



POWER TO THE PARLIAMENT

"Ever-growing democratisation" of the Community was foreshadowed by Hans-Jürgen Wischniewski, German Parliamentary Secretary of State for Foreign Affairs, when on June 11 he presented to the European Parliament the Council of Ministers' agreement on increased budgetary powers for the Parliament.

The "joint guidelines" agreed by the Ministers on June 4 provide for three main elements of the plan:

- 1 - a) The Parliament will have the power to amend expenditure proposals put forward by the Commission when each autumn it draws up the forthcoming year's draft budget, provided that changes made do not have the effect of increasing the overall budget total.
b) However, the Council will retain the right to reject by qualified majority vote (i.e. 41 votes out of 58) the amendments proposed by the Parliament.
c) The Parliament will continue to be able to propose amendments which do increase the budget total and the Council will be able to accept these if it agrees.
d) Also with "substantial justification", the Parliament will be able to reject the draft budget in its entirety and ask for a new draft.
- 2 - A fifth Community institution, the Court of Auditors, will be set up with powers to control and check expenditure from Community funds by the Community institutions and the national governments and their agencies. In this context the Parliament proposes to set up its own Public Accounts Committee, on the lines of the Westminster committee of the same name, to work with the Court of Auditors.

President Berkhouwer meets PM

European Parliament President Cornelis Berkhouwer had talks with the Prime Minister, Harold Wilson, at 10 Downing Street on June 10. Apart from a brief meeting at President Pompidou's funeral, this was the first occasion that they had met. For 45 minutes they discussed current European questions, and Dr Berkhouwer left more reassured about Britain's place in the Community. On the question of Labour MPs participating in the work of the European Parliament the President later expressed the hope that they would be there at about the end of this year.

- 3 - The third element will comprise a joint statement by the Parliament, the Council and the Commission about establishing a conciliation procedure should the Parliament and Council disagree about a Community policy decision with "appreciable financial implications" and not already covered by an earlier Community decision.

The immediate reaction of the MPs who spoke on June 11 was less than enthusiastic. Georges Spénale (Socialist, France), chairman of the Parliament's Budgets Committee, said that the Parliament felt a little bitter still about the delays in agreeing even to these powers, the fact that the Community's "own resources" revenue system would not be fully operative by the agreed date of January 1, 1975, and the fact that the Parliament was still not being granted the final word in determining the size and disposition of the annual budget.

Other Members were less critical, but reserved their final judgement on the joint guidelines until after their study in committee and a full debate in Parliament at the session of July 8-12, in Strasbourg.

CONCILIATION PROCEDURE SOON

Although the first two elements of the plan will involve ratification by the nine national parliaments of the changes required to the Community treaties, (which might well run on into the new year), the third element, the conciliation procedure, could be introduced immediately. Herr Wischnewski was pressed on this, and he replied that, from the Council's point of view, this was no problem.

Four points can be made about the plan:

- Although falling short of giving the European Parliament complete control over the Community's budget the plan represents a significant advance in its powers. (Historically, the growth of parliamentary power in Britain and elsewhere has been through control over the power to raise revenue.)
- Notwithstanding the fact that, in the first element, the Council of Ministers can outvote the Parliament, it can only do so by qualified majority vote. This practice, virtually in abeyance since the Luxembourg "compromise" of January 1966, could thus be brought back into the centre of the Community's decision-making process. Many commentators on the Community have blamed the deadlock over a number of common policies on the abuse of the principle of unanimity, which even in the Luxembourg "compromise" should only have the rule if a member country's "vital national interests" were involved.
- Moreover, although the conciliation procedure does not give the Parliament an absolute budgetary power over the Council of Ministers, it does represent a step towards more democratic control over that body. At present, as Mr Spénale argued during last autumn's debates on budgetary powers, the Council of Ministers is a hybrid institution: it has "the duties of a parliament, the responsibilities of a government, the methods of international negotiations, and procedures which are collegiate, anonymous and secret". So far, the European Parliament's main complaint has been that it has had no real power over the Council, which has always had the final decision-making power.

- The Parliament will have direct control over about 13% of the Community budget (against 3% now), rising to 25%, depending on how new common policies (e.g. regional development, overseas aid) evolve. If too, as the Commission proposes, 1,000 million units of account is lopped off farm support expenditure during the 1970s, the proportion of "automatic" expenditure determined by earlier Community agreements and largely outside Parliament's direct control will fall, and MPs' power over the whole Community budget will steadily rise.

'Cheer up!'

