

European Parliament Information

The Sittings

January 1978



THE SITTINGS

LUXEMBOURG, 16th – 20th JANUARY 1978

THE WEEK

Everything but the budget

After months of preoccupation with the Community's 1978 budget, Parliament reassembled here in Luxembourg for its first sittings week of the new year to talk about almost everything but the budget: regional policy, aeronautical research, human rights, agriculture, shipbuilding, trade, the environment, political cooperation – and even how to stop smoking.

At the top of the week's agenda, however, were two major political statements – one by Commission President Mr Roy Jenkins, the other by Mr K.B. Andersen, Danish Foreign Minister and new President of the Council. Mr Jenkins talked about economic and monetary union. EMU, he told the House, would not only help trade and commerce, it could also help to narrow the gap between the prosperous and the poorer regions of the Community. Reactions in the short debate were mixed – but it's a subject Parliament will be coming back to.

Mr Andersen, outlining the Danish presidency's priorities for the next six months, put the emphasis on political cooperation and combatting unemployment 'purposefully and directly'. He also said he expected a final decision on the date of direct elections to be taken at the European Council meeting in April.

There were, as usual, plenty of distinguished visitors to Parliament. They included Mr David Andrews, TD, Irish Minister of State for Foreign Affairs, Mr Ron Hayward, General Secretary of the Labour Party, and Mr Ian Paisley, MP. And on Thursday Lady Kirk, widow of the late Sir Peter, attended the dedication of a meeting room on the 6th floor of the Schuman Building which will bear her husband's name.

MONDAY, 16th January 1978

Announcements

The European Parliament has learned with great regret of the death of Mr Wolfgang Schwabe. He was 67.

New Member

Mr Luster is to take the seat vacated by Mr Kunz.

Two Dutch EMPs leave

Mr de Koning and Mr van der Mei have accepted posts in the new Dutch Government.

Order paper

Mr Liogier's report on the proposed common market for ethyl alcohol and Mr Klinker's report on a licensing system under a common fisheries policy have both been deferred.

Action on Parliament's advice

Mr Giolitti told the House that the Commission had now considered the sixteen opinions delivered by the European Parliament in December on Commission proposals. Twelve of these had approved the proposals and four had called for amendments. The Commission had accepted the amendments in three of them, the exception being the amendments called for in the report by Mr Scott-Hopkins on the regulation governing farm surveys.

Mr Gundelach, he added, had accepted much of what Mr Corrie had called for in his report on the common fisheries policy proposals. Further to Parliament's advice, amended proposals concerning colouring agents in food and fluorocarbons had been submitted to the Council.

Finally, the one question still outstanding was the European Export Bank on which Mr Nyborg had reported to Parliament. The Commission had still not decided its final position.

The Regional Fund in 1976

The main interest of today's retrospective on the Regional Fund in 1976 was what Commissioner Giolitti said about the Council and the new Regional Fund regulation. The Commission has proposed that a percentage of Fund money be set aside for allocation according to Community rather than natural criteria. And he sounded hopeful that the Council would accept the idea.

The percentage involved might be small but in terms of principles the gain would be enormous. As regards the extra 0.5 per cent to be allocated to Ireland and the extra 2 per cent to go to French overseas territories, Mr Giolitti said no decision had yet been reached.

Lastly, he said, the Commission was pressing for tourist infrastructure to be eligible for Regional Fund assistance – several speakers in the debate stressed what an impact tourism could have in developing the less prosperous regions. But again no decision had been taken on this point either.

The Regional Fund 1975-1977

The Fund was based on a system of national quotas for the three year period 1975-77:

Italy	40.0 per cent	–	520 mua
United Kingdom	28.0 per cent	–	361 mua
France	15.0 per cent	–	193 mua
Germany	6.4 per cent	–	82 mua
Ireland	6.0 per cent	–	84 mua
Netherlands	1.7 per cent	–	23 mua
Belgium	1.5 per cent	–	19 mua
Denmark	1.3 per cent	–	17 mua
Luxembourg	0.1 per cent	–	1 mua
Community	100.0 per cent	–	1,300 mua

Among the points made in the debate was the importance of coordinating Community funds to ensure the maximum regional impact. In 1976 the use of some funds – under the Guidance Section of the EAGGF, for example – had actually had an anti-regional effect. Another and fairly recurrent complaint was the way some governments were tending to use Regional Fund resources instead of rather than in addition to their own funds.

And lastly, of course, was the complaint that the Regional Fund was simply not big enough. Mr Ellis asked whether the aim of the regional policy was not simply to contain regional imbalances within politically acceptable limits rather than actually deal with them properly. And several Irish Members suggested the evidence available hardly amounted to any real EC commitment to deal with imbalances between the regions.

As Russell Johnston, rapporteur for Parliament's Regional Committee pointed out, the Fund, on its own had not solved the problem in 1976 – the implication being that on that scale it was not likely to. Some 55,000 jobs had been either saved or created by the Regional Fund in 1976 but this was hardly one per cent of the jobless total.

Meanwhile the number out of work had grown by one million and the gap between rich and poor regions was wider now not narrower.

