

Hot-foot from Dublin

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"Nothing is more important for the Community today than the question of Britain's membership," President of the Commission Francois-Xavier Ortoli told the European Parliament on Wednesday March 12. He and President of the Council of Ministers, Irish Foreign Secretary Garret FitzGerald, had flown in "hot foot" (as Mr FitzGerald put it) to present Parliament with an immediate report on the Dublin Summit.

Garret FitzGerald had no reservations in proclaiming the negotiations on continued British membership a success. The key "to this whole process on which we have been engaged during the past year" had been the United Kingdom contribution to the Community's budget; and this called for a delicate balancing act between the British Government's concern at a possibly unacceptable burden in the future, and the pre-occupation on other Member States about who would pay if Britain didn't.

"A number of complex formulae, some of which proved abortive," had been tried, Mr FitzGerald reported. In the end "a relatively simple solution put forward by the President of France as a compromise" proved acceptable to everybody.

During a seven-year trial period, Britain (or any other Community country in economic difficulties) could get back up to about £100 million a year if the total paid under the "own resources" system was seen to be excessive. Mr Wilson, Dutch Socialist Schelto Patijr noted,

had been given a collection of pipes for his birthday at the summit; but he had also been given another present of the £100 million," which the Community does willingly if it helps Britain to stay in the Community".

The agreement, Mr FitzGerald concluded, "was a major achievement, because from the beginning this was seen on the side of the United Kingdom as being one of the most crucial elements in any decision that the United Kingdom Government would take in recommending continued membership to the people of the United Kingdom."

In the short debate which followed, one or two Members expressed worries as to whether Mr Wilson really would "press home" a favourable recommendation to the British people. Eric Blumenfeld (CD/Ger) even went so far as to wonder whether the Community had seen the end of British demands. But Commissioner Ortoli was quite clear that "the dossier at the level of the Council" was now closed. "It is in the British Cabinet, and among the British people that the debate must now take place."

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"The effects on the United Kingdom of membership of the European Communities": a study by the research section of the Parliament (free).

"Membership: two years on", EP Report No. 11; extra copies of this summary of the above are available (free).

the Parliament's executive committee which organises its affairs — and generally has greater authority than does the Speaker in determining the business and conduct of the House. In particular, the President is playing a key role in the conciliation procedure introduced — not a little because of Mr Spénale's advocacy — in the event of a conflict of views between the Parliament and the Council of Ministers over the course of Community policy, above all regarding the budget.

New Parliament President

The European Parliament is once more to have a Socialist President. After two years in the office Dutch Liberal Cornelis Berkhouwer handed over at the Parliament's March sitting to Frenchman Georges Spénale, who has led the Socialist Group since last autumn.

Unlike the situation two years ago, when Mr Berkhouwer was elected by a majority on the first ballot, the voting on March 11 went to four ballots. But that will not detract from President Spénale's authority, for closely contested elections have been known before. Moreover, Mr Spénale is widely respected as a leading proponent of increased powers for the Parliament. As chairman of the Committee on Budgets since 1967 he has in particular championed the steady growth of

the Parliament's control over the Community budget. And "budgetary power," he told an informal press conference following his election, "is only a lever to legislative power".

As President, Mr Spénale can also be expected to push on vigorously towards the direct election of the Parliament itself. "Even if they don't take place precisely in 1978," he said, "the setting of that target date by the Paris summit has created the pressure to make them happen as quickly as possible." The prospect of direct elections alone was already having a good effect on political parties: European Socialists were drawing up a common programme which even took account of the British Labour Party's position.

The President normally presides over the European Parliament's plenary sessions, though his office differs markedly from that of the House of Commons Speaker. He also heads the Bureau —

Critical ballot

In the first ballot for the Presidency there were candidates from five of the six political groups (the exception being the Liberals). The vote — which is by roll call of members and secret — gave the following result: Alfred Bertrand (CD/Bel) 50; Michael Yeats (EDP/Irl) 46; Georges Spénale (Soc/Fr) 45; Peter Kirk (Con/UK) 18, and Leonilde Iotti (Comm/It) 12.

