

# European Parliament Information

The Sittings

December 1978



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## **THE SITTINGS**

**LUXEMBOURG, 11th – 15th DECEMBER 1978**

## **THE WEEK**

### **THE MAKING OF THE BUDGET 1979**

The most dramatic event in the European Parliament's session in Luxembourg this week was its decision to make no amendment to the Council's 9.2 billion pounds budget for 1979. Its reason for doing so was primarily to avoid any wrangle with the Council over its own 'margin of manoeuvre' i.e. the amount by which it is within Parliament's discretion to increase what is known as 'non-obligatory' expenditure (that not necessarily resulting from the Rome Treaty).

The implications of this decision call for a word of explanation: when the Council decided, in its draft budget, to cut back on the preliminary draft the Commission was proposing, the European Parliament asked Council to restore the draft more or less to its original shape. The Council then met on 20th November to look at Parliament's requests, set out in the form of amendments to its draft budget. It decided, by a qualified majority of 41 votes out of 58 to reject all but 625m EUA (394m pounds) of these amendments. But one of the amendments it did not reject was one calling for the 1979 Regional Fund appropriations to be increased by 480m EUA (302m pounds) from 620m EUA (391m pounds) to a new total of 1,100m EUA (693m pounds).

Its not doing so resulted in a contretemps at the European Council meeting in Brussels on 4th – 5th December. And Manfred Lahnstein, Council President, this week appealed to Parliament to look for a compromise on the budget leaving the Regional Fund amendment on one side. This Parliament found quite unacceptable. The amendment had not been rejected. It therefore stood.

And if there were a single thought underlying Parliament's position it was that expressed by budgets committee chairman Erwin Lange:

'The Council – intentionally or unintentionally – seems bent on pushing Parliament back to the position it occupied prior to the Luxembourg Agreement. This is quite unacceptable ... We have a duty to safeguard the rights we have acquired and to hand them over, intact, to our directly-elected successors.'

EC budget for 1979

(1 EUA for the budget = £ 0.629926)

Expenditure	C	P	C	P
	£m	£m	m EUA	m EUA
<b>I. COMMISSION</b>				
CAP	6,441	6,339	10,225	10,063
Social Policy	506	353	804	559
Regional Fund	693	348	1,100	553
Research, energy, industry, transport	170	185	269	293
Cooperation and development	408	313	647	497
	8,218	7,538	13,045	11,966
Other items	807	807	1,282	1,282
<b>Total</b>	<b>9,025</b>	<b>8,345</b>	<b>14,327</b>	<b>13,248</b>
<b>II. Other institutions</b>				
	157	157	249	249
<b>TOTAL</b>	<b>9,182</b>	<b>8,502</b>	<b>14,576</b>	<b>13,497</b>

C = Commitments

P = Payments

### **Monday evening (5.05 p.m. to 8 p.m.)**

In two debates this evening Parliament dealt with five reports: two on nuclear energy and three on Community R & D programmes. All had one thing in common: their concern for the future. On decommissioning nuclear power plants, Mr Flämig suggested that future plants be built with a view to the day they had to be dismantled. Mr Veronesi's report endorsed proposals for a 5.8m EUA programme to harmonise standards for fast breeder reactor components. Both, Commissioner Brunner pointed out, were ideal areas for Community cooperation. The R & D programmes: on waste recycling, climatology and reference materials.

### **Tuesday morning (10.10 a.m. to 1 p.m.)**

#### **No compromise possible over Regional Fund says Martin Bangemann as budget debate opens**

Martin Bangemann, rapporteur for Parliament's budget committee, told Parliament this morning that he saw no alternative to conflict with the Council if its amendment to the Regional Fund part of the 1979 budget were not accepted. It will be remembered that Parliament's amendment was not rejected by the Council when it met on 20th November, i.e. the necessary 41 out of 58 votes were not forthcoming. But such an increase in the Regional Fund presupposed an increase in the maximum rate on which point the Council was unable to reach agreement (see p. 7 ).

### **Tuesday evening (3.05 p.m. to 7.45 p.m.)**

Summing up Parliament's five hour debate on the 1979 budget this afternoon, Budgets Committee chairman Erwin Lange put his finger on the central issue in the still unresolved dispute between Parliament and Council: the EP's budgetary rights. 'The Council – intentionally or unintentionally – seems bent on pushing Parliament back to the position it occupied prior to the Luxembourg Agreement,' he said. 'This is quite unacceptable ... We have a duty to safeguard the rights we have acquired and to hand them over, intact, to our directly-elected successors.'

### **Wednesday morning (10.20 a.m. to 3.15 p.m.)**

The European Parliament devoted the whole of this morning to analysing the results of the European Council meeting held in Brussels on 4th – 5th

December. The broad consensus was that the decision to launch the European Monetary System was to be welcomed but this was coupled with regrets that not all Member States would be in on EMS from the very beginning.

### **Wednesday evening (3.25 p.m. to 10.20 p.m.)**

In a brief statement this afternoon Council President Manfred Lahnstein told the House that the Council was sticking to its position on Parliament's regional fund amendment (which called for a 302m pounds increase).

### **Thursday morning (9.35 a.m. to 12.15 p.m.)**

#### **Parliament decides to leave Council's draft budget for 1979 as it stands**

The European Parliament decided this morning to make no further amendment to the Council's draft budget of 9.2 billion pounds (commitments: 8.5 billion pounds in payments). It did so because to call for further amendments might have involved Parliament in a serious legal wrangle with the Council over Parliament's margin for manoeuvre.

### **Thursday evening (3.05 p.m. to 8.45 p.m.)**

Parliament's main business this evening was the Commission's new proposals for the wine market. And here Parliament was fairly critical of the Commission for concentrating too much on the idea of cutting back production rather than on boosting consumption. One brake on consumption was the VAT and excise duties on wine. These vary widely:

4.7 per cent in Luxembourg	46.0 per cent in Belgium
5.6 per cent in Italy	66.2 per cent in Ireland
10.7 per cent in Germany	72.0 per cent in Denmark
17.7 per cent in France	72.8 per cent in the United Kingdom
43.2 per cent in the Netherlands	

### **Friday morning (9.00 a.m. to 11.25 a.m.)**

In a debate on the soon-to-be-concluded GATT talks, Vice-President Haferkamp told the House that the Community's aim of a 'balanced, overall package' of measures looked likely to be achieved. He pointed out that the US Government had now given an assurance that the duty waiver on EC products would be extended beyond 3 January 1979.

**MONDAY 11th December 1978**

## **Nuclear energy**

Mr Flämig's report (Doc. 473/78) on decommissioning nuclear power plants  
Mr Veronesi's report (Doc. 493/78) on codes and standards for fast breeder reactors.

