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THE SITTINGS

STRASBOURG 18th – 22nd APRIL 1977

THE WEEK

Quiet week overshadowed by Kirk's death

The death of Sir Peter Kirk last Sunday, April 17th, cast a shadow over the whole of the week's business here in Strasbourg. Members of all political persuasions shared a sense of grief, loss and even bitterness at the Conservative Group leader's untimely death. In the words of his colleague Lord Reay, 'his instinct for unification, which at an international level was expressed in his Europeanism, lay at the roots of his whole political philosophy'. Parliament will miss him.

Politically the key day was Wednesday. British Foreign Secretary and President of the Council, Dr David Owen, told the House that the Community faced two fundamental issues: the domestic problems of growth, inflation and unemployment, and the wider problem of helping the developing world. Wednesday afternoon saw Britain under attack for its alleged intransigence on farm prices. But Agriculture Commissioner Finn Gundelach told the House of new proposals for a subsidy on British butter, and Council President John Tomlinson said he was 'optimistic' that agreement would be reached at next week's Farm Council meeting.

Two other items deserve a mention. Commissioners Lorenzo Natali and Guido Brunner told the House on Tuesday that the Community's future prosperity depended on nuclear energy. And, also on Tuesday, Parliament called for a legally binding 'code of conduct' for multinational firms.

Outside the Chamber the principal attraction this week was a press conference featuring Soviet dissident Andrei Amalrik. 'Don't allow the 1980 Olympics to go to Moscow' he said when asked what pressure the West could put on the USSR over human rights.

MONDAY

Commission opposed to EC car owners address list

In reply to a question put down by Mr Ludwig Fellermaier and Mr Horst Seefeld (Ge,S) Richard Burke said the Commission was opposed to the idea of any centralized bank of motor vehicle owner address lists. He thought people would be afraid of the abuses such a system could lend itself to. Mr Seefeld had urged this course on the Commission pointing out that this would make it much easier to call in cars which the makers found defects in. Such a register exists in the United States, he said.

On another aspect of road safety – seat belts – Mr Burke said he hoped the Council would soon be adopting a directive which had already been approved by Parliament. The seat belts directive would be an advance of any legislation, existing or planned, in Europe today. Proposals on headrests and windscreens were also before the Council. He hoped for a decision on headrests soon but said that the proposals regarding the compulsory fitting of laminated windscreens was running into opposition in several Member States.

Mr Burke added there had been progress in safety prescriptions for motor vehicles. He reminded the House what the Commission had done regarding hours of work, tachometers, vehicle inspection and driving licences.

Mr Carlo Meintz (Lu) for the Liberals, had doubts about a centralized address list of car owners – in any case several Member States had such lists already.

Mr Kai Nyborg (Da,EPD) insisted that, regardless of what safety devices were fitted to cars, it should be up to each individual to decide whether or not to make use of them.

Mrs Gwyneth Dunwoody (Br,S) saw 'common sense' as the prime factor in road safety. Speed and alcohol were killers, and more emphasis should be placed on educating drivers and pedestrians.

As regards the safety of vehicles, Mrs Dunwoody pointed out that car manufacturers had a 'vested interest' in keeping their customers alive – so they did their best to make their products safe.

Mr Ernst Müller-Hermann (Ge,CD) said he was opposed to anything which would increase red-tape still further. A feature he would like to see built into cars, he said, was a 'fuel meter' which would show drivers what their rate of petrol consumption was at any given moment.

House agrees on need for action in environmental sector

Mr Hans-Edgar Jahn (Ge,CD), rapporteur for Parliament's Environment Committee, attended the Fourth International Parliamentary Conference on the Environment in Jamaica in April 1976 and asked the House this evening to agree to a motion requesting the Commission to accept a number of that conference's conclusions. Mr Jahn's particular interests lay in safeguarding the world's natural resources, protecting wildlife (including migratory birds) and law-enforcement in the field of the environment.

Speakers in general welcomed the report, although Niels-Anker Kofoed asked for the deletion of a paragraph calling on the Commission to prepare a draft convention on setting up an 'international authority for the marine environment.' Mr Pierre-Bernard Cousté (Fr,EPD) wanted to see third countries involved in Community action on the environment, and Mrs Vera Squarzialupi (It,CA) cited the Seveso disaster as showing the need for 'spontaneous' international cooperation. Michele Cifarelli (It,L) stressed the importance of water in the environmental equation, and Aldo Ajello (It), for the Socialist Group, said it was time to establish 'a proper relationship between man and machine.'

Replying, Commission Vice-President Lorenzo Natali said the Jamaica Conference, like the Nairobi Conference before it, highlighted the fact that people throughout the world were aware that there was a problem, and that it concerned everyone. And he pointed out that, for its part, the Commission had not been idle – in the last two years the Council had adopted 12 directives and two recommendations. Three further directives were awaiting approval.

Rejecting Mr Kofoed's amendment the House then agreed to the motion unanimously.

Red mud tolerators anger environmentalists

It is desirable to protect the environment but all Member States should play the game argued Camillo Ripamonti (It,CD) in an oral question addressed to the

Commission about the treatment of titanium dioxide waste. Some firms are finding the 'ecological cost' of treating waste equal, in some cases, to 25 per cent of the titanium dioxide market price, he said. This places them at a competitive disadvantage as compared with firms operating in Member States where the laws on this point are laxer. He urged the Commission to introduce a tax on titanium dioxide consumption in such a way as to offset the burden assumed by some producers in their efforts to protect the environment by not discharging what has come to be known as 'red mud' into the sea.

Lorenzo Natali said the Commission had made proposals to the Council but although he fully sympathised with Mr Ripamonti he did not feel he could envisage the tax solution proposed. All the Commission could do at present, he felt, was to await a Council decision.

Mr Ripamonti found this unsatisfactory. Even if a decision to make the treatment of waste generated by the titanium dioxide industry compulsory were to be taken by the Council in June it would still be a long time before it took effect.

TUESDAY

EP wants enforceable rules for multinationals

There was broad agreement this morning in the House on the desirability of a code of conduct for multinational undertakings and the dealings of governments with them. Opinions differed, however, as to whether such a code should be voluntary or compulsory and on whether the Commission, in drawing up such a code, should take account of a 'draft code of principles on multinational enterprises and governments' drawn up jointly on behalf of an EP delegation and a delegation from the US congress.

Justifying the need for tighter control on the activities of multinationals, rapporteur Erwin Lange (Ge,S) pointed to the size and economic weight of many multinational undertakings, their often market dominating position, their sometimes suspect practices and their virtual independence from national control. But, said Mr Lange, the multinationals undoubtedly played an important and valuable part in the world economy and a code of conduct would be aimed at controlling rather than restricting their activities. Referring to the declaration by the governments of the OECD member states on international

investments and multinational undertakings, the speaker pointed out that neither this nor the EP-US draft code of principles had been discussed in committee or by the House; however, negotiations on an international agreement on multinationals should take these documents into account.

Socialist Group spokesman Lord Bruce of Donington (Br) said he supported Mr Lange's motion and regarded it as a challenge to the Commission to place its own views on the issue on record. Private corporate power had now developed to the point where it could nullify the decisions of governments, Lord Bruce said: in some countries the multinationals accounted for anything up to 70 per cent of national GDP. But although some multinationals were primarily in business to serve their own interests, many 'played the game' and there was no desire to discourage legitimate activities. Nor did the international code of conduct being advocated reflect a doctrinaire attitude on the part of the Socialist Group.

