



Written by [Bruce Walker](#) on November 7, 2012

U.K.'s Cameron Suffers Defeat Over EU Budget

British Prime Minister David Cameron has just faced a humiliating defeat in a recent non-binding vote in the House of Commons. Enough members of his own Conservative Party voted against the government — demanding that he deliver substantial reductions in the European Union budget — so that even with the support of his coalition Liberal Party, the vote went against Cameron. According to British [Telegraph](#), “the Government was defeated by 307 votes to 294, a majority of 13.”



And it seems that Cameron has gotten the message. On November 6, [he called European Union proposals “ludicrous”](#) and suggested that it would be very difficult for the leaders of the nations within the Union to reach an agreement this month. Cameron has also threatened to veto the budget. The prime minister also is taking the position that the problems of the 17-member eurozone should be separated from the 27-member European Union.

Cameron told reporters: “I will also be making the argument that look, I understand the difficulties of the euro but the European Union budget is for all 27 members of the EU. We shouldn’t be using the European Union budget to make up for difficulties and problems in the Eurozone.” He said further:

If the Eurozone wants to have its own budget it should have its own budget and if they want to have fiscal transfers they can have fiscal transfers. If they want to channel more money to euro members who have difficulties they can channel more money to euro members who have difficulties but they shouldn’t be using the European Union budget as a proxy for that.

So I will be arguing for a very tough outcome. I’ve never had particularly high hopes for a November agreement because these are always difficult, you’ve got 27 people around the table, you’ve got 27 different opinions but I’m very clear that I’m not going to agree to a future financial framework that isn’t in Britain’s interest.

Cameron has also stated that there should be two budgets — one for the European Union and another for the eurozone, the profoundly troubled 17-nation currency zone of which Britain is not a member. The crisis of the euro in nations such as Greece, Spain, Portugal, and Italy seems to be getting worse with every new report on economic activity or the bond ratings of those nations’ sovereign debt.

German leaders have expressed dismay that Cameron is moving away from the European Union, and they noted that the British Parliament voted for actual cuts in the European Union’s €1-trillion budget. Gunther Krichbaum, Chair of the Bundestag’s Committee on the Affairs of the European Union Committee, has responded to Cameron and the Conservative Party by criticizing nations such as Britain “who want less Europe rather than more. The European Union is not a multiple choice.” Germany is the largest contributor of funds to the European Union, while Britain is the fourth largest contributor, after France and Italy.

However, Britain is not the only European Union member which has threatened to block a budget



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agreement. France and Denmark have done so as well, although those actions were intended to get better deals for their nations. But Cameron has made it clear that his position is based upon the prudent use (or the wasteful use) of taxpayers' money.

German Chancellor Angela Merkel will be meeting with Cameron, and her low-key diplomacy has led many to speculate that she will launch a "charm offensive." Cameron, however, has made it clear that an understanding signed by Merkel, Cameron, and former French President Sarkozy in 2010 pledging to freeze or to cut the seven-year budget of the European Union should be honored.

Cameron himself may be living on borrowed time. His Conservative Party members alone cannot form a government, and the [backbencher](#) revolt against Cameron, as well as the unhappiness of Liberal Party members regarding Cameron's energy policies and their wish to cling more closely to the European Union, could well bring early elections and a possible defeat for the Conservative Party. The Labor Party, the principal opponent of the Conservatives, have made it clear in their recent vote, as well as in their rhetoric, which is focused almost exclusively on the failures of Cameron, that they will do anything they can to bring down his government. The European Union could well be that lethal issue.

Photo: Britain's Prime Minister David Cameron, left, welcomes German Chancellor Angela Merkel, right, at 10 Downing Street, in London, Nov. 7, 2012: AP Images



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