



european parliament

information series

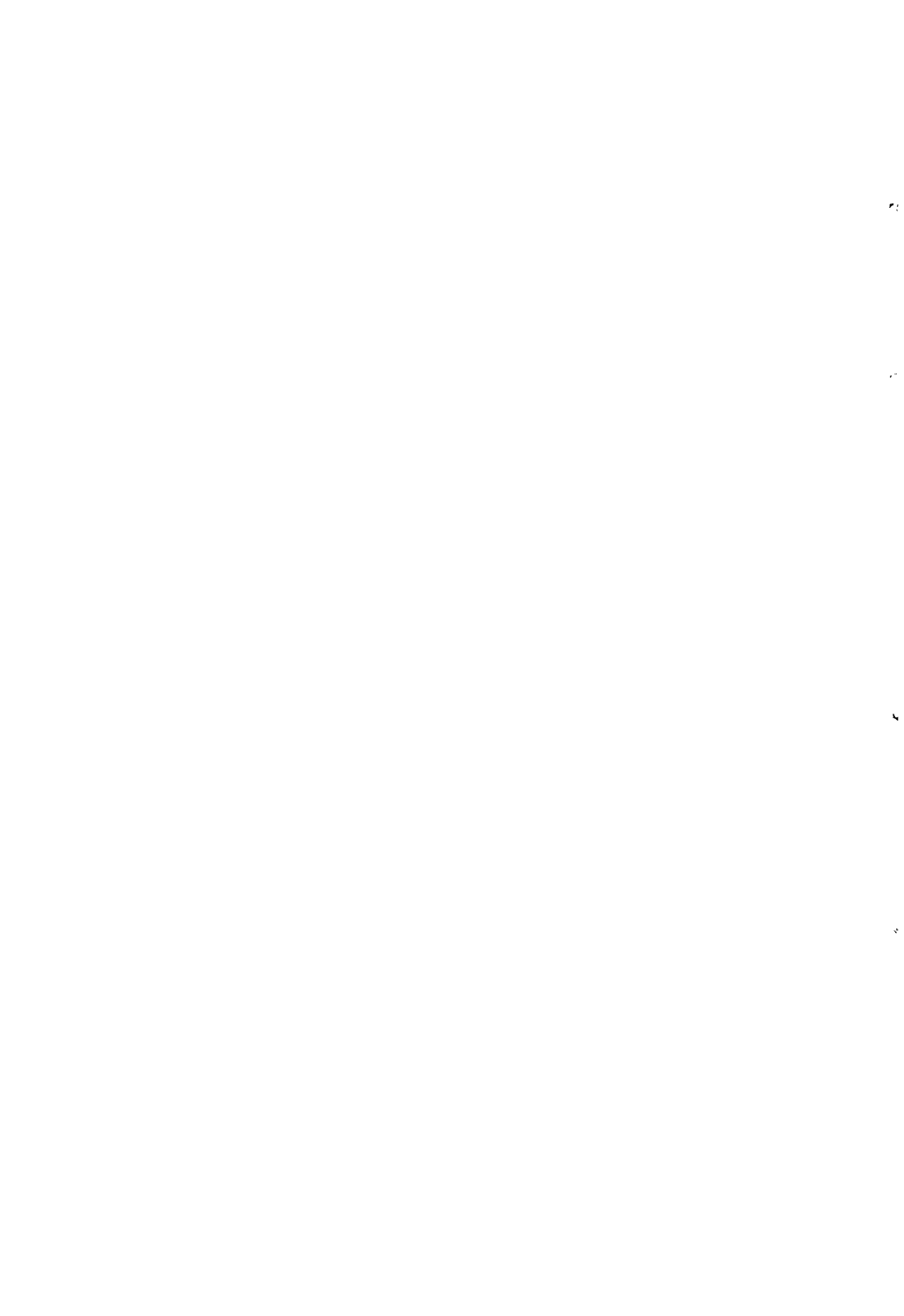
the sittings

9

october 1976

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SESSION OF THE EUROPEAN PARLIAMENT

1976 – 1977

Sittings held in Strasbourg

Monday, 11 October to Friday 15 October 1976

The Week

The key debates at Parliament's October sittings in Strasbourg were those on (1) fishing limits (2) the milk market and (3) the green pound. By a very narrow majority Parliament voted against 50-mile exclusive fishing zones and, by a substantial majority, against the idea of a tax on margarine to help set the milk market to rights. In the agricultural currency debate, some concern was expressed at the reluctance of the British Government to devalue the green pound. Commissioner Petrus Lardinois told the House that this reluctance is liable to cost the Community over a billion units of account in the next full year.

The Irish Government has already devalued its green pound (the currency in which farm prices are set) by 7.5 per cent.

Another point of interest this week was that Council President Laurens Jan Brinkhorst came pretty close to saying where he thought the European Parliament should finally settle. In reply to a question from Hugh Dykes (Br, EC) he said: 'If I were a Member of the European Parliament I should chose a place as close as possible to where the power is being wielded in the European Community.'

Parliament rejects 50-mile fishing limits

The European Parliament has rejected the idea that coastal states should have exclusive rights to the fishing in the first fifty miles from their shores. Instead it agreed to a motion calling for a Community fishing policy based on similar principles to the Community's agricultural policy.

