

Parliament votes £8½ billion Budget

The Community's Budget for 1978 was finally agreed in Brussels just before Christmas. In the previous week, at Strasbourg, there had been the threat of a head-on clash between Parliament and Council on the size of the Regional Fund. But on Thursday December 15, Parliament voted for a compromise which the Council was able to accept.

The final result of the long budgetary procedure — it started with the Commission's preliminary draft in June 1977 — is nevertheless a small victory for Parliament. As compared to the draft Budget approved by the Council of Ministers in September, an extra £260 million have been voted by Parliament, notably for the social and regional funds, and in the fields of energy and aid to developing countries.

In most cases, the final figures had already been agreed by Parliament and Council when the "final reading" started on Tuesday December 13 — a result, Belgian Finance Minister Mark Eyskens (speaking for the Council), said, of the "frank and open co-operation" between the two budgetary institutions. Parliament's rapporteur, Michael Shaw (Con/UK) also stressed that "all the Institutions have worked hard to ensure that the new procedure envisaged in the 1975 Treaty succeeds".

At this point, however, there remained a substantial — and potentially fatal — disagreement on the size of the Regional Fund. In October, Parliament had voted to make substantial increases over the figures proposed by Council to some £485 million in total commitments. But in early December the European Council ("summit" of heads of Government) had met, and decided on a much lower figure: £375 m. in total commitments. On the night of Monday December 12, Parliament's Budgets Committee met, and voted overwhelmingly to stick to their figure. Speaking for the Socialist Group on the following day, Lord Bruce (UK) defied the Council to create a crisis on the issue. "while they are spending twice as much on storing rotting butter and deteriorating skimmed milk".

The role of the European Council itself came in for some criticism. Michael Shaw complained that the way in which the Regional Fund decision had been taken "seemed to be trying to deny to us any say in what is, after all, a non-compulsory item". He was not surprised that the Budgets Committee had reacted in the way it had. Indeed, extraordinarily, Mark Eyskens immediately confirmed that the procedure had left something to be desired. "I don't know whether the European Council was aware of the distinction we make here between compulsory and non-compulsory expenditure".

It was nevertheless clear that both Council and Commission, and Michael Shaw himself, were anxious to avoid an *impasse*. Commissioner Tugendhat asked Council and Parliament to avoid *faits accomplis*: it should not be the case of "one part of the budgetary authority standing pat and the other being dragged towards it like iron filings towards a magnet".

So, on the Thursday, it came to the vote. The official Budgets Committee amendment was still for the whole £485 million; and on this the voting was 82 in favour, 28 against with 12 abstentions. But this is not enough to change the Budget — at least 100 Members must vote in favour. So the compromise was at last adopted, giving a figure of £378 million authorised for payments (see p.4).

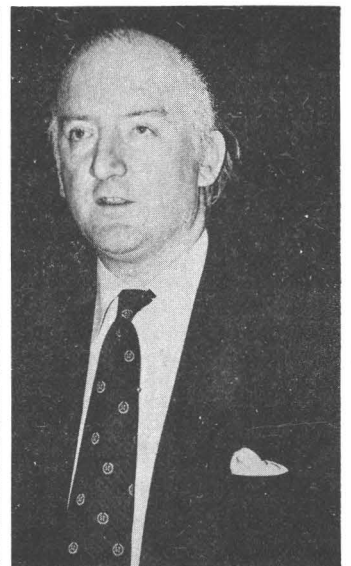
In brief, therefore, the 1978 Budget stands at:

Total commitments (in £m)	
Agriculture	5,979
Social policy	386
Regional policy	378
Energy	212
Development aid	350
Staff, etc.	358
Cost of revenue collection	449
Other	150
	8,262

"The last mile home is often the longest", commented Budgets Commissioner Tugendhat when it was all over.



Jim Spicer: "Why no debate in December 1976?"



Russell Johnston: "A black question mark". (see "European Elections", page 2)

Legislation: 20 out of 21

At present, Parliament's only real *legislative* power rests on its ability to have the amendments it votes accepted by the Commission. On Monday December 12 Commissioner Burke gave further evidence that this power is more effective than is often believed.