By the elegant mechanism of an amendment to the resolution, withdrawn before the vote, the European Conservative Group made a spirited attempt to inject an element of optimism into Thursday's emergency debate on the economic situation. "We are asking simply for a suspension of unrelieved criticism", Lord Reay pointed out when proposing the amendment. In recent weeks a great deal had begun to go right: the ultimate cooperation of the Italian authorities with the Commission, and above all "the highly important and perhaps historic change brought about by the change of governments in France and Germany ... and the markedly more constructive approach by the British Foreign Secretary in Luxembourg on June 4".

"I consider it wrong," Lord Reay continued, "for Parliament to pass resolutions which ignore the possibilities of a change in climate indicated by these events." If the Parliament "ploughs on expressing its impatience and issuing warnings without regard to subtle changes in the political climate, then in the end even those warnings will lose their value."

Earlier, the debate had produced a number of lucid analyses of the Community's economic problems. Proposing the emergency resolution, M. Jean-Eric Bousch (Progressive European Democrat, France) had pointed to the danger that individual member states would "cut each others' throats" in the battle against inflation. The need for common mechanisms was obvious.

Helmut Artzinger (Germany), speaking for the Christian Democrats, remarked that one of the classical methods of correcting balance of payments problems (either surplus or deficit) was to alter the exchange rate of the currency. But did this work any more? "Since the last revaluation, the D-Mark has, within a year, risen by 20% against the pound, 23.5% against the French franc and 30% against the lira. Yet German exports to Italy have risen by 36%, to Britain by 28% and to France by 23%." Would any further changes make the situation better? No; the Commission was right to ask for stability, and the Parliament was right to ask that this stability should be enshrined in an institutional form: that is, in monetary union.

Another German speaker, Erwin Lange, for the Socialists, pointed to another danger inherent in purely national policies. "Squeezes" in one country, designed to produce stability, could only lead to difficulties in other countries; eventually the problems would be worse for everyone. The Commission should have the courage, went on Herr Lange, to insist on common policies. It must resist the strong national egotisms of the member states, and if it did so would have the wholehearted support of Socialists.

For the Conservatives, Sir Brandon Rhys Williams turned to the financial problems which had been created by the energy crisis. "The fact is that the Arabs are now drawing much more money from the Community and the West as a whole. And this money is indeed being returned, but not in the form that we all want. For it is coming back as floods of money for short-term investment, when what we need are reliable funds on which we can depend for long-term development." Monetary restraint was "breaking our monetary institutions without curbing the inflation, which is still going on at an insane rate. If interest rates are pushed up still further by the action of the American authorities, they will bring disaster to themselves and to the Western world."

The Community could not look to the IMF to solve its problems. "Europe must take positive action on its own account to restore confidence. We must take the lead in the gathering crisis. No individual country can solve its problems ... " Sir Brandon went on to suggest four areas of action: first, settling the price of gold; secondly, regulating the Eurodollar market; thirdly, concerting trade policy with the OPEC countries, so that the Arabs would buy more goods rather than invest short-term in European money markets; and finally, institutional arrangements to concert economic policies.

Sir Brandon's first point - the price of gold - had already been the subject of a short debate on the Monday. Introducing the subject by means of an oral question, Jean Durieux (France), leader of the Liberal group, stated that "the decision taken on April 22 at Zeist by the nine Finance Ministers of the Community to exchange gold among the central banks at the real price of 150 to 160 dollars an ounce represented one of the most original initiatives since the Community set out on the road to economic and monetary union in 1970". It would not solve all problems; but it would give a "breath of oxygen", allowing the countries of the West to stave off the spectre of protectionism.

The Italian and the Luxembourgish

What happens when a Luxembourgish girl marries an Italian? If she is a teacher, or a barrister or a public employee she loses her job. So Miss Astrid Lulling (Socialist, Luxembourg) complained during Thursday's debate on nationality laws within the Community. According to Italian law, the whole family adopts the nationality of the head of the family, and according to Luxembourg law foreigners cannot hold public appointments. Hence the necessity for urgent Community action to harmonise the law on nationality.

Replying, Commissioner Gundelach remarked that, "I have stood before this House two or three times and sworn that I would not harmonise for the sake of harmonisation - and I said so to the applause of the whole House." He would, however, look into the examples that had been given. "This is the first time that specific cases have been quoted to me."

Immigrants' rights

Two of the European Parliament's most important debates during the June 10 — 14 sitting at Strasbourg concerned the problems of migrant workers — both those from one member state living in another and those from countries outside the Community. On the Tuesday the Communist group instituted a debate on the political rights of migrants; and on Wednesday the Parliament adopted a report presented by Egbert Wieldraaijer (Socialist, Netherlands) on the proposed Community "Charter of Migrants' Rights".

