

EUROPEAN PARLIAMENT

# Working Documents

1979 - 1980

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DOCUMENT 1-512/79

## Report

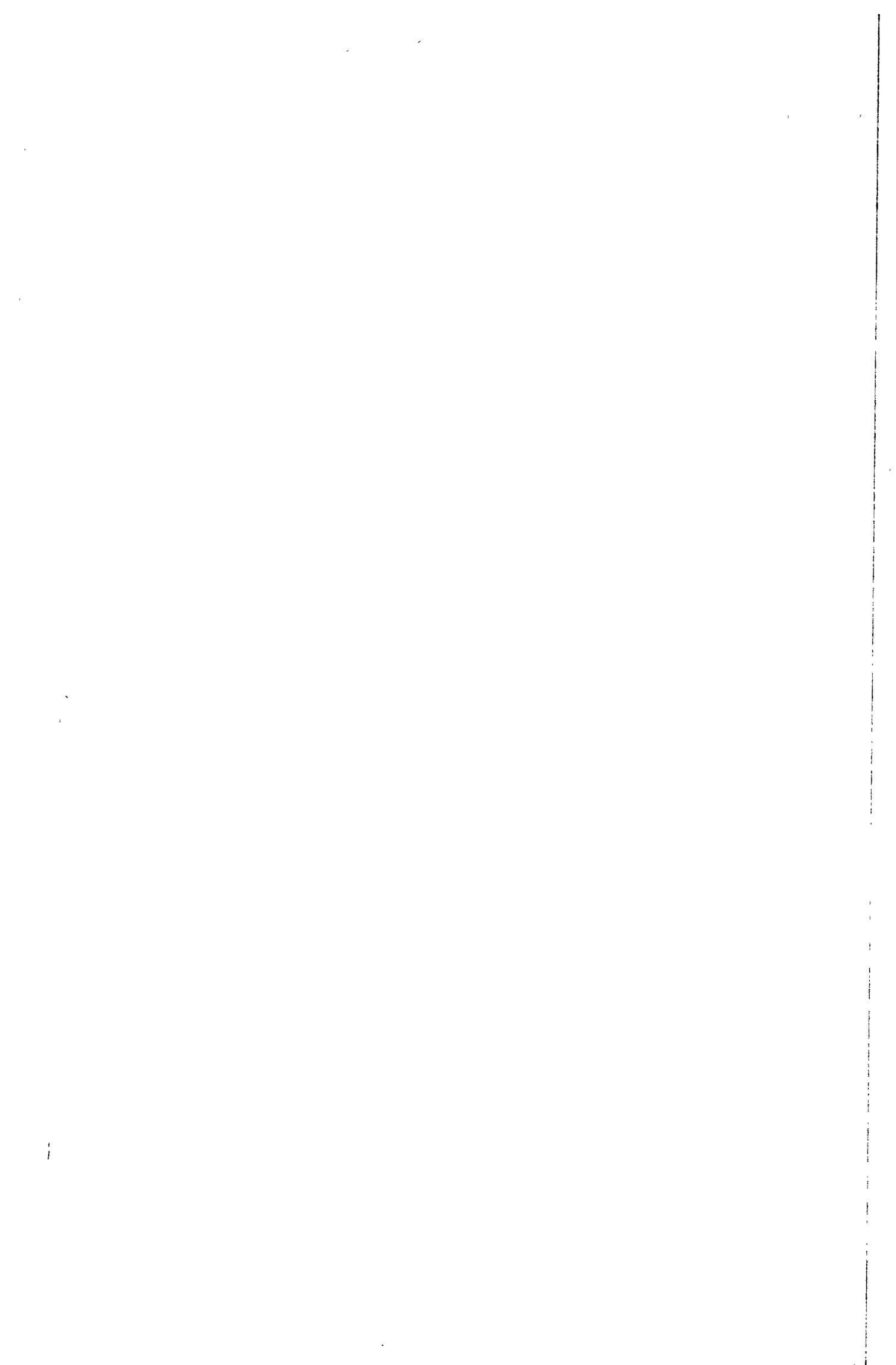
drawn up on behalf of the Committee on Budgets

on the communication from the Commission of  
the European Communities entitled 'Convergence  
and budgetary questions'

Rapporteur: Mr E. LANGE, Chairman of the  
Committee

1.2.6

PE 60.992/fin.



