
EUROPEAN PARLIAMENT

Working Documents

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REPORT

drawn up on behalf of the Committee on Budgets

on the joint position adopted by the Council on

- a regulation (EEC, EURATOM, ECSC) implementing the decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources
- an amended proposal for a regulation implementing, in respect of the own resources from VAT, the decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources
(Doc. 432/77)

Rapporteur : Mr H. NOTENBOOM

121.

By letter of 28 November 1977, the Council of the European Communities submitted to the European Parliament its joint position on

- a regulation (EEC, EURATOM, ECSC) implementing the decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources
- an amended proposal for a regulation implementing, in respect of the own resources from VAT, the decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources.

At its meetings of 30 November and 1 December 1977 the Committee on Budgets considered the Council's position. At its meetings of 5 and 6 December 1977, it adopted this report unanimously.

Present : Mr Lange, chairman; Mr Cointat, vice-chairman; Mr Notenboom, rapporteur; Mr Alber, Lord Bruce of Donington, Mr Meintz, Mr Radoux, Mr Ripamonti, Mr Schreiber and Mr Shaw.

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The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

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MOTION FOR MOTION FOR A RESOLUTION

on the joint position adopted by the Council on

- a regulation (EEC, EURATOM, ECSC) implementing the decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources
- an amended proposal for a regulation implementing, in respect of the own resources from VAT, the decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources

The European Parliament,

- having regard to the Commission's amended proposals (Doc. 274/77),
 - having regard to its resolution of 14 October 1977 on these proposals¹,

 - having regard to the joint position adopted by the Council on these proposals on 21 November 1977 (Doc. 432/77),
 - having regard to the report of the Committee on Budgets (Doc. 445/77),
 - whereas, despite the Council's favourable response to certain proposals made by Parliament, several of the provisions contained in the joint guidelines are nevertheless inadequate,
 - whereas, moreover, it is absolutely essential for the regulations establishing the system of own resources and thus giving the Communities complete financial autonomy to be adopted by 1 January 1978;
1. Declines, for the time being, to initiate the procedure for conciliation with the Council in respect of the regulations under consideration;
 2. Nevertheless considers certain provisions to be inadequate, namely those relating to:
 - Article 12(1) of the new regulations 2/71: the Commission must have automatic drawing rights in respect of the own resources made over to it by the national exchequers, as otherwise the Communities would have no real financial autonomy;
 - Article 1, second paragraph of the VAT Regulation: the rate of VAT should be modified during the course of a financial year (as a result of a supplementary budget) only in cases of force majeure;
 3. Notes that the Commission considers the joint position adopted by the Council to be an acceptable basis - at least for the time being - for the implementation of the system of own resources;

¹ OJ No. C 266, 7 November 1977, p. 50

4. Considers it essential for the Commission to submit a report on the implementation of the regulations concerned after one year's experience and, if necessary, to draw up new proposals which could be used in the procedure for conciliation between the Council and Parliament.

EXPLANATORY STATEMENT

1. On 8 September 1977 the European Parliament was consulted on the Commission's amended proposals for the two regulations concerned. It delivered its new opinion on 14 October 1977 (Doc. 326/77).
2. On 22 November 1977 the Council adopted a joint position on these proposals. The Committee on Budgets was forthwith instructed to study this position with a view to delivering its opinion on the desirability of initiating the procedure for conciliation with the Council.

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The observations of the Committee on Budgets

3. The Committee on Budgets takes the view that, although it reflects a number of the points raised by Parliament, the Council's position is nevertheless unsatisfactory in many respects and represents a rough and ready attempt to satisfy the objections and reservations expressed by national administrations.

4. The Committee on Budgets believes that the Council's position is particularly unsatisfactory on two counts, namely:

- genuine financial autonomy for the Commission, i.e. freedom to draw on the Communities' own resources; and
- the undesirability of modifying the rate of VAT in any given year as a result of the adoption of a supplementary budget.

Conciliation and the review of the regulations

5. Despite these objections, the Committee on Budgets thought it undesirable to initiate the procedure for conciliation with the Council since this would have caused an additional delay in the adoption of the regulations concerned - and the deadline of 1 January 1978 might not have been met.

6. However, the Committee on Budgets believes that these regulations should be reviewed in a year's time in the light of experience. In this way the achievement of financial autonomy will not be delayed and it will be possible to review the regulations in a more relaxed atmosphere.

