

cd-europe ^{424.91} bulletin

No. 16

OCTOBER 1974

Contents:

LIBRARY

	<u>Page</u>
PART-SESSION OF 14-18 OCTOBER	1
MISCELLANEOUS	6
BETWEEN AGRICULTURAL PRICES by Senator Lucien MARTENS	8
<u>D O S S I E R</u>	
GREECE TODAY by Karl HAHN	11

Publisher: CD-Group of the European Parliament

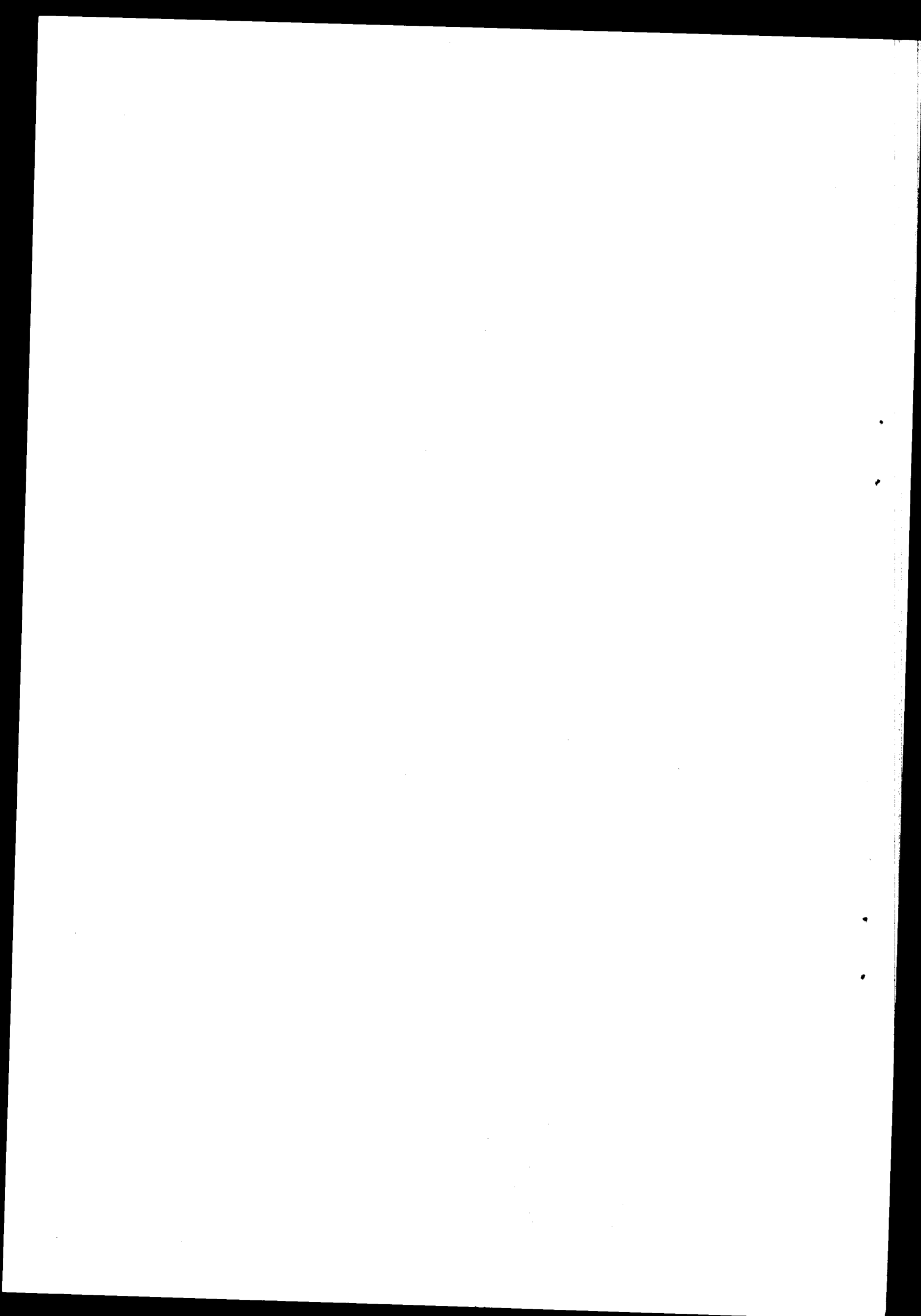
Editor: Giampaolo Bettamio

Address: 3 boulevard de l'Empereur -- Bruxelles / Tel. 13.40.70

Annual subscription: FB 100

Bank: Caisse d'Epargne de l'Etat, Luxembourg, No.: 1002/9903-8

Published twice a month -- Articles from this bulletin may be freely used with or without indication of source (copies of such articles would be required)



