

EUROPEAN PARLIAMENT

Working Documents

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MOTION FOR A RESOLUTION

tabled by Mr ARNDT on behalf of the Committee on Budgets

with request for an early vote

pursuant to Rule 42 (5) of the Rules of Procedure

on the further development of the Community
and how to finance it

PE 84.794

The European Parliament,

- having regard to its resolutions on the future financing of the Community, the elimination of budgetary imbalance and the Mandate of 30 May 1980,
- reiterating the demand it has been making repeatedly since 1979 for practical and detailed proposals,
- having regard to the Communication from the Commission to the Council (COM(83) 270 final) of 6 May 1983, on which it has still to deliver a detailed opinion,
- in the expectation that the European Council will at last take a political decision at its June meeting in Stuttgart,
- summarizes, for the European Council, its basic political demands as regards the solving of the budgetary problems in the following paragraphs:
 1. Believes that the raising of the VAT ceiling above 1% is the most suitable instrument from the political, institutional and administrative points of view;
 2. Therefore expects the Commission and the Council to implement the necessary measures to increase the Community's share of value added tax;
 3. Points out at the same time that any decision to raise the VAT ceiling must be ratified in each of the ten Member States pursuant to Article 201 of the Treaty, which may lead to delays of several years, and therefore takes the view that the raising of the VAT ceiling as a necessary additional source of revenue must be ruled out in the short term and that measures must therefore be limited to a fuller use of existing sources of revenue;
 4. Has repeatedly pointed out that the main cause of budgetary imbalance lies in the predominance of price support measures for agricultural products in structural surplus;

5. Reaffirms its view that a balanced budget can be achieved only by comprehensive control of agricultural expenditure in the agricultural sectors with structural surpluses, and by strengthening Community structural policies;
6. Has repeatedly expressed the view that the raising of the VAT ceiling must be accompanied by measures to curb the growth in expenditure on the Guarantee Section, in particular by putting an end to the production of structural surpluses because
 - agricultural expenditure might otherwise absorb the whole of the increase,
 - it is the only means of achieving greater predictability in respect of expenditure,
 - it would make it possible to adjust actual expenditure more closely than in the past to available funds,
7. Considers that a medium-term solution to this problem would be for the annual increase in agricultural expenditure to be held below the increase in revenue;
8. Considers it therefore necessary for the decisions of the Council of Agriculture Ministers to comply strictly with the budget adopted by the budgetary authority;
9. Again draws attention to the fact that it will not accept any further transitional solution with regard to European Community expenditure and revenue in a Member State or a solution based in any way on the idea of 'fair returns'; unless there is a clear conception of how the Community is to be financed in the future;
10. Recalls its various proposals designed to shape the VAT system in such a way that account is taken of the different per capita incomes and economic performance of the Member States;
11. Considers, on the other hand, that the inclusion of Community expenditure, such as agricultural expenditure, in the basis for calculating VAT constitutes an unacceptable confusion of revenue and expenditure;

12. Reaffirms in this connection the view that a redistribution in favour of financially weaker Member States cannot be achieved on the revenue side of the budget but only on the expenditure side by setting up a kind of system of financial equalization;
13. Is not prepared to accept the automatic inclusion of customs duties and agricultural levies in the payments made by the people of the contributing country as a basis for calculating the 'net amount', but expects a new method of calculation or assessment to be devised which provides a clearer and more objective picture of both the quantifiable financial and economic advantages and the real burdens of membership of the European Community;
14. Considers it necessary when tackling new policies to draw up a clear definition of the policy, to determine the terms of reference of the Community by comparison with the Member States, to make a long-term assessment of costs and to quantify the savings involved for the Member States;
15. Takes the view, moreover, that it is necessary to determine for every policy whether sole financing by the European Community or joint financing with the Member States is necessary and, where the solution opted for is sole financing by the European Community, whether additional national financing is prohibited;
16. Rejects on principle any solution which would undermine the present system of own resources and constitute a return to financial contributions;
17. Therefore considers the proposals for the introduction of a GNP tax or an agricultural production tax as a step in the wrong direction, which moreover does not appear feasible in the next few years because of the need for ratification by the ten member countries;
18. Rejects, on grounds of budgetary principle, the earmarking of particular items of revenue for specific policies. Taxes on hydrocarbons, energy imports, energy consumption, oils and fats or on cereals substitutes should therefore not be regarded as measures of a budgetary nature; such taxes would have a merely orienting function within the particular policy concerned;
19. Believes that the desired accession of Spain and Portugal makes it necessary:
 - to alter the financial structure of the Community,

- to modify the present decision-making procedure in the Council of Ministers,
- to devise a viable financial solution for the European Community as a whole, which will be possible only if the additional funds necessary are available;

20. Calls on the European Council in its deliberations on the future financing of the Community to take account of the proposals on the strengthening of the budgetary powers of the European Parliament;

21. Instructs its President to forward this resolution to the Council and Commission of the European Communities.