

# European Communities

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## EUROPEAN PARLIAMENT

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### LETTER

from the Council of the European Communities

on the decision concerning the discharge in respect of the implementation of the  
Budget of the European Communities for the financial year 1975

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COUNCIL  
OF THE  
EUROPEAN COMMUNITIES

The President

Brussels, 29 April 1977

Mr Emilio COLOMBO  
President of the European  
Parliament  
Case Postale 1601  
LUXEMBOURG  
(Grand Duchy of Luxembourg)

Sir,

I herewith inform you that at its 451st meeting, on 25 April 1977, the Council adopted the Decision concerning a discharge in respect of the implementation of the budget of the European Communities for the financial year 1975.

Please find enclosed a copy of the Decision in the six official languages of the Communities for the attention of the European Parliament.

The discharge Decision will be published in the Official Journal of the European Communities when the discharge procedure has been completed.

Please accept, Sir, the assurance of my highest consideration.

J. SILKIN



COUNCIL DECISION

OF 25 APRIL 1977

giving a discharge to the Commission in respect of  
the implementation of the budget and of  
the amending and supplementary budgets of  
the European Communities for the financial year 1975

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and  
Steel Community, and in particular Article 78d thereof,

Having regard to the Treaty establishing the European Economic  
Community, and in particular Article 206 thereof,

Having regard to the Treaty establishing the European Atomic  
Energy Community, and in particular Article 180 thereof,

Having regard to the Treaty establishing a Single Council and a  
Single Commission of the European Communities, and in particular  
Article 20 thereof,

.../...

Having regard to the accounts of revenue and expenditure and the financial statements relating to the transactions made under the budget for the financial year 1975,

Having regard to the report of the Audit Board on the accounts for the financial year 1975 to which report are annexed the replies by the Institutions to the comments concerning them,

Whereas the European Parliament has adopted the budget of the European Communities for the financial year 1975 <sup>(1)</sup>;

Whereas during the financial year 1975, three amending and supplementary budgets were adopted, the first <sup>(2)</sup> amending research and investment appropriations, and enabling the Regional Fund to begin operating, the second <sup>(3)</sup> constituting the second tranche of the Communities' contribution to an international emergency aid project for the assistance of the developing countries most affected by the crisis, and the third <sup>(4)</sup> increasing research and investment appropriations and the appropriations for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund;

Whereas the Commission made payments relating to appropriations carried over from the financial year 1974 (or previous financial years) from an appropriation of 2,321,976,447 units of account over and above the aforementioned appropriation amounts;

Whereas certain appropriations available at the close of the financial year 1975 have been carried forward to the financial year 1976;

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<sup>(1)</sup> OJ No L 54, 28.2.1975, p. 1  
<sup>(2)</sup> OJ No L 175, 7.7.1975, p. 1  
<sup>(3)</sup> OJ No L 175, 7.7.1975, p. 59  
<sup>(4)</sup> OJ No L 40, 16.2.1976, p. 1

Whereas the observations and comments in the Audit Board's report on the accounts for the financial year 1975 contain references to certain irregularities and errors and whereas appropriate action should be taken on this matter;

Whereas, however, the general implementation by the Commission of the budgets for the financial year 1975 was such as to entitle it to be given a discharge in respect of the implementation of these budgets,

HAS DECIDED AS FOLLOWS:

Article 1

The views of the Council on the observations and comments in the Audit Board's report on the accounts for the financial year 1975 are as set out in the Annex.

Article 2

1. The Council notes that:

(units of account)

(a) total payments made from the appropriations for the financial year (management of own resources) amount to .....	5,004,589,554.62
(b) total payments made from appropriations to be financed according to an ad hoc scale amount to .....	80,063.78
(c) total appropriations carried forward from the financial year 1975 to the financial year 1976 (management of own resources) amount to .....	1,238,176,544.61

.../...

(units of account)

2. The Council notes that the sum of the totals under paragraph 1, viz.: ..... is to be covered by equivalent revenue as follows:

6,242,846,173.01

(a) in accordance with Decision 70/243/ECSC, EEC, Euratom <sup>(1)</sup> of 21 April 1970, on the replacement of financial contributions from Member States by the Communities' own resources:

- by own resources .....	3,741,101,246.20
- by financial contributions .....	2,151,995,462.70
- by the amount provided for the appropriations carried forward from the financial year 1974 to the financial year 1975, and which is cancelled .....	29,157,480.59
- by revenue connected with research and investment activities .....	6,035,500.81
- by Member States' contributions to the EURATOM complementary programmes	12,633,429.30
- by the amount of the ECSC levies allocated to administrative expenditure .....	18,000,000.00
- by other miscellaneous revenue .....	283,842,989.70

<sup>(1)</sup> OJ No L 94, 28.4.1970, p. 19



(b) by financial contributions in accordance  
with Article 200(1) of the EEC Treaty 80,063.78

3. The Council notes that payments from  
appropriations carried forward from the  
financial year 1974 amount to ..... 1,406,557,950.84

Article 3

The Council hereby gives a discharge to the Commission in respect  
of the implementation of the budget and of the amending and  
supplementary budgets of the European Communities for the financial  
year 1975, as shown by the following table.

