

European Parliament Information

The Sittings

September 1978



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THE SITTINGS

LUXEMBOURG, 11th – 15th SEPTEMBER 1978

THE WEEK

Returning to Luxembourg after the Summer recess, Parliament's main business this week was to take a first look at the Council's draft budget of the European Community for 1979. It was, said Martin Bangemann, what everyone might have expected and what everyone had been afraid of. The stringency budget put forward by the Commission in its preliminary draft had been further pared down by the Council. (See table on page 9).

The pattern, commented Michael Shaw, was looking 'ominously similar to that of previous years'. Parliament's objections to the draft budget are twofold: it is inconsistent with the strategy for economic recovery envisaged by the European Council at its meeting in Bremen in July, and it is inconsistent as regards its own central principle of stringency because, as Lord Bruce and others were quick to point out, it applies one standard to increases in planned spending under the common agricultural policy and another to items like social policy, the regional fund, making the EC less dependent on imported energy, and so on.

Expenditure here, said Michel Cointat, will be lower in 1979 than actual spending in 1978 even if Parliament uses its discretionary power to revise these figures upwards. (It can do so, this year, subject to a ceiling of 5.7 per cent). The draft budget also ignores the fact, as Heinrich Aigner said, that in many cases it is actually cheaper to do things through the Community budget than through nine national budgets.

Council President Manfred Lahnstein, said he had not expected any applause for his draft budget. Mr Bangemann told him he was putting it mildly.

Monday evening (5 p.m. to 8 p.m.)

Parliament's first act, on returning to Luxembourg after the summer recess, was to pay tribute to the late Pope Paul VI. President Colombo described him as 'the pope of reconciliation ... between Christians, between believers and unbelievers, within the family and within the community, of reconciliation between all men'. A telegram had been sent to his successor Pope John-Paul I. Parliament also learned with regret of the death of Mr Colin and Mr Burgbacher.

The business of the evening was consideration of two reports on proposals for Community laws and a question on the desirability of EC action on firearms control.

Tuesday morning (9.30 a.m. to 1.10 p.m.)

Martin Bangemann, for Parliament's budgets committee, attacks inconsistencies in Council's 8,202 million pounds draft budget for 1979

Council President Manfred Lahnstein told Parliament this morning that he expected little applause for the draft budget he was presenting on behalf of the Council for 1979. Martin Bangemann suggested this was putting it mildly. The Council's draft was 'absolutely unsatisfactory'. It would do all too little to promote economic recovery or help create jobs. He took the Council to task for the inconsistency between the aims spelled out at Bonn and Bremen this summer and the means it was ready to make available to achieve them.

Tuesday evening (3 p.m. to 10.55 p.m.)

The theme running through this evening's debates was trade. On the current GATT trade talks, Commission Vice-President Haferkamp saw some progress towards a balanced and comprehensive package. On the EC-China trade agreement, the House was unanimous in its support. The agreement's successful implementation, said Lord Bessborough, 'could lead to European economic recovery and renaissance'. Final item of business was the Commission's plan to set up a European Export Bank. What had happened to it? Mr Haferkamp assured the House that the idea was still alive, but Members appeared unconvinced.

Wednesday morning (10 a.m. to 1.15 p.m.)

Hans-Dietrich Genscher, Council President, told Parliament this morning that the European Council had made 'a significant start on resolving the problems of monetary instability, inflation and unemployment' when it met in Bremen on 5-6 July. The essence of this start had been agreement on the desirability – as an objective – of a European monetary system. This statement was given a guarded welcome. Mr Müller-Hermann asked how monetary stability could be achieved without economic stability. Mr Ortolí, for the Commission, agreed that the two must go together. And this was very much a part of the strategy now being developed.

Wednesday evening (3 p.m. to 9.05 p.m.)

Winding up this afternoon's debate on the Bonn and Bremen summits, Mr Jenkins said that he had been pleased to note that only three of the sixteen speakers in the debate had actually come out against the Bremen Plan for moves towards a European monetary system. He found this very encouraging. The House then debated unemployment, the feeling most commonly expressed being that traditional remedies were tending to look irrelevant where they were not already out of reach. Replying to the debate, Mr Von Dohnanyi stressed how much the problem of unemployment varied from one state to another, and that different ills called for different cures.

Thursday morning (10 a.m. to 1.10 p.m.)

The House was divided in this morning's three-hour debate on the Commission's sheepmeat proposals, with both British and French Members expressing concern at the possible effects of the scheme on their respective markets, and Irish speakers insisting on the need for a common market and a basic price for carcasses to ensure the survival of their sheepfarmers. Commissioner Gundelach was absolutely firm: the proposals were both necessary and sensible, and he would defend them before the Council regardless of opposition in the House.

Thursday evening (3.05 p.m. to 9.25 p.m.)

The main point this evening was a bid by Mr Pisoni and others to get the Commission to tackle anomalies in the wine and spirits trade. At present, he said, Italy discriminates against beer in favour of wine, against grain spirits in

favour of spirits made from wine; the UK favours beer against wine; Denmark favours beer against wine and akvavit against other spirits; Belgium and Holland discriminate in favour of beer against wine; France has fairly equal taxes on wine and beer, but favours its own liqueurs and Ireland also favours beer against wine. For the Commission, Mr Burke agreed it was desirable to end discrimination but he had doubts about Mr Pisoni's suggestions for dealing with it.

Friday morning (9 a.m. to 11.25 a.m.)

Parliament turned its attention this morning to two of the world's crisis areas: the Sahel and India. The Community has given considerable help to the eight countries of the Sahel region where, fortunately, there had been a fair amount of rain this year. In India, where the worst floods in a century had claimed over a thousand victims, the Commission shared Parliament's concern. Mr Cheysson gave details of the help being given and offered and thanked the House for its support.

MONDAY 11th September 1978

Action on Parliament's resolutions

Viscount Davignon briefly outlined the Commission's response to requests for amendments to its proposals made by Parliament in resolutions agreed to in the House in July. Lord Bruce and Lord Reay asked whether such statements could not be made available in writing in future so that all Members could see clearly exactly what account the Commission had taken of Parliament's resolutions. President Colombo told the House that he had written to the Commission raising various points of procedure and he urged Viscount Davignon to take this matter up with his colleagues. Viscount Davignon nodded in assent.

