



Parliament wins major Budget concessions

An increase in regional and social spending and a decrease in agricultural expenditure are among major concessions which Parliament has wrung from the Nine's budget Ministers meeting in Brussels on 24 November.

Ministers (including UK Financial Secretary Nigel Lawson) have now gone part of the way to meeting the demands made by Parliament in November.

The agreement came shortly after a "lively" discussion with a delegation from Parliament led by President Simone Veil and including: Erwin Lange (Soc/Ger), Chairman of the Committee on Budgets; Harry Notenboom (EPP/NL), Altiero Spinelli (Com/It), André Rossi (Lib/Fr), Deputy-Chairmen of the Committee on Budgets; Pietro Adonnino (EPP/It), Vincent Ansquer (EPD/Fr), rapporteurs for the 1981 budget; John M. Taylor (Dem/UK), Jens-Peter Bonde (TCI/Dk), Heinrich Aigner (EPP/Ger), from the Committee on Budgets.

The conciliation between Parliament and Council was described later by John M. Taylor as "a genuine exchange that was tough but most encouraging. This is very early in the budget procedure for the Council to be making concessions of this order ... it may augur very well for future Parliament-Council relations". Larger concessions were, however, awaited by UK Socialist spokesman Richard Balfe, who considered that the Council was "still a long way short of what we regard as acceptable".

This is the first time that the Council of Ministers has publicly recognised the need to reduce the level of spending on the Common Agricultural Policy. The Reduction, although small (about £32 million) is being interpreted as a major victory of principle. The Ministers also allowed to stand Parliament's proposed 2% reduction by transfer of agricultural guarantee finance. Parliament in November had condemned the Council for trying to reduce spending on regional, social, energy and development aid in order to finance ever higher spending on agriculture.

After consideration by Parliament's Budget Committee, which is due to meet in Brussels on 3 and 4 December, and 9, 10 and 11 December, and possible further negotiation between a dele-

gation from Parliament and the Ministers, the budget is due to be considered by Parliament in Luxembourg at its session from 15-19 December.

Members are expected to demand further increases in non-farm spending before the budget can be finally declared adopted by the President, Simone Veil.

Some reports have already indicated a willingness on the part of Council to make further concessions to allow the budget procedure to be completed in December. This is in contrast to the six-month deadlock following rejection by Parliament of the Councils draft budget for 1980.

A further element is that according to some Commission experts the Council may need Parliament's help to raise by at least £70 million the Regional and Social Funds to meet commitments for 1981 which have already been entered into in previous years.

Parliament in December is likely yet again to draw attention to the imbalance in the Community's budget where nearly three-quarters of all spending goes to agriculture. Further amendments are likely. The Ministers have, however, already agreed to a review of farm spending. The approaching exhaustion next year of available Community "own resources" revenue in itself imposes a timetable on such discussions.

CHANGES TO 1981 BUDGET AGREED BY COUNCIL ON 24 NOV

(Payment appropriations at rate 1 EUA = £0.62935)

COMPULSORY EXPENDITURE

CAP Guarantee Fund

(mainly aid for skimmed milk feed for calves) - £32 million

CAP (Total) - 2% transfer

NON-COMPULSORY EXPENDITURE

Regional Fund + £75 million

Social Fund + £60 million

Energy + £0.2 million

Other + £3.7 million

"Give us a single working place, gentlemen ...

On 20 November Parliament's patience over the question of the seat finally ran out. A resolution was passed with support from all sides giving the Member States until 15 June 1981 to take a decision, otherwise Parliament would take the necessary steps to improve its own working conditions.

"There's not a single Parliament in the whole wide world that would consider working under the conditions we have to" said Horst Seefeld (Soc-Ger) for the Socialist Group.

Is it wrong to assume that the 111 million people who voted in last year's European elections wanted a Parliament which could do its job effectively?" asked European Democratic Group leader James Scott-Hopkins. He noted the escalating costs of the itinerant Parliament - now 10% of its staff costs and nearly £10 million on renting no fewer than thirty buildings "Give us a single working place, gentlemen, and these costs can be brought under control," he said, adding "if Member governments will not decide, we shall, come September next year".

