

European Communities

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Report

drawn up on behalf of the Committee on Budgets

on questions of budget discipline and
the future financing of the Community

Rapporteur: Mr E. LANGE

PE 90.050/fin.

By letters of 21 February 1984, 17 March 1984 and 9 April 1984, the Commission of the European Communities forwarded the following documents to the European Parliament:

- Communication from the Commission to the Council on budget discipline (COM(84) 83 final/3),
- Communication from the Commission to the Council on the future financing of the Community (COM(84) 140 final),
- Memorandum from the Commission to the Council on the creation of new own resources (COM(84) 162 final).

In view of the significance of these communications and the debate on these matters already held within the Council, the Committee on Budgets decided to draw up a report thereon.

At its meetings of 17/18 April 1984 and 2 May 1984, the Committee on Budgets considered the draft report and adopted it at the last meeting by 14 votes to one.

The following were present: Mr Lange, chairman and rapporteur; Mr Abens, Mr Ansquer, Mr Balfour, Lord Douro, Mr Fich, Mr Lalumiere, Mr Langes, Mr Newton Dunn, Mr B. Nielsen (deputizing for Mr Louwes), Mrs Nikolaou, Mr O'Mahoney, Mr Pfennig, Mr Price, Mr Saby and Mrs Scrivener.

The explanatory statement will be given orally in the House.

The report was tabled on 7 May 1984.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

The Committee on Budgets hereby submits to the European Parliament the following:

MOTION FOR A RESOLUTION

on questions of budget discipline and the future financing of the Community

The European Parliament,

- having regard to the communications from the Commission to the Council on budget discipline (COM(84) 83 final/3), the future financing of the Community (COM(84) 140 final) and the creation of new own resources (COM(84) 162 final),
- not having been consulted by the Council, despite the request it submitted, having regard to the report of the Committee on Budgets (Doc. 1-247/84),
- A. having regard to the discussion at the meeting of the Heads of State or Government held on 19 and 20 March and the proposals on budget discipline, the implementation of the budget and the future financing of the Community currently being discussed,
- B. determined to maintain and extend the powers and responsibilities in the field of financial and budgetary policy conferred upon it by the Treaties,
- C. referring to the proposals it has made in the past¹,

¹ - LANGE report on financial equalization, OJ No. C 309, 10.12.1979, p. 34
- SPINELLI report on the Community's own resources, OJ No. C 101, 4.5.1981, p. 75
- PFENNIG report on the future of the Community budget, OJ No. C 172, 13.7.1981, p. 54
- ARNDT report on the future financing of the Community, OJ No. C 128, 16.5.1983, p. 54
- DE PASQUALE report on changes in the conciliation procedure, OJ No. C 10, 16.1.1984, p. 34
- SPINELLI report on the establishment of the European Union, OJ No. C 77, 14.2.1984, p. 33
- Growth in agricultural expenditure: ARNDT report, OJ No. C 128, 16.5.1983, p. 54
- 1981 budget with regard to the establishment of an agricultural reserve fund
- 'Early warning system' in connection with agricultural expenditure: BANGEMANN report, OJ No. C 275, 20.11.1978, p. 45, paragraph 37

1. Rejects emphatically the Council's intentions to take measures unilaterally with regard to budget discipline and the future financing of the Community and draws attention to the Council's undertakings concerning close cooperation and conciliation with the European Parliament given on the occasion of the first and second revisions of the Treaties establishing the European Communities¹;
2. Recalls that at the time when it rejected the 1980 budget, Parliament expressed the need for strict budget discipline; stresses, however, that revenue and expenditure in the general budget of the Community can only be determined jointly by Council and Parliament;
3. Considers it necessary, therefore, in order that there may be participation by both arms of the budgetary authority on an equal footing, that the differentiation between compulsory and non-compulsory expenditure should be abandoned so as to attain a balanced budget under joint responsibility and thereby ensure a harmonious development of the Community in all policy areas;
4. Expresses its support once more for an increase in the Community's share of value added tax, provided that the new own resources thereby created are used to further the development and consolidation of the Community in all areas;
5. Takes the view that if the budget is to be shaped in a rational and effective manner, some basic conditions must be established in the form of objectives, guidelines, reference frameworks and financial strategies, amalgamated in a binding multiannual financial forecast, to be determined by both arms of the budgetary authority in conjunction with the Commission;

¹ (a) Resolution of 22 April 1970 relating to Community acts having financial implications and to cooperation between the Council and the European Parliament
(b) Joint Declaration of the European Parliament, the Council and the Commission of 4 March 1975

6. Considers it necessary, moreover, for the attainment of genuine budget discipline, that the Commission, Council and Parliament should reach joint agreement with the governments of the Member States on which policies should be financed solely at Community level, which solely by the Member States and which on a joint basis;
7. Demands that in accordance with Section III(5) of the Joint Declaration of 30 June 1982, Parliament, the Council and the Commission should meet in order to 'consider unresolved problems' and 'prepare joint proposals for solutions', which might form the basis of a more rational and more efficient budget policy in the European Community.
8. Instructs its President to forward this resolution to the Council and Commission.

