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THE SITTINGS

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THE WEEK

Parliament's main preoccupations here in Strasbourg this week have been jobs, energy and human rights. On jobs there was some encouragement to be had from ex-EMP Henk Vredeling's proposals for overhauling the Social Fund : it should, if the Council goes along with the proposals, make more of an impact in the regions, be better run and do more to help the unemployed, especially among women and the under-25s. On energy the consensus seems to be that the nuclear option is beginning to look like Hobson's choice. In Parliament's five hour debate on energy, a ghost that kept popping out was a ship that seems to have vanished at sea some nine years ago with 200 tonnes of uranium on board. The ship was travelling from Rotterdam to Genoa when it disappeared and completely lost its identity. It reappeared years later under a new name and flying a new flag. The Socialist Group was unhappy with Guido Brunner's assurance that if anything like this happens again, he will try to ensure that Parliament is informed. They have made it clear they will not drop the matter till the ghost is laid. On human rights, one of Parliament's constant preoccupations, the mood in the House seemed to reflect that in the world at large : that one day soon the torturing has got to stop.

MONDAY

Action taken on Parliament's advice

Mr Christopher Tugendhat told the House that the Commission was amending a number of its proposals to incorporate changes suggested by Parliament. Notable among these were three proposals on transport policy (Mursch, Albers and Schwabe reports) two proposals on social policy in transport (Seefeld and Osborn reports), two proposals on the environment (Müller reports on limits of sulphur dioxide in the urban atmosphere and on the use of fuel oils with a view to reducing sulphur emissions) and one on the European unit of account (Shaw report). As regards the Kofoed report on fishing, the Commission had incorporated the sense of a number of points made by Parliament in the new proposals it had put forward.

The House then agreed to three motions : on tighter control of CAP payments, on Parliament's accounts for 1976 and on treating the Court of Auditors as an EC institution.

EEB or not to be, that is the question

And it was one that no-one found easy to answer. The motion before the House concerned a Commission proposal for setting up a European Export Bank (EEB), designed to provide finance and credit to undertakings 'in two or more Member States' to help them export to third countries.

As rapporteur for the External Economic Relations Committee Kai Nyborg (Da,EPD) pointed out, there had been no agreement amongst experts so far on the need to set up an EEB, nor was there enough information available on the possible volume of business such a bank might have on which to make an assessment of what it would cost the Community. What projects should an EEB handle? Should the Commission have the right to interfere in its affairs? What about harmonizing national export credit facilities – shouldn't that be given priority?

All in all the whole project was far too vague, and Mr Nyborg's motion called for a re-examination of the problems and a revision of the Commission's proposal in the light of this.

Three committees had been asked to deliver opinions on the EEB proposal, and their conclusions differed too. The Economic and Monetary Committee wanted the proposal withdrawn, the Budgets Committee gave it a general welcome, and the Development and Cooperation Committee hedged its bets by calling for a 'more detailed and more thorough proposal' so that it could 'examine this problem again'.

Speakers in the debate reflected this variety of views. Lord Brimelow (Br) said the Socialist Group were doubtful as to the advisability of setting up an EEB until some of the objections voiced in committee had been met. Mr Mario Martinelli (It), for the Christian Democrats, said that an EEB would help the many projects which required major financial backing – the Americans and Japanese had EXIM banks, why not the EC? Liberal spokesman, Mr Jan Baas (Du) thought we had to be willing to take risks if we wanted healthy export industries.

Mr Michel Cointat (Fr) for the European Progressive Democrats agreed that the EEB idea raised a number of questions but on the whole he thought that the Commission was to be congratulated on the start it had made.

Mr James Spicer (Br) for the European Conservatives saw the value of the EEB as an aid to boosting exports and making the Community more competitive. Mr Spicer agreed that although the European Export Bank had prompted a number of reservations to begin with, these had gradually been disappearing over the last twelve months.

Mr Silvio Leonardi (It) for the Communists welcomed the idea, suggesting that the Community needed to equip itself to adjust to a changing world.

Mr Tam Dalyell (Br) for the Budgets Committee gave his approval and Mr Ernst Müller-Hermann (Ge,S) also welcomed the proposal despite a certain scepticism that he felt about its chances of being adopted by Council.

Mr Ove Guldberg (LD) thought that his Danish colleague Mr Kai Nyborg had been a little too severe in his comments on the proposal.

Replying to the debate Mr Christopher Tugendhat said he had come to Parliament equipped to deal with criticisms but had found that the EEB idea was supported in all parts of the House. He promised Parliament that the Commission would aim to complete its review of the European Export Bank

proposal by the end of the year and assured the House that there would be another opportunity for debate in due course.

The House then voted on the motion after accepting a number of amendments, the sense of which is that Parliament as a whole looks on the EEB idea more positively than Mr Kai Nyborg did originally. Parliament would like the Commission to reconsider its proposals before the end of the year.

TUESDAY

General debate on energy : EP discusses Bravo, pollution, missing uranium, coal policy but nuclear option key feature

This morning's debate on energy problems in the Community began with a statement from Vice-President Lorenzo Natali on the Bravo oilrig disaster. He said that the Commission believed the Community should have at its disposal the resources and powers to deal with such emergencies. And he pointed out that the Commission had already tabled many proposals on protecting the sea from pollution of all kinds.

Lord Bessborough (Br,EC) then rose to introduce his report on promoting the use of coal for electricity generation. Pointing out that nuclear generating capacity in 1985 would fall far short of the targets set for it in 1970, and that other alternative energy sources would also be inadequate to meet demand, he said that some of the gap could be filled by stepping up production of coal. The United Kingdom had estimated reserves which would last for up to 200 years at an annual production rate of 250 million tonnes, and Germany could produce 90 million tonnes annually for between 150 and 200 years.

It was true, Lord Bessborough said, that the cost of electricity generated from coal was roughly equivalent to electricity from oil, and considerably more costly than nuclear power. What the Commission was calling for in its proposal was Community financial help for the construction of coal-fired power stations, or the conversion of existing power stations to enable them to operate on coal.

Mrs Clara Kruchow (Da,LD) then put her oral question to the Commission, which read as follows:

In its communication to the Council of 30 September 1976, the Commission states that 'energy saving is cheaper than energy investment, which already absorbs some 25 per cent of the total industrial investment of the Community'.

1. Will the Commission state how it reached this conclusion?
2. Will the Commission draw up proposals making it possible to save energy without reducing the amount our societies need?

Next, Mr John Prescott (Br), tabling the Socialist Group's oral question on the disappearance of 200 tonnes of natural uranium, asked Commissioner Guido Brunner why the matter had only recently come to light and why Parliament had not been informed.

