European Parliament

Information

The Sittings

March 1978

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THE SITTINGS

STRASBOURG, 13th – 17th MARCH 1978

THE WEEK

One of the Community's constant concerns over the last few years has been to try and restore order on the farm markets, particularly the dairy market where the problem of surpluses has proved both intractable and embarrassing. This year the Commission's essential strategy has consisted in proposing a moderate two per cent increase in farm prices. The European Parliament has now endorsed this proposal adding that there should be no increase at all in the price of products in structural surplus (skim milk powder, butter, beef, sugar and wine, for example).

Because EC farm prices are expressed in green currencies, however, the real difference in price will vary from one Member State to another. In the United Kingdom a two per cent increase would mean a real increase of over five per cent. The actual increase in Ireland would be less, though changes in the green rate for the Irish pound may help to augment what many Irish EMPs regard as a totally inadequate price rise.

The European Parliament also called for special measures in the Benelux countries to compensate them for green currency changes which may mean an actual price increase of less than 2 per cent.

Support for the motion backing the European Commission's proposals, however, was not unanimous. The motion obtained the support of the Socialist and Communist Groups and of some European Conservatives; but the Christian Democrats, European Progressive Democrats, Liberals and Democrats and some Irish and French Socialists voted against the motion.

It now remains for the Council to take the final decision, possibly after consultations with the appropriate parliamentary committees under the conciliation procedure.

MONDAY, 13th March 1978

Commission statement: action taken on Parliament's advice

Mr Tugendhat said that of the 12 Commission proposals which Parliament had considered in February, 11 had met with its approval. The twelfth proposal, concerning the labelling of foodstuffs, had prompted Lady Fisher of Rednal (UK,S), the rapporteur, to call for certain amendments. These the Commission had accepted.

Second supplementary budget for 1978

Mr Shaw's report.

The Commission is proposing to create 84 new posts on its staff to deal with extra work in the steel and textile sectors. Mr Shaw, while accepting the need for extra staff, expressed doubts as to whether these posts should be permanent ones.

Mr Tugendhat, in reply, agreed with Mr Shaw. A significant proportion of the posts would be temporary.

Livestock surveys

Mr Alain Terrenoire's (Fr,EPD) report.

The Commission wants the Council to adopt the following decision:

'The expenditure necessary for the execution of statistical surveys carried out each year by the Member States on bovine livestock shall be met by way of a lump sum to be fixed in the budget of the European Communities.'

Mr Lange asked Parliament to approve this proposal, but his motion called on the Commission to submit a more realistic assessment of the financial consequences.

The motion was put to the vote and agreed to.

End of the 1977-1978 session.

TUESDAY, 14th March 1978

New Year begins

The privilege of opening the European Parliament's annual session falls, by tradition, to the oldest Member, in this case Mr Marcel Brégégère (Fr,S). In his opening address Mr Brégégère spoke of Europe's role in bringing together the cultures of its member nations. Turning to the first business of the year, Mr Brégégère informed the House that only one nomination for the office of President had been received: that of Mr Emilio Colombo. There being no call for a vote, Mr Colombo was then re-elected President by acclamation.

Election of vice-presidencies

The following were elected: Mr Deschamps, Mr Lücker, Mr Spénale, Mr Meintz, Mr Yeats, Mr Scott-Hopkins, Mr Adams, Mr Zagari, Mr Berkhouwer, Sir Geoffrey de Freitas, Mr Holst and Mr Bordu.

QUESTION TIME

QUESTIONS TO THE COMMISSION

1. Trade quotas (Mr Corrie)

Mr Haferkamp agreed that it would be helpful if the Commission had greater powers of initiative regarding trade quotas. The Member States differed in the extent to which they opened their markets but the Commission was urging greater coordination.

2. Relations with East Europe (Mr Klepsch)

Mr Haferkamp said the Community had reached an agreement with Rumania on textiles and was negotiating a deal on steel. The EC was negotiating on textiles with other East European States. Negotiations regarding fisheries policy were also in progress.

3. Reciprocity in trade negotiations (Mr Vandewiele)

Mr Haferkamp said the EC was trying to negotiate a balanced outcome to the Tokyo Round of GATT negotiations which entered a decisive phase in January. Mr Normanton suggested that GATT, which was highly valuable to begin with, needed to be replaced by arrangements more in keeping with the trade climate of today.

4. European Youth Orchestra (Mrs Walz)

Mr Jenkins said that a grant of 2,000 pounds had been made to the orchestra in 1977 and that the 140 players included musicians from all Member States.

5. Confidentiality (Mr Dalyell)

Mr Jenkins assured Mr Dalyell that it was not the Commission's practice to make public its first exchanges with Member States regarding possible Treaty violations. Proceedings were kept confidential to enable Member States to take action, when appropriate. There were leaks and they were regrettable, but it was hard to devise a leak-proof system.

6. Steel (Mr Cousté)

Viscount Davignon said that the arrangements agreed on December 20th were being respected but it was still too early to say whether there would be any upturn in steel production within the Community. January had been good, February less so. As regards trade with third countries, the EC's aim was not to reduce imports but to make it clear to all that steel could not be dumped on the EC market. Trade negotiations had now been successfully concluded with the EFTA countries and talks were being held this week with South Africa, Japan and Spain. Talks with Brazil and South Korea would follow.

