

European Parliament Information

The Sittings

February 1978



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THE SITTINGS

STRASBOURG, 13th – 17th FEBRUARY 1978

THE WEEK

Fishing, SMU and EMU

When Parliament is going to be elected, where it will meet when it is, moves to an EC fisheries policy, SMU and EMU have been the focal points of the European Parliament's session in snow-covered Strasbourg this week.

The Nine did decide, on 20th September 1976, that the first European elections were to be held in May or June of this year but it has, unfortunately, not proved possible to keep to this deadline. Mr Patijn put down a motion urging the European Council to set what Lord Reay called a 'realistic' date for these elections when it meets in Copenhagen on 7th – 8th April next.

As for the seat, EMPs have often raised this matter in the House only to be told, as was Mr Hamilton this week, that this was a matter for the Member States. Which means that the rules laid down by a decision of 8th April 1965 will continue to apply unless and until the Nine unanimously agree otherwise. This decision stipulates that Strasbourg, Brussels and Luxembourg are the 'provisional places of work' of the Community and that the Secretariat of the European Parliament shall remain in Luxembourg.

The fisheries debate was, unfortunately, overshadowed by the fact that the Nine have still not reached any agreement on the Commission's proposals but it did serve to show how wide a measure of agreement there is between Parliament and the Commission on this subject. SMU stands for 'small and medium-sized undertakings' and all sides of the House were agreed in calling for a Community policy on their behalf. EMU stands for Economic and Monetary Union, the main theme of Mr Jenkins's address on the state of the Community.

Monday, 13th February 1978

President's statement concerning Parliament's seat

President Emilio Colombo began today's proceedings by making a statement concerning the seat of the European Parliament. There was no question, he said, of Parliament's challenging the Agreement of 8 April 1965. Parliament's concern was with its working conditions and those under which its directly-elected successor would be operating.

Action taken on Parliament's advice

Mr Burke told the House about the action the Commission has taken further to advice given by Parliament in January. Parliament had approved eight of the 12 Commission proposals considered during the session and Mr Burke therefore turned his attention to the remaining four.

The first of these concerned the unit of account to be used in the guidance section of the EAGGF. Viscount Davignon had explained at the time why the Commission was unable to go along with the suggestion in Mr Hoffman's report and it stood by this position.

Secondly the Commission had now modified its proposal for a directive on direct insurance as suggested by Mr Schwörer.

Thirdly the Commission had now modified its proposal concerning paper and board recycling as suggested by Mr Fuchs.

Lastly, the Commission was modifying its proposal concerning producer groups. The texts of these amended proposals were being forwarded to Parliament.

Cork steel plant

Mr Brosnan's question. Mr Richard Burke replied.

The European Parliament has for many years been urging that Community assistance from the various funds be integrated to secure a maximum regional impact. This the Community is now beginning to do, but there are still doubts in

some quarters as to how well the integrating of fund aid is working out in practice. What happens, for example, when the Commission's proposals for a sector like steel conflict with the special needs of a peripheral area like County Cork?

This was the background to a question put by Mr Sean Brosnan (Ir,EPD) and several of his European Progressive Democratic colleagues to the Commission concerning proposals to modernize the Cork steel plant.

Mr Brosnan said that he had been 'far from encouraged' by the Commission's reaction to plans to modernise the Cork steel plant: Mr Burke pointed out that the Commission were set against any increase in steel production capacity.

This prompted several speakers to ask whether steel production in peripheral regions were not a special case. Mr Brosnan pointed out that the actual volume of steel production in Ireland was negligible in relation to the Community total and Mr Richie Ryan (Ir,CD) said it made sense for Ireland to use scrap collected in making steel instead of exporting scrap in order to import steel as a finished product.

Mr Ryan also emphasized the security aspect. It made sense from every point of view for Ireland to develop the Cork steel plant, he said.

In reply Mr Burke suggested that if the emphasis in the steel development programme submitted to the Commission were on supplying the Irish market and not on exporting to markets that were already oversupplied, the Commission's response might be different.

Greece: ratification of Second Financial Protocol

In an oral question to the Commission, Mr De Clercq (Be,L) wanted to know whether 'the competent Community bodies' had contacted the parliaments of the Member States which had not yet ratified the Second EEC-Greece Financial Protocol. This was signed over a year ago and involves 280 m.u.a. in financial help to Greece.

In reply, Commissioner Richard Burke said that it was the responsibility of national parliaments themselves to complete the ratification procedure. However, the Commission had raised the matter with the Council in January,

asking ministers to ensure ratification by the end of March 1978. If not, the Commission would consider allocating EC funds on its own initiative.

Speakers in the debate stressed the importance of the Financial Protocol to Greece, particularly with a view to facilitating that country's smooth accession to the Community. As Mr John Corrie (UK,EC) pointed out, Greece urgently needed the funds to help it restructure its agriculture and develop its industry. He also asked the Commission specifically which countries had so far ratified the Protocol. In reply, Mr Burke said that Denmark and the Netherlands had completed the ratification procedure, and France and Italy had initiated it. It was now up to Members from the remaining countries to persuade their own parliaments to take the appropriate steps.

Cancellation of TEE rail service

Mr John Evans (UK,S), introducing an oral question to the Commission on behalf of the Regional and Transport Committee, asked the Commission whether it was aware of plans by a number of national railway companies to cease operating the two TEE services which at present linked Zürich, Strasbourg, Luxembourg and Brussels. This, said Mr Evans, ran counter to the need for better communications between the European Parliament's three places of work. If there were economic problems in operating these services, the speaker added, could not the companies concerned consider an equally fast train service offering both first and second class accommodation? This would make better sense in both social and economic terms.

