

European Communities

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ORAL QUESTION (0-98/82)

with debate, pursuant to Rule 42 of the Rules of Procedure
by Mr BANGEMANN,
on behalf of the Liberal and Democratic Group
to the Commission of the European Communities

Subject: Competitiveness of the Community and
national aid

- Whereas the European Community is entering its fourth year of economic stagnation and whereas this period is very long compared with previous periods of stagnation;
- noting, with regret, the very high level of unemployment, which represents a threat to socio-economic and democratic structures;
- whereas, on the one hand, international demand is falling and, on the other hand, international trade is deteriorating, a situation that is very serious for the Community, which accounts for one third of world trade;

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PE 80.979

The Commission of the Communities is asked:

- (a) What measures does it plan to take to curb public demand in view of the fact that the national budget deficits are undermining the economic competitiveness of the Ten, since their growing public debt - up to 16% of the GDP - leads to an increase in taxation and rising interest rates, holds back investment and therefore detracts from the competitiveness of undertakings?
- (b) In view of the high level and the inflexibility of labour costs in the Community, does it consider that there should be a ceiling on, or even a reduction in, certain social benefits, or, at least, in certain social instruments which are counter-productive?
- (c) What measures does it feel are needed to boost demand, and indeed, growth, which is essential to restore a balance in the profit-debt ratio and thus to ensure the ability of firms to finance themselves?
- (d) Does it not consider that the Community, 25% of whose activities are geared to foreign trade, should, in its domestic and foreign policy, oppose protectionism in any form, which would trigger off other protectionist measures, restrict the ability of firms to make progress in the technological field, and ultimately impair their competitiveness?
- (e) What steps does it plan to take to increase the mobility of the economy and, in particular, to remove the various obstacles to productive activity, such as superfluous legislation and complicated administrative procedures?
- (f) In view of the importance of investment, which, because it stimulates demand, is vital to the protection of jobs, what measures have been taken to create a favourable climate for investment and to encourage advanced technology rather than declining industries?

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In particular, is there not a need to improve, as a matter of priority, the system of tax on invested profits and the rules governing savings invested in undertakings' own resources?

- (g) How can the proliferation of national aid systems be stopped, in view of the fact that such systems account for an increasing share of national budgets? Does the Commission not think that the time has come to make a rigorous assessment of their compatibility with the provisions of the Treaty, if necessary by systematic recourse to the Court of Justice of the Communities?
- (h) What proposals have been made to enable undertakings in the EEC to derive the maximum benefit from the economies of scale which the size of the Common Market permits?
- (i) What measures can be taken to encourage better use of public contracts?