The whole affair, Mr Prescott said, smacked of a cover up 'with shades of Watergate'. The Community, which had requested a derogation from the UN's policing procedures on the movement of uranium, reported such movements to Euratom instead. But were Euratom's security arrangements adequate, and should it not have mentioned the loss of the uranium in its annual report? And, indeed, why had the Commission itself never made any public statement?

Commissioner Brunner said, in replying to Mr Prescott's question, that it was important that the House should see this matter in perspective. The incident had taken place in 1968. At the time a German company had purchased 200 tonnes of oxidized natural uranium declared to be for use as a catalyst in the petro-chemical industry, from a Belgian mineral company, for shipment to a firm in Genoa. When a Commission check revealed that the uranium had not been received by the Italian company, it notified the security organizations of the three Member States concerned and COREPER. As Members knew, it had not proved possible to discover what had happened to the shipment.

However, oxidized natural uranium was simply a mineral and certainly could not be used 'by any fourteen-year-old schoolboy with a chemistry set' to manufacture nuclear weapons. In fact, so harmless was natural uranium considered in 1968 that it was not even subject to any special safeguards or control measures; nevertheless the Commission's services had discovered that the material had gone missing, an indication that its own control measures were anything but inadequate.

Mr Brunner went on to say that the non-proliferation treaty had not been in force in 1968; the UN agency in Vienna had been in existence, but its control

systems were not comprehensive, and Euratom had not been responsible for transport or storage of uranium in 1968.

Why had the European Parliament not been informed? The matter had been too delicate to feature in the Euratom annual report. Indeed, the Commissioner said, even now he was in no position to reveal to the House all aspects of existing security arrangements, which would effectively make public possible loopholes.

At this stage Mr Ludwig Fellermaier (Ge,S) asked the Commissioner a straight question: if a similar incident were to occur today, would he then inform Parliament?

In reply, Mr Brunner said that he would turn first to the security services of the Member States and then ask Member States' Governments whether they would agree to a select group of EMPs being put in the picture in strictest confidence. If such authorization were not forthcoming he would have to consider his legal obligations extremely carefully.

Opening the general debate, Mr Gerhard Flämig (Ge,S) pointed out that it was extremely difficult for politicians without expert knowledge to make effective contributions in a debate which covered the Ekofisk disaster, vanished uranium, coal policy, environmental problems and so on.

If there was one thing, he said, that the Bravo incident had made clear, it was that we all too often under-estimate the risks involved in the production of energy. American specialists had forecast the Bravo accident some time ago, and we are now beginning to see that nuclear reactors, once proclaimed as being totally non-polluting, did in fact have a number of extremely dangerous side effects.

Speaking for the Christian Democrats, Mrs Hanna Walz (Ge) was concerned about the employment half of the nuclear equation, not to mention the effect on the GNP of not going ahead with the nuclear power station at Wihl, for example. Mrs Walz reminded the House of the United States' intention of having 300 – 500 reactors in service by the end of the century, an aim shared by the Soviet Union.

Mr Norbert Hougardy (Be), Liberal spokesman, pointed to the link between GNP and energy consumption : the one could not go up without the other. What was the Community doing to get the energy it needed? Nuclear reactors were

cheaper to run, saved on oil imports and created employment while they were being built. And Eurodif was already showing what positive results cooperation could produce. Mr Hougardy accepted the concern about the environment but there really was no risk-free source of energy, even though EC rules for nuclear plant were much more stringent than those of the USA or the USSR.

The quadrupling of the oil price and the nuclear controversy should have prompted Europe to take a common line. It should do so now, Mr Hougardy concluded. But the JET story was hardly encouraging.

EPD spokesman, Mr Albert Liogier (Fr) was also concerned about the public reaction to the nuclear option. He suspected the motives of some of those opposing it.

He reminded the House that Europe is running out of options. The North Sea was no Ali Baba's cave and even as regards the coal option, Europe was regressing because of its reliance on imports. 'Energy has got us by the throat', he said. The Community must act.

EC spokesman Mr Tom Normanton (Br), (who was in Washington for talks with Carter administration officials recently) told the House that the United States paid out \$3,700m for oil imports in 1972. The bill in 1976 was \$37,000m. The cost of US energy imports would go up 150 times as between 1972 and 1985. Little need to stress the impact this would have on Europe.

At the same time, world demand for oil was 60 million barrels per day. Consumption was rising by 5 per cent each year. This meant enough oil for the whole world only until 1989.

Mr Normanton praised the Carter administration for the realistic way it was facing up to the energy problem and called for close, two-way cooperation with the United States.

Referring to Ekofisk, he thought this had exposed Europe's vulnerability. But people were still asleep over energy. They should be concentrating on options like the fast breeder reactor which would make the EC not only less dependent on oil, but less dependent on uranium imports too.

Communist spokesman Mr Protogene Veronesi (It) shared the general concern. He thought Europe should look into all the energy options and measure their

economic and ecological cost. No energy is risk free, he said. It was a time for intellectual honesty about the whole problem.

The key issue in Mr Pierre Giraud's (Fr,S) view was the relationship between energy and growth – you couldn't have the latter without the former. It was a question of returning to the stone age or remaining in the age of advanced technology.

The Socialist Group, Mr Giraud admitted, was not unanimous on the desirability of endless growth. There was a feeling that if power corrupts, then energy corrupts. Meanwhile the emphasis in energy policy should remain on safety and a common EC policy in the energy sector. But this did not mean abandoning the nuclear option – the consequences on the employment situation of doing that were unforeseeable.

Mr Werner Zeyer (Ge,CD) gave his Group's endorsement to Lord Bessborough's report on encouraging the use of coal in generating electricity. And Mrs Clara Kruchow (Da,LD), thanking Commissioner Brunner for his comments on saving energy, said she thought that the Palais de l'Europe was a classic example of squandering energy : far more heat and light was being consumed in the new building than had been the case in the old one. This was not the example the European Parliament should be setting to the people of Europe.

She also called for a Commission initiative to encourage research into the dispersing of oil slicks such as the one produced after the Ekofisk disaster.

Coal was the keynote of Mr Pierre Krieg's (Fr,EPD) comments: Europe was poor in natural resources and we should use what we had to maximum advantage. On behalf of his Group he welcomed Lord Bessborough's motion on encouraging the use of coal for electricity generation.

Mr John Osborn (Br,EC) said our chief concerns had to be with protecting the environment and safety. He liked the idea of tax incentives for saving energy as proposed by President Carter. Indeed, he asked the Commission for its reaction to the Carter administration's energy proposals : might not some of those ideas be usefully adopted in the Community?

Mr Osborn also referred to Britain's potential as an exporter of oil, coal and gas, and suggested that this was an area in which the Community could provide financial help.

The first speaker when the energy debate resumed in the afternoon was Willie Hamilton (Br,S), who felt the discussion so far had been so 'absurdly diffuse' as to have served no constructive purpose. He also expressed his conviction that each national State was still as bent as ever on pursuing its own national energy interests.