PART-SESSION 14-18 OCTOBER

The vote on the report on political union

by Mr Alfred BERTRAND

During the part-session the motion for a resolution presented by the European Parliament's Political Affairs Committee on the report to be drawn up by the Community institutions on the content of European union was discussed and put to the vote.

The resolution falls into three parts. In the first the European Parliament undertakes to draw up, by 30 June 1975, a report on the content, powers and institutional structure of the European Union and calls on the Council and the Commission to do likewise. On the basis of the three drafts, Parliament will draw up a final report before the end of 1975, pursuant to the instructions issued at the Paris summit.

The second part of the motion for a resolution refers to the steps to be taken to achieve European Union.

The third part specifies the institutions of the future European Union.

Fifteen amendments were tabled in the Chamber to the motion for a resolution, mostly by the Conservative Group.

To general surprise, the Socialist group took no part in the debate and asked for the report to be referred back to the Political Affairs Committee. The Socialist Group gave the impression of being so split on the concept of European development that their decision to abstain was intended to paper over the cracks. Despite this abstention, the motion for a resolution was adopted by a majority made up of the Christian Democrats, the Conservatives, the Group of European Progressive Democrats and the Liberals. The European Parliament thus pledged itself to carrying out the decisions taken at the Paris summit.

The Christian Democrats Group can therefore take credit, as in the past, for opening the way to European Union. Several times in the course of the debate, we were accused of being too utopian and supporting a plan which was out of touch with reality.

We, on the contrary, hold that it is not utopian, but realistic, and that precisely because we do not yet know what will be the final shape of Europe, all of the problems it raises are still open and pending.

DEBATE ON THE POLITICAL SITUATION

Mr LUCKER : the Community at the crossroads

The Community has arrived at a crossroads and the people sense it. They are waiting for our leading statesmen and politicians to strike out at last along the road to a united Europe. At this fork in the road, with a choice between European unification through a policy of progressive integration or a return to nationalism or intergovernmentalism, there can be no doubt that the other road will never lead to a prosperous Europe but on the contrary, implies a return to the Europe of the nineteenth century.

A debate on the Community's political situation must inevitably centre on what can be done to improve the way the Community operates and what objectives it should pursue. To conduct a Community policy, the necessary instruments and institutions must be created. If the will to do this is lacking, there is no point in talking about Community policy.

We are extremely wary of the view that the Paris Summit conclusions have lost all significance and have been overtaken by events.

Common sense should bring us all to the Community idea which offers the only sure way of solving all our problems in a spirit of genuine Community solidarity and with the necessary self-restraint.

During the debate with Mr Sauvagnargue, President-in-Office of the Council, Mr Lucker expressed his disappointment in the following words: 'I had hoped, Mr President, that today we as the European Parliament - which is, after all, not merely some club but, if we are to judge by democratic standards, the most important of the European institutions, for it is here that the will and the expression of the people of our Member States find direct expression - would, so to speak, be invited to a 'rendezvous with history'. We should like you, as the senior statesman of Europe, the President of the Council, to give us your political views. Why don't you unbend and hold a political discussion with us, instead of appearing as a kind of diplomatic notary who treats us to a highly interesting political analysis?'

Mr BERSANI : the mobilization of energy

It is necessary to mobilize the energy and vital forces of our society, of our political and social life, around the institutions in order to give a deep, not merely superficial, political meaning to any turning point in the process of European unification.

Mr ZELLER : doing different things

The construction of Europe has hitherto meant doing more or less the same thing throughout Europe as a whole. Today it is a matter of doing different things in response to different situations, which does not mean creating a piece-meal Europe but building on a foundation of absolute solidarity by jointly resolving a whole range of specific, pressing problems which arise in different forms in the various countries.