Safety at sea

Mr John Prescott (UK, S), speaking for the Socialist Group warned the House that there could be a strike by seamen in the summer of this year unless action were taken to ensure that safety standards for seamen were not only laid down but actually enforced.

He quoted examples of accidents such as a collision between two tankers from the same shipping line in broad daylight and, as an illustration of the kind of abuse that could occur, he referred to the Globtik Venus incident. He asked the Commission what action it could consider to meet the demands of the seamen's unions.

In reply Mr Giolitti said the Commission attached great importance to safety at sea. The Community, he thought, could best act through INCO, the inter-governmental consultative maritime organization of the United Nations and

through the International Labour Organization. INCO would be meeting next month and the Commission was looking into how a common approach to the conference could be ensured. It would be dealing with tanker safety and pollution prevention.

At the same time, Mr Giolitti did not rule out specific EC measures on safety at sea. As Mr Prescott had pointed out, the North Sea countries were looking into how ILO Convention 47 laying down minimum standards for merchant vessels could be enforced. The Commission was proposing that the EC take part in these discussions, look into their results and, if possible, incorporate them into EC rules. This would be a direct follow-up to the Council's request of June 1977 to which Mr Prescott had referred.

Meanwhile the social partners had not yet reached agreement on the mandate to be given to the joint committee on maritime navigation. This had not prevented ad hoc meetings, one of which had been held in Brussels on 18th November and there would be others. A great many points had been discussed and were evidence, he concluded, of a continuing commitment on the Commission's part to do all it could as regards safety at sea.

TUESDAY, 17th January 1978

Broad backing for aerospace proposals

The European Parliament today endorsed Viscount Davignon's proposals for helping the aerospace industry. These involve a 22 mEUA (14 million pounds) four-year airframe programme (aimed at increasing structural life and reducing maintenance costs) and a 14.7 mEUA (10 million pounds) five-year helicopter programme (aimed at improving aerodynamic efficiency, reducing noise and vibration and improving crash survivability).

The Community will be paying 20 per cent of the cost of these programmes. Some Members expressed fears about there being any cutback in these proposals. Indeed they regarded them as minimal: could they not also include a transonic wind tunnel? After all a cyrogenic wind tunnel was already being developed in the United States. On this point Commissioner Davignon had his doubts. He would be looking into costs and reporting back before the end of the year.

This said, he rejected Mr Mascagni's argument that the funds available were marginal. They could finance make-sense programmes – provided of course they were coupled with backing and coordination elsewhere. One could no longer afford for the Community to finance those projects that Member States had too many doubts about to finance for themselves. Mr Carpentier tabled a motion urging the Council to adopt the Commission's proposals as soon as possible. This is expected to be agreed to unanimously.

Direct insurance other than life insurance

The laws of the Nine vary as far as insurance is concerned, and this runs counter to the Treaty objective of enabling those in insurance to pursue their profession in whichever Member State they choose (Art. 59 of the EEC Treaty: freedom to provide services). The Commission's directive is aimed at coordinating Member States' laws and regulations relating to direct insurance (other than life insurance).

Replying to the debate, in which Members expressed their broad approval for the proposals, Mr Christopher Tugendhat said the Commission could probably accept all of the various amendments to the directive being asked for by Parliament. In particular, he agreed with the need to protect the 'consumer' – the policyholder – and also with the more general need, to which Lord Ardwick (UK, S) had alluded, of simplifying the complex and technical language in which such documents were couched.

QUESTION TIME

QUESTIONS TO THE COMMISSION

A priori monitoring of shoe imports (Pierre-Bernard Cousté)

Raymond Vouel told Mr Cousté (Fr, EPD) that the Commission had now introduced an a priori system for monitoring shoe imports – in addition to a posteriori checks already being made. But as the largest exporter of shoes the Community had to tread carefully.

Community languages: efficiency not the only consideration (Mario Fioret)

Christopher Tugendhat agreed that there might be some gain in efficiency if the Community used fewer languages but efficiency was not the only consideration. Asked about EC languages after enlargement to include Greece, Spain and Portugal, he made the same point.

Better coordination of state aids to investment needed (John Evans)

Mr Vouel said ceilings for state aid were set in consultation with the Member States pursuant to Community competition policy but closer coordination was needed.

Hydroelectric plants in Greenland seem uneconomic (Luigi Noè)

Mr Guido Brunner said the Commission was backing a Danish Government study into the hydroelectric potential of Greenland but so far the evidence did not suggest it would be economic in the short term.

Community has surplus oil-refining capacity (Jean-François Pintat)

Mr Brunner said that the Community had a surplus capacity of 114 million tonnes and was using only two thirds of capacity at present. He hoped the Energy Council of March 21st would take decisions on phasing out capacity. Meanwhile the Commission's aim was a more transparent market.

President Carter favours low air fares and competitive rates (Horst Seefeld)

Mr Richard Burke told the House of talks being held to enable the Nine to make a concerted approach on air fares.

Sri Lanka tea industry (Bob Edwards)

Mr Tugendhat said the question of tea exports to the Community could be raised at the next meeting of the Joint EC-Sri Lanka Commission. Mr Edwards (UK, S) expressed great concern about the plight of workers on the tea plantations there. They were, he said, among the poorest paid in the world.

