



1980 Budget: What happens next?

After the overwhelming rejection by Parliament of the Council's draft of the budget for the next year of Community expenditure, the Ministers of the Nine are faced with two immediate problems. A new draft must be agreed with sufficient changes – mainly to curb runaway agricultural expenditure – to satisfy Members on all sides of the House. Secondly, until such a budget has been agreed by Parliament, spending only at a level of up to one twelfth of the previous year per month is permitted although the Council may by qualified majority, decide to increase this, subject, again, to a further ceiling.

Although no definite timetable has yet been set, the Council seems likely to present an amended draft to

Parliament for consideration in February. This may involve an extra setting of Parliament. In practice, however, the Community will not run short of finance immediately this year as there is about a two-month delay in expenditure for administrative reasons. Furthermore, the level of agricultural intervention spending – the main portion of the current budget – is relatively low in the winter and spring months. The annual agricultural price review is not scheduled until the spring.

It remains to be seen whether the Community's budgetary authority – the Parliament and the Council together – can use this breathing space to agree on the pattern of future spending.

How they voted

The following tables give a breakdown of Parliament's vote on Thursday 13 December to reject the 1980 draft budget:

By Group:

	For rejection	Against rejection	Abstention	Absent
Soc	92	4	1	16
EPP	86	6	–	15
Dem	60	2	–	2
Com	21	13	–	10
Lib	15	15	–	10
EPD	–	19	–	3
TCD	6	5	–	–
Inds.	8	–	–	1
	288	64	1	57

By nationality:

	For rejection	Against rejection	Abstention	Absent
Belgian	20	–	–	4
Danish	4	9	1	2
Dutch	24	–	–	1
French	17	47	–	17
German	66	–	–	15
Irish	6	7	–	2
Italian	68	–	–	13
Luxembourg	4	–	–	2
UK	79	1	–	1
	288	64	1	57

Abbreviations: Soc: Socialists (inc. Labour); EPP: European People's Party (Christian Democrats); Dem: European Democrats (inc. Conservatives); Com: Communists; Lib: Liberals and Democrats; EPD: European Progressive Democrats (inc SNP); TCD: Technical Coordination Group; Inds: Independents.

Parliament's view: no increase in taxes...less on agriculture...support for UK

In its resolution for rejection Parliament calls for more intensive contacts with the Finance Ministers and a stronger conciliation procedure, stating that it "cannot tolerate unilateral decisions on financial matters being taken by the Council without the consent of Parliament".

Noting that the Community's own resources "will reach exhaustion point by 1981, if not earlier", Parliament states "that any increase in revenue by raising the 1% ceiling of the VAT base should not entail in the long term any extra financial burden on the Community taxpayer".

Parliament deplores cuts in regional and social expenditure and calls for a curtailment of expenditure on agriculture.

The preamble to the resolution would appear to reinforce

Britain's case for paying less into the EEC. Parliament refers to "the present imbalance within the budget which, because of the predominance of price support for certain agricultural products in surplus, distributes the financial burden of the Community undesirably as between Member States".

Rabble?

Following Parliament's "lawful exercise of its responsibilities under the treaties", Northamptonshire MEP Anthony Simpson is to quiz the Council during the January session about Council President Brian Lenihan's comment that Parliament risked becoming a powerful "rabble without responsibility".

Work in Progress

A commission proposal or other communication is normally submitted to one committee which appoints a rapporteur to draw up a report. As accepted by the committee the report is debated in plenary session. In some cases the Commission document is also sent to

one or more other committees for a subsidiary opinion.

Copies of European Commission proposals may be obtained from the European Commission Information Office, 20, Kensington Palace Gardens, London W8 4QQ. (Tel: 01-727 8090).

Please quote reference numbers. Completed reports by European Parliament committees may be obtained from the European Parliament Information Office, 20, Kensington Palace Gardens, London W8 4QQ. (Tel: 01-229 9366).

Proposals sent to European Parliament Committee for Opinion or Advice

The COM number on the left is the Commission document number. For key to Committees, see below.