At its session in November, Parliament had voted on 21 legislative proposals. "Thirteen of these proposals were favourable; in eight cases Parliament made amendments and in seven of these the Commission has modified its initial proposal or will do so. This means that in 20 cases the Council will

deliberate on a common text of the Commission and the Assembly", he said.

In only one case — seats for tractor-drivers — were Parliament's amendments not accepted (though when at Question Time the following day Roy Jenkins described this as a matter of "relatively minor importance", there were shouts of disagreement).

Commissioner Burke went on to show that the matters of *agreement*, however, were of some substance. For example, the Commission had changed its proposals on equal pay, on the control of illegal immigration and on a number of proposals in the energy and research fields.

European Elections debates

During the House of Commons' debate on European elections on December 13 some anxiety was expressed about achieving the May - June 1978 target date. But much more anxiety was either openly expressed or implicitly indicated about possible consequences for the British electoral system itself. The thin-edge-of-the-wedge argument that PR in Europe would eventually mean PR at home flourished, and one Labour Member Colin Phipps (Dudley W.) was so bold as to admit that this was the very thing that he welcomed. Even Jeremy Thorpe for the Liberals was less explicit than that.

The most succinct case for PR came from Edward Heath: "if the European Parliament is a representative body, the most important thing is to make it representative . . .". Not that he was very happy about regional lists. Like the Conservatives' Front Bench spokesman Douglas Hurd he would have preferred the additional-member system based on the German model (but which in fact they are abandoning for European elections, possibly in favour of regional lists!). Unlike Mr Hurd, Mr Heath accepted regional lists for the UK as the only alternative at present available to first-past-the-post.

If the Government was really prepared to give priority in January and February to the European bill, Mr Hurd added, the Opposition would find it easier to "provide some form of acquiescence" to a guillotine. Nor would he accept Merlyn Rees' argument that drawing up individual constituencies need take 26 weeks after the Royal Assent. Why could the Boundaries Commissions not set to work at once?

In the end the House divided, but as with the devolution debates, on far from the established party lines.

	Regional lists	First-past-the post	Did not vote
Labour	147	115	48
Conservative	61	198	24
Liberal	13	—	—
SNP	—	—	—
UUUC	—	8	2
Plaid Cymru	2	—	1
Scottish Labour	1	—	1
SDLP/Ind	—	—	2
TOTAL	224	321	89

Not surprisingly, the vote in the House of Commons on Tuesday December 13 raised echoes at Strasbourg on the following day. Former President of the Parliament, Cornelis Berkhouwer (Lib/NL), launched a bitter attack on the British choice of an "outdated, unjust system of election, which will mean millions of votes being wasted"; on Friday Russell Johnston came to the Parliament especially to declare continuing British Liberal support for the elections, despite the vote; but also spoke of "a black question mark over the proclaimed Europeanism of the Conservative Party".

Jim Spicer (Con/UK) on Wednesday and John Corrie (Con/UK) on Friday, responded for the Conservatives: the blame for holding up elections did not lie on the choice of first-past-the-post. "I pressed our Home Secretary last night", said Mr Spicer. "Twice I asked him: 'Why did the debate we are having tonight not take place in December 1976?'"

Perhaps more important than this skirmishing, however, were the questions: when will the elections now take place? and when will the *decision* on the date be taken? Even if the target of May/June next year seemed lost, there was strong feeling in the Parliament that some date in 1978 should be chosen.

Belgian Foreign Minister Henri Simonet, reporting on the last European Council meeting (at which it was once thought a definitive date might be set), told the House that the British Government had specifically asked for a postponement of the decision. When, then, would it be? If the Community had to wait for the next summit in April "that would rule out all possibility of having the elections in May or June, and probably also in the Autumn of 1978". He hoped, therefore, that a definitive date would be set by the Foreign Ministers (in a normal Council) in January.

Women and children frozen in bed

Whatever happened to the "energy crisis"? In the months following the Yom Kippur War there were dire warnings about the day the oil would run out, coal become a precious stone, etc.; and the Community's Council of Ministers adopted a ten-year energy programme aiming at 60 per cent self-sufficiency by 1985.

