

REPORT

Community Taxes: How High?

Parliament critical of 1979 estimates

The European Community will be spending some £9,000 million in 1979, according to the Commission's preliminary estimates. This would be 15.5 per cent up on 1978. Commissioner Tugendhat presented his "preliminary draft budget" to Parliament on Monday 3 July, where it was given a distinctly cool reception.

As always, the bulk of spending in 1979 will be on the Common Agricultural policy: an estimated £6,500 m. (up 12%). But, as Commissioner Tugendhat explained, an effort is being made to reduce the preponderance of agriculture by increasing spending in other fields: for example Social policy (up 50%), energy policy (up 80%) and aid to the third world (up 26%).

Most Members were sceptical. Parliament's Budget rapporteur for this year, Martin Bangemann (Lib/Ger), predicted that the Council of Ministers would have cut back most of the non-agricultural increases by the time Parliament got the real Budget in October. For Lord Bruce (Soc/UK) — 1977 rapporteur — the increases were mere "kite-flying items"; even if they stayed in the Budget, there was no guarantee that the policies themselves would be approved and the money spent. And Michael Shaw

(Con/UK) — rapporteur in 1978 — hinted that the Commission and Council had already got together — "I won't go so far as to say collusion" — to produce unusually modest proposals.

The Community's present Budget differs from the British national budget in being largely concerned with *expenditure* items rather than *revenue* (i.e. taxes). There were strong indications during the course of the debate, however, that these days are numbered.

Commissioner Tugendhat himself pointed out that, if present levels of expenditure continued, the Community would have to find new sources of revenue by 1981. Even if CAP spending were contained, new funds would be needed not long afterwards. So far, the Community's "own resources" have proved adequate (all customs duties or levies, and the money produced by up to 1 per cent VAT). But soon the 1% VAT ceiling will have to be raised, or other Community taxes levied.

Commissioner Tugendhat promised Parliament a detailed study of how post-1981 Budgets might be financed. This could well prove one of the first important matters of business in the elected Parliament next year.

Talk to the birds

When the House of Commons debates hunting, shooting and fishing, the battle-lines are more or less predictable. Opponents are generally on the left, supporters on the right.

Not so in the European Parliament. On the evening of Wednesday 5 July Christian Democrat Hans Edgar Jahn (Ger) demanded to know from the Commission what was happening to a draft directive, passed a year ago by Parliament, for the protection of birds like the skylark and corn bunting. Was it true that French Government was holding up the directive for relatively trivial reasons?

Commissioner Natali confessed that he had had "a difficult and trying time" on the matter. But he reaffirmed that the search for a compromise went on. In particular, the number of bird species which could be shot would be reduced from 120 to 72.

At this point, however, French Socialist Pierre Lagorce intervened with a spirited attack on "arm-chair ecologists", and a defence of the "primordial right" to shoot birds. "This affects the quality of life of our countrymen, who have few pleasures left". He was supported by French Communist André Soury, who said that the real enemy was pollution "which kills 24 hours all day all year".

All this was too much for Tam Dalyell (Soc/UK), who "nearly had apoplexy at the thought that Mr. Lagorce was speaking for the Socialist Group". Was "massacring skylarks and thrushes" really a source of pleasure? Mr. Jahn pointed out that "the more birds you kill the more insecticides you have to use"; and the Commissioner told the House that the directive under discussion was only the first of a whole series.

Mr. Lagorce had claimed that the hunters had not been consulted, concluded Mr. Natali. This was not true. "But perhaps we did make a mistake; we did not consult the birds. I think they would have had a different tale to tell".



Song thrush



Corn bunting



Skylark tethered to the ground as bait

Suicide or salvation

By 1980, the demand for world shipping will be only half what it is today, John Prescott (Soc/UK) warned Parliament on Wednesday 5 July. He was introducing a major debate on the reorganisation of the shipbuilding industry, based on reports from four Parliament committees and evidence from shipbuilders, shipowners and other interested parties.

The consequences, went on Mr. Prescott, could be a cut-back in shipbuilding of up to 70%. "Members should be aware of the consequences in an industry which has already lost hundreds of thousands of jobs in the last four years, and is established in regions of high unemployment, where whole communities are dependant on it."

The prices of Japanese ships were "30 to 40% cheaper than those from our most efficient yards in the Community". But even if some kind of agreement were reached with Japan, "you cannot guarantee that you will do so with Korea, Taiwan, Brazil — all these new countries that are including shipbuilding capacity in their own growth programmes". One answer was the Commission's plan to spend some 900 m. EUA (£600 m.) on modernising shipyards. But this was really "only a palliative". "This problem will have to be solved through exercising Community preference".