Turning to the Ekofisk oil blow-out, Mr Hamilton said we should be neither dismayed nor surprised when there were accidents. We were, after all, working at the frontiers of technology. What we should be doing, now, was developing our own fire-fighting force to deal with such emergencies rather than continue to rely on Red Adair and his men.

Luigi Noè (It,CD) went through the whole list of alternative energy sources – solar, geothermal, hydro-electric, tidal, wind and wave, even the use of garbage as fuel – and decided that when they had all been added up they still didn't amount to nearly enough. And that, inevitably, left the nuclear option as the only feasible stopgap.

Georges Carpentier (Fr,S) said the recent Ekofisk disaster reminded us just how high the price of progress could be. But we had to accept that more progress meant more risks. When we claimed that we needed growth, and to get growth we need energy; we would do well to ask ourselves whether we wanted quantitative or qualitative growth.

Hans-Edgar Jahn (Ge,CD) seemed convinced that atomic energy was not only necessary but also perfectly acceptable. He quoted points made by Vice-President Lorenzo Natali during Parliament's last sittings week which showed, he said, that nuclear power stations polluted less than coal- or oil-fired stations. The level of radiation emitted by a nuclear power station was less than 5 per cent of the amount of natural radiation continually present in man's environment. And he reminded the House that, so far, there had not been a single death in a nuclear power plant attributable to nuclear – as opposed to technical – grounds.

Aldo Ajello (It), last speaker for the Socialist Group, gave a cautious aye to nuclear energy. Our primary objectives should be to reduce energy consumption, to develop alternative sources and to concentrate on safety. Having done that, we should go ahead with the nuclear option only to the extent that was absolutely necessary.

Guido Brunner and Lorenzo Natali then wound up for the Commission. Returning to the question of the disappearance of 200 tonnes of uranium ore, Mr Brunner said that the matter had been treated confidentially because it had to be. The Commission's safeguards system made it impossible to disclose confidential information.

However, he repeated his assurance that in any future case of this kind he would do all he could to convince Member States of the need to inform Parliament. On the general aspects of the debate, Mr Brunner said that the security of Europe was at stake. We could not put all our money on one horse. The Community must make full use of its own resources and pursue all the alternative energy sources which could be expected to provide a realistic contribution to our needs. If there were risks, we would have to come to terms with them.

Vice-President Natali concentrated on the impact of energy prospecting and production on the environment.

At this point John Prescott (Br,S) rose to say that he was not satisfied with Commissioner Brunner's answer on the missing uranium. The Commission, he said, had tried to play down the importance of the loss -- but if it were unimportant why had the Commission gone to such lengths in trying to clear up the issue? And why had it kept it confidential? Mr Prescott suggested that the Parliament set up an investigative committee to look into the matter.

Guido Brunner replied to Mr Prescott in English. If he had given the impression that he considered the matter unimportant, then perhaps the interpretation had been at fault. Of course it was important, but the incident had occurred nine and a half years ago. He had already told the House, and he repeated it now, that in the event of the recurrence of such an event he would press for Parliament to be informed.

At this, Tam Dalyell (Br,S) said that a sub-committee of the Energy Committee should be set up to receive such confidential information.

The House then agreed unanimously to Lord Bessborough's (Br,EC) motion on encouraging the use of coal in generating electricity.

QUESTION TIME

QUESTIONS TO THE COMMISSION

1. New methods of fishing (Kai Nyborg)

Christopher Tungendhat told Mr Nyborg (Da,EPD) that the Commission intended to intensify incentives for research into catching under-exploited species of fish such as blue whiting and blue ling. But, he said, such measures would be difficult to apply until a proper common fisheries policy had been worked out. Mr Nyborg was not satisfied : what about fish living at great depths? Mr Tugendhat could not elaborate.

2. Stage reached in the integration of Europe (Silvio Leonardi)

President of the Commission, Roy Jenkins, said that the Commission's regular publications, its annual reports and other material to be published during the run-up to direct elections all discussed aspects of the Community's progress towards integration. He did not think that a survey of the last 20 years would be appropriate, however; distinguishing between 'factual' and 'philosophical' progress would be virtually impossible. Mr Jenkins refused to be drawn by a supplementary from Mr Willie Hamilton (Br,S) – wasn't it time, he asked, that Parliament chose a permanent seat and got out of Strasbourg as soon as possible? Mr Jenkins replied that he'd only just arrived. Mrs Gwyneth Dunwoody (Br,S) wanted an assessment of the Community's failures over the past 20 years, which provided Mr Jenkins with the opportunity to tell Mr Leonardi (It,CA) that no assessment would please everybody.

3. Geothermal energy (Lothar Krall)

Commissioner Guido Brunner told Mr Lothar Krall (Ge,LD) that 13m u.a. had been set aside for research into geothermal energy, but even so he doubted that, by 1985, more than one per cent of EC energy needs would come from geothermal sources, which were too widely scattered throughout Europe to have more than local impact. And he agreed with Mr Luigi Noè (It,CD) that, in this field, the Americans had a lot more know-how than we did.

4. Contaminated foodstuffs from Seveso (Edele Kruchow)

Vice-President Natali assured Mrs Kruchow (Da,LD) that there was a ban on the growth of agricultural produce in any contaminated area in the vicinity of Seveso.

5. Electric vehicles (Lord Bessborough)

Guido Brunner said the Commission would not be purchasing any electric vehicles in the immediate future but would keep an open mind on this subject. Asked if the Commission would encourage work on storage batteries, Mr Brunner said the Commission had tried to bring the firms involved together but he reminded the House that industrial competition was a factor to be considered. In reply to further questions from Mr Normanton (invalid carriages) and Mr Osborn (storage systems) Mr Brunner said there was a limit to what could be done with limited funds.

6. New Association agreement with Cyprus (Christopher Price)

Mr Haferkamp said that on May 3rd the Council had agreed on a mandate for the Commission to start negotiations with Cyprus on May 16th. He doubted if it would come into force by July 1st; the Commission would therefore be submitting interim proposals. He assured Mr John Corrie (Br,EC) that the interests of the whole island would be taken into account. Mr Pierre-Bernard Cousté (Fr,EPD) urged him to meet the June 30th deadline – when the present association agreement with Cyprus expires. Mr Haferkamp said the Commission would do its best.

7. Frost damage on the farms (Henri Caillavet)

Christopher Tugendhat said the Commission had so far been unable to assess the full effects of the damage done by recent frosts in European farms. But he was not hopeful much could be done to help.

8. Raw materials research programme (Protogene Veronesi)

Guido Brunner said the Commission would be submitting its proposals for a multiannual research and development programme for basic raw materials before the Summer recess.