The Wieldraaijer report made two major points. First, that evidence existed of "considerable discrimination against immigrants", particularly as regarded the right to remain in the territory of a state of which he was not a citizen, and in his complete exclusion from decision-making at local, regional and national level.

Secondly, the report declared that, despite legal difficulties, "preference should be given to a charter applicable to all foreign nationals residing in the Community and not only to Community nationals".

As French Communist Marcel Lemoine pointed out forcefully during the subsequent debate, this was a subject which affected over ten million workers: nearly 4 million in France, over 3½ million in Germany and 2½ million in the United Kingdom alone. It was above all a human problem: "are they not piled, still, in their hundreds of thousands in shanty-towns, sordid furnished rooms and dilapidated hostels?" Egbert Wieldraaijer had noted in presenting his report to the Parliament that the migrants from third countries were in danger of becoming "the pariahs of the 20th century". The Commission should start work on a Charter of rights immediately, with a deadline at the end of next year.

Speaking for the Conservative Group, Lady Elles noted that many migrants were not covered by measures to protect migrant workers, as such. "There is no mention of those under 18 or even 16 who are moving from country to country within the EEC and are in great danger of being exploited throughout the Community because there is no reference to or control of the use of their labour. There are the nationals who come from third countries which are in association with the Community. There are nationals who come from third countries which are not in association. There are seasonal workers who have come from within and without the Community. There are those who cross the frontier daily and who daily return to their place of origin. There are thousands, if not millions of illegal immigrants... There are those who come for a short period on a twelve or six-month work permit. There are those who come for two years. There are the refugees and the stateless ... There are those within the United Kingdom who come from the Commonwealth and do not technically come within the term "migrant worker" as defined by the Community. There are those holiday tourists and visitors who remain within a member state and take up work. These are only some of the categories with which we are faced and for which we have to find an acceptable form of legislative protection."

Lady Elles went on to demand that "the position and protection of all foreign nationals within the Community must take into account a common migrant policy, freedom of establishment, an employment policy and a vocational training policy". The Community should prepare a directive for member states to implement legislation covering the rights, obligations and duties of non-citizens, including dependents in particular, and the

right to acquire the nationality of a country in which they have been residing for five years, she concluded.

The previous day, the debate on the political rights of migrants had produced similar demands for action. Mrs Carettoni Romagnoli (Communist, Italy), in initiating the debate noted three areas in which action might be taken:

- First, in the sphere of elections to national parliaments;
- Second, in the election of the European Parliament;
- Third, in local government elections.

It was in the last two in which immediate action might be taken. A new Belgian Member of the European Parliament, Ernest Glinne (Socialist) noted that under the Belgian proposals to directly elect their representatives to the European Parliament all Community citizens, and not just Belgians, would be able to vote. Steps were also being taken in Belgium to give migrants political rights at local level, through elected consultative committees.

Sir John Peel (Conservative, UK) sounded a note of warning: "This question is not only very important but much more complicated than would appear on the surface. Freedom of movement inside the Community countries at the moment applies only to Community nationals, and I suggest that an extension of this freedom to nationals of third countries would not be immediately acceptable either to my own country or to a number of other Community countries."

Lord O'Hagan (Independent, UK), on the other hand, believed that too much caution was being shown by the Commission; and Mrs Carettoni Romagnoli (Communist, Italy) complained that "the story of this Parliament is a story of caution".

Replying to the debate, the President in Office of the Council of Ministers, Herr Wischniewski, was not able to give firm promises of instant action. But he did point to the progress which had already been made in member states - for example, giving migrants a voice in the management of social security funds in Germany.

For the future, as Mrs Carettoni Romagnoli concluded, the Community institutions needed to give the matters raised a great deal more thought: a problem which could be defined as that of European nationality.

Rafton's restless nights

Though all the major political parties of Europe (with the regrettable exception of the British Labour Party) are present in the European Parliament, clashes on policy between Right and Left are rare: all Parliamentarians are usually on the same side against the Council of Ministers.

The debate on Community shipbuilding policy on Thursday, June 13, however, promised to be something different: two reports, one from the Parliament's Economic and Monetary Affairs Committee presented by Lothar Krall (Liberal, Germany), the other from the Social Affairs and Employment Committee

presented by Miss Astrid Lulling (Socialist, Luxembourg) reached markedly contrasting conclusions as to what the aims of Community policy should be.

As Lothar Krall made clear when opening the debate, the main concern of the Economic Committee was that unrestricted subsidies to European shipbuilding would create unmanageable overcapacity in the industry by the end of the '70s. "The Committee is of the opinion that the emphasis should be laid more on investment designed to rationalise and make efficient, rather than to expand European shipbuilding."