This was something of disappointment for John Prescott (Br, S) who was putting forward the idea of 50-mile conservation zones as part of a compromise package he suggested the whole House could accept. The compromise, hammered out by the Socialist Group at a meeting in Copenhagen the previous week, did attract a wide measure of support, particularly among European Conservatives. But it failed – if by only a handful of votes – to carry the day.

Mr Prescott was particularly keen that Parliament should record its views before the Council meeting in Luxembourg on October 18th-19th at which fishing policy was to be discussed. He asked the House to reject Niels Anker Kofoed's (Da, L) suggestion that the whole matter be referred back to committee. It was the difference, as he saw it, between commenting on decisions already taken – for a Council decision on fishing was to be expected the following week – and playing some part in making them.

But the motion finally agreed to contained virtually none of the principles Mr Prescott had urged on the House. So his group simply abstained. This was the conclusion to a debate which began late on Wednesday and took up the whole of Thursday morning. Parliament was returning an opinion, as Mr Prescott had wanted, but it was not the sort of compromise – as he saw it – which would win unanimous approval in the Council of ministers.

This indeed, (as he and his colleagues saw it) was the weakness of the Commission proposals for a common fishing policy now before the Council too. The essence of these proposals is that the Community should declare a 200-mile exclusive fishing zone in the same way as other countries such as Iceland, Norway, the United States, Canada, Mexico and several Latin American and African countries have either already done or propose to do so.

Within this 'pond', the fish (in the Commission's view) should be shared on the basis of quotas. And all fishing vessels would have to get licences to cover these quotas from the coastal state off whose shores they were fishing. The licences would specify length of boat, type of net (size of mesh), quantity of fish and period during which fishing would be permitted.

John Prescott: 'The principle embodied in the Law of the Sea Conference is that giving protection to the coastal state is the main way of conserving fish. That is the essential principle. Somehow we have to embody it in an essential compromise ...'



As for how the quota system could be made to work – previous quota systems having failed – the idea is that all catches brought ashore should be publicly auctioned, (although how well this would work with frozen fish is not clear). And there are even suggestions that fishing vessel movements might be monitored by satellite. All of which illustrates the nature and scale of the problem.

Parliament's debate began with a question put down for Council and Commission to answer about fishing limits. It widened out into a debate on the whole of the Community's fishing policy.

One thing the Commission made absolutely clear in reply was that although 12-mile exclusives could be proposed, there could be no question of any discrimination against fishermen from other Member States in the waters lying between 12 miles and the 200 mile limit. But there would be discrimination against third country fishermen. (Although, as Commissioner Finn Gundelach pointed out, agreements would be negotiated with countries wishing to fish in EC waters).

And indeed, as James Spicer (Br, EC) pointed out, it is third country fishermen who are the biggest problem. As fishing grounds are closed to them (e.g. Iceland) or fished out (i.e. the waters off the West Coast of Scotland) so the Russians, for instance, come closer to the inshore waters of Great Britain and Ireland.



James Gibbons: 'Everyone knows that if the present plunder of the seas around our coasts continues ... there will soon be no fish for anyone to catch.'

And, as Mr Spicer pointed out, 'the Russian fleet in the mackerel grounds in the South West could be in the region of 150,000 tons and its working on a scooping-up basis.' And the House made quite clear that action against such predators would be welcome.

James Gibbons (Ir, EPD) spoke of 'the plunder of the seas around our coasts' by the enormous fleet of factory ships (especially from Eastern Europe) 'which are stripping the Atlantic of every resource that it has.'

He spoke of the need for conservation (which Mr Prescott described as the chief omission of the Commission proposals) and for protection against the depredations of third country fishermen. 'It is flattery to call them fishermen, they are looters' he said.

'Around our coasts in Scotland, in England and Ireland, he said, there is a breed of courageous and hardy men who depend on fisheries for their livelihood. In the absence of fisheries there is no other resource to which they can turn.' He argued that the answer was at least a 50-mile limit in certain areas of the Community. Otherwise tens of thousands of families would be condemned to extinction.

Winnie Ewing: 'The best brains recognise that the only way to conserve fish stocks is to give a substantial coastal state preference – because it is the coastal states that have an interest in conservation – because fishing is their way of life.'



Winnie Ewing (Br, Ind) agreed; the fishing communities in the remoter regions were at present viable. Not to give them the protection they called for would ruin them – and this would conflict strangely with the Community's professed aim of help for the outlying areas.

Socialists Mark Hughes (Br), Liam Kavanagh (Ir), (who drew attention to the gross over-fishing of the Celtic Sea and the resulting depletion of stocks), Bill Molloy (Br) and Michael Stewart (Br), Liberal Russel Johnston (Br) and European Conservatives Alexander Fletcher (Br), Elaine Kellett-Bowman (Br), Ralph Howell (Br), Michael Shaw (Br), all broadly argued in support of the Prescott compromise: fishing quotas for each of the Nine, limits on catches through licences, reserve fishing zones and coastal fishing conservation zones up to 50 miles controlled by the coastal state for the purpose of preserving fish stocks. After all, as Mr Kavanagh said, 'the potential of the fishing industry is still enormous and indeed it could be everlasting ... and the contribution which fisheries can make to the Community is infinite.'

