for regional redistribution, particularly since employment problems are likely to become more serious and since with Greece's accession in particular, it will be necessary to channel as much resources as possible to the less prosperous regions. The figures show that the difference between the two assumptions and the commitment appropriations to be allocated to this type of measure is 140 million units of account in 1982 and 300 million in 1983 for social measures and 200 million and 500 million units of account respectively for regional measures.

for the Guidance Section of the EAGGF and the social and regional sectors

188. In percentage terms the proportion of the 1982 budget allocated to these measures is as follows¹:

	<u>commitment appropriations</u>			<u>payment appropriations</u>		
	<u>Assumption</u> 1	<u>Assumption</u> 2	<u>Assumption</u> 3	<u>Assumption</u> 1	<u>Assumption</u> 2	<u>Assumption</u> 3
EAGGF Guidance	3.2	3.0	2.9	3.1	3.0	2.9
Social sector	4.9	5.3	5.1	5.0	5	4.9
Regional sector	7.7	8.1	7.9	6.4	6.4	6.2

189. Although similar considerations apply to all the other parts of the budget, a number of remarks are called for particularly as regards energy policy and research.

As the European Parliament has stressed on a number of occasions these are two vital sectors essential to the development of the economy of the Community. It is therefore particularly important to consider to what extent the Commission's forecasts of expenditure correspond to the Assembly's expectations.

For energy and research the Commission applies the same two assumptions as for the structural policies (see point 185), on the basis of which commitment appropriations would increase by 12% in one case and 25% in the other. In absolute terms the difference is ludicrously small, since on the maximum assumption commitment appropriations for these vital sectors total scarcely 630 million EUA in 1982 and 780 million EUA for the following year. Even in percentage terms the proportion of the total Community budget is negligible, approximating on the best of the two assumptions to 2.5% for commitment appropriations and 2% for payments.

¹The three assumptions referred to are those used to illustrate expenditure on the Guarantee Section, in paragraph 181.

Development cooperation

190. A special place has to be assigned for this sector of expenditure in view of the fact that the European Development Fund is not yet entered in the budget but should be included before 1983. The Commission itself in fact stresses the need -supported by the European Parliament - to make up for this shortcoming as soon as possible¹.

191. The Commission is nevertheless obliged, in order to make the figures comparable with those for other estimates, to draw up assumptions on the growth of this type of measure, restricting itself to measures which already have a budgetary heading. These are as follows:

(a) Food aid (Chapter 92)

As in the past, food aid will be directed primarily to the poorest countries suffering from severe food shortages. The 1981 - 1983 estimates vary according to the Commission's contribution to the total world food aid in cereals: 16.5% on the lowest assumption, 25% on the highest.

(b) Financial and technical cooperation with non-associated developing countries (Chapter 93)

These measures are designed to improve and increase food production in the poorest countries of Asia and Latin America. In view of the increasingly acute problem of world hunger, the Commission proposes that this type of aid be given added momentum.

(c) Cooperation with non-Member countries (Chapter 96)

Without anticipating the outcome of negotiations on the financial protocols relating to cooperation agreements which expire in 1981, the Commission plans to maintain the budgetary contribution for this type of measure at least at the same level as for the preceding period.

192. The total commitment appropriations for all these measure would rise from 959 million EUA in 1981 to 1200 million in 1983. Payment appropriations on the other hand would increase from 749 million EUA in 1981 to 1000 million EUA in 1983.

193. In percentage terms, development cooperation will in 1982 take up between 4.1 and 4.5% of total commitment appropriations and between 3.5 and 3.7% of the total payment appropriations.

¹Projections for the budget for 1981, 1982 and 1983, page 19, Vol. 7/B of preliminary draft budget for 1981.

Borrowing and lending policy

194. In view of the fact that until decisions are taken to allow a continual and substantial increase in own resources, Community revenue will remain confined to a fixed ceiling, borrowing and lending operations take on vital importance, since they will have to be used to develop measures which cannot otherwise be financed by the budget.

195. According to the Commission, the experience gained during the period 1973 to 1979 and the scale of investment in infrastructure and energy, imply a 10% to 20% annual growth rate in lending and borrowing activities. This applies particularly to Euratom loans which are intended to promote the construction of nuclear power stations. NIC loans¹ which contribute to the financing of investment to promote economic convergence within the Community are becoming increasingly important, and could grow even faster during the period 1980 to 1983. However, the Commission does not provide any more specific information in this respect.

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196. As regards borrowing and lending policy it should be pointed out how important the role of these Community instruments can be if they are genuinely directed towards financing investment projects.

197. If the volume and the effectiveness of borrowing and lending operations match expectations and if they are directed towards priority objectives drawn up by common agreement between the institutions, after full consideration, the Community will have provided itself with a valuable additional instrument for achieving a policy of convergence aimed at abolishing the existing economic gap between the various regions, in other words a balanced policy matching the objectives of the Treaty.

198. It should be pointed out under this chapter which is incidentally only designed to present forecasts of developments up to 1983, that Parliament attaches great importance to entering in the budget the instruments for a proper borrowing and lending policy.

199. Entering these instruments in the budget would allow Parliament, which is the body most suited to taking responsibility for these matters, to contribute to the determination of borrowing and lending policy which, it must be repeated, is an essential element in achieving economic convergence capable of reducing structural imbalances.

¹New Community instrument

VI. COMPARATIVE ANALYSIS OF THE PRELIMINARY DRAFT AND DRAFT BUDGETS

200. Without going in detail into the volume of appropriations proposed by the Commission and the Council for each budgetary line, it is important to have an overall view of the preliminary draft and draft budgets.

The rapporteur will base his general political assessment on these general figures.

1. Budget figures

(a) Total volume of appropriations

201. The following table highlights the increase in expenditure compared with 1980 in the preliminary draft and draft budgets respectively (this table includes expenditure for all the Community institutions).

(m EUA)	Commitment appropriations	Payment appropriations
1980 budget	17,318	15,683
<hr style="border-top: 1px dashed black;"/>		
1981 preliminary draft	21,731	20,051
. increase 1980/81	+ 4,413	+ 4,368
. increase in %	+ 25.5%	+ 27.9%
<hr style="border-top: 1px dashed black;"/>		
1981 draft budget	20,902	19,239
. increase 1980/81	+ 3,583	+ 3,556
. increase in %	+ 20.7%	+ 22.7%

202. The increase in appropriations in the draft budget for 1981 compared with expenditure in 1980 is therefore:

- + 20.7% for commitment appropriations and
- + 22.7% for payment appropriations.

203. The reductions made by the Council in the appropriations proposed in the preliminary draft are:

- 829 m EUA in commitment appropriations and
- 812 m EUA in payment appropriations.

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204. The proposed increase in appropriations over the 1980 budget should however be assessed in the light of the following factors:

- the appropriations for 1980 themselves represented only a small increase over expenditure in 1979 (approximately + 10%);
- the 1981 budget has to finance expenditure for ten Member States instead of nine; it can be estimated that appropriations specifically destined for Greece in the 1981 draft budget are of the order of
 - 700 m EUA in commitment appropriations
 - 480 m EUA in payment appropriations
- the 1981 budget incorporates a significant proportion of appropriations for refunds to the United Kingdom: approximately 1,600 m EUA;
- lastly, account must be taken of the foreseeable rate of inflation (probably over 10%) which will cause an equivalent decrease in the real value of the appropriations in the 1981 budget.

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205. The comparison of these various factors gives a more precise view of the real increase in appropriations over 1980 in the preliminary and draft budgets for 1981. This real increase can be estimated as follows:

	Preliminary draft budget	Correction for inflation (-10%)	Draft budget	Correction for inflation (-10%)
Commitment appropriations	+ 12.2	+ 2.2	+ 7.4	- 2.6
Payment appropriations	+ 14.6	+ 4.6	+ 9.4	- 0.6

(b) The growth of the main policies

206. The following table shows the growth in appropriations in the main sectors of expenditure by order of size.

Growth of the principal sectors

(in nominal terms)

(m EUA)

	1980 budget	1981 preliminary draft budget	% 81/80	1981 draft budget	% 81/80
Agricultural expenditure ¹ of which	12,009	13,736	+14.3	13,661	+13.7
EAGGF/guarantee	11,485	12,941	+12.6	12,920	+12.4
U.K. measures ²	-	1,543		1,543	
ERDF ³					
commitment appr.	1,165	1,600	+37.3	1,400	+20.1
payment appr.	403	770	+91.0	500	+24.0
Social Fund ⁴					
commitment appr.	909	1,000	+10.0	923	+ 1.5
payment appr.	374	710	+89.8	560	+49.7
Cooperation ⁵					
commitment appr.	804	959	+19.2	719	-11.8
payment appr.	620	749	+20.8	573	- 7.5
Operational expenditure ⁶	610	727	+19.1	674	+10.4
Energy, research, industry, transport ⁷					
commitment appr.	426	476	+11.7	331	-22.3
payment appr.	360	354	- 1.6	279	-22.5

¹Titles 6, 7 8 and Chapter 31

²Chapter 41, Chapter 58 and Chapter 100

³Chapters 55 and 56

⁴Chapters 50 to 52

⁵Title IX

⁶Titles I and II

⁷Chapters 32, 33 and 37

207. The following conclusions can be drawn from this table as regards appropriations proposed in the draft budget:

- relatively moderate increase in agricultural expenditure,
- small increase in commitment appropriations in the regional and social sector (in fact stagnation if account is taken of appropriations for Greece) but a more substantial growth in payment appropriations to bring them more into line with commitments made in previous years,
- a fall in appropriations for cooperation,
- a significant reduction for industry, energy, research and transport.

(c) Lack of new policies

208. The Commission and the Council have deliberately decided to provide no appropriations for new measures (particularly on energy, transport, the environment and cultural policy).

209. The Commission has made token entries for most of these items, taking the view that it was pointless to reduce the overall sums available by entering appropriations which might not be used because of the lack of a legal basis - with a few exceptions which were justified by the fact that proposals for regulations had been forwarded and were likely to be approved in the short term by the Council.

210. The Council has almost systematically replaced these token entries by dashes, arguing that the lack of a legal basis for these items excluded any possibility of expenditure during the 1981 financial year - thus clearly manifesting its political determination not to allow these actions to get under way.

(d) Available 'margins'

211. The draft budget shows that the margin of available appropriations within the 1% VAT ceiling is approximately 1,364 m EUA. It should however be pointed out that certain unforeseeable factors could change the size of this margin particularly:

- any carry-overs of appropriations from 1980 to 1981,
- the effect of conjunctural factors on the growth of agricultural expenditure,
- the possibility of a redefinition of the basis of assessment of Community VAT.

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212. The margin for the increase in non-compulsory expenditure in 1981 over 1980 is derived from the procedure for determining the maximum rate.

213. The statistical rate recorded by the Commission is 12.2% and the margin of increase in non-compulsory expenditure available to Parliament is equal to the difference between this statistical rate and the rate resulting from the draft budget - although in any case Parliament has a minimum margin equal to half the statistical rate (i.e. 6.1%).

214. The calculation of this margin is difficult because the three institutions have different views of the classification of CE/NCE and therefore make their calculations on different bases. This comparison is made even more difficult in 1981 by the inclusion in the draft budget of very large items such as the financial mechanism and the measures for the United Kingdom.

215. As a guide, the volume of Parliament's margin on the basis of the calculations carried out by the Council on the basis of its own classification is 272 m EUA in commitments and 33 m EUA in payments; these figures are clearly disputed by Parliament because of its own view of the classification of expenditure.