Commissioner Burke pointed out that no final decision had yet been made on cancelling these services. Nevertheless, the Commission had always encouraged railway undertakings to be commercially autonomous, and that meant that they should always have the final say. As to use of TEE trains by Community officials, Mr Burke doubted whether their impact was commercially significant. While appreciating the need for good communications between Brussels, Luxembourg and Strasbourg, he wondered whether Members of the European Parliament had any right to a better service than ordinary citizens.

Other speakers in the debate shared Mr Evans's concern. Mr Michael Yeats (Ir, EPD) argued that a European Parliament which met, through no wish of its own, in three separate cities, did deserve special consideration.

Road haulage tax in Austria

The Austrian Government intends to introduce a special tax on goods vehicles travelling in, or in transit through, its territory. The law, due to come into effect on 1 July 1978, would seriously affect Community transport undertakings, and especially those in Germany, said Mr Fuchs (Ge,CD) introducing his question to the Commission. Freight costs, he went on, could be expected to double, considerably increasing the cost of transporting milk, for example, from Germany to Italy. He pointed out that Germany made its entire road network available to Austrian hauliers free of charge.

In reply, Mr Burke said that the Commission was aware of the problem and had already made representations to the Austrian Government. The proposed Austrian law did not in fact conflict with the provisions of the Community's trade agreement with that country, but it certainly infringed the spirit.

Changes to Parliament's rules

Mr Yeats, for Parliament's Committee on Rules of Procedure and Petitions, is proposing changes in the way House business is conducted. Voting times for all items are, in future, to be stated and the rules governing changes in the order paper are going to be stricter. Other changes concern censure motions, procedural motions, speaking time on points of order etc. One hundred votes in favour of changes are needed for them to be accepted.

There was general support in the House for Mr Yeats' proposals although Mr Dewulf (Be,CD) said he thought more sweeping changes to the Rules were required so as to take account of the problems that would arise after direct elections and a doubling in Parliament's membership. Several speakers, including Mr Willie Hamilton (UK,S), had reservations about the proposed change to Rule 47A (on when Question Time should be held) and proposed that it should be referred back to committee.

Tuesday, 14th February 1978

Europe in the making

Mr Jenkins presented the Commission's report on 1977 and its programme for 1978.

Europe in the making was the dominant theme of Mr Jenkins' address to Parliament today and in reviewing what the Commission had done and its plans for the year ahead, it became clear that Mr Jenkins was looking to a stronger Community as a means of solving problems facing each of the Member States individually.

To deal with the problem of six million people out of work, the Commission had begun to coordinate the use of various EC funds in an attempt to make more of an impact. The Commission had called for and obtained a new borrowing facility. It had put forward new proposals for modernizing various sectors of industry and had attempted to streamline the way Community funds themselves were operating.

These measures were not the whole answer. What was required was a 'new impetus on a historic scale' and here Mr Jenkins returned to his plea for faster progress towards Economic and Monetary Union. The Community was a trading bloc and it needed monetary stability. EMU could enable the EC to play a major international role.

Mr Jenkins then told the House what the Commission was endeavouring to do as regards energy (reducing consumption and developing indigenous resources), agriculture (cutting back on excess production and gradually dismantling MCAs), fishing (sharing catches equitably and conserving stocks), Mediterranean agriculture (improving the lot of rural communities in southern Italy and France particularly with a view to enlarging the EC), enlargement (negotiations with Greece to be substantially completed by the year end; an opinion on Portugal's application to be submitted by end of March; an opinion on Spain's accession next year) and external relations (Lomé Convention renewal; the need for more balanced trade with Japan).

Mr Jenkins then turned to European elections. He described the delay here as 'unnecessary and regrettable'. As for the elections themselves, he hoped they would be fought on the major European issues: 'You must ensure, and all the

candidates for election also, that the occasion does not become a substitute for action nor a diversion into national obsessions. The issues we face are too serious for that.'

In the debate that followed there was general support for Mr Jenkins on EMU and enlargement. But he was under attack from both sides, as it were, on farm prices: in a sense much of today's debate was a curtain-raiser for the full farm price debate to come next month (the new farm year begins on April 1st). But Mr Jenkins was criticised on two other points: for releasing his speech to the press before EMPs had had a chance to look at it and, on a quite different level, for handing over some of its powers in implementing the budget to Council committees.

QUESTION TIME

QUESTIONS TO THE COMMISSION

Scotch whisky (Lord Bethell)

Answering Lord Bethell's (UK,EC) question, Commissioner Raymond Vouel stated that any increase in the price of scotch whisky in the United Kingdom was in no way the Commission's responsibility. All the Commission had done was prohibit the existence of different price levels between the United Kingdom and the rest of the EC.

Human rights and ASEAN countries (Christopher Price)

Mr Henk Vredeling told the House that Vice-President Haferkamp had raised the issue of human rights during his visit to South-East Asia. Moreover, there had been certain improvements, especially in Thailand, Indonesia and the Philippines.

EEC - Comecon relations (Lucien Radoux)

Mr Vouel admitted that Hungary, Poland and Rumania had complained to GATT about alleged Community restrictions on imports from those countries. However, Mr Vouel said, the Community had fulfilled its obligations under GATT and there had been a yearly increase in import quotas.

EC investment in ACP States (James Spicer)

Commissioner Burke told the House that it was in their mutual interests for the Community to increase its investment in the ACP countries.

Buy American Act (Tom Normanton)

Mr Burke told the House that the Community had notified GATT in 1963 that it considered the Buy American Act a non-tariff barrier to trade, and GATT had officially considered it as such since 1968. The Commission had also made direct representations to the US Government.

Financing the Community budget (Michele Cifarelli)

Mr Tugendhat told Mr Cifarelli (It,L) that the introduction of the VAT-based system for financing the Community budget (the Sixth Directive) could only be implemented when at least three Member States had passed the relevant legislation. By the end of 1977 only Belgium and the United Kingdom had done so.

