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# European Communities

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## EUROPEAN PARLIAMENT

# Working Documents

1975-1976

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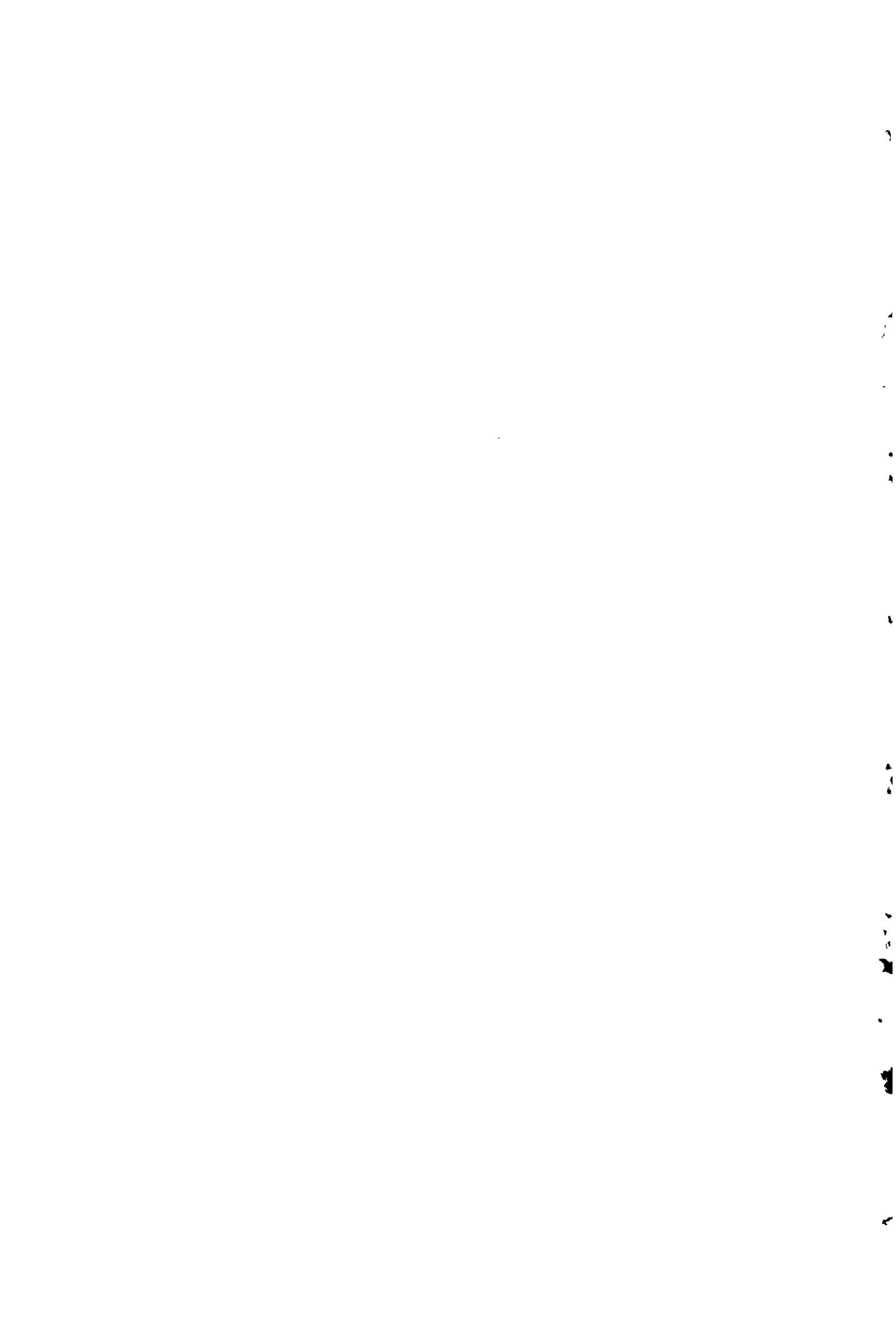
## Report

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

on the proposal from the Commission of the European Communities to the Council (Doc. 334/75) concerning the annual report on the economic situation in the Community

Rapporteur: Mr H.K. <sup>'</sup>ARTZINGER

PE 42.443/fin.