9. Dumping of pottery (Liam Kavanagh)

Willem Haferkamp said the Commission had so far received no complaint of dumping in the pottery sector. If it did, it would act. Michael Yeats (Ir,EPD) warned him that if complaints were not filed it was not because there was no dumping. It was sometimes because the procedure was so complex. Lord Murray (Br,) pointed out that pottery dumping was becoming a severe problem in the Wicklow area. Mr Cousté (Fr,EPD) wanted to know how many dumping cases were being examined at the moment. Mr Haferkamp did not know precisely. Mr John Osborn (Br,EC) hoped Mr Haferkamp was aware of the dumping in the cutlery and engineer's hand tool sectors.

10. Economic and monetary union (Pierre-Bernard Cousté)

Mr Haferkamp said that the Member States were intending to cooperate more closely here. Sir Brandon Rhys Williams (Br,EC) wondered if any particular person, bank or Member State was hampering progress. Mr Haferkamp said it was not that easy.

He pointed out that the Commission attached great importance to money supply targets. Progress here could mean progress in economic policy harmonisation generally.

Mr Cousté (Fr,EPD) asked what progress there had been since the Rome Summit. Mr Haferkamp said that Rome had provided a new impetus.

11. Textile industries (Alain Terrenoire)

The Council had nearly completed its work on a mandate for the multifibre negotiations. Although unwilling to be drawn as to details Mr Haferkamp did suggest that the raising of import ceilings would depend on the product involved. Elaine Kellett-Bowman (Br,EC) pointed out the multifibre agreement now up for renewal had been remarkable for its ineffectiveness. It needed to be extended both in scope and in the time for which it was concluded.

Council, Commission and Parliament exchange ideas about EC budget for 1978. Mr Shaw calls for 'courageous and comprehensive' budget

Parliament welcomed Mr Joel Barnett, British Chief Secretary to the Treasury and current President of the Council who made a general statement on the 1978 budget. He was followed by Christopher Tugendhat who broadly agreed with Parliament's Budgets Committee on what the Community's approach to its budget should be.

Mr Shaw (Br,EC) introduced his report and spokesmen for the Political Groups gave their views, mostly positive, about the motion before the House. This was then agreed to unanimously.

The most important new note is the idea of using the EC's borrowing capacity to give its budget greater scope. Mr Barnett told the House some Member States were hesitant about the idea but said it was being considered.

The other important new feature is that the Commissioner responsible for the budget is now Mr Christopher Tugendhat. And there was one passage in his speech which seemed to sum up his whole approach : 'Community action should not necessarily be an addition to public activity, spending and taxation. The Community should not seek to duplicate the activities of the nation state, but should rather try to do at Community level those tasks which are already being, or will have to be undertaken, but which the Community has had a request from the nation state to fulfil. If this is the touchstone, there need be no net increase in public expenditure. Indeed, there may even be a net reduction. Mr Shaw calls for proposals which will catch the imagination and win the support of the European public. I believe that only proposals which do not unnecessarily increase the burden of governments and taxation upon Europe's citizens, but which instead provide effective solutions to problems which individual Member States have been unable adequately to tackle on their own, can hope to elicit an enthusiastic and enduring public response.'

With regard to the farm price settlement Mr Tugendhat had this to say: 'On the agricultural front, the Commission's document expressed our wish to bring expenditure on the CAP under closer control. The recommendations which the Commission made to the Council of Agricultural Ministers in February were designed to achieve this objective, and also to help retain the related purpose which is stated in Mr Shaw's motion of establishing a better balance between spending on agricultural markets and spending on agricultural structures.'

Unfortunately, the Council of Agricultural Ministers have to a great extent ignored the Commission's proposal, and have concluded a prices settlement which will increase the cost of the agricultural budget by four times as much as the Commission proposed, thus reinforcing the imbalances in the agricultural budget taken as a whole. I think it is very important indeed, Mr President, for Parliament and for European opinion as a whole, to understand the responsibility of the Council of Agricultural Ministers in this matter. So often in the Member States, it is assumed that everything that is done in our Community is done by and for the Commission. That is not the case, and it is very important that the responsibility for acts should be placed where it belongs, and that public opinion should understand where the responsibility for what has been done belongs. When we are responsible, we will take the responsibility; where others are responsible, it is necessary that the responsibility should be laid at their door.'

The main dissenting note came from Lord Bruce (Br,S) who doubted whether the 1978 budget would be any different from those of 1975, 1976, or 1977. But here he was taken to task by Heinrich Aigner (Ge,CD). It was all very well criticising Mr Tugendhat for saying the main item in the 1978 budget would have to be 'open ended spending on agricultural support' but had he considered the alternative of a Community dependent for its food on the whims of the world market? Surely the sugar market experience had brought that lesson home.

Tom Nolan (Ir, EPD) was another defender of the CAP. It might cost 68 per cent of the budget but the total budget was only 0.6 per cent of the EC's GNP. Mr Nolan's criticism was that the budget itself was too small not that agricultural spending was too high. And he, like Mr Tugendhat, thought proper emphasis should be given in 1978 to tackling unemployment especially among the young.

Lord Bessborough (Br,EC) was concerned to hear the Member State discussing the 1978 budget had called for a ceiling on expenditure. This showed scant regard for the EC's budgetary procedure. Apart from which the debate was, as Mr Tugendhat put it, a harmonious start to the budgetary procedure for 1978. There was a lot of discussion about technicalities and some horror was expressed by Lord Bruce about terms like 'obligatory degressivity' but the sense of the motion was accepted by all : with the new European unit of account, the Sixth Directive (VAT) and a new financial regulation just around the corner the

Community needs to make next year's budget a completely new departure especially as the direct election of the European Parliament is now becoming more than just a possibility.

'Royalties' motion agreed

The House concluded its business by unanimously agreeing to a motion by Mrs Hanna Walz (Ge,CD), Chairman of the Energy and Research Committee, on cutting the Community's 'deficit' in royalty payments to third countries. Guido Brunner, for the Commission, welcomed the motion.

WEDNESDAY

QUESTION TIME

QUESTIONS TO THE COUNCIL

Mr John Tomlinson, British Under-Secretary of State for Foreign and Commonwealth Affairs and current President of the Council, replies.

1. Conscientious objectors in Greece (Jan Broeksz)

Mr Tomlinson said the treatment meted out to conscientious objectors to military service in Greece was not a matter for the Council. He noted comments made by Mr Broeksz (Du,S), Mr Ludwig Fellermaier (Ge,S) and Lord Bethell (Br,EC) and trusted they would get the attention they deserved.

2. Direct elections (Silvio Leonardi)

Mr Tomlinson saw no reason to suppose that the European election date of May or June 1978 could not be adhered to. He told Mr Charles Fletcher-Cooke (Br,EC) that only two Member States had so far prepared their electoral laws. He agreed with Mr Christopher Price (Br,S) on the importance of public support for direct elections to the European Parliament.