Uranium stocks (Tam Dalyell)

The Commission had made no proposals on stockpiling uranium, Mr Tugendhat told the House. The Commission had consulted the various Member States and discovered that most of them had adequate stocks and displayed little interest in building up common stocks.

Vote

The House agreed to the motion in the report by Mr Nyborg on Commission proposals regarding new rules for coach and bus services (Doc. 516/77).

Europe in the making (continued)

Mr Jenkins's reply

Replying to the debate, Mr Jenkins went into a number of points that had been raised. Answering criticisms that the press had been given advance notice of his speech, Mr Jenkins said that a summary only had been released, under embargo, on Monday evening, as had the Report itself. It was necessary to find a compromise between Parliament's rights and the needs of the media.

On containing agricultural surpluses by keeping farm price rises to a minimum, Mr Jenkins rejected the argument that farmers would produce more to make up income shortfalls. But he did acknowledge that there might be a need to provide income subsidies.

EMU, he said, might lack popular appeal, but it was vital nonetheless. As to enlargement, the Commission was firmly committed to it while recognizing the inherent problems. We had to take care that it did not result in weakening the Community.

Generally, Mr Jenkins concluded, he was not overly pessimistic, even if the Community had made no qualitative advances over the past four years. At least it had defied the predictions of some that its very survival was at risk. The central issue, he stressed, was combatting unemployment, now running at a level that would have been unthinkable five or ten years ago.

Equal pay for men and women

Mrs Dunwoody's question to the Commission. Mr Vredeling replied.

Article 119 of the Treaty of Rome states: 'Each Member State shall during the first stage ensure and subsequently maintain the application of the principle that men and women should receive equal pay for equal work.'

For the purpose of this Article, "pay" means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or in kind, which the worker receives, directly or indirectly, in respect of his employment from his employer.

Equal pay without discrimination based on sex means: (a) that pay for the same work at piece rates shall be calculated on the basis of the same unit of measurement; (b) that pay for work at time rates shall be the same for the same job.'

In furtherance to this Article the Council issued a directive on 12 February 1975 requiring the Member States to put this into effect. Mrs Gwyneth Dunwoody (UK,S) and several of her Socialist colleagues today asked the Commission how the implementation of this directive was working out in practice. In reply, Mr Vredeling said that the Member States were required by the directive to submit a report on its implementation within two years.

The two-year time limit expired last Sunday and not one of the nine Member States had submitted a report to the Commission. As to whether the Commission were satisfied on this point, Mr Vredeling's answer was "No". He added that the information requested from the Member States was indispensable to providing Mrs Dunwoody with the answers to which she was entitled.

The question of equal pay was a complex matter: the Commission might have recourse to Article 169: "If the Commission considers that a Member State has failed to fulfil an obligation under this Treaty, it shall deliver a reasoned opinion on the matter after giving the State concerned the opportunity to submit its observations.

If the State concerned does not comply with the opinion within the period laid down by the Commission, the latter may bring the matter before the Court of Justice."

Helping young people get started

As the last item on today's agenda, Mr Michele Pistillo (It,CA), for the Committee on Social Affairs, Employment and Education, reported on the Council's December 13th 1976 resolution for an 11 mua (4.58m pounds), three-year programme for helping young people get started in their first jobs. There are two million young people now looking for work in the Nine countries and Mr Pistillo suggested the present programme should give way to a comprehensive policy on behalf of young people. This, he added, should go hand in hand with a greater coordination of all the efforts now being made to help the young get started.

The debate on Mr Pistillo's report turned, in the event, into a debate on unemployment among the young which speakers were unanimous in regarding as one of the most crucial problems facing the Community today.

Wednesday, 15th February 1978

Rectifying budget

Mr Shaw's report (Doc. 547/77). Motion called for approval of draft rectifying budget No 1 for 1978.

The 1978 Community budget was drawn up, for the first time, on the basis of 'own resources' – i.e. that it would be financed by contributions based on the transfers of a proportion of Member States' VAT revenues, instead of by direct financial contributions based on gnp.

The failure of seven Member States to implement the Sixth Directive on VAT by the end of 1977 has meant that the own resources system cannot now be applied for 1978. Since the figures for the budget as drawn up on the basis of gnp, a rectifying budget has become necessary.

Mr Michael Shaw's (UK,EC) motion deplored the failure of Member States to implement the Sixth Directive but recognised that the rectifying budget was now unavoidable and called for its approval.

Concern at Council's reluctance to consult Parliament over fisheries policy proposals

Council President Poul Dalsager's statement. Mr Corrie's report on revised Commission proposals for a common fisheries policy (Doc. 543/77). Mr Klinker's report on Commission proposals for licensing third country vessels fishing in EC waters (Doc. 466/77).

Mr Houdet, Chairman of Parliament's Agriculture Committee, has tabled a motion asking Council and Commission to explain why the European Parliament is not being consulted over proposals for a common fisheries policy. (Fish, crustaceans and molluscs are listed in Annex II of the Rome Treaty as coming

under the Treaty's agricultural provisions (Articles 38 – 47). And Article 43 specifically requires Council to consult Parliament about Commission proposals. Mr Houdet's motion listed a whole series of proposals on fisheries policy about which Parliament was not consulted (Doc. 541/77).

This apart, the day's debate on fisheries policy was overshadowed by the Council's failure to come to an agreement, even after six meetings. Poul Dalsager, Council President, said he could see little prospect of progress without a change of attitude by the United Kingdom. Mr Corrie, presenting a report drawn up (on Parliament's own initiative) on the Commission's revised fisheries policy proposals, looked to the other Member States to help 'get the UK off the hook'. For, as Mr Gundelach said, the political difficulties in the way of an agreement were greater than what he called the substantive ones.