The case against this compromise was that 'conservation' zones quickly become 'exclusive' zones. The Icelanders, who had protested so strongly that conservation was their case, were now over-fishing in their own waters said Manfred Schmidt.

Horst Gerlach (Ge, S), for all his sympathy and esteem for his Socialist colleagues, felt the emphasis was being put in the wrong place. Fishing was a declining industry and the emphasis should be on rationalisation and research.

And Marcel Vandewiele (Be, CD), who was ready to accept that some parts of the EC pond be reserved for boats or nets of particular specifications – in the interests of conservation – simply could not accept the idea of any form of discrimination against other EC nationals. This was essentially why CD leader Alfred Bertrand (Be) pointed out that his group could not agree to the motion under discussion.

Another CD Member, Eric Blumenfeld (Ge) was anxious that the interests of fish consumers as well as fish producers be taken into account.

Kai Nyborg (Da, EPD) on the other hand, argued that the Members supporting the motion were, in fact, simply defending national interests. Surely, he said ‘we should start to look after the Community interest.’

Winding up, Commissioner Petrus Lardinois said some fishermen were going to be losing their jobs. He urged the House to refer the motion to committee. For the Council, Laurens Jan Brinkhorst spoke of his hopes for a compromise in Luxembourg on October 18th – 19th.

Parliament rejects proposal to tax margarine

Parliament – and the Commission – have been worrying about the milk mountain for quite some time. Now, with the Commission’s proposals for getting to grips with the problem on the table, Parliament’s Agriculture Committee has drawn up a report which the House debated on Thursday afternoon.

Both the rapporteur, Jan de Koning (Du, CD), and subsequent speakers agreed that the proposals have come at a highly inopportune moment – right at the end of Europe’s worst-ever drought. So Mr de Koning emphasized the Agriculture Committee’s view that the proposed measures could only be finalized when the full extent of the drought damage had been assessed. But, in principle, he endorsed most of the proposals, though with reservations. (The proposals: premiums for the non-marketing of milk and the conversion of dairy herds, suspension of aid to the milk sector, a ‘co-responsibility’ levy on producers, the expansion of Community markets, and a levy on margarine and vegetable oils). The one major exception: the last of these five proposals. This was quite unacceptable and the Committee rejected it totally.



Jan de Koning: 'After months of drought, the big question in many parts of the Community today is how is the herd going to be kept alive through the winter.'

Roger Houdet (Fr, L), Agriculture Committee Chairman, agreed with Mr de Koning's assessment. We faced a difficult situation: on the one hand there were the 65 per cent of milk producers who owned 10 cows or fewer, and whose livelihoods were at stake. On the other was the 1.3 million tons of skimmed milk powder and 420,000 tons of butter in storage. Surpluses could be useful – the speaker recalled the cereals and sugar shortages of 1973, and the soya shortage last year – but they were also costly, and in this case action was needed.

Socialist group spokesman Lord Walston (Br) added his general endorsement to the de Koning report. But he questioned the use of the price mechanism as an effective means of reducing output. The small dairy farmer would tend to react to lower prices – and a resulting drop in his income – by buying another cow and stepping up production to make good his losses. The solution should be sought rather at the intervention level. As to co-responsibility, the speaker thought that the size of the producer levy should be related to the size of the surplus produced. Small farmers would not want to go out of business unless they had some clear alternative. And Lord Walston concluded by adding his group's condemnation of the Commission's proposed tax on margarine and vegetable oils.

James Scott-Hopkins (Br, EC) began by asking Commissioner Lardinois for more precise figures. He was sceptical that the milk surplus was in the order of only 10 per cent. He was concerned too at the effect of the premiums for the non-marketing of milk and conversion of dairy herds: they might indeed.

encourage farmers to leave the dairy sector – but there was then the possibility that too many would turn to an alternative sector and create a surplus situation there. And he echoed the rejection of previous speakers of the margarine levy – he wondered why the Commission didn't drop the idea, since it would be politically unacceptable to the Council of Ministers.

For the Budgets Committee, Martin Bangemann (Ge, L) voiced his objection to the Commission's inclusion in its proposal of the estimated cost of the measures (Article 9 estimates the cost to the EAGGF at 160mua). Such a procedure, he said, was incompatible with the political nature of the budget. He had proposed an amendment deleting this provision.

Lucien Martens (Be, CD) was concerned that the Commission seemed to be noting the symptoms of the milk surplus without attempting to diagnose the underlying malaise. And he expressed serious doubts about the likely success of the conversion premium scheme. With the price of meat at a (relative) all-time low, dairy farmers would have no incentive to change. Even with the premiums, they would stand to lose half their incomes.

Niels Kofoed (Da) Liberal spokesman supported Mr de Koning's motion. Albert Liogier (Fr), for the EPD's, had reservations. He could not accept the 'co-responsibility' levy. He pointed out that the EC imported some 5 million tons of vegetable fats in 1974. This compared with some 1,380,000 tons butter production.

Lord Gordon-Walker (Br, S), in his last speech to the House, attacked the proposed vegetable oils tax. It was quite wrong to tax something quite disconnected with butter to solve the problem of milk over-production. He pointed out that cakes, fish and chips, paints, soap and biscuits would all be affected by the tax – which he described as 'monstrous'.

