



CAP helps the housewife

"British food is now, on balance, cheaper than it would have been if the United Kingdom had not been in the Community. If I may put it the other way round, it has now become cheaper, from the point of view of food, for Britain to remain a member of the Community." So Commissioner George Thomson assured the European Parliament at Question Time on November 13, and the applause which greeted his words gave the lie to any suggestions that the British housewife lacks support among fellow Europeans.

Answering Lord O'Hagan (Ind/UK), Commissioner Thomson described some of the ways in which the Community had already helped consumers. "The Community's achievement in protecting its consumers from the full impact of the fluctuation in world food prices is a considerable one," he began. "The consumer price of food is made up of three elements — the agricultural, the industrial and the service elements — and the agricultural element has long since been declining proportionately and now amounts to little more than one third of the total. This agricultural element — the only one influenced by the Community's Common Agricultural Policy — has been strikingly stable in the Community compared with elsewhere." Community farm prices had risen only modestly at a time of unprecedented increases in world prices, notably those of cereals and sugar. So the CAP had really helped the housewife.

Subsidies

"There are additional factors which concern the United Kingdom in particular," Mr. Thomson went on. I mention three:

- the Community budget subsidy of 5 units of account per 100 kg for domestic butter consumption;

- the Council's suspension in October of the ceiling on contemporary monetary amounts is to the advantage of those Member States which are substantial food importers and have depreciated currencies;

- and, not least, the Council's agreement to the Commission's proposal that the Community should guarantee supplies of sugar and subsidise them to bring them down to the Community price level."

In reply to a question from Russell Johnston (Lib/UK) Mr Thomson also recalled that the Community had authorised various direct subsidies in Britain.

Noting how the British Government had, early in 1974, estimated that less than one per cent of the rise in British food prices had been attributable to membership of the Community, the Commissioner's reply was emphatic. "Latest developments make it clear that even that small adverse effect is now outweighed by the beneficial effects," he said. He also told Peggy Fenner (Con/UK) that "the Commission particularly has been emphasising increasingly the role of the consumer within the Community institutions", when she had stressed that the housewife was concerned with continuity of food supplies as well as price.

It was Tom Normanton (Con/UK) who summed up the reaction to what he called a statement on the certain and unqualified benefits which accrue as a result of Britain's membership of the Community. "Would the honourable gentleman take the very first opportunity — and, indeed, all opportunities — to repeat it elsewhere?"

Labour minister confirms

As it happened, the message on food prices had already been repeated elsewhere two days previously; by the British Government. Prices and Consumer Protection Minister Shirley Williams had told the House of Commons: "Official esti-

mates now show that food prices are, on balance, very slightly lower than they would have been were we not members of the Community". Given the difference between hard and soft wheat, the price of wheat for bread in the Community was about one third lower than in the world generally.

Parliament defies the Council

Whose budget — Commission's, Council's or Parliament's? This is the major constitutional battle now being fought in the Community's institutions. And it is the Parliament who seem to have won the first round.

The Council had earlier slashed about £500 million from the Commission's draft budget (the Community's equivalent to Britain's Annual Finance Bill — see EP Report No 6, November 1974) ostensibly on grounds of austerity. But after exhaustive examination of the draft, by political groups and in its committees and in plenary session on November 12 Parliament counter-attacked. It adopted an amended resolution tabled by the Budgets Committee expressing "deep disappointment" with the Council's draft, which "represents no progress and is seriously lacking in dynamism," and "is characterised by a total lack of political decision by the Council". As concrete evidence of its defiance it voted to reinstate most of the Council's cuts including appropriations for a Community Regional Policy, elements of Social Policy, arguing that artificially to cut expenditure and then reinstate it later through supplementary budgets — as seemed to be customary Council practice — was to accept a malpractice which would not be tolerated in any of the nine national parliaments.

Budgets Committee rapporteur Aigner's (CD/Ger) comments were typical: despite the "excellent atmosphere" in recent Council/Parliament talks on the budget, the position of the Council was now "completely illogical" in putting certain items into a 'non-inscribed' category, pending supplementary estimates. The Council sought to hide the fact that it "cannot agree on the most vital policies". But the Community needed these policies to maintain momentum. He quoted Walter Hallstein: "The Community is in the position of someone riding a bicycle. If you stop, you fall off."

UK — a gentle hint

Advocating a regional policy amendment (later adopted) which would provide appropriations for regional policy revenue of 300 million units of account for 1975 but under two headings, the first specific (under draft budget Article 550 "European Regional Development Fund — Interventions") and the second more open (under Article 980 "Non-allocated provisional appropriations"), Hans Aigner (CD/Ger) explained this subtle approach. "The 150m u.a. that we wish to insert under Article 980 imply a certain urging of — I will not say 'pressure' on — the United Kingdom; for I cannot propose a 'fire-fighting' programme for particular underdeveloped regions at the expense of other underdeveloped regions as long as Great Britain has not made it clear whether it wants to remain a member of the Community or retire into 'splendid isolation.'"