Emergency debate on steel

Following Mr Cousté's question to the Commission on steel, Mr Notenboom called for an emergency debate under Rule 47B of the Rules of Procedure. The first speaker, Mr Hermann Schwörer (Ge,CD) drew attention to the repercussions of pricing policy in the steel sector on steel-using industries, e.g. the car industry.

Mr Tom Ellis (UK,S) described the situation in the iron and steel sector as 'desperate' and said we should recognize that hard measures were needed to deal with it. Over 100,000 steel workers in the Community, out of a total of 700,000, were on short time or had been laid off. If we did not take appropriate action, Mr Ellis said, 'nemesis is going to overtake us'.

Mr Tom Normanton (UK,EC) said that the economic facts of life could not be ignored: that meant being competitive. Mr Erwin Lange (Ge,S) questioned the expectations of steel undertakings: when they were successful, he said, they expected to make a profit, but when they were in trouble they turned directly to the State to bail them out. If we agreed to help firms using taxpayers' money, we had a right to expect repayment. Mr Ernst Müller-Hermann (Ge,CD), on the same lines, said that too many steel firms had failed to modernise while they had the chance.

Mr John Osborn (UK,EC) saw the solution to the crisis in terms of restructuring, reorganization and capital investment in new plant. In the meantime, he wondered whether a policy of 'buy European' was necessarily wrong. Mr Aldo Masullo (It,CA) said there seemed to be disagreement as to whether help should or should not be given to the steel sector. While aid should not be a mechanical response to any crisis situation, he said, it was clearly in the Community's interest to be prepared at all times to support its own industries. And Mr John Prescott (UK,S) added that the Commission had the right under the ECSC Treaty to intervene in cases of 'manifest crisis'. He went on to point out that steel prices would never again be fixed by the laws of supply and demand: if that were the case we might just as well write off Europe's steel industry.

Replying to the debate, Viscount Davignon rejected criticism that the approach chosen was 'dirigiste', that state intervention was stifling market forces to the point where competition rules no longer counted. On the contrary, the market was already healthier. Steel prices were now much steadier. But it was no longer enough to produce steel at the same price per ton as the Japanese: the market was no longer there. The EC had to decide what the market was, what volume of production should be kept going and how the social implications of such an analysis could be made acceptable.

In making this analysis the Commission had, in agreement with the steel industry, set certain aims which were now being pursued. It was still too early to comment on production levels on the EC market but, as far as imports went, there was a real will on the part of third countries to reach agreement with the Community because it was in their interest to do so.

The EC was not being protectionist. The EC did not want to cut back imports. But it had to be clear that steel could no longer simply be dumped on the EC market at prices lower than those prevailing in the exporting countries.

Education

Mr Meintz's question to the Commission

Mr Meintz, reminding the House that the Rome Treaty makes no specific reference to education, argued that no-one today disputed the priority due to the EC's 50 million schoolchildren. Few of them, he said, knew as much about the Community as one would like. The information dispensed was incomplete and gave, at best, a narrow view of the new Europe.

Mr Meintz congratulated the Commission on what it had done but asked Dr Brunner how he hoped to develop European education in future.

In reply, Dr Brunner pointed out that education was a jealous preserve of the Member States. And only 1.4m EUA (0.58m pounds) was available for EC action. But the Commission would continue, resolutely, to do everything in its power to promote a knowledge and understanding of the European idea.

European Foundation

Mr Russell Johnston's interim report. (Doc. 575/77)

On 6 December 1977 the European Council decided that a European Foundation should be set up to promote greater understanding among the peoples of the Community. The aim of the Foundation, in the words of Belgian Prime Minister Mr Leo Tindemans, is to make European integration 'a matter for us all'.

The motion in Mr Johnston's interim report welcomed the European Council's decision and called on the Commission to submit suitable proposals as soon as possible. In this evening's debate, Mr Johnston said that the Foundation would promote contact between European citizens in the nine Member States and in the applicant countries by initiating, rather than managing, suitable programmes.

There was, Mr Johnston went on, some concern that a new foundation might act as a drain on funds at present flowing to other European foundations and movements. But the aims of the European Foundation were complementary to, and not a substitute for, those of existing organizations. He hoped that the Foundation would be based on Article 235 of the EEC Treaty, which gives the Council the right to take action where the Treaty does not provide the necessary powers, rather than on Article 236, which involves amendment of the Treaty.

In the debate that followed speakers for the Christian Democrats, Liberals, Progressive Democrats and European Conservatives all expressed their full support for the motion. Socialist Group spokesman Mr Horst Seefeld (Ge), however, felt that there were enough organizations already in existence with similar aims: a new one would do little to help matters. What we needed now, he went on, were better European policies more visible to the citizens of Europe.

For the Communists, Mr Aldo Masullo (It) said his group appreciated the spirit of the proposal but was doubtful about its practical value. While an information campaign might be needed for direct elections, say, the idea of Europe could be promoted through practical progress towards integration.

Conservative Group leader Mr Geoffrey Rippon (UK) pointed out that over half of all MPs in the British House of Commons had signed a motion he had tabled on the subject. Even those who might be opposed to federalism could not take exception to a foundation whose aims were cultural rapprochement and closer human contacts amongst Europeans. Mr Rippon rejected the notion, put forward by Mr Seefeld, that the European Council had agreed to the idea of the Foundation as a sop to Mr Tindemans.