Isidor Früh (Ge, CD) wanted to know when farmers would get a decision on and for modernization. What was being done to improve job prospects in disadvantaged areas?

Betty Boothroyd (Br, S) felt the Commission proposals completely disregarded the consumer interest. The answer to a butter surplus was to cut the price. The same applied to milk. The tax proposed was in no one's interest and one vicious side effect of it could be to hurt the developing countries.

Michael Yeats (Ir, EPD) took a different view. With a forecast drop of 1 per cent in milk deliveries and a 2 per cent or 3 per cent decrease in milk powder and butter production, the dairy farmers would be subjected to a severe loss of income. Despite this, the Commission was proposing a co-responsibility levy which would cut the incomes of these dairy farmers, (in Ireland, for example) by 1p per gallon. He asked how, under such circumstances, the farmers could possibly be expected to support restraints in farm price increases for the 1977/1978 prices year.

'If the Commission forces this levy through, farmers will surely have to demand full compensation for any increases in costs ... but ... if the Commission drops this proposal ... I am sure it will be possible to create much greater sympathy amongst farmers for accepting restraints when agricultural prices are agreed next year.'

Mr Yeats also questioned the criteria by which certain farms would be exempt from the levy (altitude, slope of ground as against, say, low soil fertility) and the ban on help for modernising the dairy industry, which he thought 'totally illogical.'

But Mr Yeats was in favour of the tax on vegetable oils and fats. No one liked to have a tax on margarine but it is seriously affecting sales of butter in the Community, he said. And the tax was in line with the principle of Community preference.

Gwybeth Dunwoody (Br, S) was very unhappy about the vegetable oils tax. Of the 854,000 tons of fats imported into the UK only one quarter went into margarine. The tax was threat to 5,000 jobs, not to mention export orders worth 7.5 million pounds. Mrs Dunwoody pointed out that two-thirds of the UK's trade deficit with other EC countries was made up by food imports. The UK could be self-sufficient. What the Commission was trying to do would simply cut sales. It was madness. 'The Commission would do us all a favour by putting its proposals in the dustbin'.

Ralph Howell (Br, EC) had little enthusiasm for the proposals. He thought the answer to the problem of imbalance in the dairy sector lay in more efficient marketing and he suggested the Milk Marketing Board as a model. In January this year, he pointed out, milk cost 11.1p in Germany, 10.5p in France and only 8.5p in the UK. He also thought, as a farmer engaged in milk production for 28 years, that the Commission could do with a more professional touch in framing its proposals.

Lord Bruce of Donington (Br, S) was ready to condemn Petrus Lardinois and all his works, his criticism being that the EC's CAP was framed wholly with the producer in mind. As for the co-responsibility levy, everyone knew that as soon as the next price review came round, the levy would be offset by higher prices. Why had the Commission never thought of cutting the price?

Erhard Jakobsen (Da, EC) had two points to make. He had no objections to surpluses – how much better it was to have too much than too little – like the Russians, for example. And he condemned Lord Bruce's 'vicious attacks' on Mr Lardinois and the Commission. He congratulated the Commissioner for his steadfastness. And Elaine Kellett-Bowman (Br, EC) rose to protest against Lord Bruce's attacks on Sir Henry Plumb.

Then it was Petrus Lardinois' turn to reply to the three-hour debate. He went into the points made by individual speakers in some detail. Financial aid: he felt that any grant would encourage expansion of activities, and wanted no exceptions for farm modernization. There were some exceptions, though – such as hill farming. He understood the objections to a margarine levy – and had, as a Parliamentarian and later a member of the Council of Ministers, opposed such levies himself. But he had now come to believe it was inevitable – if not immediately, then in the not-too-distant future. If speakers had rejected it so totally, where were the alternatives? He proposed one himself: a direct subsidy on butter, as in the UK. And he was not unsympathetic to Lord Walston's call for a link between co-responsibility and the size of surpluses.

Reference had been made to the British Milk Marketing Board's sterling efforts in promoting milk drinking, the Commissioner said. But such a campaign was possible only where the price of milk, compared to butter or other dairy products, was high, as it had been in the UK. He disagreed with Lucien Martens' feeling that conversion premiums wouldn't attract dairy farmers to leave for less remunerative jobs: older farmers, for example, might well welcome the opportunity. Taking Gwyneth Dunwoody to task for her remarks, he suggested that she might try looking at the CAP from a somewhat less conservative viewpoint – the British system might be better in this sector or that, but it wasn't always superior. And to the applause of the House, he refuted Lord Bruce's attacks on the Commission's agriculture directorate – which was staffed, he said, by a brilliant and highly competent multinational staff, which deserved credit and not unwarranted abuse.

The House then came to vote on the motion. A score of amendments had been tabled, the key one being no. 7. This had been put down by Lucien Martens and

rapporteur Jan de Koning was personally in favour of it. This amendment virtually accepted the vegetable fats tax. But it was heavily defeated. Whereupon both Mr Martens and Mr Liogier said they would be unable to vote for the motion as a whole.

Only slightly amended, therefore, the motion was put to the vote and agreed to by a large majority.

The cost of solidarity: protests at Britain's reluctance to devalue the green pound.

