

Butter – Commission defends itself

"Cheap butter for Russia" was at the centre of Parliament's March sitting in Strasbourg. A special statement by agriculture Commissioner Gundelach on Wednesday March 9 sparked off a major debate to which President Jenkins himself replied. Both were no doubt spurred on by the tabling of the first censure motion on the new Commission by the Progressive Democrat Group — a motion which still stood on the order paper for March 23 despite the explanations.

The main elements of the controversy are as follows.

1. The Community has a "structural surplus" of butter production, of which the immediate problems, as Commissioner Gundelach explained, "really are only difficult symptoms".

2. As long as the surplus persists, the Community is obliged to be a substantial exporter of butter. But this is only possible "with the help of refunds to cover the differences between the Community prices and world market prices".

- 3. Two systems of refunds have been used:
- (a) a publicly-known, automatic subsidy, which can be taken into account when contracts are being negotiated (called "prefixation");
- (b) a system of special, secret subsidies, used when sales are being made under a tendering system.

4. Until February 5, the prefixed subsidy was 145 units of account per 100kg of butter. However, Commissioner Gundelach told the House, virtually no sales had been made under this system since September last year.

5. Instead, sales had been made under the special tendering system, with subsidies of between 159 and 162 u.a. per 100 kg.

6. It became clear to the Commission, however, that the "competition" (the New Zealand and Australian Dairy Boards) had "got to know the refunds which the Community was paying". It was therefore decided to make the system "transparent" again by increasing the prefixation to 159.75 u.a. This, according to President Jenkins, was not a *de facto* increase in the subsidy, but merely a "technical adjustment".

7. A number of applications for prefixation at the new rate were immediately made, including the one for the sale of 36,000 tons to the Soviet Union.

8. The Commission decided on March 2 to suspend the automatic nature of prefixation, and to introduce instead a monitoring system. The object, President Jenkins explained, was to produce a "pause for reflection", and to "prevent the possible prefixation of large quantities of exports to Eastern Europe".

9. Two main reasons are advanced for suspending the exports:

- (a) to stop a rapid rise in the export subsidy bill. The Commission has undertaken to consult Parliament on all matters with budgetary consequences; so, President Jenkins explained, had they not acted on March 2, "then I think we would have given Parliament cause for severe criticism".
- (b) to maintain a balance between internal sales on special conditions and exports with refunds. In 1976 subsidised sales to hospitals, pensioners, etc., came to 120,000 tons, subsidised exports to 80,000 tons. The figure for internal sales, Commissioner Gundelach explained, "can be raised to at least 165,000 tons".

As Heinrich Aigner (CD/Ger) noted, the House was clearly divided between those who wanted cheap butter for the "housewives of Europe" – for example, Lord Bruce (Soc/UK) – and those who wanted the present system to continue to support dairy farmers – "better a surplus than a deficit", remarked Niels Kofoed (Lib/DK).

First, was there really a "butter mountain"? James Scott-Hopkins (Con/UK) noted that there were only 190,000 tons in stock *before* the recent sales — only 750 grammes (1.65 lbs) per head of the Community's population. James Gibbons (EPD/Irl) went further — the real cause of the surplus was imports from New Zealand.

Ralph Howell (Con/UK) wanted to know, if the Community was the only seller of butter on the world market as Commissioner Gundelach had asserted, "why are we selling it so cheaply?". If the price had not been lowered, replied the Commissioner, "buyers would have deferred their purchases until they knew that butter would be coming on the market again".

But several Members noted the apparent conflict in the Commission's position which this revealed. Were they trying to export butter or not? "The Commission at one time were trying to justify their sales, at the same time they were stopping them", remarked Jim Scott-Hopkins. "If anything is more inept than that, I have yet to see it." Why was Parliament not consulted in advance, as Commissioner Cheysson had promised, asked Lord Bruce?

On the short-term handling of the matter, indeed, Parliament remained clearly dissatisfied. Only on long-term solutions did there appear to be agreement. As President Jenkins put it, "the only solution ... is to put an end so far as possible to the structural surpluses".