Private effort

Mr Ernst Müller-Hermann (Ge) for the Christian Democrats stressed the need to create fair conditions of competition between multinationals and purely national undertakings. The OECD guidelines, published in 1976, should be allowed to operate for a three year period before a decision was taken on their effectiveness. Describing the 'draft code of principles' as something of a private effort on the part of Mr Lange and his US colleague Mr Sam Gibbons, the speaker felt that this document (which is annexed to doc. 547/76) should not appear in the motion as a basis for discussion.

Liberal spokesman Mr Norbert Hougardy (Be) also referred to the fact that the draft code had never been discussed by the House or in committee. Whatever happened, the multinationals had to be given certain guarantees as regards, say, expropriation and the freedom to transfer funds, and a distinction should be drawn between purely private multinational undertakings and those in which governments held a majority shareholding. The speaker also doubted the point of working towards a compulsory code of conduct, since both Germany and Britain were on record as favouring voluntary rules.

Cooperation in place of constraint

Mr Pierre-Bernard Cousté (Fr), speaking on behalf of the European Progressive Democrats, was in general agreement with Mr Lange's motion. But he took issue with him on the question of whether a code should be binding or voluntary. The

answer, he felt, lay in cooperation between management and unions rather than in the legal constraints implicit in a compulsory code. And Mr Cousté pointed out US economic strength was to a large extent based on the power of its major multinational undertakings – it would be folly to try to stifle the Community's multinationals and thus weaken Europe's competitive potential.

For the Conservatives, Sir Brandon Rhys Williams (Br) gave Mr Lange credit for having avoided the extremes of opinion which was often biased when the subject of multinationals came up for discussion. Multinationals did present real dangers – for example, they could limit the choice available to consumers – but there were also major advantages, such as their research activities, spread of know how and the contribution they could make to national economies. Nevertheless, it would be foolish to believe that all the multinationals were whiter than white, and when abuses were established they should be prosecuted. The speaker doubted whether legislation on a world scale would be possible but felt that most multinationals were sensitive to national and local opinion.

Control through common policies

Communist spokesman Mr Silvio Leonardi (It) said his group was in broad agreement with Mr Lange's motion. The multinationals were a product of the internationalization of economies and had many positive aspects. The defects arose mainly in connection with the effect that the economic activities of multinationals could have on the political choices open to governments. Here the speaker referred to the oil companies in particular. The most likely way to control the multinationals was to develop common policies – for example on energy – which would automatically imply compliance by the multinationals. Saying that his group would support a binding code, Mr Leonardi said that, theoretically, the Community, as the world's largest consumer of imported energy, already had a binding power over the major oil companies.

Mr Bob Edwards (Br,S), who had tabled three amendments to the motion critical of the multinational activities, said that these firms represented a concentration of economic power out of proportion with their numbers. Three hundred multinational firms accounted for a quarter of total western industrial production – and they had an average annual growth rate of 10 per cent. They were effectively holding us all to economic ransom and were largely responsible for keeping up the rate of inflation. Thousands of million dollars in taxes were being lost through the use by multinationals of tax havens and holding

companies. To avoid anti-pollution laws, many multinationals were shifting production to third world countries where such legislation did not exist. The multinationals were, Mr Edwards said, 'the undeclared government of the world accountable to nobody'.

Commission wants compromise

Commission vice-president Henk Vredeling, replying to the debate, approved of the moderate tone used by most speakers. He agreed that there was no need to launch a witch hunt, and thought that Mr Bob Edwards had concentrated too heavily on the pernicious aspects of the multinationals' activities. Power, indeed, did corrupt and needed supervision, but that did not mean that the multinationals, per se, were evil. Should a code of conduct be compulsory or voluntary? Mr Vredling saw room for a compromise here: there could well be binding rules for application within the Community, but voluntary arrangements regarding relationships with other countries. Indeed, the Commissioner added, several proposals had already been submitted – e.g. on the control of mergers – which would have a legally binding effect on the multinationals. In the meantime the OECD code had already gained wide consensus and it was on this basis that further talks should proceed.

The vote

The key issue in the vote on Mr Lange's six-point motion summing up Parliament's attitude to multinational companies concerned the 'draft code of principles' drawn up jointly by Erwin Lange and Mr Sam Gibbons of the United States Congress. What status was this document to have? Some EMPs had doubts because it had not been discussed in committee. The compromise finally agreed (amending point 3 of the motion in Doc. 547/76) was that it should be taken into account as a working document in the negotiations Parliament wants Council and Commission to conduct with the multinationals. The aim of these negotiations (point two) : to establish legally binding agreements to cover the activities of all multinational companies.

This said, Parliament wants the introduction of legally enforceable standards to take place gradually. The motion was agreed to unanimously.

QUESTION TIME

QUESTIONS TO THE COMMISSION

1. Cleaning up in Seveso (Clara Kruchow)

Vice-President Finn Gundelach admitted to the House that, although studies were being carried out, no final conclusions regarding the decontamination of the Seveso area had yet been reached, nor could the Commission shed much light on the consequences for human and animal life. Mrs Clara Kruchow (Da,L) found this answer wanting : the Commission had had nine months, and should have come up with something by now.

2. Developments in common fisheries policy (Winifred Ewing)

A progress report on the common fisheries policy, said Mr Gundelach, was more than he could give in answer to a question during Question Time: it was a matter better suited for an oral question with debate. Although a certain amount had been achieved on the internal side, e.g. bans on herring and Norwegian pout catches, it was not enough. More had been achieved on the external side, and agreements had been reached with the Faroes, USA and several East European countries on restricting fishing in EC waters – something that had been achieved thanks solely to the fact that the Community had been negotiating qua Community. Only Iceland remained a problem – and here the ‘door remains open.’ On this point, in answer to points made by Mrs Elaine Kellett-Bowman (Br,EC) and Mr Ove Guldborg (Da,L), Mr Gundelach stressed that negotiations must take place within the ‘wider framework’ of EC-Iceland relations. Answering a supplementary question put by Mr John Prescott (Br,S) on the unilateral Irish action in declaring a 50-mile exclusive fishing zone, Mr Gundelach said Ireland had acted on the basis of Article 6 of the Hague resolution, which allows such measures on a temporary and non-discriminatory basis only. The Commission felt that the Irish action did not conform to Article 6 and had therefore submitted its own proposal on the question of fishing in Irish waters – but the UK had objected to this in Council. Ireland was now going to draft new measures in consultation with the Commission and the other countries involved.

3. Relations with Cyprus (Christopher Price)

Finn Gundelach told Christopher Price (Br,S) that the Commission has no mandate for negotiations with Cyprus. But it will take care to ensure that there

are no adverse consequences for Cyprus even if the Council does not draw up a mandate by the end of June. It will take interim measures to replace the arrangements in force until then. Mr Price thought it was disgraceful that the development of the association with Cyprus was being held back. James Spicer (Br,EC) and John Corrie (Br,EC) expressed concern about the Turkish minority in Cyprus. Mr Gundelach replied that although the EC recognized the legal government of Cyprus this did not mean aid could not go to minorities.

4. What can be labelled 'ice-cream' (Tam Dalyell)

Finn Gundelach made clear that what is being proposed is that only ice-cream made from dairy products should be labelled as such. Tam Dalyell (Br,S) and Gwyneth Dunwoody (Br,S) drew his attention to the effect on public opinion of such 'batty decisions'. Mr Gundelach thought the answer lay in explaining matters more carefully. Mrs Dunwoody thought the answer lay in not taking batty decisions.

5. EEC trade mark (John Osborn)

Henk Vredeling told John Osborn (Br,EC) that the Commission has set up a working party to frame proposals on an EC trade mark. He assured Mr Charles Fletcher-Cooke (Br,EC) that the problems of overlapping would be covered. As he was speaking for Viscount Davignon he was unable to tell Mrs Vera Squarcialupi if hand-made products would also be covered.