The Community in international law

Mr Jozeau-Marigné's report (Doc. 567/77)

Mr Joseau-Marigné drew up this report for the legal committee in an attempt to remove any doubts as to the legal status of the Community. Sir Derek

Walker-Smith (UK, EC), presenting the report, advised the House that the Community has legal personality and international legal powers under the treaties.

As regards Parliament's role in the implementation of these powers, he calls in his resolution for 'more effective participation by the European Parliament in the conclusion of the Communities' external agreements'.

Speakers from Parliament's political groups this evening warmly endorsed Mr Joseau-Marigné's report, and Viscount Etienne Davignon added the Commission's agreement with its conclusions; they were, he said, 'a political statement'.

Firearms control: a case for harmonisation?

Mr Fellermaier's question (Doc. 284/78).

Further to the European Convention on the control of the acquisition and possession of firearms drawn up in the Council of Europe and endorsed by the United Kingdom, Ireland, Denmark and the Federal Republic of Germany, Mr Sieglerschmidt raised the question of what the Community could or should be doing to combat terrorism and acts of violence through firearms controls. He drew attention to the way arms can be bought and sold in the Community today. Foreigners, he said, could get weapons without formality provided they exported them at once. Was there not a case for Community action or at least for harmonising existing laws in the Nine?

In reply, Viscount Davignon pointed out that the Nine has been co-operating at minister of the interior level over the past two years – outside the Community framework – and that preference and priority should be given to what they were doing. The Commission naturally welcomed what was being done but was hesitant about the legal base for any action it might envisage.

Commercial agents

Mr De Keersmaeker's report (Doc. 222/78)

The Commission has put forward a directive giving a common definition to commercial agents throughout the Community. Under the directive, the agent

would have the same degree of protection in all Member States. Parliament's legal committee, said Mr Calewaert (Be, S), welcomed the proposal but wanted it amended.

In the brief debate which followed, Sir Derek Walker-Smith (UK), for the European Conservatives, outlined the improvements his group would like to see made in the proposal, as did Mr Schwörer and Mr Noè. In reply Viscount Davignon stressed there was an element of subjectivity in deciding how the balance between an agent and his principal should be struck.

TUESDAY 12th September 1978

Manfred Lahnstein presents Council's 8,202 million pounds Community draft budget for 1979 (Doc. 296/78)

Mr Manfred Lahnstein, Secretary of State at the Federal Finance Ministry and current President of the Council, appeared before Parliament this morning to present the Council's draft budget for 1979. At 8,202 million pounds this represents a cutback of 528 million pounds as compared with the Commission's proposed figure of 8,730 million pounds.

Explaining the Council's reasons for cutting back proposed expenditure, Mr Lahnstein spoke of the climate of economic stinginess in the Nine Member States. But he was immediately taken to task on this point by Mr Christopher Tugendhat, who asked why the Council should apply one standard to increases in spending on the CAP and another to any increase proposed in the social or regional sectors, research or help for developing countries. This inconsistency undermined the Council's whole stinginess argument.

Mr Martin Bangemann (Ge, L) entirely agreed: the budget, he said, was 'absolutely unsatisfactory'. It would do little or nothing to redistribute wealth, boost economic recovery or create jobs.

Mr Piet Dankert (Du), Socialist spokesman, was also struck by the inconsistencies between the aims spelled out at Bonn and Bremen and the means the Council was making available to achieve them, and he dwelt particularly on industrial policy: 'what chance would this budget give Viscount Davignon?', he asked.

Mr Heinrich Aigner (Ge), Christian Democrat spokesman, reminded the Council that timid Community policies would hardly provide the right background for the first European elections. Mr Lahnstein had appealed for Parliament's understanding in view of the financial difficulties facing the Member States. But this ignored the fact that in many cases it was cheaper to pursue Community policies together than to have nine separate policies at national level.

Miss Colette Flesch (Lu), for the Liberals, had equally little understanding for the Council's draft budget; even the preliminary draft had been inadequate.

Mr Michel Cointat (Fr), EPD spokesman, took a similar view. He had serious doubts as to whether his group could accept the budget unless it were profoundly changed before the end of the year.

Similarly, Mr Michael Shaw (UK), for the European Conservatives, spoke of the pattern being 'ominously similar' to that of previous years.

Mr Altiero Spinelli (It), Communist spokesman, accused the Council of disregarding Parliament in its decision on the different budget items.

Lord Bruce of Donington (UK, S) added that there had been 'no such thing as a fruitful dialogue' between Parliament and Council in the manner that Mr Lahnstein had suggested. He, too, was particularly struck by the dual standard applying to different classes of expenditure. He pointed out that the budget included 913.39 million pounds for the storage of surplus products.

QUESTION TIME

Questions to the Commission

Low cost footwear (Sir Geoffrey de Freitas)

Commissioner Davignon told Sir Geoffrey (UK, S) that South Korea had agreed to cut back on its exports of cheap shoes to the Community. The Commission would try to secure similar commitments from Spain and Poland.

Commission office in Bangkok (Mr Bob Mitchell)

Vice-President Haferkamp told the House that the Commission had chosen Bangkok for its Southern Asian office because of that city's central location and excellent communications. Several speakers asked whether New Delhi or Singapore might not have been more suitable, but Mr Haferkamp felt not.

Financial aid for Malta (Mr George Cunningham)

The EEC-Malta financial protocol had not yet entered into force, Mr Haferkamp said, because some Member States had still not ratified it.

Irregular practices in the iron and steel sector (Mr Ernest Glinne)

Mr Davignon assured the House that the Commission was strengthening its surveillance with a view to preventing reference prices from being disregarded.

Air safety (Mr Erik Blumenfeld and Mr John Osborn)

In reply to two questions concerning air safety and the French air traffic controllers' strike, Commissioner Burke emphasised that the Commission had no competence to act in the matter, however serious it might be. Air traffic in Europe concerned all European countries, and there were other bodies, (e.g., Eurocontrol, ICAC) whose responsibility it was.

Budget debate concludes (5 p.m.)

In the resumed debate on the Council's draft budget of the European Community for 1979, Mr Ripamonti (It, CD) was also struck by the credibility gap between the aims spelled out at the summit meetings in Bonn and Bremen and the means to be made available through the Council's draft budget for achieving them.

The focal point of the debate then switched to individual areas of expenditure where the Council had made cuts in the Commission's preliminary draft budget, the consensus being one of regret that the Council had felt it necessary to act as it had done.

At the end of the debate Mr Lahnstein replied on behalf of the Council.