The new Parliament Chamber

Within a few weeks of Roy Jenkins becoming President of the European Commission, a second prominent national political leader has taken up a major European role at a crucial time. Emilio Colombo, former Italian Prime and Finance Minister, was on March 8 elected President of the European Parliament for the coming year, with the virtual certainty of being re-elected for a further term likely to span the target period for European elections in May-June 1978 (see p. 2)



Close-run fight for Presidency

Mr Colombo's election as the new President of the Europe Parliament (see new p.1) was not uncontested. The first name put forward was that of the retiring President, Georges Spénale, who was the official candidate of the 63-strong Socialist Group. Also in the field, though subject to last-minute uncertainty, was Michael Yeats, of Ireland, the candidate of the European Progressive Democrats. In the first ballot Mr Colombo gained 81 votes, Mr Spénale 74 and Mr Yeats 19. The ballot was secret but corridor gossip attributed Mr Colombo's vote mainly to his fellow Christian Democrats, the European Con-servatives and the Liberals. The Italian Communists were supporting Mr Spénale, but their French comrades were absent. There followed an adjournment for lunch, with frenzied rumours about the next development: Sir Peter Kirk would come forward as a compromise candidate from the Right, the Liberals would break away from the Colombo camp.

But the second ballot produced votes of 84, 72 and 19 respectively. Then Ludwig Fellermaier made a statement: the Socialists were in favour of continuity and would throw their votes in favour of Mr Yeats, a candidate who had already served four years in the European Parliament.

This was to no avail, for Mr Fellermaier could not persuade all those who had so far

Winnie forces a vote

The first day of the new parliamentary year also sees what is described on the order paper as "Election of the Vice-Presidents" In the past this has usually meant agreement between the six political groups which ensures that the 12 vice-presidential seats are distributed widely by party and nationality. But Winifred Ewing (Ind/UK) was dissatisfied with this procedure. She had been actively canvassed for her vote for the presidency, she told the House, but no one had been interested in her vote for the vice-presidencies. So she decided that there should really be an election and put her name forward. The House duly voted from the 13 names for the 12 seats and the

14 10 1 10 M supported Mr Spénale to swing to Mr Yeats. Hence in the final ballot there were 14 abstentions, because the Italian Communists would not vote for Mr Yeats, (though it was believe also that some French Socialists also abstained rather than support a candidate allied to the Gaullists). So it was through the support of three out of four Centre and Right-wing parties and the abstention of his Left-wing compatriots that saw Mr Colombo into the presidential chair by 85 votes to Mr Yeats' 77.



result was gratifying to Mrs Ewing, rejected overall though she

overall though she was.	
With 140 votes cast, the result	was:
Georges Spénale (Soc/F)	136
Michael Yeats (EPD/Irl)	128
Sir Geoffrey de Freitas (Soc/UK)	127
Rudolf Adams (Soc/Ger)	127
Ole Espersen (Soc/Dk)	127
Mario Zagari (Soc/It)	123
Pierre Deschamps (CD/Bel)	113
James Scott-Hopkins (Con/UK)	113
Carlo Meintz (Lib/Lux)	112
Hans-August Lücker (CD/Ger)	110
Cornelis Berkhouwer (lib/NL)	98
Gerard Bordu (Comm/F)	87
Winifred Ewing (Ind/UK)	53

Action on asbestos

The Commission will shortly publish a report on "The Public Health Risk of Exposure to Asbestos". Directives will then be drafted, Commissioner Burke told Parliament on Friday March 11, "on an incontrovertible scientific basis". Measures would be introduced to reduce asbestos dust to the lowest practical levels, including improvements in processing, utilisation, transport and disposal. Asbestos and asbestos-containing products would be clearly labelled where hazardous levels of dust were likely to occur. And high priority would be given to the development of substitutes.

In response to a specific query from John Evans (Soc/UK), Commissioner Burke also condemned "any advertising campaign which is aimed at making any dangerous substance appear innocuous".

Small step to Euro-currency

The new European Unit of Account (EUA), which is based on a weighted "bundle" of Community currencies, is already used for European Coal and Steel Community transactions, by the European Investment Bank, and for Lomé aid. On Friday March 11, Parliament approved the proposal to use the EUA for the Community budget; although in 1978, "because of adminialthough in 1978, "because of administrative difficulties", as the report by Michael Shaw (Con/UK) puts it, agricultural and some other expenditure will be excluded (about four-fifths of the total expenditure). Coming into operation at the beginning of next year the change will create "consequential shifts in the amounts of receipts arising from the different Member States" since the new unit will reflect "actual market rates".