3. *The Council as a legislature (Sir Geoffrey de Freitas)*

Mr Tomlinson had little to add to previous Council replies on this point. He repeated that he, as a British minister, would like the whole issue 'constructively examined' but reminded the House there were genuine difficulties.

4. *EC and its African policies (Willie Hamilton)*

Mr Tomlinson said that the Nine had gone a long way in coordinating their policies to Africa. They were unanimous in condemning apartheid. This was, he said, 'a flagrant abuse of human rights.' He added that South Africa had been asked to take the road towards a multiracial society. Mr James Spicer (Br,EC) asked him if he would look into the fact that refugees from Angola going to Zambia get help whereas those going to Namibia do not. Mr Tomlinson said he would do so. John Corrie (Br,EC) asked if he could say what it would cost if trade links with South Africa were cut, Mr Tomlinson said 'no'. Mr James Scott-Hopkins (Br,EC) asked : 'why not?' 'Because I'm not a walking encyclopedia.' he replied.

5. *Association treaty with Cyprus (Christopher Price)*

Mr Tomlinson replied:

'At its meeting on 3 May 1977 the Council gave the Commission directives to enable it to enter into negotiations with Cyprus to determine trade arrangements between the Community and Cyprus beyond 30 June 1977 (when the first stage of the Association Agreement comes to an end) and to determine the substance of the economic and financial co-operation to be added to the areas covered by the Association Agreement. When it gave these negotiating directives to the Commission the Council made it clear that care should be taken to ensure that the provisions adopted would in fact benefit the whole population of Cyprus.'

6. *500m dollar loan to Italy (Pierre-Bernard Cousté)*

Mr Tomlinson replied:

'Under the Council Regulation concerning Community loans (Regulation No 397/75), loan operations may not exceed the equivalent, in European

monetary units of account, of 3,000 million US dollars, this sum covering both principal and interest. Of this amount, the Council has already used 1,800 million dollars. In March last year it undertook two loan operations, for Italy (1,000 million dollars) and Ireland (300 million dollars), and it recently authorized a further operation for Italy involving 500 million dollars. Interest amounting to approximately 675 million dollars must be added to these amounts.

Under the aforementioned basic Regulation, any further loan operation may not exceed the sum of approximately 350 million dollars and could be authorized by the Council only on a proposal from the Commission and on the initiative of one or more Member States. With the exception of the aforementioned operation in favour of Italy no such initiative is at present before the Council.'

7. Farm prices for 1977 (Feruccio Pisoni)

Mr Tomlinson said that a proper balance had been struck, in the 1977-78 farm price review, between producer and consumer interests. He reminded the House this was one of the aims of the Rome Treaty. Lord Bruce (Br,S) and Mrs Gwyneth Dunwoody (Br,S) welcomed the attention given to consumer interests. Mr Tomlinson hoped that Mr Silkin's example of talking to consumer representatives would be followed.

Mr Scott-Hopkins (Br,EC) and Mr Ralph Howell (Br,EC) then asked why the Council was unwilling to offer any statement on the results of the farm price negotiations. After all this was normal practice.

Mr Tomlinson said the Council had not been asked to make such a statement.

Ralph Howell, who had been very concerned about the United Kingdom's conduct at the farm price negotiations, then asked what had been achieved by protracting them? He pointed out that butter was at present only two-thirds of the price it sold at in 1965 – seen in relation to the national average wage.

8. Involving Greeks in EC activities (Paul de Clercq)

Mr Tomlinson said that further to a request from Mr Papaligouras, the EC delegation undertook to inform the Greek delegation of developments in the

Community so that Greece could adapt its legislation where appropriate. This would be in addition to the information and consultation arrangements under the existing Association Agreement.

9. Small and Medium-sized firms (Tom Normanton)

Mr Tomlinson noted the concern of Mr Normanton (Br, EC), Lord Bruce (Br, S), Mrs Elaine Kellett-Bowman (Br, EC) and Mr Protogene Veronesi (It, CA) about small and medium-sized firms but did not feel a Council meeting to discuss their problems would be justified as long as there were no Commission proposals on the table.

10. VAT on motor vehicle repairs carried out in foreign countries (Horst Seefeld)

Mr Tomlinson said, in substance, that the sixth directive will ensure that tourists do not have to pay VAT twice for vehicle repairs.

11. European Breeder reactor technology (Nobert Hougardy)

Mr Tomlinson said: 'the Council has no information which would enable it to assess the implications which the measures to restrict the use of plutonium, announced in President Carter's recent statement, might have for the future of the Phoenix and Superphoenix programmes.'

12. Supply of nuclear materials (Tam Dalyell)

Mr Tomlinson replied: 'The Council has no statistics enabling it to give the Honourable Member a review of the current situation regarding the supply of nuclear materials to Member States.'

However, the Honourable Member could – at a meeting of the relevant Parliamentary Committee, for example – approach the Commission of the Communities, which will be able to provide him with the information requested through the EURATOM Supply Agency.'

Whereupon Mr Dalyell (Br, S) returned to the question of the missing uranium. '200 tonnes of it does not vanish by alchemy,' he said and asked: 'who is responsible?' Mr Tomlinson was not to be drawn.

13. North Sea oil disaster (Edele Kruchow)

Mr Tomlinson told Mrs Kruchow (Da, LD) – and Mr Tam Dalyell (Br, S), who pressed the point – that the Council could only take action on the basis of Commission proposals. Vice-President Natali added that the Commission would be presenting such proposals in time for the Council's meeting of 15 June.

Questions to the Commission

1. Involvement of Greek officials in EC activities (Paul de Clercq)

Vice-President Natali told Mr de Clercq (Be, LD) that there were adequate opportunities in the context of membership negotiations for contacts with Greece officials; they could not, however, play any further part in Community activities until Greece was actually a Member.

2. Polyurethane foam (Ronald Brown)

The Commission had not yet taken steps to promote research into a 'new generation of safe foam', Mr Natali told the House. However, it had prepared directives on fire and toxicity standards for plastic toys and on plastic wrappings designed to come into contact with foodstuffs.

3. Repairs to air-conditioning in Berlaymont Building (John Evans)

Commissioner Christopher Tugendhat assured Mr Evans (Br, S) that all work involving asbestos fibres would be carried out outside working hours and that all possible precautions would be taken to protect both officials and workmen.

Statements on Downing Street Summit

Council President John Tomlinson told the House that the participants at the London economic summit had pledged themselves to action in a number of major areas.