DOCUMENT	SUBJECT	Referral to:	
		Main Cttee	Other Cttee
COM(79)613	a) Regulation amending Reg. 805/68 on common organisation of market in beef and veal b) Regulation opening Com. tariff quota for beef and veal c) Regulation amending Reg. 950/66 on Common Customs Tariff d) Regulation amending customs duties for certain agricultural products and amending Reg. 516/77 on common organisation of markets in processed fruit and vegetables products.	Ext.	Agric. Budget
	Proposal for Directive amending Dir. 72/276/EEC on harmonisation of methods of quantitative analysis of binary textile mixtures.	Econ.	Env.
COM(97)573	Proposal for a Directive amending Dir. 79/113/EEC on approximation of laws or noise emission of construction plant and equipment.	Econ.	Env.
COM(79)593	Proposal for a Regulation extending validity of Reg. 2862/77 on levies of bovine animals and beef from Yugoslavia.	Ext.	Agric. Budget
COM(79)603	Proposal for Reg. for technical amendments to Reg. 587/79 on conservation and management of fishery resources applicable to Norwegian vessels.	Ext.	Agric. Budget
COM(79)671	Proposal for a Directive prolonging, in respect of swine fever, certain derogations granted to Dk, Ire and UK.	Agric.	
COM(79)548	Proposal for Regulation amending list of countries and territories in Reg. 706/76 on arrangements applicable to agricultural goods from ACP states.	Dev.	Budget
COM(79)652	Directive amending Dir. 66/403 on marketing of seed potatoes.	Agric.	
COM(79)	Proposal for Directive amending Dir. 77/62/1 co-ordinating procedures for award of public supply contracts.	Econ.	Ext. Legal
COM(79)	Proposal for Reg. amending Reg. 1035/72 on common organisation of markets in fruit and vegetables.	Agric.	Budget
COM(79)	Proposal for Reg. amending Reg. 939/79 and giving general rules for supply of milk fats to certain developing countries for 1979 food aid programme.	Dev.	Agric. Budget
COM(79)	Proposal for Reg. laying down measures for conservation and management of fishing resources for foreign vessels in 200-mile zone of French Guyane.	Agric.	

Guide to Committees

Pol. Political Affairs

Agric. Agriculture

Budget . . . Budgets

Econ. Economic and Monetary Affairs

Energy . . . Energy and Research

Ext. External Economic Relations

Legal Legal Affairs

Social Social Affairs and Employment

Region. Regional Policy and Regional Planning

Trans. Transport

Env. Environment, Public Health, and Consumer Protection

Educ. Education, Information

Youth Affairs, Culture and Sport

Dev. Development and Co-operation

Control . . . Budgetary Control

Rules Rules of Procedure and Petitions

Replies to Members' Questions

Grants from European Social Fund — James Moorhouse (Dem/UK)

The Commission has engaged experts to advise on the computerisation of the administration of the Fund and will examine the possibilities of extending the range of information which could be made available. This could enable more precise regional and local breakdowns to be given.

Studies on guaranteed minimum income and wages — John O'Connell (Soc/Irl)

The Commission financed a methodological study of minimum income by a group of independent experts. This has now been completed, but the Commission itself has not yet completed its study of minimum wages. The Commission hopes that the complete study will be available in 1980.

Limiting traffic noise — Horst Seefeld (Soc/Ger)

The Council states its intention lowering the noise emission level for all types of motor vehicles to 80 decibels by 1985. Germany has announced that its targets will be below this. The Commission will bring forward new proposals for targets after 1985 and for limits for rail vehicles.

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. In November Parliament voted on 10 proposals from the Commission. Reporting back in December the Commission said:

1. In nine cases Parliament adopted Committee reports (working document No. given in brackets) which made no amendments to Commission proposals. These were:

- Report by Mr Pearce on the Regulation on the European Community's generalized tariff preference scheme for 1980 (469/79);
- Report by Mr Hoffman on consulta-

tion procedure concerning international air transport (475/79);

- Report by Mr Peters on social aspects of restructuring steel industry; (465/79);
- Report by Mr Enright on a Regulation approving agreement between EEC and Republic of Senegal on fishing rights off Senegal (466/79);
- Report by Mr Ligios as above (474/79);
- Report by Mr Welsh on suspending customs duties on certain items originating in Malta (456/79);
- Report by Mr Kirk on fish conservation off west coast of Greenland (467/79);

- Report by Miss Quin on multilateral co-operation in fishing in north-west Atlantic (477/79);
- Report by Mr Caillavet on marketing aid for aubergines from French West Indies. (468/79).