The CHS?

To try to instigate a Community health service similar to the NHS would be an unwelcome and costly attempt at over-standardization. This was what Com-missioner Vredeling told Bob Mitchell (Soc/UK); Mrs. Kellett-Bowman (Con/UK), however, made a plea that reciprocal health care provisions be extended to include the self-employed.

British members of parliamentary committees

POLITICAL

Russell Johnston (Lib): Vice-Chairman Lord Brimelow (Soc) Charles Fletcher-Cooke (Con) Sir Peter Kirk (Con) Bob Mitchell (Soc) John Prescott (Soc) Lord Reay (Con)

LEGAL

Sir Derek Walker-Smith (Con): Chairman ord Ardwick (Soc) Sir Geoffrey de Freitas (Soc) Winifred Ewing (Ind) Charles Fletcher-Cooke (Con) Lord Murray of Gravesend (Soc) Michael Shaw (Con)

ECONOMIC and MONETARY Lord Ardwick (Soc) Lord Bruce of Donington (Soc) Tom Normanton (Con) John Prescott (Soc) Sir Brandon Rhys Williams (Con)

BUDGETS

Lord Bessborough (Con) Lord Bethell (Con) Lord Bruce of Donington (Soc) Tam Dalyell (Soc) William Hamilton (Soc) Michael Shaw (Con)

SOCIAL, EMPLOYMENT, EDUCATION

Gwyneth Dunwoody (Soc) Baroness Fisher of Rednal (Soc) Ralph Howell (Con) Elaine Kellett-Bowman (Con) Lord Murray of Gravesend (Soc) Sir Brandon Rhys Williams (Con)

AGRICULTURE John Corrie (Con) Gwyneth Dunwoody (Soc) Ralph Howell (Con) Mark Hughes (Soc) Bob Mitchell (Soc) James Scott-Hopkins (Con) **REGIONAL AND TRANSPORT** John Evans (Soc): Chairman John Corrie (Con) Tom Ellis (Soc) Winifred Ewing (Ind) William Hamilton (Soc) Russell Johnston (Lib) Elaine Kellett-Bowman (Con)

John Osborn (Con)

ENVIRONMENT, HEALTH, CONSUMERS Lord Bethell (Con) Ron Brown (Soc) Bob Edwards (Soc) John Evans (Soc) Baroness Fisher of Rednal (Soc) Lord St. Oswald (Con) James Spicer (Con)

ENERGY AND RESEARCH

Tom Normanton (Con): Vice-Chairman Lord Bessborough (Con) Ron Brown (Soc) Tam Dalvell (Soc) Bob Edwards (Soc) Tom Ellis (Soc) John Osborn (Con)

EXTERNAL ECONOMIC

James Scott-Hopkins (Con): Vice-Chairman Lord Brimelow (Soc) Lord Castle (Soc) Sir Peter Kirk (Con) Christopher Price (Soc) James Spicer (Con)

DEVELOPMENT

Lord Castle (Soc) Sir Geoffrey de Freitas (Soc) Christopher Price (Soc) Lord Reay (Con) Lord St. Oswald (Con)

RULES OF PROCEDURE

William Hamilton (Soc): Vice-Chairman Lord Murray of Gravesend (Soc) Sir Derek Walker-Smith (Con)

JOINT COMMITTEE — GREECE Lord Bethell (Con) Christopher Price (Soc)

JOINT COMMITTEE – TURKEY Mark Hul hes (Soc) Bob Mitchell (Soc) James Spicer (Con)

Question Time

No DISC Deal

The United States' Domestic International Sales Corporation (DISC) legislation (which helps 55% of US exports) has been found to be incompatible with the rules of GATT, President in office of the Council of Ministers John Tomlinson told Parliament on Wednesday, March 9. The admissibility of certain tax provisions of France, Belgium and the Netherlands had also been called into question. But it was not true that the US was only willing to abolish DISC on condition that the three Community States altered their taxes.