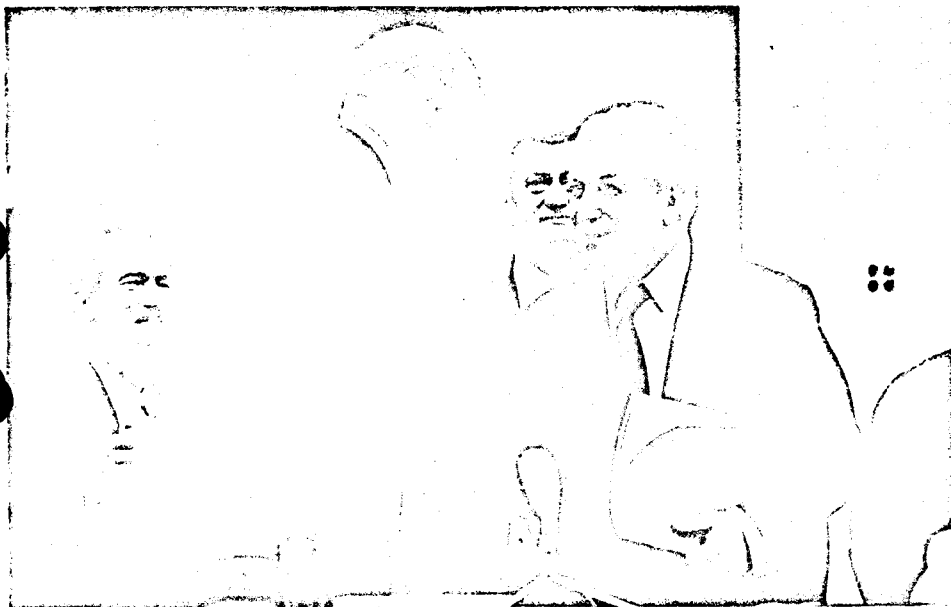
The result of the second ballot was much the same — except that Mr Spénale moved into first place with 47 votes. Mr Bertrand had 45, Mr Yeats 44, Mr Kirk 19 and Mrs Iotti 12. Kirk and Iotti then withdrew, "liberating" the Conservative and Communist votes.

The third ballot proved critical. The rules of procedure provide that after it has taken place, and if no candidate has an overall majority, all but the two leading candidates must withdraw for the fourth and final run-off. Everything therefore turned on who came bottom of the poll. In the event, it was Mr Yeats — but only by one vote: Mr Spénale still led with 59, Mr Bertrand had 55 and Mr Yeats 54. In this round the Conservatives were given a free vote, and many of them had to fly back to London immediately afterwards for the debate on the referendum White Paper in the Commons.

Had Mr Yeats gone into the fourth round instead of Mr Bertrand the final result could well have been different. It appears that, in beating Mr Bertrand by 86 votes to 72, Mr Spénale polled not only the Socialist and Communist vote but also much of the Liberal vote too, which in earlier rounds had gone to Mr Yeats.

Georges Spénale was born at Carcassonne in 1913. He qualified as a lawyer, and served in the French Colonial Service, becoming Governor of Togo from 1957 until 1960, when that territory became independent. Returning to France, he was elected Deputy for the Tarn Department in 1962, and became a Member of the European Parliament in 1964.

His successor as leader of the 49-strong Socialist Group in the Parliament is Ludwig Fellermaier, a German Social-Democrat.



Congratulations for Georges Spénale, new President of the European Parliament

REGIONAL FUND: A DIFFICULT PREGNANCY

"It is there, it is a start," President of the Council of Ministers Garret FitzGerald modestly claimed when summing up Parliament's debate on the new Regional Fund of Wednesday March 12. His caution faithfully echoed the prevailing mood: "half a loaf is better than no bread," Elaine Kellett-Bowman (Con/UK) noted in her maiden speech; "although not as large as we hoped, it is the first step down the road," John Corrie (Con), a new Scottish Member, admitted in his. Even Irishman Michael Herbert (EPD/Irl), who went so far as to describe the new fund as "a bitter anti-climax", ruefully concluded that "if we are to have a Regional Fund, a small and bad one is better than no fund at all".