Welcome to delegation from Malta

From the Chair, Vice-President Cornelis Berkhouwer welcomed a delegation from the Chamber of Representatives of the Republic of Malta attending Question Time in the official gallery. The delegation is led by Mr Joseph Brincat.

Economic and monetary union

In a statement to Parliament this afternoon Commission President Mr Roy Jenkins placed economic and monetary union (EMU) alongside direct elections and enlargement as one of the key issues facing the Community today.

There were seven arguments in favour of monetary union, Mr Jenkins said: (1) removal of parity fluctuations would help business and trade (2) Europe would enjoy the benefits of having a major world currency (3) monetary union would help to control inflation and (4) provide a stimulus to growth and employment (5) both the poorer and richer regions stood to gain (6) EMU would form part of the process which seeks to balance greater Community control against de-centralisation (7) it was an essential foundation for political union.

Mr Jenkins then went on to deal in greater detail with some of these points. The creation of a strong European currency would not only eliminate a host of internal monetary problems, it could also contribute to stabilizing the world monetary system, he said. And though it could not alone solve the problems of growth, inflation and employment, it represented 'the best way in which the trap might be sprung'. Institutionally, he concluded, a new and novel Community body – responsible perhaps to the European Parliament – would need to be set up to administer monetary union.

Mr Jenkins was very strongly supported by Commission Vice-President Ortoli (who also spoke from the rostrum on this occasion) and indeed by spokesmen from all parts of the House, the only regret being that there had not been more time set aside to discuss what Mr Geoffrey Rippon (UK, EC) described as a 'major policy statement'.

There were, however, one or two EMPs who remained unconvinced. As John Prescott (UK, S) saw it, the real test of any idea of this kind was the effect it had on jobs and he did not believe EMU was the answer.

Call for Community anti-smoking measures

'Prevention is better than cure' said Mrs Vera Squarcialupi (It, CA), introducing her oral question calling on the Commission to ban cigarette advertizing, study methods for discouraging youth from smoking and organize research on less harmful varieties of tobacco, on tobacco-linked diseases and on methods of combatting the harm caused. She told the House that more deaths were caused by smoking than by traffic accidents – but while there had been 43 directives on the latter, there had been none on the former.

In reply, Mr Vredeling said the Commission was looking into the whole problem at the request of the Council. The key to the problem, he thought, was stopping young people from starting. Mr Burke, speaking on the consumer aspects of the problem, pointed out that sales restrictions were difficult to enforce. He later gave details of tobacco tax receipts in the various Member States, which, Mr Kai Nyborg (Da, EPD) had pointed out, Member States could ill afford to lose. Like other speakers in the debate, he counselled caution in interfering with personal freedom.

If we ban smoking now, said Mr James Spicer (UK, EC), we'll be banning drinking next and end up introducing compulsory jogging. Mrs Squarcialupi said the personal freedom argument was misleading – it could easily be extended to drugs. Her question did not seek to stop people from smoking, but rather to discourage them from starting.

Tobacco tax revenue (1,000m):

		1975	1976
Belgium	Bfrs	15	17
Netherlands	Fl	1.28	1.35
Germany	DM	9.05	9.42
France	FF	6.88	7.51
Italy	Lit	990	1130
United Kingdom	Pounds	1.68	1.88
Ireland	Irish Pounds	0.09	0.11
Denmark	Dkr	3.52	3.62

WEDNESDAY, 18th January 1978

Declaration by Council President K.B. Andersen

President Colombo welcomed Mr Knud Borge Andersen, Danish Foreign Minister and new President of the Council, to the European Parliament. In his address to the House, Mr Andersen began by referring to direct elections to the European Parliament: the Council would, he said, 'do its utmost' to ensure that a date was set in time for the European Council meeting in Copenhagen in April.

In his speech, which included a review of the Community's achievements since the October 1972 summit, Mr Andersen placed the stress firmly on political cooperation among the Nine as the area in which the Community had made the most progress, and where it would probably progress most in the immediate future. He referred especially to relations with the ACP countries, the rest of the third world and the USA.

This said, the Danish presidency would aim primarily at assuring that 'practical progress over as wide a field as possible' was made. Here Mr Andersen singled out agriculture and fisheries, and he emphasized the importance of the enlargement negotiations. 'The Community's credibility is at stake here', he said. Underlining the need for Community cooperation with other European countries, he pointed to Denmark's special position as a bridge between the EC and Scandinavia. Priority must also be given to the current GATT talks, and in the Community, to combatting unemployment 'purposefully and directly'.

In conclusion, Mr Andersen expressed the pragmatic conviction that 'practical and systematic efforts' were of 'far greater importance than considerations of principle about individual institutional developments'.

Speakers in the debate that followed gave a general welcome to Mr Andersen's speech, but many felt that neither Mr Andersen himself, nor the Council, had been convincing or specific enough about a range of aspects vital to the Community's future. These included enlargement, economic and monetary union and jobs – precisely what action envisaged on employment, asked Mr Egon Klepsch (Ge, CD), Mr Cornelis Berkhouwer (Du, L), Lord Ardwick (UK, S) and Mrs Marie- Thérèse Goutmann (Fr, CA)? Nor had he made any reference at all to such points as terrorism, passport union, the position of Turkey or the Tindemans Report on European Union.