Speakers from all sides of the House tonight welcomed both of these reports which, Mr Ron Brown (UK, S) pointed out, showed the Community's ability to 'think forward' and start dealing now with problems which haven't yet arisen.

Mr Gerhard Flämig's (Ge, S) report called for approval of Commission proposals on decommissioning nuclear power stations which have outlived their usefulness.

About twenty nuclear power plants have been withdrawn from service and are being decommissioned in stages. Five of these plants are in the Community. The experience gained in decommissioning them, though valuable, is not directly applicable to future decommissioning. So the Commission is proposing a five year programme of research costing 6.38m EUA \* (4.3m pounds) into decommissioning.

Mr Protogene Vernonesi's (It, CA) report endorsed a Commission proposal for an EC programme. The Commission is proposing an EC programme on codes and standards for fast breeder reactors. Its aim is primarily to eliminate dissimilarities on codes and standards for components specific to liquid metal fast breeder reactors.

Mr Brunner, for the Commission, thanked Parliament for its support.

\* 1 EUA on: 0.674408 pounds (as at 4.12.78)

## **EC research programmes**

Mr Ibrügger's report (Doc. 494/78) on recycling urban and industrial waste  
Mr Krieg's report (Doc. 477/78) on a Community Reference Bureau  
Mr Holst's report (Doc. 478/78) on climatology

There was general approval in the House for these three Community research and development proposals.

The first concerned recycling waste: the Commission is proposing to back a four-year programme of research into:

1. recovery of materials and energy from urban refuse;
2. thermal treatment of waste;
3. fermentation and hydrolysis of organic waste of agricultural, industrial and household origin;
4. recovery of waste rubber.

The programme is expected to cost 13m EUA \* (8.8m pounds) and stretch over four years.

The second concerned the Community Reference Bureau: the Community's first programme on reference materials and methods (Community Bureau of Reference) expire at the end of 1978 and the Commission is now proposing the adoption by the Council of a second programme. (Reference materials are substances possessing one or more properties which are sufficiently well established to be used for the calibration of an instrument or the verification of a measurement method). Expected cost: 11.3m EUA (7.6m pounds).

The third concerned climatology: the Commission is proposing Community backing for research into climatology over the period 1979 to 1983. The research will be concerned with understanding the climate and with the interaction between climate and man. The research is expected to cost 8m EUA \* (5.4m pounds), the work to be carried out in the Member States.

Commissioner Brunner thanked the House for its support.

\* 1 EUA on: 0.674408 pounds (as at 4.12.78)

**TUESDAY 12th December 1978**

**European Parliament willing to compromise over budget but not if it means giving up its budgetary powers**

The Council's failure to reject the Parliament's Regional Fund amendment placed the Parliament in a dilemma. As Martin Bangemann (Ge, L) put it, if one accepts that the Regional Fund amendment is to stand because there was no qualified majority of the Council to reject it, it is totally anomalous for this amendment not to go through simply because the Council cannot agree, by a qualified majority, to accept a new maximum rate.

This said, Parliament was willing to compromise over the actual sums of money. Further to its first reading when it was calling for additions to the budget amounting to 2,299m EUA \* (1,448m pounds) in commitments and 843m EUA (531m pounds) in payments, the European Parliament's budgets committee would now be asking the House to endorse increases amounting to only half these sums, i.e. 483m EUA (304m pounds) in commitments and 316m EUA (199m pounds) in payments and, added Mr Bangemann, it was possible for the Parliament to go even further and reconsider some of the amendments it was still calling for.

But on the question of the Regional Fund no compromise was possible. If Parliament were to give way on this point it would not only be forswearing its budgetary powers, it would be undermining the position of the future directly-elected Parliament.

In reply, Manfred Lahnstein, German Finance Minister and current President of the Council, said that the Council was ready to compromise over the maximum rate so as to ensure that the budget could be passed. He made it clear that the Council did not wish to challenge the budgetary powers of the European Parliament but there were difficulties. He told the House that the Council would be meeting this afternoon after which he hoped that further progress might be possible.

For the Commission, Mr Tugendhat warned Parliament against adopting too rigid a position on the interpretation of Article 203. It had not, he pointed out, always been observed to the letter in the past.

The Commission, moreover, was not entirely in agreement with Parliament's interpretation of the relevant provisions, particularly on a new maximum rate,



which would have to be fixed jointly by European Parliament and Council. He hoped that compromise would still be found – failure now would mean no increase in expenditure in 1979 at all, and total stagnation of Community activities.

Mr Piet Dankert (Du), for the Socialist Group, criticized Mr Tugendhat and the Commission for a 'lack of courage'. What was involved was not merely the legal issue, but the fate of the Community's regional policy. He pointed out that the Regional Fund, as a part of the EC's budget, was totally distinct from the loans scheme now being launched.

The Socialists were prepared to seek compromise in any area, he said, except on the crucial issue of the Regional Fund.

Christian Democrat spokesman Heinrich Aigner (Ge) took the same line: Parliament had to insist on observation of the legal provisions of Article 203. If the Council thought otherwise, it could bring the matter before the Court of Justice.

For the Liberals, Carlo Meintz (Lu) added his group's support for the budgets committee position. He hoped compromise would be found by Thursday, but such compromise could not involve undermining Parliament's budgetary powers.

Mr Michael Shaw (UK), for the Conservatives, agreed that all Parliament's amendments should be considered negotiable, except for those on the regional fund. Parliament's position was legally sound and if there was failure to reach agreement it would be the fault of the Council.

Mr Giuseppe Vitale (It), for the Communists, was highly critical of the Council's stance at a time when the EC was facing the challenges of EMS, enlargement and direct elections.

Mr Michel Cointat (Fr), for the EPDs, agreed with Mr Shaw. There could be no question about the regional fund. Parliament's amendment had not been rejected by Council. It therefore stood. This said, one ought to keep any other amendments to an absolute minimum.

Lord Bruce (UK), for the Socialists, was struck by the contrast in the Council's attitude to different items of expenditure: 10,000m EUA \* (6,299m pounds) for the CAP was accepted without demur. But what a fuss about 480m EUA more for the regional fund, an amount roughly equal, he hastened to point out, to the loss incurred through product deterioration when surplus dairy goods were sold.

\* 1 EUA (for 1979 budget) – 0.629926 pounds

## QUESTION TIME

### Questions to the Commission

#### *Small firms (Ruairi Brugha)*

Mr Giolitti told Mr Brugha (Ir, EPD) that the Commission had selected a number of priority objectives in its bid to do what it could for the Community's small and medium-sized undertakings. He agreed with Mr Gerald L'Estrange (Ir, CD) that small firms tended to weather inflation and recession rather better than big ones and he agreed with Mrs Winnie Ewing (UK, Ind) on the importance of small firms in providing jobs in rural areas. One priority would be to cut down on red tape, a point raised by Mr Charles Fletcher-Cooke (UK, EC).