The debate, indeed, was full of metaphors about the length and difficulty of the pregnancy which has preceded the Fund's birth. The Parliament had called for a special regional fund as early as 1965, Pierre Giraud (Soc/F) reminded everyone when introducing the Regional Policy and Transport Committee report; and Commissioner George Thomson went out of his way to point out that "the responsibility for the delay of a year or more in the starting of the fund certainly does not lie in any way at the door of the Parliament".

Parliament was also able to note with satisfaction that a meeting of the Council of Ministers and a Parliamentary delegation on February 19 had been the first time that this new conciliation procedure had been used on enacting legislation.

The proposal for a Regional Fund received the official stamp of approval from Member States at the Paris summit in December last year. It provides for a three-year programme of expenditure of some £540 million, of which the UK stands to get about £150 million. Expenditure in the current financial year is expected to be only £63 million, however; and the money is to be found by "mobilising" parts of two Agricultural Fund reserves: the so-called "Borschette reserve" and the so-called "Mansholt reserve".

These arrangements ran into a number of specific criticisms during the debate. Michael Herbert (EPD/Irl) was afraid that the system of payment would lend itself to abuse by national governments, "in that they can substitute national aid funds by Community aid funds". National Exchequers, in effect, would merely pocket the money, and "the power of control rests effectively with the governments of Member States". Commissioner Thomson, however, was careful to point out that "this policy is not designed to replace national regional policies as such, nor should it do so . . . The Commission operates on the basis that . . . it is the government 'on the ground' that knows best . . .".

There was considerable annoyance that money was apparently being taken out of the Agricultural Fund. "It seems almost like robbing Peter to pay Paul," James Scott-Hopkins (Con/UK) complained on behalf of the Agriculture Committee; the reserves had been built up over the years to

improve the structure of Community agriculture. A lot of the money would still be spent in agricultural areas, George Thomson pointed out. But the most telling reply came from Commissioner Cheysson: "these sums do not exist!" In mobilising the Borschette and Mansholt "reserves", the actual money would still have to be raised, so that it was incorrect to speak of "robbing agriculture". It all depends, Budgets Committee Member Michael Shaw (Con/UK) noted, on the difference between a "fund" and a "reserve".

A matter of principle

Far the most serious criticisms during the debate came on the issue of whether the Regional Fund was to be classified as "obligatory" or "non-obligatory" expenditure. Over the latter, Parliament has the power of amendment; over the former, it is the Council of Ministers which has virtually total control.

Garret FitzGerald took pains to justify the Council's decision to classify the Fund as "obligatory". "Parliament is aware that the one-year annual allocations for the Fund for the three years 1975, 1976 and 1977 were determined by the Paris Summit. I am sure that as politicians you will be the first to recognise that it would be politically unrealistic to seek to change those figures." That was absurd, Mr Aigner retorted. The summit could have fixed the sum, instead of at £540 million, at £1000 million or only £50 million: it was clearly not "obligatory". The Parliament, in fact, recognised that the figures could not be changed; but a principle was at stake.

Indeed, in the final vote, which left many Members as well as the Press in some confusion, Parliament made its point. While voting for the policy itself, the vote on the Supplementary Estimate necessary to provide the £63 million for the current year was put off for a month. According to President Spénale, this was because the necessary quorum was not present at the time. But wasn't it perhaps a good way of providing for one more round of conciliation with the Council, and at the same time of reminding the Council what could go wrong if it persisted in resorting to Supplementary Estimates?

ton (Con/UK) and in his words "what we have come to expect" from Mr Bordu. Bringing the multinational companies into the discussion was "a typical red herring, very red". Europe's ills did not have to do with the oil price increase but were merely an aggravation of "the way in which we have conducted our fiscal policies in the post war era".

That deal with Russia

In concluding a cooperation agreement with the Soviet Union this year, the United Kingdom had carried out all the obligations required by Community membership, Garret FitzGerald, President of the Council of Ministers, told the Parliament on Wednesday March 12. He was replying to a pointed question from Eric Blumenfeld (CD/Ger) on the Community view of such agreements.

"Under the information and consultation procedure adopted by the Council on July 22, 1974," Mr FitzGerald continued, "Member States are bound to inform both other Member States and the Commission beforehand of such negotiations and to enter into consultations if a Member State or the Commission so requests." To date, neither the Commission nor any Member State has felt it necessary to initiate the consultation procedure with respect to this agreement, from which it might be concluded that any agreement does not seem to give rise to any objections".

visitors to . . . European Parliament during the week of March 10-14 included a party of the Young European Left and a group of law students from Exeter University.

