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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

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PRESS RELEASE

353rd Council meeting

- Foreign Affairs -

Brussels, 22 July 1975

President: Mr Mariano RUMOR,
Minister for Foreign Affairs
of the Italian Republic



22.VII.75

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Renaat VAN ELSLANDE Minister for Foreign Affairs

Denmark:

Mr Niels ERSBØLL Ambassador,
Permanent Representative

Germany:

Mr Hans-Dietrich GENSCHER Minister for Foreign Affairs

France:

Mr Jean SAUVAGNARGUES Minister for Foreign Affairs

Ireland:

Mr Garret FITZGERALD Minister for Foreign Affairs

Italy:

Mr Mariano RUMOR Minister for Foreign Affairs
Mr Adolfo BATTAGLIA Deputy State Secretary,
Ministry of Foreign Affairs

Luxembourg:

Mr Jean DONDELINGE Ambassador,
Permanent Representative

Netherlands:

Mr L.J. BRINKHORST

State Secretary,
Ministry of Foreign Affairs

United Kingdom:

Mr Roy HATTERSLEY

Minister of State,
Foreign and Commonwealth Office

Commission:

Mr François-Xavier ORTOLI

President

Sir Christopher SOAMES

Vice-President

Mr Albert BORSCHETTE

Member

Mr Claude CHEYSSON

Member

STRENGTHENING THE BUDGETARY POWERS OF THE EUROPEAN PARLIAMENT
AND SETTING UP A COURT OF AUDITORS

The Conference of Representatives of the Governments of the Member States adopted by mutual agreement the amendments to certain financial provisions of the Treaties establishing a single Council and a single Commission of the European Communities as regards the strengthening of the budgetary powers of the European Parliament and the setting up of a Court of Auditors.

This Treaty was signed:

on behalf of Belgium: by Mr Renaat VAN ESLANDE, Minister for Foreign Affairs

on behalf of Denmark: by Mr Niels ERSBØLL, Ambassador, Permanent Representative to the European Communities

on behalf of Germany: by Mr Hans-Dietrich GENSCHER, Minister for Foreign Affairs

on behalf of France: by Mr Jean-Marie SOUTOU, Ambassador, Permanent Representative to the European Communities

on behalf of Ireland: by Mr Garret FITZGERALD, Minister for Foreign Affairs

on behalf of Italy: by Mr Mariano RUMOR, Minister for Foreign Affairs

on behalf of Luxembourg: by Mr Jean DONDELINGER, Ambassador, Permanent Representative to the European Communities

on behalf of the Netherlands: by Mr L.J. BRINKHORST, State Secretary for Foreign Affairs

on behalf of the United Kingdom: by Sir Michael PALLISER, Ambassador, Permanent Representative to the European Communities.

The Council made the following statement regarding the Treaty signed by the Governments of the Member States:

"The Council expresses its satisfaction at the signing of the Treaty giving the European Parliament wider budgetary powers and establishing a European Communities Court of Auditors. Coming as it does after the Treaty signed on 22 April 1970, this Treaty represents a further step forward in the continuously developing process envisaged by the Conference of Heads of Government held at Paris on 9-10 December 1974. The Council looks forward to harmonious co-operation with the Parliament on the basis of its new powers."

The Treaty is subject to ratification by the Member States; its main provisions may be summarized as follows:

Strengthening of the budgetary powers of the European Parliament

In order to fully appreciate the changes to be brought about in this regard, it should be remembered that at present:

- all expenditure in the draft budget forwarded by the Council to the European Parliament is classified as compulsory expenditure (necessarily resulting from the Treaty or from acts adopted in accordance therewith) or non-compulsory expenditure
- the European Parliament, acting by a majority of its members, may amend the non-compulsory expenditure. The Council, acting by a majority of its members, may subsequently modify these amendments. The Treaty which has just been signed does not make any change in this respect

- the European Parliament may propose, by an absolute majority of the votes cast, that obligatory expenditure be modified. The Council then acts on these proposals by a qualified majority.

It is on this point above all that changes are made by the Treaty:

- where a modification proposed by the Parliament does not have the effect of increasing the total amount of expenditure, owing in particular to the fact that the increase would be expressly compensated by one or more modifications correspondingly reducing expenditure, in order to overrule the position adopted by the Parliament, the Council has to reject the proposed modification acting by a qualified majority. In the absence of a decision to reject it, the proposed modification will stand as accepted;
- where a modification proposed by the Parliament has the effect of increasing the total amount of expenditure, the Council may, acting by a qualified majority, accept the proposed modification. In the absence of a decision to accept it, the proposed modification will stand as rejected;
- where, in pursuance of the preceding provisions, 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.