Replying to the debate, Mr Andersen agreed that it had been impossible to cover everything. On direct elections, he said the Council of Ministers would now be discussing feasible dates in 1979 and he hoped the political decision would be taken in April. As for Turkey, the Community's commitments under its Association Agreement had in no way been forgotten.

Reuniting families

There was support from all six of Parliament's political groups this morning for a motion tabled by Mr Mario Scelba (It, CD). This calls on the Council and Member States to put pressure on all signatories of the Helsinki Final Act to observe their obligations 'with particular reference to the reunification of families'.

(The Final Act states: "In the field of human rights and fundamental freedoms, the participating States will act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights." Article 13(2) of the Universal Declaration of Human Rights states: "Everyone has the right to leave any country, including his own, and to return to his country.")

Lying behind this motion are requests received by the European Parliament from citizens of the GDR asking it to support them in their efforts to emigrate to West Germany.

QUESTION TIME

QUESTIONS TO THE COUNCIL

Mr K.B. Andersen, Danish Foreign Minister and current President of the Council, replied.

New protocol for Portugal now ratified (Bob Edwards)

Mr Andersen said the Council was continually looking into new ways of helping other countries both regional (Lomé countries and Mediterranean states) and

world-wide (generalized preferences, help for non-associates). What Mr Edwards wanted to know was how the Community could set about helping a country like Laos. Lord Reay (UK, EC) expressed concern about Portugal. Mr Andersen said a new protocol had just been ratified.

Six months in Chair is long enough (Tam Dalyell)

Mr Andersen saw no virtue in a longer term of office for the Council President.

Concern for Falkland Islanders (John Osborn)

Mr Andersen could not comment as to whether the EC could help develop Port Stanley, build up the Islands' air links or develop cooperation. As to resisting any bid by Argentina to take over the Islands, this was, he said, outside his brief.

No role for EC on Brandt committee (Pierre-Bernard Cousté)

Mr Andersen thought it would be inappropriate for the Community to be represented, as such, on the committee set up by Mr Brandt to look into ways of reorganizing relations between industrial and developing countries.

Incentives for using coal in power stations (Lord Bessborough)

The Council had not rejected the Commission proposal to finance cyclical stocks of coal and promote the use of coal in power stations. It had not, however, taken any decision on this matter on 13th December.

No change on green pound (Winifred Ewing)

Several Members voiced their concern about the failure to revalue the green pound. Several others voiced theirs about the fact that the green pound might be revalued.

Multinational companies (Sir Geoffrey de Freitas)

Sir Geoffrey de Freitas, Mr Edwards and Mr Prescott urged that multinational companies operating in the Community be made more accountable. Sir Brandon Rhys Williams suggested a common code of practice on transfer pricing.

Ratification of decision on direct elections (Schelto Patijn)

Of the seven Member States having ratified the Decision of 20th September 1976 on direct elections, France and the Netherlands had still formally to notify the Council. Mr Broeksz (Du, S), explaining that the Netherlands had failed to do so because it had been without a government, asked whether the French failure to notify was in any way connected with the final choice of a seat for the European Parliament. Mr Andersen said he had never heard of such a thing.

Political cooperation in trade (Tom Normanton)

Mr Andersen told Mr Normanton that an agreement already exists between the EC and other industrialized countries as regards conditions of credit. He did not agree that the present position had given rise to what Mr Normanton described as a 'competitive war' in trade with the state trading countries.

Social security (Alain Terrenoire)

There were already various procedures for consultations with a view to harmonizing social legislation upwards, Mr Andersen said. It was up to the Commission to make specific proposals.

QUESTIONS TO THE FOREIGN MINISTERS OF THE NINE MEMBER STATES OF THE EUROPEAN COMMUNITY MEETING IN POLITICAL COOPERATION

Anti-slavery Society (Winifred Ewing)

The Foreign Ministers, Mr Andersen told Mrs Ewing, had not dealt with the latest Annual Report of the Anti-slavery Society.

European political cooperation

The European Parliament then discussed a motion put down by Mr Blumenfeld (Ge, CD) for the political committee on political cooperation between the nine

Member States. In particular, the motion called on the Council to take account of foreign policy guidelines laid down by the European Parliament. The motion also urged that an end be put to the distinction between 'Community' matters and matters coming under the heading of 'political cooperation'.

The debate then broadened out into how the Nine could take political cooperation a stage further. Mr Granelli, for the Christian Democrats, referred to Mr Tindemans' insistence on the need for a political secretariat. Mr Bettiza for the Liberals, thought that Foreign Ministers' meetings ought to be open to Defence Ministers. This comment provoked a reaction from Sir Geoffrey de Freitas, Socialist spokesman, who opposed the whole idea of cooperation in defence outside NATO. As for control in foreign affairs, he felt the European Parliament had enough to do already.

But Mr Geoffrey Rippon, Conservative spokesman, agreed with his colleagues on the centre right. He thought Mr Tindemans was broadly right and that a better infrastructure was needed now for political cooperation.

This view was also expressed by Mr Brugha, spokesman for the European Progressive Democrats.