(in UA)

	Balances brought forward from 1974 to 1975	Payments against appropriations brought forward	Amounts carried over from 1975 to 1976 from appropriations brought forward	Cancellations	Total appropriations for the financial year 1975	Commitments at 31.12.1975	Payments made by 31.12.1975	Balances carried forward from 1975 to 1976 (1)	Cancellations
	1	2	3	4	5	6	7	8	9
Administrative and Operating Expenditure (Titles I to IV)	152,116,562.32	148,362,582.16	-	3,753,980.16	799,282,352.00	768,809,648.94	615,127,010.94	164,787,821.92	19,367,519.14
Research and investment expenditure (chapter 33)	14,200,540.05	13,365,507.06	-	835,032.99	101,229,998.00	83,944,015.69	77,449,012.06	22,422,387.95	1,358,597.99
European Social Fund	284,858,697.31	128,284,092.82	154,835,641.02	1,738,963.47	366,140,000.00	353,876,024.46	7,995,464.48	353,958,639.94	4,185,895.58
European Regional Development Fund	-	-	-	-	150,000,000.00	299,825,530.25	90,668,048.86	59,331,951.14	-
EAGGF - Guarantee Section	827,346,822.50	817,983,659.74	-	9,363,162.76	4,336,333,997.00	4,336,333,997.00	4,003,481,249.34	332,852,747.66	-
- Guidance Section	879,927,725.29	145,863,801.62	730,774,409.92	3,289,513.75 <sup>(2)</sup>	262,500,000.00	149,011,841.08	38,420,195.56	223,809,970.86	269,833.58
Food aid and co-operation with the developing countries	163,526,099.04	152,698,307.44	-	10,827,791.60	252,807,550.00	246,853,065.62	171,528,637.16	81,013,035.14	265,877.70
T O T A L	2,321,976,446.51	1,406,557,950.84	885,610,050.94	29,808,444.73	6,268,293,897.00	6,238,654,173.05	5,004,669,618.40	1,238,176,554.61	25,447,723.90

(1) The amounts in column 8 do not represent the difference between columns 6 and 7 as they include the carry-forwards referred to in Article 6(1)(b) of Financial Regulation 73/91/ECSC, EEC, Euratom (OJ No L 116, 1.5.1973, p. 1)

(2) Including 650,964.14 UA refunded to the Member States  
(see revenue and expenditure accounts, Volume II, p. 13)

.../...

Done at Luxembourg, 25 April 1977  
For the Council  
The President

(s.) J. SILKIN

Certified true copy

HOMMEL  
Secretary-General



POSITION OF THE COUNCIL REFERRED TO IN ARTICLE 1

Extra-budgetary accounts

(Section 5(c) of the report)

The Council draws the attention of the Institutions to the Audit Board's comments on the use of bank accounts and asks the Institutions concerned to limit as far as possible the amounts in existing accounts.

Staff expenditure

(Sections 9 to 20 of the report)

The Council has the following comments:

- the Audit Board's comments are felt to be justified;
- the Commission is asked to comply with the provisions concerning the staff of the European Communities, since the strict application of existing provisions is the only way of ensuring uniform treatment for all staff;
- it is pointed out that if the Commission feels that a particular provision is having an undesirable effect, it should duly propose the appropriate amendments; the Commission should furthermore preferably inform the Council, prior to taking unilateral action, of any major difficulties in applying in practice the provisions adopted by the Council.

The Council considers that the provisions concerning staff cannot be freely interpreted.

The Council supports the Audit Board's comments regarding the exchange rates applied for the re-purchase of pension rights (Section 17(e) of the report).

Transfer of emoluments in a currency other than that of the country of employment

(Section 18 of the report)

The Council agrees with the Audit Board's view. It is apparent from paragraph (e) that, despite the restrictions imposed on such transfers, advantage is being taken of the provision for speculative purposes.

European Social Fund

(Sections 31 to 40 of the report)

The Council agrees with the Audit Board's comments on the delays in payments made by the Fund. These delays have in some cases caused the cancellation of appropriations and in other cases the re-allocation of funds to other projects which the Commission had originally considered to be less urgent.

European Agricultural Guidance and Guarantee Fund

Distillation of table wines

(Section 53 of the report)

The Council disagrees with the Commission's view that the forwarding of detailed calculations to the Council would complicate the taking of political decisions. On the contrary, if supplied with detailed information the Council would be able to take its decisions in fuller knowledge of the facts.

Food aid

(Sections 80 to 83 of the report)

The Council draws the Commission's attention to the delays in implementation and clearance both of the aid programmes and of emergency aid. It asks the Commission to submit a report on the measures being taken in order to prevent such delays and in order to recover the costs of delays attributable to the recipient countries from those countries.

Research and investment appropriations

(Sections 94 to 100 of the report)

The Council draws the Commission's attention to the need for further improvement in the Joint Research Centre accounting system. It notes that the Commission will make some effort to improve the financial management of research and investment appropriations.

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