In reply, Commissioner Guido Brunner stressed that the Commission wanted the Foundation to be flexible and autonomous. And he said he favoured Article 235 of the Treaty as the legal basis - Article 236 would, among other things, involve national lengthy and complex ratification procedures.

WEDNESDAY, 15th March 1978

Mr Andersen's statement

Although pressed for details as to the Council's progress towards agreeing a date for direct elections, Mr K. B. Andersen, Danish Foreign Minister and current President of the Council, would only say – as he said in February – that his guess would be the Spring of 1979. Mr Patijn wanted to know if 17-20 May and 7-10 June 1979 were the two dates under discussion and Mr Bertrand wanted to know what legal form the relevant decision would take. On this last point, Mr Andersen suggested that the European Council, due to meet in Copenhagen on April 7-8, had no power of decision. Its function is to impart an impetus where needed. It is the EC Council which takes decisions.

Second supplementary budget for 1978

Despite some concern about the procedure followed – expressed by Mr Lange, Budgets Committee chairman – there was no objection to Mr Shaw's suggestion that the House accept the second supplementary budget for 1978. This adds 446,000 EUA (290,428.95 pounds) to the budget to give a new total of 12,226,750,765 EUA (7,961,888,923.65 pounds).

Vote at 4.30 p.m. today.

Farm price debate

Mr Mark Hughes, rapporteur for the Committee on Agriculture, opened today's debate on the Commission's farm price proposals for 1978-1979 (due to come into effect one month late, on May 1st 1978) by discussing the dilemma now facing the Community's policy makers. The gap between farm incomes in different Member States and between different types of farm was growing and, as a consequence, it was becoming harder for the EC to achieve the CAP aims set out in Article 39 of the Treaty of Rome: higher productivity, fair incomes for farmers, stable markets, steady supplies and fair consumer prices.

This difficulty was compounded by the need to contain inflation, reduce unemployment and maintain an element of stability in the EC through common prices. This was why the Commission had proposed a moderate, 2 per cent, increase in prices.

The COPA, the committee of agricultural organizations in the EC, wanted 5 per cent. But, said Mr Hughes, this would do little to help farmers in the Benelux countries or Germany where there was no scope to increase farm prices still further by making adjustments to the "green" currencies.

Nor would an increase in prices help resolve the problem of surpluses. Two-fifths of CAP spending went into the milk sector. But production was going up, due to a greater yield per lactation per cow, even though the number of cows was going down. And consumption was static or declining, partly because the number of children below the age of five was much smaller than it was a decade ago.

Sugar was similar. If nine million tonnes were to be consumed in the EC this year, production plus imports were likely to total 12 million leaving a disposable surplus of 3 million tonnes which could not simply be offloaded onto the world market.

It was, said Mr Hughes, becoming politically difficult to finance surpluses – selling butter cheap to Russia did not help – and economically difficult to dispose of them.

What then was the Community to do? There was some scope for switching over from sugar beet to seed oils, for example, but this took time.

People in the Community (if not in the UK) appreciated the price stability the CAP had brought and this was worth preserving. But he did not believe that an increase in farm prices averaging out at 5 per cent was the answer.

Objective method

Mr Henri Caillavet (Fr,L), for the Committee on Budgets, said his committee supported the Commission's proposal for a 2 per cent farm price increase although he himself would have preferred the 4.2 per cent figure arrived at by the objective method'.

This would have done more to assure Europe's agricultural autonomy vis-à-vis the world market.

The Budgets Committee also accepted the Commission's proposals in the agri-monetary and related sectors, Mr Caillavet went on. As regards mcas, the committee felt that the Commission's proposal for a seven-year phasing-out period took no account of economic realities – the committee would prefer to see a 3-5 year period, with reductions whenever economically appropriate and not according to a fixed timetable.

The Committee on the Environment, Public Health and Consumer Protection had been unanimous in its support for the 2 per cent price rise proposed by the Commission, its draftsman, Mr Willi Müller (Ge,S), told the House. Two per cent was both anti-inflationary and anti-surplus, he said.

The Community's farmers, the speaker pointed out, had price and marketing guarantees covering 75 per cent of agricultural production and were thus in a privileged position compared to most other sectors.

In exchange, it was fair enough to ask them to accept modest increases. With direct elections coming up we should try to offer the electorate something more than a CAP which seemed to offer only high prices and surpluses and devoured three-quarters of Community spending, Mr Müller said.

More than prices policy

Replying for the Commission, Mr Gundelach said the proposals were part of a comprehensive strategy to restore the credibility of the CAP. While the CAP was now more than merely a prices policy, prices retained a key significance, but the Commission had also proposed a variety of related agri-monetary and structural measures.

The Treaty bound the Commission to assure reasonable incomes for farmers, and there was no question at present of forcing farmers off the land to other occupations – the other occupations just weren't there at this time. Moreover, it was in the interests of consumers that farmers had adequate incomes – this gave them security of supply, another Treaty commitment.

