

SCOTLAND IN EUROPE



WHY THE EUROPEAN
COMMUNITY BEGAN
WHY WE JOINED
WHY SCOTLAND WILL BENEFIT

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Published by
the Commission of the European Communities
7 Alva Street, Edinburgh, EH2 4PH

Printed by Lindsay & Co. Ltd., Edinburgh

Foreword

This booklet seeks to answer clearly and objectively the questions everyone asks about the E.E.C. It looks at Scotland's place in the European Community from the point of view of someone deeply committed to the Community's ideals. Its author is Stanley Budd, the Community's man in Scotland. He has been involved for many years in Community matters, although he has only recently come back to Scotland to open the Community's first office there — and one of the first E.E.C. information offices outside a central capital anywhere in the Community.

It is a particularly exciting and challenging time for the Community to open an office in Scotland. Politically and economically Scotland stands at the dawn of a renaissance obvious to anyone with eyes and ears. Stanley Budd has a task to be envied, because he will live and work in one of the most exciting capitals of the world in a nation of change, a Europe of development and a world where the qualities the Scots have always shown will be even more in demand.

A handwritten signature in black ink that reads "George Thomson". The signature is written in a cursive style with a large, sweeping initial "G".

The Rt. Hon. George Thomson,
Brussels.

Why the Community was established

The European Community is about peace as well as prosperity; social justice as well as sovereignty; fair trade with the world as well as fair prices for farmers.

The objectives of those who established the original European Community of six nations were these:

- to end war in Europe;
- to level out inequalities between peoples and regions in the Community;
- to secure employment and build prosperity within a common market;
- to make Europe a fair trading partner and a more effective source of aid for the poorer countries of the world;
- to pool the energies of Europe's peoples in common technological and industrial progress, a common agricultural policy, closer political and economic links, a better environment and a richer life.

Progress towards some of these objectives has been dramatic; on others slow and disappointing.

That the Community helped to heal the wounds of war would be denied by almost no one in the six original member states. They believe that it has also made the risk of such a monstrous waste of lives and resources much less likely for their children.

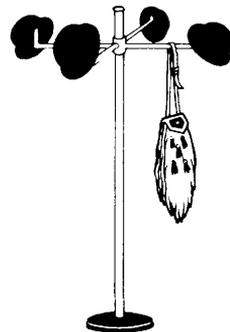
Inequalities remain; but the poorest nation of the original Six — Italy

— is now as rich as Britain, and its most depressed areas have benefited substantially from Community aid.

The prosperity of the original members of the Community increased dramatically after it was formed. During the ten years before Britain joined, their exports and their gross national product rose twice as fast as Britain's, their private consumption in real terms two-and-a-half times as fast, and their investment five times as fast.

The Community conducts 40 per cent of world trade. Its external tariff is lower than was that of Britain before entry, and lower than that of the U.S. or Japan. It is the biggest single market for the developing nations, importing over £1,000 million a year of their manufactured products duty free. It has a good aid record.

The Community is not a "super-power", but in its totality it has great economic strength and political influence, democratically organised and exercised.



Why Britain joined

First, for reasons of sovereignty — political reasons. Second, for economic reasons.

Two broad arguments were put forward by both Labour and Conservative Governments in Britain, and subscribed to by the Liberal Party. The first was political — the chance to play a central part in the daily decisions being taken by the Community in matters of trade, international relations, aid, etc.: decisions which were directly affecting the lives of the people of Britain long before she became a member.

The second argument was economic. The six original members of the Community were doing much better in terms of growth and prosperity than Britain. All, like Britain, were countries whose standards of living depended upon exports. Between 1962 and 1972, exports from Community countries rose by 142 per cent as against Britain's 63 per cent. But they were also trading much more freely with each other. Britain's market in the Commonwealth was contracting; while she was selling more to Europe, she was not selling anything like as much as the countries of the Six were selling to each other.

The enlargement of the Community on 1st January 1973 to include Britain, Ireland and Denmark created the largest and most important trading unit in the world, importing three-and-a-half

times as much as the U.S.A. and exporting almost three times as much.

How the Community works

The Community is run by a *Council of Ministers* on which the U.K. Government is represented, as are France, Germany, Italy, Denmark, Holland, Belgium, Ireland and Luxembourg. On important issues Britain cannot be overruled.

The Council acts mainly on proposals from the *Commission*, a policy-planning body whose 13 members are under oath to act independently in the interests of the Community as a whole. There are two British Commissioners.

The Commission is answerable to the 198-member *European Parliament* which can vote it out of office. The Parliament's members are M.P.s who at present are delegated from the national Parliaments. Britain, like France, Germany, or Italy, has 36 seats. It is planned to hold direct elections to a new Parliament of 410 members in 1978.

A *Court* of nine independent judges settles disputes in Community law. The British judge is Lord Mackenzie Stuart.