Council's draft budget for 1979

(1 eua for the budget = £0.629926)

Expenditure	Budget for 1978		Preliminary draft for 1979		Council draft	
	C	P	C	P	C	P
	£m	£m	£m	£m	£m	£m
I. COMMISSION						
CAP	5,784	5,752	6,474	6,343	6,338	6,238
Social Policy	374	352	556	471	465	322
Regional fund	366	331	391	246	391	202
Research, energy industry, transport	200	186	363	325	163	176
Cooperation and development	352	240	444	356	375	304
Miscellaneous	te	te	te	te	te	te
	7,076	6,861	8,228	7,741	7,732	7,242
Staff	244	244	263	263	258	258
Administration	67	67	76	76	75	75
Information	8	8	8	8	6	6
Grants & Subsidies	28	28	30	30	29	29
	347	347	377	377	368	368
Reserves	3	3	41	19	3	3
Costs of Collection	434	434	434	434	434	434
Total	7,860	7,645	9,080	8,571	8,537	8,047
II. Other institutions	142	142	159	159	155	155
TOTAL	8,002	7,787	9,239	8,730	8,692	8,202

te = token entry

C = Commitments

P = Payments

GATT – EC will accept comprehensive and balanced package only, Mr Haferkamp says

Bringing the House up to date this evening on progress in the Tokyo round of GATT talks, Vice-President Haferkamp referred to some of the main issues at stake for the Community. These included a general lowering of tariffs, an acceptable safeguard clause, agreement on agricultural products and the elimination of non-tariff barriers. He felt that the joint statement issued on 13

July 1978 by the Community, the USA and Japan was a sound starting point for the final phase of the negotiations now about to begin. In any event, the Community would be satisfied by nothing less than a comprehensive and balanced package.

Speakers in the debate that followed were generally pessimistic about the chances of success, and many warned about the world-wide repercussions of protectionism if the talks failed. There was also a particular need to remain aware of the special problems facing the developing countries. Carving up world trade amongst the three major trading blocks could spell economic disaster for the third world, Mrs Dunwoody (UK, S) said.

EC-China trade agreement

Mr Müller-Hermann's report (Doc. 198/78)

The trade agreement between the Community and China, signed on 3 April 1978, is designed to increase trade between the two sides and to eliminate the present imbalance (1976: EC imports from China amounted to 756m EUA, exports to 1,000m EUA).

Welcoming the agreement, rapporteur Mr Ernst Müller-Hermann (Ge, CD) described China as a 'waking giant' which offered immense opportunities to EC firms and exporters, as well as laying the foundation for closer human and political relations. However, he added a word of caution: China, might one day be joining the cheap-labour countries selling goods to the West, using Factories sold by the Community to do so.

Speakers in the debate were unanimous in their support for Mr Müller-Hermann's motion and for the agreement itself, the political as well as commercial significance of which they stressed.

European export bank

Question by the External Economic Relations Committee (Doc. 287/78)

In January 1976 the Commission put forward a proposal for creating a European export bank. Parliament called for a revision of this proposal in May 1977. Since

then, nothing further had been heard of the scheme, and Mr Gabriel Kaspereit (Fr, EPD), for the REX committee, asked why.

In reply, Mr Haferkamp said the Council had not yet discussed the original proposal submitted to it, and before reconsidering its scheme the Commission had to know whether the Council agreed to the principle of such a bank. There had been no decision by the Commission to abandon the idea.

Speakers in the debate were not convinced by Mr Haferkamp's reply. Mr Tam Dalyell (UK, S) asked that the Commissioner should explain himself more fully before the committees concerned.

Vote

The House agreed to the motions in the reports by Mr Joseau-Marigné and Mr De Keersmaecker.

WEDNESDAY 13th September 1978

Bonn and Bremen summits

Hans-Dietrich Genscher, German Foreign Minister and Council President, reported to Parliament on the results of the meetings held in Bonn and Bremen in July.

The essence of Mr Genscher's statement to the House this morning was that the European Council meeting held in Bremen on 5th and 6th July had taken the Community some way towards a European monetary system. For the Commission, both Mr Roy Jenkins and Mr François-Xavier Ortoli were enthusiastic about the chances that success in developing the European monetary system could give Europe.

Turning to the Bonn economic summit of 16th and 17th July, Mr Genscher said that it had not been expected to solve the basic problems of economic and social development, but, he said, 'its decisions point us in the right direction ... the Bonn summit has released considerable energies and ... a number of Governments have begun in no uncertain fashion to fulfil the commitments which they entered into in Bonn'.

Although both Mr Jenkins and Mr Ortoli were clearly convinced that the strategy now being developed, with its five year plan leading towards European monetary union, could lead to a major economic breakthrough, some Members of Parliament were guarded in their reactions. Lord Ardwick, Socialist spokesman, asked how the Bremen ideas could be made to work. He trusted, for example, that their effect would not be deflationary.

QUESTION TIME

Questions to the Council

Mr Klaus von Dohnanyi replied

Action on Parliament's recommendations (Mr Gerald L'Estrange)

Council's proceedings were so arranged as to ensure that when Commission proposals were considered, the recommendations of the European Parliament were taken into account, provided they were received in good time. He quoted examples of where the Council had acted on the advice of the House.

Fisheries policy (Mrs Winifred Ewing)

The Council had made reports to the House. A new report would be made if Parliament were to place the matter on its agenda.

Interpretation service at Court of Justice (Mr Camillo Ripamonti)

This was a matter for the Court's own administration. It was the defendant who selected the language to be used in the consideration of his case.

Aid for small and medium-sized firms (Mr Michael Yeats)

There was no Commission proposal on small firms now before the Council. But they had been helped indirectly through the regional and social funds. The best boost for such firms, he suggested, would be a buoyant economy. This reply did

not allay Mr Yeats's (Ir, EPD) concern and Lord Bruce (UK, S) suggested the Council use its own initiative here. Mr Normanton (UK, EC) suggested proposals to cut out excess paperwork to help the small and medium-sized firms. Mr Brown (UK, S) suggested the piano industry was a good case for help: cheap imports should be checked. Mrs Kellett-Bowman (UK, EC) asked how the social and regional funds had been harnessed to help small firms. Mr Noè (It, CD) raised the question of the craft industries.

Nuclear policy (Mr Paul De Clerq)

Mr Von Dohnanyi said he expected discussions on the Commission's proposals on fast breeder reactors to be resumed, 'as soon as this appeared useful'.

