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Political cooperation



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London Office: 20 Kensington Palace Gardens, London W8 4QQ
Tel. 01-727 8090

Cardiff Office: 4 Cathedral Road, Cardiff CF1 9SG
Tel. (0222) 371631

Edinburgh Office: 7 Alva Street, Edinburgh EH2 4PH
Tel. (031) 225 2058

Dublin Office: 29 Merrion Square, Dublin 2. Tel. 76 03 53

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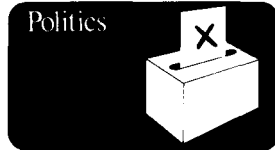
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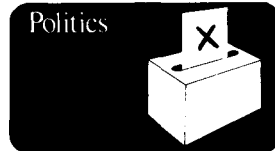
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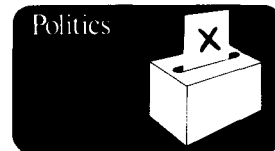
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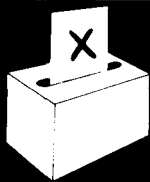
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A workman-like 'summit'

What the European Council decided in Brussels on December 5 and 6, 1977

The Summit meeting of Europe's leaders in Brussels adopted a workmanlike approach to its final session for 1977 and took three decisions which will particularly affect the functioning of the European Community: these concern the contributions of member States to the European budget, the European Regional Development Fund, and new Community operations on the international capital market.

1978 Budget

The budgetary decisions involved the calculation of the 'basket of currencies' which is the basis of the new European Unit of Account (EUA) — see box below. In the 1978 Community budget, the EUA, which is based on the value of the national currencies on the foreign exchange markets with an agreed weighting is to replace the current gold-based unit of account established in 1972. Use of the new EUA should bring greater fairness to the shareout of contributions by member States to the Community budget. The old system greatly favoured the currencies which had become much weaker since 1972.

The implication of the new agreement is that the UK will contribute about 15.4 per cent of the Community's budget instead of the present 12.5 per cent. But for the devaluation of the pound since 1972, the UK

would have been contributing the intended 18 per cent.

Regional Fund

A fifty per cent increase in the European Regional Fund was agreed at the Summit. The Fund which was introduced at the Paris Summit of 1974, will increase progressively to 580 million EUA in 1978; then to 620 million EUA for 1979 and finally 650 million EUA in 1980. Greater financial effort in this field will not only help keep down inflation but will also help the most impoverished of the Community's regions.

The Nine's leaders have nevertheless not heeded the advice of the European Commission and the European Parliament who recommended that the Regional Fund budget be increased to 750 million EUA for 1978.

The affair was not yet closed however. The Community's 1978 budget (including the Regional Fund) was to be re-submitted to the European Parliament at its next session. The

The EUA (European Unit of Account) on December 7, 1977, was worth 65 pence, 40.63 Belgian and Luxembourg francs, 2.57 Deutschmarks, 2.79 florins, 5.57 French francs, 7.15 Danish Kroner, 1,043.51 lire. At that same moment, the EUA was worth 1.19 US dollars and 286.74 yen.

Parliament has the final say in expenditures which were not specified in the founding treaties of the European Community, and this is the case with the Regional Fund. Theoretically the Parliament could increase the allocation for 1978.

New Community loans

The economic situation in the Community was given long and detailed attention by the Community's leaders and during the discussions, Roy Jenkins, President of the European Commission, stressed the need to give the economy a fresh boost. Growth is insufficient and unemployment is still extremely high. Over the next eight years the potential work force in the Community will have increased by nine million young people all looking for jobs. They will be in addition to the six million who are already looking for work. To reduce unemployment, the rate of economic growth in the Community has to be increased from 5.5 — 6 per cent over three to five years. Current forecasts assess anticipated growth at only between 3 and 4.5 per cent.

President Jenkins argued in favour of economic and monetary union, emphasizing that it would benefit both the strongest countries as well as the weakest. It would, however, require discipline from all.

Returning to the more immediate future, the European Commission requested the Summit's support for launching a scheme of Community loans through which it would be possible to finance major projects particularly in the energy sector,

industrial restructuring and European infrastructure projects. This proposal was favourably received by the national leaders and they authorized the Community to borrow from the international capital market and offer loans to stimulate investment. This new instrument of industrial policy can only be used 'on an experimental basis' to start with in order to assess its effectiveness. Certain experts fear that a new injection of capital could fuel the fires of inflation.