To Mr Sandri, (It, CA) on the other hand, the motion before the House was lacking in realism. His group, he said, would abstain.

Where there was a general agreement, however, was on the need for a continuous dialogue between Parliament and Council about foreign affairs. And Mr Blumenfeld welcomed the positive stance of Mr Andersen, Council President, on this point.

Replying to the debate, Mr Andersen, who can claim the credit for having been an initiator of debates after foreign policy reports, was not convinced by the need for a political secretariat. 'We work at present through the Ministers in the various capitals and we work through direct contact between those directly concerned.'

Sanctions busting

Two British notes to the UN Commission supervising the application of economic sanctions against Rhodesia accused Gabon of being the centre of

'sanction busting' operations and accused a number of Community companies and airlines of supplying equipment. A third note, to the Security Council, again implicated Belgium, France, Luxembourg, the Netherlands and Zaïre. What, Mr Ernest Glinne (Be, S) wanted to know, had been done in response to this last note by the Nine in the context of political cooperation.

Mr K.B. Andersen, President of the Council of Foreign Ministers meeting in political cooperation, gave few details, beyond saying that on 31 January 1977, the Foreign Ministers had pledged themselves to observing sanctions.

In the debate that followed, Mr Christopher Price (UK, S) wished the Council's good intentions would be reflected in a more energetic approach to the problem. He went on to describe in detail how a major Belgian finance group had been involved, through subsidiaries, in flying meat exports out of Rhodesia.

Mr Pierre Deschamps (Be,CD), for the Christian Democrats, said his group fully supported effective sanctions. So did the Communists, said Mrs Goutmann. But Uwe Jensen (Da,EPD) disagreed: the Community, he said, should not get involved with Rhodesia, and companies should be free to trade as they wished.

This shocked Lord Bruce (UK,S) and Mr Willie Hamilton (UK,S), who thought it vital that we translate our anti-racist convictions into action. Lord St. Oswald (UK,EC), however, felt sanctions were largely irrelevant: there was now a good chance of a peaceful settlement being reached internally in Rhodesia.

Replying, Council President Mr K B Andersen – speaking as a Danish Minister – said he was sorry that Mr Jensen had said what he had: his views were certainly not those of a majority of Danes. Denmark had enforced sanctions strictly. But he agreed that Western ideals were at stake in cases like this.

Limiting State aid to the shipbuilding industry

There was general support this evening for a Commission proposal to place a ceiling on the amount of aid granted by each of the Member States to their shipbuilding industries. This is an attempt to cope with the industry's serious problem of excess capacity.

Amnesty International

Mr Charles McDonald (Ir,CD) put down a motion congratulating Amnesty International on winning the Nobel Prize for peace, and this was welcomed both by Parliament and the Commission. Mr Prescott suggested the Community could go one stage further and use its economic muscle to ensure respect for human rights.

THURSDAY, 19th January 1978

A fairer deal for the Mediterranean

Agriculture in the Mediterranean regions is lagging behind the rest of the Community and the Commission is suggesting a number of structural and market measures to help their development. The 'Mediterranean' regions are those in which specifically Mediterranean products, such as durum wheat, vegetables, flowers, tobacco, wine, olive oil, fruit (except apples), citrus fruits, mutton and lamb account for at least 40 per cent of production. These regions cover 15.6 million hectares (17 per cent of the EC total) and give a living to 2.6 million people (30 per cent of the EC's agricultural work force).

Mr Ernesto Pucci (It,CD) (standing in for Mr Ligios, rapporteur for the Committee on Agriculture), would like these regions to be more precisely defined. He believed that the Mediterranean agreements signed by the Community had aggravated the already precarious position of these regions. And the EC's pricing and marketing policy had done little to help their produce. Mr Pucci called, *inter alia*, for a higher income for Mediterranean producers and greater protection from imports.

Mr Pucci added, however, that he had taken comfort from Council President K B Andersen's comment yesterday that the enlargement of the Community must not make it weaker.

Mr Hans-Joachim Hoffmann (Ge), for the Socialist Group, said that although the Mediterranean was closely associated in people's minds with agriculture, this was only part of the problem. He was critical of the Commission for not coordinating its proposals for dealing with the problems of the region.

Speakers for the other political groups were divided in their assessments. While Mr Ferruccio Pisoni (It), for the Christian Democrats, fully supported the report and motion, EPD spokesman Mr Uwe Jensen (Da) spoke of the dangers of enlargement for Mediterranean farming. Mr Ralph Howell (UK), for the Conservatives, put in a strong plea for marketing organizations for Mediterranean farm produce. In the view of Communist spokesman Mr Giuseppe Vitale (It), a comprehensive review of the CAP was needed. He did not feel added protection for Mediterranean produce was called for. The Communists, he said, would abstain.

A number of speakers agreed that additional protection from non-Community imports, as called for by Mr Ligios in his motion, would be undesirable. Here Commission Vice-President Finn Gundelach, replying, concurred: protectionism would be self-defeating. We would be the losers in the end, he said, forfeiting more jobs in other areas than we might save in Mediterranean farming.