Aid for young unemployed (Mr Guillaume Schyns)

There had been no agreement at the Council's meeting of 6/7 July on the Commission's job creation proposals for young unemployed people, Mr Von Dohnanyi said, but the matter would be taken up again during the Autumn.

Questions to the Conference of Foreign Ministers

Release of Rudolf Hess (Mrs Winifred Ewing)

The Foreign Ministers had no power to intervene on this issue, which was a matter for the four powers responsible for Berlin, Mr Von Dohnanyi said.

Respect for Helsinki Final Act (Mr Egon Klepsch)

The Nine had condemned Soviet violations of human rights in two declarations, Mr Von Dohnanyi said, and remained convinced that this approach was the most effective.

Rhodesia (Mr John Osborn)

Mr Von Dohnanyi said it was the declared policy of the Nine to work towards a peaceful settlement in Zimbabwe. This could not be achieved by supporting an illegal minority régime.

Meetings held in Bonn and Bremen in July

This morning Sir Brandon Rhys Williams, European Conservative spokesman, insisted that the Community had to do something. While it would be unwise to be over-ambitious, to do nothing would be fatal. He suggested a 'pre-union' phase which might last a number of years.

When the debate resumed this afternoon, Mr Maurice Dewulf, Belgian Christian Democrat, had another suggestion: could not the Nine pay their oil bills in European units of account? The oil-producing states whose income was calculated in petro-dollars invested tens of billions of dollars in the United States. If the Nine paid for their oil in EUA would not the oil producers be disposed to invest in EUA countries in precisely the same way?

Mr Jacques Eberhard (Fr), Communist spokesman, was skeptical about any new monetary system. It could only benefit the richer Member States and the multinationals.

Mrs Ewing (UK, Ind), this morning, stressed the difficulty the average voter would have in understanding what the European monetary system involved.

Mr Brugha (Ir, EPD) felt EMU was at best a long-term goal contingent on economic convergence. A monetary stability zone was a realistic stopgap measure.

Mr Lange (Ge, S) stressed that the age of economic independence was over – so why did some countries persist in their suspicion of economic and monetary union?

Mr Ryan (Ir, CD) was critical of the European Council for so often failing to match their words with deeds – he hoped this would not be the case with the Bremen guidelines.

On another aspect of the Bremen meeting, Mr Brown (UK, S) lamented the absence of any clear-cut condemnation by the European Council of human rights violations in the USSR. He also found it strange that the Council's commitments on energy were not reflected in the EC's draft budget.

Mrs Dunwoody (UK, S) warned against the possible deflationary effect of an over-rigid monetary system, and pointed out that it had been national efforts

that had improved the economic situations in some Member States: this freedom to act must not be prejudiced.

Replying to the debate, Council President von Dohnanyi emphasised the positive worldwide effects that European monetary stabilisation would bring. He also agreed on the need for a pragmatic approach to such a scheme.

Unemployment

Mr Pisani's questions (Doc. 288/78 and Doc. 289/78)

In his maiden speech, Mr Pisani (Fr, S) raised the question of unemployment. Dr Klaus von Dohnanyi, Council President, assured him that unemployment had been central to the Bremen and Bonn meetings. Mr Pisani had suggested that the assumption underlying the Bremen meeting had been that growth and job creation were synonymous. Mr Von Dohnanyi replied that there were forms of growth that did not call for an undue increase in raw material imports or energy consumption – tourism was one.

Mr Vredeling, for the Commission, then took up the whole question of how unemployment should be tackled. He agreed with Mr Pisani that growth was no longer enough. But a zero growth rate or a one per cent growth rate would not be any good either. He suggested the answer lay in a redistribution of work.

Mr Pisoni (It), for the Christian Democrats, argued that a redistribution of both jobs and earnings was needed. Mr Cifarelli (It), for the Liberals, was concerned about protectionism. For Mr Pisani had argued that if no remedy were found in the textile, steel and shipbuilding sectors, the pressure for protectionism would be hard to resist.

Mrs Kellett-Bowman (UK), for the European Conservatives, felt that the answer lay in providing incentives for acquiring and using skills, a point also put by Mr Cifarelli.

Mr Porcu (Fr), Communist spokesman, felt there was no other remedy but to boost industrial production, particularly by stepping up consumption.

Mr Ryan (Ir, CD) urged that EC funds be put to a proper use otherwise, he said, one might end up with the best trained force of unemployed in the world.

Seat of the European Parliament

Mr Hamilton's question (Doc. 277/78)

Mr Brown (UK, S) then asked the Council if it would draw up a report making a recommendation as to a single place of work for the European Parliament. He did not wish, he said, to argue the merits of Luxembourg, Strasbourg or Brussels – or even a fourth possibility, the Docklands area of London which was ripe for redevelopment – but only to do something about the expense and inconvenience of being peripatetic. Mr Von Dohnanyi replied that the Council was bound by the agreement of April 1965.

Border controls

Sir Geoffrey de Freitas's question (Doc. 283/78)

Sir Geoffrey de Freitas (UK, S) expressed concern about border controls. Mr Von Dohnanyi shared this concern. He was, he said, looking into the matter with Mr Davignon to pinpoint areas where progress could be made. Mr Ryan (Ir, CD) asked whether all Member States could not speed up passenger movement at the main points of entry into Member States by introducing an EC citizen channel as at Heathrow airport. Mr Von Dohnanyi replied he could not commit his colleagues, but it was an excellent suggestion which he would pass on. Sir Geoffrey thanked the President for his reply.

Vote

The House agreed to the motion by Mr Bangemann and the motion in the report by Mr Müller-Hermann.

THURSDAY 14th September 1978

A common market for sheepmeat

Mr Herbert's report (Doc. 249/78)

The Commission is proposing to bring sheepfarming under the CAP's umbrella by introducing a basic price for sheep carcasses – aid for private storage of lamb

and mutton would be paid if the price fell more than 10 per cent below this basic price – and ensuring free trade in sheepmeat within the Community.

Rapporteur Mr Michael Herbert's (Ir, EPD) motion approved the proposals, subject to a number of amendments. He stressed their particular importance for Ireland, whose per capita consumption of lamb and mutton is the highest in the Community, and where sheep production plays a vital part.

There was considerable opposition to both the motion and the proposals themselves from the floor of the House. Some Members were concerned that consumer prices would rise, and, as Mr Scott-Hopkins (UK, EC) pointed out, a 10 per cent price rise meant a 12 per cent drop in consumption. There was also concern for the position of New Zealand exports.