These included:

- the need to create jobs while continuing to reduce inflation, and special measure to help the young;
- maintaining growth rate targets or stabilisation policies, if necessary injecting additional stimulus to meet these goals;
- seeking more resources for the IMF and making loans dependent on stabilisation policies;
- expanding opportunities for world trade;
- conserving energy and conducting research into development of new sources;
- achieving a successful conclusion to the North-South dialogue;

'The seven leading industrial democracies thus pledged themselves to a programme aimed not simply at their own future prosperity but for that prosperity to be more fairly shared in a safe and peaceful world,' Mr Tomlinson concluded. Commission President Roy Jenkins then told the House about his role at the summit as representative of the Community. Where he participated, he said, he did so fully, but in general the arrangements were 'neither logical nor entirely satisfactory.' He had been present during the talks on trade and the North-Sea dialogue, and for part of the energy discussions.

Mr Jenkins welcomed the rejection of protectionism in the discussions on trade: this was, he said, a real achievement in view of the pressure in many countries for trade restrictions. On the North-Sea dialogue there had been unanimous agreement to do all possible to help the developing world, and COMECON was to be invited to join the West in these efforts. In the energy field there was agreement that more reliance would have to be placed on the nuclear option.

The economic situation: François-Xavier Ortoli cautiously optimistic

In a statement to the House on the economic situation in the Community, Commission Vice-President François-Xavier Ortoli admitted that we were not yet out of the recession which had started in 1973. Unemployment, inflation, trade deficits and a sluggish investment level still characterized the situation in

all Member States, though there were wide disparities between them. Joblessness, for example, ranged from 0.5 per cent in Luxembourg to 10 per cent in Ireland, and inflation varied between 4.5 per cent and 18 per cent.

There would be no drastic improvement in 1977, Mr Ortoli said, but the portents were now more favourable than for a long time. The EC would be helped particularly by expansionist trends in the US and Japan, and there were signs that the Community's trade deficit would be smaller this year. Of vital importance now was increased industrial investment – this was the only way to get unemployment down. And it was here that the Community's institutions had a role to play in encouraging national investment activities.

Parliament calls for greater respect for human rights

There was general support this afternoon for a motion calling for greater respect for human rights and the only disagreement was about how best to achieve this end.

As Political Committee chairman Mr Alfred Bertrand (Be, CD) pointed out, there are 113 countries in the world in which – according to Amnesty International – human rights are ignored, and 60 in which torture is commonplace. There are at least 500,000 political prisoners in the world today. Mr Bertrand wondered whether a policy of sanctions might be indicated.

Socialist Group spokesman, Mr Helmut Sieglerschmidt (Ge) asked what success such a policy could achieve. He saw something of a conflict between promoting détente and world peace – which he thought should have first priority – and the campaign for the defence of human rights.

Political Committee rapporteur Mr Russell Johnston (Br, LD) took his point. He noted Chancellor Helmut Schmidt's comment that 60,000 people had been able to leave Eastern Europe for the safety of West Germany since the Helsinki Agreement.

Mr Aldo Ajello (It, S), however, saw no incompatibility between détente and campaigning for human rights, and one of the ironies about Helsinki is that it had been followed by the development of dissent in Eastern Europe.

Mr Russell Johnston noted, however, that it was no longer a question in the European Parliament, of the parties on the right protesting about violations of

human rights in Eastern Europe, and the parties on the left complaining about violations in the Western World. There had at least been a departure from this double standard.

Mr Mario Scelba (It, CD) noted Mr Cyrus Vance's comment that the United States intends to use its aid capability as a human rights lever, a point the Community could note.

He thought it desirable to make the Community a point of reference for the whole world. For the world, Russell Johnston pointed out, is today divided into roughly three areas: the Communist, the free, and that part of the world governed by dictatorships. The point to note here, he felt, was that it was in the free countries that the greatest measure of prosperity was achieved.

Wide consensus

Mr Cornelis Berkhouwer (Du, LD) noted the wide measure on consensus in the European Parliament about human rights: he was particularly struck by the hardship caused to individuals because people in the East were not free to move to the West. He spoke of Rumanians wishing to marry Westerners who were separated from their fiancés. He suggested that, in the run-up to Belgrade, the three 'baskets' should be taken together.

Referring to Belgrade, Mr John Tomlinson suggested the motion before the House, which he welcomed, ought perhaps to refer to the final meeting rather than the preparatory meeting being held in June.

He suggested that the Community must make it socially and politically unacceptable for human rights to be disregarded.

For the Commission, Mr Wilhelm Haferkamp asked what scope for action there was for the Community. Should human rights be a factor in trade negotiations? Should the Community give its support to organizations engaged in the defence of human rights? He suggested a case by case approach but promised that the Commission would take any action the House might propose.

The motion by the House was, as Mr Hector Rivierez (Fr, EPD) recalled, the twelfth since 1975 and was some measure of Parliament's concern about this whole subject.

Lord Bethell (Br, EC) thought the Euro-Communists might well exert some influence on their Eastern European sister parties on the subject of human rights.

He referred to the Moscow Committee for monitoring the Helsinki Agreement, many of whose members had been harassed, and whose leader, Mr Yuri Orlov, had been imprisoned, as a specific case which deserved to be brought up at Belgrade.

Sanctions

Turning to possible sanctions, Lord Bethell mentioned scientific contacts and East-West trade, particularly in the area of high technology.

Communist Group spokesman Mr Carlo-Alberto Galuzzi (It) agreed that human rights were the key to the Helsinki final act. And he stressed the link between détente and human rights – more détente would automatically bring more freedom with it.

Fellow Communist Mr Marcel Lemoine (Fr) called for full respect for the final act from all signatories – Northern Ireland, Germany, Belgium and France all provided examples of infringements of human rights. And could we honestly say that the Community's poor, unemployed, and young people with no jobs to look forward to were in any position to enjoy their human rights?

Mr Michael Yeats (Ir, EPD) wanted to see a codification of rights in the Community drawn up to coincide with direct elections – every Community citizen should enjoy the same protection. On the international level, we had too long taken refuge in the doctrine of non-interference in the internal affairs of other countries: but before we did speak out, we must be certain that our own house was in order – here the speaker referred to Northern Ireland.

Berlin example

Berlin Deputy Gerhard Kunz (CD) cited Berlin as one of the most spectacular examples of overt violation of fundamental rights. Even today East Germany citizens attempting to flee to freedom in the Western sector still risked death. And Mr Hans-Edgar Jahn (Ge, CD), who said that basket three of the Helsinki final act had had only a marginal effect, pointed out that there were still 25,000 East German troops along Germany's internal border.

Mr Tom Ellis (Br, S), in a brief speech, paid tribute 'from one Welshman to another' to Dr David Owen for having already concerned himself with the question of human rights. And he paid tribute too to Amnesty International for its work in this field.

Mr Heinrich Aigner (Ge, CD) said that Communist leader Giorgio Amendola (It) had openly admitted that the socialist countries were not paragons of virtue when it came to individual freedom. 'Snowballs will start to rust', he said, 'before communists accept the principle of human rights' – and when communists do so, then they are communists no longer.