But since then the sense of urgency has weakened: in particular investment in nuclear-power stations has been much lower than expected. The Commission's 1977 Report on the programme, debated by Parliament on Monday December 12, has therefore revised the self-sufficiency target to only 50 per cent; and even this, John Osborne (Con/UK) noted when introducing his report on the subject, will require strong political will. He pointed out that the current optimism by governments was, in the long term, misplaced, and the present gluts of coal and crude oil very temporary.

Not unnaturally the debate focused on the nuclear issue. German Socialist Gerhard Flämig pointed out that there was a lot of opposition to nuclear investment in his country which had to be taken into account. Priority should be given to safety. Lord Bessborough (Con/UK), however,

argued powerfully for a substantial investment programme in nuclear power, and cited the TUC in support. When power supplies broke down in the United States last year, he told the House, whole families had frozen to death. Oil supplies were small enough now. What was going to happen when the developing countries added to demand?

And what were the alternatives? Mr Flämig talked of energy saving. Tam Dalyell (Soc/UK), however, asked whether other Members "felt as angry as I do when you hear people talk about wind-power". It would take 1,000 square kilometres of land in a blustery area, covered in windmills, to produce as much electricity as a power station. "You talk of pollution. What about the pollution of pneumoconiosis, emphysema and chronic bronchitis in the mines?"

Visit to southern Africa

An "eye-opener" was how Committee Vice-Chairman Giovanni Bersani described a visit of a 9 member delegation from the European Parliament's Development and Co-operation Committee which he led last week to 3 "front-line" states in southern Africa. Following the meeting of the ACP-EEC Joint Committee in Maseru, Lesotho, the delegation visited Swaziland, Botswana and Zambia between December 2 and 10.

In the course of the study visit the delegation examined development work financed by the European Community. Projects visited included: the Fairview dam site, sugar schemes and the Zombodze rural development area in Swaziland; the Botswana Meat Commission and processing plant; new administration buildings in Ramotswa and the refugee camp in Selebi-Phikwe, where the conditions and plight of refugees were noted with particular concern, and the UN Institute for Namibia in Lusaka.

The delegation met: President Khama of Botswana, President Kaunda of Zambia, the Prime Minister of Swaziland, Mr Joshua Nkomo and other Rhodesian African leaders.

The EMU's corpse

Economic and Monetary Union was a major subject on the agenda at the European Council meeting on December 5 and 6, reported President Simonet. The Council saw EMU, he said, as the basis for European integration. President Jenkins replied that he was encouraged by the Council's acceptance of the Commission's proposals. Egon Klepsch (CD/Ger) welcomed the Council's resolve and said that progress made so far on the proposals in the Tindemans report had been scandalous. Lord Bessborough (Con/UK) was also optimistic, the EMU corpse was showing happy signs of life, he said.

Textiles

The number of people employed in the textile industry has fallen from 7 million to 3½ million, Tom Normanton (Con/UK) told the House on Thursday December 15. The industry was highly capital-intensive, he went on, and it was nonsense to say that the production of textiles should be left to the developing countries. He called on the Community to update the Multifibre Agreement in order to establish a just trade structure. Lord Ardwick (Soc/UK) said it was necessary to put order in the place of "blind anarchy".

Company taxation

The Commission sees the harmonization of company taxation systems as a necessary step towards economic and monetary union. It is proposing that all member states adopt the partial imputation system used in the United Kingdom and Ireland (amongst others). Presenting his report on Tuesday December 13 Jochen van Aerssen (CD/Ger) was enthusiastic about the proposals seeing them as a means of ensuring free movement of capital, neutrality of competition and as being of benefit to the small investor. The Community should, however, take steps to avoid protectionism with regard to third countries, he pointed out.

Michael Yeats (EPD/Irl) was not as happy. He foresaw considerable difficulties. Rapid changes in capital flows could have serious consequences for certain regions, he said. The proposed

introduction of a withholding tax would, he felt, have a detrimental effect for member states where a high proportion of investors held shares in companies abroad. A more useful alternative would be the registration of shareholders.

In reply Commissioner Richard Burke said the Commission envisaged no withholding tax for dividends from a subsidiary company whose parent company was in another member state. Complications in implementing the system would fall entirely upon companies and tax authorities.