#### *Road transport (Kai Nyborg)*

The Commission was concentrating on two main objectives in the road transport sector: increasing the EC quotas and ensuring that bilateral agreements included as many Community criteria as possible, said Mr Giolitti. Mr Tam Dalyell (UK, S) asked whether the 450 km limit for drivers could be reconsidered, given the improvement in both lorries and roads in recent years. The Commission would look into this. Mr Nyborg (Da, EPD) complained of the passenger-kilometre tax payable by foreigners on German roads and Mr James Scott-Hopkins (UK, EC) expressed concern at the abuse and corruption connected with quotas.

#### *Immigrants' newspapers (Mrs Vera Squarcialupi)*

The Commission cooperated closely with several immigrant organisations, Mr Vredeling said, and this included financial aid for financing publications. In this, as in other cases, the criterion adopted was that the organisations concerned should be organised at European, not national level. Mrs Gwyneth Dunwoody (UK, S) asked if the Commission would give aid to a Socialist publication organised at European level. Mr Vredeling said he would certainly consider it.

#### *Working hours and annual holiday (Lord Murray and Mr Cifarelli)*

All Member States had now implemented the 40-hour working week, but four weeks paid vacation was not yet universal, Mr Vredeling said. He agreed that the

introduction of the 35-hour week would be useful as part of a wider package to fight unemployment.

## **Vote**

See summary.

## **Budget 1979**

In the resumed debate on the EC budget for 1979 this afternoon, Mr Camillo Ripamonti (It, CD) began by dealing with various aspects of the budgets of other institutions (the bulk of the budget coming under the budget of the Commission).

Mr Harry Notenboom (Du, CD) then turned to the revenue side of the budget. He was glad to note, he said, that seven of the nine Member States would be able to go ahead with the sixth directive on VAT on 1st January. Only the Federal Republic and Luxembourg had still to enact the necessary legislation.

Mr Michele Cifarelli (It, L) was worried about the effect on public opinion of the Council's rejection of appropriations for road and sea links in the Community: the Channel tunnel, the link between Sicily and the Italian mainland, and so on. The same was true of appropriations connected with the EC's enlargement.

He fully endorsed Lord Bruce's comments on the inconsistency of the Council's attitude to different types of expenditure. As for the regional policy, the Council looked like wanting to lock the stable door after the horse had bolted.

Mrs Elaine Kellett-Bowman (UK, EC), referring to the Regional Fund, pointed out that the figure proposed by the Commission and accepted by the Council was worth only about half of the corresponding fund endowment for 1976 after the effects of inflation had been taken into account. Mr Michael Yeats (Ir, EPD), Mr Richie Ryan (Ir, CD), Mr Luigi Granelli (It, CD) and Mr Gérard Bordu (Fr, CA) also commented critically on the regional fund. The gap between richer and poorer areas of the Community now stood at 6 to 1.

Mr Tam Dalyell (UK, S) and Mr Lucien Radoux (Be, S) both referred to the complexity of the budgetary procedure. If it was a time-consuming operation

now, Mr Dalyell said, what would it be like when Parliament had 410 instead of 198 Members?

Lord Bessborough (UK, EC) called for additional funds for uranium prospecting, and Mr Hans-Edgar Jahn (Ge, CD) wanted to see some reflection in the budget of the European Council's commitments on the environment.

Mrs Gwyneth Dunwoody (UK, S) referred to the introduction of the EUA as the accounting unit for paying Community staff: this had resulted, she said, in income or pension reductions for Community servants in some Member States of up to 40 per cent.

Winding up for the European Parliament, Mr Erwin Lange (Ge, S), budgets committee chairman, expressed great concern at what he saw as a bid by the Council to force Parliament back behind the Luxembourg Agreement. The Parliament was not seeking any increase in its powers but it could not allow its present powers to be undermined.

### **Discharge for 1976 financial year**

Mr Cointat's report (Doc. 489/78).

One of Parliament's jobs is to give the Commission a discharge on the execution of the budget i.e. to certify that the money in the budget has been spent as specified.

This, Mr Michel Cointat (Fr, EPD), for the budgets committee, asked Parliament to do for 1976 in respect of expenditure of 97,470,907 EUA (65,865,088 pounds) and revenue of 134,598,787 EUA (90,953,919 pounds).

### **ECSC levy**

Mr Schreiber's report (Doc. 502/78).

Each year a levy is charged on coal and steel production throughout the Community. The rate being proposed this year is 0.29 per cent. (ECSC budget on: 180m EUA: 113m pounds) \*

Mr Heinz Schreiber (Ge, S) put down a motion asking the House to approve the levy.

\* 1 EUA – 0.675741 (as at 25.11.78)

**WEDNESDAY 13th December 1978**

**Hans-Dietrich Genscher: EMS, direct elections and progress towards enlargement, the main points in the (July-December) German presidency now concluding**

Reporting to the House on the European Council meeting of 4th – 5th December, Mr Genscher said that agreement had been reached on setting up a European Monetary System to enter into force on 1 January 1979. He stressed that all Member States had agreed to this, even though only seven or eight would initially participate. The European Council had also discussed the economic and social situation, the implications of EMS on the CAP, and had appointed ‘three wise men’ to look into the Community’s institutional machinery.

Mr Genscher singled out three main achievements of the six months of the German presidency: preparations for direct elections, the setting up of EMS and progress towards enlargement.

Commission President Roy Jenkins described the summit as a ‘limited success’. The European Monetary System, envisaging a transfer of resources in the form of subsidised loans of five billion ecus over five years, was to be launched on 1st January and Italy’s decision to join EMS had made it less likely that the Community would split into a two-speed Europe. On the future of the CAP Mr Jenkins said that the European Council’s response to the Commission’s ideas had been ‘reasonably encouraging’.

Speakers in the debate gave a general welcome to the establishment of EMS, but there was regret that not all EC members had joined.

Replying to the debate, Mr Ortoli for the Commission and Council President von Dohnanyi were generally optimistic about the prospects for EMS. Given the political will, the system could be expanded and form the basis for greater economic stability in the Community.

## QUESTION TIME

### Questions to the Council

#### *Non-utilization of Council funds (Tam Dalyell)*

Council President Klaus von Dohnanyi said that appropriations from the Social and Regional Funds had been utilized more extensively than hitherto during the past few months. He recalled that the Commission was intending to submit a statement on how the funds were being used.