6. Threat to UK jute industry (Willie Hamilton)

Henk Vredeling told Willie Hamilton (Br,S) that the ceiling for jute imports was being raised pursuant to an agreement with India and Bangladesh. He appreciated the problems this raised for the UK jute industry. The Commission had had talks with representatives of those affected.

7. Medical treatment for self-employed (Elaine Kellett-Bowman)

Elaine Kellett-Bowman (Br,EC) was appalled at Henk Vredeling's reply on health care for the self-employed. Mr Vredeling said there will be a meeting this

Thursday of the administrative committee on social security for migrant workers and that the problems of the self-employed will be considered. Mrs Kellett-Bowman reminded him that the Commission has been promising proposals for some considerable time. Russell Johnston (Br,L) wanted to know where the difficulties lay and Charles Fletcher-Cooke (Br,EC) was concerned about former self-employed people in retirement. Mr Vredeling said one problem was that the UK health service covered everyone but that the other health services did not. He told Mr Fletcher-Cooke that the self-employed living in retirement would be taken into account.

8. European weather-forecasting (Lord Bessborough)

Henk Vredeling told Lord Bessborough (Br,EC) that the plan to set up a European Centre for medium-range weather forecasts was an intergovernmental rather than an EC one. But those concerned would be apprised of the Community's views on the purchasing of computer equipment.

9. EC funds (Martin Bangemann)

In a brief reply to Martin Bangemann (Ge,L), Antonio Giolitti said the Commission is still at the planning stage as far as dovetailing the activities of the Community's various funds is concerned. Mr Ove Guldberg (Da,L) referred to the anomaly of mcas.

10. Nuclear agreement between Germany and Brazil (Jean-François Pintat)

Guido Brunner told Jean-François Pintat (Fr,L) that the Commission was opposed to the proliferation of nuclear weapons but that a clear distinction should be made between non-proliferation and the peaceful uses of nuclear energy.

In reply to a supplementary question from Lord Bessborough (Br,EC) about the need for the EC to conclude agreements with a number of countries, Mr Brunner said the Community was still in the early stages in this field.

11. Soviet proposal for environment conference (Werner Zywiwetz)

Mr Brunner said the EC would be ready to have talks with the USSR if they were conducted in the right context, e.g. the Economic Commission for Europe.

12. Part-time employment (Carlo Meintz)

Vice-President Henk Vredeling told the House that it had in fact carried out a comparative study of Member States' legislation in the field of part-time employment, but that the results would not be available until the end of the year. He agreed that the publication of such information could be extremely useful.

13. Management training in the EC (Tom Normanton)

Mr Vredeling told Mr Tom Normanton (Br,EC) that it seemed unlikely that the Commission could play a significant part in management training. Mr Normanton then accused the Commission of 'sheer apathy' – here again the Americans were setting the pace. To which Commissioner Guido Brunner replied that the Commission would need more staff if it was to play any effective part in this field.

Energy: concern about the nuclear option on the one hand and concern about the Community's whole nuclear future on the other

Three oral questions on energy were taken together. Broken down they actually amounted to seventeen questions all of which reflected Parliament's concern about energy policy.

Mr Hans-Edgar Jahn (Ge,CD) raised the question of public concern about pollution. How much pollution did the different fuels used in power stations cause? Lorenzo Natali gave him detailed figures in reply. Oil-fired and coal-fired power stations discharge sulphur dioxide, nitrogen oxide and various particles into the atmosphere. Coal-fired ones discharge 26kg of sulphur dioxide, 7kg of nitrogen oxide and 3.5kg of particles for every ton of coal burned. Oil-fired ones discharge 3kg of sulphur dioxide, 7kg of nitrogen oxide and 1kg of particles for every coal equivalent ton burned. Natural gas power stations discharge 5kg of nitrogen oxide per coal equivalent ton burned.

A 1,000 megawatt nuclear power station discharges 10,000 curies of noble gas. 0.1 curie of radioactive iodine, 0.1 curie of aerosol and less than 10 curies of liquid discharge without tritium. A pressurised water reactor discharges less than 1,000 curies of tritium and a boiling water reactor about 100 curies of tritium

per year. Nuclear power stations also raised the problems of full supplies and of the retreatment of waste products.

Mr Gerhard Flämig (Ge,S) raised the question of the danger to the environment of putting up nuclear power stations. He referred to the Freiburg court's ban on the building of a 1,350 megawatt light-water reactor at Wyhl.

And Mr Tam Dalyell (Br,S), on a slightly different tack, raised the question of the threat to Europe's whole nuclear future of the possibility of nuclear fuel supplies from the United States being discontinued. He urged the Commission to tell President Jimmy Carter what was at stake.

Commissioner Guido Brunner then took the floor to reply to two oral questions tabled by the Socialist Group and the Energy Committee respectively. The first of these was prompted by the recent Freiburg court decision banning construction of a light-water nuclear reactor at Wyhl.

Eighteen of these reactors were at present in operation throughout Europe, and none had given any trouble, nor were any equipped with the special protective shielding called for by the Freiburg court. If a halt were called to future construction of light-water reactors, Mr Brunner said, the contribution of nuclear energy to total Community consumption would fall from the present estimate of 8 per cent by 1985 to only 3 per cent. Closing down existing light-water reactors would result in only 1.5 per cent of energy being covered from nuclear sources and involve a loss of 6,000 million dollars.

Nor, the Commissioner went on, could energy savings or increased use of alternative energy sources come anywhere near replacing the shortfall which would exist if the nuclear energy programme were halted. Other types of nuclear reactor, which could theoretically replace light-water reactors, offered no higher degree of safety: in any case, not all types were yet available for commercial use. And turning to the safety record of nuclear power over the past 20 years, Mr Brunner pointed out that not a single death had been recorded which could be attributed to a nuclear malfunction. A recent report by the Nuclear Energy Policy Study Group in the USA concluded that nuclear energy was no riskier than electricity produced from coal.

Turning to the second oral question, on the supply of nuclear fuels to the Community, Commissioner Brunner admitted that Canada had ceased deliveries of uranium, but said that the USA was still delivering enriched uranium for use

in nuclear power plants. But he was not to be drawn on the question of the legality of the Canadian export ban. The Commission was engaged in intensive negotiations with the Canadian government, and did not at present intend to look elsewhere for supplies.

As to measures to secure EC supplies, the Commissioner pointed out that the Community itself, which consumed one-third of total world uranium requirements, produced only 5 per cent of its needs itself. But by the end of the eighties the Community should be in a position to produce a large proportion of its needs itself. The Commission was, in the meantime, encouraging prospecting in third countries with a view to diversifying the origin of its supplies. Enrichment of uranium – in the USA and USSR – was secure until at least 1983, after which the Community should be in a position to carry out this process itself. And the reprocessing of used nuclear fuels should also help to improve the situation.

The House then agreed to continue its debate on these oral questions at its May session.

EC's raw material supplies

Being so dependent on third countries for raw materials makes the Community pretty vulnerable. Hermann Schwörer (Ge,CD), rapporteur for Parliament's Economic Committee, put down a motion calling for a common EC policy and even a long-term strategy on raw material supplies. The common policy could begin with research into recycling, better use of substitute products, saving on raw material consumption, making effective use of EC resources, including those on the seabed and setting up buffer stocks for emergencies. Mr Schwörer called for closer cooperation with developing countries supplying raw materials and a better organisation of the world market, views with which most speakers expressed great sympathy.