Cairo and Jerusalem

"I feel that this House is and will continue to be, pontificating on world events like spectators at a football match" was Tom Normanton's (Con/UK) warning as he assessed the Nine's record in influencing international events. This was due to failure to reach a common position, he said. The House on Wednesday December 14 was unanimous in applauding the recent visit of President Sadat to Jerusalem and called on the Community institutions and member states to work towards a lasting peace in the Middle East. Lord Bethell (Con/UK) spoke of his amazement at the event and his subsequent disappointment at the Council of Ministers' inability to issue a common statement. Winifred Ewing (Ind/UK) was optimistic that the people of the Middle East wanted peace. Tom Normanton suggested that the Community could usefully enhance its trade with Israel and Egypt.



John Corrie (see "Fishing")

Steel

Mr Simonet assured Sir Geoffrey de Freitas (Soc/UK) that the Council was anxious to adopt measures to safeguard the interests of the Community steel industry, and these included negotiations recently begun with the USA and Japan. He did not agree with Winifred Ewing (Ind/UK) that the Community should aim at self-sufficiency in this sector. How could we export steel in such a case, he asked?

European Parliament Sessions in 1978

January 16-20 — Luxembourg
 February 13-17 — Strasbourg
 March 13-17 — Strasbourg
 April 10-14 — Luxembourg
 May 8-12 — Strasbourg
 June 12-16 — Strasbourg
 July 3-7 — Luxembourg
 September 11-15 — Luxembourg
 October 9-13 — Strasbourg
 October 23-25 — Luxembourg
 November 13-17 — Strasbourg
 December 11-15 — Luxembourg

Fishing decision coming at last

At long last, the Council of Ministers is nearing a decision on fishing. Summing up one of Parliament's best debates on the subject, Commissioner Gundelach pointed out that he could go no further in negotiating agreements with third countries like Norway, Iceland and the Soviet Union until the Community agreed on its own internal policy.

The Commissioner made no secret of the fact that the decisions needed would be painful. Each of the Nine had put in their "bids" for the total available catch — and they added up to 140% of what was available! The Commission had put before Parliament proposals for four regulations and a directive which would begin the job of controlling fishing and conserving fish.

It was these proposals that Parliament debated on Thursday December 15; and Rapporteur John Corrie (Con/UK) emphasised at the beginning that "the time has past for emotional, tub-thumping speeches". Too many boats continued to chase too few fish, and with ever-increasing technical skill: "the odds against the fish are becoming too heavily stacked". For this reason, he found the Commission's proposals too timid.

In contrast to some earlier debates, however, Parliament itself seemed to be getting nearer a consensus on some of the more contentious issues.

1. Who controls the fishing? Most speakers agreed with James Scott-Hopkins (Con/UK) that a Community policy had to be found. Commissioner Gundelach emphasised that the control measures would be administered by the Community authorities; but that they would have to be

carried out by the coastal states.

2. Fishing limits. Moreover, controversy over exclusive fishing rights seemed to be heading for some solution. Physical control by coastal states, emphasised the Commissioner, would not be up to 12 miles, or 50 miles but up to the full 200 miles. And Winnie Ewing (Ind/UK) seemed closer to him when she argued for exclusive control rather than access. Indeed, Commissioner Gundelach pointed out that the areas where there was most pressure were not necessarily within a 50-mile limit.

3. Industrial fishing. Parliament was again critical of those countries — principally Denmark — dependent on industrial fishing. But there was more understanding for the social problems which limitation would create, and of the need for social measures. In a remarkable intervention, John Prescott (Soc/UK) said that it was hypocritical to condemn industrial fishing "while mackerel are rotting on the docks at Hull because they can't be frozen".

As John Corrie remarked when closing the debate, Parliament was getting very much better informed; and in some measure this was due to the presence at the Parliament of fishermen themselves — a delegation of Scottish fishermen was indeed in the gallery as he spoke.

Good dowry for elected Parliament

In what former President of the Parliament, George Spénale (Soc/F) described as "an historic moment", new Financial Regulations for the Community Budget were approved by Parliament on Tuesday, December 13. Belgian Finance Minister Mark Eyskens promised that the Council of Ministers would follow suit before the end of the year, thus completing what Heinrich Aigner (CD/Ger) noted was "the first ever common legislative act by Parliament and Council".