Renegotiation and the referendum

Early in 1974 a Labour Government was returned in a General Election. Its programme included renegotiation of the terms of entry agreed by Mr Heath's Government. Seven detailed points were put forward by the Prime Minister for renegotiation and agreement was reached on all after lengthy consultation with the other nations of the Community. The Government recommended the new terms, and in a referendum held in June 1975 Britain voted by a majority of about two to one to remain within the Community. Only the Western Isles and Shetland voted against.



In Scotland, the figures were:

TURNOUT	—	61.7%
FOR	—	58.4%
AGAINST	—	41.6%

The Balance Sheet

The Community is already a very different entity from that which Britain joined on 1st January 1973.

The enlargement of the Community was preceded by a summit meeting in Paris held during October 1972, at which an extremely ambitious programme of work was agreed by the nine heads of government.

Externally, the enlarged Community was to conclude new trade agreements with the countries of the European Free Trade Area (of which Britain, Denmark and Ireland had been members); agree a joint policy for the multilateral discussions in the General Agreement of Tariffs and Trade; forge new trade and aid links with the developing countries; agree special arrangements for the import of products from Australia, New Zealand, and other of Britain's traditional trading partners; agree on compensation for loss of trade preferences in respect of a number of countries who would otherwise have suffered because of the Community's enlargement, including the U.S. and Canada; and work on a whole series of developing agreements with the countries of the Mediterranean, East Europe and the Near and Far East.

Virtually all this programme was accomplished during the first two years of Britain's membership. And the tariff barriers between Britain and her European partners began to fall.

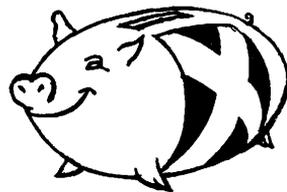
Internally, the Community was charged with creating completely new policies in the regional and social fields, for consumer protection, the environment, job enrichment, transport, energy, and other fields. A programme was to be drawn up for economic and monetary union, and eventually moves toward political union.

Here progress was much less rapid or easy. The huge rise in world oil prices during the last quarter of 1973, coming at a time of food shortage and world-wide inflation, had so dramatic an impact on the member nations of the Community that work on many of the new policies ground to a halt. Deadlines slipped, and the "Paris programme" could not be met within the suggested timescale. The period of renegotiation during the year from April 1974 to March 1975 brought further delays.

Nevertheless, 1975 saw one of the most remarkable of the Community's achievements — the signing of the Lomé Convention with 46 nations of Africa, the Caribbean and the Pacific, which provided for extra aid worth £1,400 million over five years, virtually free access for these countries to the market of the Community, and special guarantees for their export earnings.

Since then, progress has been resumed on the new policies aimed at improving the quality of life in the Community, such as measures to fight redundancy and create new

jobs, to protect workers against mass dismissals, to guarantee equal opportunity for men and women, for vocational training, health and safety at work, consumer protection, and a better environment. The Regional Development Fund has been agreed, and a new programme to combat poverty begun.



Scotland's Special Interests . . . and Special Problems

As a nation, Scotland stands to gain from membership of the Community.

For years Scotland has suffered in extreme form from the problems of Britain as a whole: decline in traditional industries, lack of investment, the drift of industry to the prosperous south-east, and resultant unemployment. Scotland needs the opportunity of growth, new attractions for investors, and a chance to bring employment and prosperity up to the national level. This chance the Community offers.

What Scotland has already gained

The list of grants and loans to Scotland from Community funds is already lengthy. Some examples are given on pages 10-12. But these tangible benefits are secondary to the opportunities for investment, industrial development and fuller employment which are on offer.

Britain as a whole has done well in terms of Community grants and loans since she joined two years ago. Scotland has done better still. Apart from agricultural subsidies, the United Kingdom has so far received about £1,200 million. Of this, Scotland has received over twice the national average per head of population.

Much of the money has come in job-creating loans from the European Investment Bank and from those funds — notably the Coal and Steel Community budget and the Social Fund — concerned with the creation of new employment, training, housing, and improvements in road and sea transport. It has also gone to such things as oil and gas exploration, fishing, steel, work for the disabled and power generation.

Such help has come from existing funds. The new Regional Development Fund (see page 10) is already meeting claims for aid, and Scotland is now benefiting from it.

But in the longer term the real meaning of the Community will be the incentive it should give for investment and industrial expansion. Scotland has traded with continental Europe for centuries. Now, firmly inside the Community, it offers a first-rate team of workers, high skills, abundant power, and deep-water ports — an attractive prospect for investors, not only from the rest of Britain and the Continent but from North America and elsewhere.

Hill Farming

The Community's policy for difficult farming areas will assure Scotland's hill farmers of continued financial assistance.

Special help is being provided for difficult farming regions, including most of northern and southern Scotland, including the Orkneys and the Shetlands, under a directive for handicapped areas agreed during 1975 by the Council of Ministers. Help will be provided in two main ways:

- (a) direct payments by acre or per head of livestock;
- (b) assistance with capital investment costs.