However, Lord Bessborough (Con/UK), rapporteur for the Budgets Committee, was critical of the Commission proposals. "We have repeatedly asked the Commission for more financial information", he noted; but without success. Why should it cost 50,000 EUA (£33,000) to create a job in shipbuilding? And Tom Normanton (Con/UK) later attacked "interventionism by the State or the Community" as "political and economic suicide". He agreed that a common problem called for a common approach. But thought a more useful measure would be a reshaping of the GATT to expand trade.

Only ½ inch on fish?

Current Commission proposals to regulate fishing off the West Coast of Scotland could "show the way forward" to eventual agreement on a common fisheries policy, Mark Hughes (Soc/UK) told the House on Thursday 6 July.

The Commission's plans for a total ban on herring fishing by Community fishermen until the end of this year was accepted by Parliament, effectively endorsing the unilateral action already taken by the British government.

But James Scott-Hopkins (Con/UK) was among the British members concerned that the ban applied only to Community boats and not the Norwegians and Faroese.

Lord Kennet (Soc/UK) pointed to the change of attitudes in Europe on the subject of conservation. Everybody was now falling over themselves to introduce conservation measures; and there was a marked similarity between the British measures and the likely Commission measures.

He also sounded a note of optimism about the "war" between Britain and her Community partners over the common fisheries policy.

He believed the positions of the two sides were now within "half an inch" of each other.

For whom the bell tolls

Turkey is today facing its most serious social and economic crisis, and feels that "no-one in the west really cares". This was the view of James Spicer (Con/UK) during the debate on the association with Turkey on Tuesday 4 July. Bob Edwards (Soc/UK) saw the situation in even more dramatic terms. Democracy itself was at stake, he said: "if the bell tolls for Turkey it tolls for all of us". President-in-Office of the Council Klaus von Dohnanyi replied that the most effective measures would be financial aid and investment.

Genscher looks outwards

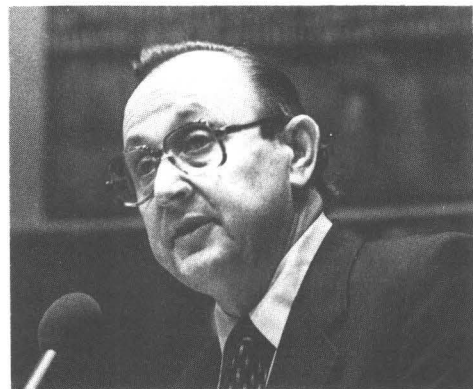
The incoming President of the Council of Ministers, German Foreign Minister Hans Dietrich Genscher, laid the main stress on external relations and Community cooperation in foreign policy in his inaugural speech to Parliament on Tuesday, 4 July.

His outline of the problems facing the EEC drew a warm response from members, who continued to debate Mr. Genscher's speech without the customary break for lunch (confirmation perhaps that what has been billed as a "hard-working, efficient" German presidency will indeed live up to its advance reputation?)

There was even applause from members when Mr. Genscher, a convinced European, pledged himself to press for more majority voting in the Council of Ministers. This was essential, he said, if the Community was to be enlarged. Greece, Portugal and Spain wanted to join a cohesive unit not a watered-down Community.

Free trade commitment

Looking further afield, Mr. Genscher wanted to see more cooperation with other countries bordering the Mediterranean, a strengthening of trade links with Eastern Europe and a common European approach to Africa, particularly in the context of Lomé.



Hans Dietrich Genscher

He underlined the Community's position as the world's biggest trading bloc and its key role in determining the pattern of world trade at negotiations like GATT and UNCTAD. The Community's responsibility here was to maintain its commitment to free trade, resisting any moves towards protectionism. This did not mean, however, that certain adjustments would not be made to world trading patterns.

On the coordination of foreign policy, Mr. Genscher felt some progress had been achieved; for example the common position at the European Security Conference. But this sort of coordination should now be applied to a revised Euro-Arab dialogue, as well as in Africa. And he hoped fervently, that at the forthcoming 33rd UN General Assembly session the Community would speak with "one voice".

Keeping the home fires burning

Europe's overwhelming dependence on the outside world — particularly the United States — for its supply of enriched uranium, was highlighted by Lord Bessborough (Con/UK) in a debate on Wednesday 7 July.

He said the vulnerability of Europe's nuclear industry because of imports called into question Europe's political independence as well as its

energy independence.

But he was reassured by Energy Commissioner, Guido Brunner, who said that two EEC enrichment plants now being developed would provide two-thirds of the Community's requirements by 1980 and three-quarters by 1985.

