

EUROPEAN PARLIAMENT

GENERAL SECRETARIAT

DIRECTORATE GENERAL FOR RESEARCH AND DOCUMENTATION

D O C U M E N T A T I O N

COMPETENCES AND POWERS
OF THE EUROPEAN PARLIAMENT

Political Series No.

8

September 1984

PE 92.219

Research and Documentation Papers

C O N T E N T S

	<u>Page</u>
A. <u>AREAS OF COMPETENCE</u>	
a) Treaties	3
b) Other	5
B. <u>POWERS</u>	
I. Supervisory powers	7
II. Legislative powers	13
III. Budgetary powers	19
IV. External relations	26
V. Appointments	29
VI. Organizational autonomy	30
ANNEX	33

A. AREAS OF COMPETENCE

a) Treaties

1. Note

The areas of competence of the European Parliament are defined in the general provisions of the Treaties setting out the competences of the European Community, i.e.

Articles 2 to 5 of the ECSC Treaty

Articles 2 & 3 of the EEC Treaty

Articles 1 & 2 of the EAEC Treaty

2. Texts

Convention on certain institutions common to the European Communities
(25 March 1957)

Article 1

The powers and jurisdiction which the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community confer upon the Assembly shall be exercised, in accordance with those Treaties, by a single Assembly composed and designated as provided in Article 138 of the Treaty establishing the European Economic Community and in Article 108 of the Treaty establishing the European Atomic Energy Community.

Article 2

1. Upon taking up its duties, the single Assembly referred to in Article 1 shall take the place of the Common Assembly provided for in Article 21 of the Treaty establishing the European Coal and Steel Community. It shall exercise the powers and jurisdiction conferred upon the Common Assembly by that Treaty in accordance with the provisions thereof.

Treaty establishing the European Economic Community

Article 4¹

1. The tasks entrusted to the Community shall be carried out by the following institutions:

- an Assembly,
- a Council,
- a Commission,
- a Court of Justice.

Each institution shall act within the limits of the powers conferred upon it by this Treaty.

2. ...

3. ...

Article 137²

The Assembly, which shall consist of representatives of the peoples of the States brought together in the Community, shall exercise the advisory and supervisory powers which are conferred upon it by this Treaty.

Treaty establishing the European Coal and Steel Community

Article 7

1. The institutions of the Community shall be:

- a High Authority, assisted by a Consultative Committee,
- a Common Assembly (hereinafter called the 'Assembly'),
- a special Council of Ministers (hereinafter called the 'Council'),
- a Court of Justice (hereinafter called the 'Court').

2. ...

Article 20

The Assembly, which shall consist of representatives of the peoples of the States brought together in the Community, shall exercise the supervisory powers which are conferred upon it by this Treaty.

¹ identical text under Art. 3 of the EAEC Treaty

² identical text under Art. 107 of the EAEC Treaty

b) Other

1. Note

In addition to the above, the following areas of competence were conferred upon the European Parliament by the Summit Conference held in Bonn on 18 July 1961:

- the political unification of Europe,
- political cooperation amongst the foreign ministers,
- education, culture and research.

Its competence on foreign policy matters was confirmed by the 1974 Summit Conference.

The European Council's 1983 Stuttgart Declaration emphasized Parliament's important role in the development of European Union.

2. Texts

Bonn, 1961:

The Heads of State or of Government

...

have decided:

1. To give shape to the will for political union already implicit in the Treaties establishing the European Communities, and for this purpose to organize their cooperation, to provide for its development and to secure for it the regularity which will progressively create the conditions for a common policy and will ultimately make it possible to embody in institutions the work that has been begun;
2. To hold at regular intervals meetings whose aim will be to compare their views, to concert their policies and to reach common positions in order to further the political union of Europe, thereby strengthening the Atlantic alliance. The necessary practical measures will be taken to prepare these meetings. In addition, the continuation of active cooperation among the Foreign Ministers will contribute to the continuity of the action undertaken in common. The cooperation of the Six must go beyond the strictly political field, and will in particular be extended to the sphere of education, culture and research, where it will be ensured by periodical meetings of the Ministers concerned.

3. To instruct their Committee to submit to them proposals on the means which will as soon as possible enable a statutory character to be given to the union of their peoples.

The Heads of State or Government are convinced that, by thus organizing their cooperation, they will further the application of the Rome and Paris Treaties. They also believe that their cooperation will facilitate any reforms which might seem opportune in the interests of the greater efficiency of the Communities.

To this end they have decided:

a) To have a study made of the various points of the resolution of the European Parliament of 29 June 1961, on the subject of political cooperation among the Member States of the European Communities.

b) To associate public opinion more closely with the efforts already undertaken, by inviting the European Parliament to extend the range of its debates to new fields, with the cooperation of the Governments.

Paris 1974:

Final communiqué, para. 4:

...

In view of the increasing role of political cooperation in the construction of Europe, the European Assembly must be more closely associated with the work of the Presidency, for example, through replies to questions on political cooperation put to him by the members.

Stuttgart 1983:

Solemn Declaration on European Union:

...

The Assembly of the European Communities has an essential role to play in the development of European Union.

The European Parliament debates all matters relating to European Union, including European Political Cooperation. In matters relating to the European Communities, it deliberates in accordance with the provisions and procedures laid down in the Treaties establishing the European Communities and in agreements supplementing them.

(Bull. EC 6-1983, points 2.3.1 and 2).

B. POWERS

1. Supervising powers¹

1. Questions

a) Treaties

Article 140²

...