This said, we had a situation in the Community now of farmers producing for a market which did not and would not exist and selling into intervention. Hence our surpluses. Moreover, the economy was still on a knife-edge'. We had high unemployment and an average inflation rate of 9 per cent. Farmers were to some extent sheltered from all this, and their incomes had actually risen in real terms in both 1976 and 1977. Nor should it be forgotten that the 2 per cent increase in farm prices proposed would often lead to de facto increases for farmers of considerably more.

Price moderation now would encourage inefficient farmers to switch to other production. A large price increase, on the other hand, would lead to increased production, bigger surpluses, higher consumer prices and a drop in consumption, Mr Gundelach said. Nor should the House forget that any increase would be over and above what farmers would be getting in several countries from a devaluation of mcas.

Mr Gundelach then referred to the Commission's proposals in a number of related sectors. In the milk sector the aim was to diversify demand and reduce the need for intervention. The scheme to use skimmed milk powder in animal fodder had already helped to reduce the milk powder mountain. In the beef sector, too, the slaughter and calf premiums had proved their value.

Mr Gundelach concluded by stressing that the Community had to recognize the problem of over-supply and act to deal with it.

Mr Burke, Commissioner with special responsibility for consumer affairs, endorsed his colleague's views.

Mr Dalsager, Council spokesman, outlined the difficulties facing the EC in its farm price determination this year. The debate was then opened to the House. Mr Hoffmann (Ge,S) Socialist spokesman, said that his colleagues were in broad agreement with the Commission proposals and with what Mr Hughes had said in his introductory remarks. Mr Hoffmann thought there needed to be a much more definite link between prices and production levels, on the one hand, and actual farm incomes on the other. He also wanted to see a much closer link between the CAP and the EC's regional and social policies.

QUESTION TIME

QUESTIONS TO THE COUNCIL

Space policy (Mr Ripamonti)

Council President Mr K. B. Andersen told Mr Ripamonti that space control did not lie within the Community's terms of reference. As a Danish minister, however, he shared the questioner's concern with regard to the recent Cosmos 954 incident.

Use of coal for electricity generation (Mr Schyns)

Mr Andersen pointed out that the Council had not in fact decided to introduce EC financial measures promoting use of coal in electricity generation: it had simply asked COREPER to consider the matter. In answer to a supplementary from Mr Brown, the Council President agreed that there were environmental aspects in the use of coal – this was something opponents of the nuclear option would do well to recognize.

Use of STABEX funds (Mr Osborn)

Article 20 of the Lomé Convention leaves it to the ACP countries to decide how to use STABEX funds, Mr Andersen told Mr Osborn. While they were free to buy from the Community, they were under no obligation to do so.

Skimmed milk powder (Mr Pisoni)

Mr Andersen told the House that the Council had adopted rules on the composition and description of skimmed milk powder for human consumption. Attention would of course be paid to preventing its fraudulent use.

Revision of EEC Treaty (Mr Dondelinger)

The Council did not believe that Article 2 of the EEC Treaty stressed economic development to the detriment of other considerations, Mr Andersen said. The Community had an action programme for the environment, which showed the Council's concern – this was surely more important than quibbling about the wording of a Treaty article. Moreover, the quality of life in the Community would certainly not be improved by aiming at a zero growth rate.

Green pound devaluation (Mr Howell)

Mr Andersen said that the Council had agreed to the UK request to devalue the green pound.

Fisheries policy (Mr Ryan)

Mr Andersen assured Mr Ryan that the Council would consider the motion tabled by Mr Klinker and agreed to in the House in the light of possible conflicts with public international law. He assured Mrs Ewing that the possibility of conflict with private international law would also be considered. Mr Corrie asked if Mr Andersen could say how near the Council was to agreement. 'No' was the reply.

Television channels (Mr McDonald)

Mr Andersen said this was not a matter for the Council. Mr McDonald argued that the allocation of channels was surely a matter in which the Nine should cooperate.

QUESTIONS TO THE FOREIGN MINISTERS

Amnesty International (Mr Edwards)

Several Members urged that the Nine use their influence, both economically and politically, to get certain countries to show greater respect for human rights. Mr Andersen agreed this was a matter for the Nine. He gave to understand that it would be raised at the Council's Copenhagen meeting tomorrow.

Code of conduct for firms in South Africa (Lord Reay)

Mr Andersen said the code required firms to report on how they were implementing its provisions. He saw no reason why these reports should not be made available to Parliament and agreed that it was desirable for the code to be adopted by OECD countries too.

Belgrade Conference (Mr Ryan)

Mr Andersen said the Nine would continue to monitor the implementation of the Helsinki Agreement which the Belgrade Conference had endorsed.

Vote

The House agreed to the motion in Mr Shaw's report (supplementary budget) after amending it.

Farm prices (debate resumed)

In the resumed debate on farm prices Mr Früh, Christian Democrat spokesman, drew attention to the unequal effect the Commission's farm price proposals would have.

Mr Jan Baas (Du,L), for the Liberals, took issue with Mr Gundelach. If prices were low, farmers would produce more to offset their loss of income.

Mr Michael Herbert (Ir,EPD) was equally critical of the Commission's proposals for a 2 per cent rise – this was, he said, 'unacceptable, unrealistic and unreasonable'. Farmers' incomes continued to lag behind those of industrial workers, and 2 per cent would further widen the gap. In short, the proposals represented an attempt to 'dilute the CAP', Mr Herbert said. The European Progressive Democrats would not accept attempts to 'tinker with the basic instruments of the common agricultural policy'.