Common line

The motion called on the European Community institutions and the Nine Foreign Ministers to take a common line at the preparatory meeting to be held in Belgrade in June; to obtain recognition of the link between détente and respect for human rights and to be ready to make joint representations to governments of countries where human rights are violated.

The House accepted an amendment tabled by Mr Pierre-Bernard Cousté (Fr, EPD), Mr Willem Schuijt (Du, CD) and Mr James Scott-Hopkins (Br, EC), and modified by Mr Helmut Sieglerschmidt (Ge, S) to the effect that 'Parliament would undertake to defend human rights and fundamental freedoms in its own external relations and inter-parliamentary contacts ...'. The motion was agreed to.

Multifibre Agreement

Mr Pierre-Bernard Cousté (Fr, EPD) raised the question of the Multifibre Agreement which has, he said, not produced the expected satisfactory results. Indeed, the Community has been hit by massive imports. What did the Council think the answer was? Did it agree to the idea of a ceiling for sensitive products and how would it ensure that such ceilings were accepted by third countries?

In reply Mr Tomlinson stated the Community has already said that it is in favour of the renewal of the Multifibre Agreement which will expire on 31 December 1977. It has also said that the amendments which have proved necessary in the light of experience gained over the three years of implementation of this Agreement should introduced together with this extension.

To enable the Community to participate fully in the talks to be held in Geneva, the Council has devoted itself over the last few months to drawing up the negotiating directives for the Commission.

Whilst agreement has already been reached on the majority of these directives, it has not yet been possible to arrive at a common position in the Council on the very weighty problem of 'cumulative market disturbance'.

The solution to which Mr Cousté alludes was suggested by the Commission. Other approaches, particularly that of including in the Agreement measures (overall quotas) covering all low-price supplier countries have also been submitted for the attention of the Council by several delegations.

The Council focused its discussions, at its last meeting on 3 May 1977, on working out a compromise formula which would ensure the attainment of the Community's objectives by means which, without resorting to the introduction of overall quotas, would afford adequate guarantees to the Community's textile industry.

It is reasonable to expect that a solution acceptable to all the Member States will soon be found.

The debate that followed gave Mrs Gwyneth Dunwoody (Br, S), and Mr Tom Normanton (Br, EC), a chance to draw attention to the delicacy of the issues involved.

Mrs Dunwoody saw the problem as one of balancing Community interests against those of other countries. Personally she favoured overall quotas backed by financial support for structural change in the textile industry.

Mr Normanton thought the idea of a 6 per cent increase in the import ceiling regardless of price, cost or market conditions was quite acceptable. The main defects arose from the mfa which was like a double-headed coin: heads they, the developing countries' producers, win, tails we, the European consumers, lose.

Mr Luigi Noé (It, CD) made a similar point. He said that the ceiling had to be lower than 6 per cent. Mr Michael Yeats (Ir, EPD) pointed out that Ireland was the Member State with the largest percentage of its labour force engaged in the textile industry (10 per cent). It was suffering correspondingly as a result of the recession. He argued that there had to be a new agreement 'It is the only way to create an orderly climate in the development of the world textile trade' he said.

In reply Mr Tomlinson said he had taken careful note of the concern expressed by Members about the whole textile problem but he had been glad to note that, at the same time, there had been an undercurrent of concern for the third world.

Mr Pierre-Bernard Cousté (Fr, EPD) in turn insisted once again on the need for overall quotas.

Telling the voters about Europe

Parliament concluded its business with a debate on information policy. Mr Willem Schuijt (Du, CD) argued that unless the voters are told about the European Parliament, the turnout at the elections will be poor and a low poll will tend to undermine the status of Europe's first directly-elected House.

THURSDAY

Only two changes to Commission's farm price proposals says Vredeling

In a short statement to the House this morning Commissioner Henk Vredeling said the farm price package agreed by the Council on 25-26 April differed in only two points from the Commission's proposal. British butter would be subsidized at the rate of 33 u.a. (13.75 pounds) per 100 kgs until 31 March 1978, instead of by 30 u.a. (12.50 pounds) initially and 25 u.a. (10.41 pounds) later. Irish butter would get a 57 u.a. (23.75 pounds) per 100 kgs subsidy instead of 50 u.a. (20.83 pounds). Cost of these measures to the Community would be 12.5m u.a. (5,208,375 pounds) in the case of British butter, and 1m u.a. (416,670 pounds) for the Irish.

Parliament welcomes Commission's proposals for overhauling Social Fund

Commissioner Henk Vredeling, a former Member of the European Parliament who made his reputation by his persistence in questioning the Executive, had a long morning debating his Social Fund proposals here today. Essence of his proposals is to give the fund — which is, in fact, just a normal part of the EC budget — a greater regional impact, make it easier to run, and enable it to do more to help with unemployment especially among women and young people.

The fund is also intended to tie in better with other EC funds. As to the actual details, the Social Fund will pay 65 per cent of the cost of retraining schemes on high unemployment areas, 50 per cent on other regions and 35 per cent of the cost of schemes to create jobs or save jobs.

For Parliament's Committee on Social Affairs, Employment and Education, rapporteur Rudolf Adams (Ge, S) welcomed the new emphasis on support for national job-finding policies. He asked Parliament to approve them. But he thought the new Fund must have enough money in its kitty to do the job properly.

The Debate

Rapporteur Rudolf Adams (Ge, S), while welcoming the Commission's review of the ESF stressed a point later echoed by other speakers: that the Social Policy could in no way right the wrongs of failed economic policies. Unless we put our economic house in order the key problem of unemployment, some of the effects of which the Social Fund might help to alleviate, would not disappear.

Budgets Committee chairman Erwin Lange (Ge, S) went into some of the Budgetary implications of the review of the ESF. His main objections were that the Commission had not given any estimate of the Fund's future financial needs and that insufficient efforts had been made to coordinate the various Community funds.

Socialist Group spokesman Liam Kavanagh (Ir) welcomed the Commission's proposals but stressed that the Fund's resources remained totally inadequate — it could, at best, have a marginal effect on unemployment. But having said that, it was certainly proper that what aid was available should go to hardest hit regions.

Mr Frans van der Gun (Du) for the Christian Democrats, stressed the need for more publicity to be given to the activities of the Social Fund. And he said that his group accepted the need for the split between Articles 4 and 5 (the Fund can intervene under Article 4 in cases resulting from specific Community measures; under Article 5 Fund assistance can be granted to reduce unemployment of a long term structural nature).

Liberal spokesman Michele Cifarelli (It) said that every action the Community took now had to be measured in terms of its impact on the run-up to direct

elections – suddenly, our needs would be scrutinized more closely than our words.