Other Members, by contrast, were concerned that free trade would mean lower prices for French producers. As both Mr Liogier (Fr, EPD) and Mr Faure (Fr, S) pointed out, the key problem was the difference in sheepmeat prices as between France and the UK (UK prices are half those in France).

Some Irish Members saw a guaranteed price and a common market as the only hope for sheepfarmers in their country's depressed regions.

In reply, Vice-President Gundelach said acceptance of the proposals would be a test of Community solidarity. Moreover, he was convinced that the scheme would not put up consumer prices, and producers would be protected. The Commission was committed to the principle of free trade. Finally, he pledged to defend the proposals despite opposition from House.

QUESTION TIME

Questions to the Commission

Taxes on TIR vehicles going through Austria (Mr Ferruccio Pisoni)

Mr Ortoli informed the House that talks were being held in Vienna today with a view to a Europe-wide agreement on rates for infrastructure use. This was the ultimate aim. Meanwhile, EC-Austria talks had led to improvements, notably the option of paying TIR rates monthly instead of on each individual trip.

Self-employed and the Social Fund (Mr Thomas Nolan)

Mr Ortoli reminded the House that arrangements enabling the self-employed to benefit from the Social Fund were being run in. The Commission had, in the usual way, sought to inform all interested parties, but he assured Mr Nolan (Ir, EPD) that he would look into whether a special effort were needed as regards informing local authorities. He agreed with Mrs Dunwoody (UK, S) that speeding up the rate of payments needed looking into.

Synthetic fibres cartel (Mr Tom Normanton)

Mr Vouel said that an agreement between synthetic fibre manufacturers had been reached on 20 June. It had been submitted to the Commission on 14 July. Exemption from Article 85(3) was being sought. The Commission was considering the matter.

Offshore modules construction (Mr Seán Brosnan)

Mr Vouel said that the Commission had expressed reservations about the UK offshore supplies office and had initiated the procedure of Article 93(2).

'If ... the Commission finds that aid granted by a State ... is not compatible with the common market ... it shall decide that the State concerned shall abolish ... such aid'.

Vote

The House agreed, by a narrow margin, to the motion contained in Mr Herbert's report (Doc. 249/78) on a common market for sheepmeat.

Taxes on wine and beer

Mr Pisoni's report (Doc. 205/78).

Mr Ferruccio Pisoni (It, CD) put down a motion calling on the Commission for proposals designed to put an end to the anomalies as regards excise duties and VAT on wines and beer.

The taxes (excise duty and VAT) on wine are at present:

Country	Excise duty per hl ¹		VAT rate %
	in EUA	£	
Belgium	31.93	21.30	25
Denmark	106.43	71.00	18
Federal Republic of Germany	-	-	11
France	1.64	1.09	17.6
Ireland	77.19	51.53	10
Italy	-	-	14
Luxembourg	17.26	11.52	5
Netherlands	32.17	21.47	18
United Kingdom	109.14	72.86	8

This compares with the following duties on beer:

Country	In EUA/hl ¹	In £/hl ¹
Belgium	5.42/8.55	3.61/5.70
Denmark	54.22	36.19
Federal Republic of Germany	4.65/5.81	3.10/3.87
France	1.39	0.92
Ireland	23.26/25.84	15.52/17.25
Italy	6.98	4.66
Luxembourg	3.95/6.46	2.63/4.31
Netherlands	7.39/8.51	4.93/5.68
United Kingdom	20.06/22.29	13.39/14.88

1 hectolitre (hl) = 22.01 imp. galls.

1 EUA = £0.667650 (as at 4.9.78)

Mr Giovanni Bersani (It), for the Christian Democrats, and Mr Michele Cifarelli (It), for the Liberals, fully supported Mr Pisoni's motion, but Mr Mark Hughes (UK) advised the House that the majority of the Socialist group were opposed to them; and Mr James Scott-Hopkins (UK), for the European Conservatives, said the proposals were quite unacceptable.

Mr Scott-Hopkins added that there could be no comparison between wine and beer and that any attempt to change the market by means of taxation would, in his view, be ill-advised. He put down a number of amendments to the motion which would be put to the vote on Friday.

Mr Georges Spénale (Fr, S) advised the House that the French and Italian Socialists would be voting in favour of the motion.

Mrs Ewing (UK, Ind) had some sympathy with the motion but was unable to go all the way with it, which was to some extent the view of the Commission in reply.

But Mr Burke was quite emphatic that the Commission could not accept any suggestion of discrimination between imported and domestic products. He had the gravest doubts, he said, as to the legality of the proposal being put forward, and reservations too as to its timing.

Seeds and a catalogue of plant species

Mr Hansen's report (Doc. 250/78)

Mr Hansen (Lu, S) welcomed the Commission's proposals amending various directives on the marketing of fodder plant seed, cereal seed, seed potatoes, seed of oil and fibre plants, vegetable seed, and on the common catalogue of varieties of agricultural plant species. The purpose of these directives is to establish recognised equivalences in respect of species of agricultural products in different Member States.

Commissioner Burke thanked the rapporteur for his support.

Economic impact in Nine of EC trade agreements

Mr Vandewiele's report (Doc. 143/78).

Mr Marcel Vandewiele (Be, CD) put down a motion urging that when agreements are signed with third countries there should be a greater regard for their likely impact in the Community's sensitive sectors. In doing so he prompted a debate as to the scope and limits of the Community's commitment to free trade. And Lord Ardwick (UK, S) suggested a working party from appropriate committees be set up to define where Parliament as a whole stood, to devise a corporate statement and provide a working philosophy on free trade.

Mr Ortoli, for the Commission, broadly agreed. The Community was committed to free trade for reasons both of principle and self-interest but it had a right to act if others took unfair advantage of the system.

The Community's trade relations with Australia

Mr Van Aerssen's question (Doc. 285/78).

Replying to a question from Mr Jochen van Aerssen (Ge) (for the Christian Democrats), Mr Ortoli told the House of the continuing contacts between the Commission and Australia both in GATT and between members of the Commission and Australian leaders to discuss matters of mutual interest.

In the brief debate that followed, Mr Alan Fitch (UK, S) pointed out that Australian tariff levels were more protectionist than the Community. But both Mr Meintz (Lu, L) and Mr Scott-Hopkins (UK, EC) were more conciliatory: the situation was not as black as sometimes painted, and the present climate could be improved with a little good will.