But Renato Sandri (It), Communist spokesman, felt unable to vote for Mr Schwörer's motion. It did not live up either to Europe's commitments or the needs of the developing world. And Lord Ardwick (Br,S) felt today's debate had been somewhat overtaken by events. Would it not have been better to hold the debate on Wednesday once the Council had had a chance to tell the House what the Rome Summit had decided as regards the common fund for stabilising the raw materials market? He reminded the House that Parliament would not be

sitting again until after the crucial Western Economic Summit being held in London on May 6th and 7th.

Mr Schworer's motion was agreed to.

Motor vehicle lights, tyres, heating systems

The European Commission is proposing that the Community's decision-taking Council should issue a series of directives concerning motor vehicle parts : rear fog lamps, reversing lamps, parking lamps, tyres, heating systems, wheel guards and so on. Kai Nyborg (Da,EPD), rapporteur for Parliament's Regional and Transport Committee, asked the House to approve the proposals subject to a minor amendment which Mr Vredeling, for the Commission accepted. These proposals are pretty technical referring to such points as the colour of white light trichromatic coordinates, minimum angles required for light distribution on space and photometric measurements (Doc. 516/76)

Motor vehicle fittings

The Commission is asking the Community's decision-taking Council to issue three directives concerning motor vehicle fittings : windscreen wipers, washers, defrosting and demisting systems, dashboard details and so on. Kai Nyborg (Da, EPD), for the Economic Committee, put down a motion asking Parliament to approve these proposals. Horst Seefeld (Ge,S), in a written opinion for Parliament's Regional and Transport Committee welcomed the proposals. The drivers' field of vision is crucial. But -- turning to the Council's part in road safety - he deplored 'the fact that the Council still has to decide on the proposal concerning safety glass for windscreens.'

Mr Nyborg described the proposals as 'an important step towards the complete removal of obstacles to trade resulting from divergent provisions on motor vehicles.' EC measures on studded and retreaded tyres as soon as possible would be a welcome addition to the present measures, he said.

Mr Nyborg's motion was agreed to without debate.

Lorries held up at the Brenner Pass

Harry Notenboom (Du,CD), for the Economic and Monetary Committee, raised the question of transport quotas. This is causing hardship, he said, particularly at the Brenner Pass which is crossed by an average of 2,000 lorries every day. The number of German lorries able to cross into Italy is limited to 770 per year. If more lorries come up to the frontier they have to wait until a lorry comes back from the other side. So drivers may sometimes not know how many hours or days they are going to be up there. The situation on the railways is equally disturbing, he said.

In reply Commissioner Richard Burke reminded the House that most quotas were still being worked out and allocated on a bilateral basis. The EC system only covered 15 per cent of road transport between Member States. He explained in detail what the Commission was trying to do to improve matters.

Streamlining the EC customs union

If it is easier to go through customs in one country than another, traffic – and trade – tends to get re-routed to take advantage of the fact. This conflicts with the whole idea of a customs union which, Kai Nyborg (Da,EPD) pointed out in his report, has not cut down the work of those sending goods. One improvement being proposed by the Commission is an EC export declaration form (Doc. 520/76). Mr Nyborg, for Parliament's Economic Committee, asked the House formally to approve this proposal. The motion he put down also urged the Nine to speed up the simplification of customs clearance. The motion was agreed to without debate.

WEDNESDAY

QUESTION TIME

QUESTIONS TO THE CONFERENCE OF FOREIGN MINISTERS

1. Imprisonment and torture of Mohammed Salag Sliss (Russell Johnston)

President of the Council John Tomlinson told Russell Johnston (Br,L) that, since Mohammed Salag Sliss was not a citizen of the Community, the Foreign Ministers had no competence in this matter. That did not mean, however, that

the Nine would not condemn this infringement of human rights wherever such infringement occurred. When Mr Johnston stressed that all he wanted was 'representations' to be made to the Tunisian Government, Mr Tomlinson pointed out that there was little point in acting, and possibly offending the government concerned, unless there was a likelihood of results – and in this case there wasn't.

2. Freedom of artistic expression (Michele Cifarelli)

The question of freedom of artistic expression was covered by Principle 7 and Basket Three of the Helsinki Final Act. The Council did not feel it would be appropriate to single out specific points of the Helsinki Agreement for discussion at the Belgrade review conference.

3. Government in Exile of Mozambique (Lord St. Oswald)

Mr Tomlinson told Lord St. Oswald that the Council had received one official communication from FUMO – its political programme. Referring to Dr David Owen's visit to Mozambique on his African tour Lord St. Oswald (Br,EC) wondered whether it had been proper to seek advice from the de facto government in Mozambique, which had assumed power by force.

4. Status of SWAPO (John Corrie)

Mr Tomlinson said that SWAPO had no 'host country' – it was represented internally in Namibia, and externally in several neighbouring African states. The Nine did consider SWAPO of sufficient importance to want to hear its views on the future of Namibia.

5. Enlargement of the Community (Paul de Clercq)

Enlargement, Mr Tomlinson told Paul de Clercq (Be,L), was based on Article 237 of the Rome Treaty and negotiations with any applicant were based on those provisions. In the case of Greece, negotiations would proceed 'on the basis of their intrinsic merits.' Answering a supplementary question from Mrs Winifred Ewing (Br,Ind), Mr Tomlinson said that the CAP, which was of great

importance to the EC, would have to be safeguarded in the negotiations. Mr James Spicer (Br,EC) then suggested that Mr Tomlinson might like to tell his colleague Mr Silkin that the CAP was 'a vital part of the Community'.

6. Relations with Zaire (James Spicer)

The Council had discussed the question of Zaire on 18 April, Mr Tomlinson told Mr James Spicer (Br,EC), and had issued a statement on Africa. This pledged the EC to cooperate with any country which sought assistance, upheld the right to independence of Namibia and Rhodesia, and condemned racialism. The President could not confirm that Zaire was being forced by its African neighbours to export solely through Rhodesia and South Africa. And he refused to be drawn on French intervention in Zaire — this was a matter for the French Government. Mrs Marie-Thérèse Goutmann (Fr,CA) wondered whether our actions in Africa were not based on our needs for their raw materials.

QUESTIONS TO THE COUNCIL

1. Concorde (Willie Hamilton)

The Council had no competence in the question of landing rights for Concorde in the USA, Mr Tomlinson told Mr Willie Hamilton (Br,S).

2. Relations with Cyprus (Christopher Price)

On 8 March 1977, Mr Tomlinson said, COREPER had been instructed by the Council to 'complete the proceedings already under way' concerning the outstanding problems regarding the EEC-Cyprus Association, so that the Council could decide on them 'at the earliest opportunity.' This answer, said Mr Christopher Price (Br,S), was 'cynical and dishonest.' Would Mr Tomlinson say whether the mandate would be forthcoming when the Council met on 3 May (the present Association Agreement expires on 30 June 1977)? Mr Tomlinson said he could give no such assurance.

3. Council meeting of 14 March 1977 (Pierre-Bernard Cousté)

Mr Tomlinson told Mr Pierre-Bernard Cousté (Fr,EPD) that the Council had asked Member States with favourable balances of payments and low inflation

rates to provide 'considerable support' for the recovery of demand and production to help those Member States whose economies were weak. This statement earned Mr Tomlinson the congratulation of Lord Bruce of Donington (Br,S) and Sir Brandon Rhys Williams (Br,EC), who pointed out that conventional methods of combatting inflation had failed, and that in general inflation was highest where interest rates were highest. Mr Mark Hughes (Br,S) wanted to know what point there was in expansion in Europe if the USA was now unwilling to stimulate its economy. This was a matter that would certainly be discussed at next month's Downing Street Summit, Mr Tomlinson said.