The European Progressive Democrats, whose members include such prominent Fianna Fail figures as Brian Lenihan, James Gibbons, Michael Herbert, Tom Nolan and Michael Yeats, are seriously concerned about the amount the floating pound is costing the Community – something like a million pounds every day. This is because farm prices are set in pre-devaluation pounds, which are some 37.3 per cent above the current market rate for sterling. To make up the difference, the Community pays out what are called monetary compensatory amounts. But, as Michael Yeats said during the European Parliament's Question Time, the system of mcas as it operates at present is completely contrary to the original intention of keeping farm prices at the same level throughout the EC and 'is in fact proving an intolerable burden to the Community as a whole'.

His group called for an emergency debate on mcas under House Rule 47A, 2 and this was accordingly held. Opening the debate, Michel Cointat (Fr, EPD) pointed out that the 37.3 per cent devaluation of the pound was costing the EC one million pounds per day – more than the whole budget for Euratom (the nuclear energy part of the Community). 'When a currency is sick, the only doctor is the government concerned, he said. But it is the EC which pays the hospital bill. If the doctor is indolent, must Europe pay for everything? Certainly not.' Mr Cointat proposed phasing the mcas out and bringing a European unit of account into general use.

James Scott-Hopkins (Br, EC) agreed. The farm currencies had to be brought back into line with one another, although he thought the timescale would have to be around 18 months.

James Gibbons (Ir, EPD) also supported the suggestion made by Michel Cointat that the mcas should gradually be eliminated. 'There seems to be unanimity over

a great part of the House that the present situation is intolerable. Its effect is to subsidise consumer goods to the British housewife. There is nothing wrong with that if it is applied throughout the Community, but this is where the difference lies. If the funds that are being used in this way were directed, let us say, to the Social Fund or to the improvement of the EAGGF, the benefits could be spread evenly throughout the Community and the Community's consumers, rather than the British consumers alone, would be able to benefit from the Community funds.'

In reply, Petrus Lardinois said he had proposed a 4.5 per cent devaluation of the British green pound but this had been rejected (the Irish pound had been devalued by 7.5 per cent already). Coupled with other measures, he said, this would only have added 0.18 per cent to the cost of living in the UK.

QUESTION TIME

Questions to the Council

1. Council has no knowledge of any uranium price control

Mr Brinkhorst told Willie Hamilton (Br, S) the Council had no knowledge of any such control. In any case this was a Commission matter. Mr Hamilton wanted to know if the Commission was examining a file on the uranium cartel set up several years ago by the UK, France, Canada, South Africa and Australia. John Osborn (Br, EC) and Sir Derek Walker-Smith (Br, EC) protested: Mr Osborn to stress the importance of worthwhile producer prices and stable consumer and Sir Derek to point out that the interpretation of Rome Treaty Articles 85 and 86 was a matter for the Court. Mr Brinkhorst agree. He also told Jean Durieux (Fr, L) he would look into the question of Community credits for uranium prospecting in Italy.

2. EC budget includes 400,000 ua for 1978 elections

Mr Brinkhorst told Jean-Marie Caro that 400,000 ua had been set aside for expenses connected with the first European elections in 1978. Brian Lenihan (Ir, EPD) asked whether the expenditure of Council, Commission and Parliament in publicizing direct elections should not be channelled through EP groups to national parties. Mr Brinkhorst said this was a matter for the House. Schelto

Patijn (Du, S) then asked rather pointedly whether the Council envisaged financing Community action or subsidizing what was being done by the Member States. Mr Brinkhorst side-stepped the issue by saying efficiency was the goal.

3. *'I would go as close as I could to where power is wielded.'*

After side-stepping Sir Geoffrey de Freitas's (Br, S) question about whether any study was being made into the pros and cons of Brussels, Luxembourg or Strasbourg as Parliament's permanent home – by saying this was a matter for the Member States – Mr Brinkhorst said in reply to a very pointed request for an opinion from Hugh Dykes (Br, EC) that if he were a Member of the EP he would want Parliament to be as close as possible to where power is wielded. Richard Mitchell (Br, S) tried to draw him further but he gave the same answer. Wasn't it being a bit ostrich-like, asked Schelto Patijn to decide to hold direct elections in 1978 but not decide on where its Members were to be elected to? Mr Brinkhorst said it was for Parliament to decide. Ludwig Fellermaier (Ge), Socialist leader, asked if the Council would state where the necessary technical facilities for a Parliament were available. But the Council would not. There were many fine cities to choose from. Cornelis Berkhouwer (Du, L) wondered if the Council thought all three institutions might one day be in the same place. Laurens Jan Brinkhorst replied: 'I should not like to say "no".' Whereupon Mr Berkhouwer said: 'Yes or no?' But Mr Brinkhorst was not going any further. 'That is a clear answer' was all he could say. Jean-Marie Caro (Fr, CD) wanted to raise the question of Strasbourg's status. But, again, the Council President was not to be drawn. He liked coming to Strasbourg but did not see the point of Mr Caro's question.

4. *Council hopes for new moves soon in relations with Comecon.*

Mr Brinkhorst told Mr Berkhouwer that he hoped for some moves towards a normalization of relations in the near future. He side-stepped further questions from Cornelis Berkhouwer, on basket three, from Lord Bethell (Br, EC) on the brutal rebuff to EC overtures two years ago, Giovanni Boano (It, CD) on the wider aspect of EC-Comecon relations and Bill Molloy (Br, S) that much more than trade was involved. He agreed with Mr Molloy but could only repeat the Council was hoping for some reaction soon.