2. In one case Parliament, through procedure without report, approved Commission proposals without amendment.

This proposal was to amend the Regulation on Social Security for employed persons moving within the Community.

(This Regulation was adopted by the Council on November 20, 1979.)

Replies to Members' Questions

The 'dependent spouse' and social security — Ernest Glinne (Soc/Bel)

The Council Directive on equal treatment for men and women in matters of social security (79/7/EEC) gives Member States six years to bring their systems into line.

The Commission is satisfied that Member States are giving thought to this and will ask in 1980 what measures are envisaged or to be implemented.

The problem of discrimination arises in certain countries (Belgium, Ireland, UK and Netherlands) where the husband is automatically presumed to be the head of the family. This means that a husband may not benefit from his wife's contributions and cover. This Directive should eliminate this.

Distortions of competition — Victor Michel (EPP/Bel)

The Commission does not believe that the differing systems of financing social security — some countries by contribution, others out of taxation — constitute a distortion of competition.

Hormonal additives in cattle-feed — Andre Damseaux (Lib/Bel)

Council Directive 70/524/EEC of 23 November 1970 prohibits the use of any additive having a hormonal or anti-hormonal effect. This ban includes the corticosteroid group.

British Leyland — Anne-Marie Lizin (Soc/Bel)

The car industry states the Commission is faced with fuel shortages and a greater awareness of the problems of pollution and road safety. Reduced demand for cars is leading to intense competition at a world level. All the major producers in Europe have had to adjust their structure and production in the light of these factors. The problems of BL are particularly acute because of low productivity for the following reasons:—

- no medium sized vehicles in their range, although these are the major sector of the market;
- low level of investment;
- poor overall structure, resulting from the merger of many small firms in 1968.

For these reasons BL has lost an important part of its market share, and has recently adopted a vigorous restructuring programme.

The EEC has already used its financial instruments to help the car industry, notably BL, through the Regional and Social Funds, ESCS grants and EIB loans. The principle objective of the Commission is to maintain the Community car industry at its high level of technological development and to help it to become more efficient in face of foreign competition.

Shotton Steelworks — Beata Brookes (Dem/UK)

On 4 December 1979 the Commission began a study of the possibility of a Community subsidy following the closing of the Shotton works with 7,100 redundancies.

The European Social Fund can grant aids for regional employment projects in Wales and young people could benefit from these.

Butter production — Lady Elles (Dem/UK)

The Commission produced the following table showing butter production 1976-8.

	1976	1977	1978	% incr. 76-78
Bel/Lux	99	92	106	7
Dk	139	131	140	1
Fr	554	551	570	3
Ger	543	535	564	4
Ire	103	107	120	16.5
It	67	72	77	15
NL	202	179	211	4.5
UK	90	134	163	81
Total	1,797	1,801	1,951	8.5

Asbestos health risks — John O'Connell (Soc/Irl)

The Commission has taken note of reports submitted to it by Parliament and the Economic and Social Committee. In April 1979 the Commission presented to the Council a proposal for protection of workers from harmful exposure to chemical, physical and biological agents, including a proposal for a specific directive laying down exposure limits to asbestos.

The EP has not yet been able to express its opinion on this.

The Commission will soon be presenting a third amendment to the Council Directive on marketing of dangerous substances which will prohibit or restrict the use of asbestos fibres in some circumstances.

A study on the problems of asbestos in the environment generally will also be available in the near future.

Ulster butter in pastry — John D. Taylor (Dem/UK)

Commission regulations permit the sale of cheap butter for use in pastry, ice cream etc. This applies to all countries without discrimination and the Commission has never been informed of any supply difficulties in Ulster.

Committee Notes

Committee on women's rights

On 13 December 1979 the President announced the appointment of a 35-Member ad hoc committee on women's rights, which is expected to complete its work by June 1980.