FRIDAY, 15th September 1978

Frontier workers

Mr Dondelinger's question (Doc. 286/78)

Hundreds of thousands of Community citizens living in frontier areas go to work in neighbouring countries. Exchange rate fluctuations have meant that those

earning wages in a currency that has been devalued have suffered substantial losses in pay or pension. Since the Treaty encourages free movement of workers and is pledged to improving living standards, Mr Dondelinger (Lu, S) asked the Commission what action it proposed in order to remedy this situation.

In reply, Mr Cheysson said he recognised the problem but pointed out that the great majority of affected workers benefit rather than lose from such fluctuations. Parity changes were too frequent for an effective Community compensation system to be introduced. He saw the only realistic solution as lying in economic and monetary union.

There was no support in the House for Mr Cheysson's view, speakers insisting that it was the Community's responsibility to implement a proper mechanism to help those whose living standards were being constantly eroded by monetary instability.

The European Foundation

Mr Albers's question (Doc. 280/78)

The Copenhagen Summit of December 1973 decided that a European Foundation should be set up to be mainly concerned with youth questions. Mr Albers (Du, S) asked what progress had been made here.

Mr Cheysson replied that ratification of the agreement was still pending.

European Investment Bank loans

Mr Patijn's question (Doc. 279/78)

Mr Albers (Du, S) raised the question of an EIB loan granted to a firm registered in the Cayman Islands. Mr Cheysson left the House in no doubt as to his feelings about tax havens but indicated that this was, for the moment, a matter for cooperation between Member States.

The Dutch 'Producttschappen'

Mr Jahn's question (Doc. 67/78)

Asked about the charges levied by these bodies, Mr Cheysson replied that because they were charged on both imported and domestic produce, they were not exceptionable under the Treaty. The Commission had no evidence that the proceeds of these levies were being used specifically to promote the interests of domestic produce.

Aid for Sahel regions

All-group motion (Doc. 297/78) and CD question (Doc. 309/78)

Replying to an all-group motion expressing concern at the plight of the people of the Sahel regions, Mr Cheysson thanked the House for its support and gave details of the help the Community had already been able to give.

Flood victims in India, Bangladesh and Nepal

Mr Mitchell's motion (Doc. 308/78)

Lord Murray of Gravesend (UK, S) put down the motion urging help for the victims of the recent floods in India, Bangladesh and Nepal. Mr Cheysson said the Commission shared Parliament's concern and gave details of the assistance being given and offered.

Vote

The House agreed, at the beginning of this morning's business, to the motion in the report by Mr Pisoni (taxes on wine and beer) (Doc. 205/78), and at the end of this morning's business, to the motions in the reports by Mr Hansen (seeds) (Doc. 250/78), Mr Vandewiele (impact of trade agreements) (Doc. 143/78), Mr Vitale (farm advisory service) (Doc. 305/78), Mr Pisoni (floods and irrigation) (Doc. 306/78), Mr Inchauspé (wines from Tunisia) (Doc. 301/78) and Mr Amadei (cattle from Yugoslavia) (Doc. 302/78).

The House also agreed to the motions tabled by Mr Mitchell (flood victims in India) (Doc. 308/78) and by the six groups of the European Parliament (help for Sahel) (Doc. 297/78).

SUMMARY

Monday, 11th September – Friday, 15th September 1978

(Document numbers in brackets)

Monday, 11th September 1978

5 p.m. to 8 p.m.

President Emilio Colombo pays homage to the memory of Pope Paul VI.

Action on Parliament's resolutions.

The Community in international law

Mr Jozeau-Marigné's report (Doc. 567/77).

Product liability

Mr Calewaert's report (Doc. 246/78) put back till October.

Gun control

Mr Fellermaier's question (Doc. 284/78).

Commercial agents

Mr De Keersmaecker's report (Doc. 222/78).

Tuesday, 12th September 1978

9.30 a.m. to 1.10 p.m. and 3 p.m. to 10.55 p.m.

Budget for 1979

Presentation of Council's draft general budget (Doc. 296/78).

Question Time

Questions to the Commission (Doc. 294/78).

Vote

House agreed to the motion in Mr Joseau-Marigné's report (the position of the European Communities in public international law) (Doc. 567/77) and, after

amendment, to the motion in Mr De Keersmaeker's report (Commission proposal concerning commercial agents) (Doc. 222/78).

GATT

Statement by Commission Vice-President Haferkamp.

EC-China trade agreement

Mr Müller-Hermann's report (Doc. 198/78).

European Export Bank

REX committee question (Doc. 287/78).

Wednesday, 13th September 1978

10 a.m. to 1.15 p.m. and 3 p.m. to 9.05 p.m.

Bremen and Bonn

Debate on Bremen European Council meeting and Bonn economic summit, including Mr Müller-Hermann's questions (Docs. 290/78, 291/78).

Inter-institutional relations

Lord Reay's report (Doc. 148/78) deferred.

Question Time

Questions to the Council and to the Conference of Foreign Ministers.

Vote

The European Parliament agreed, after amendment, to the motion in the report by Mr Müller-Hermann (EC-China trade agreement) (Doc. 198/78). Parliament also agreed to the motion put down by Mr Bangemann (implications of the Bremen meeting for the 1979 budget) (Doc. 300/78).

Unemployment

Mr Pisani's questions (Docs. 288/78, 289/78).

Seat of the European Parliament

Mr Hamilton's question (Doc. 277/78).

Bird conservation

Mr Jahn's question (Doc. 278/78) to receive a written reply in the Minutes.

Border controls

Sir Geoffrey de Freitas's question (Doc. 283/78).

Internal procedures of the EP

Lord Reay's report (Doc. 128/78) referred back to committee.

Thursday, 14th September 1978

10 a.m. to 1.10 p.m. and 3.05 p.m. to 9.25 p.m.

A common market for sheepmeat

Mr Herbert's report (Doc. 249/78).

Question Time

Questions to the Commission.

Vote

The House agreed to the motion in the report by Mr Herbert (common market for sheepmeat) (Doc. 249/78).

Taxes on wine and beer

Mr Pisoni's report (Doc. 205/78).

Seeds and a catalogue of plant species

Mr Hansen's report (Doc. 250/78).

Economic impact in Nine of EC trade agreements

Mr Vandewiele's report (Doc. 143/78).

The Community's trade relations with Australia

Mr van Aerssen's question (Doc. 285/78).

Agricultural advisory service in Italy

Mr Vitale's report (Doc. 305/78).