QUESTION TIME

Questions to the Council

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

Council meeting in secret (Sir Geoffrey de Freitas)

In common with previous Council presidents, Mr Andersen shied away from committing his colleagues to holding the legislative sessions in public. He even rejected Sir Geoffrey's suggestion that Council should do so once experimentally.

New EC loan facility (Mr Edwards)

Mr Andersen said that the Council had not yet reached agreement as to how this new loan facility was to operate. He agreed, however, that investment must be stepped up in order to create employment. This was the purpose of the new facility.

Energy saving: demonstration projects (Mr Noè)

Mr Andersen said he hoped a decision on the relevant Commission proposal would be taken at the Energy Council meeting in March.

US enriched uranium (Mr Normanton)

The agreement between EURATOM and the US was being revised to bring it into line with new American legislation on enriched uranium exports.

EIB loans for China (Lord Bessborough)

Mr Andersen said that no request for EIB loans had been made by China in the negotiations leading up to the agreement signed on 3 February 1978.

Seat of the European Parliament (Mr Hamilton)

Mr Andersen said that the question of the seat was subject to the agreement of 8 April 1965 and this could only be changed by unanimous agreement between the Member States.

Marketing organizations (Mr Howell)

The Council was considering Commission proposals on the question of marketing organizations, Mr Andersen said, adding that each such proposal would be considered on its merits.

EC-ASEAN relations (Mr Jahn)

Mr Andersen said that talks at ambassadorial level had already taken place in December 1977 between the Community and ASEAN, and he envisaged ministerial meetings at a later stage.

Questions to the Foreign Ministers of the Nine Member States of the European Community meeting in political cooperation

Nuclear-powered satellites (Mrs Walz)

The question of satellites in space lay outside the responsibility of Community Foreign Ministers, said Mr Andersen. However, the UN did keep a register of all launchings, although this included no technical details.

Pooling consular services (Sir Geoffrey de Freitas)

There were no plans to pool consular services at present, Mr Andersen told the House. The considerable legal differences on a wide range of matters that still existed between Member States would raise major practical problems.

Air traffic safety (Mr Osborn)

This matter lay outside the competence of the foreign ministers, Mr Andersen said. However, he recognised the importance of the issue – the possibility of high voltage cables interfering with radio control beacons – and would do what he could to see that it was discussed in the appropriate bodies.

Pan-European economic conference (Mr Dewulf)

The Foreign Ministers were always willing to consider any initiative likely to promote East-West relations, said Mr Andersen.

Vote

The House agreed to the motions contained in the reports by Mr Pistillo (young people entering working life – Doc. 513/77) and Mr Shaw (draft rectifying budget No 1 – Doc. 547/77). The vote on the motion in Mr Yeats' report (changes to the rules of procedure – Doc. 538/77) was postponed until the March sittings week.

The first European elections

Mr Patijn's motion urged the European Council to set a date for the first European elections at its meeting in Copenhagen on April 7th and 8th.

Mr Schelto Patijn's (Du,S) motion was supported by spokesmen of all Parliament's groups and by Mr Guido Brunner on behalf of the Commission. Mr Bob Mitchell (UK,S) and Lord Reay (UK,EC) urged that the date set should be a realistic one. For the Council, Mr K.B. Andersen said that although he was not a betting man, his guess would be the Spring of 1979.

North-South dialogue

In his question to the Commission and Council, Mr Dewulf asked what the EC was doing in the context of the north-south dialogue and, more generally, to help the developing countries.

In reply, Council President Mr K.B. Andersen said that a growing and healthy world economy was of interest to both developing and developed countries. Particular effort needed to be given to helping the poorest developing countries to find their feet. The Council would continue to do all it could to assure a common Community approach in the framework of the CIEC in tackling these problems.

Mr Claude Cheysson, for the Commission, stressed that progress for the industrial countries was dependent on healthy economies in the third world. Lomé was a good model for what could be done at world level. Mr Cheysson then made four points:

- the EC should continue to speak with one voice;
- all industrial countries — including the state-trading nations — should lend their support;
- we must keep the dialogue alive;
- the Community could make more progress together than if Member States acted alone.

Speakers in the subsequent debate stressed the importance of recognising the vital role of a healthy world economy for Europe's own future, and called for a clear and consistent definition of Community objectives.

Human rights

In a question to the Foreign Ministers of the nine Member States of the European Community meeting in political cooperation, Mr van Aerssen (Ge,CD) asked what changes the Ministers advocated in order to give greater effective weight to the UN Commission on Human Rights, one of the few institutions to give the citizens of the whole world direct access to an international organization.

Mr K.B. Andersen, in reply, pointed out that the Community had only limited power in the UN to put through changes to existing human rights procedures. Proposals to strengthen Resolution 1503 on human rights, for example, or to create a Human Rights Commissioner, had failed as a result of the opposition of non-Community UN members.

Coal

Replying to a question from Mrs Hanna Walz (Ge,CD) about the role of coal in the common energy policy, Mr Andersen said the EC at present had coal stocks exceeding 50m tonnes. A comprehensive coal strategy could include increasing the use of coal for electricity generation, and encouraging production through the granting of subsidies to make Community coal more competitive. Such measures could help to reduce dependence on oil. Mr Guido Brunner, for the Commission, said that the recent American coalminers' strike had illustrated the danger of over-reliance on imported coal — we owed it to ourselves to keep our own coalmining industry strong.

Among the speakers in the subsequent debate, Mr Tom Normanton (UK,EC) stressed the need for a Community Energy Agency. Meanwhile, those who opposed plans for the Community coal stocks would be the first to cry out when imported supplies were cut off.

One Community

Mr Patijn's report (Doc. 512/77)

Mr Patijn is calling for the three European Communities (EEC, ECSC, Euratom) to be known under the single designation 'European Community' (EC).