From then on, the existing procedure again applies. Accordingly, the draft budget, modified or not in accordance with the aforementioned rules, is returned to the European Parliament together with an account of the Council's deliberations. After a debate, the Parliament will act, by a majority of its members and three fifths of the votes cast, on the modifications made by the Council to its amendments concerning non-obligatory expenditure. These amendments must always comply with the rule of the maximum rate, i.e. if the actual rate of increase in the draft budget established by the Council is over half the maximum rate, the Parliament may, exercising its right of amendment, further increase the total amount of that expenditure to a limit not exceeding half the maximum rate.

In the normal course of events, the Parliament would then finally adopt the budget. However, under the new provisions, it has power to reject it in toto: acting by a majority of its members and two thirds of the votes cast, it may, if there are important reasons, reject the draft budget and ask for a new draft to be submitted to it.

The new Treaty also confers on the Parliament the right, acting on a recommendation from the Council, to give a discharge to the Commission in respect of the implementation of the budget.

Court of Auditors

The purpose of setting up a Court of Auditors is to reinforce the financial audit of Community expenditure and revenue.

The Court of Auditors will consist of nine members, chosen from among persons who belong in their respective countries to external audit bodies or who are especially qualified for this office. They will be appointed for a term of six years by the Council, acting unanimously after consulting the Assembly, and, in the general interests of the Community, will be completely independent in the performance of their duties, neither seeking nor taking instructions from any Government or from any other body.

The Court of Auditors will examine the accounts of all expenditure and revenue of the Community including that of all bodies set up by it. It will also examine whether all revenue and expenditure has been received and incurred in a lawful and regular manner and whether the financial management has been sound.

The audit of revenue shall be carried out on the basis both of the amounts established as due and the amounts actually paid; the audit of expenditure shall be carried out on the basis both of commitments undertaken and payments made. These audits may be carried out before the closure of accounts for the financial year in question. The audit shall be based on records and, if necessary, performed on the spot in the institutions of the Community and in the Member States. In the Member States the audit shall be carried out in liaison with the national audit bodies.

The Court of Auditors will draw up an annual report after the close of each financial year. It shall be forwarded to the institutions of the Community and shall be published, together with the replies of these institutions to the observations of the Court of Auditors, in the Official Journal of the European Communities.

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OVERALL MEDITERRANEAN APPROACH

The Council took stock of the negotiations in progress with the Maghreb countries and agreed to adopt by means of the written procedure, on a proposal to be made by the Commission, provisions extending the present arrangements governing trade with Morocco and Tunisia for a limited period beyond 31 August 1975.

After considering the Community's relations with Malta, the Council also invited the Commission to meet the Maltese delegation and report back to it at its next meeting.

Finally, the Council instructed the Permanent Representatives Committee to continue its examination, in the light of the Council's discussions, of the Commission proposals concerning the development of the overall Mediterranean approach and to submit drafts in the near future for the directives to be given to the Commission concerning the various headings under which the Community intends shortly to open negotiations with the Maghreb countries.

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YUGOSLAVIA

The Council held an exchange of views in preparation for the next meeting of the EEC - Yugoslavia Joint Committee to be held at ministerial level on 24 July 1975 in Brussels.

RAW MATERIALS AND DEVELOPMENT CO-OPERATION

Following the discussions at the meeting of the European Council on 16 and 17 July 1975, the Council was asked to bring to a conclusion the discussions on the definition of a common position to be adopted by the Community and its Member States as regards ~~raw~~ materials and development co-operation in view of forthcoming meetings at international level to deal with relations between the industrialized countries and developing countries.

The Council reached common standpoints on all the problems before it.

The object of this common position is to enable the Community to submit proposals for a programme to be negotiated and implemented at international level although, being of course, understood that final arrangements can only be adopted during the discussions which will take place within the various international bodies and in the light of proposals submitted by the other partners.

With regard to procedure, the Council agreed to maintain - as usual - close co-ordination between the delegations in New York for the entire duration of the 7th Special Session of the General Assembly of the United Nations.

MISCELLANEOUS DECISIONS

The Council adopted, in the official languages of the Communities, the Council Resolution on technological problems of nuclear safety.

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Food Aid

The Council adopted in the official languages of the Communities the Decisions

- on the conclusion of the Agreement between the European Economic Community and the Republic of Niger on the supply of skimmed milk powder (1,500 tonnes) as food aid;
- on the conclusion of the Agreement between the European Economic Community and the Office of the United Nations High Commissioner for Refugees on the supply of butteroil (300 tonnes) and flour of common wheat (5,000 tonnes of common wheat in the form of 3,311 tonnes of flour of common wheat) as emergency food aid for the populations affected by the events in Cyprus.