Directives on floods and irrigation

Mr Pisoni's report (Doc. 306/78)

Friday, 15th September 1978

9 a.m. to 11.25 a.m.

Frontier workers

Mr Dondelinger's question (Doc. 286/78).

European Foundation

Mr Albers's question (Doc. 280/78).

EIB loans

Mr Patijn's question (Doc. 279/78).

Import charges by Dutch 'Producttschappen'

Mr Jahn's question (Doc. 67/78).

EC-Spain fishing agreement

Mr Bangemann's motion (Doc. 299/78) was referred back to committee.

Help for Sahel

All-group motion (Doc. 297/78).

Flood victims in India, Bangladesh and Nepal

Mr Mitchell's motion (Doc. 308/78).

Vote

The House agreed to the motions in the reports by Mr Hansen, Mr Vandewiele, Mr Vitale, Mr Pisoni, Mr Inchauspé and Mr Amadei and to the motions tabled by Mr Mitchell and by the six groups of the European Parliament.

To sum up

The European Parliament considered 8 Commission proposals this month, giving its unqualified approval in respect of 4 of them, qualified approval in respect of 1 and calling for amendments in respect of the other 3.

POSTSCRIPT

Resolutions adopted in September

Parliament gave its unqualified approval to Commission proposals regarding the tariff nomenclature for agricultural products (Doc. 215/78), flood protection in the Hérault Valley and an irrigation programme in Corsica (Doc. 306/78), Tunisian wines (Doc. 301/78) and beef from Yugoslavia (Doc. 302/78).

Parliament gave its qualified approval to a Commission proposal concerning various seeds (Doc. 250/78).

Resolutions calling for amendments to Commission proposals

Mr De Keersmaecker's report (Doc. 222/78) on commercial agents

Parliament requested numerous amendments to tighten up the proposal and suggested in particular:

- exclusion of part-time agents involved in mail-order sales and intermediaries in the aviation sector (Art. 3)
- specification of the requirements relating to the agent's conduct (Arts. 5, 6, 8 and 29)
- clarification of the provisions relating to remuneration, commission and reimbursement of expenses (Arts. 11-18)
- deletion of Art. 21 on **del credere** agreements and provisions for protecting the agent where a **del credere** clause is stipulated, except where an agency is so large that it does not need the social protection (Art. 33)
- deletion of Art. 22 (bankruptcy, etc., of the principal)
- right to a written contract (Art. 23)
- shorter period of notice (Art. 26)
- express provisions for the termination of contract in case of repeated faults by one of the parties (Art. 27)
- stricter definition of the goodwill indemnity and exclusion of the agent's right to goodwill in certain cases (Art. 30)
- reduction from 4 to 3 years of the limitation period (Art. 34)
- revision of Art. 35 (derogations).

Furthermore, it called for proposals for directives concerning commercial travellers, insurance agents and agents of financial institutions.

Mr Herbert's report (Doc. 249/78) on sheepmeat

Parliament called for measures encouraging production and for a range of structural measures; it proposed that Art. 12 be deleted (import and export licences) and that a number of other articles be amended to take account of Parliament's right to be consulted and informed.

Mr Vitale's report (Doc. 305/78) on an agricultural advisory service

In various amendments, Parliament proposed

- not to provide for the establishment of a completely new advisory institute, but to let the Italian Government decide which – new or existing – institutes would be most suitable
- to specify the qualification required for admission to the courses (Art. 8)
- to give priority to the Mezzogiorno (Art. 12)
- to provide for a review of the programme every 3 years (Art. 15)
- that Parliament should be involved in any decision having substantial financial implications (Art. 16).

Other resolutions

Mr Jozeau-Marigné (Doc. 567/77) on European Community in Public International Law

Parliament emphasized the Communities' authority to negotiate and conclude external agreements and demanded greater and more effective participation in the relevant procedures.

Mr Müller-Hermann (Doc. 198/78) on EC-China trade agreement

Parliament called upon the Commission to begin forthwith its preparations for the first meeting of the Joint Committee and asked to be kept regularly informed of the outcome of the Committee's meetings and of the prospects for the development of trade between the EC and China.

Mr Bangemann (Doc. 300/78) on the draft budget for 1979 in the light of the Bremen and Bonn conference

Parliament considered the Commission and Council too unambitious and would take the necessary budgetary steps to enable the objectives at the highest political level to be achieved.

Mr Pisoni (Doc. 205/78) on taxes on wine and alcohol

Parliament called upon the Commission to present a proposal for an overall directive and to withdraw its previous – now outdated – proposals for harmonization in this sector, and called upon the Council to commit itself to approve such a directive without delay.