For the Commission, Mr Guido Brunner commended Mr Patijn's initiative, but thought it rather behind the times — the term European Community was already in general use.

Thursday, 16th February 1978

SMUs and craft industries

Mr Notenboom's report (Doc. 518/77) on small and medium-sized undertakings (SMU) and Mr Cousté's question (Doc. 476/77) on the future of craft industries.

There was wide support this morning in the House for giving Community help to SMUs and craft industries. Mr Notenboom's motion, based on the premise that SMUs were essential for the proper functioning of a modern economy, called for

- the SMU dimension to be incorporated into overall economic policy
- collection of statistics on SMUs
- improvements in executive training
- more flexible criteria for the award of EIB loans
- encouragement of measures to improve competitiveness of SMUs.

Mr Cousté, introducing his question on the future of Community craft industries, placed particular emphasis on their social, cultural and traditional aspects. In this respect there was a clear difference between the craft industries and other SMUs.

Speakers in the debate, while recognising the need for big firms in our technological society, underlined the value of small and medium-sized firms and craft industries for the impact they could have on the employment situation: SMUs were particularly labour-intensive. Lord Bruce of Donington (UK, S) stressed the social aspect: 'individual liberty must have its economic base', he said. Mr Damseaux (Be, L) agreed: smallness, he said, allowed employees to retain their individuality.

The concern about SMUs, then, was general. Mr Patrick Power (Ir, EPD), Mr Tom Normanton (UK, EC), Mr Silvio Leonardi (It, CA), Mr Ruairi Brugha (Ir, EPD), Mr Pierre Deschamps (Be, CD) and Mr John Osborn (UK, EC) were at one in recognising their importance and in calling for action at Community level on their behalf.

Mr Power spoke here of the 'human alternative' SMUs can offer, Mr Normanton, by contrast, of the 'living hell' bigness can create. The big, he said, have neither the heart to beat nor the backside to kick; Mr Leonardi reminded the House that 30 million people are at work in SMUs; Mr Power suggested the EC should study the Japanese experience, a view shared by Mr Osborn; and Mr Deschamps quoted the Humblet Plan being introduced in Belgium as an example of what could be done to help SMUs.

Lord Ardwick (UK, S) gave statistics to show that employment in small and medium manufacturing industries had declined: nevertheless, up to 40 per cent of the total working population in the industrialized countries were employed in SMUs. Mr Camillo Ripamonti (It, CD) stressed the social value of craft industries: 'small is beautiful', he said. Both Mr Bob Edwards (UK, S) and Mr Marcel Lemoine (Fr, CA) expressed particular concern at the role played by the multinationals: together they controlled 75 per cent of the capital of the western world, said Mr Edwards.

Replying to the debate, Commissioner Etienne Davignon spoke of the need to provide advice and guidance to SMUs and to facilitate financial assistance. He thought particular attention should be paid to SMUs with 150 employees or less. However, he was opposed to setting up a special body for small business: our aim, he said, should be integrating SMUs into, not separating them from, the economy as a whole. He promised Parliament a written statement which would go into greater detail.

QUESTION TIME

Questions to the Commission

Energy: various

In reply to various questions about nuclear energy, including JET, Dr Brunner stressed the importance of EC relations with the USA, particularly in respect of cooperation on the fuel cycle, over the next two years. As regards JET, Dr Brunner said that he hoped it would be operational by July; the most time-consuming job had been in drawing up the statutes.

Buttons (Ronald Brown)

Viscount Davignon told Mr Brown (UK, S) that the situation facing button manufacturers varied from country to country and sector to sector. The Commission was therefore having talks with the industry to determine the most worthwhile approach. He assured Mr Brown he appreciated the urgency of dealing with button manufacturers' difficulties.

Potatoes (Thomas Nolan)

Mr Gundelach told the House that the Commission had instigated proceedings against the United Kingdom on 2nd February 1978 for infringement of the principle of free trade in respect of main crop potatoes. All restrictions on the trade in potatoes should have been removed as of January 1st. This said, Mr Gundelach was hopeful that the Council would reach a decision on the Commission's proposal for a common organization of the market in potatoes before the end of the spring.

Several Irish speakers – Mr L'Estrange, Mr McDonald and Mr Nolan – drew attention to the difficulties being experienced by Irish potato producers because of present United Kingdom regulations.

Research and Development in the EC (Ronald Brown)

Dr Brunner said that the Commission did not accept the first two of the three main criticisms made about R and D in the EC in a House of Lords' report, but he accepted that innovation in industry deserved greater emphasis.

Employment of women at Dublin Foundation (Lady Fisher of Rednal)

Dr Brunner told Lady Fisher that 19 women and 16 men are employed in the Foundation. Lady Fisher objected that the same proportions did not apply to those employed by the Foundation itself. Of the 60 people in question only three were women.

Vote

The House agreed to the motions contained in the reports by Mr Klinker (Doc. 466/77), Mr Corrie (Doc. 543/77) and Mr Houdet (Doc. 541/77) on fishing. The first two of these motions were slightly amended. The House also agreed to the motion in Mr Patijn's report on fixing a date for direct elections (Doc. 537/77), and to the one in his report on a single name for the European Community (Doc. 512/77), on a motion by Mr Dewulf on the North-South Dialogue (Doc. 550/77) and on the motion in Mr Notenboom's report on small and medium-sized undertakings (Doc. 518/77).

Fast breeders

Mr Noè's report. Motion tabled endorsed the Commission's assessment.

The Commission has three key papers on nuclear strategy and this is one of them (the others are on reprocessing and on radioactive waste disposal). The point about fast breeder reactors is they make for a more economical use of uranium: water reactors use about 26 per cent of the potential energy in natural uranium. Fast reactors are 60 times as efficient, but fast breeders need plutonium which is obtained from water reactors. Hence the importance of getting the water reactor programme through quickly: to give fast breeders the chance to become commercially viable by 1990. Given the dwindling supply of energy world-wide, the Commission argues that the Community must keep the fast breeder option open.