5. *Concertation procedure gives Parliament its chance*

Mr Brinkhorst could only repeat his replies of July 31st and September 15th that secrecy is part of the Council's way of life. He was not drawn by further questions from Alexander Fletcher (Br, EC) or Winnie Ewing (Br, Ind) (what has the Council got to hide?). But he did suggest to Charles McDonald (Ir, CD) who asked about EP committee chairmen attending ('Surely there is room for one more seat') that the new concertation procedure gave Parliament its chance. Georges Spénale reminded him of the legislative as well as the budgetary aspect of concertation. Ludwig Fellermaier (Ge, S) and Horst Seefeld (Ge, S) also pressed the Council on opening up the doors. But Mr Brinkhorst's feeling – which he admitted was cynical – was that there would not be much real negotiating done then,

6. *'Don't look back in anger'*

Mr Brinkhorst told Gwyneth Dunwoody (Br, S) that the Fiji ambassador had now been accredited to the EC. Mrs Dunwoody asked if the delay was due to French objections because Fiji had protested about nuclear tests in the Pacific (Jean Durieux (Fr, L) said there had been delays in getting the French ambassador accredited in Fiji). But Mr Brinkhorst said it was better not to look back in anger. He made no reply to Mrs Dunwoody's request for an apology for the insult to Fiji as an ACP state.

7. *Council to debate mcas on October 25th and 26th.*

There was a good deal of heat in exchanges between Left and Centre-Right this morning when James Gibbons asked the Council about monetary compensatory amounts. These are the amounts by which agricultural prices are 'adjusted' to take account of variations in exchange rates. In plain language they represent a very large subsidy for the United Kingdom. Lord Bruce of Donington (Br, S) pointed out, however, that the UK would be a net contributor to the EC budget in 1977 (adding it would be fairer if defence costs, e.g., were more equitably shared) and James Scott-Hopkins (Br, EC) asked whether there was to be any machinery for making adjustments in the rates automatic. But beyond saying the Council would debate mcas on October 25th and 26th and adding they were part of a wider issue, Mr Brinkhorst would not comment – even when Ralph Howell (Br, EC) suggested that farm workers too wanted a devaluation of the

green pound. This last remark provoked an uproar the upshot of which was an EPD request for an emergency debate.

Questions to the Commission

8. *45 per cent mca disparity between Germany and the UK*

Replying to a question on mcas by Michael Yeats (Ir, EPD), Commissioner Petrus Lardinois said the mca figures, as of next Monday (18th October), would be as follows: for the Italian lire, 12.6 per cent; for the British pound, 37.3 per cent; for the Irish pound 22.4 per cent; for the French franc, 13.7 per cent; for the German mark, plus 7.5 per cent; and for the Benelux currencies, 1.4 per cent. This resulted in a 45 per cent differential in agricultural trade between Germany and the UK. This was an intolerable situation, and the Commission wanted to propose a scheme for adjusting mcas. But, replying to a supplementary question from Hugh Dykes (Br, EC), the Commissioner agreed that it would take a lot more than 6 months to totally dispense with the 37.3 per cent gap between green pound and real pound. Mark Hughes (Br, S) wondered about selective product by product mca adjustments. Mr Lardinois recognized the possibility. Besides anything else, he said, the present situation entailed a serious distortion of competition.

9. *No Commission office for Belfast*

Answering a question by Michael Herbert (Ir, EPD) on the Irish cross-border studies, Commissioner George Thomson pointed out that the Regional Fund was at present providing 50 per cent of the finance for the Donegal/Derry studies and would certainly be willing to consider further requests. Alexander Fletcher (Br, EC) asked about the possibility of a Belfast office of the Commission as a means to get the Northern Irish more involved in EC affairs. But Mr Thomson said there were no funds available, at least for the time being.

10. *EC relations with Uganda are institutionalized under Lomé*

James Spicer (Br, EC) asked whether the Commission would continue to give trade and aid preferences to Uganda in view of that country's abuses of human rights. Claude Cheysson, for the Commission, said information on the human

rights situation in Uganda was fragmentary. Anyway, the EC's relations with Uganda were not bilateral, they were part of its relations with all the ACP countries, and as such bound by the Lomé Convention.

11. Data processing

Commissioner Cesidio Guazzaroni, replying to Lord Bessborough's (Br, EC) question on EC data processing requirements, said that a study would shortly be published. Requirements were certainly increasing. Sir Peter Kirk (Br, EC) wanted to know when contracts would be placed: he was sure the European data processing industry could do the job. The Commissioner said decisions could be expected very shortly.

12. 400,000 already proposed for organization of direct elections

The Commission, Vice-President Carlo Scarascia Mugnozza said, had already proposed earmarking an initial 400,000 u.a. to be used in organizing direct elections to the EP. Exactly how the money should be spent – Brian Lenihan (Ir, EPD) suggested the EP's political groups should get it and channel it to national party organizations – was a matter for discussion. He would be discussing the matter with Parliament's Political Affairs Committee on 18 October.