By letter of 4 November 1975 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 4 of the Council decision of 18 February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States of the European Communities, to deliver an opinion on the proposal concerning the annual report on the economic situation in the Community.

This proposal was referred to the Committee on Economic and Monetary Affairs.

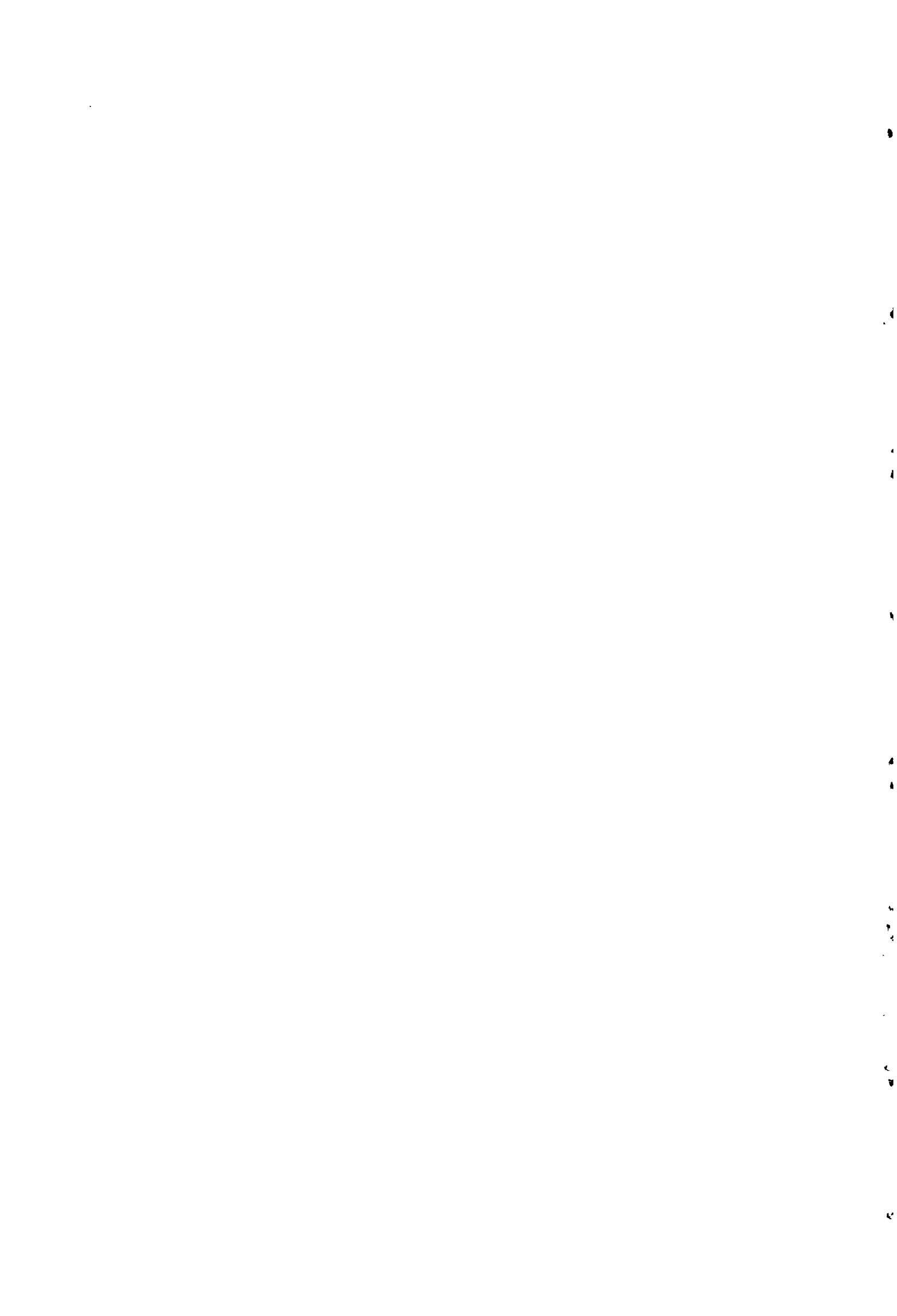
At its meeting of 24/25 April 1975 the Committee on Economic and Monetary Affairs appointed Mr Artzinger rapporteur.