2. Political assessment

(a) Preliminary draft budget

216. The Commission describes its preliminary draft budget as transitional referring both to the limitation on available resources and the measures for restructuring the budget planned for 1981.

217. Your rapporteur feels nevertheless that the Commission proposes a transition which is far too static and that in fact it has resigned itself to carrying out in 1981 only current management operations until the situation improves.

218. It should nevertheless be pointed out that the Commission has undertaken to finance the rise in prices over 1981 to 1982 within the total volume of appropriations provided in the budget - making it clear that supplementary appropriations would have to be found within the total of appropriations set aside for agriculture itself.

219. The main criticism that can be directed at the Commission is its 'pseudo-realism' which has led it to propose appropriations only for measures already under way; in doing so it fails to recognize the fact that it has been possible in the past to introduce certain policies purely through an entry of appropriations in the budget without any decision or regulation by the Council (see in particular the case of aid to non-associated developing countries).

220. It would therefore have been desirable for the Commission to show more courage in providing appropriations for certain new policies (particularly in energy and transport) at least sufficient to allow these measures to get under way.

221. Similarly, it is to be regretted that the Commission has not taken the opportunity provided in the preliminary draft budget to carry out a more systematic and rigorous review of the real value and effectiveness of certain sectors of expenditure; for the Commission above all the budgetary procedure should provide an opportunity for questioning the continuance of measures which might appear superfluous or misdirected and thus to carry out a genuine qualitative selection of common policies.

(b) Draft budget

222. Parliament is faced with a particularly restrictive draft budget; for the first time in the history of the Communities this draft has been officially disputed by the Commission:

- the Commission formally dissociated itself from the draft budget in an official declaration which reads as follows:

'Declaration by the Commission of 25 September 1980 on the 1981
draft budget

...The Commission does not consider that the draft following the first reading represents a suitable basis for Community activity in 1981 and dissociates itself from the consequences of the Council's decisions. ...

In drastically reducing the proposed levels of appropriations for both commitments and payments, ... especially on budget lines relating to regional, social and energy policy, as well as development policy, the Council has destroyed the balance (of the preliminary draft budget). In the view of the Commission, the draft budget no longer adequately reflects the priorities of the Community.'

223. In this situation Parliament is entitled to ask to what extent the draft budget can be carried out satisfactorily.

224. Is there any chance of this draft being sufficiently improved during the budgetary procedure to correspond to the minimum requirements of the Community for the 1981 financial year? It is impossible to give a clear answer to this question at this stage.

225. The Council's proposals leave Parliament with the following alternatives:

- to decide to reject the budget on first reading,
- to refuse to consider the draft budget thus placing full responsibility for it on the shoulders of the Council,
- to use all the means which the budgetary procedure offers to Parliament to attempt to improve the Council's proposals.

226. The rapporteur believes that rejection or refusal to consider the budget would not solve the problem; if the Council was not prepared to change its position neither rejection nor refusal to consider the budget would oblige it to do so at this stage.

227. Furthermore, rejection would oblige Parliament to await the presentation of a new draft budget by the Council which would be unlikely to differ substantially from the first draft.

Refusal to consider the draft budget would make the draft definitive and although Parliament would thus leave the Council with full responsibility for failing to provide an adequate response to the Community's problems, Parliament would appear to be renouncing the exercise of its powers and prerogatives.

228. The rapporteur prefers to work on the hypothesis - however uncertain - that the Council could go back on its original position - how far remains to be seen - and therefore proposes that Parliament use all the means available under the budgetary procedure.

229. If at the end of this procedure the Council's concessions were still insignificant or inadequate, Parliament would then be faced with a final alternative:

- to reject the draft budget on second reading, as in 1980,
- or to prevent the completion of the procedure until an agreement has been reached on a new maximum rate of increase for non-compulsory expenditure as laid down in Article 203(9),

3. The rapporteur's proposals

230. In the light of the above comments, the rapporteur proposes that Parliament adopt the following line in the first reading of the draft budget:

- (a) a sufficient safety margin should be kept between appropriations voted and resources actually available: this margin should be of approximately 500 m EUA (3% of the total payment appropriations);
- (b) the proposed level of agricultural expenditure should not be exceeded;
- (c) the increase in non-compulsory expenditure over 1980 resulting from the maximum rate (12.2%) is inadequate;
- (d) the additional appropriations voted by Parliament must be concentrated on a small number of priority sectors, principally:
 - energy
 - cooperation
 - the Social Fund
 - the Regional Fund
- (e) these extra appropriations should only be voted if they can be used - and to the extent that they can be used - during the financial year.

VII. THE MAJOR SECTORS OF EXPENDITURE

1. Establishment plan of the Commission and policy of support for the European Civil Service

231. No consideration of the qualitative and quantitative proposals for changes in the Commission's establishment plan for 1981 would be complete without a brief discussion of the current problems of the European Civil Service.

The staff of the Commission, more than other institutions, have shown clear signs of unrest particularly in view of the fact that for the last two years staff policy shaped, as it should be, by Parliament's decisions in the preparation of the annual budget, has remained paralysed by the problems surrounding the budget itself.

Two years ago it was not possible to include on second reading the amendments tabled on the first reading since Parliament itself decided not to table any amendments to the decisions taken by the Council following its vote on the first set of amendments and proposed modifications.

Last year, changes to the establishment plan which Parliament wished to include in the annual budget had to be put aside as a result of the decision to reject the budget itself.

232. Parliament, in proposing the creation of a certain number of posts or deciding on the conversion of other posts, has always based its actions on the following considerations.

- The existence of an independent European Civil Service providing a normal career development is, both from experience and as a matter of principle, an essential condition for the success of the activities of the institutions in working for the construction of the Community.

- The conditions governing career development cannot, as in previous years, go beyond tolerable limits without producing particularly negative effects of a social and professional nature since long delays are likely to lead to a loss of interest in work and the destruction of those incentives and convictions which were at the root of the dynamism

which the European Civil Service has amply demonstrated from the Community's inception¹.

233. The present situation gives grounds for pessimism for another series of reasons which are considered by the Committee on Budgets particularly in its examination of the proposal for amendments to the staff regulations.

It should be pointed out briefly at this point that since 1974 the Council has failed to reach a decision on all the proposals for amendments to the Staff Regulations introduced by the Commission and improved by Parliament concerning in particular social provisions or relating for example to pension rights or other more specifically social measures.

234. The decisions which the Commission is about to implement following the analysis of the structure of the Commission made by the Working Party chaired by Mr Spierenburg, and the conclusions of the group of members of the Commission responsible for considering the action to be taken on the work of this group come at a time of not inconsiderable tension.

The Commission, in what Parliament views as a laudable approach, is about to take measures to change working methods, internal coordination, coordination with the other institutions and planning priorities and requirements with a view to improving the efficiency of its own organization.

235. The Commission's programme proposed by its Vice-President, Mr Ortoli, based on the general principles of qualitative and quantitative mobility

¹According to available statistics the average length of a career has grown significantly longer in recent years. Whereas the time taken to pass through all the grades and steps in a career bracket in 1977 was 48 years for Category B, 49 years for C and 19 for D, in 1980, according to conclusions which can be reached after careful consideration of the situation, 45 years are necessary for Category A, 50 years for Category B, 70 years for C and 25 for D. Another point to be considered is the fact that as regards promotions, indisputable statistics demonstrate that at the Commission Grade D2 is reached between the ages of 28 and 39, D1 between 38 and 52; C4 between 24 and 28, C3 between 28 and 36, C2 between 30 and 42, C1 between 40 and 52; B4 between 25 and 30, B3 between 30 and 38, B2 between 37 and 48, B1 between 44 and 56; A7 between 29 and 32, A6 between 32 and 38, A5 between 36 and 44, A4 between 44 and 50. It should be added that there are also a large number of officials stuck at the last step of their grade.

of staff is certainly welcome. This is a valid aim in itself, in view of the development of working methods and the need to adapt to the new objectives, particularly those set out in 1981 for the restructuring of the budget. However, there must be a guarantee that this programme will have no negative effects on the staff as a whole or effects likely to weaken the European Civil Service, of which Parliament sees itself as the defender, as these could lead to a weakening of European autonomy, placing it more at the mercy of the Member States.

Conclusions

236. These general considerations were necessary for the rapporteur to assess the Commission's requirements both as regards qualitative and quantitative changes in its establishment plan.

237. The rapporteur intends to propose amendments to change the negative stance adopted by the Council, in line with a logical approach which is a necessary condition for a consistent staffing policy.

238. The Council's approach seems to be dictated by the demands of national budgets, which cannot be automatically reflected at Community level where indeed growth is needed, and not simply austerity and stagnation, if progress in the construction of the Community is not to be threatened.

239. Indeed, the Council, whose meetings and decisions do not always reflect its nature as a Community institution, cannot be expected to adopt an original policy towards the European Civil Service solely because it has legislative powers.

240. It is also clear that this policy cannot be determined solely through legislation but above all through permanent awareness of the problems which exist and the solutions which can be found to them and with an interest based on the conviction of the unique and irreplaceable nature of the European Civil Service.

241. The rapporteur is convinced that the time is right to break the deadlock which has lasted too long over recent years.

He believes, consequently, that Parliament can play a role which will allow it to remedy the undeniable shortcomings which exist and play an important role in furthering and protecting the interests of the European Civil Service.

242. Parliament can promote a coordinated policy on the European Civil Service, calling upon both the institutions themselves and the various administrations and staff representatives to redefine their basic principles and practice.

243. Your rapporteur has noted that the appropriations earmarked for certain social measures for the benefit of Commission staff are lower on average than the appropriations entered under the same head in the national budgets; in order to keep spending down, however, the figures entered by the Council has not been changed. It is stressed, however, that the Commission and the other institutions should make every effort to use those appropriations to assist staff members in the lowest income groups.

2. Operating expenditure

244. As far as the Commission's routine operating expenditure is concerned (buildings, equipment and ancillary expenses), your rapporteur considers that the cuts made by the Council in the preliminary draft budget with the object of holding the increase in spending over 1980 to roughly 18% are acceptable; the fact is that this increase is higher by a fair amount than the foreseeable rate of inflation in 1981.

Your rapporteur has nevertheless proposed a number of amendments covering special cases:

- reductions have been proposed in certain items (2211 and 2231: replacements of furniture and transport equipment) for spending on those items provides a test of the Commission's capacity for sound management,
- as far as the management committees (article 251) are concerned, your rapporteur's intention was to prompt the Commission and the other institutions to provide stricter justification for such a large number of committees and to make efforts to rationalize the operation of those committees that are considered essential,

- with regard to the Data Processing Centre (chapter 21), your rapporteur has proposed an increase in appropriations of 5 m EUA for inclusion in chapter 100 in order to make allowance for the present uncertainties surrounding the organization of the centre - pending a full report by Parliament and the Court of Auditors; the amount proposed by your rapporteur (20 m EUA + 5 m EUA) compared with a figure of 15 m EUA in 1980, should allow the centre to meet the requirements of the 1981 financial year,

- as regards the cost of publishing and distributing the Official Journal (Chapter 27), your rapporteur noted that the justifications provided by the Commission would have meant an increase of no more than 40% in spending compared with the 1980 financial year whereas the Council agreed to an increase of 90% (from 10 to 19 m EUA) - he therefore proposes that 15 m EUA be earmarked for 1981 and considers it absolutely essential that the Commission should provide a detailed justification for what seems an impossibly high cost per page of the Official Journal (between 100 and 135 EUA according to the Commission),

- as regards the European University Institute in Florence (article 288) and the international agreement on rubber (article 298), your rapporteur has introduced two amendments stressing the Community character of both those items and requests the Commission to take steps during the 1981 financial year to have this expenditure charged to the Community budget,

- as regards the European Schools (article 289), your rapporteur has proposed an amendment stressing the need for greater responsibility to be assigned to the Community institutions for the operation and organization of those schools.