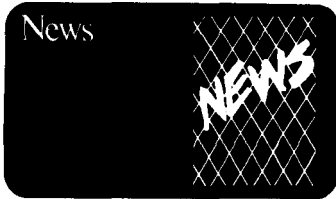
Attitudes

In concluding the Summit, the national leaders expressed their satisfaction with the results of the meeting. Italy's Andreotti stated categorically that the Nine are playing an active role to beat inflation. Denmark's Jorgensen affirmed that we can expect favourable developments in the monetary field. Gaston Thorn of Luxembourg commented that the Summit made no fanfares, just produced concrete results, and Belgium's Leo Tindemans stressed that the meeting had been very fruitful and had demonstrated the capacity to take decisions and shown willingness to make progress.

Certain commentators noted however that the Community could have saved a few weeks or even months if the national leaders had authorized their foreign ministers to take these positive decisions themselves. The Summit could then have been devoted to discussing more ambitious European issues.

Quotation of the Month

'For all its legal nitpicking, its determination to spell everything out, harmonization might show us that there is something even better than Britain's way.' *New Society*, January 5, 1978.



The month in Europe

Carter in Brussels

On January 6, 1978, US President Jimmy Carter visited the Commission in Brussels, the first US President to do so. Among the subjects which he discussed with President Jenkins and Vice-Presidents Ortoli and Haferkamp were: trilateral relations between the Community, the USA and Japan, the North-South dialogue, the current GATT negotiations, the energy problem, the world economic situation, and the development of the Community itself.

EEC trade improves

In the three months ending November 1977, British exports to the rest of the Community rose by 2 per cent, while the corresponding imports remained virtually unchanged.

JET nominations

The Interim Council for the Joint European Torus (JET), to be developed at Culham, has announced the provisional appointment of JET's Director, 51-year-old Hans Otto Wuester, from Wuppertal. The Deputy Director is 42-year-old Paul-Henri Rebut, from Caen, and the Chairman of the Management Committee is 48-year-old Romano Toschi, from Bologna.

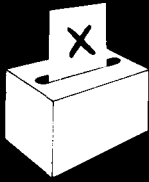
Road transport

Meeting in Brussels on December 20-21, the Council of Transport Ministers increased Community road haulage quotas by 20 per cent, to a total of 2,835, of which 326 are allotted to the UK. Ministers also agreed in principle on the eventual introduction of a Community driving licence valid throughout the Nine.

Cash for Britain

Recent loans and grants include:

- £28m in ECSC loans to the British Steel Corporation for Ravenscraig and Hunterston;
- £49,000 in a two-year grant towards a resources centre set up by the London Council of Social Services;
- £20m loaned by the European Investment Bank for small and medium scale UK firms, with a Government exchange guarantee;
- the latest UK allocations from the European Regional Development Fund, making its total contribution so far £150.37m;
- £38.9m in loans from the European Investment Bank for water, steel, and railway projects;
- £52.3m from the Bank for the Electricity Council (London) to help build a power station at Heysham, near Lancaster.



Who pays what?

Stephen Milligan on how the Nine split their differences

During the negotiations for British entry, the Heath Government agreed a scale of slowly-rising British contributions to the EC budget between 1973 and 1980. But when Mr Heath was defeated at the British election in February 1974, as a result of the miners' strike, the new Wilson Government refused to accept the agreement Mr Heath had reached.

Renegotiation

The Wilson Government announced that it wanted to 'renegotiate' Britain's terms of membership of the EC. Top of the list of items it wanted to renegotiate was Britain's share of the EC budget. The Wilson Government claimed that Britain's share had been fixed far too high given that Britain's economy was in such a bad shape. After intensive negotiations, the other EC countries agreed to introduce a complex formula called the 'corrective mechanism'. This was designed to reduce any country's contributions if it was paying more than its fair share, measured by its own gap on balance-of-payments. This satisfied the British and was one of the reasons why the Wilson Government agreed to support continued British membership of the EC in 1975. Oddly, however, the mechanism has not yet been used.

Instead, British payments into the budget have been effectively cut in a

way that no-one ever expected. The payments were fixed in the EC's own currency, the unit of account. But the unit of account was defined in terms of 1969 exchange rates. So when the pound sterling began to plummet in value, Britain's EC bill in pounds did not change. Thus in terms of the real value of the bill, Britain paid less and less into the EC budget. By contrast, those countries like Germany with strong currencies were, in real terms, paying far more than their share.

