EC own resources

1994/2191(INI) - 11/03/1999 - Text adopted by Parliament, single reading

The European Parliament adopted the resolution, drafted by Jutta Haug (PSE,DE), on the need to modify and reform the European Union's own resources system. The report stresses that all the Member States must participate in the financing of the budget in accordance with the same principles and that offsetting, in accordance with the Treaty, of disparities in economic development must be ensured not on the revenue side, but, rather, in accordance with systematic budgetary principles, on the expenditure side. It condemns the so-called "juste retour" theory as it is contrary to the indivisible nature of the financial and non-financial rights, benefits and obligations deriving from Union membership and from the principle of solidarity between Member States and the principles of the four freedoms. The report calls for the European Parlmiament to be given full budgetary powers, which are not confined to the expenditure side, and to only some expenditure, but embrace all areas of expenditure and revenue. The Parliament rejected Jutta Haug's proposal that the CAP should be based on co-financing from national budgets. The resolution points out that the rebate which applies to the UK was introduced when agriculture accounted for over 70% of the Community's expenditure to ease the burden on countries whose agricultural industry was small in macroeconomic terms. It emphasises that a reduction in individual Member States' shares of the financing of such aspects as structural policy, pre-accession measures and internal policies is inconsistent with the system and cannot be justified in any way. The report re-emphasises the Parliament's call for the EDF to be integrated into the EU budget. The Parliament gives its initial support to the proposal that VAT-based and GNP-based own resources should be combined in a transparent, simple source of own resources the calculation of which is comprehensible, which is based on GNP and on the basis of which fundamental reform of the own resources system and the introduction of new forms of own revenue in place of the present third and fourth sources of revenue can be addressed. It calls for any agreement reached by the Member States on certain types of tax to provide for at least some of the yield to accrue to the Union budget as own revenue, since these taxes will then be of a primarily European nature. The Parliament emphasises that such new revenue for the European budget should not be additional, but should replace existing revenue. Finally, the report expresses the Parliament's belief that thought should be given to the introduction of a system under which the Member States would be required to collect traditional own resources more efficiently.