4. Loan to Italy (Michele Cifarelli)

The IMF decided to lend Italy 530m dollars. Was Council in turn ready to lend Italy 500m dollars? Mr Tomlinson said that on April 18th the Council had confirmed its authorisation to the Commission to conclude a loan of 500m dollars. In reply to a supplementary question he said that the terms would be more or less the same as those for the IMF loan.

5. CAP (Isidor Früh)

Mr Isidor Früh (Ge,S) wanted to know if, on television, the Council President had discussed overhauling CAP in the context of enlarging the Community. Mr Tomlinson made clear that the British Minister had not been wearing his Council President's hat at the time.

6. Admission to Council meetings (John Corrie)

Parliament has frequently asked Council if it can meet in public, at least when it is legislating but all Mr Tomlinson would say on this occasion was that the British Presidency would like the question constructively examined. Lord Bessborough (Br,EC) asked if the conciliation procedure could be extended to other Councils such as agriculture or the environment.

7. Arab boycott (Tom Normanton)

Mr Normanton asked Council to engage EC-USA talks with a view to making it illegal for EC or US firms to comply with the Arab boycott of firms doing

business with Israel. Mr Tomlinson said not but pointed out that all EC agreements with Mediterranean countries contain a non-discrimination clause.

8. Enlargement of Community (Paul de Clercq)

Mr Tomlinson was asked for 'a broad outline of Council views' about enlargement. He replied by saying that Portugal's application would be dealt with in the manner laid down in the Rome Treaty and that negotiations with Greece must be continued on the basis of their intrinsic merits.

9. Increase in IMF's resources (Jean Durieux)

Mr Tomlinson said the Council had reached an agreement on 18 April 1977 the details of which would be put before the IMF's interim committee at its next meeting. He was sure the committee would feel the EC's position was both reasonable and positive.

10. Oil-refining capacity (Tam Dalyell)

Mr Tam Dalyell (Br,S) wants Council to tackle the problem of surplus oil-refining capacity in Europe. The Council, said Mr Tomlinson, looked at this on 29th March and will go on with its analysis of these problems at the Energy Council on 14th June.

11. Common fund to stabilise raw material prices (Bronlund Nielsen)

Mr Tomlinson told the House that the Council would be continuing its deliberations on a common fund at its meeting on May 3rd. This is in anticipation of the final stage of the North-South Conference.

12. Devaluation of Scandinavian currencies (Herbert Hougardy)

Asked why the consultation procedure agreed in 1974 had not been followed prior to the devaluation of the Scandinavian currencies in relation to the mark,

the florin and the Belgian franc, Mr Tomlinson said that the 'snake' country governments had been consulted; the other Member States were informed at once.

QUESTION TO THE COMMISSION

1. Value of family and child allowances (Sir Brandon Rhys Williams)

Sir Brandon Rhys Williams (Br,EC) was unhappy with Henk Vredeling's reply to his request for a detailed examination of the net value of family allowances and child allowances in the direct taxation system of the Nine. Mr Vredeling said he had given some details in reply to written question 17/77 and that further details would be included in the 'social budget' which he hoped to have ready by the year end. He agreed with Elaine Kellett-Bowman (Br,EC) that the statistics should be comparable.

The Rome Summit of March 25th-26th

(20th anniversary of Rome Treaty signature; eighth European Council meeting)

Parliament's debate on the Rome Summit this morning was opened by Dr David Owen, British Foreign Secretary and current President of the Council. He began by breaking off from the debate proper – just as John Tomlinson had done earlier in the day – to pay tribute to the late Sir Peter Kirk, praising his work for Europe. He then went on to discuss the two key issues facing the Community.

The Community came first. And there the problems were growth, inflation and employment. The Rome Summit had asked the Commission to draw up an action programme 'which will hopefully cover specific proposals for increasing industrial investment, increasing job opportunities and covering those sectors causing particular and immediate concern, such as steel and shipbuilding.'

The Commission would be making a progress report to the European Council in June : 'it is vitally important that we are in a position to report real progress for alleviating unemployment.'

But – and here Dr Owen came to his second theme – although dealing with these economic matters was the EC's first priority, it was not the only one.

'We are also citizens of the world. We have responsibilities to the unemployed and the under-nourished, world-wide. The European Community has never seen itself as an exclusive inward-looking organisation, and the European Council has devoted considerable time at Rome to the North/South dialogue. The two issues are not unrelated. A generosity of spirit and intention is hard to achieve against a background of domestic recession. Help for the poorest countries in the world does not receive much sympathy from people living in the shadow, let alone the reality of unemployment. We, as politicians, will carry our own European electorates in outward-looking policies to the developing world only to the extent that we can convince them that we are also doubly concerned about their lives and their jobs.'

Dr Owen went on to warn: 'Economic recession breathes an insularity of attitudes and promotes protectionism' which could work against the success of the North/South dialogue. But an international economy in which one-third of the world has an annual per capita income of less than 100 pounds and in which the gap between the poorest and richest nations is growing, is 'morally unacceptable.'

'We cannot abandon the world's poor to the mercies of the Malthusian trilogy of war, famine and disease,' he said.

He told the House of the Community's part in the Common Fund Conference in Geneva. Opinions differed as to how such a fund should operate and be financed 'But there does exist a consensus that any scheme must assist international commodity arrangements to stabilise commodity prices around the longer-term market trends.' Dr Owen added that the EC had agreed at the ACP Council in Fiji on 13th-14th April to various improvements to help the Community's African, Caribbean and Pacific associates, including additions to the STABEX list. He spoke too of increased development aid through the IMF.

He concluded : 'I do not pretend that our response to the challenge presented by the widening and intolerable gap between rich and poor countries has so far been adequate. But at least the evidence is there for all to see of the Community's determination to tackle this intractable problem and of our commitment to working together constructively with our many friends in the third world.

We share a common goal of a more equitable and prosperous world economy. But our task as political leaders is to shape public opinion in our own countries and to build up a sense of idealism and commitment of our own people so that

the Community's aspiration and rhetoric are matched by concerted and recognizable achievements.'

Mr François-Xavier Ortoli, Vice-President of the Commission, had little but praise for the Rome Summit. He welcomed the impetus it has given to solving the Community's problems. He was particularly glad that the European Council had tackled steel : the Commission is now drawing up plans for attacking the crisis. (See Commission spokesman's Group Information Memo P-33). One feature of this will be the possibility of raising loans (under the European Coal and Steel Community dispensation of the Paris Treaty) to finance non-steel investment. Mr Ortoli was glad to see the importance the summit had attached to investment. There could be no growth without it. And, as he saw it, unemployment could not be solved without economic growth.

Spokesmen for Parliament's six political Groups gave a generally warm welcome to Dr Owen's statement and expressed satisfaction at the outcome of the Rome European Council meeting.

Butter subsidy for UK consumers constitutes basis of new Commission prices package. Mr Tomlinson optimistic that agreement on farm prices will be reached next week

Council President John Tomlinson expressed optimism this afternoon that agricultural ministers will reach agreement at their meeting next week on a compromise farm prices package. But he began his statement by saying that the differences of opinion at the last abortive attempt to reach agreement were not as extreme as they had been painted. This was by no means the first time that the farm price proposals had run into trouble and discussions had had to continue into April. He agreed that the main point of contention had concerned milk price rises, which would have pushed prices up in Britain by an unacceptable amount. The problem was exacerbated because prices would rise anyway as a result of the proposals for devaluing the green pound and the latest step in bringing British prices in line with those of the original Six.