The aim of the new plan will be to ensure that farmers whose growing season is too short or whose land is particularly steep or rocky will not be driven out of farming because costs are too high or returns too low. It has the additional but

important purpose of stemming depopulation and preventing soil erosion. Grants from the farm fund of the Community can be awarded at a rate of 25 per cent of the contribution by national governments. Farmers with at least 7½ acres of land under cultivation will qualify, and pensioner farmers and crofters will be eligible.

The cost to Community funds will be about £40 million per annum, of which about £12 million will go to Britain, much of it to Scotland.

Fishing

The original fisheries policy of the Six was recognised, when Britain joined the Community, to be inappropriate to Scotland. The British fishing industry has special protection until 1982 when the situation was to be reviewed. In the meantime, with the question of the extension of fishery limits imminent, Scotland's particular problems are well understood.

The Treaty of Accession for Britain's E.E.C. membership provided for changes in the Common Fisheries policy. It acknowledged that conservation of fish stocks would be a key to the future development of a fisheries policy which up to then had consisted of a market support system coupled with the principle of equal access to waters of member states.



Conservation and rebuilding of fish stocks are fundamental to the new proposals which are now being discussed within the Community. These proposals have been put forward by the European Commission. They examine ways in which the Community can cope with the problems it faces from unilateral or internationally agreed extension of fishing limits.

The Commission's proposals are set in a context of falling catches and rising costs for fishermen in the Community's member states. They are based on the crucial need to conserve existing stocks of fish and to rebuild stocks of fish such as herring which have dwindled so rapidly in recent years. They recognise the special problems which could arise in some areas as the pressure on fish resources increases.

Action on a Community level should be the most effective way of handling these problems. Fish move freely between the territorial waters

of member states, so measures taken to safeguard breeding grounds and to regulate fisheries will be in the long-term interest of all Community fishermen. The Community system of law can ensure implementation of quotas and other conservation measures and the Community acting together should cope effectively with the challenge posed by non-E.E.C. fishermen in Community waters.

The main features of the proposals are:

- creation of a 200-mile Community fisheries zone on 1st January 1977;
- opening of negotiations with third countries to agree rights of access;
- establishment of a 12-mile zone around Community coasts to protect interests of inshore fishermen;
- maintenance of traditional rights within the 12-mile zone;
- introduction of Community catch quotas coupled with other conservation measures;
- adoption of a licensing system for Community fishing boats to allow strict control of E.E.C. measures;
- allocation of £160 million over five years for streamlining and modernising the fishing industry.

Of particular importance to Scotland are conservation and control, the special problems of coastal fishermen, and modernising and reshaping the industry.

Conservation of stocks is essential if the fishing industry is to survive. Following increasingly intensive fishing with more efficient gear, stocks have been reduced to dangerous levels. A thorough curb on catches in the short term should maintain a reasonable level of activity in the long term, but such a conservation policy can only apply effectively if applied at a supra-national level, since fish move freely from one fishing zone to another. Such conservation must imply close co-operation between national authorities to guarantee the policing of conservation measures.

Coastal fishermen should have special attention, in the Commission's view, since their interests could be seriously affected by the process of change, especially in Scotland and Ireland. It is therefore proposed to establish a Community reserve for the main species of fish. The size of this reserve would be fixed each year on the basis of the vital needs of the fishermen of those regions and the scale of the cutback they are suffering. These fishermen would be entitled to a supplementary quota allocated from the reserve.

Coastal limits would be extended to 12 miles for an indefinite period.

Traditional fishing rights which member states already have in each others' waters would be maintained,

although the Council would re-examine these provisions before the end of 1982.

Each year the Commission would propose a scientifically calculated annual catch rate (A.C.R.) for each type of fish. This would be complemented by other conservation measures, such as net mesh sizes and fishing seasons, so as to avoid the taking of immature fish and thus to maintain stocks in such a way as to get optimal yields.

Once the annual catch rates had been fixed, a system of quotas would be used setting out authorised catches for the fishermen of the member states. These quotas would be based on the A.C.R., but would take into account reciprocal arrangements with third countries. Once the special reserve for Scottish and Irish fishermen had been deducted, the quotas would be fixed on the basis of the national catches during a reference period.

The quota system would be looked at again before the end of 1982 in the light of experience and taking into account the results of the conservation policy.

A system of fisheries management based on quotas must be accompanied by a system of control which is organised on a Community basis. The Commission proposes that such control should be based on a Community licensing system. It

should be concerned with all conservation measures, applying methods in the fishing grounds as well as to quantities landed.

The Commission believes that only through stringent control can we be sure that the sacrifices which fishermen are being asked to make in the interests of rebuilding stocks will not be rendered useless by the anarchic behaviour of other fishermen who are less conscientious in respecting the conservation measures and especially catch quotas. To begin with, the licensing system would be applied to boats from the member states fishing in the coastal zones of other member states between 0 and 12 miles.

Community policy would simplify dealings with non-member states, too, perhaps in outlawing the factory fleets of Eastern Europe or in negotiating agreements with countries like Iceland and Norway with whom we do have mutual interests.