What happens now?

The change which Parliament has now made to the draft budget are of two kinds: amendments and modifications. Amendments relate to that part of the budget classified as 'non-obligatory' expenditure "necessarily resulting from the Treaty or from acts adopted in accordance therewith". Under Article 203 of the Rome Treaty (as later amended) Parliament should have 'the last word' in the case of non-obligatory expenditure; it can also reject the budget as a whole.

The Parliament's draft of the budget now goes to the Council. It now remains to be seen whether the Council of Ministers will match with political will the Parliament's moves towards a proper, democratic budgetary procedure.



A delegation of MPs from Canada visiting the European Parliament in November.

There were no Anglo-Irish fisticuffs on the floor of the chamber last week, or even fireworks, and the unease with which many Members had approached a debate about economic cooperation across the Northern Irish border was relieved when a rather low-key dispute between Irishmen ensued.

The occasion was provided by two oral questions put down by Hans Jahn (whose Christian Democrat colleagues include three members of the Fine Gael party) and by Michael Herbert (who, with four other Fianna Fail Members, belongs to the European Progressive Democrat Group). Mr Jahn's approach was that the humanitarian needs of the border areas between the two parts of Ireland required Community aid and involvement as a means of bridging the economic, and hence social, gulf caused by the border. Mr Herbert's view was not dissimilar, calling to his support a report prepared earlier this year by the chairman of the European Parliament's Regional Policy and Transport Committee, James Hill (Con/UK): "The border between the North and South is essentially a political border and when it was created fifty years ago little attention was paid to social and economic needs ..." Though garbed in economic terms, his speech had a clear political intent.

But it was his Socialist compatriot, David Thornley, who, in seeking to limit the matter to economics, raised the temperature of his compatriots. Dr Thornley's point was that in the present context of Northern Ireland to hold a debate on economic cooperation was unrealistic.

"I reserve the right at some stage in future to engage in what we in Ireland call a Donnybrook with my English friends on the issue of territorial sovereignty over the Northern part of my country. However, I appeal to my colleagues not to do so now ... I hope that we will not be led into a political debate." Dr Thornley concluded.

Apart from James Gibbons (EPD), who deplored his compatriot's "flippancy" and urged that economic cooperation was a preliminary to putting an end to the killing rather than a consequence, the other speakers followed Dr Thornley's advice. George Thomson gave an assurance that the European Commission's current study of trans-border problems within the Community — the Irish one included — would certainly be made available to Parliament. But any fruitful outcome of such studies would depend on the setting up of the Community's Regional Development Fund.

Direct elections soon?

One subject which looks like being on the agenda at this December's Community summit conference is the direct election of the European Parliament. A Convention for direct elections has been "lying on the table" of the Council of Ministers since 1960; mostly as a result of French opposition; now the initiative for action seems to be coming from the Elysée Palace itself.

If this proves to be the case, the summit will not find the Parliament unprepared. The Political Affairs Committee has for nearly a year been thoroughly revising the 1960 Convention to take account of the Community's enlargement and other changes, and should be ready to present its findings before the end of the year. Already the Committee's rapporteur, Dutch Socialist Schelto Patijn, has indicated the Committee's major findings: an enlargement of the Parliament to some 10 Members (giving the UK 116), and the first Community-wide elections in May 1980. Each country would initially use its own system of election.

Meanwhile, considerable research has also been carried out into how direct elections can be organised in the United Kingdom. The European Movement has recently published the findings of an all-party study group — "Direct Elections to the European Parliament" (*European Movement*, 93pp. £1.50) — which makes specific recommendations on the system of election to be used.

The report points to four guiding principles:

1. A familiar voting system.
2. "That as large a number of voters as possible should feel that they have influenced the result;

Harmonised medical services throughout the Community was the aim of Tom Normanton (Con/UK) in a question to the Commission. George Thomson's initial reply, that the Commission welcomes the growing pattern of reciprocal arrangements between member countries, was not good enough for Mr Normanton. He considers it anomalous and unfair that citizens from the other eight Community countries visiting Britain can obtain the full and free benefits of the National Health Service, whereas British citizens visiting the other countries have to do the same as the local people: in most countries, to pay for some services and medicines on the spot and then undertake a laborious procedure for reclaiming part of the costs. And British self-employed persons do not even get anything reimbursed at all!

Mr Thomson said that the matter was being pursued with a great sense of urgency by the Commission and that a draft regulation was being prepared.

Diplomatic but impolitic

How far — if at all — democratic governments and organisations should cooperate with non-democratic regimes is not a dispute confined to Britain's relations with South Africa. The European Commission once more (November 11) came under fire from the Left for sending a message to the Chilean junta a year after the military coup d'état. Parliament had already given its views on the Chilean situation, as had the member governments through the United Nations' Organisation, said Francescopaolo d'Angelosante (Italy) from the Communist benches. Indeed, the President and other members of the European Parliament had met exiled members of the dissolved Chilean parliament during their August visit to South America.