New unit

So when the EC decided to scrap the out-of-date unit of account and introduce the new European unit of account in 1978 — based on a daily value of a basket of all EC currencies — the Germans hoped that this would at last mean that their share of the budget would be cut. Britain was quite happy to accept a new unit of account, but only if it did not alter Britain's payments into the budget.

So there was a clear conflict of interest when talks began on the introduction of the new unit. The dispute quickly focussed on a little known paragraph in the Treaty of Accession signed between the EC and Britain, Ireland and Denmark called 'Article 131'. This article was designed to regulate the speed at which the budget payments of the three new members should rise in 1978 and 1979. It specified that their

payments in 1978 and 1979 could not be more than a certain percentage higher than what they had paid in 1977. This seemed simple enough. But then the awkward question arose: what currency should be used to compare the payments for 1978 and 1979 with those of 1977? Easy, said the British: sterling. But Germany, backed by every other EC country bar Ireland, said 'units of account'. The difference of course was crucial because the exchange rate between sterling and the unit of account was due to change in 1978.

Awkward

The more experts in Brussels studied the issue, the more awkward it looked. If Britain lost the argument, it would have to pay some £470 million (\$860 million) extra into the EC budget in 1978 and 1979. The EC Commission decided that legally, Britain was in the right and that Germany was in the wrong. But the Germans and the other six refused.

Through the summer of 1977, the battle raged. During the London summit in June, the German Chancellor, Helmut Schmidt, suggested that Germany would not abandon its demands that the JET project should be built in Germany rather than Britain, unless Britain gave way on Article 131. British Prime Minister, Mr Jim Callaghan, refused to accept any such link.

By the autumn of 1977, the row was extremely serious because if there was no agreement, the EC would not be able to introduce the new unit of account on January 1, 1978 as planned. So the question was submitted to the December summit.

At the start of the summit, there were several tense moments. Mr Schmidt warned that if there was no agreement, Germany would block

the proposed plan for a new Community loan facility and would also refuse to accept a big rise in the EC regional fund. Then behind the scenes, the Nine's ambassadors began to thrash out a compromise formula — and they worked late into the night.

Agreement

Thanks to some brilliant work by the Belgian presidency, an agreement was eventually reached — although the deal was so complicated that few people could understand it.

(1) In 1978 and 1979, every EC country will be able to pay into the budget according to whichever interpretation of Article 131 suits it best.

(2) As a result of this, of course some money will still be missing — around 3.6 per cent of the total EC budget. So all EC countries will have to make a second contribution. But there are four possible measurements of what share each country should pay of this second bill.

(3) After this, some money will still be missing, but this time the amount will be small — about \$50 million — well within the range of forecasting error. So the summit agreed that any such amount should be split among the Nine, in a way which EC finance ministers can fix later.

The result of all this is that Britain will only pay around £50 million (\$90 million) extra into the EC budget in 1978 and 1979, against the £470 million (\$860 million) it first feared it might have to pay. Germany, by contrast, will have to pay more.

But all's well that ends well. This should be the last dispute about the EC budget, because the EC is now moving to financing all its budget from 'own resources', i.e. customs levies and a slice of value-added tax. By 1980, all payments into the EC budget should be raised automatically.



Butter prices and the EC

The Milk Marketing Board gives the facts

This article is excerpted from 'Understanding the British Butter Market', published by the Milk Marketing Board, Thames Ditton, Surrey.

Long before Britain joined the Community, it was known that membership would increase the price of butter more than any other product.

Although the butter price has risen sharply, by May 1977, with the introduction of the EEC subsidy, the increase had been less than that for all food items and only slightly greater than that for margarine.

The consumption figures tell the same story. In 1976, on average we ate more butter than in 1972, the year before we joined the Community, and almost as much as in any year since 1970. The figures destroy the myth that butter could always be bought cheaply before we joined the EEC. Between 1970 and 1972 retail prices of butter rose by nearly 50 per cent when supplies were short (at its peak, the price was 70 per cent higher than in 1970); consumption fell to the lowest level for almost 20 years.