Mr AIGNER : the people's Europe

Europe will not come about unless the people are involved in the process. A free Europe can only obtain the support of its people if there are European free elections to a European Parliament empowered to take decisions by a majority vote. This Europe will be neither socialist, Christian Democratic nor Communist and will only come into being when all sectors of its pluralistic society share in the task of building it. The governments are individually at a loss to find an acceptable European formula and will have to seek whatever majority they can muster within a European Parliament.

DEBATE ON PORTUGAL

'We must convince the Portuguese that they can rely on us in their predicament and that it is in their best interests to bring the process of democratization to an early conclusion.' This, as expressed by Mr BERTRAND, was the position of the E.P. Christian Democratic Group in the debate in the October part-session. Speaking for the Group, he expressed the hope that, after the March elections, the Portuguese people would be given the economic aid which they needed to cushion the impact of de-colonization. After the elections, it would be necessary to ascertain how the trade agreement between Portugal and the Community could best be widened in scope and whether it should be backed by an association agreement.

Mr Bertrand also said that the former Portuguese colonies should be given the option of associating themselves with the 44 African, Caribbean and Pacific countries.

A Community of some 250 million people, with its huge industrial and economic potential, could offer practical support.

The C.D. Group's spokesman concluded by suggesting that the Portuguese issue should be referred to the Political Affairs Committee for the drafting of a resolution; Parliament could thus express its views on the development of the Portuguese situation.

Mr AIGNER : the soporific budget

From the debate on next year's budget, there emerges a certain basic pattern of a constitutional structure which is reflected in the budgetary procedure. This structure does not include a Parliament with absolute sovereignty or a Council of Ministers with absolute sovereignty, but rather a federative order in which the identity of the national state is not submerged in that of the Community, but does not prevent the emergence of a Community identity.

My initial reaction to the draft budget submitted by the Council is less favourable. I see it as a totally soporific budget for the Community. Three figures illustrate the whole dilemma. In 1974 we had a budget of 4,900 million u.a.; for 1975, the Commission submitted a preliminary draft for 6,800 million u.a. The administrative expenditure has remained practically constant so that the increases are due almost exclusively to new operational funds and this is where the Council has made its cuts, reducing the Community's operational funds by 1,300 million u.a.

This is not a question of economizing but rather of curtailing the Community's development.