So much depends on the details of the final negotiated settlement that it is impossible to say how a revised common policy will affect Scottish fishermen. The level of quotas, the type of conservation measures and the scope for continued fishing of non-member states will all make a difference. But the new proposals would establish a more constructive long-term policy for the North Sea and the North-East Atlantic than has existed up to

now. They would also provide a way of reconciling conflicting interests which should avert the risk of cod-war type confrontation between member states — even at a time of rapid change.

Other aspects of Community policy should continue to help. The producer organisations set up under the fisheries' policy now market the bulk of Scottish fish landings, underpinning the market through the minimum price system. The Community budget continues to grant-aid the construction of fishing boats and harbour facilities.

Proposals are now being discussed for payment of annuities amounting to about £250 million over five years to older fishermen who want to lay up their boats and further measures will clearly be needed to cope with the shrinking of the distant-water grounds and the resulting loss of employment. Adjustment must be painful, but should be better handled in a Community framework.

Regional Development and Community Funds

It has been recognised since the treaty of Rome was signed that a true European Economic Community cannot become a reality while gross inequality of income, employment and opportunity exists between regions and individual nations. The

problem is great: community funds are relatively small. Nevertheless, they can make a useful contribution — and they are of particular relevance to Scotland.

Levelling up the differences in employment, prosperity and opportunity between regions is a problem for all governments. Few have come near to solving it: nor has the Community as a whole. Indeed, there has been a tendency for the rich regions to grow richer, and the poor to grow poorer. In the longer term, the correction of these disparities must mean a comprehensive policy for the regions in which national and Community planning and aid are co-ordinated.

But already certain funds are available from the Community to attract and encourage investment in problem areas, create jobs, and train men and women to fill them.

There are two points of particular relevance to Scotland. First is the problem of structural unemployment caused by dependence on declining industries. Second is the immediate need to exploit the opportunities offered by North Sea oil, so as to bring long-term benefit to the employment situation in Scotland and to the economy as a whole.

So far Scotland has done well in terms of help from Community funds. At a conservative estimate, Scotland has had more than twice

the national average in terms of loans and grants — and Britain as a whole has done very well indeed.

Some £200 million has come in loans from the European Investment Bank alone, to projects directly benefiting Scotland, creating employment and strengthening infrastructure in the oil, gas and steel and electricity industries, and going also to such projects as a new whisky plant in Glasgow, an oil tanker harbour at Sullom Voe in the Shetlands, a typewriter factory in Glasgow, a telecommunications network in the north-east, and an advanced passenger train programme for improving rail links between Glasgow and London.

Since the new Regional Development Fund announced its first grant decisions last October, a total of over £16 million has been allocated to Scotland in non-repayable grants to help create new jobs and safeguard existing areas. The money has come for a great variety of projects, ranging from £330,000 for the improvement of port facilities at Aberdeen, a million pounds for Sumburgh airport in Shetland, about £2 million for terminals for island shipping services, and almost £2 million for advance factories in various regions, to smaller grants for factories making golf clubs, plastic toys, record players, vacuum cleaners, tobacco-less cigarettes and

whisky. The grants made for local authority infrastructure projects go direct towards reducing the authorities' financing costs. There are special European funds to help with modernising the two basic industries of coal and steel, and to assist in creating new jobs in other industries for those who lose their old jobs in these industries.

From the European Coal and Steel Community have come loans varying from the £25 million approved for the ore and coal terminal at Hunterston to loans at 1% interest for improving miners' homes.

Many projects for modernising agriculture and the food industry have had help from the Farm Fund, and the batch of grants approved in June 1976 offered over £2 million for the construction of fishing boats at ports along Scotland's coasts.

A large share of the £100 million allocated to Britain from the Social Fund in grants for training and retraining is coming to Scotland, and in addition, there have been grants to Glasgow and Edinburgh under the poverty action programme to help people in deprived areas to help themselves, and to the Institute of Occupational Medicine in Edinburgh for the study of diseases in the mining industry.

It will be a happy day for the Scots when their prosperity is such that they are asked to pay more money

into Community funds than they receive in return (as the Germans, for example, do today). But for the present, when per capita income and employment levels remain below the Community average and Scotland is still over-dependent on traditional industries, the people of Scotland are receiving, in round terms, one pound back from Community funds for every 40p they put into them.

Loans from the European Investment Bank can be applied for direct to the Bank at 2 Place de Metz, Luxembourg. Most other applications for grants and loans from Community funds must reach Brussels via the Scottish Office or other Government departments. A booklet about the funds of the European Community is available, free, from the Commission Office at 7 Alva Street, Edinburgh.

North Sea oil

The Community countries will wish to buy North Sea oil, and help to develop it. But it remains entirely a national resource.

The oil in the North Sea is a national asset, just as the natural gas off the Dutch coast belongs to Holland, or the coal in the Ruhr to Germany. It is Britain's right to tax it, control its rate of exploitation, and determine the degree of state control.