The Commission shall reply orally or in writing to questions put to it by the Assembly or by its members.

...

b) Other

- Questions to the Council:

Following the 1972 Summit Conference, the Council made the following declaration before the European Parliament:

'The Council is anxious to establish as close a dialogue as possible with the European Parliament and accordingly

- confirms its decision to reply to all written questions and expresses its intention to reply henceforth to all oral questions put to it;
- is prepared to take all steps necessary to improve or speed up the procedure for preparing replies to written and oral questions.

For this reason:

- as regards written questions, the Council has already adopted internal measures enabling it to reply to such questions within a period of less than two months,
- as regards oral questions
 - . As far as oral questions under Rule 47A³ of the Rules of Procedure of the European Parliament are concerned, if at the end of question time, Parliament wished to hold a debate on the basis of a reply given by the Council, the latter would, within the limits of its powers, contribute to that debate.

¹ In addition to the supervisory powers listed here, the Council has agreed to put a certain number of European Parliament resolutions on its agenda - see Annex.

² Identical text under Art.110 (3rd para.) of the EAEC Treaty and Art. 23 (3rd para.) of the ECSC Treaty

³ Rule 45 of the present Rules of Procedure

. As far as oral questions under Rule 47¹ of the Rules of Procedure of the European Parliament are concerned, the Council reaffirms the importance it attaches to this procedure which hitherto has given satisfactory results and enables well-prepared and detailed debates to be held on questions of interest to both Institutions.'

(published in the Bulletin of the European Parliament no. 34/73)

'...The Council will endeavour as far as possible to reply exhaustively to the questions put pursuant to Rules 42, 43, 44 and 46 of the Rules of Procedure of the European Parliament. This undertaking to reply to questions which, under Rule 46, must be brief and specific, should mean that the Council may draw attention to the fact that certain questions, particularly some of those put at Question Time, are not within its jurisdiction or that of the Community or require detailed study.

Since the Council needs the week before a part-session to prepare its replies, the European Parliament should forward questions in all the official languages no later than the Monday of the week preceding the part-session.

As for the way Question Time is run, the Council would stress the importance it attaches to the efforts by the Presidency of the European Parliament to limit the number of supplementary questions as soon as it is clear that the subject has been exhausted. Such efforts will make Question Time more dynamic and will also satisfy Members of Parliament, as more questions can thus be dealt with.'

(Letter from Mr. De Keersmaeker, President-in-Office of the Council of the European Communities, to the President of the European Parliament, 8 April 1982, EP Bulletin no. 11 of 10.5.1982, PE 78.554, point B).

'In addition to the consultation procedures provided for in the Treaties, the Council, its members and the Commission will, in keeping with their respective powers, respond to:

. oral or written question from Parliament;

¹ Rule 42 of the present Rules of Procedure

. resolutions concerning matters of major importance and general concern, on which Parliament seeks their comments.'

(Solemn Declaration on European Union (Stuttgart), Bulletin EC 6-1983, point 2.3.3.).

- Questions to the foreign ministers meeting within the framework of political cooperation

At the 1974 Summit Conference in Paris, it was agreed that:

'In view of the increasing role of political cooperation in the construction of Europe, the European Assembly must be more closely associated with the work of the Presidency, for example, through replies to questions on political cooperation put to him by its members.'

2. Motion of censure

Article 144 ¹

If a motion of censure on the activities of the Commission is tabled before it, the Assembly shall not vote thereon until at least three days after the motion has been tabled and only by open vote.

If the motion of censure is carried by a two-thirds majority of the votes cast, representing a majority of the members of the Assembly, the members of the Commission shall resign as a body. They shall continue to deal with current business until they are replaced in accordance with Article 158 ².

2. Auditing of accounts

Article 206b ³

The Assembly, acting on a recommendation from the Council which shall act by a qualified majority, shall give a discharge to the Commission in respect of the implementation of the budget. To this end, the Council and the Assembly in turn shall examine the accounts and the financial statement referred to in Article 205a and the annual report by the Court of Auditors together with the replies of the institutions under audit to the observations of the Court of Auditors.

¹ Identical text under Art.114 of the EAEC Treaty; similar text under Art. 24 (2nd para.) of the ECSC Treaty.

² Now Art.19 (2nd para.) of the merger Treaty.

³ Identical text under Art.180a of the EAEC Treaty and Art.78g of the ECSC Treaty.

4. Reports and statements before the European Parliament

a) Treaties

Article 143 of the EEC Treaty (general report) ¹

The Assembly shall discuss in open session the annual general report submitted to it by the Commission.

Article 122 of the EEC Treaty (social report) ²

The Commission shall include a separate chapter on social developments within the Community in its annual report to the Assembly.

The Assembly may invite the Commission to draw up reports on any particular problems concerning social conditions.

Article 205a of the EEC Treaty (accounts) ²

The Commission shall submit annually to the Council and to the Assembly the accounts of the preceding financial year relating to the implementation of the budget. The Commission shall also forward to them a financial statement of the assets and liabilities of the Community.

b) Other

- Council information

'... The Council is therefore prepared to make every effort to furnish any additional information requested of it at plenary sessions of the European Parliament, in particular on the outcome of Council meetings.'
(Council document no. 1631/1974)

- Programme speech by the Presidency-in-Office:

'The Council confirms that it wishes to continue applying the procedure whereby each President-in-Office of the Council delivers a speech before Parliament detailing the objectives which the Presidency proposes to pursue in fulfilling its task. The Council welcomes the debates which take place at the beginning of each Presidency and which enable the Presidency better to define those of its priorities to which the European Parliament attaches most importance. To facilitate such debates, the

¹ Identical text under Art.113 of the EAEC Treaty and Art.24 (1st para.) of the EAEC Treaty.

