

Speech by Mr Guntars Krasts, alternate member, Latvian Parliament

European Convention

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The Finances of the EU

Mr Chairman,

I support the Presidium's proposal to maintain the current system as to defining Union's own resources, where the Council is acting unanimously on a proposal by the Commission having consultation with the Parliament. The principle of ratification of the system of own resources by the member states has to be maintained as well.

The creation of the European tax would be a move away from the EU as the Union of National States, and there is no doubt that EU budgetary spendings will always remain more distant from people than those of the National State's. Therefore the proposal of the European Tax should be rejected. By using notion "*tax*" we will not bring EU closer to the citizens of EU.

In order to ensure budgetary discipline and balanced EU budget, I support the principle that all EU legislative proposals take into account their budgetary implications, and it is necessary to ensure this principle is respected through all the stages of the EU legislative process.

I am with the proposal, that there should not be distinction between compulsory and non-compulsory expenditures of the EU budget. Meanwhile, in order to maintain institutional balance, vis`a via increasing budgetary power of the European Parliament, it is necessary to incorporate multiannual financial perspective in the Constitutional treaty. The financial perspectives has to be adopted by the Council unanimously.

The Union's yearly budget should comply with the multiannual financial perspectives. This would improve the budgetary planning of the EU and would give clear guidelines for the member states in the planing of their national budgets.