Parliament's resolution:

"The European Parliament,

- concerned about the practical aspects and the cost of its activities,

- wishing to see the provisional arrangements concerning its places of work brought to an end,

1. Approves the approaches made by the French Government to the other Member States with a view finally to opening the procedure provided for in the Treaties for fixing the seat of the Community Institutions;
2. Requests the Governments of the Member States to take a decision by 15 June 1981 at the latest, after consultations with Parliament;
3. Declares that, if the Governments of the Member States have not reached a decision by the above date, it would have no option but to take the necessary steps to improve its working conditions;
4. Instructs it President to forward this resolution to the Council and to the governments of the Member States."

The lack of a decision on the seat creates difficulties, not only for Parliament, but for all the institutions. In a recent written reply the Council itself admits that, work on a new Council building in Brussels was held up "Due in particular to the problems of the seat of the institutions."

Parliament's democratic right upheld

An "extremely significant" statement on Parliament's role was the verdict of the Legal Affairs Committee chairman, Mauro Ferri (Soc/It), on the European Court of Justice Judgment in the isoglucose (a substitute for sugar) case.

The Court annulled a Community regulation (No 111/77) on the grounds that it had been passed by the Council before Parliament's democratic right to be consulted had been exercised. It was not enough, said the Court, for Parliament to have been asked for an opinion on the Regulation. That opinion

had actually to have been received before a regulation could be issued.

Mr Ferri said during Parliament's November session in Strasbourg that the Court's judgment would provide a good basis for the Legal Committee's own-initiative report on the consultation procedure. The Court, he pointed out, had laid stress on the democratic principle implied in Article 43 of the Treaty which provides for consultation with Parliament.

Work in progress

DOCUMENT	SUBJECT	Main Cttee	Other Cttee
COM(80)393 fin	Communication on guidelines for flexible retirement	Soc	Econ
COM(80)406 fin	Communication on the intensive keeping of egg-laying hens	Agric	Env
COM(80)412 fin	Communication on the common policy in science and technology priorities and organization	Energy	
COM(80)448 fin	Sixth & Seventh progress reports of the Business Cooperation Centre (1978 & 1979)	Econ	
COM(80)460 fin	Draft fifth annual report (1979) on European Regional Development Fund	Reg	Control
COM(80)483 fin	Proposal for a regulation on a Community system for the conservation and management of fishery resources		
COM(80)368 fin	Proposal for an amending regulation on establishing a European Regional Development Fund	Reg	Budget
COM(80)535 fin	Proposals for amending regulations on the conservation and management of fishery resources applicable to vessels flying the Swedish, Icelandic and Norwegian flags	Agric	
COM(80)552 fin	Proposal for a decision on a third plan of action (1981-83) in the field of scientific and technical information and documentation	Energy	Econ, Budget
COM(80)555 fin	Proposal for an amending decision on a concerted project in the field of registration of congenital abnormalities	Env	
COM(80)570 fin	Proposal for an amending directive on the marketing and use of certain dangerous substances and preparations	Env	
COM(80)576 fin	Proposal for an amending regulation on price conditions to which imports of certain types of citrus fruit from Spain are subject	Ext	Agric, Budget
COM(80)491 fin	Communication on pilot housing actions to promote the social integration of handicapped persons and migrant workers	Soc	Budget
COM(80)631 fin	Communication on the follow-up to the parliamentary debate on hunger in the world	Dev, Pol	Agric, Ext, Env
COM(80)423 fin	Proposal for a directive on procedures informing and consulting employees of undertakings with complex structures	Soc	Econ, Legal
COM(80)580 fin	Proposal for an amending regulation on the application of social security schemes	Soc	
COM(80)582 fin	Proposal for a draft resolution on the timetable for decisions to be taken by the Council in the transport sector up to the end of 1983	Trans	
COM(80)571 fin	Recommendation for a regulation on the conclusion of the agreement between the EEC and the Federal Republic of Yugoslavia	Ext	
own-initiative	Report on the problems of and prospects for the common research policy	Energy	
„	Report laying down a programme of priorities in the social field	Soc	
„	Report on the measure taken to grant a discharge for the 1977 financial year	Control	
„	Report on the measures taken to grant a discharge for the 1978 financial year	Control	
COM(80)625 fin	Proposals for regulations on a Community tariff quota for fresh, chilled or frozen beef and veal	Ext	Agric, Budget
COM(80)614 fin	Proposal for a regulation on the use of substances with a hormonal action and those having a thyrostatic action in domestic animals	Agric	Env
COM(80)670 fin	Proposal for a decision empowering the Commission to contract loans for promoting investment with the Community	Budget	Econ, Control
COM(80)672 fin	Proposal for a regulation adjusting the Community loan mechanism designed to support the balances of payments of Community Member States	Budget	Econ