On 6 November 1979 the Commission of the European Communities forwarded to the Council a communication on convergence and budgetary questions (Doc. COM (79) 620 final).

This document was referred to the Committee on Budgets as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on Agriculture for their opinions.

The Committee on Budgets appointed its chairman rapporteur at its meeting of 12 November 1979.

It adopted this report by 23 votes in favour, 5 votes against and three abstentions at its meeting of 13 November.

Present: Mr Lange, chairman and rapporteur; Mr Notenboom, 1st vice-chairman; Mr Spinelli, 2nd vice-chairman; Mr Rossi, 3rd vice-chairman; Mr Adonnino, Mr Ansquer, Mr Balfe, Mr Barbi, Mrs Boserup, Mr Colla, Mr Forth, Mr Friedrich (deputizing for Mr Aigner), Mrs Gredal, Mr Gouthier, Lord O'Hagan, Mr Hord, Mr Jackson, Mr Langes, Mr Lega, Mr Motchane, Mr Pearce (deputizing for Mr Tuckman), Mr Pfennig, Mrs Pruvot (deputizing for Mr Nord), Mr Ryan, Mr Taylor, Mr Schon, Mrs Scrivener, Mr Simonnet, Mr Sutra (deputizing for Mr Dankert), Mr Wettig (deputizing for Mr O'Leary), Mrs Wiczorek-Zeul (deputizing for Mr Arndt).

The explanatory statement will be presented orally.

The opinion of the Committee on Agriculture will be published separately.



The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the communication from the Commission of the European Communities entitled 'Convergence and Budgetary Questions'

The European Parliament,

- having regard to the communication from the Commission entitled 'Convergence and Budgetary Questions' (COM(79) 620 final) of 31 October 1979,
  - having regard to the report of the Committee on Budgets and the opinion of the Committee on Agriculture (Doc. 1-512/79),
1. Considers that the serious problems facing the Community today are attributable essentially to the lack of convergence of the Member States' economies;
  2. Points out that convergence between the economies can result only from the development of proper common policies and from the coordination of the policies pursued by the Member States in the economic and monetary spheres, and also in the regional, social, agricultural and other sectors, while having regard to the specific situation of each Member State;
  3. Notes that for the past ten years the declarations of the Council on the need for convergence between the economies have remained a dead letter because of the lack of a genuine political resolve;
  4. Notes further that the slowness of the Community in adapting its own resources, in developing common structural policies in the economic and agricultural sectors and in restoring the balance of its common agricultural policy may well be a serious obstacle to its development and is rendering the attainment of convergence even more difficult; this lag must be made up in a decisive manner and as a matter of urgency;
  5. Declares inadequate, given its incompatibility with the spirit of the Treaties, any solution based on the concept of a fair return, calling into question the principle of own resources or resorting to non-budgetary financial transfers;

6. Considers that the financial imbalances caused by the present situation and the burdens which they place on certain Member States are a serious problem which calls for an immediate solution;
  7. Considers that only a new and lasting system of financial equalisation between the Member States within the Community - based on the concept of per capita gross domestic product and organized within the framework of the Community budget - can effectively contribute to the furtherance of the efforts at convergence made through the common policies;
  8. Is of the opinion that, through such a system, the Member States whose per capita gross domestic product is higher than the Community average should finance - in proportion to the position in relation to this point of reference - a further, separate component of budgetary resources;
  9. Considers that this component should be made available to those Member States whose per capita gross domestic product is lower than the Community average - in proportion to their position in relation to this point of reference and with a view to supporting their efforts to make good their economic backlog; this component would be used in accordance with guidelines flowing from the common policies and annual decisions taken by the budgetary authority;
  10. Regards the Commission's communication as unsatisfactory, based entirely as it is on a mechanism involving refunds of Community resources; calls on the Commission instead to draw up a formal proposal based on the Community system of equalization described above and on proposals for convergence between the economies;
  11. Points out that no proposals of this kind can be adopted by the Council without the agreement of Parliament - and stresses that the conciliation procedure is fully applicable in this matter;
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12. Instructs its President to forward this resolution to the Commission and Council of the Communities.