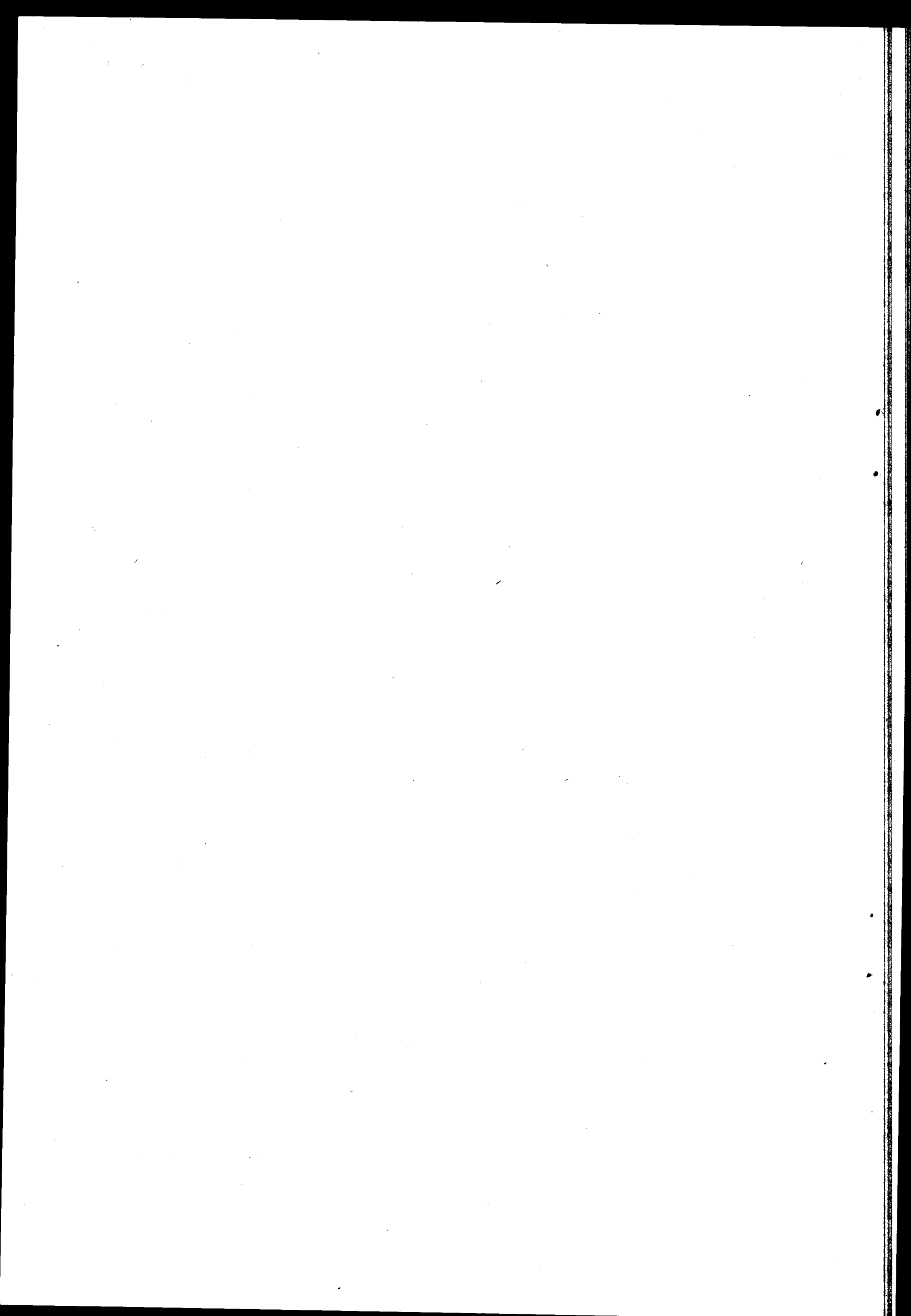
The point which best illustrates the procedure, defining Parliament's freedom of action under Article 203 of the Treaty, is the distinction between obligatory and non-obligatory expenditure. This definition obviously limits the range of Parliament's rights in respect of the budget. I shall illustrate by a practical example how, in this budget, the Council has directly limited Parliament's freedom of action in a manner which is, to my mind, unacceptable. The Commission's preliminary draft for 1974 contained non-obligatory expenditure of some 650 million u.a. whereas the Commission's preliminary draft for 1975 contains non-obligatory expenditure of some 1,600 million u.a. A new maximum rate of 140% would therefore have to be agreed on with the Council. Since the Treaty of Luxembourg entitles Parliament to lay claim to a least half of this increase in resources, which means that our Parliament would have had an own budget of about 500 million u.a., over which it would have had absolute sovereignty vis-à-vis the Council. What then does the Council do? It has deleted the funds for new initiatives, declaring that, since it is not yet ready to take decisions these funds will have to be included in a supplementary budget later.

Even if the Council proposes to include these cuts in the operational budget in a supplementary budget and it is in principle inevitable that we shall now be presented with some supplementary budget, it would be dangerous for this policy to become an established part of our political development.

The budget cuts proposed by the Council affect, amongst other things, the agricultural and social sectors, regional policy, research and cooperation with developing countries.

The Council should have the courage to say that it would have liked to strengthen this or that policy but had been prevented by the vetoes of individual countries. Public opinion would then be fully acquainted with the facts and understand who is blocking the Community's political development.

Examination of national budgets reveals that, despite the constraints imposed by the present economic situation, there is a margin of manoeuvre which far exceeds the average growth rate of national product, for example. If we had the political courage to make the transition from national to Community action, it would even be possible to save money here. The Community is, after all, not an end in itself, its purpose is to organize the activities of Europe in the most rational manner possible. Consider the research sector for example. It would be possible to gradually move to European unification in this field rather than carrying out nine separate parallel programmes and such a process would be the right policy in the present economic situation. At the centre of discussions, there is always the problem of the allocation of costs in the Community. In the long run, the people cannot be asked to make above-average sacrifices if they themselves are not participating fully in the process of integration and if this difficult process is not accompanied by the vision of a Europe for which the peoples would really be prepared to make sacrifices.



MISCELLANEOUS

A CD Delegation in Greece

A delegation from the European Parliament's Christian Democratic Group went to Athens, where meetings were held with leading Greek politicians. The delegation consisted of Mr BOANO, Mr VANDEWIELE and Mr SCHULZ, accompanied by the Deputy Secretary-General of the CDEU, Karl HAHN.