² Identical text under Art.179a of the EAEC Treaty and Art.78d of the ECSC Treaty

Presidency of the Council will endeavour to supply the European Parliament sufficiently in advance with the document (speeches and memorandum) which form the basis for the debates.'

(Letter from Mr. De Keersmaeker, President-in-Office of the Council, to the President of the European Parliament, 8 April 1982, EP Bulletin no. 11 of 10.5.1982, PE 78.554, point A)

'The Presidency will address the European Parliament at the beginning of its term of office and present its programme. It will report to the European Parliament at the end of its term on the progress achieved. (Solemn Declaration on European Union (Stuttgart), Bulletin EC 6-1983, point 2.3.4, 1st para.)

- Appearance of the Presidents of the various specialized Councils before parliamentary committees

'It is already common practice for most of the members of the Government which holds the Presidency of the various Councils to visit the relevant Parliamentary Committees once during each Presidency to explain the Council's position on the various topics being examined. The Council welcomes this practice, even if it is burdensome for certain States, as it allows detailed discussion of specific topics. The Council confirms that it intends to continue this practice, depending on the time available to the Presidency.'

(Letter from Mr. De Keersmaeker, President-in-Office of the Council, to the President of the European Parliament, 8 April 1982, EP Bulletin no. 11 of 10.5.1982, PE 78.554, point C)

- Report by the European Council

'The European Council will address a report to the European Parliament after each of its meetings. This report will be presented at least once during each Presidency by the President of the European Council. The European Council will also address a written annual report to the European Parliament on progress towards European Union.

In the debates to which these reports give rise, the European Council will normally be represented by its President or one of its members.' (Solemn Declaration on European Union (Stuttgart), Bulletin EC 6-1983, point 2.1.4.)

- Relations within the framework of political cooperation

'Having regard to the widening scope of the European Communities and the intensification of political cooperation at all levels, four colloquies will be held each year at which the ministers will meet with members of the Political Affairs Committee of the European Parliament.

...

In addition, the minister exercising the function of president will continue, as in the past, to submit to the European Parliament, once a year, a communication on progress made in the field of political cooperation.' ¹

'The contacts between the Council of Ministers and the European Parliament have been extended to include informal meetings between ministers and the leaders of the different political groups represented in the Parliament; these informal meetings provide a further opportunity for informal exchanges on political cooperation.

Taking account of the need further to strengthen ties with the directly elected Parliament the Ten envisage the possibility of more frequent reference to resolutions adopted by the Parliament in the deliberations, communiqués and declarations of the Ten, and in ministers' opening statements at colloquies with the Political Affairs Committee of the Parliament.

The Ten note that after a meeting of the European Council the President of the European Council will make a statement to the Parliament. This statement will include political cooperation subjects discussed at the meeting.'

(Third report on political cooperation of 14.10.1981, the 'London Report', PE 75.249, Political Affairs Committee, point 11)

5. Proceedings against the Council or Commission for failure to act

Article 175 of the EEC Treaty ²

Should the Council or the Commission, in infringement of this Treaty, fail to act, the Member States and the other institutions of the Community may bring an action before the Court of Justice to have the infringement established.

...

¹
² Second report on political cooperation, Bull. EC 9-1973, Part II, Sect.10
Identical text under Art.148 of the EAEC Treaty

II. Legislative powers

a) Treaties

- right to be consulted

Article 137¹

The Assembly... shall exercise the advisory... powers which are conferred upon it by this Treaty.

(Provision for consultation is made in 22 articles of the EEC Treaty and 11 articles of the EAEC Treaty)²

- right of initiative

Article 138 (3) of the EEC Treaty³

The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

...

Article 13 of the Act concerning the election of the representatives of the Assembly by direct universal suffrage

'Should it appear necessary to adopt measures to implement this Act, the Council, acting unanimously on a proposal from the Assembly after consulting the Commission, shall adopt such measures after endeavouring to reach agreement with the Assembly in a conciliation committee consisting of the Council and representatives of the Assembly.'

¹ Identical text under Art.107 of the EAEC Treaty.

² Two judgments of the Court recognize this right as a fundamental democratic principle in the legislative process of the Community. In these judgments, which were handed down in joined cases 138 and 139/79 (isoglucose) on 29 October 1980, the Court of Justice of the European Communities annulled a regulation adopted by the Council because Parliament had not delivered its opinion as required by Article 43 of the Treaty establishing the EEC.

³ Identical text under Art.21 (3) of the ECSC Treaty and Art.108 (3) of the EAEC Treaty. Similar text under Art.7 of the Act concerning the election of the representatives of the Assembly by direct universal suffrage (20 September 1976)

b) Other

- optional consultation

'The Councils would continue to have recourse to optional consultation of the European Parliament, as in the past. They were in favour of an extension of such consultation.'

(Council minutes, 24/25 February 1964, p. 23)

'The Commission is prepared, as regards the coal and steel sector, to extend consultation with Parliament, beyond the fixing of, the ECSC levy, to all other important decisions.'

(Communication from the Commission to the European Parliament of 30 May 1973).

'The Council thinks that two main cases should be distinguished:

- Acts falling within the scope of the legal acts provided for under the Treaties.

The Council confirms that it wants, as in the past, to have the option of consulting the European Parliament on important acts falling within the scope of the legal acts provided for under the Treaty. However, the Council considers that the flexible nature of such consultations should be maintained, particularly to take account of emergency cases.

