



EP 02 – New financial commitments of the EU

Considering that:

- 5 – The difficulties to agree on the common agricultural policy and the British rebate were the main causes of the failure of the June European Council to reach a political agreement on the Financial Perspectives for the new programming period 2007-2013;
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- 10 – By taking diametrically opposed positions, and talking purely in the national interest, the Member States brought the EU further into disrepute in the minds of its citizens – something that was again perceived as a fight between member states and "Brussels". On the contrary, negotiations have little to do with anything beyond pure national interests, with the EU institutions being sidelined.
- 15 – a rapid, but balanced, agreement on the European Union budget is necessary to ensure a smooth transition to the new programming period and to avoid discontinuity in policy-making and policy-implementation in the enlarged European Union;
- 20 – the rejection of the European Constitution by the negative referenda in France and the Netherlands has caused institutional and political inertia in the European Union;
- the reviewed Lisbon strategy offers the essential policy instruments such as stronger focus on education, research and development, and environmental protection to promote sustainable development of the European economy and its capabilities to become one of the most prosperous and dynamic economic players in the world;
- 25 – certain EU policies are outdated and do not serve the purposes of European citizens, but partial and small interest groups in our societies, while other issues of extreme importance remain unaddressed;
- the European Union urgently needs new sources of funding, arising from direct revenues in order to minimize its dependence on the member state contributions and open the path for new and increased spending, which meets broad European interests;
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The ill-tempered wrangling over the EU budget at the European Council in June 2005 must never be repeated.

35 JEF-Europe hence asks that:

1. the negotiations are mainly confined to the level of appropriations in the separate policy headings, rather than on the overall fixed figure for expenditure, at the same time keeping a balanced budget;
2. In the short term, possible areas for the EU-taxation should be investigated and gradually these areas should become a part of the EU-budget alongside national contributions during an interim period. During this period, member states should equally make it clear to their citizens how the money they once contributed to the EU will be used differently.
3. The long term aim that by 2014 at the latest, the EU should be able to raise all of its own resources, through customs levies, and, importantly, through the introduction of a EU-wide system of taxation.
4. The total size of the EU budget, and the taxation system chosen to raise the required income, to be set in a democratically accountable way, i.e. these should be matters of party-political debate, to be decided in light of citizens expressing their views in the European Parliament elections.

JEF-Europe believes that:

5. Certain types of taxation – on aircraft fuel (kerosene) for example – could only practically be introduced at a supranational level, and hence may have especially strong justification when the principle of subsidiarity is applied.
6. One of the guiding principles of such a system should be that how the money is raised and used be transparent. When the tax is first introduced, Member States shall be obliged to make it clear to their citizens how the funds previously destined for the EU will be used nationally. The decision on the total size of the EU budget, and the precise format of the tax should be taken by both the European Parliament and the Council of EU, voting by qualified majority.

JEF-Europe will continually re-affirm:

7. The principle of subsidiarity should be central to any decisions about what the EU budget will be used for.
8. That the expenditure for research and development as well as education must be substantially increased;
9. That the European Commission presents an in-depth evaluation of the income and expenditure side of the European Union budget and the own resources arrangement before the end of the new programming period;
10. the British rebate should be abolished and the Common Agricultural Policy spending considerably reduced, followed by new commitments to resolve the issue in the interest of advanced, modern and just European society.