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Report

drawn up on behalf of the Committee on Budgets

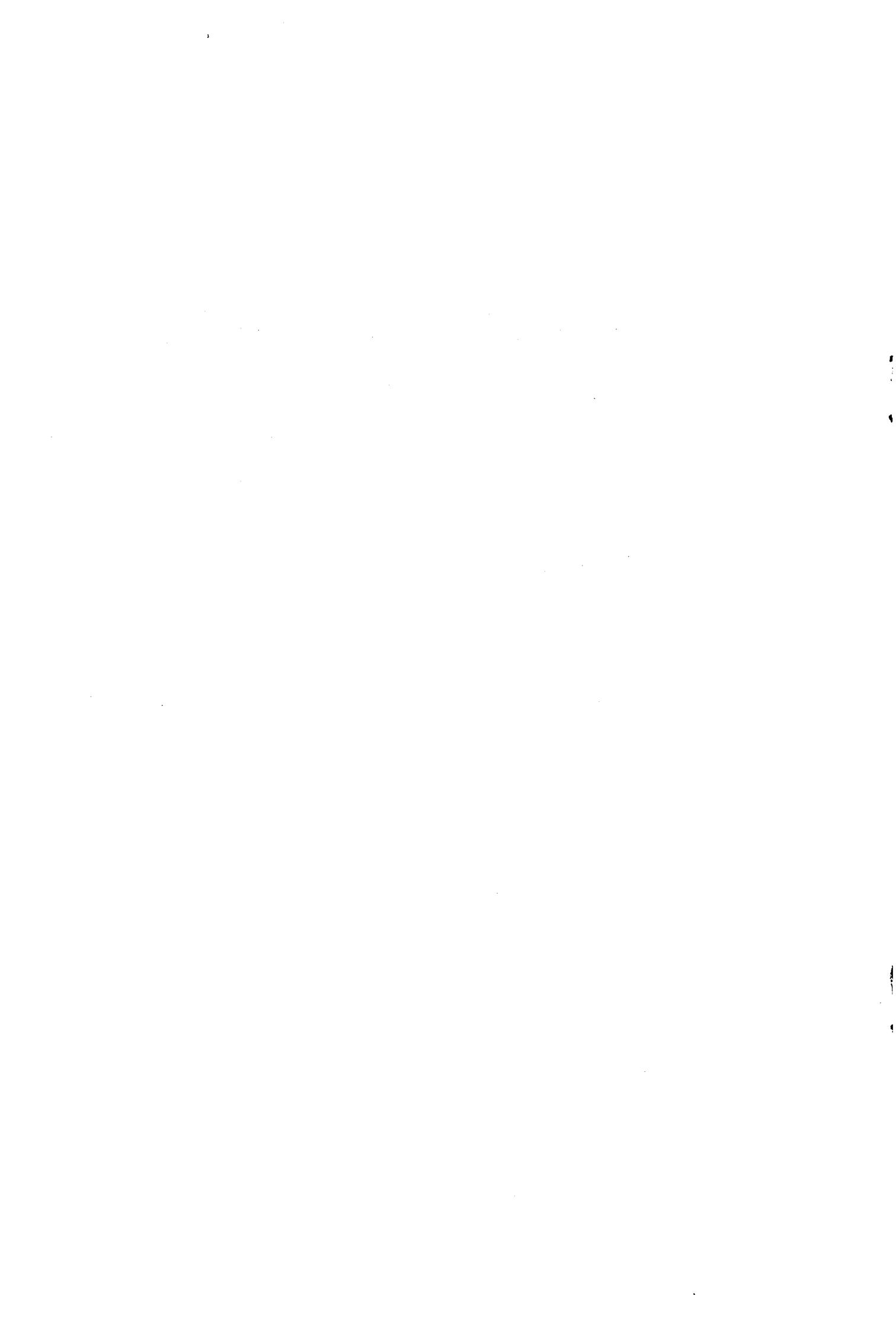
on/draft supplementary budget Nr. 1 of the European Communities for the
financial year 1973 (Doc. 34/73)

Rapporteur: Mr R. OFFROY

PE 32.698/fin.

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English Edition

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On 17 April 1973 the Council of the Communities established draft supplementary budget No. 1 of the European Communities for the financial year 1973. The Council referred it to the European Parliament, pursuant to Articles 203a of the EEC Treaty, 78a of the ECSC Treaty and 177a of the EAEC Treaty.

At its meeting of 2 May 1973 the Committee on Budgets considered a draft report by Mr OFFROY, general rapporteur on the Communities' budget for the financial year 1973. At the same meeting the committee adopted the following motion for a resolution and explanatory statement, with 10 votes in favour, 2 against and 1 abstention.

The following were present: Mr Spenale, chairman; Mr Offroy, rapporteur; Mr Adams, Mr Artzinger, Mr Boano, Mr Gerlach, Mr Memmel, Mr Mueller, Mr Noe' (deputizing for Mr Pisoni), Mr Nolan, Mr Pêtre, Mr Poher and Mr Pounder.

