



Money for Jobs, not Surpluses

On 6 November, Parliament is expected to adopt major amendments to the draft 1981 EEC budget, reinstating much of the money for the regional fund, social fund, energy and research and development aid which had earlier been cut from the Commission's proposals by the Finance Ministers of the Nine meeting in the Council of Ministers. At the same time a resolution highly critical of the Council's whole approach to EEC spending is likely to be passed overwhelmingly. This will condemn the Council for profligacy in agriculture whilst ignoring the pressing needs of the Community in other fields.

Speakers from all sides of the House in July were highly critical of the Commission's preliminary draft which had included far higher figures for non-agricultural spending. Parliament's spokesman Pietro Adonnino (EPP/It), had called it "transitional" and Budget Commissioner Christopher Tugendhat had himself agreed that the proposals had been framed against a background of severe financial constraints. By making savage cuts the Council had now rendered this budget "simply unacceptable", said Mr Adonnino.

Where the money comes from

In 1980 the Community's revenue for financing the Budget is expected to come from "own resources"* as follows:

	£ equiv.	%
Agricultural levies	1,061m	11.5
Sugar/isoglucose levies	309m	3.3
Customs duties	3,567m	38.5
VAT	4,213m	45.5
Other	109m	1.2
	9,259m	

(*Figures relate to the Preliminary Draft Budget of February 1980)

Strategy for 1981

What could well emerge as a consensus view of Parliament was voiced by European Democratic Group spokesman John M. Taylor during the October part-session (14 October). Forecasting major amendments by Parliament to non-agricultural

spending he said "In 1981 the Parliament must so order this budget that when the farm ministers meet next spring they will do so with their heads firmly pressed against the VAT ceiling, the present limits of the Community's own resources. If they do that, and if they perceive a real need to spend more money on some agricultural purpose then they will have to make a corresponding economy in some other agricultural sector – and that is a state of affairs that the Commission has always wished to see."

How the Budget Compares

That the Community budget is still relatively modest is evident when it is seen in relation to Member States' public expenditure:

	EEC Budget as a Percentage of:		
	Member States' budgets	Member States' total public expenditure ¹	Member States' gross domestic product (nominal)
1973)	2.0	1.29	0.53
1974)	1.8	1.21	0.51
1975) UA	1.8	1.17	0.55
1976)	2.0	1.34	0.61
1977)	1.9	1.26	0.57
1978) EUA	2.6	1.71	0.80
1979)	2.8	1.76	0.83

¹ Central, regional, local and social security.

The implications are clear: the Community's own resources are rapidly becoming exhausted. Only a small fraction of the 1% of VAT rate now remains unused and this could well prove insufficient during the coming year. From 1975 to 1979 Community revenue (customs duties, levies and VAT) increased at an annual rate of 12.5%; but in the same period agricultural market guarantee expenditure increased from about £2,800m (equivalent) in 1975 to £6,500m, an average annual increase of 23%, or nearly twice the rate for total (continued on back page)

THE EEC BUDGET FOR 1981

This table compares the level of spending proposed by the Council for 1981 with spending planned by the Commission and with the previous year's Budget. Figures are for payment appropriations (i.e. money actually paid or to be paid during the year). Figures are given in Sterling calculated at the rate of 1 EUA = £0.62935. Major items of expenditure are also given as a percentage of the total budget.

	Final Budget for 1980		Commission's preliminary draft for 1981		Council's Draft for 1981		Council's cuts in Commission's 1981 proposals	
	£	%	£	%	£	%	£	%
TOTAL BUDGET	9,870m		12,619m		12,109m		-510m	-4.0
Of which:								
CAP Total	7,511m	76.1	8,565m	67.9	8,535m	70.5	-30m	-0.4
inc. Guarantee	7,229m		8,144m		8,131m			
Guidance	282m		421m		404m			
Regional Fund	254m	2.6	485m	3.8	315m	2.6	-170m	-35.1
Social Fund	235m	2.4	447m	3.5	352m	2.9	-95m	-21.1
Special item for UK*	—	—	614m	4.9	614m	4.9	0	0

*Note: Total repayments to UK in 1981 are expected to be about £1,007m, 8.3% of the Draft 1981 Budget.