Clearly other Community countries will want to buy it — and Britain will want to export a substantial proportion of the oil. It will make economic good sense for the U.K. to sell it to her European neighbours, as does Norway and as does Holland with her natural gas.

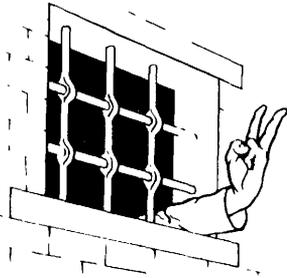
Oil is, of course, subject to the basic rules of the E.E.C. Treaty, which means that there should be no discrimination on grounds of nationality in the arrangements for pricing the oil, for allowing firms to set up in the U.K., for taxation, and for selling the oil. But this does nothing to alter the fact that it is a national asset from which we are free to derive the full economic benefits.

North Sea oil will, of course, give Britain a very powerful voice in the shaping of the Community's policy for energy in all its forms. This will have important implications for her coal and natural gas industries. — both of which have already had Community help for research and development, and the creation of new jobs. Britain is well endowed with energy resources but can use all the financial help from the Community that she can obtain in exploiting them to advantage.

The Law

The law as most people understand it — as it affects their rights as citizens — is unaffected by

Community membership. But new laws, principally on industrial and economic matters, can be drawn up by the Community itself. Britain has a full part in the making of these laws — or, indeed, in preventing their being made.



Scots law has preserved over the centuries certain differences from English law. These differences are not affected by Community membership. But in Scotland, as in the United Kingdom as a whole, legislation made in partnership with the other nations of the Community can now become part of the domestic legal system.

Legislation which affects the national interests of any Community country must be agreed in the ruling body of the Community, the Council of Ministers, on which Britain is represented and on which all nine member states have a share in the vote. All important decisions must be taken unanimously. Scottish views are represented at all levels when proposed legislation is being drawn up; when issues of

particular interest to Scotland are being discussed in the Council (such as fishing, hill farming, or law, for example), a Scottish Minister has often attended. All Ministers remain, of course, responsible to their national Parliaments.

The Community's Rules— and the Commission's Powers

Most legislation is made by the Council of Ministers. But the Community has its rules, and they must be kept up to date and enforced. This is the responsibility of the Commission, whose members are not national representatives but Community statesmen, collectively responsible to the European Parliament. But the Commission's powers are strictly circumscribed, and at all stages of its work it takes account of national and regional opinion and influence, both from within and from outside.

In certain limited spheres (such as day-to-day adjustment of farm import levies within guidelines agreed by member states) the Commission can make "laws" of its own which have direct effect without being ratified by the Council of Ministers. But this is the exception. The Commission's main role is to

plan policy, to monitor it, and to help governments to reach agreement and to execute policy.

Trading across national barriers, and the granting of financial help to nations, regions and individual projects from Community funds, must obviously be monitored carefully to see that rules are not broken. This is a continuing process and a complex one. It would be impossible to submit the hundreds of decisions taken every month to the Council of Ministers, if only for reasons of time.



The Commission, which is the policy planning body of the Community, is also responsible for ensuring that the treaties are honoured and the rules observed. Its 13 members are under oath to act in the interests of the Community as a whole, taking the interests of *all* the member nations into account.

Britain has, of course, two Commissioners. But there are also, at every level of the Commission “civil service”, other British citizens, including many Scots. The Commis-

sion is very far from “faceless”, and its “Eurocrats” do not work in a vacuum.

Before proposing one of the Community’s laws, the Commission’s civil servants not only consult their own experts, but listen to the opinions of national governments, regional experts, pressure groups and lobbies, and a host of other consultative bodies. Scotland has sent a steady stream of experts to Brussels to explain, in detail, the particular problems of its industries, its farmers and fishermen, its importers and exporters, and its tourist industry.

Britain also has a Permanent Representative to the Community — an ambassador, in effect, based in Brussels. He is Sir Donald Maitland — himself a Scot. On his staff are senior experts from British Government departments. Both formally, in working parties and groups, and informally, day by day, the Commission and the other institutions of the Community are in constant touch, on the spot, with these men and women.

The European Parliament can, and does, question the Commission in detail about new legislation and the interpretation of the treaties. It also has the power to dismiss the Commission in toto.

Finally, the European Court of nine independent judges, on which Britain is represented by Lord Mackenzie Stuart, has the power to rule on suits raised both by and against the Commission.

Points at issue

Food

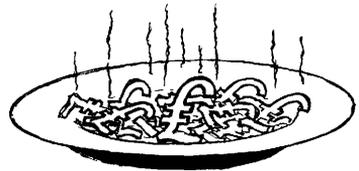
Britain, like almost every country in the world, has suffered massive increases in many food prices over the past year or two. Membership of the European Community had little to do with this. Indeed, had Britain remained outside, the rises might in some cases have been slightly higher. In the longer term, food prices will most probably rise marginally as a direct result of membership — but shortages should be less troublesome.