- Acts not falling within the scope of the legal acts provided for under the Treaties.

The Council would first recall the statement made by its President before the Parliament on 26 November 1968:

"With regard to... texts not falling within the scope of the legal acts provided for under the Treaties, the Council is prepared to consider in each specific case whether it is expedient and possible to consult the European Parliament. The importance of the texts to be adopted will be taken into account but the feasibility of the consultation may in certain cases depend on whether or not a decision is required without delay."

The Council confirms the above procedure and would stress that almost all its activity is carried out through acts provided for under the Treaties. It is not the aim of the occasional use of other types of acts, in particular resolutions, to avoid consultation of the Parliament. The aim of such resolutions is mainly to fix a work programme which entails subsequent submission by the Commission of proposals on which the Parliament will be consulted in due course.

Commission communications are generally drawn up before the Commission makes formal proposals and the latter sends them simultaneously to the Parliament and the Council. This enables the Parliament, if it so desires, to give its views on such communications before the Commission starts to draw up its formal proposals."

(Letter from Mr. De Keersmaecker, President-in-Office of the Council, to the President of the European Parliament, 8 April 1982, EP Bulletin no. 11 of 10.5.1982, PE 78.554, point D).

- reconsultation

The Council considers that where, 'following an initial consultation of the European Parliament, the Commission submits an amended proposal, a further consultation will take place if the amendments exceed the scope of the original proposal; furthermore, reconsultation may be considered appropriate in special cases, depending upon the time available to the Council before the adoption of the provision in question and the importance of the proposed amendment.' .

(Letter from Mr. Haekkerup, President-in-Office of the Council, 12 November 1973, PE 34.963 (BUR)).

'The Council takes the view that two cases should be distinguished:

. New resolution adopted by the European Parliament on its own initiative. The Council notes that, if some time elapses between the moment when the European Parliament gives its opinion and adoption of the text in question and new circumstances or legal developments occur which change the situation in which the European Parliament gave its opinion, the Commission will very probably be induced to amend, or even withdraw its proposal.

If the European Parliament adopts another resolution on its own initiative before the Council acts, the latter will not fail to take it into account when examining the relevant dossier.

. Amended Commission proposal

The Council would draw the European Parliament's attention to the fact that it already consults the Parliament on amended proposals when there have been substantive changes to the original proposal as a whole and that it intends to continue doing so.' .

(Letter from Mr. De Keersmaecker, President-in-Office of the Council,

to the President of the European Parliament, 8 April 1982, EP Bulletin no. 11 of 10.5.1982, PE 78.554, point E).

- amendments proposed by Parliament

'The Commission has agreed to define its position on each amendment adopted by Parliament during its examination of Commission proposals to the Council.'

(Communication from the Commission, 30 May 1973)

'... The Council undertakes to maintain the closest cooperation with the European Parliament in the examination of such acts, i.e. acts having financial consequences, and to explain to it such reasons as may have led it to depart from the European Parliament's opinion.'

(Resolution no. 2 of the Council entered in the Council's minutes of 22 April 1970)

'... The Council has agreed that it is willing to follow the same procedure in respect of other important questions' (i.e. the procedure for acts having financial consequences).

(Letter from the President-in-Office, Mr. Scheel, 22 July 1970)

'The Council also considered it desirable that the European Parliament should be better informed as to the action taken by the Council on the opinions adopted by it. To this end, in addition to the procedures already followed, the President of the Council declared himself ready to meet the President of the European Parliament at regular intervals, at least four times each year in order to examine, inter alia, action taken by the Council on the opinions of the European Parliament.'

(Communication from the Council, 16 October 1973)

- rejection of a Commission proposal, Rule 35 of Parliament's Rules of Procedure:

1. If a Commission proposal fails to secure a majority of the votes cast, the President shall, before Parliament votes on the motion for a resolution, request the Commission to withdraw the proposal.
2. If the Commission does so, the President shall hold the consultation procedure on the proposal to be superfluous and shall inform the Council accordingly.

3. If the Commission does not withdraw its proposal, Parliament may decide not to vote on the motion for a resolution and to refer the matter back to the committee responsible.
In this case, the committee shall report back to Parliament within one month or, in exceptional cases, any shorter period decided by Parliament.

- amendment of a Commission proposal, Rule 36 of Parliament's Rules of Procedure

1. Where the Commission proposal as a whole is approved, but on the basis of amendments which have also been adopted, Parliament may decide on a proposal from the chairman or rapporteur of the committee responsible, to postpone the vote on the motion for a resolution until the Commission has stated its position on Parliament's amendments.

2. Where the Commission announces that it does not intend to adopt Parliament's amendments, Parliament may decide, on a proposal from the chairman or rapporteur of the committee responsible, to postpone the vote on the motion for a resolution. The matter shall be deemed to be referred back to the committee responsible for reconsideration. In this case, the committee shall report back to Parliament within one month or, in exceptional cases, any shorter period decided by Parliament.

- conciliation procedure

1. A conciliation procedure between the European Parliament and the Council with the active assistance of the Commission is hereby instituted.

2. This procedure may be followed for Community acts of general application which have appreciable financial implications, and of which the adoption is not required by virtue of acts already in existence.

3. When submitting its proposal the Commission shall indicate whether the act in question is, in its opinion, capable of being the subject of the conciliation procedure. The European Parliament, when giving its opinion, and the Council may request that this procedure be initiated.