Since 1973, the price of butter has been subject to four major influences:

- under the terms of the Treaty of Accession, the United Kingdom agreed to raise prices for all major agricultural products to EEC levels by 1978;
- since 1973, the 'common' inter-

vention price for butter has been raised— but only by 24 per cent;

- devaluation of the rate of exchange used for agricultural purposes — the 'Green' £ — has raised the sterling equivalent of EEC prices by 25 per cent;

- a consumer subsidy, paid partly or wholly by the EEC, has kept down the price in varying degrees through much of the period. First introduced in 1973, it reached a peak of 12p per lb in 1975; thereafter the subsidy was phased out and finally abolished in December 1976. From May 1977, a new subsidy, wholly EEC financed for butter of EEC origin, was introduced which will continue until the end of 1978. Currently this subsidy is worth about 10p per lb.

The joint effect of these four factors has been to raise the retail price of butter in the UK from 25p per lb in early 1973 to 50p per lb in mid-1977.

It is widely assumed that butter would have continued to have been cheap if the United Kingdom had not joined the Community. But Britain's traditional policy was beginning to show its limitations before we joined the EEC.

As early as 1962, the Government imposed import quotas on butter because supplies were flooding in and severely depressing market prices.

In 1968, large imports of Cheddar cheese were undermining market prices and the price for milk sold for cheese manufacture: to correct this, the Government negotiated voluntary supply restrictions with the main exporting countries.

Finally, in 1971, the Government introduced an EEC-type of levy scheme for imports of all dairy products other than butter and cheese. This was done in order to increase the return from manufacturing milk.

These developments demonstrated that a conflict (which was not confined to dairy products) was emerging between the traditional policy of importing food at the lowest possible cost and the UK's expansion programme for agriculture. Even if we had not joined the Community, it is reasonable to assume that there would have been a fundamental review of import policy.

New Zealand

Because of the importance of the British market to New Zealand, special arrangements were made for imports of New Zealand butter during the five-year transitional period of entry into the EEC; subsequently these have been extended to 1980.

Domestic production still accounts for only a minor part of our requirements and total imports in 1975 and 1976 were even larger than in the period immediately before we went into the Community. Under the special arrangements, imports from New Zealand have been almost as large as in 1970-72.

Under the terms of the Treaty of Accession, the minimum price guaranteed to New Zealand for the supplies under quota was to be the

average price realized in the United Kingdom in the period 1969-72. New Zealand has asked for, and obtained, higher prices on three occasions.

Cheaper abroad?

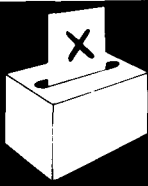
Opponents of British membership of the EEC argue that butter would be cheaper if we were to leave the Community. A number of estimates have been made of the kind of price reduction that could be achieved. Such calculations are usually based on the price New Zealand receives for butter or the 'world' price that the Commission uses to calculate the import levy on butter. Both are irrelevant.

The so-called 'world' price is based on trade in a few thousand tonnes that would be completely inadequate to supply the United Kingdom. The price New Zealand now accepts is no indication of the price it would receive if we left the EEC. As a realistic supplier New Zealand would strive for the highest price that the market would yield.

So UK prices would depend on prices in the main supplying countries, the extent to which suppliers would be prepared to subsidize exports and, available supplies.

In sum:

- Exporters would have to be prepared to pay very much larger subsidies than in the past if they were to sell butter 'cheaply';
- Australia (and to a lesser extent, certain other countries) have reduced their butter production since the UK joined the EEC. Whilst this may have happened partly because the UK joined, there were also other reasons;
- EEC supplies of butter are too large to be replaced from other sources.



Political cooperation

Based on a critical report by Erik Blumenfeld for the European Parliament

The machinery of political cooperation was defined by the First and Second Reports on the subject, made by the Foreign Ministers of the Six in 1970 and of the Nine in 1973.

First Report

- The Ministers of Foreign Affairs were to meet at least twice each year;
- A 'Political Committee' consisting of the Political Directors of the Foreign Ministries was to prepare these ministerial meetings;
- This Committee was to meet at least four times a year;
- The ministerial meetings and the meetings of the Political Committee were to be chaired by the country which holds the presidency of the Council;
- This country would also provide the Secretariat (which would therefore change every six months).

Second Report

The machinery established by the Second Report was founded in part on existing procedures, which had developed since the First Report, and in part on new procedures. As provided for by the 1972 Paris Summit Conference, the Foreign Ministers were to meet four times a year and to consult at other times. A group of 'correspondents' on EPC was set up, each Foreign Ministry nominating an official to be its 'correspondent'.