Together with many other industrialised nations, the British have traditionally enjoyed “cheap food”. The phrase is perhaps an unhappy one; food has to be paid for one way or another — in cash, by tax support, or by hard work. It is no longer cheap.

All nations try to make food producers more efficient, to guarantee them a fair price for their produce all the year round, and to maintain reasonable stability in prices for the consumer. These are the precise aims of the Community’s Common Agricultural Policy.

These may be simple-sounding targets, but no nation has ever achieved them. Before Britain joined, the housewife got imported food at prices which, although they had been rising inexorably year by

year, were still relatively low. But her husband’s taxes subsidised British farmers, who could not produce at these prices. In the Community, the housewife pays a part of the cost through higher prices, which means less subsidy from taxation, while low-cost imports from abroad are taxed. Recent rises in world prices have reduced this price gap. In recent months the Common Agricultural Policy of the Community has been subsidising the British housewife heavily against the fall in the value of the pound. During 1975 alone Britain got food subsidies worth £190 million — equal to more than 30 per cent of Britain’s total spending on food subsidies. Recently the figure has been well over £1 million per day.



No one would pretend that the Community system pleases anyone all the time. Nevertheless, food shortages have been rare in the Community; output of food has risen by 20 per cent; the number of tractors and the amount of fertilizer consumed has risen steadily; and the number of farm workers has dropped.

For the future, membership of the Community may mean a small

overall rise in food prices year by year, in addition to any rise in world prices. Britain will not be able to benefit as she did before from massive over-production of a particular commodity with consequent rock-bottom prices; but nor should shortages be created and prices forced up because farmers are not earning enough to use their land properly.

Butter Mountains and Lakes of Wine

Among the most criticised elements of the Community's Common Agricultural Policy is its occasional creation of stockpiles of such things as butter, beef, wine and (currently) milk powder. No one likes them; the problem is to prevent them.

Guaranteed prices can mean over-production; sunshine and rain obey no laws. But why not sell beef

or butter cheaply if there is a glut?

To some extent the Community does so — to schools, hospitals, pensioners, and others in need. But to put cheap butter and beef on the market whenever stocks began to mount, however attractive it might seem at first sight, would lead to serious trouble later. If shop prices drop, the return to the farmer drops also. He may have to cut down his fatstock or his dairy herd. The result is a subsequent shortage and prices jump. The new, higher prices attract more producers, and so prices fall again — and so on in a vicious circle.

To prevent this, and to give everyone a fairer deal, the Community aims at stable markets and prices. It sets out to accommodate excess production as buffer stock to sell off at times of shortage. Sometimes the stocks grow too large, occasionally far too large. But abundance is better than scarcity.

Although food aid is a considerable element in the assistance given



to developing countries, the foodstuffs which tend to accumulate in Europe are seldom those which such countries traditionally eat or drink.

That the Community Common Agricultural Policy is far from perfect is acknowledged by every member of the Community. It is indeed undergoing a detailed review in all its aspects. Britain has already brought about considerable changes, for example, in giving aid to beef producers. There are new plans to prevent more butter mountains.

It is surely essential, in a world already short of food, to plan for as much self-sufficiency as possible. To gamble on a return to cheap, plentiful food from non-E.E.C. countries is a risk no country in continental Europe, is prepared to take; Britain, which imports more from outside Europe than any other country of the Community, would be taking the biggest risk of all.

Sovereignty

A word with many meanings. The original nations of the Community believe that membership has strengthened, not weakened, their sovereignty; there is no reason why things should be otherwise for Britain.

Sovereignty means different things to different people in Britain. For some, it means the power a nation wields, its ability to pursue its own interests effectively on the world stage. For others, the supreme, unfettered ability of the British Parliament to make decisions for the future of the British people. For still others it is embodied in the Royal Family. For many Scots, it means the right to preserve and extend the devolved rights in law, the judiciary and government appropriate to a nation within the United Kingdom which has maintained its identity for centuries.

The sovereign power which depends upon force of arms is, for Britain, now pooled defensively in N.A.T.O.

The other power, to pursue international policies by force of argument and not of weapons, depends upon what you say or do, and the number of other nations or individual people who agree that you are right. Britain or Holland, Germany or Ireland, will continue to speak and act as individual nations, and their words and their actions will be weighed by other nations by these standards.

But can there be any doubt that nine nations, 250 million people; speaking and acting as one, carry more weight?

Outside the Community, Britain (or France, or Germany) would retain absolute sovereignty — of a

sort. But they would lose the chance to take part in, and to shape, the much more sovereign acts of the greater group.

No Act of Parliament by Britain, France or Germany can prevent a rise in world food prices or change the true value of the pound, the franc or the mark. The Arab oil producers or the harvest in Russia can have at least as great an effect on British standards of living as the House of Commons.