Mr Vandewiele (Doc. 143/78) on trade policy

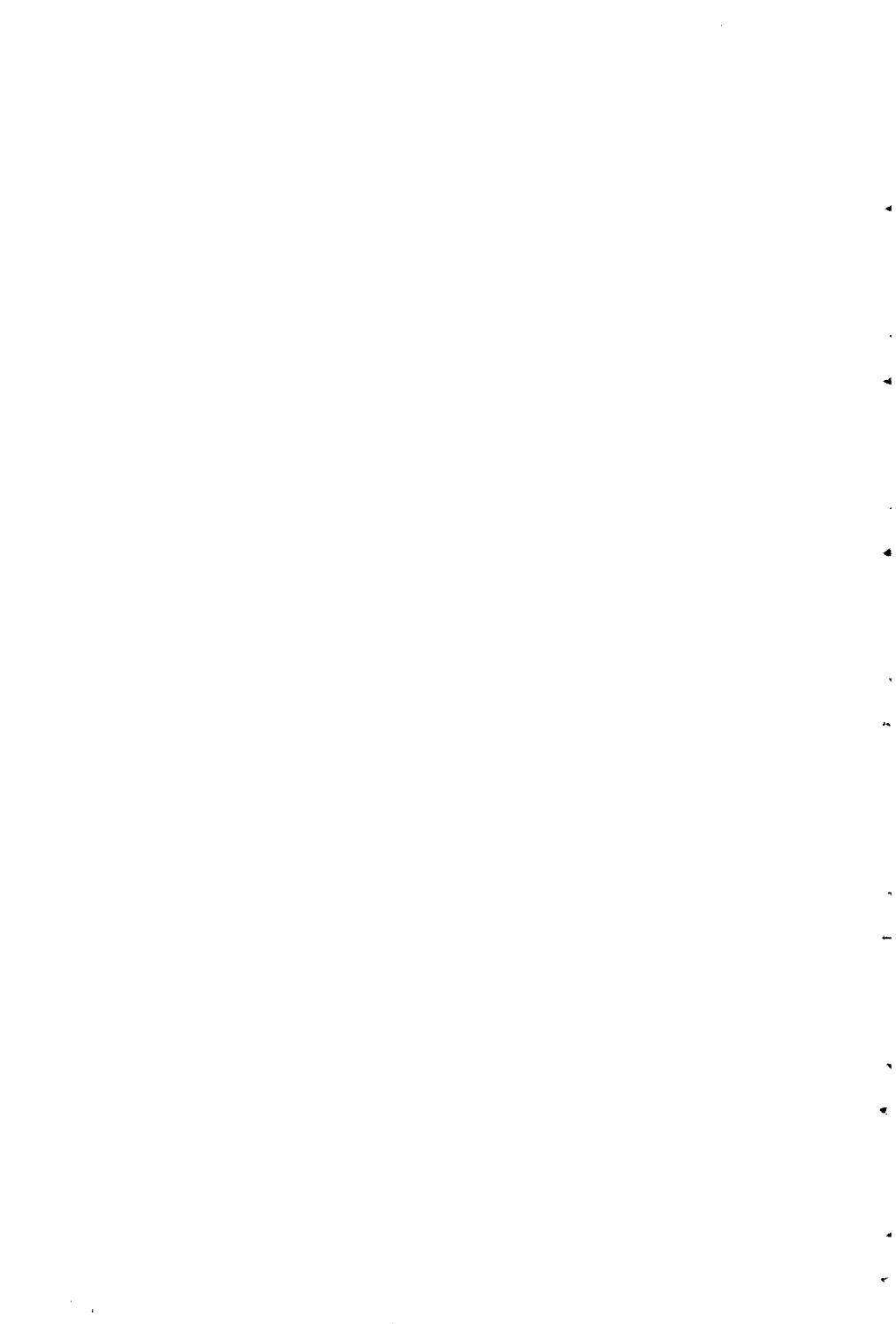
Parliament requested the Commission and Council to make use of their supervisory and intervention powers and asked for strict observance of the existing provisions on certificates of origin.

All groups (Doc. 297/78) on the Sahel situation

Parliament asked the Commission to draw up an emergency aid scheme to put an immediate halt to starvation and to adopt a multiannual structural plan to help the Sahel countries to overcome their present difficulties.

Mr Mitchell (Doc. 308/78) on helping flood victims (Ganges and Yamuna rivers)

Parliament called on the Commission to grant funds to the victims of the floods in these countries from the budget allocation for food aid and aid to disaster victims.



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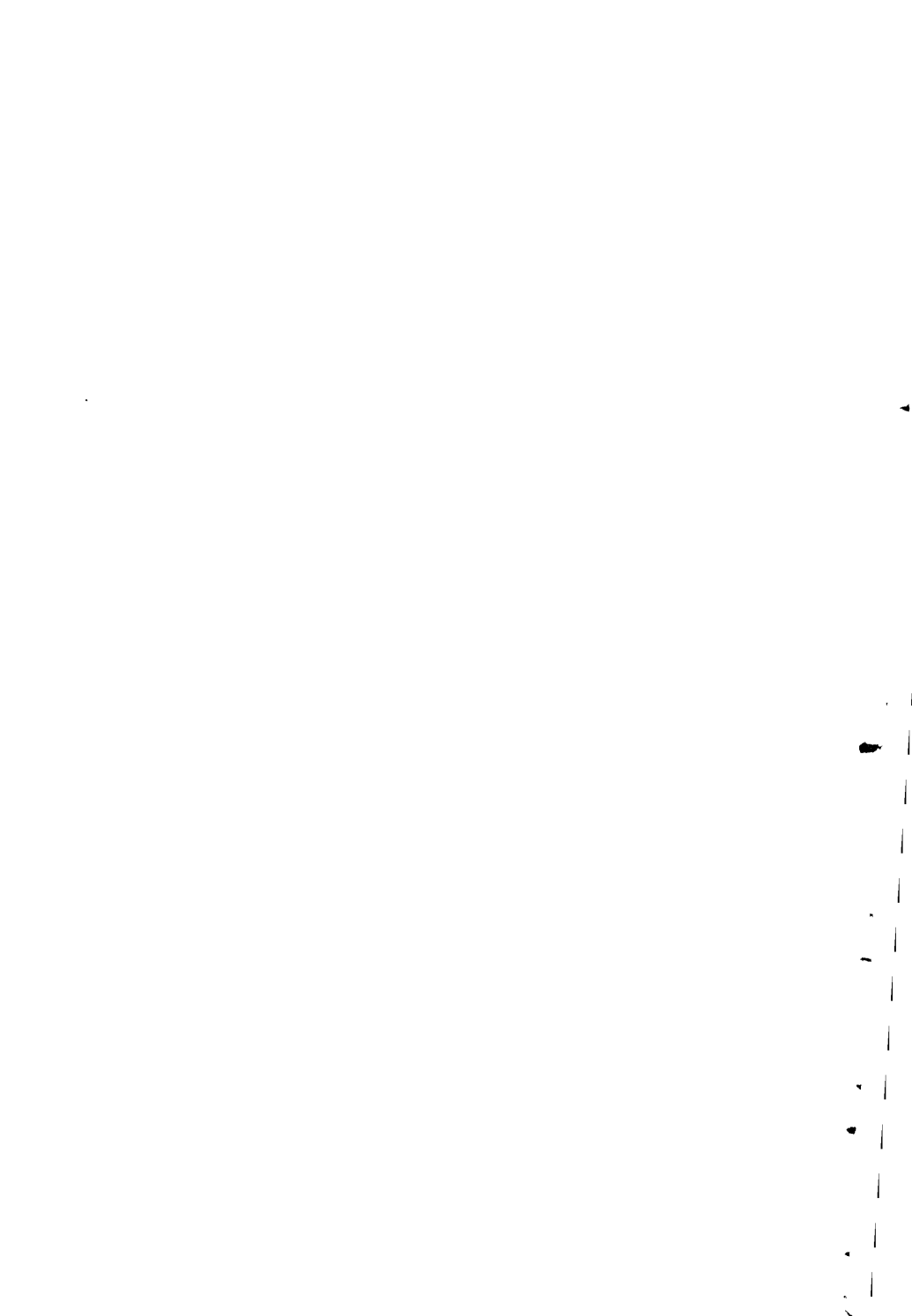
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