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Appropriations for operating expenditure are as follows:

(m EUA)	1980 Budget	1981 Preliminary draft	1981 Draft budget
Title II	196.7	259.6	226.7

245. The Commission had proposed an increase in appropriations for Title II of approximately 32%. The appropriations authorized by the Council represent an increase of only 15.2% over 1980.

246. The main sectors of operating expenditure are:

- the rental and management of Commission buildings,
- budgetary grants or subsidies to the Computer Centre, the Publications Office, and the European Schools,
- the Commission's expenditure on publications.

247. The severe cuts made by the Council have in some cases been based on positions previously adopted by Parliament itself, particularly as regards policy on buildings and data processing costs.

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248. The rapporteur approves the Council's policy of achieving savings in this field, while recognizing that the Commission must be provided with the technical means to fulfil its responsibilities. Furthermore, he wishes to draw attention to a number of specific areas where he feels that the increase in appropriations represents an attempt to solve problems by greater spending and a failure to control costs; this is the case particularly for the Community Computer Centre and the printing costs of the Official Journal.

3. Energy and Research

(a) Energy

(m EUA)

Chapter 32	1980 Budget	1981 Preliminary Draft	1981 Draft Budget
Commitment Appropriations	100	143	44.7
Payment Appropriations	77.1	48.5	23.2

249. The main items of expenditure in the energy sector are, in decreasing order of importance:

- new sources of energy
- energy savings
- technological development of hydrocarbons
- uranium prospecting.

250. The above table indicates that the Commission proposed both a significant increase in commitment appropriations and an almost equally large reduction in payment appropriations over 1980; the overall pattern of appropriations proposed by the Council reflects the same imbalance; most importantly, the Council's proposals represent a spectacular cut in the proposed budgetary endowment and a refusal to make provision for the development of new measures, particularly in the coal sector.

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251. The rapporteur feels that the draft budget will bring to a halt and indeed call into question the Community's embryonic energy policy: this attitude is a natural result of the inability of the Council of Energy Ministers to introduce any sort of common energy policy. It should also be pointed out that the measures so far introduced (hydrocarbons/energy savings/new sources of energy) have been introduced by a particularly cumbersome and restrictive decision-making process, in which the Council has reserved the right to approve - down to the smallest detail - each of the programmes in the proposed sectors by means of regulations.

252. It appears that the Commission bears a share of the responsibility for this disastrous situation: in spite of the constant support of Parliament, the Commission does not seem to have taken, in the energy sector, sufficiently rapid, specific and far-reaching measures and has rubber-stamped the restrictive procedure imposed by the Council for the few measures which have so far been introduced. In spite of this situation, the rapporteur feels that in view of the Community's high level of dependence on energy, the energy policy should be an absolute priority for the Community and that all efforts should be made in 1981 and beyond to give new impetus to existing programmes and allow new measures to be introduced.

253. The conclusions of the draftsman of the Committee on Energy are worth restating:

'The meetings in Tokyo and Venice and the statements made to Parliament in July by the President-in-Office of the Council, Mr Thorn, demonstrated the size of the crisis and the need for concerted action at world level and within the Community.

The definition of a Community energy policy is one of the priorities for our work in the coming months.

Such a policy should in particular provide for joint investment in new and renewable energy sources, new technologies, new impetus to coal policy and energy aid to the developing countries.

In addition, and this will require no investment, the Council should take resolute action to improve harmonization of the prices of various energy sources in the Community and to introduce a common approach to the producer countries.

Several studies will have to be carried out simultaneously on the sources of the finance that is required (ceiling on own resources, special tax, Community loan for recycling petro-dollars).

The first practical measures of a Community energy policy should be introduced by 1982.'

(b) Research

(m EUA)	1980 Budget	1981 Preliminary Draft	1981 Draft Budget
Commitment Appropriations	312.8	313.7	276.9
Payment Appropriations	276.6	291.7	254.5

254. The Commission had not proposed a significant increase over 1980 appropriations. The Council's proposals represent a marked reduction over the previous year. The situation in the research sector therefore gives grounds for concern.

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255. The rapporteur has noted a certain slowing down in the operation of the programmes and in the implementation of appropriations previously authorized. It feels that the Commission should provide explanations on this point. In the meantime, research directly linked to the development of the Community's energy potential should be stepped up; furthermore, steps should be taken to ensure that each research programme is truly Community in nature - that is to say of common interest to all the Member States.

4. Environment

(m EUA)	1980 Budget	1981 Preliminary Draft	1981 Draft Budget
Chapter 35	8.5	11.9	9.1

256. The Commission's proposals for increases in appropriations were relatively modest but the Council has accepted only an increase of 6.6% over 1980. Moreover, it has refused to authorize the commencement in 1981 of several measures proposed by the Commission, particularly on the protection of the marine environment; it has also opposed substantial increases in the subsidy to the European Foundation for the Improvement of Living and Working Conditions.

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257. The rapporteur feels, together with the committee responsible, that a genuine common policy on the environment should be progressively introduced on the basis of a consistent and coordinated programme; the real impact of these measures, in this sector as in others, should be carefully assessed.

5. Industry and transport

(m EUA)	1980 Budget	1981 Preliminary Draft	1981 Draft Budget
Commitment Appropriations	13.1	19.5	10.8
Payment Appropriations	8	14.6	7.9

258. The Commission's proposals represented a very substantial increase over 1980, particularly as regards payments, but the Council has proposed a reduction in appropriations particularly for commitments.

259. Most of the proposed expenditure is in the data processing sector. The Council has made token entries for programmes which could well have been started in 1981 (in particular textiles and ceramics); it has even excluded the possibility of expenditure in other sectors (aeronautics and industrial conversion).

In the transport sector (studies and infrastructures), the Council has also inserted dashes aimed at preventing any expenditure in 1981.

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260. The rapporteur deplores the Council's clear refusal to promote the development of an industrial policy and the introduction of a transport policy, contrary to the declarations made and the objectives set out in the Treaty of Rome. He considers that Parliament should attempt to restore certain appropriations in order to ensure that a number of priority programmes in these two sectors are carried out; as regards transport in particular, the rapporteur supports the creation of a centre for monitoring goods transport markets with a view to determining more clearly the choices available and the real extent of costs. He is however concerned that measures in this sector are scattered over too wide a field and he hopes that the proposed measures will be better integrated into the more general framework of the Community's regional and social policies.

6. Youth, culture and education

261. Most of the appropriations on this rather mixed sector are included in Chapter 39 of the budget with a total appropriation of 7.3m EUA (as against 7.2m EUA in 1980); The Commission had proposed an appropriation of 9.7m EUA. There are hardly any common measures in this sector, and this explains the small appropriation authorized by the Council.

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262. The rapporteur, together with the committee responsible, supports the measures aimed at progressively implementing common measures in this sector, particularly the Community education programme, and the measures to prepare young people for working life; he nevertheless feels that it is essential to view the stated aims of these policies in a more consistent and comprehensive framework.

7. Social fund

(m EUA)

<u>Various measures</u> (Chapter 30)	1980 Budget	1981 Preliminary draft	1981 Draft Budget
Commitment appropriations	9.5	16.2	11
Payment appropriations	14.5	15	12.1
<u>Social Fund</u>			
Commitment appropriations	909.5	1,000	923
Payment appropriations	374.3	710	560

(a) Chapter 30

263. The Commission had proposed that payment appropriations be maintained at the same level but that commitment appropriations be increased significantly. The Council proposes a substantial reduction in payment appropriations and a modest increase in commitment appropriations.

264. In particular, appropriations for the European Centre for the Development of Vocational Training are increased only slightly (from 3.5m EUA to 3.7m EUA); the same is true for appropriations for exchanges of young workers (from 1.3 to 1.5m EUA)

(b) Social Fund

265. The Commission had proposed a spectacular increase in payment appropriations (+ 90%) but a very marginal increase in commitment appropriations (+ 10%); it felt that it would be possible in 1981 to make up for much of the delay which had occurred in payments for measures initiated during previous financial years.

266. The Council has allowed a significant, but markedly lower increase in payment appropriations while maintaining commitment appropriations at practically the same level as 1980; it took the view that appropriations from the Fund should be concentrated on measures to help young people and those aimed at improving the employment situation in certain regions.

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267. The rapporteur, together with the Committee on Social Affairs, feels that social policy should be one of the priorities for the 1981 budget and he supports measures aimed at increasing appropriations in this sector, particularly for measures on vocational retraining and combating unemployment. But he particularly regrets the fact that the Council has entered a dash in Chapter 54 for social measures to be taken in connection with the 'manifest crisis' in the ECSC, thus demonstrating its desire to prevent any expenditure in this sector in 1981.

268. On a purely budgetary level, he feels that the activities of the Community in the social field could better be concentrated on a more limited number of measures and that the real impact of expenditure thus incurred should be more systematically and more specifically assessed by the Commission. It can only welcome the recent acceleration in the rate of payments from the Social Fund and supports initiatives aimed at making up for delays in this field in 1981.

8. Regional fund

(m EUA)	1980 Budget	1981 Preliminary Draft	1981 Draft Budget
Commitment appropriations	1,165	1,600	1,400
Payment appropriations	403	770	500

269. The Commission had proposed a significant increase in commitment appropriations (+37%) and a very big increase in payment appropriations (+91%). This last increase was due to recent improvements in procedures for settling commitments, improvements which should have led to an even greater volume of payments in 1981 (estimated at 1,000m EUA) and which the Commission decided to reduce arbitrarily to 770m EUA.

270. The appropriations accepted by the Council show a much lower percentage increase over 1980: + 20% for commitment appropriations, + 24% for payment appropriations.

271. However, to assess the real growth in appropriations for the nine Member States, it is necessary to subtract the amount of appropriations proposed to finance the Greek quota (15% approximately): thus the real increase in expenditure under the Regional Fund for the Nine, as set out in the draft budget, is very low (+ 2.1% in commitment appropriations and + 5.4% in payment appropriations).

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272. The rapporteur agrees with the Committee on Regional Policy in finding this reduction in the Community's help for the regions unacceptable and considers that the endowment proposed by the Commission is an essential minimum to maintain this help at a level at least equivalent to that of 1980. Similarly, the rapporteur is concerned at the unacceptable delays in the implementation of the non-quota section of the Fund and notes once more that these delays are the result of the type of decision-making process adopted by the Council, which is designed to maintain close control over each programme proposed by the Commission.

273. The rapporteur agrees with the committee responsible in declaring that the current economic difficulties and the prospects for the Community's enlargement require a substantial strengthening and a greater geographic concentration of regional policy.

9. EAGGF/Guidance and fisheries

(a) EAGGF/Guidance

(m EUA)	1980 Budget	1981 Preliminary draft	1981 Draft Budget
Commitment appropriations	462.8	694.6	667.5
Payment appropriations	322.3	500.3	478.5

274. The appropriations in the draft budget represent a significant increase for both commitments and payments over 1980; the cuts made by the Council in the figures in the preliminary draft are not substantial.

275. The Council has introduced at the end of the Guidance Section (after Chapter 86) a remark pointing out that the total amount of financial assistance which may be charged to the Guidance Section over a five-year period was fixed by regulation at 3,600m EUA and that annual authorizations must remain within this total amount. It should be pointed out here that Parliament and the Commission classify most of the expenditure in the EAGGF/Guidance Section as non-compulsory expenditure whereas the Council - using the five-year ceiling on the EAGGF Guidance Section as one argument - considers this as compulsory expenditure.