Astrid Lulling, in presenting her report on Community aid to shipbuilding workers from the Social Fund, was equally clear about her Committee's objectives. "We believe that Community action should result in the survival and not the progressive abandoning of the shipyards ... It is not just a question of saving, but of developing the shipbuilding industry, and of guaranteeing there the full and effective employment of a work-force whose importance, from a regional point of view, can escape nobody."

On one aspect of the matter, however, both speakers were agreed: that any future aid to the shipbuilding industry should take place within a firm Community framework. "The Economic and Monetary Committee believes," declared Mr Krall, "that the Commission should work out a structural plan for the industry which would encompass regional, social and industrial policy. The individual member states should then be obliged to give investment aids only in accordance with this plan." Likewise, Astrid Lulling spoke of "the imperative necessity of making interventions by the Social Fund only in the framework of action or common policies worked out at a Community level".

AID, BUT NO MATTRESS

In view of the importance of shipbuilding in the United Kingdom, and of the past policies of United Kingdom governments, it was not surprising to find the European Conservative Group very much on the side of Lulling. Rafton Pounder - formerly a Member of Parliament for Belfast South - even went so far as to confess that one part of the Krall report had greatly disturbed him when he had first read it, "and it has kept me awake at night ever since". It reads: "... requests the Commission to draw up a timetable for the abolition of the various aids, including investment aids".

James Hill was worried about the limited resources available through the Social Fund. "Anyone who has the least idea of how a ship is built," he told the Parliament, "knows that there may be as many as one thousand sub-contractors engaged in building a normal large tanker. Consequently, we are dealing not with a few hundred or a few thousand workers, but perhaps, throughout the Community, with a quarter of a million workers. I am particularly concerned ... that these jobs should not be put in jeopardy too hasty a decision."

Tom Normanton, speaking for the Conservative Group as a whole, was careful not to take too extreme a position: "I submit to this House," he declared, "that we must not pursue a Community policy of insulating in perpetuity any industry from the urgent and continuing necessity for industrial change." There should not be "a permanent cushion or mattress for management and men to sleep on".

On the other hand, he continued, there were a number of considerations special to shipbuilding which should not be ignored. One of these was "the interdependence of industrial policy and defence policy" - "we are talking of an industry which not only builds merchant ships, but also undertakes navy projects ..." Another was the international framework: "International agreements are essential if we are to create the international climate in which the restructured shipbuilding industry of Europe can be competitive. ... Until all other aspects of the distortions in the world as a whole ... are taken fully into account, it would in our judgement be irresponsible to prescribe the precise intention of ending subsidies and aid to this industry..."

Accordingly, a number of amendments to the Krall report were proposed by the Conservative Group, and passed by the Parliament. Parliamentary ire was in the end diverted onto the Commission - present in the corporeal form of Commissioner Spinelli. "The Parliament on one hand, the Commission on the other," concluded Astrid Lulling, "seem to be more and more engaged in a 'dialogue of the deaf' on the future of the Community's shipyards and their work-force."

How do we save the fish?

Some differences of opinion between Commissioner Lardinois and Members of the European Parliament were evident during an emergency debate on Friday, June 14 on fishing rights and the Third UN Conference on the Law of the Sea. Initiating the debate on behalf of the Agriculture Committee, Cornelis Laban (Socialist, Netherlands) noted that the search for bigger and bigger catches of fish would soon lead to the end of fish, and fishing, altogether. There was need for an international catch quota, a "closed season" and larger mesh standards. The Community should take a stand at Caracas.

Commissioner Lardinois replied that the Commission's position on, for example, the proposed 200-mile "economic zone" in which there would be national jurisdiction over fishing rights was "not entirely negative". "I am becoming more and more depressed about fish conservation," he went on, "not because nothing has been done, but because what has been done has proved totally ineffective." Larger and larger vessels with more and more sophisticated equipment were being built to catch the very last poor fish. This could not go on.

Lord Mansfield (European Conservative, UK), however, did not believe that the answer was to make fishing less efficient. What was to happen, he asked, when the derogation for the UK on Community fishing regulations ran out? He hoped the Commission would be, rather than "not entirely negative", clearly positive. Four objectives had to be kept in balance:

- i) economic management of the fishing zones;
- ii) supply at saleable prices;
- iii) a livelihood for those who traditionally lived by fishing;
- iv) the welfare of mankind as a whole - "the sea belongs to mankind".

British is best... sometimes

Agricultural Commissioner Petrus Lardinois agreed on June 14 that the British system regulating the fat content of milk was better than the Community one. The latter had come under heavy fire in being too rigid about not permitting more varied fat-content levels, and a further postponement of the deadline to end-1975 for the establishment of a uniform 3.5% fat content is proposed by the Commission.