#### *Powers of the directly-elected Parliament (Jan Broeksz)*

Mr von Dohnanyi said that each institution had certain rights under the Treaties. Article 13 of the Act of 20 September 1976 laid down certain areas in which the European Parliament could take decisions. Mr Bob Mitchell (UK, S) wanted to know which Treaty provision empowered the Council to fix the salaries of directly-elected MPs. Mr Charles McDonald (Ir, CD) pointed out that it would be unfair if some directly-elected MPs received salaries five times higher than others. Lord Bessborough (UK, EC) pointed out that Article 13 of the Act made no mention of a Council right to fix salaries.

Mr von Dohnanyi was spared the need to make further clarifications by Mr Michael Yeats (Ir, EPD), who asked whether, in fact, no final decision had been taken on the question of salaries. 'That is the case' said the Council President.

#### *GATT negotiations (Gérard Bordu)*

Mr von Dohnanyi said that all participants in the GATT talks were doing their best to protect their own interests. Vice-President Haferkamp was conducting the negotiations on behalf of the Community on the basis of clear instructions from the Commission.

#### *Equal social security for men and women (Mrs Gwyneth Dunwoody)*

Some progress had been made as regards the directive on equal treatment for men and woman as regards social security, Mr von Dohnanyi said. Mrs

Dunwoody (UK, S) wondered why it was that Community directives dealing with matters of trade or commerce tended to require immediate implementation, while this particular directive dealing with a social issue gave Member States six years in which to comply.

## **Questions to the Conference of Foreign Ministers**

### *UN Declaration on rights of the child (Bob Edwards)*

When Mr von Dohnanyi told the House that the Foreign Ministers had not discussed this matter, Mr Bob Edwards (UK, S) drew attention to the fact that 45 million children of under 14 years of age were working. Some of them were under six and were working seven days a week in brickyards. This meant that 5 per cent of the world's children were being exploited. Could not the Community press its partners to sign the ILO Convention when trade deals were under discussion?

### *Rhodesia (Gerald L'Estrange)*

Mr von Dohnanyi repeated that the Foreign Ministers still regarded the Anglo-American approach as the one most likely to succeed. Mr Geoffrey Rippon (UK, EC) asked if Mr von Dohnanyi would say how much terrorism there would have to be before the Foreign Ministers disapproved of it. Mr Willie Hamilton (UK, S) commented that the internal settlement would not win the agreement of all Rhodesians and that the present guerilla war was the responsibility of Mr Smith. To which Lord St Oswald (UK, EC) replied that he had been in Rhodesia a week ago and had found the people confident that a black government elected by a majority of the black people could be returned by the 20th April. Mr von Dohnanyi said that the view of the Nine was that the majority in Rhodesia would not accept the internal settlement.

## **Vote**

See Summary.

## **No change in Council's position on the '79 budget Manfred Lahnstein tells European Parliament**

In a brief statement to the House at 5 o'clock this evening Council President Manfred Lahnstein said that the Council had reviewed its position very carefully further to the budgets committee meeting of 11th December and Parliament's budget debate of 12th December.

The Council was not seeking to curtail Parliament's powers. It was still ready to cooperate in seeking a new maximum rate (the agreed ceiling on increases in non-obligatory spending). But this rate, set in March, was 11.4 per cent which represented 132.8m EUA (83.66m pounds). Any amendment Parliament sought to introduce into the budget over and above this amount called for a new maximum rate. And this applied to all the amendments called for by Parliament at its first reading of the budget in October.

Mr Lahnstein further argued that Parliament could not adopt the budget without agreement first being reached on a new rate. Turning next to the heart of the matter, the difference of opinion between Parliament and Council over the Regional Fund, Mr Lahnstein said that the Council intended to abide by the decision of the European Council of 4th and 5th December.

If, finally, the budget were not adopted then Article 204 of the Rome Treaty would be applied. Mr Lahnstein said he was aware that his statement could lead to a conflict between Parliament and Council. If it did the Council, he said, would not be responsible.

### **Open frontiers in the Community**

Mr Nyborg's questions to Commission and Council.

Mr Kai Nyborg (Da, EPD) wanted to know what progress had been made in regard to the realization of the customs union and the internal market.

In reply, Council President von Dohnanyi admitted that not enough had been accomplished in this area, despite considerable effort.

Mr Cheysson, for the Commission, agreed, but thought there were signs of movement as regards decisions in this area. He was optimistic that some advances would be made over the next twelve months.



## **New Lomé Convention**

Mr Broeksz's report. (Doc. 487/78)

Parliament's development and cooperation committee decided to draw up an own-initiative report on the negotiations for the renewal of the Convention of Lomé. Mr Jan Broeksz (Du, S) this evening submitted this report and its 20-point motion to the House. The new Convention, Mr Broeksz said, should be based on the existing agreement but should be considerably more ambitious in scope.

There was general agreement in the debate that followed with the need for an expanded Convention, but some disagreement as to the best way of achieving this.

Replying for the Commission, Mr Cheysson thanked the House for its interest and concern and said Parliament's views would be given full consideration. The first thing, however, was to await the proposals put forward by the present Lomé Convention members themselves. As regards STABEX, Mr Cheysson agreed that there was a case for expanding the system to include various processed products.

For the Council, Mr von Dohnanyi saw the Convention as a framework in which Africa could develop as an independent entity outside the sphere of influence of the superpowers.

## **Solomon Islands, Tuvalu and Dominica join ACP**

Mr Croze's report (Doc. 486/78)

Mr Kurt Jung (Ge, L), for the rapporteur, introduced this report welcoming the accession to the Lomé Convention of the Solomon Islands, Tuvalu and Dominica. This brought total ACP membership up to 56.

## **Energy aid to developing countries**

Mr Noé's question (Doc. 482/78)

Replying to Mr Noé's question, Commissioner Brunner agreed on the need for Community cooperation with the developing countries for energy matters. The Commission was considering measures including aid for petroleum, uranium and coal prospecting, help with energy conservation schemes and the development of alternative energy sources.

## Education

Mr Meintz's motion (Doc. 480/78)

Mr Carlo Meintz (Lu, L) tabled a motion calling for Community action in the field of education.

Mr Brunner replied for the Commission.

## THURSDAY 14th December 1978

### Budget 1979

After a brief discussion this morning, all the movers of amendments to the EC budget for 1979 decided to withdraw their amendments.

The budget, as it emerged from the Council's deliberations of 20th November, was therefore deemed to be adopted.

Parliament's decision leaves its original amendment to the regional fund unaffected. The 480m EUA (302m pounds) comprised 380m EUA (259m pounds) to be divided between Member States and 100m EUA (63m pounds) in what is known as a 'non quota' section. The quotas, incidentally, are: Italy 40 per cent, UK 28 per cent, France 15 per cent, Germany 6.4 per cent, Ireland 6 per cent, Netherlands 1.7 per cent, Belgium 1.5 per cent, Denmark 1.3 per cent and Luxembourg 0.1 per cent. The aid for each of the Member States in 1979 will therefore be.