In a cordial and constructive atmosphere, the delegation conferred with the President of the Council, Mr Karamanlis, the Minister of Foreign Affairs, Mr Mavros, the Minister of Defence, Mr Averof, Mr Kanellopolus and other members of the Government.

The delegation expressed full support for the building of parliamentary democracy in Greece and the efforts being made to achieve economic and social progress. In this spirit, the Association with the European Community should be revived and speeded up with a view to full accession to the Community.

The Cyprus question required an early settlement under Resolution No. 353 of the Security Council, guaranteeing the independence, autonomy and territorial integrity of the island as well as the legitimate rights of every ethnic group.

Discussions on this subject should be reopened as soon as possible but under no circumstances should they be conducted under the threat of force. It was the duty of all the parties involved to take effective measures as soon as possible to settle the refugee problem and ensure that those affected could return to their homes.

Before leaving Athens, the delegation expressed the hope that it would be possible to establish regular constructive contacts between the Christian Democratic parties and the democratic forces in the new Greece.

Meeting of the EUYCD Executive office

The Executive Bureau of the European Union of Young Christian Democrats met in Assisi from 19 to 20 October, with Mr Alain De Brouwer in the chair.

The Bureau awarded the European Christian Democratic Youth prize to Don Manuel de IRUJO¹ and Walter HALLSTEIN for their contribution to the struggle for European unification.

¹ Don Manuel de Irujo, born in 1891, was one of the leaders of the Basque National Party. A member of the Spanish Parliament since 1919, he resigned from his post as Minister of Justice under the 1936 Spagnola Republic when it became clear to him that the independence of the courts could no longer be assured. In 1948, he helped found the Nouvelles Equipes Internationales which, in 1965, set up the CDUE. He is the author of many politico-legal studies and, now living in exile in Paris, is President of the Spanish Federal Council of the European Movement.

The Bureau discussed the draft version of the CDEU's European manifesto and set up four working parties to deal with economic problems, education policy, the European Institutions and international solidarity (development cooperation). The Bureau unanimously approved a motion of solidarity with the Chilean CD and a motion of protest to the Chilean military junta for having tortured the Christian Democrat member, Claudio HENRIPE, and having expelled the former minister, Bernard LEIGHTON.

Finally, the Bureau appointed the EUYCD's former president, Alfredo DE POI, honorary President, Christian KOUTZINE (French CD) Secretary-General and Gianfranco ASTORI Deputy Secretary-General, responsible for relations with the World Union of Young Christian Democrats.

MEETING OF THE COUNCIL OF EUROPE ASSEMBLY

The 27th Ordinary Session of the Consultative Assembly of the Council of Europe was held in Strasbourg from 24 to 30 September.

The session was devoted to current political problems, particularly the situation in Greece, Cyprus, Spain and Portugal. The Assembly expressed satisfaction at the process of democratization in Greece and Portugal and hoped that those in power in Spain would also commit themselves to this line. The Greek Minister of Defence, Averoff, and the Portuguese Foreign Minister, Mr Soares, took part in the debate.

On the basis of a report by Mr Karasck, Member of the Austrian CD, on the Cypriot situation, the Assembly asked for immediate assistance for the island's people.

The Assembly also discussed the Conference on Security and Cooperation in Europe and called for the governments of the Member States of the Council of Europe to act in concert so that the conference could fully execute its mandate.

Finally, the problems of the economic situation in Japan and the plans for reforming legislation on the status of women were considered.

BETWEEN AGRICULTURAL PRICES

the CD Group stresses the importance of its
role in agricultural policy within the
European Parliament

by Senator Lucien MARTENS

On 7 October, agricultural prices were increased by 5%. The Ministers of Agriculture reached agreement on 2 October, after the German government had threatened the compromise reached in three days of heated discussions. This is the first time that there has been an increase in agricultural prices accompanied by economic and structural measures in the interval between the usual two sessions for fixing prices.

What are the reasons for this?

- 1 - Production costs, particularly for fertilizers (but also insect killers, fuel and heating material for fodder) have risen on an unprecedented scale. This dramatic increase adds to the inflationary pressure on farmers, especially in the capital and labour sectors.
- 2 - In addition, the trend of producer prices gives rise to concern. A sharp decline in prices in the Community beef and pork sector which accounts for more than 1/3 of agricultural income, has led to net losses in the most important areas of production of processed agricultural goods, which is generally in the hands of small and medium-sized undertakings.