At this point Mr Ludwig Fellermaier (Ge) said that, in protest against the Chair's decision not to allow a continuation of the debate on the Rome Summit, nor to allow Council and Commission to reply, the Socialist Group would leave the Chamber for the duration of the farm prices debate. Christian-Democrat group leader, Alfred Bertrand (Be) rose to protest sharply at the Socialist group's

action, and President Colombo warned against the difficult atmosphere that this incident would provoke.

Commission Vice-President Finn Gundelach then took the floor to explain to the House the compromise proposals that were being submitted to the Council. He began, however, by admitting that the strong inflationary tendencies which still existed in the Community made food price rises politically difficult to accept. But inflation cut two ways. If we had an obligation to the consumer to keep food prices down, we also had an obligation to the farmer, for whom inflation meant increased costs and, consequently, lower incomes.

British to get butter subsidy

Turning to the proposal which the Agricultural Council would have before it when it met on Monday, Mr Gundelach said that these included additional price rises which averaged 0.5 per cent (1 per cent for pig meat) and which would in part be offset by a reduction of the co-responsibility levy from 2.5 per cent to 1.5 per cent. New measures were also being put forward to help Italy, and these included special aids for sugar, durum wheat and calves.

But the core of the new proposals were designed to meet British objections. The Commission was proposing a subsidy on British butter, to be wholly financed from EAGGF funds, of 30 u.a. per 100 kgs. for the remainder of 1977 and 25 u.a. per 100 kgs. for the first three months of 1978. This would keep butter prices in Britain at approximately their present levels for the rest of the year and amounted to a concession to UK consumers. But, Mr Gundelach added, the scheme was not solely of benefit to the British. Since the UK was the Community's major market for butter, a collapse of that market would have had repercussions for butter producers throughout Europe.

Warning

The Commissioner shared Mr Tomlinson's optimism for the outcome of next week's council meeting, but he stressed that the UK would also have to show goodwill. And he went on to warn the House that if no solution were reached next week the Council was unlikely to vote again to prolong the price year: this would mean, in effect, that there would no longer be common agricultural prices and as a result the whole CAP would collapse. And that, in turn, would mean the

end of the Community. The Commission's new compromise, Mr Gundelach concluded, erred on the side of the consumer. But this did not mean that the principle of paying the farmer a fair price was being abandoned. We had to accept that unless we were willing to pay efficient farmers a reasonable price we would soon find ourselves short of food – and that was a commodity that was in short supply throughout the world.

'Play the game Mr Silkin!

Most speakers in the ensuing debate welcomed Finn Gundelach's compromise proposals. But no one found anything nice to say about the Council. Quite the contrary. Mr Silkin was accused, in tones more of sorrow than of anger, of not playing the game over farm prices. Everyone else had made an effort. Why couldn't Mr Silkin, especially as he had been in the chair at the relevant Farm Ministers meeting?

Christian Democrat spokesman Jan de Koning (Du) found the Farm Council's failure to reach agreement 'very irritating'; it was also surprising if, as Mr Tomlinson had said, the disagreement between the Nine was a small one. And what vital UK interest was at stake here?

Liberal spokesman Niels Anker Kofoed (Da) shared this surprise. He was sorry Mr Silkin was not present to comment.

Mr Kofoed also agreed with Mr Gundelach. If the CAP collapsed it would mean a return to national policies. All because one Member State had placed a veto on an agreement. He hoped there were grounds for the optimism voiced by Mr Tomlinson and Mr Gundelach.

EPD spokesman Mr Xavier Hunault (Fr) took a similar line. And he reminded the House of the practical day-to-day consequences for the farmer of not agreeing product prices by the due date of April 1st.

EC spokesman Ralph Howell (Br) also wanted to know why Mr Silkin was not there. He spoke of the 'totally inexplicable' behaviour of the British farm minister at the farm price negotiations.

Mr Pierre Bourdellès (Fr,L) was sad that the 20th anniversary of the signature of the Rome Treaty should have backfired so badly.

Mr Michael Yeats (Ir,EPD) asked what had happened to the celebrated British tradition of fair play? The whole CAP, the showpiece of the Common Market, was being thrown into jeopardy.

Mr Michele Cifarelli (It,L), who like most speakers welcomed Mr Gundelach's proposals was extremely surprised Mr Silkin was not there.

Commenting on Mr Tomlinson's statement that he was not here as the representative of the President of the Agricultural Council, John Corrie asked: 'Who is?' He suggested that Mr Gundelach's compromise was 'more than fair' to the British housewife – far more than it was to the housewife in the other Member States. He described the failure of the Council marathon as 'a sad day for Europe.'

Replying to the debate Mr Gundelach said a decision now had to be taken – he saw this as the meaning of the whole debate.

Mr Tomlinson, for the Council, came back on a number of points. He reminded the House he had spoken of not overstating the disagreements between the Nine. This had become 'a very small gap' in Mr de Koning's and Mr Kofoed's speeches and an 'infinitesimal' one in Mr Laban's.

Turning to the actual figures, he reminded Mr de Koning that if the amount paid out in m.c.a.s and butter subsidies was 1,000 u.a., the amount spent on milk powder surpluses was twice as much.

The price increase did touch a matter of 'vital interest' to the UK in a year when its whole effort was concentrated on beating inflation.

He did not accept Mr Hunault's question as to whether the UK President could have done more.

He told Mr Howell that the Presidency was indivisible and that it was up to the Presidency and no one else to decide who should speak for the Council.

He agreed with Mr Laban (Du,S) the problem was serious. But he was optimistic about the outcome.

He did not think the fishermen of Brittany referred to by Mr Bourdellès (Fr,L) came within the scope of the debate.

Mr Tomlinson then took issue with Mr Michael Yeats accusing him of using 'outrageously exaggerated language.' The British Government was not trying to wreck the CAP.

From this point on Mr Tomlinson's reply was almost constantly interrupted by shouts and protests. He pointed out that the failure to agree was not the exclusive prerogative of the Council. He seemed to remember that the European Parliament had been in difficulty reaching a consensus in its own debate on farm prices. It would be a lot easier if people gained a sense of proportion.

Michael Yeats, to general applause, then rose to remind Mr Tomlinson that the 1,000 million units of account referred to somewhat dismissively actually represented twice the whole European Regional Fund.

The debate concluded.

The House then agreed to postpone its debate on human rights until its May session. It also decided to postpone until May consideration of Vice President Ortoli's statement on the economic situation in the Community.

EP forgoes conciliation on VAT sixth directive in interests of speed

The House agreed unanimously this evening to a motion on the sixth directive on VAT, which provides the precondition for the Community's system of 'own resources', due to come into operation on 1 January 1978. Although not entirely satisfied with many details of the directive, Parliament decided in the motion not to request the opening of the conciliation procedure with the Council: this would take time and could delay implementation of the own resources system.

House agrees unanimously to Mr Horst Seefeld's interim report on sea transport problems in the Community

Haul down the Jolly Roger says Willie Hamilton

Describing the Globtik Venus incident as 'disgusting' Mr Willie Hamilton (Br.S) this evening called for ratification of the ILO Convention on minimum standards for seafaring and stressed the need for a common transport policy and a code of

practice for seagoing traffic. He also wanted the Commission to meet the International Union of Seamen to discuss the whole issue. Commissioner Richard Burke, replying, said he deplored the use of force which had characterized the Globtik Venus incident and undertook to meet the IUS.

THURSDAY

Social situation in Community bleak admits Henk Vredeling

In a statement on behalf of the Commission on developments in the social situation in the Community in 1976 this morning, Mr Henk Vredeling admitted that measures to combat unemployment had met with little success so far. At the end of 1976 the jobless total was around five and a half million and the proportion of women unemployed had increased disproportionately.

