

## 'The Commission fulfils its obligations with its Plan' from Europe (12 March 1987)

**Caption:** On 12 March 1987, Emanuele Gazzo, Director of Agence Europe, defends the proposals set out in the Delors Plan to increase the revenue of the Twelve and reform the Community budget.

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## **CVCe**

## The Commission fulfils its obligations with its Plan

The reform contained in the Delors plan is not simply a quest for expedients on the part of the Commission in order to increase Community revenue and then finance policies or actions that the Commission itself finds necessary or timely.

The reform respects the logic on which the Community's institutional order is based and at the same time it fulfils the Commission's obligation to apply and implement policies and joint actions that the twelve member countries wanted to create when they signed the Treaty and then when they decided to supplement it with the European Single Act. <u>Mr Delors was right to tell the Parliament today: "Our proposals are nothing but the Single Act, the whole Single Act."</u>

Those who describe the proposals as "ambitious" seem as a result to feel that the Single Act is not at all ambitious. They will have to resolve this contradiction which has lodged itself in their minds. The fact is that they are forgetting:

1 — that the Community can do no more than <u>spend what it is told to spend</u>, in order to "respect its internal or external obligations, as they result from the treaties or acts approved in virtue of them" (definition agreed on by the Budget Authority). Of course, it could be said that some of these expenses (for instance for agriculture) have been and still are excessive and poorly used. But we know that agricultural spending is the result of both price decisions (or others) made by the Council and by imponderable factors (climatic or unpredictable trends in international markets and exchange rates). Other expenses, which take up less than one third of the current budget, are earmarked for applying programmes and allocations determined in the common interest <u>by the Council</u>. We must add that the influence of the other branch of the Budget Authority (the Parliament) on spending is purely marginal.

2 — that <u>all the problems for which the Delors Plan suggests solutions are not at all new and were around before the Single Act</u>. The Act introduced the obligation, which is also a necessity if we want to have a single market, to implement other policies or actions aimed at ensuring the internal and coherent development of the Community. This very Single Act "prescribes" to the Commission that it makes proposals on the matter.

Why should anyone be surprised that it is fulfilling its obligations? Some people were shocked that the plan suggests a (partial) change in the <u>nature and volume of own resources</u>. There is really no reason for astonishment here either since the matter has been debated for many years. The Commission devoted a "Green Paper" to it, the Parliament drafted a sizeable report on it in 1980. Among the proposals advanced at the time was precisely one on introducing <u>some progressivity</u>, <u>particularly in reference to GDP</u>. It is noteworthy to point out what Altiero Spinelli, rapporteur, had to say before the EP that had just been elected on 20 July 1979: "We are told that from now on new taxes should be designed so as not to affect progressively the richest <u>citizens</u> but the richest <u>countries</u>. I must point out that in a proper tax system, the rich citizen from country "A" and the equally rich citizen from country "B" should pay the same amount, regardless of the fact that country "A" is richer or poorer than country "B". Very simply, there will be more rich citizens paying more in country "A"." This is the type of reasoning we should make, instead of accusing the Commission of wanting to go too fast. When Tugendhat predicts that it will take 2 or 3 years to break into, we understand what he means: he is calling on his experience, which led him to always promise to make proposals but never do it because he was afraid they would fail. Well, things can and must change; the Commission can become credible again. The Parliament was right to warn countries that might oppose in principle an overall project whose overall nature is a crucial element. Those who would react in this manner would be doubly wrong: they would refuse to believe that the Community had a future, and they would denounce their signatures.

## Emanuele Gazzo