	Original figure		New figure after EP amendment		Difference	
	m £	m EUA	m £	m EUA	m £	m EUA
UK	109.36	(173.6)	176.4	(280)	+	67.04 (106.4)
Ireland	23.44	( 37.2)	37.8	( 60)	+	14.36 ( 22.8)
Italy	156.23	(248)	252	(400)	+	95.77 (152.04)
France	58.6	( 93)	94.5	(150)	+	35.9 ( 57)
Germany	25	(39.7)	40.32	( 64)	+	15.32 (24.33)
Netherlands	6.64	(10.54)	10.71	( 17)	+	4.07 ( 6.47)
Belgium	5.86	( 9.3 )	9.45	( 15)	+	3.59 ( 5.7 )
Denmark	5.08	( 8.06)	8.19	( 13)	+	3.11 ( 4.94)
Luxembourg	0.40	( 0.62)	0.63	( 1)	+	0.23 ( 0.37)

## QUESTION TIME

### Questions to the Commission

#### *Aid for coal (Tom Ellis)*

Mr Haferkamp told the House that the Commission had not yet been officially informed of the British Government's 17m pounds aid scheme for coal to help produce stocks, but nevertheless welcomed such steps.

#### *Coal imports from third countries (Borge Halvgaard)*

Mr Haferkamp said that the Commission had no power to directly influence the level of coal imports from third countries to the Community. However, coal supplies, wherever they came from, helped to reduce the Community's dependence on imported oil.

#### *ACP-EC trade (Jan Broeksz)*

Mr Gundelach admitted that there had been a decline in the value of ACP exports to the Community in recent months, but he stressed that it was too soon to speak of a trend. The Commission would keep a watch on the situation and consider remedial action should this prove necessary.

#### *35-hour week for steelworkers (Antoine Porcu)*

Mr Gundelach agreed that a reduction in the working week to 35 hours, as called for by German steelworkers, could be helpful in cutting the level of redundancy in the industry. However, he stressed that this was only one measure amongst various possibilities.

#### *Trade with China (Lord Bessborough and John Corrie)*

The Joint Committee provided for under the Community's trade agreement with China would comprise Community officials of Director-General level and their Chinese counterparts, Mr Haferkamp said. The Committee would be keeping a close watch on trade developments between the two sides.

## **Vote**

### **See Summary**

### **Butter sales to USSR**

**Mr Fellermaier's question to the Commission (Doc. 484/78)**

Replying to Mr Ludwig Fellermaier's (Ge, S) question about the sale of 20,000 tons of butter to the USSR, Commissioner Finn Gundelach said the Commission had not been acting as a trading agent. It had paid out an export refund on this sale in the same way as on any other sale. Had it not done so, it could have been sued in the Court of Justice.

The Commission, furthermore, was under no obligation to consult anyone about such transactions. Mr Gundelach said he would have consulted Parliament had there been any new feature in the relevant transaction.

Nonetheless, given the sensitivity of this issue, he had sent a telex to the chairman of the agriculture committee. He was perfectly willing to send a telegram to Parliament's President should any such case arise in future.

As for the transaction itself, Mr Gundelach described it as 'trivial'. It was the EC's natural function to export, to secure the EC's balance of payments. This said, the world market for butter was saturated so that butter sales were bound to be limited. All the EC could do was take advantage of sales opportunities when they occurred.

And the internal rate of subsidy, Mr Gundelach reminded the House, was five times as high as the rate of export subsidies. So the Commission was doing what it could to give preference to EC consumers.

In conclusion Mr Gundelach said the supply-demand imbalance on the dairy product market was worsening to the point where it was straining the bounds of credibility. The Commission was, accordingly, making proposals to reduce the present surpluses. Prices, for example, had to be held down. But this would not be enough unless there were a real deterrent to excess production. This the Commission was also seeking to introduce.

In the debate that followed various Members drew attention not only to the effect that such butter sales had on public opinion – Lord St. Oswald said it was supplying gratuitous ammunition to those seeking to undermine the European case – it was also affecting the balance of the market.

## **MCAs**

Mr Früh's report (Doc. 523/78).

The Commission is proposing that agricultural prices should in future be expressed in ECUs (European Currency Units). Some Members expressed concern that this might have an adverse effect on farm prices but Commissioner Gundelach assured the House that this was a purely technical change. Mr Isidor Früh (Ge, CD) accordingly asked the House to approve the Commission's proposals.

## **Supply and demand in the wine market**

Mr Pisoni's report (Doc. 496/78).

The Commission has submitted a number of proposals with a view to a better balance between supply and demand in the wine market.

There are four Commission documents on the wine market:

- (1) an action programme for establishing a balance in the wine market,
- (2) a report analysing the market and giving details of the programme,
- (3) an annex giving maps illustrating wine production,
- (4) proposals for three specific Council regulations and for one directive.

Under its 1979 – 1985 programme (COM(78) 260 final) for establishing a balance on the wine market, the Commission is proposing measures both to contain production and increase consumption. As regards production, the Commission proposes that the planting and replanting of vineyards be subject to prior authorisation and that such authorisation be related to the category of area involved. As regards consumption, the Commission proposed that the higher excise duties on wine should be appreciably reduced, that the search for other outlets for wine products be stepped up and that sales promotion campaigns be mounted.

Coupled with these proposals is a report analysing the wine sector and giving details of the measures planned. In annex to the report are a number of maps.

In terms of regulations, the Commission is proposing:

- (1) additions to the regulation on the common organisation of the wine market,
- (2) premiums (a) for converting areas under vines to other purposes and (b) for giving up wine production permanently,
- (3) premiums in France and Italy for elderly farmers whose main income is wine-growing to give up farming.

Mr Pisoni, for the agriculture committee, began by pointing out that little enough EAGGF money was spent on the wine market (say 1.6 per cent in 1979) compared with other farm sectors. In view of this he felt the Commission's proposals could have been less negative. Why could not there be more emphasis on boosting consumption instead of being directed at achieving a drastic cut in production? And if there were a surplus of wine, and this had to be dealt with, why could the Commission not attach surpluses in other sectors with the same vigour?

Mr Pisoni was equally worried by chemical wines. He dreaded to think what effect they were having on consumers. Technically speaking, the aim had to be to ensure that wine was enriched solely with rectified concentrated must (pure grape sugar). For this would preserve the organoleptic properties of wine.

Mr Pisoni's severest criticism of the Commission's proposal, however, was the principle of not marketing wine below an EC floor price — for this was the first time in the history of the CAP that this principle had been applied.

Mr Albert Liogier (Fr, EPD) thought the Pisoni report contained many good points, but he could not endorse all the criticisms of the Commission's package of proposals. His group was therefore putting down a number of amendments to the Pisoni motion.