Work in Progress

DOCUMENT	SUBJECT	Main Cttee.	Other Cttee.
COM(80)418 fin	Proposal for an amending directive on substances having an anti-oxygenic effect and available for use in foodstuffs.	Env	
COM(80)420 fin	Proposals for regulations on the promotion of development and research in the fishing sector.	Agric	Budget
COM(80)413	Proposal for a regulation on species of wild fauna and flora threatened with extinction.	Env.	Ext.
	Proposal for a directive on the protection of workers from the risks of exposure to asbestos at work.	Env.	
COM(80)445 fin	Proposal for a decision on the restructuring of agricultural surveys in Italy.	Agric.	Budget
COM(80)447 fin	Proposal for an amending directive on the varieties of agricultural plant species and the marketing of vegetable seed.	Agric.	
COM(80)395 fin	Proposals for regulations fixing the Community's five-year scheme of generalized tariff preferences for 1981-85.	Ext, Dev.	Econ, Agric.
COM(80)400 fin	Proposal for a decision on information in the field of technical standards and regulations.	Econ.	
	Proposals for regulations on	Ext, Agric.	Dev, Budget
	(i) imports of olive oil from Tunisia, Algeria & Morocco		
	(ii) imports of certain agricultural products from Turkey		
COM(80)483 fin	Proposal for an amending regulation concerning fish stocks within the Community.	Agric.	
	Proposals for:-		
	(i) a regulation on microelectronic technology;	Energy	
	(ii) a recommendation on telecommunications;		
	(iii) a communication on new information technologies		
COM(80)467 fin	Proposal for a recommendation on the registration of work involving deoxyribonucleic acid (DNA).	Env.	
COM(80)508 fin	Proposals for:-	Trans.	
	(i) a decision on the introduction of a ECMT Licence for international removals		
COM(80)403	(ii) an amending directive on the carriage of goods by road between member states		
	(iii) an amending directive on authorization to carry goods by road between Member States		
COM(80)285 fin	Proposal for a regulation on the conclusion of the Framework Agreement for cooperation between the EEC and Brazil.	Ext.	Dev.
COM(80)496 fin	Proposal for a directive on insurance against civil liability in respect of motor vehicles.	Legal	Econ, Env.
COM(80)553 fin	Proposal for a regulation on the common organisation of the market in sugar.	Agric.	Dev. Budget
COM(80)461 fin	Proposal for a directive on aid to shipbuilding.	Econ.	
	Request for a regulation on the implementation of certain provisions of the Report on the financial situation of the Communities as at 30 June 80	Budget	Control
	Draft general budget of the EEC for the financial year 1980 drawn up by the Council.	Budget	
	Addendum to the draft general budget of the EEC for the financial year 1980	Control	
	Report on the 1979 accounts of the European Centre for the Development of Vocational Training (Berlin).		
	Report on the activities of the EEC-Greece Association Council (May 1979 to August 1980).	Greece	
	Proposal for an amending directive on taxes affecting the consumption of manufactured tobacco.	Econ.	Budget
COM(80)69 fin	Proposal for a regulation on the determination of import duties on mixtures and sets.	Agric.	Budget
COM(80)343 fin	Proposal for a decision to adopt a sectoral research and development programme in the field of environment.	Env.	Energy
COM(80)357 fin	Proposal for an amending decision to adopt a multiannual research and development programme in the field of paper and board recycling.	Energy	Env.
COM(80)360 fin	Proposal for a directive enforcing international standards for shipping safety and pollution prevention.	Trans.	Env.
COM(80)361 fin	Proposal for a communication on a plan to combat oil pollution of the sea.	Env.	Trans, Budget
COM(80)190 fin	Proposals for amending regulations on	Agric.	Ext, Budget
	(i) the import of New Zealand butter into the UK		
	(ii) the importation of New Zealand butter into the Community on special terms.		
	Proposal for a draft recommendation on electricity tariff structures.	Energy	Econ.
COM(80)369 fin	Proposal for a directive on laws concerning toy safety.	Econ.	Env.
COM(80)384 fin	Proposal for a directive on the development of agriculture in the French overseas departments.	Agric.	Dev, Budget

Action taken on Parliament's Opinions

Each month the European Commission reports on the action it has taken in response to the Opinions previously expressed by Parliament.

At its 7-11 July part-session Parliament voted on 9 proposals from the Commission.

1. In four cases it adopted Committee reports supporting Commission proposals:

- Report by Mr Giumarra on the importation of fresh lemons (285/80);
- Report by Mrs Hoff on contributions to the EGSG from the General Budget (266/80);
- Report by Mr von Wogau on rear-view mirrors, building-site equipment, textile names, electrical mining equipment, and monitoring of biodegradability (141/80);
- Proposal on premiums for not replanting in certain wine growing areas (211/80).