The formulation of medium- and long-term provisions was entrusted either to groups of experts already occupied with current matters or to a special analysis and research group of officials. The Embassies of the Nine in the member States were to receive information on political cooperation and to hold consultations either at the seat of the Presidency or elsewhere. Embassies in third countries were to be kept informed and to prepare a common report if necessary, as were the permanent representatives of the member States to major international organizations.

The Presidency was given a more specific role than hitherto. It was to be responsible for ensuring the implementation of conclusions adopted by Ministers and by the Political Committee. It could propose consultations, either on its own initiative or on that of another member State. It should also keep informed the Ambassadors of the member States on the progress of work on political cooperation. A special communications system was to be established between the Nine Foreign Ministers (COREUNET).

The Commission sees most of the telegrams exchanged on the COREUNET system. The Commission is present at almost all parts of all political cooperation meetings and is invited to take part in some

meetings of the working parties, but the Council secretariat is never present. Although the Commission is invited to give its views at such meetings, it does not participate in decisions.

Results

Political cooperation has enjoyed some successes but has also suffered significant failures since 1973. It has, however, been going through a process of slow expansion welcomed by several governments.

Shortcomings

The major failure was not responding effectively or in a united way to the situation created by the Israeli-Arab war of October 1973 and the consequent oil supply crisis.

Other specific failures in political cooperation relate essentially to lack of cooperation on Mediterranean policy, and in particular on Cyprus and the Lebanon, to the recognition of the Republic of Angola and to voting on important resolutions of the United Nations General Assembly.

The shortcomings in the structure of EPC are several, but derive principally from the fact that the 'political' procedures are operated by Foreign Ministers and their officials, who in spite of their European vocation, are conditioned to furthering their own country's objectives and interests in foreign affairs. This fact imposes a fundamental limitation on the potential degree of coordination and leads to decisions achieved on the basis of the lowest common denominator of national interests.

Weaknesses

A major problem in the machinery for political cooperation lies in the difficulty of assuring continuity in

the work of such specialist groups of officials as exist in discussing the present and future situation in a given field. But some groups, such as the 'Africa' group, do manage to meet frequently and thus to achieve some element of continuity. As the Commission stated in its report on European Union, 'Hitherto, political cooperation has seldom led to anything more than the Community reacting to events.'

Linked with this shortcoming is the lack of continuity in the conduct of political cooperation. The Presidency changes every six months, and at each change the Chairmen of the Conference of Foreign Ministers, of the Council, of the Political Committee and of the expert working parties are all changed.

Tindemans

The Tindemans Report made two important institutional proposals.

First, that the distinction between ministerial meetings dealing with political cooperation and those dealing with Treaty subject matter should be ended.

Second, that the creation of a 'single decision-making centre' (the Council at the level of Foreign Ministers) would avoid confusion between 'Community activities' and 'political cooperation' activities. The creation of a political cooperation office could help to realize both the proposals made by Mr Tindemans. In practice, EPC items are already often placed on the agenda of ordinary Council meetings. But when they come up for discussion although the Ministers remain the same, their advisers, for these agenda items, change and become national foreign office officials.

The Tindemans Report was

considered by the European Council at its meeting at The Hague on November 29/30, 1976. In the statement issued at the end of the meeting the members of the European Council stated that 'the general lines of the comments by the Ministers of Foreign Affairs' on the different chapters of the Tindemans Report were 'approved' by them. But the Governments seemed to think that in the short-term the practicable pragmatic solution would be to ensure that all relevant inputs from different but related dimensions of any particular problem should be taken into account in the decision-making process. It is essentially the role of the Presidency of the Council to coordinate these different inputs at all levels. The two classic instances of cases where this has happened already have been in determining the approach of the Nine to CSCE and Portugal.

Successes

And there has, under outside pressure, been some progress on the adoption of a common position by the Nine in major multilateral negotiations. The outstanding instance was that of CSCE where the country holding the Presidency gave the lead and spoke for the Nine as a whole, where countries with a particular interest or expertise in specific agenda items spoke on behalf of the Community as a whole, where the Final Act was signed by the country holding the Presidency on behalf of the Community as a whole, and where the Commission took part in the Conference, taking its place at the Conference table in the delegation of the country holding the Presidency. It was also agreed that one member State should speak on behalf of the

Community during the Conference on International Economic Cooperation in Paris.

Western summits

A notable advance was made at the London summit in May 1977, when the President of the Commission attended those discussions at the summit in which the direct interests of the Community were involved.