In addition, Community agriculture cannot take advantage of high world prices for common wheat, cereals, fodder and sugar because of the system of import levies (for example the world price of sugar today is three times the Community intervention price).

- 3 - The development in producer prices, on the one hand, and production costs, on the other, has led to a fall in agricultural incomes, estimated at 10 to 40%, depending on the undertaking, the region or Member States in question, whereas in 1974 industrial workers' incomes increased by about 15%.
- 4 - The poor prospects for the world's food supply which have clearly emerged recently, obliging the EEC to provide subsidies for imports of sugar and cereals, are yet another reason for increasing the level of agricultural prices in the Community. Both the USA and Canada had bad cereal and soya bean harvests and stocks have fallen. It should be recalled that there is now a sugar shortage of 50 to 60 million metric tons in the world as a whole. The Community, which every year imports approximately 25 million metric tons of cereals and soya beans from the

USA will, in the near future, be forced to limit its imports of feed cereals which will lead to another increase in costs.

Even before the debate by the Council and Parliament, the EP CD Group held a discussion with COPA - the organization of Community agricultural producers. In these discussions, my colleagues and I laid down a plan for the debates and clearly said that we were asking for agricultural prices for the current year to be increased by at least 6% and, in view of the exceptionally high increase in interest rates, in the context of CAP structural directives, interest rebates to be raised by more than the 6% proposed by the Commission.

If, together with the 'at least 6%' proposal, account is taken of the Council's July decisions affecting the beef sector, the overall total reached is 8%, which I personally asked for and COPA also demanded.

After the Committee on Agriculture had come out in favour of a 4% increase, my group successfully introduced in Parliament various amendments to the above effect. The CD Group is convinced that this price increase, meeting COPA's claims, cannot possibly resolve all the problems of Community agriculture. I myself expressed reservations about an across-the-board increase in prices since I hold that sufficient account cannot in this way be taken of the critical situation faced by the - usually small - undertakings which principally operate in the processing sector for animal products. But a price increase differentiated according to products would very likely have made it impossible to reach an agreement in the Council and Parliament. In view of this fact, taking account of my remarks below, my Group agreed on the formula of an across-the-board increase of 'at least 6%' which was adopted in the part-session, despite opposition by the majority of the Socialist Group.

- In November the Commission is to make its agricultural price proposals for the 1975-76 marketing year, taking account of the increase in costs during 1973-74, which, by contrast with the traditional method of calculation, will enable it to take account of recent cost rises.
- The Council will take a decision on 1975-76 prices in January. This will enable it to bring forward the beginning of the agricultural year in certain sectors (milk and beef) so that farmers may profit more from higher production prices.

During the Council's discussions, the Christian Democratic Commissioner responsible for agriculture, Mr Lardinois, by and large followed the line adopted by the CD group and the majority of the European Parliament. The fact that the 6% increase was nevertheless not obtained is largely due to the attitude of the German Minister of Agriculture who, at the beginning, declared himself opposed to any price increase.