Opening the debate. Mr Luigi Noè (It. CD) gave a detailed technical account of how fast breeders differ from water reactors, and pointed out that their availability in the 1990s and beyond could serve as a stopgap measure until the limitless energy from nuclear fusion and the sun became practical realities.

Speakers in the debate were unanimous in their support for Mr Noè's motion. Mr Tam Dalyell (UK), for the Socialists, stressed that all that the Commission was now proposing was the creation of an option, not the launching of a full-scale programme. He went on to argue for stringent safety and surveillance provisions, a point echoed by Christian Democrat speaker Mr Marcel Verhaegen (Be).

Mr Paul De Clercq (Be), for the Liberals, pointed out that the nuclear energy option was inescapable given the lack of domestic energy resources in the

Community. European Progressive Democrat spokesman Mr Uwe Jensen (Da) agreed: 'nuclear energy is a necessity, not a luxury', he said. Lord St Oswald (UK) for the Conservatives, agreed too: 'The world needs fast breeder reactors', he told the House, pointing out that studies had shown that available uranium supplies could supply the world with power for 187 years if used in fast breeders. Communist spokesman Mr Protogene Veronesi (It), said his group, too, supported the motion.

Commissioner Guido Brunner, replying, thanked Mr Noè for his report. Echoing points made by speakers, he also stressed that the fast breeder reactor had the full support of President Carter — an important consideration in the light of the EC's dependence on American uranium.

Refunds reintroduced for maize groats and quellmehl

The Commission is proposing to reintroduce production refunds for maize groats and broken rice used for brewing and for quellmehl used in baking. This, further to a Court ruling disallowing the abolition of the refunds. Mr Kofoed (Da, L), for the Agriculture Committee, asked Parliament to approve the proposals.

In reply, Mr Gundelach thanked the Parliament for its support, stressing that only quellmehl used for baking would be covered by the proposals. He added that he could not accept the amendment to Mr Kofoed's motion tabled by Mr Heinrich Aigner (Ge, CD), Mr Isidor Früh (Ge, CD) and Mr Hans-August Lückner (Ge, CD) asking that maize, soft wheat and broken rice used in brewing should be covered.

Price tags

The Commission is proposing that foodstuffs offered for sale in the Community should bear a price tag showing the selling price and the price per unit of measurement ("unit price").

Lady Fisher of Rednal (UK, S), for Parliament's Committee on the Environment, Public Health and Consumer Protection, welcomed the proposal while regretting that, for the present, only foodstuffs were to be covered. Lady Fisher would like unit prices to be displayed for all normal household articles.

Mr Tugendhat, thanking the House for its support, said that the Commission would be submitting proposals to cover all household articles in due course.

Legal implications in delays in setting up market organizations for alcohol, sheepmeat and potatoes

Mr Roger Houdet (Fr, L), on behalf of the Committee on Agriculture, put down a question to the Commission about market organizations for sheepmeat, potatoes, ethyl alcohol and spirits.

In reply, Mr Gundelach said that according to the Charmasson judgement of 10 December 1974, the national market organizations for alcohol, sheepmeat and potatoes ought to have been replaced by common market organizations from 1 January 1978. He added that he was making every effort to see that common market organizations were introduced as soon as possible.

Temporary Employment Subsidies (TES)

Mr John Evan's question to the Commission. Mr Tugendhat replied.

Mr Evans (UK, S) was concerned by the view expressed by Mr Vouel regarding employment subsidies in the United Kingdom. In reply, Mr Tugendhat endorsed Mr Vouel's statement that aids to preserve employment could only be accepted as a temporary expedient.

Mr Tugendhat then outlined the kind of subsidies the Commission could accept, principally those not undermining competition in any way. But the TES which began at a level of 6-8 million pounds were now costing some 430 million pounds. The Commission did not object to the principle of TES in the UK but to the way they were applied intensively in the textiles, clothing and footwear sectors. If it were generally applied it would be different. The Commission was having talks about TES with the UK Government. Mr Tugendhat hoped for a successful outcome.

Mr Patrick Power (Ir, EPD) expressed concern, reminding the House of the adverse effects the UK TES had had in Ireland. He said the request that the Commission should not take the UK to Court over the TES should be rejected.

Mr Erhard Jakobsen (Da, EC) added that Denmark was up against a similar problem with Sweden and the lack of generally-observed rules on employment subsidies in the EC did not help.

In conclusion, Mr Evans said he was glad to note that the Commission was not acting against the UK under Rome Treaty Article 93,2.

Friday, 17th February 1978

Lomé Convention retrospective: stabex in 1975 and 1976

Under the 28.2.1975 Lomé Convention 75 mua were to be set aside each year to help stabilize ACP earnings from certain exports: groundnuts, cocoa, coffee, cotton, coconut, palm nuts and kernels, hides, skins and leather, timber, bananas, tea, sisal and iron ore. In 1975, 72,786,065 ua was paid out, the balance of 2,213,935 ua being carried forward to 1976.

The corresponding figure for 1976 was 31.3 mua.

Mr Aigner, for Parliament's Committee on Development and Cooperation, found it particularly gratifying that 57 per cent of these transfers went to the least developed ACP states in 1975 and 7 per cent in 1976.

He felt that it is still too early to assess the full impact Stabex is having although, of course, it was already clear that it could only be one aspect of the Community's overall development and cooperation policy.

Mr Tugendhat, replying for the Commission, said there was a desire to finalize improvements to the Stabex system prior to renegotiating the Lomé Convention. However, an extension of the twelve Stabex commodities could be extremely costly for the Community.