Tam Dalyell (Soc/UK) took the opportunity to raise again the issue of the missing "Plumbat" uranium, which is said to have mysteriously found its way out of Europe to Israel, to the embarrassment of the Community authority, Euratom. But the Commissioner had nothing more to add — Euratom had a monitoring not a policing function.

Political prisoners

The Community should have a definite policy on human rights. This was the view of the House on Thursday July 6 when it debated the conviction of Russian physicist Yuri Orlov, and the situation in Argentina.

The fundamental problem in cases concerning the implementation of Final Act of Helsinki was that the USSR placed domestic law against international law, said Rapporteur Lucien Radoux. Lord Bethell (Con/UK) called on the House to keep the Yuri Orlov case in constant review in preparation for the 1980 Madrid conference. The USSR, he pointed out, derived great benefit from paragraphs of the Helsinki agreement concerning trade and exchange of expertise.

John Prescott (Soc/UK) reported that subsequent to the Socialist Group's public hearing into alleged violations of human rights, the Argentinian government had released the names of 500 political prisoners to the US President.

Not-so-free trade

Twenty years after the establishment of the customs union, internal community trade is bedevilled by 'non-tariff' barriers of a technical and administrative nature. And on Tuesday 4 July, members pressed Council and Commission to act more vigorously to make free trade within the Community a reality.

German deputy Foreign Minister, Klaus Von Dohnanyi defended the Council, saying that over 100 directives had been issued with a view to removing trade barriers and trade between member states had increased.

Commissioner Davignon agreed that progress was too slow but he laid the blame squarely at the door of the Council. There was a backlog of decisions to be taken and the

Council's working groups on these matters should meet more often. When they were unable to agree, Coreper and the Council itself should take over. But the Commissioner was hopeful that the decision-taking process could be speeded up over the next six months.

And 2004

Before the dates for the first European Elections (7–10 June 1979) could be formally ratified by the Council of Ministers, the European Parliament had to be consulted. This in fact took place on Tuesday 7 July. As James Fletcher-Cooke (Con/UK) observed, "there is really nothing more to say except to congratulate everyone all round" — shortly after which he sat down to a great round of applause. Other spokesmen were not quite so brief, and the House was reminded by Commission President Jenkins that it would be a mistake "to slide into euphoria". It was important "that the election is fought upon genuine European issues".

Introducing Parliament's formal resolution of approval, direct elections architect Schelto Patijn (Soc/NL) also noted that the choice of June 1979 also meant European Elections in 1984, 1989, 1994 and 1999.

Good on yer, Fred!

The international airline cartel, IATA, is breaking the Community's competition laws, claimed Niels Kofoed (Lib/Dk) on Thursday 6 July. "One has to be a Commissioner to interpret the law in any other way". It cost, for example, twice as much to travel from Copenhagen to Greenland as from Copenhagen to New York. The time had come for the Commission to propose a properly planned air-transport policy, with fair competition.

Commissioner Vredeling replied that it was not possible to show that "abnormal profits" were being made in air transport. The responsibility for ticket prices rested with Member States, and a Council of Ministers working party was examining the matter. The Commission was doing the same.

John Osborn (Con/UK) welcomed those who had brought cheaper air fares, notably Sir Freddy Laker. But there was a danger that cheaper fares could destroy the companies running scheduled flights.

QUESTION TIME

What's up, Doc?

The Commission's practice of submitting candidates for certain posts to psychological tests raised hackles on all sides of the House during Question Time on Wednesday 5 July. Tam Dalyell (Soc/UK) said some applicants had been "traumatised and intimidated" and he could not see the relevance of information about their sexual and religious practices. Commissioner Tugendhat was aware of the concern the practice had created (one case had been taken to the Court of Justice) but he pointed out that these were medical matters. Gwyneth Dunwoody (Soc/UK) was not convinced. She had four doctors in the family and was married to one, and she questioned their judgement very frequently.

Rhodesia

The Nine are backing the Anglo-American plan for Rhodesia rather than the internal settlement. This became clear during new President-in-Office of the Council Genscher's replies to questions on Tuesday 6 July. He told Sir Derek Walker-Smith (Con/UK) and others that the internal solution was not considered "viable".

One for the road

Could the Community's surplus agricultural alcohol be used as an additive to petrol to help fuel Europe's cars? The possibility was cautiously acknowledged by Commissioner Gundelach at Question Time on Wednesday 5 July. But though it was technically feasible, and might help to cut back oil imports, the Commissioner ruled it out as a practical possibility on grounds of cost. However, the Commission would keep the matter under review.