Euro-Arab Progress

The Euro-Arab dialogue which took place in Tunis on 10-12 February reached a number of positive conclusions on procedure, a Euro-Arab centre for transfer of technology, a Euro-Arab centre for commercial cooperation and on development of the Juba Valley in Somalia, John Tomlinson told the House. But what, asked Tom Normanton (Con/UK), was being done about the "black lists of Community firms with whom trading relations are specifically and strictly embargoed" by certain "so-called friendly third countries?" This did not, replied Mr Tomlinson, arise directly from the original question, though he took "serious note".

VAT directive

Contrary to the belief in some quarters, the sixth directive on VAT has not yet been adopted by the Council of Ministers. At its

Campaign for seat at summit

The announcement on Wednesday March 9 that only Britain, Germany, France and Italy are to join the US, Canada and Japan at the May economic summit in London has produced bitter reactions from the smaller Community Member States. At Strasbourg on the following day an allparty group of Members representing Belgium, Ireland, Denmark, Luxembourg and the Netherlands launched a campaign to have the Community represented as a whole - an objective already backed by Commission President Roy Jenkins. Speaking to the press on behalf of the group, Schelto Patijn (Soc/NL) pointed out that relations with developing countries were high on the summit agenda, a matter for which the Community had responsi-bility. "We cannot go on allowing some EC Members to be more equal than others", insisted Niels-Anker Kofoed (Lib/DK).

Social policy

Priority must be given to reducing the number of unemployed in the community which now stands at nearly 6 million, said Commissioner Vredeling in reply to a question from Rudolf Adams (Soc/Ger). Although it could be solely used for the purposes of professional training, he saw the Social Fund playing an integral part in Community social policy if the funds were concentrated in spheres where they could be most effective. It is essential, he said, to establish a link between investment and the creation of employment. Sir Brandon Rhys Williams (Con/UK) called on the Community not to limit its policy to questions of employment but to study also ways of improving the quality of life for all citizens.

19 projects concerned with this question and approved by the Commission were at present in progress. meeting on 16 December, the House was told, the Council only "settled the main outstanding problems of substance"; and a "revised text has been prepared on which it is hoped that agreement will be reached by the Council in the near future".

Human Rights

The Community will not be satisfied, stated Mr Tomlinson, until all parts of the Helsinki agreement, including the "third basket" on human rights, have been implemented. The House was also told by Legal Affairs Committee Chairman Sir Derek Walker-Smith (Con/UK) that the Soviet Union could not argue that this infringed internal sovereignty. "The Helsinki Agreement is indivisible and. . . implementation of the human rights provisions is therefore a condition precedent to the whole of the Agreement, including the question of frontiers".

New hope for Concorde?

The Council of Ministers is about to take a number of important decisions on a future Community policy for aircraft. A declaration will shortly be published "defining the objectives to be pursued in carrying out the concerted action and consultation between Member States", John Tomlinson told the House on March 9; and Commissioner Davignon added on the following day that technical discussions on the A 300 airbus would then be restarted "with more clear-cut participation by British industry". What about Concorde? asked John Osborn (Con/UK) and Pierre-Bernard Couste (EPD/F). Nothing is excluded replied the Commissioner.

Lomé and Uganda

Both John Tomlinson for the Council of Ministers on Wednesday March 9, and Commissioner Cheysson on the Thursday told Parliament that aid to Uganda under the Lomé Convention could not be unilaterally suspended, "however repugnant we find certain activities". The Commissioner added that the protection of human rights would perhaps be desirable in the Convention, but that the initiative would come best from the African states

Maybe no Institute

The Council of Ministers is still studying the proposal to set up a European Communities' Institute for Economic Analysis and Research; and various bids for its site

— Rotterdam from Schelto Patijn (Soc/NL), Edinburgh from Winnie Ewing (Ind/UK) — were put to Mr. Tomlinson. But he also warned that several countries held the view advanced by Tam Dalyell (Soc/UK): that the need for such an institute had been overtaken by events,

Aid to Cuba

John Evans (Soc/UK) called the on Commission to justify the storage of skimmed milk at Newton-le-Willows prior to its being shipped to Cuba in a Russian ship. Commissioner Gundelach explained that the milk was donated by the EEC to the World Food Programme which was therefore responsible for the organization and cost of shipping. He agreed, however, to bear in mind evidence that the milk powder was being re-exported from Cuba to Jamaica at a profit.