Commission Vice-President Hillery stressed that the telegram had not been sent on the anniversary of the coup on September 11 but on September 18, Chile's national day for over 150 years, and it had conveyed the Commission's "cordial wishes for the prosperity of Chile and the happiness of the Chilean people". It was a diplomatic courtesy without political significance, he insisted, though adding that one might wonder whether the diplomatic practice was a terribly useful one.

and ... that minority political tendencies should have adequate representation."

3. That "there should be some direct, personal link between a Member of Parliament and those who have elected him".
4. That "the system should be easily adaptable to changes in the size of the delegation".

Four systems of election are examined against these criteria: i) Single-member seats, with voting either by simple majority or by Alternative Vote; ii) Proportional Representation with party lists; iii) Single Transferable Vote in multi-member constituencies; and, iv) the German system, which combines single member constituencies with "topping up" from party lists to ensure a fully proportional result.

Of these alternatives, the report finds that the last — the German system — provides the best balance of advantage. Had elections been held this year in February and October, the results might have been:

Conservative:	14 or 13
Labour:	13 or 14
Liberal:	7
SNP:	1
Ulster Loyalist:	1

The European Movement report is not worried by the possibility of the election of "a number of populists, separatists or extremists, possibly on specifically anti-Community tickets". The strength of Parliamentary democracy "is precisely that such forces are brought into the open and given a voice rather than allowed to smoulder unheard".

And "those who argue in Britain for a referendum," the report adds, "can certainly not oppose direct elections on the grounds that they would arouse no interest".

Since the elegant Victorian gas lamps began to vanish from Britain's streets, to be replaced by inelegant orange sodium flares at the top of concrete poles, coal gas has seemed the power source of yesterday rather than of tomorrow. The Arabs have changed all that. On Friday, November 15 the European Parliament, debating a report by Professor Friedrich Burgbacher (CD/Ger), called for the drawing up of a Community coal gasification programme, backed by R. & D. funds, in order to reduce the Western world's dependence on imported energy.

Most of Europe's coal reserves are in Germany, and that country has no access to its own oil or natural gas reserves, so that it is not surprising to find there the main impetus for gasification. Lord Bessborough, for the European Conservatives, thought that the Parliament should concentrate on an energy policy embracing all possible sources, rather than only on coal.

Yet is it true that Britain, with North Sea gas already on tap, and the promise of an oil cornucopia to come, need not worry? Professor Burgbacher's report gives several good reasons why we should. Gasification is an increasingly attractive way of using coal. "Gas can be burned without emission of sulphur or dust, and the problem of the formation of nitric oxides in combustion chambers can be largely overcome. Compared with electricity generation, gasification of coal has the advantage that gas can be stored and can be transported at a much lower cost and with less harm to the environment." Moreover, (surely the clincher, this), coal can be converted into gas with a much higher efficiency than into electricity.

That sugar

Fresh from its quiet determination to challenge the Council over the 1975 budget on the morning of Thursday, November 14, the Parliament spurned the offer of another constitutional quarrel in the afternoon. The Socialists argued, on a procedural motion, that the Council had effectively pre-empted the decision on next year's beet-sugar quota without waiting for Parliament's views, and that the house should therefore refuse to give an opinion. They won support on this point only from the Communists and the debate proceeded.

The background to the debate was of course the failure of cane supplies to the United Kingdom, the only Community member to rely overwhelmingly on tropical sources of sugar, and the consequent quiet satisfaction of the beet-sugar industry. Albert Liogier (EPD/F) expressed the beet farmers' viewpoint succinctly in arguing that the Commission had proved itself wrong in proposing to keep down production in past years and that now there was a fundamental change in Community policy: "for the first time there is an objective of self-sufficiency, without disregarding the commitments to the African, Caribbean and Pacific countries". But, he argued, it would be better to guarantee export revenue than a sugar price to the cane producers. On the proposed subsidies for cane-sugar imports in the immediate future, Mr Liogier argued that it would be the export levies on French and Belgian wheat which would help to pay for the sugar-import subsidies. So, he added heavily for the benefit of the British members sitting just before him, it was not just one or two countries which pay for the CAP.

Soap in the bath

When the President in Office of the Council, French Deputy Foreign Minister Destremau somewhat evasively said that he couldn't be more explicit about the idea of setting up a political secretariat because it was the subject of delicate pre-summit discussions, Lucien Radoux (Soc/Bel) was not impressed. "Your answers have somewhat surprised me," he said; "you remind me of the soap that one loses in one's bath — every time you think you've caught it it slips away." It became clear in the ensuing debate, however, that European Parliamentarians are themselves divided on the matter: as divided, Mr Destremau pointed out, as the Council of Ministers.