Action taken on Parliament's Opinions

Each month the European Commission reports on the action it has taken in response to the Opinions previously expressed by Parliament.

At its 13-17 October part-session Parliament voted on 12 proposals from the Commission.

1. In 10 cases it adopted Committee reports supporting Commission proposals:

- Report by Mr Clinton on import duties for mixtures and assortments;
- Report by Mr Ligios on the eradication of African swine pest in Sardinia;
- Report by Mrs Barbarella on two proposals:
 - i) agricultural development in less favoured areas of Northern Ireland
 - ii) marketing of eggs, poultrymeat, cereals and cattle feeds in Northern Ireland;
- Report by Mrs Cresson on developing agriculture in the French overseas departments;
- Proposal to adopt a Euratom and EEC programme in scientific and technical training;
- Proposal on the protection of the Rhine against chemical pollution;
- Proposal to adopt a multiannual research and development programme in the field of paper and board recycling;
- Proposal on European Social Fund

operations to assist textile and clothing workers, migrant workers, persons affected by employment difficulties (people under 25) and women;

- Proposal on the varieties of agricultural plant species and on the marketing of vegetable seed.

2. In two cases Parliament proposed amendments which the Commission largely accepted:

- Report by Mr Fischbach on the taking-up and pursuit of direct insurance other than life assurance;
- Report by Mr Muntingh on arrangements for imports of whale products.

3. Other reports and resolutions where the Commission gave its views and indicated action:

- Report by Mr O'Connell on a Community action programme for consumers;
- Report by Mr Pearce on guidelines for the Generalised Scheme of Tariff preferences for the period after 1980;
- Report by Mr Rumor on preparations for the Conference on Security and Co-operation in Europe;
- Reports by Mr von Wogau on the achievement of customs union and technical and administrative barriers to trade;
- Report by Mr Schwartzberg on competition restrictions in air transport;
- Report by Mr Hoffman on developing

air transport services and on civil aviation;

- Report by Mr Jurgens on Community aid for rice for sowing;
- Three resolutions on the natural disaster in Albenga;
- resolution on the floods in France;
- resolution on the earthquakes in Algeria;
- Report by Mr Dankert on measures to assist the UK
- resolution on terrorist attacks in Europe;
- resolution on the disappearance of little girls from refugee camps in SE Asia;
- resolution on the conflict between Iran and Iraq;
- Report by Mr Gillot on right of establishment for architects.

4. Following requests by Parliament the Commission has also provided:

- financial aid to repair damage caused by Hurricane Allen in Grenada (150,000 EUA);
- aid to refugees in Djibouti (one million EUA);
- financial aid to Algeria following the earthquake in El Asnam (one million EUA);
- emergency food aid to two countries
 - i) Peru where the North was suffering from drought;
 - ii) victims of the earthquake in Algeria.