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Trade questions

The Council adopted in the official languages of the Communities the Regulations:

- increasing the amounts of the Community tariff quotas opened for 1975 by Regulation (EEC) No 3110/74 for certain handwoven fabrics, pile and chenille made from silk or cotton, and amending the list of textile products entitled to be admitted under such quotas;
- maintaining in effect and amending the rules whereby imports into France of knitted gloves originating in the Republic of Korea are subject to import authorizations.

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Social affairs

The Council adopted in the official languages of the Communities,

- the Decisions:

- concerning the programme of pilot schemes and studies to combat poverty;
- on action by the Social Fund to assist people affected by employment difficulties;
- the Recommendation regarding the principle of the forty-hour week and four weeks' annual paid holidays.

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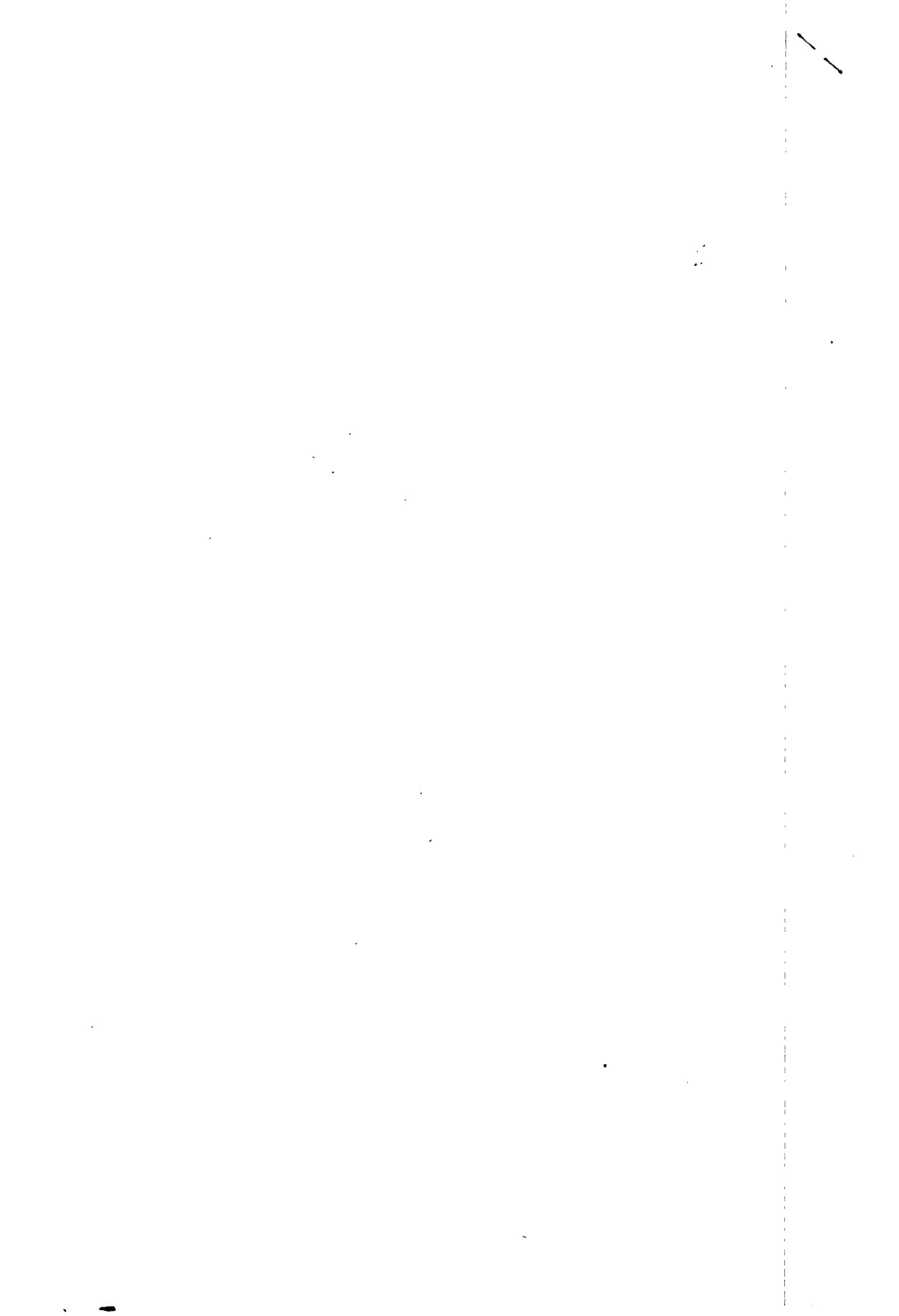
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Relations with the AASM, ESTAF and the OCT

