

INCREASE OF THE POWERS OF THE EUROPEAN PARLIAMENT

The Council confirmed the Resolution it adopted on 22 December 1969 as regards budget procedure during the definitive stage.

The Council however decided that a rate of increase of expenditure other than that necessarily resulting from Community legislation should be established in accordance with the following:

Each year, two months prior to the beginning of the budget procedure, the rate of increase, as compared with the preceding year, of expenditure other than that necessarily resulting from Community legislation, shall be established as follows:

1. The Commission, after having consulted the Short-term Economic Policy Committee and the Budget Policy Committee, shall calculate the rate of increase resulting from:
  - (i) the development of gross national product volume in the Community,
  - (ii) the mean variation in the budgets of the Member States, and
  - (iii) the trend in the cost of living over the previous financial year.
2. This rate shall be communicated forthwith to the Community's Institutions.
3. During the budget procedure, all the Institutions shall be required to comply with this rate.

*Council of Ministers*  
*Feb. 7, 1970*

If the draft budget adopted by the Council on the basis of the preliminary draft drawn up by the Commission already shows an increase covering more than half of the maximum rate fixed as above, the European Parliament may still, exercising its right of amendment, when adopting the budget, increase the total amount of the expenditure referred to by these provisions, by up to half of the maximum rate.

4. Where, in exceptional cases, the European Parliament, the Council or the Commission, consider that the Communities' activities require an overstepping of the rate established according to the procedures set out in (1) and (3) above, a new rate may be fixed by agreement between the Council, acting in accordance with the procedures laid down in Article 203 of the Treaty establishing the European Economic Community, and the European Parliament, acting under the conditions provided for under the fourth stage of the Resolution of 22 December 1969.

The Council further agreed that the last paragraph of the Resolution of 22 December 1969 should be interpreted as follows:

"As regards expenditure resulting from the decisions and provisions adopted by the other Institutions in the exercise of their own competencies, the European Parliament retains the right to propose amendments to the draft budget under the second stage, as provided for in the present Article 203.

The Council shall hold discussions thereon and shall subsequently set out the results of these discussions to the European Parliament on the occasion of the budget debate."

Further, the Council approved the principles relating to the increase of the powers of the European Parliament during the interim period. These principles are to be the subject of an amendment to the relevant Articles of the Treaty.

During this period, the European Parliament will have the right to amend the draft budget drawn up by the Council. If the amendments introduced by the European Parliament are not intended to increase the overall amount of expenditure by each Institution, the Council may not reject them except by qualified majority vote. If, on the other hand, the amendments introduced by the European Parliament involve increases in expenditure, the Council will have to act by qualified majority vote to approve them.

During this same period, the Council has agreed to undertake not to amend the provisional estimate of expenditure of the European Parliament. It is understood that this shall only apply in so far as the provisional estimate of expenditure of the European Parliament does not prejudice Community provisions, in particular those concerning the Service Regulations, the location of the Institutions, etc.

Further, the Council decided to amend as follows Article 206 of the EEC Treaty, Article 180 of the Euratom Treaty and Article 78 of the ECSC Treaty concerning the supervision of the implementation of the budget:

"The Council and the European Parliament shall give the Commission a discharge in respect of the implementation of the budget. To this end, the report of the Audit Committee shall be examined successively by the Council, which shall decide thereon by a qualified majority vote, and the European Parliament. A discharge shall be given to the Commission only after the Council and the European Parliament have stated their decision."

Finally, the Council approved the following declarations:

All measures must be taken on the basis of agreement between the Council and the European Parliament, so as to ensure close collaboration between the two Institutions at all levels as regards budget procedure, in particular by means of the presence at the European Parliament of the President in Office or of another member of the Council during the debate on the draft budget.

In order to provide the European Parliament with all the necessary factors for it to give its Opinion on Community acts involving financial consequences, the Council shall invite the Commission to attach to such proposals as it may transmit to the European Parliament estimates relating to the financial consequences of such acts.

The Council undertakes to maintain the closest collaboration with the European Parliament when examining these acts and to explain to it such reasons as may have caused it to differ from the Opinions expressed by the Parliament.\*

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(\* ) Ad referendum reservations on this group of decisions were expressed by several delegations.