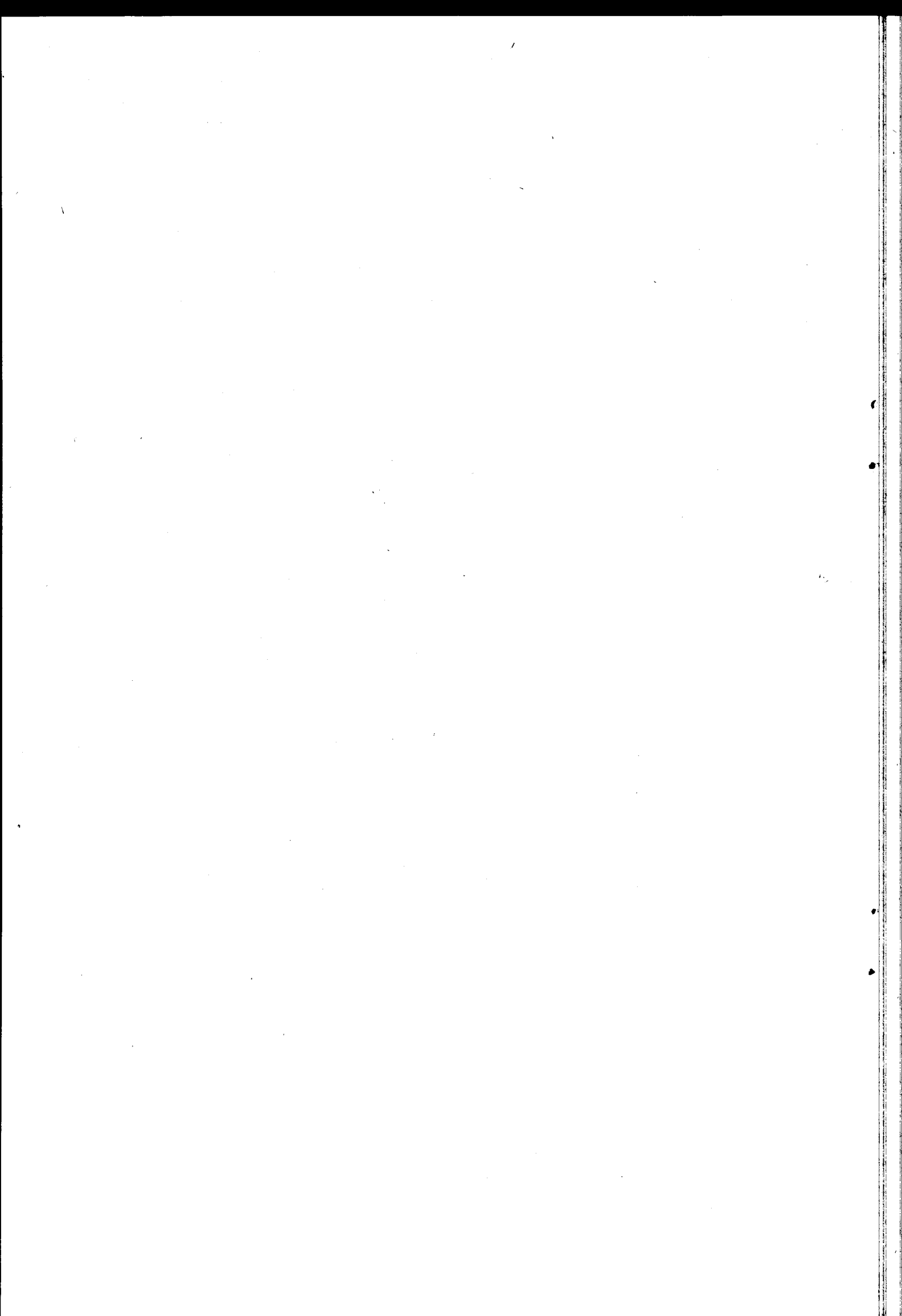
At the last Strasbourg part-session, the CD Group thanked Commissioner Lardinois for his action during the difficult negotiations. The Group and the Commissioner also agreed to collaborate closely during the next months so that the CD could play a leading role in the forthcoming discussions in the European Parliament on the preservation of the present CAP system.

The day after the German veto on the 20 September compromise the CD Group took the initiative yet again and, in a resolution supported by the other parliamentary groups, asked the Bonn government to reconsider its attitude and the Council to take the appropriate decisions as soon as possible.

In considering the Luxembourg decisions, the 5% increase must not be regarded in isolation. In view of the other measures taken, another step forward is being taken towards re-establishing the unity of the agricultural market. However, it is not possible to be sure that in the near future substantial progress will be made in the field of monetary policy so that further damage to the agricultural market resulting from changes in exchange rates is avoided.

In general, it may be said that the measures taken by the Council of Ministers are likely for the moment to ensure the continuity of the common agricultural policy. Towards the end of this year, the Commission, Parliament and Council will therefore be able to open discussions on the 1975-76 prices in a relaxed atmosphere and take the necessary parallel measures. This discussion on prices can hardly be deleted from the inventory which the Commission will have to draw up at the beginning of March.