Declaration of intent

Does the Commissioner "not agree that the Community as such has as yet no truly cohesive energy policy, that it is still vulnerable to politico-economic pressures and possibly even blackmail, and that only a truly coordinated comprehensive policy for the Community in this regard will suffice? Does he have any proposals as to how the Commission might achieve that?" Lord Lothian (Con/UK) asked Commissioner Cheysson at Question Time on Wednesday. Mr Cheysson replied that for its part the Commission had "multiplied its proposals". On Wednesday Council President Garret FitzGerald was able to report on the Dublin Heads of Government meeting's agreement to set in train preparations for the proposed oil consumers and producers conference and the Community's aim of defining joint Community positions. On Friday the Parliament passed a resolution which broadly welcomed Commission proposals for a medium term "policy of voluntary action" designed to improve the security of supply and decrease the Community's dependence on oil.

There was general agreement, however, that "the Community has not progressed beyond declarations of intent". Clearly it has a long way to go.

Prices lower in Europe

But for the Common Market, the British housewife would have had to pay 52 pence for a 2lb bag of sugar - almost double the current price - the European Commission has told Lord O'Hagan, a British Member of the European Parliament.

This results from the Community decision to subsidise - to date, with more to come - 155,000 tons of sugar imported into Britain and the conclusion of a long-term supply agreement with tropical sugar exporters at prices well below present world prices.

Committee members 1975-76

Membership of parliamentary committees was renewed on March 11, and a new committee concerned with the association agreements between the Community and most countries bordering the Mediterranean Sea was formed.

Among the British MPs, Sir Derek Walker-Smith takes over as chairman of the Legal Affairs Committee. British membership:

Political Affairs: Lord Gladwyn, Peter Kirk MP, Lord Reay, James Scott-Hopkins MP.

Legal Affairs: Sir Derek Walker-Smith MP (Chairman), Lady Elles, Michael Shaw MP.

Economic and Monetary Affairs: Hugh Dykes MP, Tom Normanton MP, Sir Brandon Rhys Williams MP.

Budgets: Peter Kirk MP, Lord Lothian, Michael Shaw MP.

Social Affairs and Employment: Hugh Dykes MP, Lady Elles, Lord O'Hagan, Sir Brandon Rhys Williams MP.

Agriculture: Ralph Howell MP, Lord St Oswald, James Scott-Hopkins MP.

Regional Policy and Transport: Lord Bessborough, Russell Johnston MP, Mrs Elaine Kellett-Bowman MP.

Public Health and Environment: Lord Bethell, Jim Spicer MP.

Energy Research and Technology: Lord Bessborough, Tom Normanton MP, John Osborn MP.

Cultural Affairs and Youth: John Corrie MP, Ralph Howell MP, Lord Lothian.

External Economic Relations: Lord Bethell, Lord St Oswald, Jim Spicer MP.

Development and Cooperation: Mrs Elaine Kellett-Bowman MP, John Osborn MP, Lord Reay.

Associations: John Corrie MP, Lord St Oswald, James Scott-Hopkins MP.

What to do in 7 lean years

"The time for high economic growth rates has passed," said Mr Couste (EPD/F), introducing a report on the economic situation in the Community. "Now is the period of the seven lean years." Member states with low inflation and a balance of payments surplus should follow cautious and selective expansionary policies which avoided any tendency towards inflation. States with high inflation and payments deficits should follow appropriate budgetary and credit policies.

Hugh Dykes (Con/UK) agreed but thought more should be done to alleviate the social problems, such as topping up national unemployment benefits from Community funds. Increasing unemployment and inflation, however, meant that trades unions would try to protect their members and seek higher monetary benefits. With the words "we are now in a collective European economy" he continued "I appeal to trades unions . . . that they exercise restraint". Consumption should be switched to investment.

Gérard Bordu (Comm/F) was horrified. Between his group and the resolution was an "abyss". Restriction of consumption meant "austerity for the workers," he said. His own group's answer was to nationalise the essential sectors of the economies and to curb the multinationals.

This last point was too much for Tom Norman-