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276. The rapporteur agrees with the committee responsible in taking the view that certain appropriations in the draft budget are inadequate. He is also somewhat concerned at the disparate nature of certain individual measures under this title and feels that the real effectiveness of several of the measures at present being undertaken should be carefully examined.

(b) Fisheries

(m EUA)	1980 Budget	1981 Preliminary draft	1981 Draft Budget
Commitment appropriations	32.9	89.1	62.2
Payment appropriations	58.9	58.8	38.2

277. As the common fisheries policy has been slowly getting off the ground, the commitment appropriations proposed in the 1981 draft budget are significantly higher than 1980 but payment appropriations are, on the contrary, lower; the Commission had proposed much higher figures for both commitments and payments.

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278. The rapporteur, together with the committee responsible, regrets in particular the delays in the adjustment of the Community's fisheries capacity and notes that the Council has refused to authorize an appropriation of 20m EUA for this purpose.

10. Cooperation and EDF

(a) Cooperation

(m EUA)	1980 budget	1981 preliminary draft	1981 draft budget
Commitment appropriations	803.9	958.7	719.2
Payment appropriations	641.6	748.8	578.5

279. The increase in appropriations over 1980 proposed by the Commission was 16.7% for payments and 19.25% for commitments. The Council proposes a sharp reduction in both payment and commitment appropriations.

280. As regards food aid, the Council has accepted the Commission's proposals for cereal and milk powder but has maintained quantities for butteroil and sugar at 1980 levels; it has not provided appropriations for food aid in other products. Most importantly, the Council proposes a spectacular reduction (-28%) compared with 1980 in commitment appropriations for the non-associated developing countries and maintains payment appropriations at the same level. The Council's approach is equally restrictive as regards development aid provided through non-governmental organizations and aid to disaster victims in developing countries; in the latter case the Council has entered 3 m EUA, whereas the Commission had proposed 10 m EUA and more than 43 m EUA will have been spent in 1980; it would therefore appear necessary to allocate to this item a sum more closely in line with real needs and it would be improper from a budgetary point of view to allocate funds to this item by the systematic use of transfers.

281. It should be noted lastly, as regards aid to Portugal to prepare for accession, that the Council has decided, by letter of amendment to the draft dated 20 October 1980, to provide an appropriation of 60 m EUA in commitment appropriations and 30 m EUA in payment appropriations.

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282. The rapporteur agrees with the committee responsible in considering that development aid is one of the priorities for the 1981 budget and recalls Parliament's recent statements on this matter, particularly in its resolution on combatting 'world hunger'. He cannot accept the Council's attitude not only in proposing a reduction in the Community's efforts in this field but also in placing the Community in a position where it can no longer honour solemn commitments made to the countries of the Third World or play its full part in solving the problem of poverty in those countries.

(b) European Development Fund

283. The Commission attached to the preliminary draft budget for 1981 a document on the EDF (COM(80) 250) in which it set out the resources and expenditure involved in the new Lomé Convention and the main points of the Convention as regards financial cooperation.

284. The Council has taken over this document and also attached it to the draft budget. The document sets out in particular the total volume of the EDF for the period 1981/84 and estimates for the 1981 financial year.

The total volume breaks down as follows: (in m EUA)

	ACP	OCTs
Grants	2,928	51
Special loans	504	27
Risk capital	280	7
Stabex	550	9
Ores	280	token entry
EDF total	4,542	94
EIB: normal loans	685	15
Convention total	5,227	109
=====		
Non-Convention		
EIB: mining sector loans	200	-
delegations	180	- 1
=====		
Grand total	5,607	109

¹ A sum of 10 m EUA should be entered

285. This expenditure will be financed by contributions from the Member States determined according to a special formula. These contributions are as follows:

	m EUA	%
Belgium	273.524	5.9
Denmark	115.900	2.5
Germany	1,311.988	28.3
France	1,186.816	25.6
Ireland	27.816	0.6
Italy	533.140	11.5
Luxembourg	9.272	0.2
Netherlands	343.064	7.4
United Kingdom	834.480	18.0
	4,636.000	100.0

286. Lastly, planned expenditure for the 1981 financial year is as follows:

950 m EUA in commitment appropriations
300 m EUA in payment appropriations

This expenditure is broken down as follows:

Commitments	Payments		
	1981	1982	1983
1980 300	100	50	50
1981 950	200	200	250
1982 1,000	-	200	200
1983 1,000	-	-	200
	300	450	700

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Opinion of the rapporteur

287. Apart from the question of the budgetization of the EDF, dealt with above (points 100 to 102), the rapporteur feels that this document - which should be annexed to Section III of the budget once it is adopted - represents a significant improvement in the provision of information to the budgetary authority on EDF operations.

288. He also considers that since this is a new Convention only recently signed, it was difficult for the Commission to provide more specific detail. He asks, however, that in future years the financial information provided in this way to the budgetary authority should be more complete and cover in particular:

- the situation of payments compared with appropriations in the previous EDF and their impact on the financial year concerned,
- the breakdown of expenditure by category of measure and by beneficiary country,
- the rate of expenditure and any difficulties in settling payments, particularly those arising from financial procedures followed,
- the assessment of the real impact of expenditure on the economies of the beneficiary countries.

289. As regards the 1981 financial year, the low level of appropriations is surprising, particularly appropriations for payments (only 300 m EUA, only slightly more than 6% of the proposed total volume).

11. Reserves

290. The Commission had entered a reserve in Chapter 100 of the preliminary draft budget of appropriations totalling 83.2 m EUA in payments and 108.7 m EUA in commitments. Most of these appropriations were intended to cover expenditure under the EAGGF Guarantee Section for new common organizations of the market in alcohol and potatoes.

291. In the draft budget, Chapter 100 has a far bigger allocation of appropriations, 381.1 m EUA in commitments and 338 m EUA in payments; the Council has entered 100 m EUA in this chapter for 'supplementary measures' for the United Kingdom and 195 m EUA for the EAGGF Guarantee Section.

292. The rapporteur wonders whether it might not be more advantageous to provide each title of the budget with a special reserve which would appear as the last chapter in each title; he feels that such a technique would certainly make for greater budgetary clarity.

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293. In Chapter 101 (contingency reserve), the Commission had proposed an appropriation of 6 m EUA (compared with 5 m EUA in 1980); the Council has reduced this appropriation to 5 m EUA.

12. Budgetary control

294. In its consideration of the draft budget, the Committee on Budgetary Control has, in the form of amendments, taken measures which confirm its constant view of the need to reaffirm the continuity of Parliament's control powers which extend from authorization of the estimates of revenue and expenditure (approval of the budget) to the assessment of how the budget has been implemented (granting of a discharge).

295. It believes not only that there is no break in continuity between these two functions but that the exercise of the first is strengthened by exercise of the second.

296. It is indeed the duty of Parliament, which does not have any legislative power, to make the maximum possible use of its control powers since it alone has the power to grant a discharge on the implementation of the budget.

297. On the basis of these remarks, the proposals which the Committee on Budgetary Control has put forward in its amendments are designed to:

- clarify the nomenclature of all the peripheral organizations financed through the Community budget to make it easier to assess and control the activities of these organizations. Consequently, the headings proposed for the European Schools, the Centre for the Development of Vocational Training, the Foundation for the Improvement of Living and Working Conditions, the European Association for Cooperation, the delegations in the ACP countries and the OCT, are designed to introduce a distinction, in the overall appropriations, between operating expenditure, administrative expenditure and expenditure on staff.
- create through the budget a better organized control over the Community's own revenue and more effective measures against fraud, as well as recovering revenue owed but not received. In this way the Committee on Budgetary Control reaffirms, through the budget, demands which it has put forward constantly in the documents it has adopted during the course of the year.
- commit the Commission to careful management of funds for the financing of refunds on agricultural products, further improving the system of advance fixing, making subject to special approval the decisions on advance fixing for exports to state-trading countries and using a more suitable form of deterrent against frauds such as, for example, the size of the deposit required.
- control the implementation of appropriations for food aid.
- control transfers between chapters of the enormous sums entered for the Guarantee Section of the EAGGF.

Deliberations of the Committee on Budgets at its meeting of 27/28 October on the draft amendments and proposed modifications to the 1981 draft budget - Section III - Commission

VIII. RESULT OF THE VOTES IN THE COMMITTEE ON BUDGETS

N O M E N C L A T U R E

POSITION OF COMMITTEE ON BUDGETS

Chapter, Article or Item	Heading REVENUE	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Title 1	Own resources	remarks		100		Control	X		24/0/2
Art. 101 (new)	Levy on oils and fatty substances	token entry		420		EPD Group			Covered by vote on 150
Art. 102 (new)	Special levy on soya	token entry		421		EPD Group			Covered by vote on 150
Art. 103 (new)	Special levy manioc	token entry		428		EPD Group			Covered by vote on 150
Art. 104 (new)	Special levy maize	token entry		429		EPD Group			Covered by vote on 150
Art. 113 (new)	Levy on oils and fatty substances for consumption	token entry		150		Ag. Ctte		X	10/15/1
Art. 113 (new)	Margarine production levy	token entry		430		EPD Group			Covered by vote on 150
Art. 120	Customs duties	remarks		431		EPD Group			Covered by vote on 150
Art. 900	Sale of furniture	+ 25 mEUA		507		ED Group		X	7/17/1
Art. 923	Remuneration for services of JCR	+ 10 mEUA		506		ED Group		X	8/18/1
Arts. 940 to 943	Lending and borrowing operations	remarks		68.253/1		ADONNINO	X		23/3/0
Art. 953	Sums recovered in pursuance of Art. 8 of Reg. No. 729/70 (irregularities)	heading and remarks		101		Control	X		21/3/1

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PE 68.253/fin.