ACP tomatoes

ACP tomato production in 1970-76 amounted to 4,500 tonnes. 634 tonnes were exported to the EC and these exports may rise to about 1,500 tonnes by 1980. The Commission is proposing a 60 per cent cut in CCT duties on these exports to the EC for the period 15 November to 30 April, a period when the EC produces very few tomatoes herself (about 5.6 per cent of the total). Total EC output in 1975 was 4,600 million tonnes and 4,170 in 1976.

Mr Nolan, for the Committee on Development and Cooperation, asked Parliament to approve this proposal.

Breakdown of transfers for 1975 and 1976:

TRANSFERS FOR 1975		
ACP beneficiary	Product	Amount transferred in MUA
BENIN (*)	Groundnuts	0.4
	Coffee	1.1
	Cotton	4.2
	Oilcake	1.1
BURUNDI (*)	Cotton	0.9
	Raw hides	0.5
CAMEROON	Wood in rough	3.6
CENTRAL AFRICAN REP. (*)	Coffee	0.3
P.R. CONGO	Wood in rough	7.3
ETHIOPIA	Coffee	9.3
	Raw hides	5.0
FIJI	Copra oil	0.6
GHANA	Wood in rough	5.1
IVORY COAST	Wood in rough	15.0
MALI (*)	Cotton	0.6
NIGER (*)	Groundnuts	5.4
	Raw hides	0.5
SOMALIA (*)	Fresh bananas	1.2
	Raw hides	0.6
SUDAN (*)	Raw hides	1.6
TANZANIA (*)	Cotton	1.8
TOGO (*)	Coffee	2.6
UGANDA (*)	Cotton	1.7
UPPER VOLTA (*)	Groundnuts	0.6
	Cotton	0.1
WEST SAMOA (*)	Cocoa	0.2
18	9	72.7

(*) Least developed ACP states receiving non-reimbursable transfers

TRANSFERS FOR 1976

Amount ACP beneficiary	Product	transferred in MUA
BENIN (*)	Raw cotton	2.7
	Palm oil	0.7
CAMEROON	Cocoa	0.4
CENTRAL AFRICAN EMPIRE (*)	Sawn wood	0.5
FIJI	Cocoa oil	1.4
GUINEA BISSAU (*)	Groundnuts	4.4
	Palm nuts	0.6
MADAGASCAR	Cloves	1.1
	Sisal	1.7
NIGER (*)	Groundnut oil	6.7
	Groundnut oilcake	0.1
SIERRA LEONE	Iron ore	3.9
TANZANIA (*)	Sisal	5.1
TONGA (*)	Copra	0.8
	Bananas	0.07
UGANDA (*)	Raw cotton	3.6
WEST SAMOA (*)	Copra	1.3
	Wood in rough	0.3
12	16	36.3

(*) Least developed ACP states receiving non-reimbursable transfers

In reply, Mr Tugendhat said that imports of tomatoes from the ACP states were extremely small — representing only around 0.4 per cent of total EC consumption.

Direct sales of farm products

Mr Evans, on behalf of Mr Müller, pointed out in a question to the Commission that the agricultural component in food prices had risen much less than the rise

in food prices themselves – the implication being that middlemen's profits were excessive. The answer, said Mr Evans, seemed to lie in encouraging direct sales of farm products to the consumer.

In reply, Mr Tugendhat pointed out that distribution, fuel, marketing and packaging costs were high. An important factor in direct sales was the proximity or otherwise of farms to population centres.

Common market in fertilizers

Mr Noè asked the Commission whether it was willing to consider setting up a common market in fertilizers. Replying, Mr Tugendhat said that there was an over-capacity in the Community fertilizer manufacturing industry. The Commission was doing what it could to avoid distortion of competition, but there was a growing threat from third countries, which were developing their fertilizer industries.

Negotiations with Cyprus

Mr Price raised the question of the Community's relations with Cyprus, particularly since the island lost its preferential access to the UK market at the end of last year.

Mr Tugendhat said the Commission shared Mr Price's concern. It had made proposals for cutting the tariffs on Cyprus potatoes. The Commission stressed, however, that the interests of Community potato producers could not be ignored.

Data processing

Mr Klepsch's question.

Mr Tugendhat outlined what the Commission was doing to promote internationally acceptable standards.

Fodder additives

The Commission has put forward three proposals on animal fodders, all of which Mr Guerlin (for the Agriculture Committee) asked Parliament to approve.

Vote

The House agreed to the motions contained in the reports by Mr Noè (Doc. 519/77) on fast breeder reactors, Mr Kofoed (Doc. 515/77) on cereals and rice, Lady Fisher (Doc. 416/77) on unit pricing, Mr Aigner (Doc. 539/77) on Stabex, Mr Nolan (Doc. 521/77) on ACP tomatoes and Mr Guerlin (Doc. 522/77) on additives to feedingstuffs.

S U M M A R Y

Monday

President Colombo opened the sitting at 5.05 p.m. The House rose at 9.30 p.m.

President Emilio Colombo made a statement concerning Parliament's seat.

Cork steel plant (Mr Brosnan's question)

Commissioner Richard Burke replied to an oral question by Mr Brosnan on the effects of the steel crisis on the less developed regions of the Community and particularly on Ireland's only steel plant in County Cork. (Doc. 528/77)

Greece: Second Financial Protocol (Mr De Clercq's question)

Replying to Mr De Clercq, Mr Burke said that it was up to national parliaments to ratify the Community's Second Financial Protocol with Greece. (Doc. 535/77)

Cancellation of TEE rail service (Mr Evan's question)

Mr Burke, answering a question on the proposed cancellation of the Zürich, Strasbourg, Luxembourg and Brussels TEE train link, said the Commission could not interfere. (Doc. 533/77)

Shuttle services between Member States

Commission proposes minor change in rules affecting bus and coach shuttles (Docs. 425/77, 429/77). Mr Nyborg's report (Doc. 516/77). Motion tabled approved proposal.