2. In two cases Parliament proposed amendments which the Commission largely accepted:

- Report by Mr Colleselli on statistical surveys in wine-growing areas 302/80);

- Report by Mr von Wogau on certification procedures for manufacturers from third countries (236/80).

3. In three cases the Commission did not accept Parliament's amendments:

- Report by Mr de Ferranti on motorised handling trucks (224/80);
- Report by Mr Buttafuoco on transport infrastructure projects of Community interest (218/80);
- Report by Mr Gautier on fishing in Faroese, Swedish, Norwegian and Greenland waters (304/80).

4. Following requests by Parliament the Commission has also provided:

- emergency aid to victims of the flood in Belgium;
- further aid to victims of Hurricane Allen in Martinique and Guadeloupe, Jamaica, St Lucia, St Vincent and the Grenadines, Dominica, Barbados, and Haiti.

At its 15-19 September part-Session Parliament voted on 6 proposals from the Commission:

1. In two cases it adopted Committee

reports supporting Commission proposals;

- Report by Mr von Wogau on safety of motor vehicles (343/80);
- Report by Mr Blaney on the flax and hemp industry (389/80).

2. In three cases Parliament proposed amendments which the Commission largely accepted:

- Report by Mr Dankert on
 - (i) convergence of the economics of the Member States;
 - (ii) creation of a financial mechanism (373/80);
- Report by Mr Sassano on alternative energy sources (214/80);
- Report by Mr Turner on insurance policies (237/80).

3. In one case the Commission did not accept Parliament's amendments:

- Report by Mr von Wogau on the fuel and engine power of motor vehicles.

4. Following requests by Parliament the Commission has also provided:

- financial aid for victims of floods in France, drought in Kenya, Hurricane Allen in St. Lucia, St Vincent, Dominica, Grenada, Jamaica and Haiti.

(Work in Progress contd.)

COM(80)382 fin	Proposal for a decision to adopt a second programme of research and development for the EAEC.	Energy	Budget
COM(80)452 fin	Proposal for a regulation on catch possibilities of stocks in the Community fishing zone.	Agric.	
	Proposal for a decision to adopt an EEC research and development programme for a machine translation system.	Energy	Budget
	Proposal for a directive on the harmonized application of safe containers in the EEC.	Trans.	Env.
COM(80)441	Proposal for an amending regulation on the market in wine.	Agric.	
COM(80)416	Proposal for an amending directive on preservatives for use in foodstuffs.	Env.	
COM(80)509	Proposal for an amending regulation on the quota for the carriage of goods by road between Member States.	Trans.	
COM(80)411	Proposal for a decision concerning European Social Fund aid for those employed in the textile and clothing industries.	Social	
COM(80)453	Proposal for an amending decision to adopt a research and training programme for the EAEC in the field of thermonuclear fusion.	Energy	Budget
COM(80)440	Proposal for a regulation on measures for the conservation and management of fishery resources applicable to vessels in 200-mile nautical zone off the coast of Guyana.	Agric.	
COM(80)478	Proposal for a regulation on the supply of food aid to certain developing countries.	Dev.	Agric, Budget
COM(80)490	Proposal for a decision on the eradication of African swine fever in Sardinia.	Agric.	Budget
	Proposal for a regulation introducing measures to terminate the service of officials of the European Communities due to the accession of new Member States.	Budget	Legal
COM(80)410	Proposal for a regulation on assistance from the ESF to provide income for shipbuilding industry workers.	Social	Budget, Econ.
Own-initiative	Report on the liability of producers and purveyors of pharmaceutical products for veterinary use.	Agric.	Env.
"	Report on inspection and surveillance operations for the implementation of the common fisheries policy.		
"	Report on the medium and long-term economic prospects of the Community	Econ.	Reg, Soc.
"	Report on trade relations between the EEC and Romania.	Ext.	
"	Report on the communication from the Commission on transport relations with Austria.	Trans.	Budget
"	Report on the 5th Annual Report of the European Regional Development Fund.	Reg.	Control
"	Report on the use of the subsidy granted to the European Schools.	Control	Youth
"	Report on the powers of control of the Commission on the collection of own resources (the 'Como Butter' case).		

1981 Budget (from page 1)

revenue. In 1981 available revenue will total about £13,000m (equivalent). The Commission in drawing up the preliminary draft budget for 1981 allowed about £346m for contingencies, including the 1981 agricultural price review, harvest uncertainties and other measures. By reducing proposals for non-agricultural expenditure, the Council hoped to increase this latitude to about £856m. Parliament, in restoring these cuts and making other amendments, will substantially decrease this margin. In the words of one member of the Agriculture Committee: "The time when the Community could simply spend its way out of politically embarrassing decisions has come to an end" . . . "there simply may not be sufficient appropriations available to operate the CAP throughout 1981, and in particular to provide for adequate price adjustments and any additional measures required".