N O M E N C L A T U R E

P O S I T I O N O F C O M M I T T E E O N B U D G E T S

Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
	STAFF						Pos.	Neg.	
	Conversion of 160 posts	221,000 EUA		68.253/6		ADONNINO	X		16/6/2
	Creation of 75 perm. posts and 25 temp. posts	1,915,000 EUA		68.253/7		ADONNINO	X		27/1/3 but the CoB decided to add to the list of priority sectors those sectors which were the object of amendments to the establishment plan from other authors e.g. (women's office, environ. anti-dumping measures, development, data process.)
	Creation 3 A 7/6, 3 B 3/2, 3 C 3/2	853,350 EUA		2		ROUDY		Covered by prev. vote	
	Creation 6 A, 1 B, 6 C	245,000 EUA		21		Environ. Ctte		"	
	Creation 27 posts (9 A, 9 B, 9 C) anti-dumping sector and 12 posts (3 A, 6 B, 3 C) GATT	601,512 EUA		148		CATHERWOOD			Covered by previous vote
	Creation 26 posts (5A, 10 B, 11 C)	439,000 EUA		140		Develop. Ctte			" " " "
	Creation 15 A, 1 B, 8 C	522,000 EUA		415		Econ. Ctte			" " " "
	Creation 32 posts	760,000 EUA to Ch. 100		68.253/4		ADONNINO	X		28/0/2
	Creation 24 A, 1 B and 7 C (DG 8)	720,000 EUA		139		Develop. Ctte			Covered by previous vote
	Transformation into permanent posts of 55 local staff and 35 local staff	870,000 EUA		68.253/8		ADONNINO	X		21/6/2

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P O S I T I O N O F C O M M I T T E E O N B U D G E T S

Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 1032	Survival pensions	token entry	188,000 Ch. 100 line 1032	381		CAPANNA)
It. 1032	" "	token entry	188,000 Ch. 100	216		PANNELLA	X) 1/24/0
Art. 109	Adaptations emoluments members	- 223,600		382		CAPANNA)
Art. 109	" "	- 100,000		476		ED Group	X) 14/2/9
Art. 109	" "	- 223,600	transf. Art. 949	217		PANNELLA	X) 2/21/0
It. 1102	Expat. and foreign residence allowances	-10,000,000	transf. Art. 949	218		PANNELLA	X) 2/25/0
It. 1102	" "	-10,000,000	transf. Ch. 100 Item 1102	383		CAPANNA			Covered by previous vote
It. 1113	Special counsellors	- 150,000	transf. Art. 949	219		PANNELLA	X		2/24/0
It. 1113	" "	- 150,000	transf. Ch. 100	384		CAPANNA			Covered by previous vote
It. 1173	Travel and subsist. allowances - experts	- 390,000		480		ED Group	X		13/13/0
It. 1173	" "	- 1,000,000	transf. Art. 949	220		PANNELLA	X		2/25/0
Art. 119	Adaptations emoluments/pensions officials	- 6,694,000		477		ED Group	X		9/14/3
It. 1220	Installation allowances members	- 330,000	transf. It. 3030	207		PANNELLA	X		1/24/0
It. 1220	" "	- 330,000 token entry	transf. Ch. 100 (Item 1220)	198		PANNELLA			Covered by previous vote
It. 1230	Removal expenses members	- 66,000 token entry	transf. Ch. 100 (Item 1230)	199		PANNELLA	X		1/26/1
Art. 129	Adaptations emolu- ments/allowances officials and staff	- 163,000		478		ED Group	X		13/14/3

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 1300	Mission expenses of members	- 377,000		385		CAPANNA		X	1/24/2
It. 1300	" " "	- 377,000	transf. Art. 502	221		PANNELLA			Covered by previous vote
It. 1302	Special equipment for missions	- 33,000	and deletion	386		CAPANNA		X	The CoB decided against the deletion of this line by 7/19/3
It. 1302	" " "	- 33,000 token entry		479		ED Group	X		27/0/0
It. 1302	" " "	deletion of line and appropriations	transf. 33,000 Art. 502	222		PANNELLA		X	3/19/1
It. 1520	National officials and private sector staff	- 120,000		387		CAPANNA		X	0/24/2
It. 1520	" " "	- 120,000	transf. Art. 949	223		PANNELLA			Covered by previous vote

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POSITION OF COMMITTEE ON BUDGETS

Chapter, Article or Item	Heading TITLE 2	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 2000	Rents	- 20 mEUA	transfer to Ch. 100	481		ED Group		X	9/14/1 The CoB approved by 19/0/4 an amend. from the rapp. to transf. 4.1 mEUA to Ch.100 Covered by previous vote
It. 2000	"	- 11 mEUA	transfer to Art. 206	280		PANNELLA			
Art. 204	Fitting out premises	- 1.5 mEUA	transfer to Art. 207 "Construction of buildings"	281		PANNELLA		X	2/15/6
Ch. 100 (Ch. 21)	Data processing centre	+ 5 mEUA		68.253/5		ADONNINO		X	12/14/1
It. 2201	Renewal office equip.	- 200,500	(50,500 transfer to It. 2203 - repairs)	388		CAPANNA		X	0/20/4
It. 2201	" " "	- 200,500	(50,500 transfer to It. 2203 - repairs)	194		PANNELLA		X	0/18/7
It. 2210	Acquisition furniture	- 500,000		224		PANNELLA		X	0/20/4
It. 2210	" "	- 500,000		389		CAPANNA			Covered
It. 2211	Renewal of furniture	- 190,000	(40,000 transfer to It. 2213 - repairs)	390		CAPANNA		X	0/20/3
It. 2211	" " "	- 50,000		68.253/9		ADONNINO	X		21/0/3
It. 2211	" " "	- 190,000	(transfer to Item 2213 - repairs)	225		PANNELLA			Covered by previous vote
It. 2220	New technical installations	- 1.2 mEUA		391		CAPANNA		X	1/19/4
It. 2220	New purchases of technical equipment	- 500,000		226		PANNELLA		X	0/15/4

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 2230	Transport equipment - new purchases	- 20,000		392		CAPANNA		X	1/20/3
It. 2231	Transport equipment - renewals	- 100,000		393		CAPANNA		X	1/18/3
It. 2231	" "	- 42,000		68.253/10		ADONNINO	X		19/7/3
It. 2231	Replacement of transport equipment	- 84,900 100 It. 2231	(transfer to Ch.	210		PANNELLA		X	0/20/2
Art. 230	Office supplies	- 504,000		206		PANNELLA		X	0/14/6
Art. 230	" "	- 504,000		394		CAPANNA			Covered by previous vote
It. 2352	Exp. on internal meetings	- 30,000		227		PANNELLA		X	1/18/2
It. 2352	" "	- 30,000		395		CAPANNA			Covered by previous vote
It. 2400	Representation exp. of Members of insts.	- 300,000		396		CAPANNA		X	1/18/3
It. 2400	" " "	- 300,000	(transfer to Art. 949 "Strategic food programme developing countries")	228		PANNELLA			Covered by previous vote
It. 2401	Representation exp. of staff	- 300,000		397		CAPANNA		X	1/15/1
It. 2401	" "	- 58,000	" "	229		PANNELLA		X	1/20/1
Art. 250	Exp. on meetings	- 1.8 mEUA		398		CAPANNA		X	0/21/1
Art. 250	" " "	- 678,250		230		PANNELLA		X	0/21/2
Art. 250	General exp. on meetings	- 1.4 mEUA	(transfer to Ch. 100, Art. 250)	483		ED Group	X		14/5/5

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neq.	
Art.251	Committees	- 1 mEUA		399		CAPANNA		X	2/20/1
Art. 251	"	- 298,750		68253/11		ADONNINO	X		21/0 /2
It. 2530	Mines Safety and Health Commission	+ 500,000 (which are taken from Art. 251)		231		PANNELLA		X	0/21/3
Art.254	Youth Forum	+ 99,500		3		Youth Cttee	X		17/6/3
It. 2551	Institutions' partic. in conferences etc.	- 50,000		484		ED Group	X		15/5/3
Art. 260	Limited consultations studies	- 1 mEUA (transfer to Ch. 100 Art. 260)		485		ED Group	X		10/4/4
Art. 261	Studies on short- term economic situation	- 1 mEUA		400		CAPANNA		X	1/21/3
Art. 261	" "	- 1 mEUA (transfer to Art.949 Strategic food programme: developing countries)		232		PANNELLA			Covered by previous vote
Art. 262	Community studies	- 550,000		401		CAPANNA		X	3/17/3
Art. 262	" "	- 1.3 mEUA (transfer to Ch. 100 Art. 262)		486		ED Group		X	8/13/3
Art. 262	" "	- 650,000 (transfer to Art.949 Strategic food programme: developing countries)		233		PANNELLA		X	0/21/2
Art. 264	Statistical studies	+ 210,000		297		Soc. Group		X	10/14/3
It. 2650	Studies nuclear power plants	deletion		312		COPPIETERS		X	3/21/1
It. 2651	Safety studies	- 200,000		311		COPPIETERS		X	3/22/4

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P O S I T I O N O F C O M M I T T E E O N B U D G E T S

Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 2652	Studies on advanced nuclear design	deletion		310		COPPIETERS		X	5/22/2
It. 2652	" " "	deletion and transfer of credit to Art. 288 "Florence"		264		PANNELLA			Covered by previous vote
It. 2653	Studies on the nuclear fuel cycle	deletion		309		COPPIETERS			Covered by following vote
It. 2653	" " "	deletion and transfer of credit to Art. 288 "Florence"		262		PANNELLA		X	3/22/1
Art. 268 (new)	Studies on energy sources	+ 325,000 transfer of Items 2650, 2652, 2653)		308		COPPIETERS		X	4/21/1
Art. 270	Official Journal	- 4 mEUA		68253/12		ADONNINO	X		14/12/2
Art. 270	" "	- 4 mEUA		4		Youth Ctte			Covered by previous vote
It. 2719	Publicity exp.	- 55,000		316		COPPIETERS		X	1/19/2
It. 2720	Information exp.	+ 2,800,000		5		PATTERSON	X		18/4/3
It. 2720	" "	change to remarks		234		PANNELLA		X	4/16/3
It. 2721	Cty partic. in international exhibitions	- 350,000 (enter token entry)		6		PATTERSON	X		18/4/1
It.2722	Current affairs films for dev. countries	+ 498,000		7		PATTERSON		X	11/11/4
It.2722	" " "	+ 200,000		449		Soc. Group	X		17/3/6
It.2729	Inf. direct elections to EP	token entry		450		Soc. Group	X		18/4/3
Art.273	Youth information	+ 570,000		8		PATTERSON	X		18/5/6
Art.280	EURATOM Supply Agency subsidy	nomenclature and add corresponding appropriations		102		AIGNER	X		20/1/0

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art.281	Subsidy Community Business Centre	+ 23,000		99		GIAVAZZI	X		18/8/4
Art.281	" "	+ 23,000		282		DELOROZOY			Covered by previous vote
Art.288	University Inst. Florence	change to remarks		68253/13		ADONNINO	X		26/0/2
Art. 289	European schools	creation of sub-items		103		AIGNER	X		26/0/2
Art. 289	" "	- 10,000,000 (transfer to Ch.100 Art. 289)		104		AIGNER	X		26/0/2
Art. 289	" "	change to remarks		68.253/14		ADONNINO	X		26/0/2
Art. 290	Subsidies to insts. of higher education	+ 370,000		9		PATTERSON	X)) 18/7/2)
Art. 290	" "	change Art. + 370,000		451		Soc. Group	X)
Art. 290	" "	+ 135,000		197		MACCIOCCHI			Covered by previous vote
Art. 291	Subsidies to European movements	delete this Article		293		BUCHAN			Covered by following vote
Art. 291	" "	- 7,000		10		PATTERSON		X	8/19/3
Art. 291	" "	+ 93,000		416		AIGNER	X		14/12/4
Art. 293	Subsidies NGOs human rights	+ 200,000 (transfer from Art, 262)		196		PANNELLA		X	1/23/1
Art. 293	" "	change to remarks		292		DANKERT		X	7/18/3
It. 2940	Research study grants	+ 27,000 + 84,900		11 195		PATTERSON PANNELLA		X	6/12/5 Covered by previous vote
It. 2988 (new)	Natural rubber agreement	+ 400,000		68.253/15		ADONNINO	X		18/8/1

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Chapter, Article or Item	Heading TITLE 3	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art. 301	European Centre for professional training	(sub-division of the Article)		105		Control	X		23/0/0
Art. 302	Exchange of young workers	+ 600,000		12		Youth Ctte	X		16/7/2
Art. 302	" " "	+ 600,000		43		Social Ctte			Covered by previous vote
It. 3030	Pilot projects for housing of hand-icapped workers	- 600,000		482		ED Group			Covered by following vote
It. 3030	Pilot projects	+ 830,000	+ 1.3 mEUA	44		Social			The CoB voted by 0/28/3 against the proposed inc. of pay. approps. By 24/6/2 it supported the proposal of*
It. 3031	Pilot projects housing of migrant workers	- 600,000		496		ED Group		X	7/22/1
It. 3031	" " "	+ 140,000	+ 100,000	45		Social	X		23/7/2
Art. 304	Participation of social movements	+ 400,000		46		Social	X		17/9/5
Art. 306	Combat against poverty	+ 1.146 mEUA	500,000 from Ch. 100 to the line + 3.5 mEUA	47		Social	X		23/7/2
Art. 307	European trade union institute	+ 100,000		48		Social	X)) 23/6/1)
It.3070	" "	+ 100,000		418		KLEPSCH (EPP)	X)
It.3071	Aid to social partners or organisations	+ 120,000		467		NOTENBOOM (EPP)	X		24/6/1
It.3071	" "	change heading		68253/2		"			Withdrawn
It.3071	" "	+ 120,000		283		CALVEZ (L)		X	10/19/1
Art. 309	Aid to workers redundant in suplphur mines in Italy	token entry		42		Social	X		22/6/2

* the rapporteur to increase payments by 110,000 EUA.
By 18/6/3 it agreed to increase commitments by 1.3 mEUA.