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

MOTION FOR A RESOLUTION

on draft supplementary budget No. 1 of the Communities for the financial year
1973

The European Parliament,

- having regard to draft supplementary budget No. 1 of the European Communities for the financial year 1973, drawn up by the Council (Doc. 34/73),
 - having regard to the report of the Committee on Budgets (Doc. 44/73),
- (a) noting that the composition of the establishment plan of the Commission of the Communities for 1973 should reflect the effects of a partial restructuring of the departments, premature retirements and above all the enlargement of the Communities;
 - (b) considering therefore that the modifications proposed in this draft supplementary budget will not result in substantial changes of either a quantitative or a qualitative nature in the establishment plan of the Commission of the Communities;
 - (c) considering nevertheless that these proposals should all have been presented within the framework of a supplementary budget, which could also have been an emendatory budget following the non-accession of Norway;
 - (d) considering that the excessively fragmentary nature of the budgetary proposals amending the annual budget for the first three months of the year does not encourage clear decisions and complicates the procedures connected with the draft budget and draft supplementary budgets;
1. Confines itself to taking note of draft supplementary budget No. 1 of the Communities for the financial year 1973;
 2. Notes that, under these circumstances, pursuant to Article 78 A (4) of the ECSC Treaty, Article 203 a (4) of the EEC Treaty and Article 177 a (4) of the EAEC Treaty, supplementary budget No. 1 of the European Communities for the financial year 1973 is deemed to be finally adopted;
 3. Instructs its President to forward this resolution, the minutes of the sitting at which it was adopted and the report of the Committee on Budgets to the Council.

EXPLANATORY STATEMENT

1. The Committee on Budgets has taken note of the applications for alterations to the establishment plan of the Commission of the Communities, which are the reason for the submission of this draft supplementary budget. These applications for alterations involve seventeen new posts in category A (2 at A2, 3 at A3, 6 at A4 and 6 at A5) and forty promotions ad personam (6 at A1, 18 at A2, 16 at A3).

The Committee on Budgets notes that these new requirements arose from the difficulties inherent in the need for an establishment plan based on the following threefold operation:

- partial restructuring of the departments;
- premature retirements;
- the enlargement of the Communities.

2. The committee also notes:

- on one hand, that the number of posts (17) and promotions ad personam (40) required is not large when set against the quantitative alteration of the establishment plan which is scheduled for 1973, i.e. 771 permanent posts and 138 temporary posts;
- on the other hand, that a joint examination of these additional needs and of possible corrections subsequent to Norway's non-accession would perhaps have enabled at least some of the present requirements to be met through compensation.

Finally, it might have been possible to meet these additional requirements by unblocking at an earlier stage the 180 posts (out of a total of 771 permanent posts) provided for in the Council decision on the 1973 budget.

3. The Committee on Budgets notes that:

- (a) the budgetary consequences of the alterations to the establishment plan which have been requested are not important in the case of the promotions ad personam (because the salary scales of officials overlap in the different grades);
- (b) they amount to 30 million Belgian francs for the seventeen new posts;
- (c) this sum can be covered by the appropriations already entered in Chapter XII of the annual budget, 'allowances and expenses on entering and on leaving the service and on transfer'.

The committee also considers it reasonable to retain the services of certain officials affected by premature retirement measures until such time as continuity of their functions can be assured and their duties taken over by other officials. This argument also follows the principle of sound management, since the extension of service will apply in only a few cases, will be limited to a period of a few months, and will in any case cease to apply as from June.

4. Finally, the Committee on Budgets emphasizes that at the beginning of the year it was expecting amendments to the general budget of the Communities for 1973, resulting from the following:

- (a) the non-accession of Norway;
- (b) the breakdown of the Euratom appropriations provided for in Chapter 99, subsequent to the adoption of a multi-annual programme. This breakdown should normally have given rise to an amendatory budget before the end of March, if the appropriations set aside for the salaries of Euratom officials covered the first three months of the year only, as stated in Parliament's amendment, which was approved by the Council.

This state of affairs therefore gives rise to doubts as to the desirability of presenting this draft supplementary budget separately.

5. When this draft budget was considered by the Committee on Budgets, a minority of its members voted against, both because of the absence of any reference to economics on unused items and appropriations, in particular following the non-accession of Norway, and above all because of the additional expenditure incurred by the unprecedented decision to keep two officials in the same post for a period not exceeding three months.

6. In conclusion, having already expressed the above reservations on the requests for alterations to the establishment plan of the Commission of the Communities, the Committee on Budgets suggests, in view of the excessively fragmentary nature of the corrections or modifications to the Communities' budget for 1973, that a resolution be submitted to Parliament which merely takes note of this draft amendatory budget and accordingly does not oppose it.

