

EUROPEAN PARLIAMENT

# Working Documents

1980 - 1981

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8 JULY 1980

DOCUMENT 1-300/80

PROPOSAL FOR THE TOTAL REJECTION OF THE NEW  
DRAFT BUDGET FOR 1980

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

pursuant to Article 6(1) of Annex I to Parliament's  
Rules of Procedure



The European Parliament,

- having regard to the guidelines it adopted at the beginning of the first budgetary procedure for the financial year 1980,
- having regard to the first draft general budget submitted by the Council on 11 September 1979 (Doc. 1-378/79),
- having regard to the proposed modifications and draft amendments it adopted on 7 November 1979,
- having regard to the Council's deliberations of 23 November 1979 (Doc. 1-563/79),
- having regard to the report by Mr Dankert, on behalf of the Committee on Budgets, on the total rejection of the first draft budget for the financial year 1980 (Doc. 1-581/79),
- having regard to the European Parliament's total rejection of the first draft general budget on 13 December 1979<sup>1</sup>,
- having regard to the document entitled 'New budget proposal for the financial year 1980', forwarded by the Commission to the Council on 6 March 1980 (COM(80) 45),
- having regard to the letter of amendment forwarded by the Commission to the Council on 6 June 1980 (COM(80) 329),
- having regard to the new draft general budget of the European Communities for the financial year 1980 submitted by the Council to Parliament on 20 June 1980 (Doc. 1-270/80),
- having regard to the proposed modifications and draft amendments adopted by Parliament on 27 June 1980 and to all the proposed modifications and draft amendments tabled by its committees and by individual Members,
- having regard to the Council's deliberations of 30 June and the Council letter concerning the draft general budget of the European Communities for 1980 as modified by the Council on 30 June 1980 (Doc. 1-292/80),

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<sup>1</sup> OJ No. C 4, 7.1.1980, p. 37

- considering that the new draft budget does not take account of Parliament's guidelines concerning food aid and, in more general terms, cooperation with the developing countries, in particular with regard to the total volume of appropriations, which were substantially cut by the Council in the course of its latest deliberations,
  - concerned at the fact that, in face of the worsening food shortages in many Third World countries and of the international undertakings given by the European Community and the Member States in this sector, the Council has made an overall reduction to the appropriations originally proposed by the Commission and those subsequently proposed by Parliament,
  - having regard, moreover, to the further increase in expenditure on support and guarantee measures in the Community agricultural sector, although Parliament's modifications to the first draft budget clearly indicated its intention to reduce such expenditure in order to establish a reserve fund for structural investments,
  - noting, also, the inadequate level of investments provided for by the new draft budget in respect of renewable alternative energy sources, in particular at a time when the oil crisis and the proven danger of nuclear power stations call, on the contrary, for every effort to be made in this sector,
1. Notes that the Council has disregarded most of Parliament's proposals and that agricultural expenditure represents 74% of budget expenditure, an increase of 2% over the 1979 budget;
  2. Points out that the Council has not taken account of Parliament's proposals and amendments relating to cooperation with the developing countries and to investments in the field of renewable alternative energy sources;
  3. In view of the new legitimate status it has acquired as a result of direct elections, considers totally inadequate the figure of 21.44% as the maximum rate of increase of non-compulsory expenditure;
  4. Considers that the Council has prevented it from effectively playing its role as the budgetary authority responsible for the budget as a whole;
  5. Rejects, therefore, the new draft budget for the financial year 1980 as modified by the Council;
  6. Requests the Commission to submit a new preliminary draft budget which takes account of the requests put forward by Parliament in the two procedures for the adoption of the 1980 budget so far followed by the various Community institutions, and which provides a basis for the submission by the Council of a new draft pursuant to Article 203(8) of the EEC Treaty.

## JUSTIFICATION

1. The rejection of the new draft budget for the financial year 1980 is based on the following points :
  - (a) The growing imbalance within the budget between compulsory and non-compulsory expenditure, with regard both to its effects on convergence and to the likelihood of own resources being exhausted in the near future. The imbalance in the new draft is particularly serious, since it has been retained in spite of the fact that it was one of the grounds for Parliament's rejection of the first draft 1980 budget.
  - (b) The further increase, in absolute terms, in expenditure on the common agricultural policy as compared with the Council's first draft. This runs totally counter to the opinion expressed by Parliament which was based on an awareness of the need to tackle the shortcomings in the system of support and guarantees for agricultural prices by means of structural adjustments and automatic increases.
  - (c) The Council's stubborn unwillingness to share responsibility for the budget with the first Parliament elected by universal suffrage by the citizens of Europe, although this is what is required by a correct interpretation of the spirit of the EEC Treaty and of the subsequent amendments to it.
  - (d) The total inadequacy of the appropriations in the new draft budget for cooperation with developing countries and the campaign against hunger in the world. This budget actually reduces the appropriations provided for in the first draft, at a time when the reports of the Carter and Brandt Commissions, published between November 1979 and June 1980, consider an increase in the international financial effort to be the only way of preventing the death from starvation and malnutrition of more than thirty million people each year and, at the same time, of reducing the imbalances between rich and poor countries, which constitute the principal threat to international peace and security. This budget cuts funds for food aid, and yet the Community has entered the campaign against hunger as one of the subjects of the global North-South negotiations being planned by the United Nations, in response to the requests made by the European Parliament to this effect in resolutions, public hearings on the subject and the report of the Committee on Development and Cooperation which is due to be adopted very shortly. This budget takes no account of the many amendments designed substantially to increase commitments in this

field and to establish a European intervention force to assist peoples threatened by extermination through famine, and yet the period between November 1979 and June 1980 saw the eruption of the dramatic events affecting Cambodia, Afghanistan, Uganda and the Somalian refugees, in addition to the endemic malnutrition and utter poverty. This budget transposes to Community level the failure of the Member States' governments to tackle the problem and also contravenes the many international commitments in this sector.

(e) The attempt to induce a choice - and a dangerous one - at European level in favour of uranium and plutonium, relegating to a purely marginal role investments on the only genuine alternative energy sources - those that are renewable and harmless.

2. In the light of the foregoing, the only possible solution is to reject the draft budget.



