

# European Communities

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EUROPEAN PARLIAMENT

## Working Documents

1974-1975

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10 March 1975

DOCUMENT 518/74

### Report

drawn up on behalf of the Committee on Economic and Monetary Affairs

on the economic situation in the Community

Rapporteur: Mr. P.-B. COUSTÉ

PE 39.918/fin



At its sitting of 19 February 1975 in Strasbourg, the European Parliament instructed the Committee on Economic and Monetary Affairs to draw up a report on the statement by Mr Haferkamp, Vice-President of the Commission of the European Communities, on the economic situation in the Community.

At its meeting of 27 February 1975 the Committee appointed Mr Cousté rapporteur.

It considered the draft report at its meetings of 27 and 28 February 1975.

At the latter meeting it adopted the motion for a resolution by 13 votes to 1 and decided that the explanatory statement should be given orally.

The following were present : Mr Lange, chairman, Mr Cousté, rapporteur, Mr Carpentier, Mr Hougardy, Mr Flämig (deputizing for Mr Cifarelli), Mr Guldborg (deputizing for Mr Brøndlund Nielsen), Mr Mitterdorfer, Mr Willi Müller, Mr Leenhardt, Lord Reay, Mr Schmidt (deputizing for Mr van der Hek), Mr Scholten, Mr Springorum (deputizing for Mr Schwörer) and Mr Starke.



The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the economic situation in the Community.

The European Parliament

- having regard to the statement on the economic situation,
  - having regard to its resolutions of 13 March 1974, 15 May 1974 and 9 October 1974,
  - having regard to the report of the Committee on Economic and Monetary Affairs (Doc. 518/74),
1. Approves on the whole the Commission's assessment of the economic situation in the Community, and particularly the Commission's demand for an honest appraisal of its inherent risks and of the sacrifices involved in the measures required to ensure gradual recovery;
  2. Reaffirms that, in view of the disparities between countries, present rates of inflation and unemployment in the Community, the highest recorded since its creation, seriously threaten the Community's integration and development;
  3. Reaffirms strongly that, more than ever, the European Community could provide Member States with the most appropriate framework for dealing with the present crisis;
  4. Stresses the need for more to be done to promote the free movement of goods within the Community so as to forestall any temptation to resort to protectionism and, particularly at the present juncture, calls for efforts to ensure the expansion and improvement of world trade;
  5. Welcomes the adoption of a procedure for floating Community loans as well as the agreements recently reached in Zeist on the mobilization of gold reserves and in Washington on the recycling of petro-dollars; observes, however, that mastery of the problems raised by the recycling of capital, while highly desirable, cannot provide a lasting remedy;
  6. Calls for vigilance in ensuring that neither the banking system nor any other economic sector is affected by any discrimination contrary to the spirit of the Treaty of Rome or to the principles enunciated in the UN Charter;

7. Recalls that it is necessary, in order to ensure 'recovery against a background of stability':
  - that Member States with relatively high inflation rates and balance of payments deficits should endeavour to combat these difficulties, notably through an appropriate budgetary and credit policy, development projects and vocational training programmes,
  - that countries with relatively moderate inflation rates and balance of payments in equilibrium or in surplus should pursue a cautious and selective expansion policy such as would not give rise to further inflation.
- 8 Approves the objectives laid down for the Community, i.e. limitation of consumption accompanied by investment incentives designed to bring about the necessary structural changes in our economy;
9. Notes that the problems associated with the current situation have never been more closely dependent for their solution on structural measures and therefore reiterates its appeal to Member States to adopt a genuinely Community economic policy through the creation of appropriate economic policy instruments;
10. Emphasizes that the maintenance of the liability and competitiveness of the European economy on the world market demands more than ever the implementation of a Community energy policy;
11. Feels that the threat to our economy posed by the present crisis cannot be met without the active support of the various social groups;
12. Urges, therefore, that the cost of the sacrifices to be made should be spread equitably; and supports to this end the Commission's projects for expanding aid from the Social Fund to cope with adjustments in employment;
13. Instructs its President to forward this resolution to the Council and the Commission of the European Communities and to the governments and parliaments of the Member States.