Following amendments by Parliament on 6 November the draft budget returns to the Council, to re-emerge in Parliament during the December part-session. It remains to be seen whether Luxembourg Council President-in-Office Jacques Santer's promise of "sincere comprehension" of Parliament's position will be borne out by the Councils' attitude during the autumn budget dialogue with Parliament.

Members feel strongly about the need to cut the costs arising from surplus agricultural production and substitute adequate funds for regional development, job creation, and other policies to help to face current economic conditions.

How the Budget has grown

The following table shows the growth in actual Community expenditure during the past few years compared with national expenditure and GDP:

	Annual Per Cent Rate of Growth since 1973	EEC Member States' budgets	Member States' total public expenditure ¹	Member States' gross domestic product (nominal)
1974)	8.5	21.3	16.8	13.5
1975)	23.4	27.3	27.1	14.6
1976) ^{UA}	18.6	13.2	14.2	16.1
1977)	6.1	12.6	13.3	12.8
1978)	45.4	15.6	12.8	10.5
1979) ^{EUA}	16.9	11	13.1	12.2

¹ Central, regional, local and social security.

Replies to Members' Questions

Scrap landing cards – Brian Hord (Dem/UK) WQ 364/80

The Commission is recommending Member States to end the practice of requiring the citizens of Community countries to fill in "landing cards" on inter-Community travel.

Postal cost in Europe – Ulrich Irmer (Lib/Ger) WQ 244/80 and Horst Seefeld (Soc/Ger) WQ 284/80

Inland postage rates should apply throughout the Community. At present domestic rates for letters not exceeding 20 grams and postcards, which account for 80 per cent of all postal items, apply within the six original Member States and between Denmark and the Federal Republic of Germany. Only Denmark has so far acted upon a Commission recommendation of May, 1979 that Member States charge domestic rates for postal items of the categories between themselves. All Member States except the UK ("because of declining revenue") are preparing to introduce domestic rates for postal traffic with Denmark.

Fraud in VAT collection – Pieter Dankert (Soc/NL) WQ 407/80

Prime responsibility for combating fraud in the collection of VAT "own resources" must lie with Member States. The Commission had noted that more and more steps were being taken to tighten up checks on taxable persons and to improve the efficiency of tax collection. Given the complexity of tax frauds, the Commission would not be in a position to make an accurate assessment of the

situation in Member States even with far more staff than it now has.

Top of the League – Joyce Quin (Soc/UK) WQ 460/80

Britain has been advertising more public works contracts in the Official Journal of the European Communities than any other Member State. Between 1973 and 1979 well over a third of such advertisements came from Britain.

Numbers by country were:

	1979	1973-1979
Belgium	381	1595
Denmark	40	248
France	432	2115
Germany	489	3469
Holland	114	637
Ireland	54	270
Italy	525	889
Luxembourg	5	30
UK	615	5486
EEC TOTAL	2855	14739

Not even half a loaf – John D. Taylor (Dem/UK) WQ 681/80

Southern Ireland has not been granted any derogation to subsidise exports of bread to Northern Ireland. The Irish subsidy on bread consumed in Ireland, which will be phased out completely in 1982, may not be extended to exported bread.

Harmonising road signs – Sir Henry Plumb (Dem/UK) WQ 683/80

The Commission is not at present contemplating action at Community level to harmonize road signs and road markings in Member States. International

uniformity is covered by the Vienna Convention on Road Signs and Signals which has been signed by 134 States, including those of the European Community.

Working at home – Ken Collins (Soc/UK) WQ 727/80

Home working was discussed at a recent conference in Manchester in the light of the development of new technologies. The Conference felt that the application of these technologies, and of microchips in particular, should not lead to an increase in home working for women as this could lead to women once again finding themselves tied to the home.

Traffic noise – John O'Connell (Soc/Irl) WQ 336/80

Work is well advanced in the Commission on a proposal to reduce the permissible noise level of motor vehicles. The aim is for a measure to be adopted to lower noise emission levels for all types of motor vehicle to below 80dB (A) by 1985. Development work by manufacturers on quieter lorries is well advanced in both Britain and Germany, reports the Commission.

Celex

A computerised information system (CELEX) covering all Community legislation is now operated by the Commission. The system is intended for public access by remote terminal and will be available via Euronet from January 1981.