For the European Conservatives, Mr James Scott-Hopkins (UK,EC) welcomed the Commission's proposals for a 2 per cent rise, which because of mcas, would have the effect of increasing farmers' incomes by as much as 10.3 per cent in the UK. However, he pointed out that his group's Danish members were supporting the 5 per cent rise proposed by the Agriculture Committee.

If the 2 per cent rise were accepted by the Council, Mr Scott-Hopkins suggested, it might be necessary to introduce special measures for the Benelux countries. After all, unless farming remained profitable, farmers would simply leave the land. But he showed no sympathy for German producers who, he said, contributed most to Europe's agricultural surpluses.

Mr Vitale, for the Communists, said his colleagues could not possibly agree to a motion calling for a 5 per cent increase in farm prices.

If the percentage were 2 per cent, they could abstain: the Commission's proposals were, he said, a move in the right direction.

What was really needed though was a whole new strategy for farm policy. And, as regards products in surplus, these should be left to the exchequer of the Member State concerned.

Mr Francesco Albertini (It, S), for the Socialists, also opposed a 5 per cent increase in farm prices. Mr Ferruccio Pisoni (It, CD) for the Christian Democrats, on the other hand, pointed out that production costs in Italy had risen by over 20 per cent in 1977. And without going into the merits of any actual figure, it was clear that even with a 7 per cent adjustment in the green lira, there would still be a gap between prices and costs.

Mr Pisoni stressed the importance of Community preference. The EC should import only what was needed to make good its own production shortages. This said, he was firmly opposed to protectionism, he insisted.

Mr Michele Cifarelli (It, L) went into some of the particular problems facing Italian farmers: there was a particular need, he said, for ensuring application of the principle of Community preference, especially in the fruit and vegetable sector.

Mr Xavier Hunault (Fr, EPD) said that a 2 per cent price rise was unacceptable to French farmers. Mr Jacques Eberhard (Fr, CA), in his maiden speech to the House, took the same line. Farm incomes would now mark time in France for the fifth year running, he said. He also criticized the co-responsibility levy on milk, pointing out that there were no stocks of skimmed milk in France.

Mr Bob Mitchell (UK, S) spoke of the dissatisfaction among consumers throughout the EC about the present farm policy. And he had nearly given up hope of hearing anything approaching common sense on the subject. However, it now looked as if the Commission were turning in the right direction. His only complaint was that the proposals did not go far enough. He shared the Budget Committee's view and argued there should be no price increase for products in surplus.

Stocks or surpluses?

Mr Teun Tolman (Du, CD) took the opposite view, too great a burden being placed on the producer. And prices were too strongly influenced by stock levels. When were stock levels surpluses he asked? It should be borne in mind that farming was not an industry. Crops and yields could not be planned in anything like the same way. Similarly, Mr Kai Nyborg (Da, EPD) said he was in favour of an increase of around 4 per cent.

The next speaker, Lord Bruce, reminded the House that the cost of storing surplus products (plus interest on capital invested) was greater than that of all the other EC policies put together. There could be no justification for increasing the price of products in which there was a structural surplus. And he was amazed that Mr Tolman seemed in doubt as to what a surplus was. Lord Bruce congratulated Commissioner Gundelach on his proposals.

Mr Maurice Dewulf (Be, CD) strongly defending the farmers' interest, called for a more imaginative approach to tackling their problems.

Mr Ralph Howell (UK, EC) applauded Mr Dewulf's remarks. He suggested Lord Bruce send a copy of his speech to the farm workers union in the UK. This said, he thought the debate was a non-event. Talking of prices was meaningless. Price policy was a stupid, blunt instrument. Another method should be found. And the Rome Treaty, drawn up 20 years ago, needed revision. He was glad Mr Gundelach had accepted his point as regards the milk marketing boards. To attack dairy production would drive many people off the land.

Mr Howell argued that we should get rid of the green currencies as quickly as possible, not over seven years as proposed. How could there be any progress to EMU or enlargement with so many currencies.

Unless there was a reduction of two million cows this year and perhaps three million cows next year, there would be no reduction in the dairy surplus. And he challenged Mr Hughes's assertion that cow numbers were declining.

If there were marketing organizations in the Nine and if the Commission called on all farmers to cut their production by 2 per cent, and offered corresponding price incentives, it would work. Such an approach had been tried in Canada and the USA, he believed. He concluded by appealing to the Commission to consider an alternative, less blunt and more realistic policy.

Mrs Annie Krouwel-Vlam (Du, S) for the Socialists, shared the views of her colleagues.

Sheep and potatoes

Mr Gerald L'Estrange (Ir, CD) came out strongly in favour of a 5 per cent increase in farm prices. Coupled with a 3 per cent green currency adjustment, it would represent a fair increase. He also called for common market organizations for sheep meat and potatoes this year.

Mr L'Estrange argued the case for the 'objective method' for calculating farm prices increases. And he reminded the House that farm workers were far less well-placed than workers in other sectors.

Mr Erik Andersen (Da, S) for the Socialists, favoured moderate price increases and a phase out of monetary compensatory amounts.