Membership of the Community has meant, and will mean, that Britain must adopt certain laws which are written, not by the British Parliament, but by the nine nations of the Community in partnership. But the broader question of the power of Parliament to conduct its affairs for its people, in accordance with its traditions and its written or

unwritten rules, was a matter just as important to the other states of the Community when they created it as it is for Britain and the other new members. Not one of the original members of the Community would dream of leaving it; not one considers it has lost real sovereignty.

The Cost of Membership

As a member of the Community, Britain enjoys the advantages of a customs union which is moving towards a market free of all barriers to trade. But it is also playing a full part in a whole range of international and domestic policies, ranging from external policy, or world problems of trade and aid, economics, food and energy, to detailed questions involving employment, consumer protection and the environment. The Community has its own operating budget, next year amounting to about £3,858 million. How much Britain will contribute to this budget year by year will depend largely upon our ability to pay.

It is a fundamental principle of the Community that it should have its own funds, and that they should be spent where they are most needed. A system whereby a nation received back, penny for penny, exactly what it puts into the Community would obviously lead nowhere.

At present, for example, Germany pays more into the Community budget than it gets in return; Ireland and parts of Italy are net recipients. The objective is the levelling up of the poorer regions of the Community; there is still a long way to go.

Before entry, it was estimated by the Government that Britain would pay about £90 million more into the budget during 1973 than she received back and larger sums in 1974 and 1975. In fact, she paid less than expected during all three years, and received more.

On the other hand, it is possible, on present forecasts, that in a few years' time, Britain might be asked to pay more into the budget than her share of the Community's prosperity would justify. For this reason, a corrective mechanism was agreed during the period of renegotiation whereby a country which pays an unfairly high contribution to the budget should get a large proportion of it back.



In some fields — notably agriculture — Britain is very likely in the foreseeable future to pay more out than she receives back. In others — for example the social fund, the coal and steel funds, and the regional fund — she is likely to show a net gain.

Measured in terms of strict financial return for money, Scotland is certain to profit more from membership than, say, southern England; but Britain as a whole, and Scotland in particular, also has the chance to benefit from the real rewards of membership — the opportunities offered by the Common Market itself, to attract investment and industry to sell our goods, and to take part in drawing up and shaping the Community's policies as a whole.

The “Eurocrats” and “Eurobeer”

Harmonisation in the Community is not concerned with the creation of “Eurobeer” or the “Euroloaf”. Its object is to give consumers more choice, not less. But it is also intended to ensure that Britain's exports are not banned from Community countries because of differing technical rules, or that goods imported into Britain do not fall short of our own health or safety standards.

A remarkable mythology has grown up concerning the desire of the “Eurocrats” of Brussels to change Britain’s eating and drinking habits. It has been reported, perfectly seriously, that the British people will no longer be able to eat fish and chips, their own kind of ice cream, cane sugar or New Zealand lamb. This is nonsense.

But (to continue with the example of food) Britain will want to sell smoked haddock, sausages and beer to the Community countries, and they will want to sell Italian cheeses and Belgian paté to us, free of tariffs and other trade barriers.

Countries have their own standards for their traditional food-stuffs. Nothing the Community does will change these standards for

domestic consumption unless new rules are agreed by all member countries for reasons of health.

But a Frenchman who buys ice cream expects something very different from a Scot, who has grown to prefer a product which may have had no relationship, however distant, with a cow. Similarly, if Scots buy wine from Italy, they very properly expect it to have been made from grapes.

In many of the products which Britain exports in quantity to the Community countries — and they to Britain — there are different standards which must be met. These may involve industrial safety, quality control, the various trades description acts, and so on. The more these can be harmonised, the easier trade becomes. All nine governments are therefore agreeing on the types of additives — colourants and preservatives, for instance — which can be used by food manufacturers.

More and more, harmonisation is being offered as an option rather than being incorporated in Community legislation. There is, however, one invariable rule: standards must move upwards, not down.

Bureaucrats are, of course, fair game. But the entire “civil service” of the Commission in Brussels numbers about 8,000. This is fewer than the staff of an average British Ministry.



Devolution and Europe

Nothing in the Government's proposed plans for devolution in Scotland and Wales conflicts with Community principles. Germany has retained, and indeed extended, its political decentralisation while remaining among the firmest believers in European integration.

The Member States of the Community are naturally concerned with representing the views and interests of their countries as a whole. It is up to them what procedure they follow for deciding the national position they will adopt in the Council of Ministers, and up to them to decide, within the framework of the treaties, their method of representation in respect of the Community's institutions.

On several occasions, the U.K. delegation to the Council of Ministers has included Scottish Ministers when matters of particular importance to Scotland were being discussed, and on two occasions a Scottish Minister, with the backing of the British Cabinet, led the delegation.

The original six countries of the Community have had many years of experience in making regional interests heard when Community policies are being drawn up — both through the many consultative committees and by means of informal "lobbying" in Brussels and at the European Parliament. In Scotland many professional, trade

and industrial bodies, local authorities, trades unions and quasi-governmental organisations have already begun to form or extend their links with the Community.