Replies to Members' questions

Toy Wars – Ernest Glinne (Soc/Bel) WQ 861/80

It would be difficult to justify a Commission proposal to ban the sale of war toys in the Community. However, the commission is not indifferent to the frequently-stated desire by European consumers to restrict the distribution of these toys and is following with interest the new policies emerging in this respect in the Community and in non-Community countries.

Official exchange – William Newton Dunn (Dem/UK) WQ 1112/80

Under an exchange system the Commission and Member States swap officials for between three months and two years with a view to improving working relations with public authorities. Fourteen UK nationals were seconded to the Commission for an average 20.3 months in 1979/80. Under the national expert system, 29 UK nationals were seconded to the Commission in the first nine months of this year for periods of between one month and three years.

Commission acts on French and Italian fuel subsidies – Winnie Ewing (EDD/UK) WQ 948/80

The Commission is taking action against

the French and Italian governments over fuel subsidies paid to their fishermen. The procedure provided for in Article 93 (2)* of the Treaty has been initiated. Having completed a preliminary examination of this type of aid, the Commission has found that its effect on competition is incompatible with the proper operation of the common market and that it is not an appropriate way of solving the structural problems now facing fishing.

(*Article 92 states that if the Commission finds that aid granted by a State or through State resources is not compatible with the common market or that such aid is being misused the State concerned shall abolish or alter such aid within a period of time to be determined by the Commission. If the State does not comply within the prescribed time, the Commission may refer it to the Court of Justice).

Energy buses – André Damseaux (Lib/Bel) WQ 846/80

The Commission has launched a Community energy bus programme – directed particularly at small and medium-sized firms – to promote consultation and technical assistance on the rational use of energy. As part of the programme participants will be

supplied free of charge with computer programmes developed by the Canadian Ministry of Energy, Mines and Resources. In Canada 'energy laboratory' buses travel from place to place to identify potential energy savings and encourage companies to make the investment required to achieve them.

Rabbits – James Provan (Dem/UK) WQ1022/80

Import of rabbit meat from non-Community countries has been increasing over the last few years: 1977 – 39,000 tonnes; 1978 – 41,000 t; 1979 – 48,000 t. External trade figures for summer 1980 were not yet available to cast more light on Mr Provan's claim that massive imports from Hungary, Romania, and China were causing severe disruption in the European price. The Commission was monitoring the trend of rabbit imports from non-Community countries but did not consider at the moment that these were such as to cause serious disturbance justifying protective measures.

Harmonisation clamp down – Charles O'Hagan (Dem/UK) WQ1098/80

In view of the criteria which the Commission has adopted for the introduction of new

proposals to harmonise legislation*, it does not intend to continue its work on safety precautions in existing hotels or to send a proposal for a directive to the Council. (The Commission has already decided to apply strict criteria to the need for harmonisation proposals and to consider them case by case. Each proposal, says the Commission, should be considered not only necessary but something that is clearly appropriate for the Commission to undertake. *"We are not in the business of harmonisation for harmonisation's sake. Approximating laws in the Community is intended to achieve the objectives of the EEC Treaty to create a common market and not to go beyond that"— Commission President Jenkins, speaking to Parliament on 10 October 1978.

Red tape! – *Horst Seefeld (Soc/Ger) WQ 974/80*

The tribulations of a European motorist taking a car from Germany to France were recounted in "Wirtschaftswoche" on 27 June 1980. "Had I known at the outset that changing the registration of my car was to involve not only the Paris registration office, but also the German Embassy, the French customs administration, the Paris prefecture of police, the Volkswagen Company, the French Mines Administration, the Ministry for Industry and the French Minister for Transport, I would gladly have spared myself the whole exercise, sold the 'Golf' in Germany and bought the same model in France, where the dealer would have been able to register it in less than an hour."

The Commission is looking into it...

British truck exports – *Robert Moreland & Richard Cottrell (Dem/UK) WQ1006/80*

Before launching an investigation to discover whether exports of British trucks are being unjustifiably hindered by other Member States, the Commission must have more comprehensive and detailed information on any difficulties encountered. As part of its programme for the removal of technical barriers to the free movement of manufactured products, the Community established the "EEC type-approval" procedure for motor vehicles. When all the Directives relating to this procedure – which provides for mutual recognition of inspections – have been adopted, it will completely remove, in the case of vehicles, any technical barriers resulting from differences in the specifications and inspection procedures currently required by the various Member States.