Mr Giosuè Ligios (It, CD) for the Christian Democrats, took up the point made by Mr Tolman and Mr Pisoni about the increase in farm production costs. These had to be offset in the farm price proposals. But Mr Ligios, too, argued that the proposals would not even out the imbalances between different regions in the Community. And he reminded the House of the special problems facing farmers in the Mediterranean regions.

Mr Charles McDonald (Ir, CD), for the Christian Democrats reminded the House of the aims of the Community's farm policy. And he stressed how successful the CAP had been in providing the people of the Community with good food at fair prices. In view of this, the Commission's proposals could hardly be taken seriously. They were not going to provide farmers with fair incomes.

Mr McDonald then turned to the question of protein fodder imports. What contribution would microbial protein make towards correcting the EC's deficiency in this field? What effect would microbial protein have on the cost of pig production? Would it adversely affect either barley or grain producers?

The debate was then adjourned.

THURSDAY, 16th March 1978

The House observed a minute's silence at the beginning of the day's proceedings after Vice-President Cornelis Berkhouwer had announced that Italian Christian Democrat leader Mr Aldo Moro had been kidnapped and members of his escort killed. In a statement to the Bureau, President Emilio Colombo condemned the attack, describing it as the most appalling and serious incident of the kind to have taken place in Italy since the war.

Farm prices (resumed debate)

Mr Giovanni Bersani (It, CD) was the first speaker in the resumed debate on the Commission's farm price proposals this morning. He referred in particular to the co-responsibility levy in the milk sector which, he felt, had been unfairly applied.

Mr John Corrie (UK, EC) felt the present policy tended to prop up inefficient farmers and penalize the efficient. He pointed to what he saw as the fundamental dilemma posed by farm prices: too high an increase would put up consumer prices and lead to greater surpluses, whilst too low an increase would force farmers to produce more to compensate for lost income and also lead to surpluses. Agriculture, said Mr Corrie, was 'an economic football' which got kicked from all sides.

Mr Hans-Jürgen Klinker (Ge, CD) said farming was an economic sector like any other where realistic prices should play a part. A 5 per cent rise would have no major impact on the cost of living, he said.

Mrs Winifred Ewing (UK, Ind) echoed this point. A British study had shown that a 10 per cent devaluation of the green pound would cause only a half per cent rise in the retail price index. Scots farmers, she said, regarded mcas as their main problem.

Mr Thomas Nolan (Ir, EPD) called for an effective sheepmeat policy which, he said, Mr Lardinois had promised three years ago. He referred also to isoglucose as a threat to domestic sugar producers and to import agreements with the ACP countries.

Fighting inflation

Replying for the Commission, Mr Gundelach promised that the points raised in the debate would be taken into account before the farm price package was finalized.

He referred to calls for price rises to be based on the 'objective method'. This was, he said, no more than a mathematical formula and, as such, could be no more than a guide. In arriving at a figure, it was extremely relevant to consider the effects it would have on consumer prices, i.e., inflation.

He stressed also that any price rise had to be seen in terms of its effects: it would be higher in countries like the UK, where the green pound had been devalued; where that was not the case, e.g., in the 'snake' countries, the rise in value of their currencies over the past year had benefited farmers by cutting their costs, e.g., of soya imports.

Finally, Mr Gundelach stressed that it was up to the Community itself to deal with the problem of surpluses – it was simply no longer possible to increase food exports: the market was saturated.

The vote

The House then voted on the motion tabled by the Agriculture Committee and amended it considerably.

Parliament finally came out broadly in support of the Commission's own proposals. The main points in the motion was its support for:

(a) an average increase in farm prices of only 2 per cent (but no increase for products in structural surplus).
(b) the elimination of mcas within 2 - 3 years.
(c) the reduction of the 'B' sugar quota from 35 per cent to 20 per cent of the 'A' quota.
(d) the inclusion of lupins among the crops to be assisted in the vegetable protein and oil sectors.
(e) a report on the way the co-responsibility levy in the dairy sector is working out in practice.
(f) the adoption of a common organization of the sheepmeat market.

Lastly, the European Parliament reserved the right to initiate the conciliation procedure should the Council intend to depart from this opinion.

When the motion as a whole was put to the vote, the Socialists, Communists and several European Conservative EMPs voted in favour with Christian Democrats, European Progressive Democrats, some Irish and French Socialists and the Liberals voting against. The motion was agreed to.

QUESTION TIME

QUESTIONS TO THE COMMISSION

Fifth company directive (Sir Derek Walker-Smith)

Commissioner Guido Brunner told Sir Derek that the European Parliament would soon be asked for its opinion on the Commission's proposal. He added that he hoped that Parliament would deliver its opinion by the autumn at the latest.

Key Community languages (Mr Osborn)

Mr Brunner told Mr Osborn that the Commission was not satisfied with the development of language teaching in Community schools. English, he said, was the first foreign language, with French lagging considerably behind. Teaching of other Community languages at school level was virtually non-existent. He agreed with various speakers that there was scope for considerable improvement in teaching methods, and questioned by Mr Mitchell on what he considered the Community's key languages to be, he replied that any second language would be useful.

Green currency system (Mr Howell)

Commissioner Gundelach agreed with Mr Howell that the green currencies would have to be eliminated before progress on economic and monetary union could be made. He himself favoured the shortest possible phasing out period for mcas.