June legislation

On Monday 3 July for the first time the Commission produced a written report on what had happened to legislation passed by Parliament in June. It revealed that, of the thirteen "Bills" debated, only two had been amended: on fishing and on group accounts (7th directive). On the second of these, the amendments had been generally accepted, on the first not. Lord Bruce (Soc/UK) asked that in future all "Bills" should be included in the report, together with information on what had happened to them. Next time, replied Commissioner Tugendhat, it will be done.



Labour organisers on a visit to Luxembourg in July

Anniversary war

Which was the first European political party? The three original groups in the European Parliament — Christian Democrat, Liberal and Socialist — have all been celebrating 25 years of existence this year and each have been hinting that they were first in the field (is there a gerontocrat vote?)

First off the mark, at Strasbourg in May, were the Socialists (see last month); but this was, strictly speaking, a foul — the Group did not actually come into existence until 23 June 1953. This is also the date on which the Christian Democrats were founded, leaving the Liberals (now Liberals and Democrats) the winners by three days with 20 June 1953.

A special celebratory pamphlet from the Christian Democrats, however, claims *de facto* rather than *de jure* victory. Though Groups were not officially formed in the Parliament (then the Coal and Steel Community Common Assembly) until 1953, the Christian Democrats unofficially formed a group on the Assembly's second day: 11 September 1952.

What is more, the Christian Democrats go on to claim not only the "father of Europe", Robert Schuman; but also the founder of federalism: St. Thomas Aquinas.

All right

Following last month's Socialist Euro-symbol (a rightward pointing arrow), the symbol of the European



People's Party (Christian Democrats): a rightward pointing "E".

More I than others

It looks very likely that the U.K. Members of the European Parliament have again lost their charter plane. Following the retirement of the old Civil Aviation Authority plane (see *Report* no. 45), there has been a brief Indian Summer of British Airways charters to Strasbourg, complete with champagne.

But now the British Airports Authority have finally ruled that charters must in the future use Gatwick — not the most convenient airport for MPs, for example, who have to catch the Edinburgh shuttle or a connection to Dublin.

But won't charters for VIP's still use Heathrow? According to the Airports people, "only some VIPs". British Members have promised to fight this somewhat insulting ruling, and will certainly be joined by Irish Members who have found the charter to Heathrow the only way of getting home in reasonable time on Friday.

What Butler saw

One familiar figure at the European Parliament in July was David Butler, generally regarded as the great daddy of election pundits. Those who were around politics in the early 1950's will remember that it was Butler who first brought the science of "psephology" to bear on British elections; and it looks very much as though he might also be first on European Elections. "I've a lot of ideas buzzing around my head", he told KPG before catching the plane out of Luxembourg.

Marcus X

There's courtesy yet in British politics. A letter recently arrived at Conservative Central Office addressed to Colonel Marcus Lipton MP. The Labour Member had, in fact, died some time earlier; and the post room at Central Office, (assuming the name to be right and the address wrong), passed the letter across to the other side of Smith Square. At Labour Party headquarters it was also assumed that the name was right and the address wrong; and it was duly opened by the late colonel's secretary.

The letter was from a Sussex Conservative county councillor who wished to be on the Conservative Party's European candidates' list — currently being compiled by Marcus Fox MP, Vice-Chairman of the Party in charge of candidates.

Left-hander

Comment by visitor to the European Parliament on leaving for home: "This is the most interesting day I've had since Watergate."

No shona

A sizeable delegation from Rhodesia — whoops! Zimbabwe — was in Luxembourg on Tuesday 4 July, led by one of the Internal Settlement triumvirate, the Rev. Ndabaningi Sithole. The objective, Mr. Sithole explained at a press conference, was to persuade Members of the European Parliament to "believe in a miracle" — the acceptance by the Rhodesian whites of "one man, one vote". Earlier, he had met each of the political groups (including the Communists) separately, soliciting the "moral, diplomatic and material support of the peoples of this region" for the settlement.



Rev. Ndabaningi Sithole

Answering questions, Mr. Sithole was not very complimentary about either the British Foreign Secretary, Dr. Owen, or Joshua Nkomo ("all he wants is to be number one man"). He did see the key to his mission, however, as British recognition of the settlement; and most of the interest was among the British press. Questions were asked for in vain "in other Community languages" (which "do not, I take it, include Shona", commented Sithole).

Super-cholesterol?

What is happening to the butter mountain? Some of it has been sold cheap to hospitals, Russians, etc. But a written question from Irish Member Michael Herbert discloses another intriguing possibility: that it has been compacted (rather like old c into a butter molehill. Apparently the Commission has introduced a scheme to sell off at cut prices, not butter, but "butter-concentrate". Mr. Herbert wants details.

K.P.G.