There is no contradiction between the taking of major policy decisions at the European level and extending the power of regional government. Indeed, the better the problems of one part of the Community — whether it be a nation, a region, or a single county or city — are understood, the better the chance that decisions reached at Community level are the right ones.



Finding out about the European Community

The Office of the Commission of the European Communities in Scotland is at 7 Alva Street, Edinburgh, EH2 4PH. The telephone number is 031-225 2058, and the head of the office is Stanley Budd. It offers information and printed material relating to the work of the Community. These are facilities for informal press briefings and more formal conferences with members and other officials of the Commission when they are in Britain.

While the Edinburgh office can normally deal with general queries about the work of the Community institutions, many specific problems such as tariff levels, standards, health regulations, etc., should be addressed to the appropriate branch of the Department of Trade (041-248 2855) or Industry (041-248 6014) or the Scottish Office. Any other queries on specifically national laws and regulations, including details about work and working conditions in other E.E.C. countries, are best addressed to the Consulate of the member state concerned or its embassy in London.

Publications

Official publications, including the Official Journal of the European Communities, may be bought from H.M. Stationery Office, 1 Castle Street, Edinburgh.

Other publications such as information pamphlets are supplied free on demand from the Com-

mission's Offices, although bulk orders from business organisations are subject to a token payment. They can be seen in the Edinburgh office.

Speakers and Briefings

Members of the staff of the Edinburgh, Cardiff and London Offices are available on request as speakers, and the office is also in touch with a number of voluntary unofficial speakers on Community topics. Members of the Community staff in Brussels may also be available from time to time to address meetings.

The European Parliament

Although the Scottish Office of the Commission does not represent the European Parliament, a certain amount of printed material on the Parliament and its activities is available (see page 24).

The London and Cardiff Offices

The main U.K. Office of the Commission is at 20 Kensington Palace Gardens, London, W8 4QQ, telephone 01-727 8090. Head of the Office is Richard Mayne and his deputy is Anthony Hartley. The Press Officer is Michael Lake. There are specialist officers on various subjects.

The Commission's Office for Wales is at 4 Cathedral Road, P.O. Box 15, Cardiff, CF1 1WF, telephone Cardiff 371631. The head of the office is Gwyn Morgan.

The European Parliament and European Elections

In May or June 1978 the 180 million voters in the Community should go to the polling booths in the world's first international Parliamentary election. This will change the European Parliament from a body of 198 members delegated from their national Parliaments to a body of 410 members elected directly. It will give the peoples of the Community the opportunity to help to shape the sort of Europe they want to see.

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European elections will mark an important change in the nature of the Community. They will be an attempt to bring the peoples of the nine countries closer together and at the same time a practical step towards making the Community more democratic and more accountable for its actions. As it is, close scrutiny of draft Community laws before they are agreed by the Council of Ministers has proved to be beyond the already crowded order papers of the nine national parliaments. It is at this stage of "pre-legislative scrutiny" that the European Parliament has been most effective in stressing to the Commission and Council the possible consequences for a country, a region or an industry.

The nine member governments in September 1976 agreed that the first

European elections would take place at the same time (with May or June 1978 as the target date). For the first elections, each country will choose its own electoral system (though the longer-term objective is to agree on a single Community system). The elected Parliament will sit for five years, and each country will decide for itself whether or not dual membership of the National and European Parliaments should be permitted.

The nine governments have also agreed on the number of seats to be allotted to each member state. The United Kingdom will have 81, or just under 20 per cent of the total, which is broadly in line with the United Kingdom's proportion of the total Community population. How many of these members will be elected for Scotland is not certain at the time of writing (December 1976), but a Select Committee set up by the House of Commons has recommended that Scottish and Welsh representation should be proportional to their populations within the United Kingdom, i.e., eight for Scotland and four for Wales. It also recommended three for Northern Ireland, whereas its population size would proportionately require only two.

The Government's proposals for this and other aspects of holding European Elections in the U.K. are expected to be known early in 1977, when it puts a Bill before Parliament to implement the Community

decision, to make the necessary preliminary arrangements for holding the European elections in the U.K., and to permit the boundary commissions to start work on drawing up Euro-constituency boundaries. If everything goes to plan in this and the other eight countries, candidates will be chosen towards the end of 1977, leaving about six months for organisation and campaigning before polling day.

When the Elected Parliament meets for the first time (in Strasbourg or Luxembourg) it will not change its advisory nature overnight. The Council of Ministers, representing the nine member countries, will remain the final decision-

making body for the Community. But the members of the new Parliament, doubled in number and able for the most part to devote their time fully to European affairs, will speak with the authentic direct voice of the regions they represent. This should help to counter criticism that the Community is remote from the affairs of the ordinary citizen.

The European Parliament has its own office in Britain. It is at 20 Kensington Palace Gardens, London, W8 4QQ, and the telephone number is 01-229 9366. Head of the office is Roger Broad, and his deputy Ben Patterson. The office publishes material on the Parliament and its activities, much of it available free.