On the other hand, continentals doubt whether the British custom of selling non-eviscerated poultry is desirable. With mass production and long-range transport of food, there is increasing danger of foci of infection forming in such food, states a report for the Public Health and Environment Committee by Elisabeth (Socialist, Germany). The European Conservatives were doubtful, and moved an amendment permitting the new member countries to keep the guts in birds sold on the domestic market. In the event the matter was referred back to committee for further study.

Some bad news, some good

Thursday's debate on directives concerning the sale of medicines produced both some good news on Parliament's real influence, and some bad on the shortcomings in its rules of procedure. As "The Times" Business Diary reported on June 17, Members expressed some anger at the conclusion of the debate since the Commission had previously withdrawn the draft directives in question. "We have behaved in a most farcical manner in the last three quarters of an hour," complained James Scott-Hopkins, who had unsuccessfully tried to cut short the debate earlier on a point of order. "The Times" Diary, however, did not make it clear that the fault did not lie with the Commission. "I asked for the floor at the beginning of this debate so as to inform Parliament that I was withdrawing these two directives," Commissioner Gundelach stated. "I was told that I could not have the floor before the chairmen of the political groups had spoken."

Procedural failures, however, can easily be corrected - indeed the Parliament's Political Affairs Committee will shortly be considering new plans for a comprehensive overhaul from the leader of the Conservative Group, Peter Kirk. More significant, perhaps, is the good news: that the Commission had withdrawn the draft directive in the light of discussions within the Parliament's Legal Committee. Here is evidence that, even without formal legislative powers, the Parliament is carrying out its democratic function to good effect. Not embarrassing for the European Parliament's defenders at all, really, "Times".

Greater development aid needed

Belgian Christian Democrat Maurice Dewulf's final contribution before leaving the European Parliament after the recent elections was to prepare an extensive report on the operation of the Yaoundé Association with 17 African states, Madagascar and Mauritius, debated on June 10. Current negotiations presage this association's evolution with a wider grouping of up to 44 countries in Africa, the Caribbean and the Indian and Pacific

Oceans. Mr Dewulf thought that the European Development Fund should be transformed into a development agency, with all the Community and associated countries represented in its management. A corollary should be that the financial and technical aid to the developing countries should be placed within a development strategy decided by each recipient country. More staff from the developing countries should be trained to frame and implement policies. The main priorities, Mr Dewulf stressed, should be developing rural life and providing employment.

These points met with general approval in the house, and some anxiety was expressed lest the new EDF should be delayed. The European Commission estimates that it would need to be between 2,500 and 3,500 million units of account for the 1975-79 period for an enlarged association, against 918 million units in 1970-74 term for the 19 Yaoundé associates.

Making science pay

"Not very encouraging" was the verdict of Gerhard Flämig (Socialist, Germany) on what Commissioner Altiero Spinelli had to say about the Community's past record in scientific research. The Community's programme came under the scrutiny of members during a debate following an oral question put by Lord Bessborough (European Conservative, UK). The United States had aimed at the moon and got it, Luigi Noe' (Christian Democrat, Italy) reminded members, but what should be the aims of the Community? Should it try to explore all the main fields of technology? He thought the North Sea and the Mediterranean could be fruitful areas for resource studies. In order that the right political decisions be made on expenditure every member should be in possession of the minimum technological facts, said Mr Flämig. Rafton Pounder and Tom Normanton (European Conservatives, UK) called for great cost effectiveness and the latter took up a proposal by Lord Bessborough arguing for a closer involvement of national and industrial research institutes in Community programmes. Altiero Spinelli agreed.

European Liberals and renegotiations

The Community is quite prepared to consider the problems set out in Britain's request for renegotiation. Indeed, special arrangements to meet particular difficulties are always possible in the Community - as much for Britain as for any other member state. But the solutions should be within the Treaties and be European - going beyond "petty bargaining". This was the positive note struck by the President of the European Parliament, Cornelis Berkhouwer of the Netherlands, and the President and other members of the European Liberal and Allies Group, during the press conference on June 18 following a two-day working conference at Aviemore, in Scotland. The agreement to strengthen the Parliament's budgetary powers - to which Britain was a party - was welcomed by members of the group who called for a large Regional Fund. Adjustments to Britain's contribution to the budget were felt to be possible, President Berkhouwer pointing out that a precedent existed in the arrangements afforded Italy in the past. The main work of the meeting - the first of any European political group to take place in the United Kingdom - was to consider the basic principles of European Liberalism and covered the specific questions of worker and regional participation.