Mr Pierre Joxe (Fr, S) was also critical of the report. He was, for example, in favour of the introduction of a floor price, rejected by Mr Pisoni. But the Commission's proposals were often illogical or simply impossible to understand and were, for the most part, unacceptable.

Mr Francesco Albertini, speaking for the Italian socialists, disagreed: Mr Pisoni's criticisms of the measures were both objective and valid, and his alternatives practical and realistic.

Mr André Soury (Fr, CA) said the Commission's proposals would have the effect of drastically reducing vineyard acreage. Cutting back production potential was a very serious matter, particularly in the light of the fact that Spain – a major wine producing country – would soon be joining the Community. The French Communists would vote against the Pisoni report.

Replying for the Commission, Mr Gundelach said the aim was to use available resources in the most economic way. This meant shifting effort from surplus areas to more productive ones.

The Commission's proposals were not 'negative', Mr Gundelach said. It was, for example, proposing the reduction of excise duties and the removal of tax disparities in the EC. It would encourage marketing campaigns for certain types of table wine. This would encourage consumption.

The proposals on grape musts were both practical and cost-effective, Mr Gundelach said.

Above all, the combination of measures proposed was designed to take account of all the factors affecting wine production and sales – including marketing, supply and demand, natural suitability of the vines, regional differences, etc.

Mr Albert Liogier, for the European Progressive Democrats, argued that the crisis was primarily structural. It was no use pushing the price down, that would only induce growers to increase their output. The approach had to be structural.

### **Guidance section of the Farm Fund**

Reports by Mr Joxe and Mr Früh (Docs 507, 521, 522/78)

The European Agricultural Guidance and Guarantee Fund comprise two sections, one for guaranteeing prices and the other for financing the modernisation of farms and the updating of farming methods.

Mr Isidor Früh's (Ge, CD) complaints are twofold: (a) that there has always been a rather arbitrary ceiling on the guidance funds and (b) that the reserve set aside to meet expenditure under this heading is becoming a fiction. To remedy this, the Commission is proposing a five-year estimate to cover guarantee expenditure in a longer term.

## **Attacks on Italian fishing vessels**

Mr Vernaschi's motion (Doc. 515/78)

Commissioner Finn Gundelach, answering a question about acts of violence perpetrated by Tunisian patrol vessels against Italian fishermen, said that both the Commission and the Council had made representations to the Tunisian authorities. This said, Mr Gundelach said the Commission was also looking into what could be done through a longer term fishing agreement between Tunisia and the Community, to replace the present arrangements.

## **Textile imports**

Mr Inchauspé's report (Doc. 467/78)

The Commission is proposing that textile imports should be subject to common rules for the next five years. These the Parliament considered this evening, finding a good deal to criticise.

Mr Michel Inchauspé (Fr, EPD), for the Committee on External Economic Relations, accordingly called for them to be amended. One particular objection he had was to the idea of statistical checks being made after imports had already come in.

## **FRIDAY, 15th December 1978**

### **GATT negotiations**

Questions by REX Committee (Doc. 454/78), Mr de la Malène (Doc. 483/78) and Mr van Aerssen (Doc. 485/78)

Replying to three questions concerning the state of the Geneva GATT talks, Vice-President Haferkamp said he was optimistic that the negotiations would soon be concluded and the 'balanced package' sought by the Community achieved.

The Commission had been guided throughout the talks by four principles: (1) the outcome should not undermine existing Community policies in any way; (2) all GATT rules should be applied by all signatories without exception; (3) the



Community would not implement the new rules until the other partners did so and (4) the Community sought a balanced overall package.

The United States had now provided assurances that it would extend the waiver on import duties from the EC beyond 3 January 1979. Mr Haferkamp said he expected agreement on the 'Swiss formula' for an overall reduction of customs tariffs by 40 per cent. Agreement had not yet been reached, however, on the selective application of the safeguard clause.

### **Trade with state-trading countries**

Mr Rippon's question (Doc. 481/78)

Vice-President Haferkamp agreed that there were a number of problems affecting trade between the Community and Comecon countries whose roots lay primarily in the differing economic systems of the two sides. It was, for example, difficult to speak of 'dumping' when the rules governing state aids, costs, currency exchange, etc. were based on totally unrelated principles. The Community therefore possessed a series of regulations, dating back to 1969, which went some way towards dealing with the problems involved.

Mr Kurt Jung (Ge), for the Liberals, pointed to the particular problems affecting Community transport undertakings. There was a clear need for regulation of EC-Comecon transport arrangements. Mr Kai Nyborg (Da, EPD) thought there was a need for agreement among all the major western industrial powers on dealing with the state-trading countries. Mr Manfred Schmidt (Ge, S) pointed out that the Community, too, had 'non-market' prices — e.g. farm products under the CAP — and we should bear this in mind when talking of Comecon pricing arrangements.

### **Rhine shipping**

Mr Albers's motion (Doc. 517/78)

Mr Haferkamp assured Mr Willem Albers (Du, S) that the Commission would be making proposals covering inland waterways in the course of the next calendar year and that the various points of concern to Mr Albers would be dealt with.

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We should like to wish all our readers a Merry Christmas and a Happy New Year.

## SUMMARY

**Monday, 11th December – Friday, 15th December 1978**

(Document numbers in brackets)

**Monday, 11th December 1978**

5.05 p.m. to 8 p.m.

*New Member*

The President announced the appointment by the German Bundestag of Mr Phillip von Bismarck to replace Mr Zeer.

*Nuclear Energy*

Mr Flämig's report (Doc. 473/78) on decommissioning nuclear power plants.

Mr Veronesi's report (Doc. 493/78) on codes and standards for fast breeder reactors.

*EC research programmes*

Mr Ibrügger's report (Doc. 494/78) on recycling urban and industrial waste.

Mr Krieg's report (Doc. 477/78) on a Community Reference Bureau.

Mr Holst's report (Doc. 478/78) on climatology.

**Tuesday, 12th December 1978**

10.10 a.m. to 1 p.m. and 3.05 p.m. to 7.45 p.m.

*Urgency*

The motion concerning Tunisian attacks on Italian fishing vessels is to be regarded as urgent and will be taken last thing on Thursday. The motions regarding textile imports and the Human Rights Convention are not considered to be matters of urgency.

## *Budget 1979*

Mr Bangemann's report (Doc. 503/78).

Mr Ripamonti's reports (Docs 505/78 and 506/78)

## *Question Time*

Questions to the Commission (Doc. 501/78).