13. Commission sticks to rules

Mr Scarascia Mugnozza told Gérard Bordu (Fr, CA) that the Commission could not comment on what an EC Head of State had said. But as far as it was concerned, there were rules and regulations which governed the granting of economic aid, and they would always be adhered to. Moreover, the Commission had a fundamental respect for whatever decisions the electorate of a Member State might come to.

14. Code of conduct for Liner Conferences

The three Member States who had signed the UN Convention on Liner Conferences had all given assurances that they would not ratify it unless



Bill Molloy: 'Does the Commission intend to bring together all the various European consumer organisations so that there can be better liaison and consultation with these organisations throughout the Community?'

authorized to do so by the Council, Vice-President Scarascia-Mugnozza told Michael Shaw (Br, EC). The Commission regarded those assurances as satisfactory.

16 and 17. Consumer protection

Answering the two questions on consumer protection which had been put by Bill Molloy (Br, S) and John Evans (Br, S), Mr Scarascia Mugnozza said that the Commission was satisfied with present progress. In any case, it would submit a report to Parliament before the end of the year. The Council had approved the directives on questions of economic interest to consumers. A committee of experts would be meeting in December to consider the next stages. And the Consultative Committee on consumer affairs had already met 15 times. In a number of supplementary questions speakers emphasized the key importance of consumer policies for the ordinary Community citizen.



Luigi Noè: 'The second earthquake in the Friuli region has completely destroyed what was being rebuilt and, as you can imagine the people there are nervous of going into traditional-type houses now. So the best thing to do is send caravans or, even better, small single-storey prefabricated houses.'

18. Uranium cartel – is there one or not?

Commissioner Raymond Vouel was non-committal in his reply to Tam Dalyell's (Br, S) question on the alleged uranium cartel. The Commission was keeping an eye on the situation, and had done so since 1972. When would the Commission issue a statement, John Evans (Br, S) wanted to know. Mr Vouel couldn't say. Would it publish a report when the time came, pressed Richard Mitchell (Br, S). 'Yes', said the Commissioner. But did the Commission agree with the principle of a uranium cartel, asked Willie Hamilton (Br, S). 'We don't know if there is one,' replied the Commissioner.

20. Commission firmly opposed to trade restrictions

The EC had a huge visible trade deficit Japan, Commissioner Finn Gundelach told John Osborn (Br, EC), and the Commission was doing all it could to remedy the situation. He himself had visited Japan in July. The aim was to persuade the Japanese to impose more self-control on their own exporters, and at the same time buy more from Europe. There was already agreement in the textiles sector, and a delegation was going to Japan to discuss steel. At the moment European imports from Japan outweighed exports by two to one – 'the situation is going

Pierre Deschamps: 'We must see to it that the guidelines laid down at UNCTAD IV in Nairobi are adhered to.'



from bad to worse.' But the EC did have a surplus of around 2 m.u.a. on invisibles.

Lord Castle (Br, S) wanted to know if the Commission would react sympathetically to a British move to impose import restrictions on Japanese products – and if necessary from elsewhere. Mr Gundelach was emphatically against any import restrictions. 'We in Europe, who depend so heavily on trade, cannot afford to undermine the free trade system', he said.

SUMMARY OF THE WEEK

Monday October 11th to Friday October 15th

Monday

- Italian and German elections: no change in balance of power in European Parliament
- Russel Johnston returns as 'sole representative of five and a half million British Liberal voters'
- Order paper agreed virtually unchanged
- Greeks here to prepare for Berlin meeting of EC-Greece Joint Parliamentary delegation

Willie Hamilton: 'Some members of our committee argued that Question Time should be held on Tuesday and Wednesday mornings, in order to secure better coverage by the media ...'



Tuesday

- Luigi Noè's motion on Friuli agreed to EP delegation to visit area Wednesday and Thursday
- Consulting Parliament: Commission and EP still do not see eye to eye
- Parliament calls for more careful preparation when it comes to UNCTAD V
- Twice weekly question time proposed in rules debate: vote in Luxembourg on October 27th
- Agreements with Algeria, Tunisia and Morocco approved
- Joint Declaration on fundamental rights agreed to

Wednesday

- Question Time. Council President Brinkhorst comes close to saying the Parliament should be in Brussels
- Emergency debate on green pound Parliament questions 'cost of solidarity'

Jean-François Pintat: 'The purpose of the agreements signed with Algeria, Morocco and Tunisia in April this year is to help promote their economic and social development.'



- Détente the only answer says Council President Brinkhorst replying to Political Committee
- On July 1st 1977 most customs duties between the Nine and the seven EFTA countries will go. Parliament asks if everything will be ready on time
- Parliament asks what EC is doing to improve the lot of women, here and in the developing countries
- Parliament asks Commission and Council about fishing limits
- Préfet Louis Verger's reception
- EP delegation leaves for Friuli region

Thursday

- Parliament calls for an EC fishing policy based on principles similar to those of the CAP



Hans-Edgar Jahn: '300 million birds will once again be slaughtered in Italy this Autumn.'