When the Commission makes its price proposals it may in fact also make proposals to improve the management of the market or others relating to the monetary sector. In this context, those who criticize the Community agricultural policy should recall that it is already a year since the Commission proposed practical measures to revive the CAP but that the Council of Ministers, at that time presided over by a member of the Government which is now its most severe critic, never opened serious discussions. In discussing these measures, the EP CD Group has already declared itself ready to make the necessary corrections. It is still prepared to do so. However, it is at present quite clear that the foundations of the present system cannot and should not be completely destroyed. At this time, alternatives which would cost twice as much as present policy must be out of the question!



D O S S I E R

GREECE TODAY

by Karl HAHN¹

The Karamanlis government, which has been in power since 23 July, has resigned in order to allow the formation of a government of experts which, under the Greek constitution, is responsible for governing during the election to avoid interference by the public authorities at this time.

The country's internal situation is shaped by the structural elements of Greece: politics is largely in the hands of highly-cultured personages and there is a complete absence of dialogue with the people. It should also be noted that, as in Portugal, the capital dominates politics - out of 9 million inhabitants, 2½ live in Athens.

Though the minister, Mr Mavros, says that it is impossible to be sure in any way about the results of the 17 November elections, partly because there is no institute for research and polls, it can be said that the great majority of the Greek people does not incline towards extremist or totalitarian solutions. This emerged clearly under the dictatorship and was the cause of a deep rift between the people and the military.

At this moment five political movements are presenting candidates for the Greek elections.

The Communists have two parties which are at present unified under Elias Eliou. They are the Communist party of the exiles in Russia, and the Unified Democratic Left (EDA). There was conflict between the two branches but they came together for the elections, though it is not certain how they will behave in the future.

It has been estimated that, at the most, the unified Communist group will obtain 15-17% of the vote. It has a moderate programme, similar to the Chilean Communists in the recent past or the Portuguese Communists now.

More to the right, is Andrea Papandreu's new party, the Panhellenic Socialist Movement. This is an extremist movement and calls for a complete break with the west (EEC and NATO), and almost total nationalization; it is inspired by a prophetic, emotional socialism which finds little expression in a practical political programme. This extremism encouraged Papandreu's friends who had remained behind in Paris to adopt more moderate positions. The movement is not recognized by the Socialist International. It is estimated that, with its leader losing much of his charisma with the passage of time, Papandreu's party will obtain 5% of the vote, drawing largely on Communist support.

At the centre is Mavros' party which has made an electoral pact with 'New Forces' and is known as the 'Union of the Centre-New Forces'. The president of the coalition is Mavros, who succeeded the founder, Giorgio Papandreu, in 1968 after the latter's death. The Union of the Centre obtained 52.70% of the vote in the last election. It brings together various tendencies - a liberal faction, another close to Christian Democracy and one, led by Papadopoulos, which calls itself socialist. This last current calls for a few words. There has never been a socialist party in Greece. The socialist faction within 'New Forces' is relatively weak and, combined with its counterpart in the Union of the Centre, barely obtains a seat. However, it is recognized by the Socialist International and it remains to be seen what will happen with its membership after the election.

It may be concluded that, as a political movement, the Union of the Centre -New Forces is very close to Christian Democracy, containing a progressive minority which may be termed socialist in the pragmatic, non-Marxist, sense of the word.

On the right, is Karamanlis's political movement, New Democracy, which has grown out of the former Radical National Union founded by Karamanlis in 1956 which, in the election at that time, gained 35.25% of the vote. This is a liberal, conservative, traditional, democratic and European party.

A small party on the extreme right has recently been founded by the former Minister of Defence, Peter Garoufalias, who, in 1965, precipitated the fall of Giorgio Papandreu's government. This is called the National Democratic Party and is largely directed towards nationalistic and military circles.

Finally, Colonel Arnaoutis, advisor of King Constantine, is launching a campaign mainly abroad against the referendum in order to prepare for the return of the king. However, the Colonel does not seem to be very concerned about the impact of his campaign in his home country.

The former prime minister, Panayotis Kanellopoulos, has a special role to play. 72 years old, he is certainly the ~~man~~ most qualified to be the next president of the republic. Formerly President of the Council and Minister of Defence before the coup d'état, he was expelled by Metaxas and returned after the war as Minister of Finance. He is politically closest to Mavros, though his actions are usually conducted above parties in the light of national interest.

¹Karl HAHN is Deputy Secretary General of the Christian Democratic European Union. He wrote this report after the C.D. delegation's visit to Greece referred to in the Miscellaneous section.

2
.
4

•
.
•