## *Vote*

The House agreed to the motions in the reports by Mr Flämig (decommissioning nuclear power plants) (Doc. 473/78), Mr Veronesi (codes for fast breeders) (Doc. 493/78), Mr xKrieg (reference materials) (Doc. 477/78), Mr Holst (climatology) (Doc. 478/78) and Mr Ibrügger (recycling urban and industrial waste) (Doc. 494/78).

## *Discharge for 1976 financial year*

Mr Cointat's report (Doc. 489/78).

## *ECSC levy*

Mr Schreiber's report (Doc. 502/78).

## **Wednesday, 13th December 1978**

10.20 a.m. to 3.15 p.m. and 3.25 p.m. to 10.20 p.m.

## *Urgency*

Parliament decided to deal with Mr Pisani's motion on the EMS as a matter of urgency. Mr Albers's motion on cargo shipping, also to be regarded as urgent, will be taken on Friday.

*Hans-Dietrich Genscher: EMS, direct elections and progress towards enlargement, the main points in the (July-December) German presidency now concluding.*

Council and Commission statements, followed by a debate. Mr Pisani's question (Doc. 504/78) on EMS.

### *Question Time*

Questions to the Council and Conference of Foreign Ministers.

### *Vote*

The House agreed to the motions in the reports by Mr Cointat (budget discharge for 1976) (Doc. 489/78) and Mr Schreiber (ECSC levy) (Doc. 502/78). Mr Spénale's amendment to Mr Schreiber's motion was accepted. Mr Pisani's motion on EMS was agreed to after amendment.

*No change in Council's position on the '79 budget Manfred Lahnstein tells European Parliament*

Statement from the Council.

### *Open frontiers in the Community*

Mr Nyborg's questions to Commission and Council (Docs 513/78 and 514/78).

### *New Lomé Convention*

Mr Broeksz's report (Doc. 487/78).

*Solomon Islands, Tuvalu and Dominica join ACP.*

Mr Croze's report (Doc. 486/78).

### *Energy aid to developing countries*

Mr Noé's question (Doc. 482/78).

### *Education*

Mr Meintz's motion (Doc. 480/78).

### **Thursday, 14th December 1978**

9.45 a.m. to 12.15 p.m. and 3.05 p.m. to 8.45 p.m.

### *Urgency*

Mr Klepsch's motion on the dissolution of trade unions and the violation of human rights in Chile was not considered to be a matter of urgency.

### *Adoption of budget*

The European Parliament today accepted the Council's draft budget as established on 20th November at 9.2 bn pounds in commitments and 8.5 bn pounds in payments.

### *Agenda*

Lord Kennet's question (Doc. 422/78) on tobacco deferred.

### *Question Time*

Questions to the Commission.

### *Vote*

The House agreed to the motion (amended) contained in Mr Broksz's report on Lomé (Doc. 487/78), the motion in Mr Croze's report on new ACP members (Doc. 486/78) and Mr Meintz's motion on education (Doc. 480/78).

*Butter sales to USSR*

Mr Fellermaier's question (Doc. 484/78).

*MCAs*

Mr Früh's report (Doc. 523/78).

*Supply and demand in the wine market*

Mr Pisoni's report (Doc. 496/78).

*Guidance section of the Farm Fund*

Reports by Mr Joxe and Mr Früh (Docs 507/78, 521/78 and 522/78).

*Attacks on Italian fishing vessels*

Mr Vernaschi's motion (Doc. 515/78).

*Textile imports*

Mr Inchauspé's report (Doc. 467/78).

**Friday, 15th December 1978**

9 a.m. to 11.25 a.m.

*GATT negotiations*

Questions by REX committee (Doc. 454/78), Mr de la Malène (Doc. 483/78) and Mr van Aerssen (Doc. 485/78).

*Trade with state-trading countries*

Mr Rippon's question (Doc. 481/78).

*Protecting workers against ionizing radiation*

Lord Bethell's report (Doc. 490/78)

*EC-Spain fishing agreement*

Mr Cifarelli's report (Doc. 495/78)

*North-West Atlantic fisheries*

Mr Lemp's report (Doc. 491/78).

*UK-Ireland drainage schemes*

Mr Pisoni's report (Doc. 492/78)

*Generalized preferences for 1979*

Lord Reay's reports (Docs 475/78 and 474/78).

*Rhine shipping*

Mr Albers's motion (Doc. 517/78)

*Vote*

The House agreed, at the beginning of this morning's sitting, to the motions contained in Mr Früh's report (Doc. 523/78) on the effects of EMS on the CAP, Mr Pisoni's report (Doc. 496/78) on the wine market (with minor amendment), Mr Joxe's report (Doc. 521/78) on the EAGGF, Mr Früh's report (Doc. 507/78) on the EAGGF, Mr Joxe's report (Doc. 522/78) on the EAGGF, to Mr Vernaschi's motion (Doc. 515/78) on attacks on Italian fishing vessels and to Mr Inchauspé's report (Doc. 467/78) on textile imports.

The House agreed, at the end of this morning's sitting, to the motions in the reports by Lord Bethell (protecting workers against ionizing radiation) (Doc. 490/78), Mr Cifarelli (after amendment) (EC-Spain fishing agreement) (Doc. 495/78), Mr Lemp (North-West Atlantic fisheries) (Doc. 491/78), Mr Pisoni (UK-Ireland drainage schemes) (Doc. 492/78), Lord Reay (generalised preferences for 1979) (Docs 474/78 and 475/78) and to the motion by Mr Albers (after amendment) (Rhine shipping) (Doc. 517/78).





## **POSTSCRIPT**

### **Resolutions adopted in December**

Parliament gave its unqualified approval to seven Commission proposals regarding:

**Mr Croze's report (Doc. 486/78)**

Accession of three island states to the Lomé Convention.

**(Doc. 393/78)**

Preservatives in foodstuffs

**(Doc. 459/78)**

Beef and veal products – ACP

**Mr Joxe's report (Doc. 521/78)**

EAGGF Guidance Section

**Mr Lemp's report (Doc. 491/78)**

North-West Atlantic fisheries

**Mr Pisoni's report (Doc. 492/78)**

Drainage in catchment areas in Ireland and Northern Ireland

**Lord Reay's report (Doc. 475/78)**

Generalised tariff preferences

Parliament gave its qualified approval to four Commission proposals regarding:

**Impact of EMS on CAP. Mr Früh's report (Doc. 523/78)**

The European Parliament approved the Commission's proposal but stressed that the introduction of the EMS could not be allowed to cause any changes in the level of agricultural prices.

#### EAGGF Guidance Section. Mr Joxe's report (Doc. 522/78)

The European Parliament requested the Commission to concentrate its aid on the Benelux countries and, apart from those, on the most needy regions of the Community.