Security

It is understood that at present member Governments are reluctant to raise defence issues within the political cooperation procedure, since those which participate in the work of the North Atlantic Alliance and, concerning arms procurement cooperation, in the work of the Independent European Planning Group, consider that these are at present the most appropriate form for the consideration of defence and procurement questions.

The USA

Links have developed over the years between European political cooperation and the US Government concerning some aspects of foreign policy. In particular it appears that the US Department of State has established the practice of consulting the President-in-Office of the Council (who is also the Chairman of the Conference of Foreign Ministers) before each quarterly meeting of the Foreign Ministers concerning questions of common interest to the United States and the Nine.

Further, the US State Department and the Foreign Ministries of the Nine have apparently tried to coordinate their approaches concerning the Cyprus problem and Rhodesia.

The Commission

Since 1973 the Commission has become considerably more involved

in the working of political cooperation. It acts for the Community as such on the economic cooperation matters contained in Basket II of the Conference on Security and Cooperation in Europe, and has also coordinated the views of the Western countries in this field. It acts for the Community in all the technical sectors of the Euro-Arab Dialogue, which comprise the great part of the field of discussion. But it is, once again, the Presidency which plays the prime role, for the Community, in the management of the Euro-Arab Dialogue. The Presidency speaks for the Community as a whole, and on occasion a President-in-Office has invited the previous President and the next following President to a meeting to form a working team with him as a 'troika', thus providing continuity on the Community side. In addition the Commission attends meetings of Ministers on EPC and of the colloquies held between them and the Political Affairs Committee of the Parliament. It is also concerned in other areas of political cooperation, such as Cyprus, the Near East, and relations with the United States.

Parliament

The First Report by the Foreign Ministers of the member States on political cooperation (the 'Davignon Report') established links between the machinery of political cooperation and the European Parliament. The Report set up the system of six-monthly colloquies between the Ministers and the Political Affairs Committee of the European Parliament. In addition, once each year the President-in-Office of the Council was to provide the European Parliament with a progress report on political cooperation.

The Second Report on EPC of July

1973 provided for four colloquies per year between Ministers and the Political Affairs Committee of the European Parliament. The Committee (the Political Directors of the national foreign ministries) was invited to draw to the attention of the Ministers in advance 'proposals adopted by the European Parliament on foreign policy question'. The annual oral report to Parliament was to continue.

Since 1973

At the Summit Conference in Paris in December 1974, the Heads of Government agreed that the Presidency of the Council would answer questions on political cooperation put by Members of the European Parliament. In February 1975, the Foreign Ministers agreed that written questions under Rule 45 of the Parliament's Rules of Procedure, and oral questions without debate and with debate on 'the activities of political cooperation' would be answered by the Presidency. Some flexibility was however to be exercised in regard to the time-limits for answers to questions.

Questions

On November 17, 1976, the European Parliament unanimously adopted a motion for resolution which included provision for the answering by the Presidency at Question Time of questions on the activities of political cooperation.

The procedure for the presentation of an annual oral report on political cooperation by the Presidency was developed further in October 1973, when the President-in-Office, Mr K. B. Andersen, agreed that a debate should be held following his statement, to which he made a reply. This procedure has since been followed every year.



Drivers' hours

Three-year phasing-in period for Britain

Toward the end of last year, the Council agreed on proposals modifying Community Regulation 543/69, on working hours and conditions for drivers of lorries and coaches.

For the United Kingdom, the central point of the agreement is the phasing-in of the Regulation over three years. Now both countries have agreed to phase-in the Regulation, as amended by the nine member States, by the end of 1980.

The Council's recent decisions, furthermore, do not affect the provisions of the Regulation (Article 16) and of Regulation 1463/70, requiring all road transport vehicles to carry mechanical recording equipment or tachographs from January 1, 1978, apart from certain specified exceptions and vehicles operating within a 50 km radius of their depot. As a result of Britain's failure to comply on this matter the Commission has taken the first step in infraction proceedings.

The Regulation

The Regulation is concerned mainly with long-distance freight or passenger service drivers, and does not apply to police and utility services, etc., nor to passenger services where the route covered does not exceed 50 km.

Crews: Motor vehicles or tractors with trailers attached, where the

distance to be covered between two consecutive daily rest periods exceeds 450 km (280 m) must have two drivers or a relief to take over from one driver after 450 km, if no tachograph is carried. But the tachograph became legally compulsory on January 1, 1978.