Rapporteur for Parliament's Budget Committee Michael Shaw (Con/UK) described how the wide differences of opinion between the two institutions on the regulations had gradually been resolved. Three joint meetings had been held under the new "conciliation procedure" which had resolved the technical problems of nomenclature, rules on transfers between sections of the Budget, the handling of commitments in the Budget, etc. Commissioner Tugendhat pointed out that

the success of this first "conciliation" was a "dowry from this Parliament to its elected successor".

The new Regulations clear up several "grey areas" in Parliament's budgetary powers to increase "non-compulsory" expenditure applied to "commitment appropriations" — e.g. the sums earmarked for multi-annual programmes. Now "the provisions of Article 203" will "apply separately to appropriations for commitment and for payment".

Asbestos and fluorocarbons

"In my left hand", said Wolfgang Schwabe (Soc/Ger), "I have a traditional aerosol spray. And in my right, one that is worked by a small pump. The first, I have to throw away when it is finished. The other I can use and use again!" He was intervening in what was, for a Friday morning, a surprisingly lively debate on the unpromising subject of fluorocarbons.

There is, however, considerable worry that the use of these substances as propellants in aerosols is stirring up trouble for the human race of Doomwatch proportions. Luigi Noe (CD/It), introducing a report on the subject, told the House that the release of fluorocarbons could destroy the ozone in the upper atmosphere, which could increase radiation and lead to dramatic increases in cancer and other diseases. It was for this reason that the United States was banning the production of fluorocarbons from 1981.

Both Kai Nyborg (EPD/Dk) and Mr Schwabe, however, noted that hard

information on the subject was scanty. The ozone layer was some 50,000 metres above the earth's surface, which meant that getting samples was difficult. For the Commission, Vice-President Ortoli agreed: comprehensive proposals would have to wait until the end of 1978. But meanwhile, a recommendation would be made to Member States to avoid the expansion of fluorocarbon production.

Another substances which can cause cancer and other crippling diseases is asbestos; and on Friday December 16 the House also called on the Commission to introduce stringent control measures.

Unofficial Journal

As the European elections bill makes its way slowly through the House of Commons it has already left its marks on that august body's conventions. First of all, following on the Cabinet's agreement to disagree over Britain's place in the Community at the time of the 1975 referendum, we have now seen members of the Cabinet, both on July 7 and November 24, vote against the principle of European elections enshrined in the current bill. When it came to the vote on the system, much the same occurred, though one or two strategic absences were noted — as was also however the presence in the regional-list lobby of Lord President Michael Foot. But unlike the vote on the principle on November 24, when more Labour MPs voted con than pro, on the electoral system the balance went the other way (see page 2).

But the Conservatives also reinterpreted convention. They were summoned on a three-line whip; but were given freedom as to how they should vote! In the event, they voted three to one to follow their present leader's well-known dislike of proportional representation, despite the urgings in the House of one former leader, Edward Heath, and the earlier plea of another from Another Place (Lord Home). It was explained that a three-line whip is a summons to be present to vote, not an instruction as to how to vote. That useful distinction will no doubt be borne in mind by many MPs in future . . .

How they voted

The existing European Parliament delegation reflected the position of the parties at home. Russell Johnston joined his fellow Liberals in the regional-list lobby; and Winifred Ewing abstained (in Strasbourg) while the rest of the SNP abstained at Westminster. Four Labour MEPs — Ron Brown, Sir Geoffrey de Freitas, Tom Ellis, Willie Hamilton — voted for the regional list; and four against — Gwyneth Dunwoody, John Evans, John Prescott and Christopher Price. Four more remained in Strasbourg (two of them considered themselves as paired anyway — with each other).

The Conservatives were, however, far more solidly in favour of first-past-the-post than their colleagues at home. Only Sir Brandon Rhys Williams voted for PR. Another ten were against it, while Michael Shaw as rapporteur for the 1978 Community budget, was too busy in Strasbourg.