Nor could Mr Gundelach accept that regional imbalances of the kind under discussion were the Community's fault: they had been there before the Community even existed. But that didn't mean the Community had taken sufficient action to redress the imbalances – it hadn't.

On the specific question of southern farm produce, part of the problem was that not enough effort was being made to send the right products, of the right quality and at the right price, to market. This was where marketing organizations could help. He did not think it was 'scandalous' – as some speakers had suggested – to reduce wine production, say, to a level closer to what the market could bear. There were plenty of realistic alternatives to which some producers could convert.

While the emphasis must be on structural reform, that would take time, and meanwhile farmers had to be helped: here he pledged the Commission to taking action 'soon' to provide relief for wine producers.

Deportations in Chile

Mr Egon Klepsch (Ge,CD) introduced an all-group motion on the deportation on 13 January 1978 of political and trade union personalities in Chile. He was supported by Lord Bethell (UK,EC) and Mr Bob Edwards (UK,S), who said that recent European history – he cited Italy, Germany, Spain, Portugal and Greece – should have taught us the dangers of complacency in confronting authoritarian régimes of the kind now in power in Chile.

QUESTION TIME

QUESTIONS TO THE COMMISSION

Commission can act quickly on dumping (James Spicer)

Mr Haferkamp told Mr Spicer (UK,EC) that the degree of market penetration was one of the factors considered when complaints of dumping were filed. It could act by interim measures or, once dumping was proved, take decisions within five days. He did not think, as Mrs Dunwoody (UK,S) suggested, that this power should be delegated to the national authorities. He took Mr Tom Normanton's (UK,EC) point about US penetration of the EC aircraft market but dumping rules alone would not solve that problem.

No date for export bank proposals (Mario Martinelli)

Mr Haferkamp said he could not say how quickly the Commission would complete its proposals on a European Export Bank.

No plans for Falklands development (John Osborn)

Mr Vouel said the Commission had made no studies of the fishing and oil potential of the South Atlantic but would willingly look into the possibilities. Lord St. Oswald (UK,EC) reminded the House there are some 20,000m barrels of oil under the ocean between the Falkland Islands and Patagonia and that 20,000 people on the mainland speak Welsh as their first language.

Free trade in sheepmeat (Gerard I. EStrange and René Feit)

There were now no restrictions on trade in sheepmeat and the Commission had taken action against France for infringements of free trade rules. There should be a common market in sheepmeat by April 1st. Mr Gundelach, replying to supplementaries, added that he considered the importing of 25,000 tons of sheepmeat from New Zealand at a 24 per cent tariff perfectly normal.

Commission favours tree-planting (Winnie Ewing)

The Commission had made proposals to the Council on tree planting and was doing so again in connection with its plans for the Mediterranean.

Cooler relations with Argentina (Manfred Schmidt)

Although the Commission's relations with Argentina had cooled in the last year, Mr Haferkamp said that its relations with other countries would be determined by whatever circumstances prevailed.

Coal imports (Uwe Jensen)

Mr Haferkamp reminded the House of the ECSC Treaty obligation on Member States to supply the Community market with coal.

Action on competition in air travel planned (Kai Nyborg)

Mr Vouel said the Commission was drawing up a regulation on air travel on the basis of Treaty Articles 85 and 86. It would cover charters too, he told Mr Luigi Noè.

Fishing: Commission statement

Vice-President Finn Gundelach gave the House this afternoon what he described as a 'progress report' on the fishing negotiations in Council. These had been suspended yesterday until 30 January, but he expressed guarded optimism that agreement could still be reached. All delegations had accepted the latest Commission proposals as a 'workable basis for compromise'.

Producer groups

The Commission is proposing to make grants to encourage producers to form associations and facilitate their operations; these may not exceed 50,000 u.a. per association. The proportion of expenditure covered by the EC may be between

25 per cent and 65 per cent. Mr Vitale (It,CA) asked the House to approve this proposal subject to a number of amendments. Mr Erwin Lange (Ge,S), for the Budgets Committee, also called for amendments. There was general support for the motion.

Agricultural structures policy

There was some disagreement this evening between Mr Hans-Joachim Hoffmann (Ge,S) and Mr Heinrich Aigner (Ge,CD) concerning a Commission proposal governing the exchange rates to be applied for the purposes of the agricultural structures policy. Mr Hoffmann, for the Agriculture Committee, asked the House to approve the proposal. But Mr Aigner, for the Budgets Committee, thought it would have an inflationary effect and asked the House to reject it. But Mr Erwin Lange (Ge,S), on the other hand, asked whether the EUA could not be introduced under the guidance section of the EAGGF. In reply Mr Gundelach was doubtful but he said he would consider the idea.

FRIDAY, 20th January 1978

Paper and board recycling

Mr Karl Fuchs, for the Energy and Research Committee, asked the House to approve a research and development programme on paper and board recycling. The Community would meet some 50 per cent of the cost and the bill would come to 2.9m EUA (1.9m pounds) over three years. Mr Fuchs told the House of the considerable savings that could result from the programme, both in terms of energy and of a more economical use of paper and pulp. There would be ecological benefits too.

There was a general endorsement of Mr Fuchs comments.

