

CIRCLE III

Working document 5

"Discussion circle" on own resources

Subject : Note from Hans Martin Bury, Alternate Member of the Convention

Members of the "Discussion circle" III on own resources will find hereafter a note from Mr. Hans Martin Bury, Alternate Member of the Convention, with replies to the questions asked in CONV 654/03

"Discussion circle" on own resources

Position of Hans Martin Bury on the questions in CONV 654/03

- (a) Should Council decisions under the Article 269 procedure continue to be unanimous? What role should the European Parliament play?**

Decisions on two points must continue to be unanimous: the own resources ceiling - i.e. the level of the maximum revenue available to the EU - and the introduction of any new categories of own resources.

The European Parliament should be involved as it is now in decisions on the system of own resources that continue to require unanimity.

- (b) Should the Article 269 procedure uphold the requirement for adoption by the Member States in accordance with their respective constitutional requirements, or should financing be turned into a Union competence?**

Since most EU resources come from taxes levied by the member states, parliamentary control must be exercised over the own resources ceiling by the national parliaments. This means that decisions should be unanimously adopted by the Council and then ratified by the parliaments of the member states. This procedure should also apply to the introduction of any new categories of own resources.

- (c) Does the existing system of own resources meet public expectations in terms of fairness and transparency?**

The present system of own resources has proven itself in terms of financial policy. The national transfers to the Community can be easily distinguished and have a

fixed ceiling. The Community for its part has a reliable, rich and steady source of funds.

The funding of the Community budget is on the whole fair. It is closely linked to GNP and thus to the economic strength of the member states. The citizens contribute to the financing of the Community as part of their individual tax burden - as they contribute to all other public resources.

However, it is true that the funding system is difficult for citizens to understand due to its complexity.

(d) Would the existing decision-making procedure allow substantial amendments to be made to these resources?

Our objective of fostering growth and employment in Europe precludes the option of increasing the overall tax burden of citizens and businesses in the member states. Therefore I strongly oppose all suggestions for an **additional** EU tax. It would however be logical to combine responsibility for revenue and expenditure in the course of the further integration process. We should seriously consider inserting a new provision in the Treaty which could serve as a legal basis for levying a future EU tax.