Enlargement – Greek and Portuguese

Greek membership of the European Community is a thousand time more important than an "ephemeral butter surplus" Tam Dalyell (Soc/UK) said, complaining at the priorities of the Parliament in devoting so much attention to the latter and so sparsely attending the



Portuguese Prime Minister Mario Soares with Socialist leader Ludwig Fellermaier

debate on Greece.

He is succeeded on the Committee by another Labour Member, Christopher Price, in whom Mr. Dalyell said "Greece has a friend of really Byronic proportions". Mr. Price himself did not demonstrate this by swimming the Hellespont, or even the Rhine, but he did use his maiden speech against all Westminster traditions — to criticise those who tried to block Greek membership negotiations until President Makarios made very substantial concessions over Cyprus. He won a word of appreciation from the chair; and from the Greek Ambassador to the European Community a bear-hug when he left the chamber.

If Greece comes, can Iberia be far behind? On the same day Portuguese Premier Mario Soares had been in Strasbourg to meet MEPs, in particular the Socialists. He put a ten-year term on his own country's entry into the Community, and a formal application for membership may come by the end of March.

Foreign policy - Nine not so far apart

November 24 last year the UN General Assembly voted for a resolution calling for the evacuation of Israel-occupied Arab territories; and the votes of the Nine split, six voting against, three abstaining. Why, asked Alfred Bertrand, leader of the Christian Democrat Group?

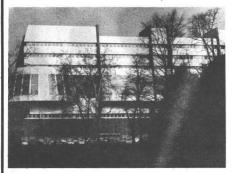
At first, John Tomlinson for the Conference gave only a procedural reply: it was "not possible to furnish an agreed answer to questions concerning problems on which it has not been possible to arrive at a common position. And the working rules governing political cooperation do not allow the answering of questions which relate to the individual policy or policies of one or Member States". Yet the debate continued, and the answer eventually emerged. A common explanation of vote had been made by the Netherlands representative on behalf of all the Nine, pointing out some objectionable elements in the resolution: the only disagreement had been on whether the right tactics were to vote against or abstain. So, in spite of everything, Parliament got its answer, and foreign policy cooperation was revealed as working better than everyone thought.

Unofficial Journal

On March 7 the European Parliament met for the first time in the brand new, £25 million Strasbourg headquarters of the Council of Europe. To the casual eye this "Palace of Europe" certainly is impressive. As the official hand-out says, it's "dominated by three colours: red (Vosges sandstone aggregates), silver (pre-oxidised aluminium) and the golden brown sheen of the vast picture windows". That's outside. Inside, the designers' imaginations have run riot in purples, puces, shocking pinks, lemon yellows, grass green, giving rise, on some floors, to a kind of spectrographic snowblindness. The first formal complaint to be made, however, had nothing to do with the colour scheme as such; James Scott-Hopkins closed the sitting on Friday by pointing out that a great deal of the paint still seemed to be wet, and had completely ruined one of his suits.

Indeed, everyone — Members, staff, journalists, visitors — came away with their favourite horror story. Cupboards which fall forwards on to anyone opening the doors. The Irish journalist who had 220 volts shot through him when he tried to put on the lavatory light (they'd forgotten the switch). The uncertainty as to whether floors were numbered A,B,C, . . or 1,2,3 . . The dust. The "air conditioning".

Small wonder that many who had



long cursed the old building (a prefab erected in 1949 for a planned 10-year life) looked back with nostalgia. On the Saturday after the March sitting the Council of Europe staff organised a grand dance before the building was torn down. On the poster advertising this "Bal de demolition" one hopeful had scribbled "nouveau bâtiment?".

Press barred

The press had their problems too, not least that the architects and the rules appeared to combine to stop them doing their job. To get down from the press gallery to the Members' Lobby requires a major trek up and down stairs, or the risk of being trapped in the automatic lifts (one statistician worked out that this happened on average once every ten journeys). Assuming, of course, that one is allowed in. Uniformed huissiers were stationed at various entrances to the Members' floor, sternly turning back those with press passes, and it took some days to find the rat-runs where they'd forgotten to put a guard. Worse still, the Members' Bar — which in the old building was a promiscuous scrimmage for Members, staff, journalists and visitors is now strictly for Members and their guests. How, then do the journalists get their stories and the politicians their publicity?