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art. 309 (new)	Assistance to accident victims in the nuclear industry	token entry		313		COPPIETERS		X	0/29/4
Art. 311	Application of Council Veterinary directives	+ 275,000		151		Ag. Ctte		X	2/22/2
Art. 316	Ag. professional training	+ 55,000		152		Ag. Ctte	X		19/10/0
Art. 317	Supervision of agriculture rules	+ 50,000		153		Ag. Ctte	X		11/7/13
It. 3200	Cty projects technol. development		+ 7 mEUA	70		Energy Ctte	X		21/8/1
It. 3210	Uranium prospection	deletion		314		COPPIETERS)		X	2/24/0
It. 3210	" "	deletion (transfer of 2.2 mEUA to Item 3301)		402		CAPANNA)			
It. 3210	" "	+ 5 mEUA	+ 20 m EUA	71		Energy Ctte	X		20/7/1
Art. 322	Transport of radio- active materials	+ 500,000		66		Transport Ctte	X		22/3/4
Art. 322	" "	+ 500,000		72		Energy Ctte			Covered by previous vote
It. 3230	Coal in power stations	+ 50 mEUA	+ 100 mEUA	73		Energy Ctte		X	0/26/3
It. 3230	" "	token entry	+ 100 mEUA	452		Soc. Group	X		20/7/6
It. 3231	Coal stocks	token entry		74		Energy Ctte	X		20/6/2
It. 3232	Intra-Cty trade in power station coal	token entry		75		Energy Ctte	X		20/6/2

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It.3240	Community energy saving programme	+ 3 mEUA	+ 18 mEUA	432		E.P.D.	X		16/9/3
It.3240	" "	+ 17 mEUA		315		COPPIETERS		X	0/25/2
It.3240	" "		+ 18 mEUA	76		Energy Ctee			Covered by previous votes
It.3241	New energy sources programme	+ 9.5 mEUA and t.e.chap. 100 It. 3241	+ 45.5 mEUA + 5 m chap. 100	77		Energy Ctee	X		27/0/4
It.3241	" "	+ 5 mEUA	+ 10 mEUA	433		EPD			Covered by previous vote
Art.326 new	New energy initiative	t.e. + t.e. to chap.100 art. 326	+ 200 mEUA chap. 100	78		Energy Ctee			By 20/9/1 the Cttee on Budg. decided to table an amend. to inc. commitments by 100 mEUA and to place t.e. on line
Art.326 new	" "	t.e.	+ 50 mEUA	505		E.D.Group			Covered by previous vote
Art.326 new	" "	t.e.	t.e.	463		Soc.Group		X	10/20/1
Art.327	Energy balance sheet	+ 1.3 mEUA		79		Energy Ctee	X		27/1/2
Art.328	Energy studies	1 mEUA		80		Energy Ctee	X		20/6/1
It.3292 new	Investment projects	+ 40 mEUA		301		Soc.Group			Committee on Budgets rejec- ted proposal 20mEUA on the line by 11/13/6. By 26/2/4 approved 5 mEUA on the line. Proposed amendment of rapp. as a whole 27/1/2
It.3300	Nuclear safety	- 30 mEUA		469		COPPIETERS		X	2/24/0
It.3310	HFR reactor	- 14 mEUA	(transfer to it.3301)	405		CAPANNA		X	0/24/2

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 3303	Nuclear measurements	- 11.153 mEUA	(transfer to Item 3301)	404		CAPANNA		X	1/25/0
It. 3301	New sources of energy	+ 2.200 mEUA	(transfer from Item 3303)	403		CAPANNA		X	0/27/1
It. 3340	" " " "	+ 34 mEUA	(compensation: 14mEUA from 3310)	407		CAPANNA		X	0/24/1
It. 3331	Activities on behalf of other bodies	remarks		406		CAPANNA		X	0/27/1
It. 3341	Thermonuclear fusion	- 20 mEUA	(transfer to Item 3340)	408		CAPANNA		X	0/25/3
It. 3342	JET project	+ 10 mEUA	+ 10 mEUA	81		Energy Ctte	X		28/3/1
It. 3342	" "	- 20 mEUA	(transfer to Items 3345 and 3350)	409		CAPANNA		X	0/27/1
It. 3343	Plutonium	deletion and	transfer of	410		CAPANNA		X	1/20/1
It. 3343	"	deletion	422,000 to Item 3341	470		COPPIETERS		X	0/27/2
It. 3345	De-commissioning of nuclear power stations	deletion		471		COPPIETERS		X	1/26/2
It. 3345	" " "	+ 10 mEUA	(transfer from Item 3342)	411		CAPANNA		X	0/26/2
It. 3347	Council resolution on nuclear safety	deletion		472		COPPIETERS		X	0/29/3
It. 3347	" " "	deletion	(transfer of 550,000 to Item 3340)	412		CAPANNA		X	0/27/3
It. 3350	Secondary raw materials	+ 10 mEUA	(transfer from Item 3342)	413		CAPANNA		X	0/30/1
It. 3352	Uranium ore prospecting	deletion		473		BLANEY		X	1/28/1

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 3352	Uranium ore prospecting	deletion (transfer of 681,000 to Item 3351)		414		CAPANNA		X	1/28/1
Art. 336	Environment indirect action	Transfer 14,333,000 to Ch. 100 - Art. 336		497		ED Group		X	7/20/3
Art. 336	" "	+ 1,522,000 compensation Ch. 100 700,000 and Item 3391, 518,000		82		GALLAND	X		23/6/3
It. 3370	Biomolecular engineering	+ 1,000,000 compensation Ch. 100: 700,000		83		GALLAND	X		29/2/0
It. 3381	Education and training	+ 534,000 compensation Ch. 100: 264,000 and Item 3391:270,000		84		GALLAND	X		23/2/7
Art. 351	Cty environment aid	change remarks		22		Environ. Ctte	X		26/1/2
It. 3510	Exp. on pollution control	+ 1,000,000		458		MUNTINGH			Covered by previous vote
It. 3510	" " "	token entry		23		Environ. Ctte	X		19/12/0
It. 3511	Aid for develop. of pollution-free technology	+ 2,000,000		459		MUNTINGH		X	13/16/1
It. 3511	" "	+ 1,000,000		500		ED Group	X		24/8/1
It. 3511	" "	token entry		24		Environ. Ctte		X	9/14/1
It. 3512	Protection measures for environment	+ 1,500,000		460		MUNTINGH			Withdrawn
It. 3512	" "	+ 1,000,000		501		ED Group	X		20/9/1
It. 3512	" "	token entry		25		Environ. Ctte		X	11/17/0
It. 3513	Protection of environ. from changes in economic activity	+ 1,000,000		487		ED Group	X		20/9/1

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 3513	Protection of environ. from changes in economic activity	+ 500,000		461		MUNTINGH			Covered by previous vote
It. 3513	" "	token entry and	remarks	26		Environ. Ctte		X	12/19/1
It. 3520	Health protection at work	+ 240,000		27		Environ. Ctte	X		24/7/0
It. 3521	Health protection subsidies	+ 47,000		28		Environ. Ctte	X		25/5/1
It. 3522 (new)	Action for safety at work	+ 100,000		29		Environ. Ctte	X		24/5/2
Art. 353	Public health studies	- 200,000		498		ED Group			Covered by previous vote
Art. 353	" "	+ 50,000		30		Environ. Ctte	X		21/10/0
It. 3540	Environ. studies	+ 184,000		31		Environ. Ctte	X		25/5/1
It. 3541	Environ. projects	+ 100,000		32		Environ. Ctte	X		24/5/2
It. 3542	Pollution measures	+ 30,000		33		Environ. Ctte	X		24/4/1
It. 3543	Environ. protective measures	+ 55,000		34		Environ. Ctte	X		23/5/4
It. 3544	Inf. on the environment	+ 100,000		35		Environ. Ctte	X		25/5/2
It. 3545	Marine environ. protection	+ 1,200,000		36		Environ. Ctte	X		26/5/1

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 3546 (new)	Ecological organisa- tions subsidies	+ 100,000		462		MUNTINGH	X		23/8/0
It. 3546 (new)	" "	+ 100,000	compensation credit Dublin Foundation	37		Environ. Ctte		X	0/26/1
It. 3550	Consumer protection studies	+ 64,000		38		Environ. Ctte	X		21/7/3
It. 3551	Consumer organisa- tions subsidies	+ 30,000		39		Environ. Ctte	X		23/10/2
It. 3552	Information of consumers	+ 20,000		40		Environ. Ctte	X		23/8/2
Art. 356	Work organisation & job enrichment	- 80,000		499		ED Group			Covered by following vote
Art. 356	" "	+ 20,000		41		Environ. Ctte	X		20/10/2
Art. 359	Subsidy Foundation for Living and Working Conditions	nomenclature		106		AIGNER	X		27/2/0
Art. 359	" "	- 1,000,000		49		VAN MINNEN		X	10/22/1
Art. 359	" "	- 200,000		453		Soc. Group	X		17/13/3
It. 3610	Dissemination of scientific knowledge	+ 200,000		85		GALLAND	X		23/9/4
It. 3611	Assessment of research results	+ 400,000	(200,000 transferred from Ch. 100)	86		Energy Ctte	X		25/0/2
It. 3620	3-year plans of documentary research	token entry Ch. 100	2 mEUA to Ch. 100	87		Energy Ctte	X		22/7/1
It. 3623	Machine translation systems	500,000 to Ch. 100	1,754 mEUA Ch. 100	88		Energy Ctte	X		25/4/3

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 3702	Data processing	+ 2 mEUA	+ 1.5 mEUA	434		EDP			Covered by following vote
It. 3702	" "	+ 1,478,000	+ 978,000	91		Economic Ctte	X		25/1 /2
It. 3704	Telematics	+ 1 mEUA		92		Ec. Ctte	X		23/0/2
It. 3704	"	+ 1 mEUA		435		EDP			Covered by previous vote
It. 3712	Supersonic tunnel	token entry	token entry	89		Energy Ctte		X	6/22/2
It. 3722	Textile industry technology	+ 600,000	+ 3.2 mEUA	93		Economic Ctte	X		28/0/3
It. 3722	" "	+ 600,000	+ 3.2 mEUA	284		Lib. Group			Covered by previous vote
It. 3722	" "	+ 600,000	+ 3.2 mEUA	90		Energy Ctte			Covered by previous vote
It. 3740	Safety of car occupants	+ 1.5 mEUA (of which 1 mEUA transferred from Ch.100)		65		Transport Ctte	X		24/0/2
It. 3750	Industrial crisis sectors	token entry	token entry	94		Economic Ctte	X		22/2/4
It. 3750	" "	token entry	token entry	436		EDP			Covered by previous vote
It. 3750	" "	token entry	token entry	50		Social Ctte			Covered by previous vote
It. 3760	Industrial guide- lines	+ 200,000		95		Economic Ctte	X		26/2/0
It. 3760	" "	+ 200,000		437		EDP			Covered by previous vote
It. 3761	Ceramics industry	+ 500,000		96		Economic	X		27/0/2
It. 3762	Clothing industry	+ 500,000		97		Economic)
It. 3762	" "	+ 500,000		294		SEAL	X) 23/2/2
It. 3762	" "	+ 500,000		285		Lib. Group) Covered by previous vote