Differentials

A subject which had "dogged this year's budget procedures", Commissioner Tugendhat told Parliament during the Budgets debate on December 13, was "the link between commitment appropriations and payment appropriations". Laymen trying to follow the whole thing were not surprised. The Council of

Ministers' "Explanatory Memorandum" on the subject (Volume 7 of the draft budget) merely remarks that "This term ('appropriations for commitment') is explained on page 139 of Volume 7 of the preliminary draft budget. . ."

Get hold of that document (it is 740 pages long) and you will find that there are "appropriations for commitment under headings where there is a distinction between appropriations for commitment and appropriations for payment, also called differentiated appropriations for brevity's sake"; and there are "appropriations which are at one and the same time appropriations for commitment and for payment under headings which do not make this distinction, also called non-differential appropriations for brevity's sake".

Well, why didn't they say so in the first place, for goodness' sake?

Slip?

Optimism reigns in Luxembourg. In the 1978 diary of the European Parliament, which shows the dates of the plenary sessions all next year, a printed slip has been inserted. It reads: "Dates and places for the part-sessions in the second half-year are to be decided by the directly elected Parliament." Will an identical slip be necessary in 1979 diaries?

Ulster Unionist visit

For the first time one of the Northern Irish political parties sent a delegation to visit the European Parliament in December. From Belfast came Ulster Unionist Council leader Harry West, EEC spokesman John Taylor, Vice-President Rev. Martin Smyth, former Stormont minister Roy Bradford and 30 other members. They sat in at Question Time and themselves put some pretty pertinent questions to MEPs of several nationalities and political views.



December visitors: Ulster Unionists



. . . . and Councillors from West and Wessex

At the time of the referendum most Unionists campaigned against British membership; but facts have to be faced. One possibility (which none want to become a fact) is the Government's proposal that, with first-past-the-post for European elections in Great Britain, Northern Ireland should have a separate

system — the single transferable vote used in the province's local elections. As with the district councils, the Government's objective is to try to ensure that one representative of the minority community in Northern Ireland is elected to the European Parliament. Unionists of all shades resist this argument.

Hard on the Unionists' heels to Luxembourg in January will be the Rev. Dr Ian Paisley and two dozen of his followers in the Democratic Unionist Party.

Votes at ten

1976, most people will recall, was International Women's Year. Out of it, we seem to have got (among other things), an Equal Opportunities Commission, Margaret Thatcher and a lot of jokes about dust-persons, Batperson, wopersons, etc.

Now, it appears, 1979 is to be International Child Year; and Lady Fisher of Rednal is asking the Commission in a written question what it is doing to celebrate.

Various suggestions have already been made. There might be some mileage, for example, in upper age limits for voting, standing for Parliament etc. — why shouldn't the top quartile be disenfranchised as well as the bottom? Indeed, was it entirely a coincidence that as the British delegation to the European Parliament left the Palace of Europe on Friday December 16, their bus should have been prominently marked: "Transport d'Enfants"? They've got to be kidding! (Any other suggestions from readers will be sent on to the Commission by KPG)

Elders of Europe strike again

The Conservative anti-marketeers (Neil Marten, John Biffen, et al) have at least come up with a new solution to the seat-of-the-Parliament problem. In the recently-published "Concord of Europe" they suggest that Parliament should "be merged with the Council of Europe and call itself the 'European Assembly' " — (direct elections, of course, would be dropped). This at least would fix everything firmly in the Palace of Europe at Strasbourg, and the days of tin trunks loaded onto lorries would be over.

Reading the rest of the pamphlet, however, it is impossible not to gain the impression that the international Zionist conspiracy (run of course, jointly by the Kremlin, Wall Street and the Vatican) has found a credible successor in the "undercover federalists". For the main, the pamphlet argues that the Community "under the weight of the accession of Greece, Spain, Portugal and possibly Turkey, . . . is likely to collapse". But at the same time there are warnings that the bureaucrats of Brussels and their allies might yet win the day. Britain would be reduced to "a province of a federal Europe". Step by step, the national parliaments would become provincial assemblies, and the European Assembly a Federal Parliament. National sovereignty would be swamped by the "incoming tide" of Common Market lawmaking. The fiends! Collapse would be averted: and "a wider and happier Europe based on free trade . . ." thwarted yet again.

K.P.G.