

'What does the European Parliament actually do?' from 30 jours d'Europe

Caption: On 22 December 1969, the Council of Ministers of the Six decides to grant the European Parliament new budgetary powers.

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What does the European Parliament actually do?

[...]

From 1975 onwards, the European Community will have an autonomous 'federal' budget, adopted and scrutinised by the European Parliament. This is the news which the people of Europe, their minds on other things, will have read in their usual daily papers this New Year's Eve. The Common Market Ministers have decided to give the Community's Parliament new powers which will enable it more or less to have the final say in the establishment of the Community's annual budget and in setting, year by year, the rate of the future Community levy (this has been agreed in principle, and the definitive procedure for enacting it will be decided by the Council of the Community early this month).

Thus, after talks taken up largely by hard financial bargaining on how to spread the cost of the common agricultural policy amongst the Six, the Community has turned a new page in its history and is steering a new course towards financial independence and democratisation.

Whilst the change will not happen until 1975, this question of the powers of the European Parliament needs careful consideration. Firstly, because the European Parliament's budgetary powers will be strengthened gradually, with the first stage starting next year. Secondly, and most importantly, because an automatic and mandatory timetable has been drawn up for the progressive transfer to the Communities of certain resources which the Community Member States will surrender fully and permanently, and because this timetable will be legally binding on the Member State governments and Community institutions once the December agreements have been ratified.

In fact, the timetable adopted by the Council of the Six in the icy Brussels dawn of 22 December, after the longest and most gruelling marathon of day- and night-time talks, is just as important for the history of European integration as that set in 1957 for the gradual abolition of customs duties and other barriers to trade within the Common Market. Anyone who doubts it should wait for 1975 and see for himself.

The scope of financial autonomy *per se*, and the significance of these stronger powers for the European Parliament, mean that this decision by the Six is one of historic importance (why not use the word?). [...]

Why strengthen the European Parliament's powers?

We do not know whether it was mainly reasons of ideology or the imperatives of democratising the Community which prompted the Ministers of the Six to give responsibility for final approval of the annual Community budget to the European Parliament after 1975. What we do know is that the Ministers realised that they had to do it. And decisions grounded in reason and objective need rather than a tide of sentiment or ideological conviction are often the most soundly based. They are unlikely to lead to regrets or a *volte face*, if, by any chance, the tide ebbs away.

The need to strengthen the budgetary powers of the European Parliament derives from the simple realisation that no national parliament is going to give up its power to scrutinise part of public revenue and expenditure unless that power is at the same time transferred to another democratic institution. In the political systems of Western Europe — however they are structured and however their parliaments operate — the executive body which effects public expenditure must be accountable to a democratically elected power.

At present, in the Common Market, it is the Member State governments which decide from year to year how much money will be made available to the Community and how it will be used, and these governments are answerable to their respective parliaments. But, once revenues from levies on agricultural imports, customs duties on industrial imports from outside the Common Market and the future Community levy, based on VAT, automatically belong to the Community, the national parliaments will have lost their right to approve or block that revenue and to control or scrutinise the way in which it is used.

Irrespective of the form of our countries' political systems, and without this in any way meaning a return to

the system of parliamentary dominance for those countries of the Common Market which have opted for something different, it is clear that there is a need for parliamentary scrutiny at European level.

Up to the end of 1974, part of the Community budget will continue to be provided by financial contributions from the Member States, subject to scrutiny by the national parliaments: so, naturally, the Council, that is to say the governments answering to their parliaments, will have the final say in approving the budget. For the interim period 1971–1974, then, the plan is simply to increase the European Parliament's budgetary powers, specifically by strengthening Parliament's ability to amend the draft budget drawn up by the executive bodies of the Community (Commission and Council).

But, from 1975 onwards, the European Parliament will have the final say, which means it can amend the budget, even against the Council's wishes. Detailed procedures and a number of requirements concerning majority voting will preclude the risk of major decisions being taken against the wishes of a major political group in Parliament or the risk of MEPs from one or other of our Member States being constantly placed in a minority position.

[...]

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