

Written Question No. 374/79

by Mr Glinne

to the Commission of the European Communities

Subject: Crisis affecting Community own resources

It is becoming increasingly apparent that the system of Community own resources is heading for a crisis which could become extremely acute in two or three years' time and which, in restoring national responsibility for the financing of Community expenditure, might even have adverse repercussions on common policies.

What view does the Commission take of this particularly disturbing trend?

ANSWER TO WRITTEN QUESTION N° 374/79 BY MR GLINNE

In its document "Financing the Community Budget - The Way Ahead", dated 21 November 1978, the Commission examined the steps which should be taken to meet the situation which will arise when the Community Budget becomes too big to be financed entirely by customs duties, agricultural levies and up to 1% of a uniform VAT tax base, as is provided for in the Council Decision of 21 April 1970. The Honourable Member may be referring to the possible consequences of the initial reactions of some Member States who doubted whether the 1% VAT ceiling should be raised. The Commission does not believe that a limit on resources decided nearly 10 years ago, in very different circumstances from now, should be allowed to hold back the development of the Community, let alone that it should lead to a dismantling of any of the progress so far achieved. This may be the result if desperate measures are taken to keep within the present ceiling. The Commission has announced that it intends to make a formal proposal to increase the Community's resources, and to do this by the end of this year because of the elaborate procedures that a change in the 1970 Decision requires.

MS