#### Health protection against ionizing radiation. Lord Bethell's report (Doc. 490/78)

With considerable reservations the European Parliament approved the proposal extending the deadline for adaptation of national legislation to the directive of 1 June 1976. It requested the Commission to submit by the end of the year a proposal adapting the directive to the new recommendations of the International Commission on Radiological Protection.

#### Generalized tariff preferences. Lord Reay's report (Doc. 474/78)

The European Parliament approved the proposal, but urged the Commission and Council to take the initiative in promoting greater harmonisation of GSP schemes and to achieve a coordination of views of donor countries for the GSP systems to be set up after 1980. Finally, it asked for an annual report on the working of the GSP.

#### Parliament called for amendments to Commission proposals:

##### Decommissioning of nuclear power plants. Mr Flämig's report (Doc. 473/78)

The European Parliament called for Community norms for the decommissioning of nuclear installations and insisted that it should be possible to dismantle them without undue complications; it proposed an amendment to Article 2 aiming at preserving its budgetary powers.

##### Research programme for fast breeder reactors. Mr Veronesi's report (Doc. 493/78)

The European Parliament recommended that the indirect action programmes should be limited to action undertaken at national level and called for a wide exchange of information within the Community on the results of the programme. It considered that the implementation of the programme itself should be subject to annual scrutiny and proposed an amendment to Article 2 aiming at preserving its budgetary powers.

Research programme in the field of reference materials and methods. Mr Krieg's report (Doc. 477/78)

The European Parliament proposed amendments to Article 2 aiming at preserving its budgetary powers, and to Article 4 bringing forward the review of the programme from its third year to its second and insisting on being consulted should the programme be revised.

Research programme in the field of climatology. Mr Holst's report (Doc. 478/78)

The European Parliament proposed amendments to Article 2 aiming at preserving its budgetary powers, and to Article 4 bringing forward the review of the programme from its third year to its second and insisting on being consulted should the programme be revised.

Research programme in the field of recycling waste. Mr Ibrügger's report (Doc. 494/78)

The European Parliament proposed amendments aiming at

- preserving its budgetary powers (Article 2);
- bringing forward the review of the programme from its third year to its second and insisting on being consulted should the programme be revised (Article 4);
- increasing coordination with other relevant research and development activities in the Community and cooperation with third countries conducting research in relevant areas (Articles 3 and 4a).

Wine sector. Mr Pisoni's report (Doc. 496/78)

The European Parliament asked the Commission to submit proposals designed to encourage consumption, extend refunds for exports to third countries and eliminate discriminatory taxation of alcoholic beverages; it rejected the idea of a floor price on table wine and the additional compulsory distillation as well as the criteria indicated for the classification of vineyards; it asked the Commission to withdraw its proposals on plantings and replantings and proposed a number of amendments to that effect. It approved, in general, the various structural proposals.

## EAGGF Guidance Section. Mr Früh's report (Doc. 507/78)

The European Parliament confirmed its opposition to a five-year ceiling in expenditure by the EAGGF, Guidance Section; it considered that a five-year financing plan should be adjusted during the Budgetary procedure for the first year of each five-year period and proposed an amendment to that effect to Art. 1 (conciliation requested).

## Textile imports from third countries. Mr Inchauspé's report (Doc. 467/78)

The European Parliament emphasized the temporary nature of the measures; it called for more detailed data on employment and possibilities of early retirement and retraining and proposed a number of amendments

- opposing prohibition of any system of authorization taking the form of a priori surveillance (Article 1);
- specifying the criteria to be taken into account in increasing the Community quantitative limits (Article 9);
- opposing the limiting of the administrative control system to retrospective statistical surveillance and urging that limits should be introduced rapidly.

Parliament also adopted eight resolutions:

### I. Discharge on accounts of the European Parliament for 1976

The European Parliament granted discharge to its President and Secretary-General.

### II. Discharge to the Commission for the 1976 budget

The European Parliament granted discharge and requested the institutions to report on the measures taken following the comments in the resolution (IV.).

### III. Discharge for the fourth European Development Fund for 1976

The European Parliament granted discharge to the Commission and requested it to report on the measures taken following the comments in the resolution (IV.).

#### IV. Comments on the discharge for 1976

The European Parliament called on the institutions to eradicate the irregularities and aberrations noted by the Audit Board and commented on a number of aspects regarding the implementation of the budget.

#### V. Discharge for the first, second and third European Development Funds for 1976

The European Parliament requested the Council to grant discharge to the Commission and recommended that commitment of the outstanding balance of the second EDF be suspended and the balance transferred to the third EDF.

#### Mr Cointat's report (Doc. 489/78)

#### ECSC levies and operational budget for 1979. Mr Schreiber's report (Doc. 502/78)

The European Parliament approved the unchanged levy rate of 0.29 per cent; it stressed the need to finance the ECSC from own resources and reluctantly approved the Commission's proposal for an operational budget of 180m EUA. It called for the harmonization of the ECSC budget with the general Community budget and asked the Commission to submit proposals ensuring that Parliament can exercise control over the ECSC's investment budget as from the 1979 financial year. Finally, it asked the Commission to submit to it after 1.7.79 an interim report on the situation in the coal and steel sectors, the social measures necessary and their financial implications.

#### European monetary system. Mr Pisoni's motion (Doc. 518/78)

The European Parliament was happy to note the establishment of the EMS but was alarmed that not all Member States were able to participate at this stage. It called for a supplementary budget to provide the appropriations necessary to enhance the convergence of economic policies towards greater stability.

#### Renewal of Lomé Convention. Mr Broeksz's report (Doc. 487/78)

The European Parliament considered that the new Convention should be concluded for a period of 10 – 15 years; it requested that the new

European Development Fund be financed from the Community budget and that the new Convention be approved by the European Parliament.

**Education. Mr Meintz's motion (Doc. 480/78)**

The European Parliament expressed its deep disappointment that the meeting of the Council of Ministers of Education had been postponed and requested the Council to decide on a new date as soon as possible.

**Tunisian attacks on Italian fishing vessels. Mr Vernaschi's motion (Doc. 515/78)**

The European Parliament requested the Council and Commission to make representations to the Tunisian Government and called for negotiations for the renewal of the fishing agreement between Italy and Tunisia; should the situation not improve, the cooperation agreements with Tunisia should be reconsidered.

**EC-Spain fishing agreement. Mr Cifarelli's report (Doc. 495/78)**

The European Parliament called on the Council to ratify the framework agreement with Spain and asked to be kept informed on agreements governing Greece's, Portugal's and Spain's relations with third countries and the EC and on progress in the negotiations between these countries and the EC on fisheries.

**North-South rotation in cargo shipping. Mr Albers's motion (Doc. 517/78)**

The EP requested the Commission to cooperate in the organization of negotiations between the appropriate authorities and the trade concerned and to offer its good offices with a view to removing the difficulties that had arisen.

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