Driving periods: No period of continuous driving shall exceed 4 hours and the total period of daily driving time shall not exceed 8 hours, except in the case of drivers other than with accompanying trailers, when the daily driving period may be extended to 9 hours not more than twice in one week. In no case, however, may the daily driving period exceed 48 hours in any one week or 92 hours in any two consecutive weeks.

Breaks: Drivers with trailers must have breaks between the 4 hour driving periods, either of one whole hour or 2 breaks of 30 minutes each. For drivers of other vehicles the equivalent of a 30 minute break between driving periods is considered sufficient.

Rest periods: Drivers engaged in the carriage of goods must have a daily rest period of not less than 11 consecutive hours during the 24 hour period preceding the journey, although this can be reduced to 9 or 8 hours twice during a week, depending on where the crew or vehicle is based. Crew carrying passengers must have a daily rest

period of not less than 10 consecutive hours, which may not be reduced during the week, or a daily rest period of not less than 11 consecutive hours, which may be reduced to 10 or 9 hours twice a week in certain circumstances.

Where a vehicle is manned by two drivers and has a bunk enabling the relief driver to lie down comfortably the rest period may be reduced to 8 consecutive hours during the 30 hour period preceding the start of the journey. The rest period must be taken outside the vehicle if there is no bunk; if there is one the rest period may be taken on that bunk provided that the vehicle is stationary.

In addition to the daily rest periods referred to above, every crew member must have a weekly rest period of not less than 24 consecutive hours, which must be immediately preceded or followed by a daily rest period.

Existing practice

British practice differs in many respects from Regulation 543/69. In the UK drivers have been allowed a maximum of 10 hours daily driving with maximum continuous driving of 5½ hours before a break of 30 minutes is required. Where passengers are concerned the driving period can be a possible 8½ hours, provided that the period *contains within it* breaks totalling 45 minutes.

The daily rest period currently required is 10 hours, but this may be reduced to 8½ hours three times a week, enabling drivers to switch from late to early duty. In Britain the week is defined as a fixed calendar week — not a rolling week of 7 days — and it is not compulsory to take the daily rest period immediately before or after the weekly rest. In the case of passenger transport the weekly rest period is compulsory every two weeks instead of every week.

Council amendments

Other major changes adopted by the Council were:

Crews: Where the vehicle is equipped with a tachograph the 'double crew' rule, applicable to vehicles or tractors with trailers covering distances of more than 450 km, will no longer apply.

Rest periods: The weekly rest period is to be extended from 24 to 29 consecutive hours to be immediately preceded or followed by a daily rest period. The rest period may, however, be reduced to not less than 24 hours provided that a rest period equivalent to the reduction is granted to the crew member during the same week.

The Regulation has also been amended to take account of the effect on rest periods of time spent with the vehicle on ferry boats or trains.

Prohibited payments: A new section has been introduced prohibiting payments to wage-earning crew members, even in the form of bonuses or wage supplements, related to distances travelled and/or the amount of goods carried, unless these payments are of such a kind as not to endanger road safety.

Tachograph: It was agreed to exempt from the use of the tachograph for a period of 18 months from January 1, 1978, vehicles carrying goods within a radius of 50 km or by vehicles of a total laden weight of not more than 6 tonnes. The tachograph Regulation (1463/70) was also amended in certain technical respects.

Ratification of the AETR: The Council also agreed as from January 1, 1978, to accede in principle to the International Transport Agreement (AETR), subject to final Community accession when Ireland deposits instruments of ratification later in the year.



Europe in Britain

Grants and loans from the European Community 1973-76



European Investment Bank		
£84 million	Specific loans	Global loans
Over £5m	●	■
£1m to £5m	○	□
Under £1m	○	□
E.C. Coal and Steel		
£81 million	Specific loans	Global loans
Over £5m	●	■
£1m to £5m	○	□
Under £1m	○	□
£4 million	Specific grants	Global grants
Over £5m	●	■
£1m to £5m	○	□
Under £1m	○	□
Agricultural		
£41 million	Specific grants	Global grants
Over £5m	●	■
£1m to £5m	○	□
Under £1m	○	□
Social		
£26 million	Specific grants	Global grants
Over £5m	●	■
£1m to £5m	○	□
Under £1m	○	□
Regional		
£85 million	Specific grants	
Over £5m	●	
£1m to £5m	○	
Under £1m	○	
Total amount of Regional grants		
Over £10m	£5m to £10m	Up to £5m
Hydrocarbon grants		
£5 million		

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