4. The procedure shall be initiated if the criteria laid down in paragraph 2 are met and if the Council intends to depart from the opinion adopted by the European Parliament.

5. The conciliation shall take place in a 'Conciliation Committee' consisting of the Council and representatives of the European Parliament. The Commission shall participate in the work of the Conciliation Committee.

6. The aim of the procedure shall be to seek an agreement between the

European Parliament and the Council.

The procedure should normally take place during a period not exceeding three months, unless the act in question has to be adopted before a specific date or if the matter is urgent, in which case the Council may fix an appropriate time limit.

7. When the positions of the two institutions are sufficiently close, the European Parliament may give a new opinion, after which the Council shall take definitive action.

(OJ No. C89, 22.4.1975, p.1)

III. Budgetary powers

The extent of the European Parliament's budgetary powers may be gauged by referring to the following texts:

- Articles 199 to 209 of the EEC Treaty and the corresponding articles of the other two treaties;
- the Financial Regulation still in force of 21 December 1977 which was published in OJ No. L356 of 1977. This regulation is in the course of being revised - the amended Commission proposal may be found in OJ No. C97 of 9 April 1984;
- the Joint Declaration of 30 June 1982 by the European Parliament, the Council and the Commission on various measures to improve the budgetary procedure (OJ No. C194 of 28 July 1982);
- Annex III to Parliament's Rules of Procedure containing implementing procedures for examination of the general budget of the European Communities and supplementary budgets (3rd edition - June 1984).

a) Treaties

Given the limited nature of this booklet, only the texts of Article 203 of the EEC Treaty and the Joint Declaration of 30 June 1982 are given below.

Article 203 of the EEC Treaty

1. The financial year shall run from 1 January to 31 December.
2. Each institution of the Community shall, before 1 July, draw up estimates of its expenditure. The Commission shall consolidate these estimates in a preliminary draft budget. It shall attach thereto an opinion which may contain different estimates.
The preliminary draft budget shall contain an estimate of revenue and an estimate of expenditure.
3. The Commission shall place the preliminary draft budget before the Council not later than 1 September of the year preceding that in which the budget is to be implemented.
The Council shall consult the Commission and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

The Council, acting by a qualified majority, shall establish the draft budget and forward it to the Assembly.

4. The draft budget shall be placed before the Assembly not later than 5 October of the year preceding that in which the budget is to be implemented.

The Assembly shall have the right to amend the draft budget, acting by a majority of its members, and to propose to the Council, acting by an absolute majority of the votes cast, modifications to the draft budget relating to expenditure necessarily resulting from this Treaty or from acts adopted in accordance therewith.

If, within 45 days of the draft budget being placed before it, the Assembly has given its approval, the budget shall stand as finally adopted. If within this period the Assembly has not amended the draft budget nor proposed any modifications thereto, the budget shall be deemed to be finally adopted.

If within this period the Assembly has adopted amendments or proposed modifications, the draft budget together with the amendments or proposed modifications shall be forwarded to the Council.

5. After discussing the draft budget with the Commission and, where appropriate, with the other institutions concerned, the Council shall act under the following conditions:

a) The Council may, acting by a qualified majority, modify any of the amendments adopted by the Assembly;

b) With regard to the proposed modifications:

- where a modification proposed by the Assembly does not have the effect of increasing the total amount of the expenditure of an institution, owing in particular to the fact that the increase in expenditure which it would involve would be expressly compensated by one or more proposed modifications correspondingly reducing expenditure, the Council may, acting by a qualified majority, reject the proposed modification. In the absence of a decision to reject it, the proposed modification shall stand as accepted;

- where a modification proposed by the Assembly has the effect of increasing the total amount of the expenditure of an institution, the Council may, acting by a qualified majority, accept this proposed modification. In the absence of a decision to accept it, the proposed modification shall stand as rejected;

- where, in pursuance of one of the two preceding subparagraphs, the Council has rejected a proposed modification, it may, acting by a qualified majority, either retain the amount shown in the draft budget or fix another amount.

The draft budget shall be modified on the basis of the proposed modifications accepted by the Council.

If, within 15 days of the draft budget being placed before it, the Council has not modified any of the amendments adopted by the Assembly and if the modification proposed by the latter have been accepted, the budget shall be deemed to be finally adopted. The Council shall inform the Assembly that it has not modified any of the amendments and that the proposed modifications have been accepted.

If within this period the Council has modified one or more of the amendments adopted by the Assembly or if the modifications proposed by the latter have been rejected or modified, the modified draft budget shall again be forwarded to the Assembly. The Council shall inform the Assembly of the results of its deliberations.

6. Within 15 days of the draft budget being placed before it, the Assembly, which shall have been notified of the action taken on its proposed modifications, may, acting by a majority of its members and three-fifths of the votes cast, amend or reject the modifications to its amendments made by the Council and shall adopt the budget accordingly. If within this period the Assembly has not acted, the budget shall be deemed to be finally adopted.

7. When the procedure provided for in this Article has been completed, the President of the Assembly shall declare that the budget has been finally adopted.

8. However, the Assembly, acting by a majority of its members and two-thirds of the votes cast, may, if there are important reasons, reject the draft budget and ask for a new draft to be submitted to it.

9. A maximum rate of increase in relation to the expenditure of the same type to be incurred during the current year shall be fixed annually for the total expenditure other than that necessarily resulting from this Treaty or from acts adopted in accordance therewith.

The Commission shall, after consulting the Economic Policy Committee,

declare what this maximum rate is as it results from:

- the trend in terms of volume, of the gross national product within the Community;
- the average variation in the budgets of the Member States;
- the trend of the cost of living during the preceding financial year.