Racial discrimination in Belgium – *Alf Lomas (Soc/UK) WQ 1088/80*

The Commission had no information about coloured pupils in a party of 45 British schoolchildren being refused entry to a disco in Blankenberge, Belgium, last July. The Commission could only intervene if there was evidence that the Member State had failed to respect its obligations under the Treaty. However, it was firmly opposed to discrimination on racial grounds and agreed with Mr Lomas that events of the kind he had described could only do harm to relations between individual citizens in the Member States.

End to Gibraltar blockade – *Lord Bethell (Dem/UK) QT (written answer 19/11/80)*

"The commission is convinced that following contacts between the Spanish and the British governments, the Spanish blockade of Gibraltar will be lifted before Spain becomes a Member, so that conditions can be created for the harmonious development of relations within the enlarged Community".

After Spain's accession, and without prejudice to any necessary transitional arrangements, Community rules governing free movement of workers will apply uniformly throughout the Community, in Gibraltar as well as Spain. The Commission, however, see the need for transitional arrangements, a safeguard mechanism and progressive liberalisation phases for access to work.

No to Christmas butter – *Reinhold Bocklet (EPP/Ger) QT (written answer 19/11/80)*

The Commission has decided not to propose cheap butter sales (including "Christmas butter") in the Community this year. The public intervention stock of butter has fallen substantially to about 170,000 tonnes (about 370,000,000 lbs) and the Commission also states that short-term butter sales are expensive for the Community budget, taking into account that there is at least some substitution for normal market sales. (Note: the monthly cost of storing butter – including financing costs – for an average storage period of one year is about £19 per tonne – about 1p per lb).

UK-EEC trade – *John Marshall (Dem/UK) QT (written answer 19/11/80)*

Between 1973 and 1979 UK exports to other EEC countries grew at an average annual rate of 23%. This rate was markedly higher than that for UK total exports which rose at an average rate of 18% over the same period.

With this rapid growth UK exports to other EEC countries as a proportion of UK total exports rose from 32% in 1973 to 42% in 1979.

UK visible trade with EEC
(£ billion)

	exports	imports
1973	3.7	5.1
1974	5.4	7.6
1975	6.1	8.7
1976	8.8	11.1
1977	11.4	13.5
1978	13.1	15.8
1979	17.0	19.8
1980 - (to June)	10.6	11.3

Eurotra – *Sir David Nicolson (Dem/UK) QT (written answer 19/11/80)*

The Commission is giving careful consideration to the EUROTRA proposal to automate Community translation.

China business – *Robert Battersby (Dem/UK) WQ 988/80*

The Commission is sponsoring a major review of European investment opportunities in China as well as trade financing modalities and Chinese export opportunities on the European market in the context of the EEC-China Business Week scheduled to take place next Spring to which European Parliament Members will be invited. Discussion of specific projects will take place directly between industrial firms and representatives of the Chinese government during the Business Week for which the Chinese authorities have specified six sectors for inclusion, each of which would require technology and equipment imports from the Community: minerals and non-ferrous metals, animal sub products, light industry, textiles, chemical and pharmaceutical raw materials, machinery.

Footnote – *Ben Patterson (Dem/UK) & Michel Debré (EPD/Fr) WQs 734/80 & 981/80*

The qualifications needed to practise chiropody in the Community and the establishment of a register of qualified chiropodists are not among the tasks to which the Commission has decided to accord priority and has no plans in this connection in the foreseeable future. Imports of footwear into the Community from third countries has increased from 187 million pairs in 1975 to 265 million pairs in 1979. During the first quarter of 1980 an increase in imports has been evident. this is being closely watched by the Commission in order to decide what action, if any, should be taken.