Export of live animals (Sir Brandon Rhys Williams)

Although the Community had introduced rules on the slaughter of animals in 1974, Mr Gundelach agreed that not enough attention had been paid to the question of transporting live animals. However, new implementing provisions and an action programme for animal protection would be proposed. He agreed also that it was more normal to slaughter animals in their countries of origin and transport the meat in carcass form.

Margarine and cancer (Mr Herbert)

Mr Brunner told Mr Herbert that no direct link had been established between margarine and cancer. However, there was a suspicion that certain colouring matters used in margarine could be carcinogenic. Mr Mitchell wondered whether it might not be best to avoid running any risk by reducing the price of butter, but Mr Brunner refused to be drawn.

UK imports of tinned mandarins (Mr Spicer)

Mr Gundelach pointed out that the 22 per cent tariff on tinned mandarins from Spain was laid down in the Accession Treaty. However, the bulk of imported mandarins were not tinned but fresh, and these attracted a far lower rate of duty.

Energy crisis measures (Mr Normanton)

The Council had adopted two decisions concerning Community solidarity during a possible energy crisis, Mr Brunner said, one in March and the other in November of 1977.

Lomé Convention and Euratom (Lord Bessborough)

It was still too early to enter into specific negotiations on the subject of Euratom provisions in Lomé II, Mr Brunner said. He added, however, that a number of Community energy projects were being implemented under Lomé I.

Sugar and isoglucose

Mr Scott-Hopkins' report (Doc. 566/77)

The Commission is proposing to increase the quota of sugar eligible for export refunds and to reimburse the costs of storing a wider range of sugars. It also proposes introducing export rebates for isoglucose.

Introducing his report, Mr Scott-Hopkins (UK, EC) described the proposals as modest and felt they would have little impact on the Community's current excess supply of 3 million tonnes of sugar. He agreed that it would not be easy to find other outlets for sugar, particularly in view of the Community's commitment to imports 1.4 million tonnes of sugar from the ACP countries.

Mr Klinker (Ge) for the Christian Democrats, Mr Nyborg (Da) for the European Progressive Democrats and Mr Hansen (Lu) for the Socialists and as draftsman for the Committee on Budgets all expressed approval of the motion, while expressing some concern that isoglucose could represent a threat to Community beet producers (isoglucose is produced largely from imported maize).

In reply, Mr Gundelach agreed that the present sugar surplus could not be eliminated easily and pointed to the need for international commodity agreements on sugar as the only long term solution.

Radioactive wastes

Mr Flämig's report (Doc. 576/77). Motion supported Commission proposals.

There was near unanimous support in Parliament today for three Commission proposals on a plan of action for radioactive waste, on setting up a high level committee of experts to help the Commission implement a plan of action in the field of radioactive waste and on setting up an ad hoc committee for the reprocessing of nuclear fuels.

Among the points made in the debate was that reprocessing nuclear waste was cheaper and a means to independence from third country suppliers. Here there was sharp criticism – from Lord Bessborough and Mr Brown for example – of President Carter's attempts to dictate nuclear policy to the whole western world.

It was also pointed out that the nuclear option was much safer than generally supposed. Fatalities in coalmining had numbered 3582 between 1957 and 1976, in gas 67, in oil 63. The number of fatalities in the nuclear industry in the corresponding period had been 9.

FRIDAY, 17th March 1978

Parliament condemns Moro kidnapping

The House unanimously agreed to the following all-group motion:

The European Parliament,

– having been informed of the kidnapping by terrorists, in circumstances of unparalleled violence, of Mr Aldo MORO, President of the Italian Christian-Democratic Party and one of the most prominent figures of European democracy,

1. Unreservedly condemns all methods of pursuing political ends which pose the gravest threat not only to human life but to freely elected democratic institutions;

2. Expresses it fullest solidarity with the Italian democratic movement in the face of a particularly difficult situation;

3. Expresses the deepest concern for Mr MORO's personal safety;

4. Requests its President to convey Parliament's condolences to the families of those who lost their lives in the exercise of their duties.

Second three-year IDST programme

Mr Werner Zywietz's (Ge, L) report. The motion tabled approved the Commission's proposals.

The Commission's first three-year programme in the field of information and documentation in science and technology (IDST) ran from 1975-1977 and had a budget of 6.6 mua.

A second programme is now proposed

(a) to turn Euronet into a public operational on-line information network;
(b) to develop a common market for scientific and technical information and
(c) to promote technology and methodology for improving information services.

In this morning's brief debate, there was general support for the proposals although Lord Bessborough did ask the Commission to be more explicit about costs.

Regional policy

Mr Luigi Noè's (It, CD) motion.

The Council regulation establishing the European Regional Development Fund commits the Council to re-examine the regulation, on a proposal from the Commission, before 1st January 1978. The Commission submitted a proposal to this effect in June 1977, but the Council has not yet undertaken the re-examination called for.

Mr Noè's motion 'insists that a decision should be taken by the Council without delay to improve the operation of the Regional Fund and to strengthen the Community's regional policy'.

Speakers from all sides of the House expressed support for the motion. It was scandalous that the Council gave the Regional Fund so low a priority. Regional Committee chairman, Lord Bruce of Donington, castigated the Council for its foot-dragging approach – there was not even a Member of the Council present to hear the debate.