The Council adopted in the official languages of the Communities,

- the Decisions

- giving a discharge to the Commission in respect of the implementation of the Development Fund's operations with regard to the OCT (1st Fund) for the financial year 1971;
 - giving a discharge to the Commission in respect of the implementation of the European Development Fund's operations (1963)(2nd EDF) for the financial year 1971;
 - giving a discharge to the Commission in respect of the implementation of the European Development Fund's operations (1969)(3rd EDF) for the financial year 1971;
 - on the allocation of the amounts to be repaid by the Associated African States, Madagascar and Mauritius and the Overseas Countries and Territories on special loans;
 - on the extension of certain transitional measures in relations with certain Overseas Countries and Territories;
 - on maintaining the arrangements provided for in Articles 109(1), 114 and 119(1) of the Act of Accession;
- Regulation concerning the application of Decision No 49/75 of the EEC-AASM Association Council and Decision No 4/75 of the EEC-ESTAF Association Council on transitional measures to be applied after 31 January 1975 (period after 31 July 1975).



COMMISSION
DES
COMMUNAUTÉS EUROPÉENNES

LE PORTE-PAROLE

Bruxelles , le 22 juillet 1975.

MS/db

PRIORITE - P 1

Remis au télex à : 15 h 00

Note BIO (75) 241 aux Bureaux Nationaux
c.c. aux Membres du Groupe et à MM. les Directeurs généraux des DG I et X

Objet : Conseil affaires générales.

Le Conseil a commencé comme prévu à 10 h 30 par la séance préliminaire qui s'est prolongée jusqu'à 13 h 00; la signature de l'accord de coopération commerciale avec le Sri Lanka a donc été retardée en conséquence. Il semble que les travaux du Conseil aient porté sur l'approche globale méditerranéenne et la préparation de la session spéciale des Nations Unies.

Aucune information précise n'est pour l'instant disponible sur les travaux de cette séance préliminaire qui devrait se poursuivre à 15 h 30, après la signature du traité sur les pouvoirs budgétaires; le Conseil pourrait n'examiner en session ordinaire que le point 6 de l'ordre du jour relatif au statut des fonctionnaires (frais de mission).
(A suivre).

Amitiés,

M. SANTARELLI



B. Yougoslavie

Une solution de compromis a été dégagée au sujet de la coopération dans le secteur de la main d'oeuvre, de sorte que Sir Christopher Soames dispose des éléments nécessaires en vue de la réunion du 24.

C. Portugal

M. Rumor a fait rapport au Conseil sur sa rencontre avec M. Antunes, Ministres des Affaires étrangères portugais, le 18 juillet. M. Antunes a confirmé par écrit au Conseil sa demande d'un report de la réunion prévue au niveau ministériel pour le 22 du fait qu'un nouveau gouvernement est en voie de constitution; il a confirmé le désir du Portugal de renforcer sa coopération avec la Communauté.

3. Session ordinaire :

- "Préparation des prochaines réunions internationales traitant des relations entre les pays industriels et les pays en voie de développement"

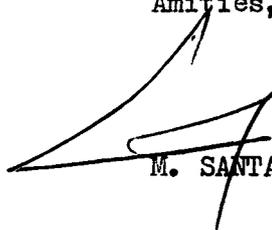
Tel est le titre du document interne que le Conseil a mis au point en vue des prochaines échéances et notamment la septième session spéciale de l'ONU. (C'est sur cette base que M. Rumor interviendra à New York du 1er au 12 septembre au nom de la Communauté. C'est sur cette base aussi que se poursuivra la coordination entre les Neuf et la Commission sur place.)

Le Conseil a exclu toute publicité à ce document. Il faut retenir qu'il s'agit d'une contribution originale de la Communauté fondée essentiellement sur les propositions de la Commission : les accords sur les matières premières se situent exclusivement dans une perspective de développement en tenant compte plus particulièrement des pays les plus pauvres; le choix des moyens (accord par produit et stabilisation des recettes d'exportation p.ex.) se fera non pas sur une base doctrinaire mais pragmatique.

- PTOM/Rhum.

La présidence a lancé un appel pour que le Coreper, qui se réunit aujourd'hui, prenne une décision : l'ancien régime Yaoundé qui venait à expiration le 1er juillet a été prorogé jusqu'au 1er août et il s'agit par conséquent de trouver une solution satisfaisante avant cette date pour l'admission en franchise de certains contingents en provenance des PTOM.

Amitiés,


M. SANTARELLI