The maximum rate shall be communicated before 1 May to all the institutions of the Community. The latter shall be required to conform to this during the budgetary procedure, subject to the provisions of the fourth and fifth subparagraphs of this paragraph.

If, in respect of expenditure other than that necessarily resulting from this Treaty or from acts adopted in accordance therewith, the actual rate of increase in the draft budget, established by the Council is over half the maximum rate, the Assembly may, exercising its right of amendment, further increase the total amount of that expenditure to a limit not exceeding half the maximum rate.

Where the Assembly, the Council or the Commission consider that the activities of the Communities require that the rate determined according to the procedure laid down in this paragraph should be exceeded, another rate may be fixed by agreement between the Council, acting by a qualified majority, and the Assembly, acting by a majority of its members and three-fifths of the votes cast.

10. Each institution shall exercise the powers conferred upon it by this Article, with due regard for the provisions of the Treaty and for acts adopted in accordance therewith, in particular those relating to the Communities' own resources and to the balance between revenue and expenditure.

b) Joint declaration by the European Parliament, the Council and the Commission on various measures to improve the budgetary procedure

The European Parliament, the Council and the Commission,
whereas harmonious cooperation between the institutions is essential to the smooth operation of the Communities;
whereas various measures to improve the operation of the budgetary procedure under Article 78 of the Treaty establishing the European Coal and

Steel Community, Article 203 of the Treaty establishing the European Economic Community and Article 177 of the Treaty establishing the European Atomic Energy Community should be taken by agreement between the institutions of the Communities, due regard being had to their respective powers under the Treaties, have agreed as follows:

I. CLASSIFICATION OF EXPENDITURE

1. Criteria

In the light of this agreement and of the classification of expenditure proposed by the Commission for the budget for 1982, the three institutions consider compulsory expenditure such expenditure as the budgetary authority is obliged to enter in the budget to enable the Community to meet its obligations, both internally and externally, under the Treaties and acts adopted in accordance therewith.

2. Application on the basis of this agreement

The budget lines shall be classified as indicated in the annex.

II. CLASSIFICATION OF NEW BUDGET ITEMS OR EXISTING ITEMS FOR WHICH THE LEGAL BASIS HAS CHANGED

1. New budget items and the expenditure relating to them shall be classified having regard to the data set out in section I hereof by agreement between the two institutions which make up the budgetary authority, acting on a proposal from the Commission.
2. The preliminary draft budget shall contain a reasoned proposal for the classification of each new budget item.
3. If one of the two institutions which make up the budgetary authority is unable to accept the Commission's proposal for classification, the disagreement shall be referred to a meeting of the President of Parliament, of the Council and of the Commission, which shall undertake the chairmanship.
4. The three Presidents shall endeavour to resolve any disagreements before the draft budget is established.
5. The Chairman of the Tripartite Dialogue shall report to the inter-institutional conciliation meeting which precedes the first reading by the Council and shall, if necessary, speak in Council and Parliament

debates on the first reading.

6. The agreed classification, which shall be considered provisional if the basic act has not yet been adopted, may be reviewed by mutual agreement in the light of the basic act when it is adopted.

III. INTERINSTITUTIONAL COLLABORATION IN THE CONTEXT OF THE BUDGETARY PROCEDURE

1. The discussion of Parliament's views on the Commission's preliminary draft budget, which is scheduled to precede the Council's establishment of the draft budget, shall be held early enough for the Council to be able to give due weight to Parliament's proposals.

2. a) If it appears in the course of the budgetary procedure that completion of the procedure might require agreement on fixing a new rate of increase in relation to non-compulsory expenditure for payment appropriations and/or a new rate for commitment appropriations (the latter rate may be at a different level from the former), the Presidents of Parliament, the Council and the Commission shall meet immediately.

b) In the light of the positions put forward every effort shall be made to identify those elements on which the two institutions which make up the budgetary authority can agree so that the budget procedure can be completed before the end of the year.

c) To this end, all parties will use their best endeavours to respect this deadline, which is essential to the smooth running of the Community.

3. If, however, agreement has not been reached by 31 December, the budgetary authority shall continue its efforts to reach agreement so that the budget can be adopted by the end of January.

4. The agreement between the two institutions which make up the budgetary authority on the new rate shall determine the level of non-compulsory expenditure at which the budget shall be adopted.

5. The Presidents of Parliament, the Council and the Commission shall meet whenever necessary, at the request of one of them:

- to assess the results of the application of this declaration,
- to consider unresolved problems in order to prepare joint proposals for solutions to be submitted to the institutions.

IV. OTHER MATTERS

1. Parliament's margin for manoeuvre - which is to be at least half the maximum rate - shall apply as from the draft budget, including any letters of amendment, as adopted by the Council at first reading.

2. The maximum rate is to be observed in respect of the annual budget, including amending and/or supplementary budgets, if any. Without prejudice to the determination of a new rate, any portion of the maximum rate which has not been utilized shall remain available for use and may be used when draft amending and/or supplementary budgets are to be considered.

3. a) Ceilings fixed in existing regulations will be respected.

b) In order that the full importance of the budget procedure may be preserved, the fixing of maximum amounts by regulation must be avoided, as must the entry in the budget of amounts in excess of what can actually be expended.

c) The implementation of appropriations entered for significant new Community action shall require a basic regulation. If such appropriations are entered the Commission is invited, where no draft regulation exists, to present one by the end of January at the latest.

