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THE EUROPEAN PARLIAMENT REJECTS THE  
PROPOSED EC BUDGET FOR 1980

The European Parliament, which was directly elected for the first time last June, has decisively rejected the EC's budget for next year with a majority of 288 votes to 64 plus one abstention.

This move is regarded as a show of strength whose repercussions on the European Community will be considerable. Mr. Roy Jenkins, European Commission President, commented after the vote: "The Commission obviously cannot welcome a position in which there is no budget ..... The train is temporarily off the tracks."

The Parliament's action was a result of its members dissatisfaction about the amount of money the EC Council of Ministers proposed to spend on agriculture next year, instead of allocating more resources to regional development aid and the restructuring of declining industries.

The proposed budget for next year was dollars 23.5 billion.

However, the EC will not be completely immobilized as a result of the European Parliament's vote. Under an emergency procedure laid down in the Treaty of Rome, the EC will be obliged to limit spending next year to a maximum of 8.3 per cent on a monthly basis of the 1979 budget.

It is now up to the European Parliament's budgetary committee and the Council of Ministers to try to find a compromise which will allow them to agree a new budget, but it is unclear how long this process will take - probably several months.