There are ways; but they have their pitfalls. Tam Dalyell, up in the press gallery to talk to some Scottish journalists, experienced great difficulty in finding a way down to the floor of the House in order to vote ("use a rope" he was advised by one). Bar-wise, things were easier, for if journalists were not allowed into the Members' Bar, Members appeared to have no problems in getting into the Press Bar (a sort of dark passageway outside the press room). Throughout that first week there were more Members down among the pressmen than vice versa. But unfortunately this bar shuts down at eight o'clock in the evening, irrespective of whether the House is sitting – as does the telephone system, which cost Jill Barber of the BBC a scoop on Scottish radio on the Tuesday night.

Doubtless, as President Colombo replied to what must have been his first letter of complaint – from the press corps – these things will right themselves.

The troubles of Tam

Being trapped in the press gallery during a vote was not the last of Tam Dalyell's problems at the March sitting. Among the other teething troubles of the new building, there appears to have been a terrible dearth of typewriters; and Tam, who commendably types a lot of his own letters, found it impossible to get himself issued with one. In desperation, he liberated one from the committees' secretariat; it was recaptured while his back was turned. Tam liberated another. And it seems that the administration only came up with an extra machine in the nick of time to stop a wave of typewriter- jacking spreading throughout the building.

Another traveller's tale

After exhaustive coverage a year or so ago, KPG has so far kept off the subject of the UK delegation's travel problems: fog, defective planes, closed air-routes, etc. It is worth noting, however, that on the journey back in March, the time spent waiting for baggage at Heathrow Airport, Terminal 2, was exactly a quarter of an hour more than the flying time from Strasbourg! As Sir Peter Kirk remarked, 'I've now learned how to keep calm at the Parliament. I reserve my anger for here''.

Unexpected ally

It will come as a considerable surprise to those with memories of the referendum that the European Parliament has found a new ally in its struggle for increased influence: Britain's Minister for Energy, Tony Wedgwood Benn. Attending the Parliament's Energy and Research Committee on 20 December, while still only chairman-elect of the Community's Energy Council, he rapidly charmed and impressed everyone: was this really the man, two perplexed Germans asked Tam Dalyell, of whom they had read such terrible things in the *Frankfurter Allge*- *meine*? More important, perhaps, Mr Benn immediately made a constructive suggestion for improving discussions in the Council of Energy Ministers: the participation of a delegation from the European Parliament committee.

Rather incredibly, it appears that the resistance to this idea has not so far been on the side of the Council. At subsequent discussions the committee was told that such contacts had not been approved by Parliament's Bureau except under the formal "concertation" procedure, (though Ministers could of course attend Parliament committees). The matter is now under discussion in the political groups.

Moments of glory

One of the peculiarities of the European Parliament is that during elections in March the chair is taken by the Oldest Member. This is also true of the first meetings of the new committees, which are purely formal affairs designed to elect the new chairmen and vice-chairmen positions, however, which have already been fixed in advance by agreement between the political groups. As a result, attendance is unusually sparse, and elder statesmen at a premium. Lord Castle, for example, found himself temporarily chairman of no fewer than three committees, at one of which he was obliged to call for nominations to the chair of "whichever committee this is". Veteran German Socialist Wolfgang Schwabe found his moment of glory at the Joint Parlia-mentary Associations Committees; and had the great presence of mind to ask in the official photographer for the sake of the folks back home before handing over to the official nominee.



Sir Keith Joseph with Conservative Members at the European Parliament

New boys

Unfamiliar though the new building was to all MEPs, three of the six newcomers to the British delegation are old Strasbourg hands. Alex Fletcher's departure to help urge on the Scottish Conservatives has left a place in the Conservative delegation for John Corrie, who served in the European Parliament delegation in 1975, while the arrival of Charles Fletcher-Cooke (Con., Darwen, Lancs.) in place of Hugh Dykes (Harrow E.) gives the north-west of England more representation than any other part of the country three Conservatives and two Labour. Of the four Labour newcomers, two -Ron Brown and Bob Edwards are longserving members of the British Council of Europe delegation. With Lord Brimelow and Christopher Price they have joined the other Labour MEPs, led by John Prescott. K.P.G.