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 3763	Industrial implications of energy crisis	+ 200,000		438		EDP			Withdrawn
It. 3780	Transport infra-structures	+ 1 mEUA		67		Transport Ctte	X		28/0/3
It. 3781	Finan. support for transport projects	token entry	15 mEUA Ch. 100 Item 3781	68		Transport Ctte	X		30/2/1
Art. 379	Observations of goods transport	+ 205,000		69		Transport Ctte	X		29/1/2
Art. 390	Research projects in the field of technology and indust.	token entry		439		EDP		X	9/17/4
It. 3920	Implementation of education programme	+ 2.085 mEUA		13		Youth Ctte	X		22/6/1
It. 3921	Prep. of young people for working career	+ 100,000		14		Youth Ctte	X		19/1/4
It. 3922	Coop. between universities & EP	+ 50,000		286		Lib. Group			The Committee on Budgets decided to examine this amend. in the context of its
It. 3930	Cultural action	+ 70,000		15		Youth Ctte	X		18/9/1
It. 3931	Cultural funds of European interest	+ 340,000		16		Youth Ctte		X	9/18/1
It. 3931	" "	+ 140,000		454		Soc. Group	X		20/7/1
It. 3932	Conservation of architectural heritage	+ 100,000		17		Youth Ctte	X		20/5/1
It. 3940	Organisation of Community games	token entry		287		Lib. Group		X	2/17/3

* deliberations on Parliament's own budget.

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art. 396	European Foundation	+ 200,000		18		Youth Ctte		X	9/18/3
Art. 397	The Olympic games	+ 10 m EUA		466		EPP		X	13/17/0

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art.400	Own resources collection costs	Reduction of expenditure by 437,356,000 and use of this amount in Ch. 100 for energy and industrial policy			464	AIGNER	X		The CoB decided by 14/10/1 to table an amend. suspending partially reimbursement of collection costs and conseq. diminishing revenue 16/16/1
Ch. 45 new	Monetary compensatory amounts	Transfer from title 7			154	FRUH		X	
Art.492 new	Accession compensatory amounts	Transfer from title 7			155	FRUH		X	16/18/1

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Chapter, Article or Item	Heading TITLE 5	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
	<u>European Social Fund</u>								
It. 5000	Aid to ag. sector	1,000,000	2,000,000	51		Social	X		20/7/1
It. 5010	Vocational training	47,000,000	4,000,000	52		Social	X		26/2/1
It. 5010	" "	47,000,000	4,000,000	19		Youth Cttee			Covered by previous vote
It. 5011	Promotion of employment	20,000,000		53		Social	X		28/0/2
It. 5011	" "	20,000,000		20		Youth Cttee			Covered by previous vote
It. 5011	" "	25,000,000	transferred from Art. 621	204		PANNELLA		X	0/28/2
Art. 503	Migrant workers measures	11,000,000	16,000,000	54		Social	X		19/6/2.
Art. 505	Measures for women	8,000,000	12,000,000	55		Social	X		The CoB rejected the increased payments proposed by 8/14/12. By 20/6/1 it agreed to an*
It. 5100	Employment situation in certain regions	40,000,000	27,000,000	56		Social	X		26/0/3
It. 5101	Employment situation in groups of undertakings	4,500,000	7,000,000	57		Social	X		23/0/2
It. 5102	Employment situation in certain economic sectors:tech. progress	9,500,000	4,000,000	58		Social	X		26/0/2
Art. 511	Measures handicapped	10,000,000	5,000,000	59		Social	X		26/0/2
Art. 511	" "	20,000,000	Trans. from It.6200	202		PANNELLA			Covered by previous vote
Art. 512	Industrial conversion	3,000,000	6,000,000	60		Social	X		23/6/3
Art. 520	Social Fund - pilot schemes		1,000,000	61		Social	X		28/2/2
Art. 521 new	First employment	token entry		288		Lib. Group	X		23/7/1
									*increase in payments of 4 mEUA. By 19/6/2 it agreed to the amend. as a whole.

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art.530	Frontier workers	token entry	remarks	62		Social Ctte	X		24/7/1
Art. 530	" "	token entry	remarks	201		PANNELLA			Covered by previous vote
Ch. 54	Special contribution ECSC	300,000,000		296		CABORN & Co) By 17/7/3 the CoB agreed) to the placing of 112mEUA) in payments under this) new Ch. The 4 amends.) already tabled were) covered by this vote.)))
Art. 540	" "	150,000,000	modification heading	63		Soc.Aff. Comm.			
Art. 540	" "	100,000,000		440		EPD Group			
Ch. 54	" "	30,000,000	150,000,000	98		Econ. Ctte			
Ch. 55	Regional Fund	406,000,000		455		Soc. Group			
Art. 550	" "	260,000,000	190,000,000	136		Regional Ctte	X		22/9/1. The CoB stipulated that payments will be in- creased if necessary during 1981
Art. 550	" "	260,000,000	190,000,000	441		EPD Group			Covered by previous vote
Art. 550	" "	70,000,000	100,000,000	488		ED Group			Covered by previous vote
Art. 560	Specific Cty regional measures	10,000,000	10,000,000	137		Regional Ctte	X		28/0/1
Art. 560	" "	10,000,000	10,000,000	445		EPD Group			Covered by previous vote
It.5610	Prep. studies for integrated actions	300,000		289		Lib. & EPP Groups	X		24/8/1
It. 5610	" " "	50,000		489		ED Group)) Covered by previous vote)
It. 5610	" " "	token entry		138		Regional Ctte)	
It. 5611	Cty measures integrated opera- tions	1,000,000	5,000,000	290		Lib. & EPP Groups	X		14/14/2

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 5611	Cty measures integ- rated operations	token entry		149		Regional Ctte	X		24/0/2
Art. 562 (new)	Restructuring of economy of Med. countries	1,000,000		419		EPP Group	X		20/7/3
Ch. 58	Supplementary measures UK	-200,000,000		6825318		ADONNINO		X	14/16/0
Art. 580	" "	-974,700,000	transf. Ch. 100	448		EPD Group		X	1/22/1
Art. 580	" "	token entry	974,700,000 transf. Ch. 100	200		CAPANNA & Co		X	0/25/1
Art. 580	" "		remarks	300		Soc. Group		X	11/16/0
Art. 590	Aid to disaster victims in the Cty	5,000,000	transf. from Item 6200	211		PANNELLA		X	0/27/1 By 15/13/2 the CoB agreed to the rapporteur's proposal to increase payments by 1 mEUA.

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
<u>EAGGF</u>									
Tit. 6	EAGGF Guarantee	modific. remarks		107		Contr.Ctte	X		The CoB proposes trans- forming all proposals con- cerning compulsory expendi- ture into proposed modifi- cations 16/0/5
Tit. 6	" "	" "		295		CASTLE		X	7/21/0
It. 6200	Milk refunds	- 1,375 mEUA transf. to Art.950 Develop.countries catastroph.		203		PANNELLA		X	0/21/1
Art.620	" "	modification remarks		68 332		AIGNER			By 20/10/2 the CoB adopted DA 417 which would prevent prefixation operations for state-trading countries. The other amendment was covered by this vote.
Art.620	" "	" "		417		AIGNER (EPP)	X		
It.6210	Aid skimmed milk powder f. calves	token entry (transfer of 807 mEUA to Ch. 100)		243		PANNELLA		X	0/28/1
It.6212	Aid liquid skimmed milk f. calves	token entry (transfer of 126 mEUA to Art. 550-ERDF)		241		PANNELLA		X	1/28/2
It.6213	Aid f. liqu.skimmed milk f. other animals	token entry (transfer of 249 mEUA to Art. 550-ERDF)		263		PANNELLA		X	0/26/0
It.6213	" "	- 20 mEUA		456		Soc.Gr.		X	15/13/2
It.6216	Public storage costs	token entry (transfer of 21 mEUA to Art.949 new)		249		PANNELLA		X	0/27/2
It.6223	Other storage costs	- 200 mEUA		248		PANNELLA		X	0/27/3
It.6224	Measures f. absorb. surplus. of butter fats	- 80 mEUA transf. to Art. 550 - ERDF		242		PANNELLA		X	0/26/2
It.6241	School Milk	+ 20 mEUA (compens. It.6213)		156		Agricult.		X	24/0/4
It.6280	Corespons. levy	modification remarks			442	ANSQUER		X	0/25/6
<u>TITLE 7</u>									
Ch. 79	Provisional approps. EAGGF/Guarantee	254,500,000	modification heading		68.253/17	ADONNINO	X		19/6/1

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Chapter, Article or Item	Heading TITLE 8	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 8013	Slaught. of pigs in France and the UK	500,000		157		Ag. Ctte	X		19/0/3
It. 8013	" "	token entry	500,000 to Chap. 100	205		PANNELLA		X	0/22/2
Art. 802	Improv. of public serv. in less-fav. regions	30,000,000	transf. from Item 6200	192		PANNELLA		X	1/24/0
Art. 811	Cessation of farming	4,000,000		158		Ag. Ctte	X		21/2/2
Art. 812	Vocational guidance	6,000,000	transf. 2 mEUA from Chap.100	159		" "	X		22/1/2
Art. 820	Hill farm. and less- favoured regions	6,000,000		160		" "	X		21/3/2
Art. 820	" "	100,000,000	transf. from Item 6210	193		PANNELLA		X	0/24/0
Art. 821	Forestry measures	20,000,000	transf. from Item 6223	260		PANNELLA		X	0/27/0
It. 8220	Agricult. advis. serv. in Italy	30,000		161		Ag. Ctte	X		22/2/1
It. 8220	" "	700,000	transf. from Art. 621	259		PANNELLA			Covered by previous vote
It. 8221	Collect. irrigat. works/Mezzogiorno	20,000,000	transf. from Item 6200	240		PANNELLA		X	0/24/0
It. 8222	Develop. of beef cattle in Italy	+ 8,000,000 6,000,000	compensation from Ch. 100	162		Ag. Ctte	X		23/3/0
It. 8222	" "	+ 10,000,000	Transfer of 10 mEUA from Item 6200	238		PANNELLA			Covered by previous vote

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Chapter, Article or Item	Heading TITLE 8	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 8234	Development Lozère	+ 3,000,000		163		Ag. Ctte	X		22/2/3
It. 8260	Scott. isles develop.	+ 3,000,000 Chap. 100	compensation	164		" "	X		23/1/2
It. 8262	Proc. and marketing in Northern Ireland	+ 1,000,000		165		" "	X		26/1/2
Art. 827	Develop. progr. f. South-East Belgium	+ 200,000		166		" "	X		26/1/3
It. 8312	Premium f. the non- marketing of milk	token entry. Transfer to Chap. 100 84,000,000 It. 8312		261		PANNELLA		X	0/25/1
Ch. 86	Fishing sector	Remarks		168		Ag. Ctte	X		20/6/2
Art. 860	" "	+ 5,000,000 Chap. 100	Transfer from	167		" "	X		22/0/4
Art. 871	Surveill. in Danish and Irish waters	+ 75,000,000		169		" "			Withdrawn
Art. 873	Fishing sect. studies	+ 84,000		170		" "	X		22/0/1
Art. 874	Surveill. Member Stat.	+ 300,000		171		" "	X		24/2/1
Art. 876	Sea safety	+ 200,000		1		VAN DER GUN	X		23/6/0
Art. 876	" "	+ 200,000		457		Soc.Gr.			Covered by previous vote
Art. 877	Vocat. training in fisheries sector	+ 150,000		172		Ag. Ctte	X		20/7/2