It considered the proposal at its meetings of 20 and 21 October 1975 and 4 and 5 November 1975.

On 4/5 November 1975 the committee adopted the motion for a resolution by 8 votes to 1, with 3 abstentions.

Present: Mr Leenhardt, chairman; Sir Brandon Rhys Williams, vice-chairman; Mr Artzinger, rapporteur; Mr Albertsen, Lord Ardwick, Mr Burgbacher, Mr Cifarelli, Mr Dykes, Lord Gordon-Walker, Mr Leonardi, Mr Prescott and Mr Suck.

The explanatory statement will be given orally by the rapporteur.



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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities concerning the annual report on the economic situation in the Community

The European Parliament,

- having regard to the annual report on the economic situation in the Community and the economic policy guidelines for 1976 submitted by the Commission of the European Communities to the Council (COM(75) 520 final),
  - having been consulted by the Council pursuant to Article 4 of the decision of 18 February 1974, (Doc. 334/75),
  - having regard to its resolutions of 15 October 1974<sup>1</sup>, 13 November 1974<sup>2</sup> and 13 March 1975<sup>3</sup>,
  - having regard to the report of the Committee on Economic and Monetary Affairs (Doc.362/75 ),
1. Agrees with the Commission's description of the present situation as the 'severest recession since the war';
  2. Approves the cautious evaluation of conjunctural data and the restrained terms in which the Commission predicts an upturn in the economy at the beginning of next year;
  3. Agrees with the guidelines proposed by the Commission for the economic policy to be pursued by the Member States in 1976, the basic content of which is as follows :
    - a flexible budgetary policy designed to prevent a further conjunctural recession, without over-stimulating domestic demand; in the event of an appreciable economic improvement the budgetary deficits could be reduced in 1976;
    - as before monetary and credit policies in most of the Member States should continue to favour expansion, in order to reinforce economic recovery, although an excessive increase in the money supply should be avoided;
    - all the economic groups should regard as their main objective the creation of suitable conditions for an economic revival; their cooperation is essential if confidence in the future of the economy is to be restored;

<sup>1</sup> OJ No. C 140/15, 13 November 1974

<sup>2</sup> OJ No. C 155/22, 9 December 1974

<sup>3</sup> OJ No. C 76/27, 7 April 1975

4. Reaffirms its resolution of March 1975 on the economic situation and emphasizes the continuing validity of the general economic objectives: reducing unemployment, particularly by means of productive investment, fighting inflation, improving balances of payments, ensuring reasonable growth, gradually removing the disparities that threaten both the political cohesion of the Community and social cohesion in certain Member States;
5. Notes with regret that owing to the Council's unwillingness to take the required decisions, Community economic policy instruments cannot be created or where they exist, cannot be adequately utilized; refers in this context to the unsatisfactory state of progress towards Economic and Monetary Union and stresses that it was not yet possible in 1975 to grant Community loans as a gesture of financial solidarity;
6. Fears that the lack of medium-term economic policy objectives for the Community will hamper the efforts being made by the Member States to counteract the present situation with the traditional means afforded by budgetary, monetary and credit policies and flanking measures under wages and incomes policies;
7. Calls on the Commission and Council, therefore, to develop medium-term economic objectives for the Community without delay so that the structural components of the recession the Community may be changed;
8. Emphasizes that the monetary cooperation of certain Member States has helped to make of the Community, at a time of worldwide economic and monetary instability, a zone of relative stability; stresses the Community's special economic responsibility as regards the world economy as a whole, and in particular undisrupted international trade;
9. Believes that everything should be done to ensure that Europe makes a major contribution to the reorganization of the world monetary and economic system;
10. Calls on the Community in this connection to act increasingly as a single entity and adopt a common position in international organizations according to the letter (Article 116 of the EEC Treaty) and spirit of the Treaties.
11. Instructs its President to forward this resolution and the transcript of the oral explanatory statement to the Council and Commission of the European Communities and to the national parliaments and governments of the Member States for their information.