Road haulage tax in Austria (Mr Fuchs's question)

The Commission had made representations to the Austrian Government about a proposed haulage tax on goods vehicles using Austrian roads, Mr Burke told the House. (Doc. 524/77)

Changes to Parliament's rules (Mr Yeats's report)

There was broad agreement on a report calling for a number of changes to Parliament's rules of procedure. (Doc. 538/77)

Tuesday

The House sat from 10.05 a.m. to 1.00 p.m. and from 3.05 p.m. to 9.10 p.m.

Eleventh Annual Report

Address by President of the Commission, Roy Jenkins, on the Commission's Eleventh Annual Report, followed by debate.

Question Time

Seven questions to the Commission were taken. Mr Burke, Mr Tugendhat and Mr Vouel replied. (Doc. 542/77)

Vote

The House agreed to the motion in Mr Nyborg's report on common rules for bus and coach services (Doc. 516/77).

Equal pay for men and women (Mrs Dunwoody's question)

How was implementation of the Council's directive on equal pay progressing, Mrs Dunwoody wanted to know. Mr Vredeling replied for the Commission. (Doc. 478/77)

Council's resolution of 13 December 1976

Mr Pistillo's report. Motion welcomed 11 mva (4.58 million pounds) three-year programme to help young people from school to jobs but found the sum out of proportion to the scale of the youth unemployment problem (Doc. 513/77).

Wednesday

The House sat from 10.00 a.m. to 1.05 p.m. and from 3.00 p.m. to 9.00 p.m.

Draft rectifying budget No 1

Mr Shaw's report (Doc. 547/77). Motion called for approval of rectifying budget No 1. Speakers condemned failure of seven Member States to implement Sixth Directive on VAT.

Fishing

Joint debate on Council statement, Mr Klinker's report (Doc. 466/77), Mr Corrie's report (Doc. 543/77) and Mr Houdet's motion (Doc. 541/77).

Question Time

Council President K.B. Andersen answered questions to the Council and the Foreign Ministers meeting in political cooperation.

Vote

The House agreed to the motions contained in the reports by Mr Pistillo (Doc. 513/77) and Mr Shaw (Doc. 547/77)

North-South dialogue (Mr Dewulf's question)

Council President Mr K.B. Andersen and Commissioner Claude Cheysson stressed the importance for the Community of a healthy world economy. (Doc. 525/77)

Human rights (Mr van Aerssen's question)

Mr K.B. Andersen said the Community was unable to exert as much influence on this issue in the UN as it would like. (Doc. 523/77)

Coal (Mrs Walz's question)

Mr K.B. Andersen and Commissioner Guido Brunner stressed the need for a strong Community coalmining industry. (Docs. 526 and 527/77)

Date of direct elections

Mr Patijn's report (Doc. 537/77) Council President K.B. Andersen said he expected the date for direct elections would be Spring 1979.

One Community

Mr Patijn's report (Doc. 512/77) Motion called for the three European Communities (EEC, ECSC, Euratom) to be known in future simply as the European Community.

Thursday

The House sat from 10.00 a.m. to 1.00 p.m. and from 3.00 p.m. to 8.35 p.m.

Small and medium-sized firms

Mr Notenboom's report (Doc. 518/77). Motion called for Community policy on behalf of SMU.

Question Time

Mr Brunner, Viscount Davignon and Mr Gundelach answered questions to the Commission (Doc. 542/77).

Vote

The House agreed to the motions contained in the reports by Mr Klinker (Doc. 466/77), Mr Corrie (Doc. 543/77), Mr Houdet (Doc. 541/77), Mr Patijn (Docs. 537/77 and 512/77), Mr Dewulf (Doc. 550/77) and Mr Notenboom (Doc. 518/77).

Fast breeders

Mr Noè's report (Doc. 519/77). Motion tabled backed fast breeder option.

Changes in cereals and rice regulation

Mr Kofoed's report (Doc. 515/77). Motion tabled endorsed reintroduction of refunds further to Court ruling.

Unit pricing

Lady Fisher's report (Doc. 416/77). Motion tabled urged Commission to submit further proposals.

Common organization of markets

Mr Houdet's question (Doc. 531/77). Mr Gundelach replied.

Employment subsidies

Mr Evans's question (Doc. 536/77). Mr Tugendhat replied.

Friday

The House sat from 9.00 a.m. to 11.50 a.m.

STABEX

Mr Aigner's report (Doc. 539/77). Motion welcomed successful implementation of STABEX scheme. Mr Tugendhat replied.

ACP tomatoes

Mr Nolan's report (Doc. 521/77). Motion approved proposals for duty-free imports of winter tomatoes from ACP states. Mr Tugendhat replied.

Direct sales of farm produce (Mr Müller's question)

Mr Tugendhat agreed that the difference between farm gate and shop prices was high: fuel, marketing and packaging costs were partly responsible. (Doc. 529/77).

Fertilizers (Mr Noè's question)

Mr Tugendhat, replying, was not optimistic about the future of the Community's fertilizer industry (Doc. 530/77).

Negotiations with Cyprus (Mr Price's question)

Mr Tugendhat said the Commission shared the concern about difficulties in Cyprus (Doc. 534/77).

Fodder additives

Mr Guerlin's report (Doc. 522/77). Motion called for approval of Commission proposals.

Vote

The House agreed to the motions contained in the reports by Mr Noè (Doc. 519/77), Mr Kofoed (Doc. 515/77), Lady Fisher (Doc. 416/77), Mr Aigner (Doc. 539/77), Mr Nolan (Doc. 521/77) and Mr Guerlin (Doc. 522/77).

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