A variety of proposals had been put forward, Mr Vredeling added, in efforts to find a remedy to this situation: these included reducing the number of hours worked, eliminating overtime and extending full-time education for the young. Where the problem existed, however, there had been moves to improve social security benefits for the unemployed – Denmark and Luxembourg had both extended unemployment benefits to cover the entire population, including the self-employed. Against this, Member States had had to face a drop in social security contributions, as a result both of the increasing number of unemployed and cost inflation. Moreover, as the average age of the population rose, more older people were now drawing retirement pensions.

Answering a question from Lady Fisher of Rednal (Br,S), Mr Vredeling said that one reason why the increase in the number of female unemployed was disproportionately high was that many firms tended to lay women off before making men redundant. In addition, the bulk of part-time work was done by women, and in a recession these jobs were particularly vulnerable. The Commissioner agreed with Mrs Elaine Kellett-Bowman (Br,EC) that certain sectors of industry employing a high proportion of women – such as textiles and shoes – were in decline: this was an area in which the Social Fund could help.

Closer relations with Yugoslavia

Commissioner Antonio Giolitti told the House this morning that the Community was pledged to improving and extending its relations with Yugoslavia. The

present trade agreement, which expires in 1978, could be replaced by an economic cooperation agreement based on the Joint Declaration signed on December 2nd 1976 between the EC and Yugoslavia.

Mr Michele Cifarelli (It,L) said that Yugoslavia's non-aligned status, the large number of Yugoslav workers in the Community and the general amnesty proposed for political prisoners were all factors which paved the way to a really constructive agreement. Other speakers saw closer cooperation with Yugoslavia as an essential feature of the Community's overall Mediterranean policy. And Mr Gabriel Kaspereit (Fr,EPD), stressing that Yugoslavia had been the first eastern European country to recognize the Community, said that it was very much in the Community's interest to reach a widely based agreement with Yugoslavia.

During the discussion Sir Geoffrey de Freitas, in the Chair, extended a cordial welcome to a delegation from the Yugoslav Assembly, who were following the debate from the official gallery.

Social Fund going back into the melting pot

There was general agreement between most speakers in the debate on the Commission's Fourth Report on the European Social Fund (1975) that the Fund's resources remained totally inadequate in view of the scale of the economic and social problems facing the Community. As Mr Liam Kavanagh (Ir,S) pointed out, the Commission's report was now largely historical, but the situation had not changed all that drastically in the meantime. He felt that the Fund, given its Limitations, had done a good job, particularly in the field of retraining, but he wondered whether the Social Fund as such could ever hope to deal in more than a marginal way with the all-embracing problem of joblessness. Should we not seriously consider setting up an 'Employment Fund'?

Christian Democrat spokesman Ferruccio Pisoni (It) agreed that the Fund had been valuable in retraining the unemployed, but we had now seen that unemployment continued to rise regardless. Where the Fund had shown a particular deficiency was in giving assistance to migrant workers. The great majority of these workers lived in miserable conditions in virtual ghettos and the Fund could be used to help in providing decent housing and social services for them.

Among the other speakers, Mrs Elaine Kellett-Bowman (Br,EC) again drew attention to the way sheltered workshops were being defined. They should not be thought of as leading out into open employment. Many handicapped people would never be able to enter open employment.

She launched the idea of EC apprenticeships, a sort of Rhodes scholar of industry. 'We must fire the imagination of young people', she said.

Both Mrs Kellett-Bowman and Mr Michele Pistillo (It), Communist spokesman, complained of the time taken for the Social Fund to reimburse expenditure incurred in pursuit of Social Fund aims. And Mr Jean-Marie Caro (Fr,CD) called for Articles 4 and 5 of the Social Fund to be under the same heading in the EC budget.

In reply, Henk Vredeling welcomed Mrs Kellett-Bowman's suggestion about EC apprenticeships. He told Mr Caro that Articles 4 and 5 were originally kept apart in the budget so as to get an agreement in Council. He agreed this should be changed. Mr Vredeling took Liam Kavanagh's point about an employment fund. He thought that the Social Fund should play a greater part in dealing directly with unemployment.

This said, the whole of the Social Fund now goes back into the melting pot. As Mr Vredeling pointed out, today's debate was on the Social Fund record for 1975. In May Parliament will be hearing the Commission's ideas about where the Community is to go from here.

EC and ILO working together well

Mr Frans van der Gun (Du,CD), for Aart Guertsen (Du,L), reported to the House on agreements signed by the Nine within organizations like the International Labour Office and the Council of Europe. Some seem to prefer signing agreements to putting them into effect, he said. In reply Mr Vredeling thought that the situation was fairly satisfactory regarding ratifications. The Commission had some scope to prod the Nine where necessary but it had to be borne in mind that ratification was a slow process. Cooperation with the ILO is good, he added, and must be stepped up.

Regional policy must be a development policy

There was general agreement in Parliament's three-hour debate on regional policy this afternoon that the gap between poor regions and rich regions is widening, that the amount of money spent on regional policy so far has been inadequate and that when the regional fund is overhauled later this year it will have to take on the dimensions of a real development policy.

Another point made, by Michael Herbert (Ir,EPD) and John Evans (Br,S) in particular, was that the whole idea of the regional fund (launched at the Paris Summit of October 1972) had raised hopes it had simply failed, in reality to fulfill.

Mr Herbert and Elaine Kellett-Bowman (Br,EC) also criticised the way the fund has been handled by national governments. There has been too much sleight of hand for EMPs to be able to ascertain exactly how much money governments would have disbursed had the regional fund not been operating.

And the suspicion has been that some have simply been substituting EC cash for cash they should have paid out themselves. This is, they feel, one point that must be cleared up. In Mrs Kellett-Bowman's words 'the new regional fund regulation must be as cheat-proof as possible'.

What Parliament would most like to see however is a regional policy drawn up on Community lines and aid given according to Community criteria such as net outward migration, persistent under-employment or unemployment and a low per-capita income: in other words Parliament would really like to go back to the kind of plan the Commission started out with when it was first asked to come up with proposals.

Broad support for Commission proposals for dealing with the steel crisis

There was general support this evening for a motion put down by the Socialist, Christian Democrat and Liberal and Democrat Groups, expressing deep concern at the state of the steel industry. The seriousness of the crisis was pointed out by Horst Haase (Ge,S). He said that in the UK in 1950, producing a ton of steel used to take 36 hours. In 1976 it still took 30 hours. In Germany the corresponding figures were 38 hours and (now) 18 hours. In contrast Japan, which took 65 hours in 1950, was now producing a ton of steel in four hours flat.

Welcoming the debate, Viscount Davignon pointed out that one in seven of the 700,000 jobs in the Community steel industry is under threat. But protection was no answer. In any case – as he pointed out to Mr Terrenoire – imports amount to only 10 per cent of total production. Neither was a policy of public subsidies. The industry had to be modernised and re-structured. Coupled with this, the Commission would be having talks with third countries. There was no question of allowing unfair trade practices, such as dumping on the Community market. ‘We are not about to sacrifice tens of thousands of workers to the dogma of economic liberalism’ he said. To Etienne Davignon the problem is political. And it needs a long-term solution. This will e.g. involve diversifying away from crude steel to specialist steels.

The motion was agreed to.

Whereupon Viscount Davignon left for Brussels for talks about steel with US spokesman Mr Strauss.

Steel : figures

Who produced/produces how much?

