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# PRESS RELEASE

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## EC COMMISSION PROPOSES BUDGET RELIEF FOR BRITAIN

*Washington, D.C. January 31* --The European Community has made a decisive bid to quell anti-Common Market feeling in Britain. The EC Commission yesterday unanimously approved a plan designed to ensure that no EC member state has to pay an unfair share of the European Community's budget. Britain, which has been demanding a cut in its contribution, is scheduled to hold a national referendum on the question of EC membership this June.

Under the Commission's plan, submitted to the Council of Ministers for approval, any member state which could prove it was shouldering a disproportionate burden could get back up to two thirds of its excess contribution.

A member state could qualify for reimbursement if:

- its per capita gross national product (GNP) becomes less than 85 per cent of the Community's average per capita GNP, and
- its per capita growth rate of the GNP in real terms is less than 120 per cent of the average EC growth rate, and
- its percentage share of the EC budget exceeds by more than 10 per cent its percentage share of the Community GNP.

Member states which qualify would be paid back either: two thirds of the excess contribution; the net potential amount of the exchange burden generated by the EC budgetary system, or all of its value added tax contributions to the EC budget, whichever is the smallest amount.

The plan would be applied experimentally for seven years and then be reviewed. Countries qualifying for rebates for three continuous years may become eligible for additional Community assistance measures.