The Council and Parliament undertake to use their best endeavours to adopt the regulation by the end of May at the latest.

If by this time the regulation has not been adopted, the Commission shall present alternative proposals (transfers) for the use during the financial year of the appropriations in question.

4. The institutions note that the procedure for revision of the Financial Regulation is in progress and that some problems should be resolved in that context. They undertake to do all in their power to bring that procedure to a swift conclusion.

Done at Brussels, 30 June 1982.'

(Bulletin EC 6-1982, pages 7, 8 and 9)

IV. External relations

a) Treaties

Article 228 of the EEC Treaty

1. Where this Treaty provides for the conclusion of agreements between the Community and one or more States or an international organization, such agreements shall be negotiated by the Commission. Subject to the powers vested in the Commission in this field, such agreements shall be concluded by the Council, after consulting the Assembly where required by this Treaty

Article 238 of the EEC Treaty (associations) ¹

The Community may conclude with a third State, a union of States or an international organization agreement establishing an association involving reciprocal rights and obligations, common action and special procedures.

These agreements shall be concluded by the Council, acting unanimously after consulting the Assembly.

Where such agreements call for amendments to this Treaty, these amendments shall first be adopted in accordance with the procedure laid down in Article 236.

b) Other

- Associations ('Luns procedure')

'A debate may take place in the Parliament before negotiations with a view to the association of a third country with the Community are started. During the negotiations close contacts shall be maintained between the Commission and the appropriate committees of the Parliament. When the negotiations are concluded, but before the agreement is signed, the Council or its representative shall confidentially and unofficially inform the appropriate committees of the substance of the agreement.'¹
(Council minutes of 24/25 February 1964, p. 26)

- Trade agreements ('Luns-Westerterp procedure')

'Prior to the opening of negotiations concerning a trade agreement with

¹ Identical text under Art.206 of the EAEC Treaty

a third country, and in the light of information supplied by the Council to the appropriate parliamentary committees, a debate could, where appropriate, be held in the European Parliament;

When negotiations are completed, but before signing of the agreement, the President of the Council or his representative would confidentially and unofficially acquaint the competent committees with the substance of the agreement;

Bearing in mind the interest which the European Parliament attaches to the trade agreements to be concluded by the Community, the Council will inform the Parliament of the content of such agreements after they have been signed but before they have been concluded.'

(Council note of 16 October 1973)

As regards the operation of the 'LUNS-WESTERTERP' procedures, the Council considers that experience has shown that a distinction should be drawn between two situations, for which the following practical arrangements could be contemplated:

a) Agreements general in scope

The Council concurs with the Parliament's view that as a general rule such agreements involve rather lengthy meetings which are difficult to fit into the day normally set aside for the Council. The Council therefore feels that such meetings could, where appropriate, be held outside the Parliament part-sessions at dates and venues to be mutually agreed.

In addition, the Council intends to supply the parliamentary committees with memoranda beforehand in order to make for increasingly detailed exchanges of views between them and the President-in-Office of the Council.

b) Other agreements

The Council suggests that a tacit procedure be adopted in such cases. The Council would then simply inform the Parliament in writing of the opening and close of negotiations on such agreements. If, however, within two weeks of receiving such information the European Parliament expressed the wish that the procedure described in (a) be applied, this could be done.

(Letter from Mr. Crosland, President-in-Office of the Council, 10 February 1977 (PE 47.837 (BUR)))

'In addition to the consultations provided for in the Treaties with respect to certain international agreements, the opinion of the European Parliament will be sought before:

- . the conclusions of other significant international agreements by the Community,
- . the accession of a State to the European Community.

The existing procedures for providing the European Parliament with confidential and unofficial information on progress in negotiations will be extended, taking into account the requirements of urgency, to all significant international agreements concluded by the Communities.'. (Solemn Declaration on European Union (Stuttgart), Bull. EC 6-1983, point 2.3.7)

'The Council proposes to start applying as from now the various parts of this text (i.e. the Solemn Declaration).

The Council expects the Commission, when submitting its recommendations for authorization to negotiate, to advise the European Parliament and the Council whether an agreement is significant.

With regard to extending to significant agreements the existing procedures for providing the European Parliament with confidential and unofficial information on progress in negotiations, the Council notes that the effect of point 2.3.7 of the Solemn Declaration will be to apply, taking into account the requirements of urgency, the existing procedure for trade agreements (WESTERTERP procedure), which will provide the European Parliament with more detailed information.

Finally, the Council will seek the opinion of the European Parliament on significant agreements after their signature, but before their conclusion.

The LUNS and WESTERTERP procedures will continue to be applicable for association agreements and trade agreements respectively.

The opinion of the European Parliament will be sought when Articles 98 ECSC, 237 EEC and 205 EAEC are implemented.

Those parts of the Commission communication dealing with the role of the European Parliament in the preparation and conclusion of international

agreements and accession treaties, together with matters raised in the European Parliament's resolution of 18 February 1982 which are not covered by point 2.3.7, are still being studied by the Council.' .
(Letter from Mr. Cheysson, President-in-Office of the Council, to the President of the European Parliament, 13 March 1984)

- Political Cooperation:

'Having regard to the widening scope of the European Communities and the intensification of political cooperation at all levels, four colloquies will be held each year at which the Ministers will meet with members of the Political Affairs Committee of the European Parliament.

For the purpose of preparing colloquies, the Political Committee will draw to the attention of Ministers proposals adopted by the European Parliament on foreign policy questions.'