The Chairman is Yvette Roudy (*Soc/F*) and her deputies are:

Shelagh Roberts (*Dem/UK*),
Mechthild von Aleman (*Lib/Ger*) and
Vera Squarcialupi (*Comm/It*)

Other UK Members serving on this committee are:

Beata Brookes (*Dem/North Wales*)
Derek Enright (*Soc/Leeds*)
Norvela Forster (*Dem/Birmingham S.*)
Gloria Hooper (*Dem/Liverpool*)
Paul Howell (*Dem/Norfolk*)
Stanley Johnson (*Dem/Wight & Hampshire E.*)

British Members of Joint Parliamentary Committees

EEC-Greece Association

Lord Bethell (*Dem/London NW*)
David Harris (*Dem/Cornwall & Plymouth*)
Edward Kellett-Bowman (*Dem/Lancashire E.*)

EEC-Turkey

Stanley Johnson (*Dem/Wight & Hampshire E.*)

Allan Rogers (*Soc/SE Wales*)

James Spicer (*Dem/Wessex*)

John M. Taylor (*Dem/Midlands E.*)

Other Committees

Economic and Monetary Affairs

Add: Allan Rogers (*Soc/SE Wales*)

Youth, Culture, Education, Information and Sport

Add: Shelagh Roberts (*Dem/London SW*)

Political Affairs

The 12-Member Sub-Committee on institutional problems has two UK members, Lady Elles (*Dem/Thames Valley*) and Christopher Jackson (*Dem/Kent E.*)
Jean Rey (*Lib/Bel*) is Chairman of the 12-Member Sub-Committee on a uniform electoral procedure of which Adam Fergusson (*Dem/Strathclyde W.*) is a member.

Dual mandates

Fewer than one third of the elected MEPs are now also members of their national parliaments. Figures for the individual countries at the end of 1979 were:

	Total MEPs	Dual mandates	
		No.	%
Bel	24	19	79
Dk	16	3	19
Fr	81	24	30
Ger	81	26	32
Ire	15	13	81
It	81	18	22
Lux	6	5	83
NL	25	2	8
UK	81	91	11

Total	410	119	29
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¹ Five in the House of Commons; four in the Lords.

Future Committee Meetings

Held at Parliament's Brussels offices at 3, Boulevard de l'Empereur (unless otherwise indicated)

Energy 21 Jan pm – 22 Jan am
Ext¹ " – " "
Pol² 22 Jan pm – 23 Jan am
Agric³ 23 Jan am – 25 Jan pm
Dev 23 Jan pm – 24 Jan am
Control " – " "
Econ " – " "
Budget¹ 24 Jan pm – 25 Jan am
Region " – " "
Env " – " "
Legal 28 Jan pm – 29 Jan am
Region " – " "
Educ " – " "
Ext 29 Jan pm – 30 Jan am
Social " – " "
Rules " – " "
Agric 30 Jan pm – " "
Energy " – " "
Pol² " – " "
Dev 31 Jan pm – 1 Feb am
Control " – " "
Econ " – " "
Trans " – " "

Dev 18 Feb pm – 19 Feb am
Budget¹ 19 Feb pm – 20 Feb am
Pol² " – " "
Env " – " "
Rules " – " "
Control 20 Feb pm – 21 Feb am
Econ " – " "
Educ " – " "
Energy 21 Feb pm – 22 Feb am
Social " – " "
Region " – " "
ACP-EEC Joint 25 Feb pm – 26 Feb am
Committee⁴
Ext " – " "
Legal " – " "
Econ 26 Feb pm – 27 Feb am
Env⁴ " – " "
Pol 27 Feb pm – 28 Feb am
Agric² " – 29 Feb am
Dev 28 Feb pm – " "
Region " – " "
Trans " – " "
Control 17 Mar pm – 18 Mar am
Energy " – " "
Agric¹ " – 19 Mar am
Dev 18 Mar am – " "

Econ " – " "
Legal " – " "
Budgets¹ 19 Mar pm – 20 Mar am
Ext " – " "
Pol² 20 Mar pm – 21 Mar am
Region " – " "
Env " – " "
Control 24 Mar pm – 25 Mar am
Educ " – " "
Rules " – " "
Social 25 Mar pm – 26 Mar am
Trans " – " "
Econ 26 Mar pm – 27 Mar am
Budget 27 Mar pm – 28 Mar am
Energy " – " "
Ext " – " "
Control 31 Mar pm – 1 April am
Pol² " – " "
Rules 1 April pm – " "
Dev 1 April am – 2 April am

1 2 rue Ravenstein, Brussels
2 Palais d' Egmont, Brussels
3 Berlin
4 To be fixed