State aid measures in EFTA countries

In a question to the Commission, the Liberal and Democratic Group wanted to know what action the Community was contemplating with regard to the state aids provided by certain EFTA countries – and notably Sweden – to other

industries. Particularly in the textiles and chip board manufacturing industries, these aids enabled certain EFTA countries to undercut Community firms and thus distort competition.

Mr Niels Anker Kofoed (Da,L), introducing the question, wanted to know how the Community could be expected to maintain its anti-protectionist principles faced with such dumping practices. Mr Tom Normanton (UK,EC) said that EFTA would have to accept the same kind of discipline as Community firms were subject to.

In reply, Commissioner Etienne Davignon agreed that such aids distorted competition and that he would bring the matter up with the EFTA countries. Article 23 of the agreement linking EFTA to the EEC in fact specifically outlawed such practices.

Trade with Japan

Replying to an oral question by Mr Jan Baas (Du,L) on trade relations between the EEC and Japan, Commissioner Davignon agreed that the continuing imbalance in trade gave rise to considerable anxiety. Japan seemed to be more willing to reach an accommodation with the United States than with Europe notwithstanding the latter's position as Japan's second most important trading partner.

He noted that, for example, the Japanese had introduced special tariff concessions for three-engined aircraft — and he did not think it was a coincidence that such aircraft were produced by the United States and not by Europe.

Council urged to act on environment

Giving broad approval to the Commission's second annual report on the environment this morning, the European Parliament was today strongly critical of the Council's failure to act on the Commission's proposals, despite its having given an undertaking to do so within nine months.

Implementing the 1977 budget

Lord Bruce (UK,S) expressed concern this morning about the fact that an appropriation of 8 mva included in the 1977 budget at the insistence of the European Parliament had not yet gone through. If the Council wanted to 'play awkward' over the non-compulsory part of the budget coming under Parliament's jurisdiction, then Parliament could 'play awkward' regarding the compulsory section. Replying Commissioner Davignon concurred.

Food aid

Introducing his two reports on food aids, Mr Heinrich Aigner (Ge,CD) welcomed the Commission's proposals (a) to supply skimmed milk powder and butteroil to India for the second phase of 'Operation Flood' and (b) for the 1978 programmes for food aid in cereals, skimmed milk powder and butteroil.

Mr Aigner went on to stress the major importance of these programmes in helping to meet protein deficiencies in the developing world. In the case of 'Operation Flood', the Community's aid would help to make India more self-sufficient in meeting its own protein requirements. (The Commission's proposals involved the supply of 31,000 tonnes of skimmed milk powder and 19,000 tonnes of butteroil per annum over the next six years).

Own resources

Lord Bruce of Donington (UK,S) asked the Commission whether it was true that the failure of seven of the nine Member States to implement the decision of 21 April 1970 on the replacement of financial contributions from Member States by VAT meant that the own resources system could now not be implemented for the 1978 budget. (The only two countries to have adopted the necessary measures are Britain and Belgium).

In reply, Commissioner Davignon agreed that this was, regrettably, the case: it would now be necessary to introduce a rectifying budget to replace the VAT amounts by direct financial contributions. He added that, in a Community where agreement was often so difficult to reach, it was absurd that we should fail to implement what we did agree upon.

SUMMARY

16th – 20th January 1978

(Document numbers in brackets)

Monday

President Colombo opened the sitting at 5 p.m. The House rose at 8.30 p.m.

Regional Fund in 1976

Commission's second annual report (Doc. 224/77). Mr Johnston's report (Doc. 452/77). Motion noted inadequacy of the fund, as endowed for 1976, for coping with regional imbalances on its own.

Post clearance collection of customs duties

Commission's proposal for a regulation laying down conditions for collection (Doc. 163/77). Mr Van Aerssen's report (Doc. 418/77). Motion tabled approved the Commission's proposal. (There was no debate)

Safety at sea

Mr Prescott, for the Socialists, asked the Commission to do what it could to ensure safety standards are laid down and enforced on board ships calling at Community ports (Doc. 369/77).

Tuesday

The House sat from 10 a.m. to 1 p.m. and from 3 p.m. to 7.10 p.m.

Aeronautical research

Commission's communication on an Action Programme (Doc. 246/77). Mr Carpentier's report (Doc. 454/77). Motion tabled approved the programme and looked to the Council 'to adopt the relevant decisions as soon as possible'.

Direct insurance other than life insurance

Commission's proposals (Doc. 502/75) for bringing Member States' laws into line with each other. Mr Schwörer's report (Doc. 381/77). Motion tabled approved the proposal subject to amendment.

Question Time

Seven of the questions to the Commission (Doc. 483/77) were taken this afternoon. Mr Vouel, Mr Brunner, Mr Tugendhat and Mr Burke replied. There were some 27 supplementary questions.

Vote at 3.45 p.m.

The House agreed to the motions contained in the following reports: European Regional Development Fund (Mr Johnston) (Doc. 452/77); regulation on import and export duties (Mr Van Aerssen) (Doc. 418/77); aeronautical research (Mr Carpentier) (Doc. 454/77); insurance (Mr Schwörer) (Doc. 381/77).

Mr Jenkins's statement on Economic and Monetary Union meets with fairly general support.

