

## EUROPEAN PARLIAMENT

# Working Documents

1980 - 1981

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16 OCTOBER 1980

DOCUMENT 1-505/80

## Report

drawn up on behalf of the Committee on Budgets

on the outcome of the deliberations of the Council on the proposals from the Commission of the European Communities for

- I. a regulation ins<sup>trumentary</sup> measures to contribute to the solution of the principal structure problems affecting the United Kingdom and hence to the convergence of the economies of the Member States of the Community
- II. a regulation amending Regulation (EEC) No. 1172/76 of 17 May 1976 setting up a financial mechanism

(introduced with a request for urgent procedure pursuant to Rule 14 of the Rules of Procedure)

Rapporteur: Mr P. DANKERT



The Committee on Budgets presented the motion for a resolution at its meetings of 15 and 16 October 1980 examining the outcome of the deliberations of Council on the proposals from the Commission of the European Communities for

- I. a regulation instituting supplementary measures to contribute to the solution of the principal structure problems affecting the United Kingdom and hence to the convergence of the economies of the Member States of the Community
- II. a regulation amending Regulation (EEC No. 1172/76 of 17 May 1976) setting up a financial mechanism (introduced with a request for urgent procedure pursuant to Rule 14 of the Rules of Procedure)

The European Parliament had adopted its opinion on these proposals at its meeting of 18 September 1980, on the basis of a report by the Committee on Budgets (Doc. 1-373/80), drawn up by Mr DANKERT, in his capacity as rapporteur for the 1980 budget - (Section III - Commission).

At a meeting on 15 October 1980 between the President-in-Office of the Council and the President of Parliament and the Bureau of the Committee on Budgets and the rapporteur, the President-in-Office explained the outcome of the Council's deliberations.

At its meeting of 16 October 1980, the Committee on Budgets decided to request urgent procedure (pursuant to Rule 14 of the Rules of Procedure) for the tabling of a report on the outcome of the deliberations of Council. The report, drawn up by the rapporteur, was approved by 9 votes to 1 with 9 abstentions.

Present: Mr Lange, chairman; Mr Notenboom, first vice-chairman, Mr Spinelli, second vice-chairman; Mr Dankert, rapporteur; Mr Adonnino, Mr Baillet, Mr Bonde, Mrs Boserup, Mr Colla, Mr Curry (deputizing for Mr Jackson), Mr Forth, Mr Gouthier, Mr Hord (deputizing for Mr Tuckman), Mr Langes, Mr Newton Dunn, Mr Orlandi, Mr Seeler (deputizing for Mr Balfe), Mr Schintzel (deputizing for Mr Fich), Mr Simonnet and Mr J.M. Taylor.

The explanatory statement will be presented orally.

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution

MOTION FOR A RESOLUTION

concerning the outcome of the deliberations of Council on the proposals from the Commission of the European Communities for

1. a Regulation instituting supplementary measures to contribute to the solution of the principal structure problems affecting the United Kingdom and hence to the convergence of the economies of the Member States of the Community
2. a Regulation amending Regulation (EEC) No. 1172/76 of 17 May 1976 setting up a financial mechanism

The European Parliament,

- having regard to the decisions of Council of 30 May 1980 concerning the British contribution to the financing of the Community budget, <sup>(1)</sup>
  - having regard to the Commission's proposals to the Council, <sup>(2)</sup>
  - having been consulted by the Council (Doc. 1-273/80),
  - having regard to the Opinion of the Court of Auditors,
  - having regard to the Opinion of the European Parliament on these proposals, <sup>(3)</sup>
  - having regard to the contacts which have taken place between Council and representatives of the European Parliament subject to Council's deliberations,
  - having regard to the outcome of those deliberations,
  - having regard to the report of the Committee on Budgets (Doc. 1-505/80),
- a whereas the European Parliament called for the opening of the conciliation procedure should certain of the amendments tabled by it not be accepted by the Council,

<sup>(1)</sup> OJ C 158 of 27 June 1980.

<sup>(2)</sup> OJ C 169 of 9 July 1980, page 10, and C 171 of 11 July 1980, page 6.

<sup>(3)</sup>

- b. whereas it is therefore incumbent upon it to decide whether to pursue the conciliation procedure,
- c. whereas in its amendments it sought to improve the control procedures laid down in the Commission's proposal, to set up an ad hoc advisory committee to advise the Commission prior to the adoption of programmes, to establish that expenditure arising from the supplementary measures in favour of the United Kingdom would be of the non-compulsory type and to guarantee full information to the budgetary authority on the functioning of the proposals,
1. Acknowledges that Council has accepted Parliament's technical amendments guaranteeing the supply of the documentation necessary for an adequate control of Community expenditure, ensuring the recuperation of expenditure where advances had been paid without appropriate programmes being forthcoming;
2. Points out that the Council has further accepted an amendment obliging the Commission to report regularly to the budgetary authority on the application of the proposals and of any difficulties arising;
3. Indicates that while Council has accepted Parliament's proposal setting up an ad hoc advisory committee to give its opinion to the Commission prior to the adoption of programmes, this committee's role is not limited to an advisory one; and that the Commission could thus be overruled, within two months, by a qualified majority within Council, should the advisory committee take a different view;
4. Notes that Council has not accepted the key Parliamentary amendment, based on the observations of the Court of Auditors, which would postpone the payment of the 10% balance of the finance for programmes until completion of those programmes;
5. Notes also that Council has not accepted that expenditure arising from the supplementary measures for the United Kingdom should be non-compulsory;
6. Recognises the progress that has been made in the course of discussions within Council and between Council representatives and Parliament's representatives;

7. Is aware that an insistence on the opening of the full conciliation procedure might well create further political difficulties within Council whose internal political cohesion has already been jeopardised and whose functioning as a political institution has been called into question;
8. Decides to forgo the opening of the conciliation procedure and takes note of Council's decisions;
9. Reiterates, however, its anxiety at the absence of adequate control procedures prior to the payment of the balances outstanding for individual programmes; points out that any difficulties arising from this loophole would be the exclusive responsibility of the Council;
10. Invites its Committee on Budgets and its Committee on Budgetary Control to scrutinise fully the Commission's regular reports on the functioning of the measures and requests them to alert it to any control difficulties arising;
11. Reaffirms its view that the ad hoc advisory committee should exercise a purely advisory role; deplores the fact that the Commission appears to have accepted that this advisory committee and Council could impinge upon the Commission's exclusive responsibility for implementing the budget; will continue to defend its view of the appropriate role of advisory committees in the context of the conciliation procedures already opened on this subject;
12. Reaffirms the principle that any expenditure arising from the supplementary measures in favour of the United Kingdom should be non-compulsory;
13. In view of the fact that
  - (i) it has made full allowance for the internal political difficulties of Council
  - (ii) Council has not respected the provisions of the Treaty as regards the classification of the expenditure arising from the supplementary measures in favour of the United Kingdom
  - (iii) the harmonious functioning of the institutions has therefore been endangeredInsists
  - (a) that general negotiations with Council on the classification of expenditure be opened, and
  - (b) that Parliament should be fully associated with all the discussions prior to the restructuring of the Community's budget;
4. Will reserve its right, should agreement not be reached on the point of the classification of this expenditure, to make appropriate amendments during the course of the 1981 budgetary procedure.