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Report

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drawn up on behalf of the Committee on Budgets

on the guidelines of the European Parliament on the budgetary and financial
policy of the European Communities for 1978

Rapporteur: Mr Michael SHAW

PE 48.677/fin.

At its meeting on 19 April 1977, the Committee on Budgets appointed Mr SHAW rapporteur on the guidelines of the European Parliament on the budgetary and financial policy of the European Communities for 1978.

The Committee on Budgets considered the draft report at its meeting of 27 and 28 April 1977 and adopted it unanimously on 28 April.

There were present: Mr Lange, Chairman, Mr Cointat, Vice-Chairman, Mr Shaw, rapporteur, Mr van Aerssen, Lord Bruce of Donington, Mr Clerfaÿt, Mr Martens, Mr Meintz, Mr Notenboom, Mr Radoux, Mr Terrenoire, Mr Würtz, Mr Yeats.

The explanatory statement will be presented orally by the rapporteur.

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

MOTION FOR A RESOLUTION

on the guidelines of the European Parliament on the budgetary and financial policy of the European Communities for 1978.

The European Parliament,

- having regard to the communication from the Commission (COM(77) 20 final),
- having regard to the report of the Committee on Budgets (Doc. 83 /77),
 - (a) conscious of its responsibilities in regard to the General Budget of the European Communities,
 - (b) wishing to convey formally to the Commission and to the Council its political views on the principal budgetary and financial guidelines for the financial year 1978,

I. The new budgetary structures

1. Stresses the need to adopt the new budgetary structures for the 1978 financial year - including the conditions necessary for the setting up of the own resources system on 1 January 1978 - namely,
 - (i) the amendments to the financial regulation applicable to the general budget of the European Communities;
 - (ii) the European unit of account; and
 - (iii) the VAT financial regulation and associated proposalsand calls on the Council to complete this programme before the opening of the 1978 budgetary process, recourse being had, if necessary, to the conciliation procedure with Parliament;
2. Calls on the Commission to take full account of the proposals put forward by Parliament for improvements in the budgetary procedures;
3. Welcomes the Commission's intention, in accordance with Parliament's view, to improve Community financing capacity by way of long-term borrowings guaranteed by the Community thus giving added flexibility to the scope for budgetary action in the spheres of investment and development and calls for early specific Commission proposals in the matter;

4. Calls on the Commission, when preparing the preliminary draft budget, to create the conditions conducive to the most efficient use of Community resources by making the necessary proposals to the Council when setting out the objectives in the different policy fields;

II. 1978 budgetary policy

5. Insists that the Commission present a preliminary draft budget which constitutes a genuine comprehensive budgetary and fiscal policy document and not a mere accounting text, thereby discharging in full its responsibilities under the Treaties;
6. Believes that the 1978 budget should mark a turning point in the development of the Communities and should be decided on in the light of Community needs and goals rather than being determined by considerations arising from past trends in the GNP, the national budgets and the price patterns of Member States;
7. Calls for clear evidence of a new drive and initiative in the 1978 budget with significant proposals in major spheres of activity, so as to enable the Communities to play their full part in the building of Europe, thus catching the imagination and the support of the European public;
8. Asks the Commission to present, in the context of the 1978 budget, comprehensive common policies in the fields of energy, research and transport;

III. Specific budgetary points of crucial importance

Agriculture

9. Considers that, in regard to agriculture, a better equilibrium between the organization of the market and the structures policy constitutes an element essential to the safeguarding of the common agricultural policy and would provide the conditions necessary for progress in the less favoured agricultural areas; therefore, demands that the Commission take these considerations into account and translate them into concrete budgetary proposals;

Industry and energy

10. Insists that the Community ensures that the necessary funds are available to finance the development of the advanced technology sector of European industry so as to enable it to compete successfully on a world scale;

11. Urges that, in view of the difficult employment situation,
- (i) specific measures be provided to assist small and medium enterprises to surmount temporary economic difficulties, and
 - (ii) concrete steps be taken to reduce (a) Community dependence on imported sources of energy, especially hydrocarbons, and (b) wasteful use of existing energy resources;

Social and regional policy

12. Points out to the Commission that, in the present economic and social situation, its responsibilities demand budgetary proposals capable of substantially modifying the weak Community policies of past years; therefore, insists that the Commission put forward proposals capable of countering divergent developments within the Community, of alleviating unemployment problems and of assisting women and young persons to secure jobs;

Aid

13. Endorses a continuation and improvement of projects for aid to developing countries and calls attention to the need for a vigorous programme for the transfer of technology designed to improve the productivity of indigenous food producing techniques;

IV. Conclusions

14. Recalls that carefully elaborated multi-annual budgetary forecasts should be made available in view of the extension of the use of commitment authorizations destined to cover the financial aspect of those policies which extend over several years;
15. Reminds the Commission that the preliminary draft budget 1978 should make full provision for all the expenditures likely to arise during the entire financial year so as to obviate the need for avoidable supplementary budgets; moreover, considers this to be an essential requirement now that the use of Community own resources is to be determined in the light of an informed debate, this being necessary since, henceforth, Community exchequer needs will be fully decided by the Council and Parliament;
16. Instructs its President to transmit this resolution to the Council and to the Commission of the European Communities.