(2nd report on political cooperation of 23 July 1973, 7th General Report, Annex 4)

'The Presidency keeps the European Parliament regularly informed through the Political Affairs Committee of the subjects of foreign policy examined in the context of European political cooperation.'

(Solemn Declaration on European Union (Stuttgart), Bull. EC 6-1983, point 2.3.4 (2nd para.)).

V. Appointments

a) Treaties

Article 206 of the EEC Treaty ¹

1. A Court of Auditors is hereby established.
2. The Court of Auditors shall consist of nine members.
3. The members of the Court of Auditors shall be chosen from among persons who belong or have belonged in their respective countries to external audit bodies or who are especially qualified for this office. Their independence must be beyond doubt.
4. The members of the Court of Auditors shall be appointed for a term of six years by the Council, acting unanimously after consulting the Assembly.
5. ...

¹ Identical text under Art.78e of the ECSC Treaty and Art.180 of the EAEC Treaty

b) Other

'The Council confirms that, when appointing members of the Court of Auditors, it will give full consideration to the opinion on this subject delivered by Parliament.'¹

(Council minutes of 22 July 1975)

'Before the appointment of the President of the Commission, the President of the Representatives of the Governments of the Member States seeks the opinion of the enlarged Bureau of the European Parliament.

After the appointment of the members of the Commission by the Governments of the Member States, the Commission presents its programme to the European Parliament to debate and to vote on that programme.'¹

(Solemn Declaration on European Union (Stuttgart), Bull. EC 6-1983, point 2.3.5). (There was a Danish reservation on this point.)

VI. Organizational autonomy

a) Treaties

Article 142 of the EEC Treaty ¹

The Assembly shall adopt its rules of procedure, acting by a majority of its members.

...

b) Other

'The Council undertakes to make no amendments to the estimate of expenditure of the European Parliament. This undertaking shall only be binding in so far as this estimate of expenditure does not conflict with Community provisions in particular with regard to the Staff Regulations of officials and conditions of employment of other servants, and to the seat of the institutions.'¹

(Council resolution entered in the minutes of 22 April 1970)

In its judgment of 10 February 1983 the Community's Court of Justice dismissed the application by the Grand Duchy of Luxembourg for the annulment of the European Parliament's resolution of 7 July 1981 on the seat of the institutions of the European Community and, in particular, of the European Parliament (ZAGARI report) (OJ No. C234 of 14 September 1981). The Court ruled (Case 230/81, Luxembourg v. European Parliament):

¹ Identical text under Art.112 of the EAEC Treaty and Art.25 of the ECSC Treaty

- that the European Parliament had not acted ultra vires in dealing with the subject of its working places,
- that the European Parliament was free to discontinue the practice it had itself instituted of holding some of its part-sessions in Luxembourg,
- that the practice of holding meetings of its committees and political groups in Brussels 'has never been called into question by any Member State' and that therefore Parliament had not exceeded its powers,
- that 'in the absence of a seat or even a single place of work, the Parliament must be in a position to maintain in the various places of work outside the place where its secretariat is established the infrastructure essential for ensuring that it may fulfil in all those places the tasks which are entrusted to it by the Treaties.'
- that there was no infringement by the European Parliament of essential procedural requirements.

- On the other hand, in judgment 108/83 of 10 April 1984, the Court of Justice did set aside the European Parliament's resolution 'on the consequences to be drawn from the European Parliament's adoption, on 7 July 1981 of the ZAGARI report' (OJ No. C161 of 20 June 1983). The object of the resolution was for the staff of its secretariat to be reassigned to Strasbourg and Brussels.

The Court ruled that 'any decision to transfer the Secretariat of Parliament or its services, either wholly or in part, either de jure or de facto, would be an infringement of Article 4 of the Decision of 8 April 1965'. This decision, concerning the provisional location of certain Community institutions and departments, provides that the Secretariat of the Assembly and its departments shall remain in Luxembourg.

A N N E X

'All Parliament resolutions are brought without delay to the attention of the Council and of the Governments of the Member States; and Parliament resolutions are entered on the agenda for each Council meeting. The attention of Ministers is drawn to resolutions requiring particular consideration by the Council.

I have asked the Council authorities to ensure that opinions are taken into consideration at all levels when questions to which they relate are being examined.'

(Statement by the President-in-Office of the Council, Lord Carrington, EP Bulletin No. 50, PE 75.575, 15 December 1981, p. 30)

.- Consideration by the Council of European Parliament resolutions

'As it has already said to the Parliament on several occasions, the Council ensures that European Parliament resolutions are taken into account.

All European Parliament resolutions are the subject of a document circulated to the Member States.

All such resolutions are entered on the agenda for the Council (General Affairs) and the Presidency draws the Council's attention, at its meeting, to those resolutions which it deems most important. The other members of the Council may do likewise.

Resolutions embodying opinions are also forwarded to the Council's subordinate bodies, which examine them at every stage of the discussions to which the resolutions refer.

In the case of resolutions not embodying opinions, the Council takes them into account insofar as they are relevant, and has, for example, thus adopted a statement on hunger in the world in the light of the resolution adopted by the European Parliament. Other recent examples of resolutions adopted by the European Parliament on its own initiative which have had a significant effect on the Council's proceedings are the resolution on the policy adopted with regard to the Gulf States, the resolution on improvements to the common agricultural policy and the resolution calling on the Council finally to adopt a common fisheries policy.¹

(Letter from Mr. De Keersmaeker, President-in-Office of the Council, to the President of the European Parliament, 8 April 1982, EP Bulletin no. 11 of 10.5.1982, PE 78.554, Point G)