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							Pos.	Neg.	
<u>TITLE 9</u>									
Ch.90/91	EDF	Creation of items with token entry		116		Dev. Ctee	X		27/2/1
Ch. 92	Food aid	Remarks		108		Contr.Ctee	X		26/0/2
Art.920	Cereals	+ 40.3 mEUA (compensation Item 6210 aid skimmed milk)		305		CASTELLINA		X	11/11/2
It. 9201	Food aid cereals	+ 108 mEUA (+43 mEUA to Item 6001) compensated by 151 mEUA Item 6200 refunds		184		PANNELLA		X	6/21/2
It. 9201	" " "	+ 32.5 mEUA (+ 12.7 mEUA to It. 6001) compensated - 21.4 mEUA to Item 6000 refunds		112		Dev. Ctee	X		24/5/3
It. 9201	" " "	+ 11.219 mEUA		490		ED Group			Covered by previous vote
It. 9203	Food aid rice	+ 9.3 mEUA (+ 5.3 mEUA to Item 6301) compensated - 5.3 mEUA to Item 6100 refunds		113		Dev. Ctee	X		18/6/3
It. 9204 new	World reserve of food aid	+ 14 mEUA		114		Dev. Ctee	X		23/6/1
It. 9204 new	" " "	+ 28 mEUA (compensation - 28 mEUA to Item 6200 refunds		185		PANNELLA			Covered by previous vote
It. 9204 new	" " "	+ 14 mEUA (compensation - 14 mEUA from Item 9212)		306		CASTELLINA			Covered by previous vote
It. 9205 new	ACP refugees	+ 70 mEUA	+ 270 mEUA	236		PANNELLA		X	9/16/6
It. 9213	Food aid butter oil	+ 15.07 mEUA		443		EPD			Covered by following vote
It. 9213	" " " "	+ 15.07 mEUA		491		ED Group			Covered by following vote

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It.9213	Food aid butter oil	+ 15 mEUA (compensation Item 6213 skimmed milk)		304		CASTELLINA			Covered by following vote
It.9213	" " " "	+ 15.07 mEUA (- 25.316 mEUA Item 6202 - compensation - 23.7 mEUA Item 6200)		115		Dev. Ctee	X		23/1/6
It.9221	Food aid milk products	+ 1.265 mEUA (+ 0.349 mEUA to Item 6401 - compensation -0.349 mEUA Item 6400 sugar refunds)		121		Dev. Ctee	X		24/5/2
Art.923	Food aid other products	+ 20 mEUA (compensation - 20 mEUA Item 6200 refunds)		237		PANNELLA			Covered by following vote
Art.923	" " "	+ 8.9 mEUA		120		Dev. Ctee	X		28/0/1
Art.923	" " "	+ 8.9 mEUA		492		ED Group			Covered by previous vote
Art.923	" " "	+ 8.9 mEUA (compensation 8.9 mEUA Item 6412 storage costs)		303		CASTELLINA			Covered by previous vote
It.9241	Food aid transport	+ 34.440 mEUA		250		PANNELLA			Covered by following vote
It.9241	" " "	+ 10.740 mEUA		119		Dev. Ctee	X		25/4/1
It.9242 new	Transport task force for food aid	+ 40 mEUA		186		PANNELLA		X	0/22/1
It.9260	Exceptional measures	+ 2 mEUA (compensation - 2 mEUA Item 6224 surpluses butterfats)		251		PANNELLA		X	0/25/1
It.9261	Quality control of food aid	+ 1 mEUA (compensation - 1 mEUA Item 6200 refunds)		187		PANNELLA			Covered by following vote
It.9261	" " "	+ 0.5 mEUA		118		Dev. Ctee	X		28/0/1
Art.927 & 923 new	Food aid refunds	Transfer of the refunds for food aid from Title 6			173	Agr. Ctee		X	15/15/0

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art. 930	Non-associated developing countries	+ 142 mEUA	+ 300 mEUA	188		PANNELLA			Covered by following vote
Art. 930	" "	+ 42 mEUA	+ 100 mEUA	117		Dev. Ctee	X		17/7/1
Art. 930	" "	+ 21 mEUA	+ 50 mEUA	494		ED Group			Covered by previous vote
Art. 931	Trade relations with non-associated developing countries	+ 5.150 mEUA		125		Dev. Ctee	X		24/7/0
Art. 931	" "	+ 3.5 mEUA	+ 2.4 mEUA	495		ED Group			Covered by previous vote
Art. 932	Regional integration for non-associated developing countries	+ 1.4 mEUA		191		PANNELLA		X	0/24/4
Art. 940 new	Energy cooperation developing countries	+ 20 mEUA	+ 50 mEUA	189		PANNELLA			Covered by following vote
Art. 940 new	" "	+ 5 mEUA	+ 20 mEUA	124		Dev. Ctee		X	1/16/10
It. 9410	Study grants	+ 3.720 mEUA - 3.720 mEUA	(compensation Item 6201)	190		PANNELLA			Covered by following vote
It. 9410	" "	+ 1.112 mEUA		123		Dev. Ctee	X		20/8/1
Art. 945	Non-governmental organisations	+ 9.25 mEUA	+ 10 mEUA	247		PANNELLA			Covered by following vote
Art. 945	" "	+ 7.25 mEUA	+ 6 mEUA	122		Dev. Ctee	X		24/6/1
Art. 945	" "	+ 5.25	+ 6 mEUA	502		ED Group			Covered by previous vote
It. 9461 new	Consultative group	+ 0.1 mEUA		126		Dev. Ctee	X		15/8/3
Art. 947	IFAD	+ 143 mEUA (compensation Item 6210 skimmed milk)		246		PANNELLA		X	2/24/2

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
Art.947	IFAD	+ 13.5 mEUA	+ 40.5 mEUA	127		Dev. Ctee		X	8/19/3
Art.947	"	+ 13.5 mEUA (comp. from It. 6400)	+ 40.5 mEUA	302		CASTELLINA		X	The CoB approved an increase in payments of 1 mEUA by 28/0/3. It rejected the proposed increase in commitments by 7/14/4 and therefore decided to table its own amendment.
Art.947	"	+ 1 mEUA	+ 40 mEUA	503		ED Group		X	
Art.948	Evaluation of Community aid results	+ 0.1 mEUA		134		Dev. Ctee	X		
Art.949 new heading	Strategic programme for food aid	+ 50 mEUA (compensation from Item 6200)		252		PANNELLA		X	1/26/0
Art.950	Aid to disaster victims in developing countries	+ 57 mEUA		135		Dev. Ctee	X		18/11/1
Art.950	" "	+ 57 mEUA (compensation Item 6500 refunds)		307		CASTELLINA			Covered by previous vote
Art.950	" "	+ 7 mEUA		504		ED Group			Covered by previous vote
It.9500 &9501 new	Disaster victims in developing countries European food aid force	+ 403 mEUA (compensation + 418.741 mEUA)	-821.741 mEUA Item 6200	254		PANNELLA		X	1/21/1
It.9500 & 9501 new	" "	+ 3 mEUA (compensation + 408.3925 mEUA)	-408.392.5 from Item 6200	253		PANNELLA		X	0/24/0
It.9500 & 9501 new	" "	+ 3 mEUA + 301.105 mEUA		255		PANNELLA		X	0/24/0
It.9501 new	Cereals reserve	+ 1 mEUA		493		ED Group	X		17/0/5

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Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 9502 new	ACP refugees	+ 50 mEUA	+ 250 mEUA	235		PANNELLA		X	1/19/1
It. 9600	Financial proto- col Portugal	+ 4 mEUA		444		EPD Group		X	7/11/10
Art. 962	Financial Coop. with Greece	+ 1.115 mEUA		446		EPD Group	X		25/2/0
It. 9630	Financial proto- col Turkey	token entry (deletion approp. 31.2 mEUA) and compensation Ch. 100		244		PANNELLA		X	1/19/0
It. 9631	Special aid for Turkey	Token entry (deletion approp. 25 mEUA and compensation Ch. 100)		245		PANNELLA		X	2/20/3
It. 9650	Financial coop. with Algeria	+ 1.5 mEUA		142		Dev. Ctee	X		19/5/2
It. 9650	" "	+ 1.5 mEUA		447		EPD Group			Covered by previous vote
It. 9651	Financial coop. with Morocco	+ 2.2 mEUA		141		Dev. Ctee	X		19/5/2
It. 9652	" Tunisia	+ 1.4 mEUA		143		Dev. Ctee	X		19/3/5
It. 9660	" Egypt	+ 2.2 mEUA		144		Dev. Ctee	X		21/3/3
It. 9661	" Jordan	+ 0.6 mEUA		145		Dev. Ctee	X		21/5/2
It. 9662	" Lebanon	+ 0.2 mEUA		146		Dev. Ctee	X		21/3/2
It. 9663	" Syria	+ 1 mEUA		147		Dev. Ctee	X		14/12/1
Art. 967	Cooperation with Arab Countries	+ 1 mEUA (compensation 0.5 mEUA from Ch. 100)		130		Dev. Ctee	X		22/3/0

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POSITION OF COMMITTEE ON BUDGETS

Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
It. 9700 new	Financing of stocks: common funds	+ 50 mEUA		256		PANNELLA			Covered by previous vote
It. 9700 new	" " "	Token entry		133		Dev. Ctee	X		27/0/2
It. 9701 new	Common fund - the world market	+ 50 mEUA		257		PANNELLA			Covered by previous vote
It. 9701 new	" "	Token entry		132		Dev. Ctee	X		25/0/2
Art. 971 new	Rubber agreement	Token entry		131		Dev. Ctee	X		28/0/1
Art. 971 new	" "	Token entry		58.253/16		ADONNINO			Covered by previous vote
Art. 972 new	Primary products: sugar agreement with India	+ 173 mEUA compensated from Item 6400 refunds			174	Agr. Ctee		X	8/14/3
Art. 990	European Association for Cooperation	Remarks		109		Contr.Ctee	X		17/2/5
Art. 991	Mediterranean delegations	+ 0.845 mEUA compensation + 0.800 mEUA Ch. 100		128		Dev. Ctee	X		19/7/3
Art. 991	"	Remarks		111		Contr.Ctee	X		27/0/0
Art. 992	ACP delegations	+ 66.5 mEUA (compensation from Item 6200)		258		PANNELLA			Covered by previous vote
Art. 992	" "	+ 6.4 mEUA		129		Dev. Ctee	X		15/6/4
Art. 992	" "	Remarks		110		Contr.Ctee	X		27/0/0

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POSITION OF COMMITTEE ON BUDGETS

Chapter, Article or Item	Heading	Payments EUA	Commitments EUA	DA	PM	Author	Decision or opinion		Result of the vote and Remarks
							Pos.	Neg.	
TITLE 10									
Ch. 103 new	Energy reserve	+ 50 mEUA	+ 150 mEUA	291		Lib.Group	X		27/0/3