- House approves increases in Generalized Preferences but regrets only ten countries really get much benefit from them
- House rejects Commission proposal to put a tax on vegetable oils
- Socialist delegation leaves for Maghreb

Friday

- Parliament condemns abuse of human rights in Chile
- House calls on Commission and Council to halt compulsory additions of milk powder to animal feeds by 31 October 1976
- House agrees to motion on road haulage
- The polluted Mediterranean: Parliament urges ratification of Barcelona Convention
- No action on air safety till Council decides on action programme
- House dissatisfied with Commission's failure to act to stop wholesale slaughter of birds



Sir Derek Walker-Smith: 'A two-minute interval between calling the vote and taking it would bring help to the studious in the library, to the thirsty in the bar and to the gregarious in the corridors.'

- Mr Hermann Schwörer asks about car insurance
- House agrees (just) to Dykes motion on stamp duty on investments
- EP approval for sixth directive on tobacco taxes
- 50 per cent independence of outside energy sources by 1985 is no longer possible says Mr Ellis
- Three reports through 'on the nod'
- A dozen Commission proposals taken as approved

ABBREVIATIONS

The following abbreviations are used in this text to denote nationality and political allegiance: CD Christian Democrat, S Socialist, L Liberal and Allies, EC European Conservative, EPD European Progressive Democrat, CA Communist and Allies, Ind Non-attached Independent Members, Be Belgian, Br British, Da Danish, Du Dutch, Fr French, Ge German, Ir Irish, It Italian, Lu Luxembourg, EC European Community.

SESSION OF THE EUROPEAN PARLIAMENT

1976 – 1977

Sittings held in Luxembourg

Monday 25 October to Wednesday 27 October 1976

Introduction

The European Parliament voted, on October 27th, to increase the Community's budget for 1977 by some 584 million units of account. The main increases called for are another 100 mua for the regional fund, an extra 30 mua for victims of disasters and 200 mua as a provision against increases in farm prices next year. Parliament also wants 93 mua more for food aid in the form of cereals, butter oil, skim milk powder and sugar for some of the most distressed of the developing countries. The vote came at the conclusion of a three-day debate in which Parliament was highly critical of a budget which, while it may keep the Community ticking over, will do nothing to solve its real problems, in the opinion of most Members.

The House voted on the various changes in the draft budget for 1977 that had been proposed. These were moved either in the form of 'draft amendments' or 'proposed modifications' and there were about 200 of them. 74 were accepted by over a hundred Members and these were therefore adopted. Some of the main changes are shown in the following table. For reference purposes, the left-hand column (1) shows what the Commission originally proposed, the centre column (2) shows the effect of the cuts made by the Council and the right-hand column (3) shows the effect of Parliament's amendments and modifications. The figures are in units of account (one unit of account equals 0.41667 pounds) and 'te' means 'token entry'.

Three out of the five steps towards a budget for the European Community for 1977
(Main items)

	1	2	3
Expenditure 'not necessarily resulting from the treaty'			
Staff	1,100,000	—	+ 1,000,000
Measures to help young people	190,000	90,000	+ 90,000
Information about European elections	400,000	400,000	+ 600,000
Institute for Economic Analysis	1,000,000	te	+ 1,000,000
Help for migrants	150,000	te	+ 150,000
Technological development	23,000,000	8,000,000	+ 15,000,000
Prospecting for hydrocarbons	9,000,000	te	+ 9,000,000
Prospecting for uranium	2,000,000	te	+ 2,000,000
Research (staff)	—	—	+ 3,018,000
Health protection	480,000	440,000	+ 40,000
Environment studies	1,412,000	1,300,000	+ 112,000
Information techniques	260,000	te	+ 260,000
Data-processing	9,085,000	560,000	+ 2,835,000
Aeronautical research	8,000,000	—	+ 8,000,000
Regional Fund	500,000,000	400,000,000	+ 100,000,000
Help for disaster victims	—	—	+ 30,000,000
Help for developing countries	4,500,000	3,500,000	+ 1,000,000
Cooperation with third countries	te	—	+ 1,000,000
Expenditure 'necessarily resulting from the treaty'			
Help for young farmers	4,000,000	—	+ 4,000,000
Food aid (cereals)	162,750,000	108,960,000	+ 53,790,000
Food aid (skim milk powder)	58,850,000	41,680,000	+ 17,170,000
Food aid (sugar)	4,210,000	2,570,000	+ 1,640,000
Food aid (other products)	20,000,000	te	+ 20,000,000
Provision for farm price increases	200,000,000	—	+ 200,000,000

The European Parliament also voted to increase its own budget for 1977 from about 55 maa to some 65 maa. The main amendment called for 3 maa to be set aside for telling Europe's 160,000,000 voters about the elections to the European Parliament to be held in the Spring of 1978.

Continuing concern over Friuli

Lord Bessborough (Br, EC), who had just paid a visit to the Friuli region in the company of Luigi Noè (It, CD) and Tam Dalyell (Br, EC), raised the question of progress in resettling and rehousing earthquake victims in the Friuli region, especially with Winter and the colder weather fast approaching. A brief debate followed in which Luigi Noè, in particular, expressed concern about how quickly the hundred thousand homeless people could be satisfactorily re-accommodated in prefabricated houses or caravans. There was, on the other hand, a good deal of praise for the work being done by the Italian authorities and by the European Commission to get the region back to normal. Commissioner Claude Cheysson gave details of how the 60maa supplementary budget passed by the Parliament was being used and the use that was being made of two loans from the European Coal and Steel Community.

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