Replying for the Commission, Mr Giolitti expressed his support for Parliament's motion, pointing out that the Commission's proposals had taken considerable account of Parliament's own views. If the Regional Fund were to be an effective policy instrument, the proposed changes should be implemented without further delay.

Guidelines for 1979 budget

Mr Bangemann's report. The motion tabled called for close cooperation between EP and Council at the very beginning of discussions on the 1979 budget.

With the Joint Council of the European Finance and Foreign Ministers coming up on April 3rd, Mr Bangemann put down a motion, on behalf of the Budgets Committee, urging close cooperation between the institutions in drawing up the guidelines for the 1979 budget. This motion was agreed to.

SUMMARY

13th – 17th March 1978

(Document numbers in brackets)

Monday

Commission statement on action taken on Parliament's opinions.

Second supplementary budget

Mr Shaw's report (Doc. 581/77). Motion expressed doubts as to need for extra Commission staff posts to be permanent. Mr Tugendhat replied.

Livestock surveys

Mr Terrenoire's report (Doc. 578/77). Motion called for approval of Commission's proposal on financing surveys. Mr Tugendhat replied.

Vote

Motion contained in Mr Terrenoire's report on livestock surveys agreed to.

End of the 1977-1978 session.

Tuesday

Mr Marcel Brégégère, oldest Member, opened Parliament's 1978-1979 session.

Election of President

Mr Emilio Colombo re-elected

Election of vice-Presidents

Mr Deschamps, Mr Lücker, Mr Spénale, Mr Meintz, Mr Yeats, Mr Scott-Hopkins, Mr Adams, Mr Zagari, Mr Berkhouwer, Sir Geoffrey de Freitas, Mr Holst and Mr Bordu were elected.

Question Time

Six questions to the Commission. Mr Haferkamp, Mr Jenkins and Viscount Davignon replied. (Doc. 1/78)

Emergency steel crisis debate

Viscount Davignon told the House that the Commission rejected a protectionist approach to steel imports.

Education (Mr Meintz's question)

Commissioner Brunner said that education remained the preserve of Member States but that the Commission would do all possible to promote the European idea. (Doc. 572/77)

European Foundation

Mr Johnston's interim report (Doc. 575/77). Motion welcomed Council decision to establish a European Foundation. Mr Brunner replied.

Wednesday

Council statement on direct elections

Mr K.B. Andersen made a statement about progress towards fixing a date for direct elections.

Second supplementary budget

Mr Shaw's supplementary report. (Doc. 581/77)

Farm price debate

Mr Hughes report (Doc. 579/77). Motion called for a 5 per cent increase in farm prices. Mr Gundelach replied.

Question Time

Mr K.B. Andersen answered eight questions for the Council and three for the Foreign Ministers. (Doc. 1/78)

Vote

The House agreed to the motion contained in Mr Shaw's report (supplementary budget). (Doc. 581/77)

Thursday

House observed one minute's silence after announcement of the kidnapping of Mr Aldo Moro and the killing of members of his escort.

Resumption and conclusion of debate on the Commission's farm price proposals.

Vote

House agreed to amended version of motion in Mr Hughes's report on farm prices. Amended motion supported Commission's proposal for 2 per cent price rises except for products in structural surplus. (Doc. 579/77)

Question Time

Mr Brunner and Mr Gundelach answered 8 questions to the Commission. (Doc. 1/78)

Sugar and Isoglucose

Mr Scott-Hopkins' report (Doc. 566/77). Motion approved Commission's proposal for export refunds on sugar and isoglucose. Mr Gundelach replied.

Storage of nuclear wastes

Mr Flämig's report (Doc. 576/77). Motion called for approval of Commission's proposals on radioactive waste. Mr Brunner replied.

Friday

Aldo Moro

The House agreed unanimously to a motion condemning the kidnapping of Aldo Moro and the murder of five members of his escort. (Doc. 7/78)

Second 3-yr IDST programme

Mr Zywietz's report. Motion tabled approved Commission's proposals in the field of information and documentation in science and technology (IDST). Mr Giolitti replied. (Doc. 552/77)

Regional policy

Mr Noè's motion called for a prompt Council decision on the Commission's proposals on reorganizing the operation of the Regional Fund. Mr Giolitti replied. (Doc. 573/77)

Budget guidelines

Mr Bangemann's report. Motion called for early consultations on guidelines for the 1979 budget. Mr Giolitti replied. (Doc. 3/78)

Vote

The House agreed to the motions contained in the reports by
Mr Scott-Hopkins (Doc. 566/77), on sugar
Mr Flämig (Doc. 576/77), on nuclear waste
Mr Zywietz (Doc. 552/77), on IDST programme
Mr Noè (Doc. 573/77), on the regional fund
Mr Bangemann (Doc. 3/78), on 1979 budget guidelines

POSTSCRIPT

Introduction of summer time in the Member States of the European Communities

On 2 April 1978 summer time (GMT plus 2) will be introduced in Belgium, France, Luxembourg and the Netherlands. Summer time (GMT plus 2) will not begin in Italy until 28 May 1978.

These five countries will all revert to GMT plus 1 on 24 September 1978. The Federal Republic of Germany, Denmark, Ireland and the United Kingdom will retain GMT plus 1 throughout this period.

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