Call for Community anti-smoking measures

Oral question to the Commission (Doc. 477/77). Mrs Vera Squarzialupi called for measures to discourage smoking. Mr Vredeling and Mr Burke replied for the Commission.

Wednesday

The House sat from 10 a.m. to 1 p.m. and from 3 p.m. to 9.20 p.m.

Declaration by Council President K B Andersen

The new President of the Council, Danish Foreign Minister Mr K B Andersen, called for a practical approach in dealing with Community problems. Members gave his speech a broad welcome.

Reuniting families

Mr Scelba's report on compliance with the Final Act of Helsinki, particularly as regards the reunification of families (Doc. 424/77). Motion tabled called on Council and Member States to put pressure on all Helsinki signatories to observe their obligations.

Question Time

Mr K B Andersen answered ten questions in his capacity as President of the Council and one as President of the Council of Foreign Ministers of the Nine.

Vote at 4.30 p.m.

The House agreed to the motion contained in Mr Scelba's report on reuniting families (Doc. 424/77).

European political cooperation

Mr Blumenfeld's report on European political cooperation (Doc. 427/77). Motion tabled called on the Council to take account of foreign policy guidelines laid down by the European Parliament.

Sanctions busting

Oral question (Doc. 474/77) to the Council of Foreign Ministers meeting in political cooperation on infringements by Community countries of economic sanctions against Rhodesia. Mr K B Andersen replied.

Shipbuilding

Mr Prescott's report on shipbuilding (Doc. 465/77). Motion approved Commission directive.

Amnesty International

Mr McDonald's report (Doc. 398/77). Motion tabled welcomed decision to award the Nobel Peace Prize to Amnesty International.

Thursday

The House sat from 10.05 a.m. to 1 p.m. and from 3.05 p.m. to 6.10 p.m.

Help for the Mediterranean

Commission communication (COM(77) 140 final). Mr Ligios's report (Doc. 467/77). Motion tabled called for higher incomes for Mediterranean farmers and greater protection from imports. Vice-President Gundelach replied for the Commission.

Deportations in Chile

Motion tabled by all six of Parliament's political groups condemns recent deportations in Chile. (Doc. 501/77/rev).

Question Time

Eight of the questions addressed to the Commission were taken. Mr Haferkamp, Mr Vouel and Mr Gundelach replied. There were some 17 supplementary questions.

Vote at 3.55 p.m.

The House agreed to the motions contained in the reports by Mr Blumenfeld on political cooperation (Doc. 427/77), by Mr Prescott on shipbuilding (Doc. 465/77), by Mr McDonald on Nobel Peace Prize for Amnesty International (Doc. 398/77), by Mr Ligios on Mediterranean agriculture (Doc. 467/77) and to the all-group motion on the deportations in Chile (Doc. 501/77/rev.).

Commission statement on fishing

Producer groups

Commission's amended proposal for a regulation (Doc. 156/77). Mr Vitale's report (Doc. 375/77). Motion approved proposal subject to amendment.

Agricultural structures policy

Commission's proposal for a regulation on exchange rates applied for the purposes of this policy (Doc. 392/77). Mr Hoffmann's report (Doc. 453/77). Motion approved proposal.

Friday

The House sat from 9 a.m. to 1.15 p.m.

Paper and board recycling

Commission proposal (Doc. 254/77). Mr Fuchs's report (Doc. 464/77). Motion tabled approved Commission proposal.

State aids to EFTA industries

Oral question to the Commission (Doc. 448/77) by Mr Kofoed on distortions of competition by EFTA countries. Commissioner Davignon replied.

Trade with Japan

Oral questions to the Commission by Mr Baas and Mr Schmidt (Docs. 475/77 and 502/77). Commissioner Davignon replied.

Commission's second report on environment

Mr Baas's report (Doc. 468/77). Motion, put down by Mr Kofoed, criticised Council for not adopting Commission proposals.

Physical properties of foodstuffs

Commission proposal for a concerted approach (Doc. 257/77). Mrs Cassanmagnago's report (Doc. 463/77). Motion tabled approved Commission proposal.

Food aid

Commission communications on food aid to India (COM(77) 394 final) and on the 1978 food aid programmes in cereals, skimmed milk powder and butteroil (COM(77) 383 final). Mr Aigner's reports (Docs. 461/77 and 492/77). Motion tabled welcomed Commission's proposals.

Proposal for a transfer of appropriations

Report by Lord Bruce of Donington (Doc. 495/77).

Own resources

Oral Question to the Commission (Doc. 503/77) on the failure of Member States to adopt measures for implementing own resources. Commissioner Davignon replied.

Vote

The House agreed to the motions contained in the reports by Mr Vitale on producer groups (Doc. 375/77), by Mr Hoffmann on agricultural structures policy (Doc. 453/77), by Mr Fuchs on paper and board recycling (Doc. 464/77), by Mr Baas on the environment (Doc. 468/77), by Mrs Cassanmagnago Cerretti on the physical properties of foodstuffs (Doc. 463/77), by Mr Aigner on aid to India (Doc. 461/77) and on the 1978 programmes for food aid (Doc. 492/77), and by Lord Bruce of Donington on transferring appropriations for aeronautical research (Doc. 495/77).

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