	1960 (million tonnes)	Per cent of total	1976 (million tonnes)	Per cent of total
World	462.3	100	656.5	100
Japan	47.8	10.3	145.2	22.1
Six plus 3	110.2	23.8	134	20.4
USA	124.7	27	118.96	18.1
USSR	96.9	21	107.4	16.4

Commission ‘No’ to special fund to remedy industrial dereliction

Antonio Giolitti told Elaine Kellett-Bowman (Br,EC) that the Commission did not think a special fund to remedy the effects of industrial dereliction was appropriate. The right answer was to make a better and more coordinated use of the funds already established.

Less sulphur please

The Commission is asking the Community's decision-taking Council to issue a directive aimed at reducing sulphur dioxide pollution. This will limit the sulphur content of low sulphur fuel-oil to 2 per cent by weight as from June 1978 with a further decrease to 1 per cent by weight as from June 1983. Special zones are to be created if sulphur dioxide pollution is too high : all combustion installations in these zones will have to use only low sulphur fuel as of October 1978.

Mr Willi Müller (Ge,S), in a written report, welcomed the proposal but found it too full of holes. He wanted it tightened up. A motion to this effect was agreed to without debate.

Helping non-associated developing countries

The Commission wants the EC's decision-taking Council to pass a regulation on help for developing countries not at present associated with the Community. 20m u.a. was set aside in the EC's 1976 budget for this purpose and 45m u.a. in the budget for 1977. The snag was the legal base for dispensing such aid. The Commission fell back on Rome Treaty Article 235 whereby the Council may act on a Commission proposal if this is needed to achieve a Rome Treaty aim. The present proposal provides this legal base. The main aim of the aid will be to cover the food requirements of non-associates by helping finance projects in agriculture, stock-farming and fishing.

In Parliament's brief debate the main point emphasised was that control over the use of the fund should rest with the Commission and not with a committee answerable only to the Council. A motion to this effect was agreed to.

An agency to promote trade with developing countries

The Commission wants the Community's decision-taking Council to set up a European agency to promote trade with the developing countries. 1,055,000 u.a. have been earmarked for the agency which would help developing countries, including non-associates, to make more use of the generalised preferences scheme.

Mr Renato Sandri (It,CA), rapporteur for Parliament's Development and Cooperation Committee, welcomed the proposal. He pointed out that in 1974,

for example, the generalised preferences were not used to the full : the figure was 65 per cent utilisation and in 1975, it was 67 per cent.

A motion welcoming the proposal was agreed to.

Motion concerning maltreatment by the French police of a Member and three officials of the European Parliament

The following motion was agreed to:

‘On the night of 17-18 June 1975 Mr Knud Nielsen, a Danish Member of the European Parliament, and three Danish parliamentary officials were in a public place in the old city of Strasbourg. As they were not carrying their identity papers they were unable to produce them for the police who were carrying out identity checks. Although Mr Nielsen drew attention to his prerogatives of immunity and offered to produce his papers at the hotel, they were all forcibly detained and only released in the early hours of 18 June. A medical examination carried out a short time later, at the request of two of the officials concerned, by the head of the Strasbourg University Clinic, revealed injuries received at the hands of the police. Numerous representations by the President of the European Parliament, the Socialist Group of the European Parliament, the Danish Foreign Minister and certain members of the French National Assembly to the competent French ministers and other authorities have been of no avail.

‘The European Parliament,

- Regrets that the French authorities have taken no steps to have the incident fully investigated by an impartial authority, i.e. the judiciary, in order to establish beyond doubt if, *inter alia*, the second protocol on the privileges and immunities of the EEC has been respected;
- Urgently requests the French authorities to take all appropriate steps to prevent the recurrence of similar incidents in future;
- Urgently requests the Secretary-General of Parliament to see that the position of parliamentary officials is also examined in order to ensure that their interests are protected in future.’

EP approves Commission proposals for compromise on farm prices

SUMMARY OF THE WEEK

Monday, April 18th – Friday, April 22nd 1977

(Document numbers in brackets)

Monday April 18th

- Parliament pays tribute to Sir Peter Kirk who died at his home in Essex on April 17th. He was 48.
- President informs the House that on April 5th Council, Commission and Parliament signed a joint declaration on the protection of fundamental human rights.
- Mr Richard Burke tells Parliament the Commission is opposed to the idea of a centralized list of motor vehicle owners. The Socialist Group were calling for this to make it easier to recall motor vehicles which the manufacturers find defects in.
- Further to the Fourth International Parliamentary Conference on the Environment in Jamaica in April 1977, Parliament presses the Commission for further measures. (12/77)
- Italian CD Members urge the Commission to introduce a tax at consumption on titanium dioxide products to offset the ecological cost of treating waste products. (571/76/rev.)

Tuesday April 19th

- Parliament calls for binding agreements to cover activities of multinationals. (547/76)
- Welcome to delegation from the New Zealand House of Representatives led by its speaker Sir Roy Jack.
- Question Time: 13 questions addressed to the Commission. (44/77)

- Energy: concern about the nuclear option on the one hand and concern about the Community's whole nuclear future on the other. (25/77; 29/77; 31/77)
- EP calls for long term strategy for raw material supplies. (585/76)
- EP approves Commission proposal that common standards be introduced for motor vehicle parts. (516/76; 517/76; 518/76; 521/76; 525/76; 36/77)
- Parliament approves EC export declaration form proposal. (356/76; 520/76; 14/77)
- EP complains of road transport delays at the Brenner Pass. (27/77)

Wednesday April 20th

Question Time

- Six questions addressed to the Conference of Foreign Ministers: Mr John Tomlinson, Under-secretary of State, Foreign and Commonwealth Affairs replies. (44/77)
- Twelve questions addressed to the Council: Mr John Tomlinson replies (44/77)
- One question addressed to the Commission. (44/77)
- Dr David Owen, Secretary of State for Foreign and Commonwealth Affairs and current President of the Council, reports on the Rome Summit.
- British Government under fire for Council's failure to reach agreement on the farm prices due to have come into effect on April 1st 1977.
- EP forgoes conciliation on VAT sixth directive in interests of speed. (58/77)
- House agrees unanimously to Mr Horst Seefeld's interim report on sea transport problems in the Community. (5/77)
- Mr Willie Hamilton calls for ratification of the ILO convention on minimum standards for seafaring. (24/77)

Thursday April 21st

- Mr Henk Vredeling admits to the House that developments in the social situation in the Community in 1976 were disappointing.
- Commission says it is pledged to improve and extend the Community's relations with Yugoslavia. (26/77)
- Social Fund: speakers say it is inadequate, but new proposals to be submitted in May. (578/76)
- EP satisfied at Community cooperation with ILO and Council of Europe. (54/77)
- Parliament insists that regional policy must be a development policy (35/77)
- Parliament broadly approves Commission plans for dealing with the steel crisis. (61/77/rev.)
- Commission's 'No' to special fund to industrial dereliction. (30/77)
- Less sulphur, please, EP approval for Commission proposal (501/75; 40/77)
- Helping non-associated developing countries. (11/77; 34/77)
- An agency to promote trade with developing countries. (367/76; 445/76)
- Motion concerning maltreatment by the French police of a Member and three officials of the European Parliament. (21/77)
- Parliament approves Commission proposals for a compromise on farm prices.

Friday April 22nd

- EP welcomes Spanish Government's decision to hold elections on June 15th 1977 (63/77)
- Commission proposal on imports from Turkey passed without debate (584/76; 42/77)

- EP reservations about flat-rate aids under EAGGF Guidance Section (179/76; 577/76)
- Law alignment directive (459/76) on PVC referred back to Public Health Committee
- Proposed law alignment directive (515/76) on protecting food from PVC contamination approved (46/77)
- Tariff quota for cattle imports from Austria and Switzerland approved (6/77; 41/77)

Next session in Strasbourg May 9th to 13th 1977

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