Mr Cifarelli used the example of the unification of Italy to show that regional disparities were hard to eliminate: when Italy united one hundred years ago people expected that the crass differences Sicily, say, and Piedmont would rapidly disappear. But today they were, if anything, worse than ever.

Mrs Elaine Kellett-Bowman (Br) said that the Conservatives endorsed this 'excellent revision which has been achieved with such expedition'. She emphasized the importance of the review for women and the under 25s. But she was sceptical as to the Commission's proposals that applications for Fund assistance should be 'grouped': it was important that individual areas should be able to turn directly to the Commission for help.

Communist spokesman Michele Pistillo (It) warned of the danger of fragmenting our efforts. On unemployment as such, he reminded the House that Prime Minister Andreotti had said at last week's London Summit that the right to work must be numbered among the most fundamental of human rights.

Sir Brandon Rhys Williams (Br, EC), who agreed with other speakers that the Social Fund was only a palliative and not a cure for unemployment, put three questions to the Commission: would it look into the consequences of the general introduction of a shorter working week? would it state the possibilities of attracting married women with young children into employment? and would it give more consideration to the human rather than the economic aspects of unemployment?

It was a paradox, he said, that workers should so often demand higher wages, when doing so merely weakened the position of their employers and increased the likelihood of their becoming redundant.

Mr Guillaume Schyns (Be, CD) referred to the need for closer links between the various EC funds, and Mr Giovanni Bersani (It, CD) saw the Social Fund acting as a catalyst for the aids granted by the ERF, EIB, EAGGF etc.

The final speaker was Tom Ellis (Br, S). The Social Fund may be marginal, he said, but it was nevertheless a first step in the right direction. More important, it showed that the Commission, in selecting specific regions, was now for the first time looking at the disparate problems of the Community from a global point of view. This was something that individual nation states were incapable of doing.

In reply Commissioner Henk Vredeling, who seems determined to get as much out of the Social Fund as he can, said he had an open mind about many of the ideas put forward in the debate.

He praised Mrs Kellett-Bowman (Br, EC), for example, for her British bulldog tenacity in pressing for low-cost housing loans to facilitate manpower mobility. After all, he asked, if this had been possible under the late ECSC dispensation, why should it not be possible under Common Market rules? He also took her point about helping the handicapped. What remained to be seen was the best way of doing this.

Mr Vredeling was generally very sympathetic to pleas for help in retraining women. To the point where Tam Dalyell (Br, S) asked him whether female unemployment deserved such a high priority.

Mr Dalyell suggested that it was far less serious than unemployment among men. To which Mr Vredeling said that he heard a different story from the womens' organizations. The motion broadly endorsing the Commission's ideas was then put to the vote and agreed to.

House agrees to let Commission submit new proposals on European Foundation

Speakers from all sides of the House agreed with Social Committee rapporteur Pietro Lezzi's (It, S) motion asking the Commission to withdraw its proposal for a second deputy director's post to be added to the establishment plan of the new European Foundation for the improvement of living and working conditions. But, on a proposal from Commissioner Henk Vredeling, Parliament agreed to withdraw its motion and let the Commission submit a new proposal in the framework of the budget.

Michael Yeats (Ir, EPD) used the debate to criticize the Irish Government's procrastination in providing fit accommodation for the Foundation (which is located in the countryside outside Dublin). It was ludicrous, he said, that a Foundation whose aim was to improve working conditions should have to work under such makeshift conditions itself.

Currency controls

Under Italy's currency laws, introduced last year to stop the flight of the Lira, it is illegal to export more than the equivalent of 200,000 Lit. from the country

unless the money originates outside Italy and has been declared on entry into the country. However, a number of tourists fell foul of these restrictions, were arrested and had their money confiscated – through ignorance of the currency laws.

Commissioner Richard Burke told the House that all the tourists had now had their money returned by the Italian authorities, or would be receiving it soon.

In the debate that followed, speakers expressed their distaste for controls of this sort, which could well be counterproductive by discouraging tourists from travelling to Italy. Sir Brandon Rhys Williams (Br, EC), indeed, suggested that currency controls themselves tended to encourage attempts to evade them – where there were no controls people felt no need to move their capital elsewhere.

Replying, Mr Burke tried to put the matter into perspective by pointing out that, out of 8 million tourists who had visited Italy last year, only 10 had been arrested.

Bigger duty-free allowances

The House agreed the motion tabled by Harry Notenboom (Du, CD) approving a Commission proposal increasing the duty and tax-free allowances for travellers crossing Community borders to take account of inflation and currency fluctuations. In future the allowance will be adjusted annually in line with a Community index.

Replying to a criticism in the motion that the higher allowances might lull people into thinking, wrongly, that we now had a real common market, Commissioner Burke said this could be seen as a first step towards the elimination of 'fiscal frontiers.' And he pointed out that giving people the opportunity to buy goods wherever they were cheapest amounted to a practical step in the fight against inflation.

FRIDAY

- House agrees, without debate, to three motions on, respectively, an eels quota (Egon Klepsch, Ge, CD), quality requirements for waters for shellfish growth (André Guerlin, Fr, S) and wine rules (Albert Liogier, Fr, EPD).

- House endorses motion on the Law of the Sea Conference as it affects the European Community. Main points raised include the 200-mile economic zone and the outer limit of the continental shelf, exploitation of the international seabed, settlement of disputes and the right of states with little or no coastlines of their own to share in the sea's wealth.
- EP approves EC agreements with the Arab Republic of Egypt, the Hashemite Kingdom of Jordan and the Syrian Arab Republic.
- EP approves EC-USA fisheries agreement but 'expresses deepest concern at the manner in which the United States Congress seeks to impose a pre-established agreement on the Community without consideration to the Community's special interest and its contribution to the improvement of fishing resources'.

Abbreviations: Br British, Ir Irish, Be Belgian, Da Danish, Du Dutch, Fr French, Ge German, It Italian, Lu Luxembourg, S Socialist, CD Christian Democrat, LD Liberal and Democrat, EC European Conservative, EPD European Progressive Democrat, CA Communist and Allies, EC European Community.

Summary of the Week

Monday, 9th May – Friday, 13th May 1977

(Document numbers in brackets)

Monday, 9th May

- Egon Klepsch becomes Chairman of Christian Democrat Group
- Geoffrey Rippon joins European Conservatives
- Commission statement: action taken on Parliament's advice
- EP approval for Commission proposals to tighten control over CAP payments (doc. 266/76; 85/77)
- EP discharge for Parliament's 52,121,209 u.a. (21,717,344 pounds) accounts for 1976 deferred. (doc. 94/77)
- EP agrees to regard Economic and Social Committee and the Court of Auditors as Community institutions for Staff Regulation purposes (doc. 19/77; 95/77)
- Parliament asks Commission to reconsider its European Export Bank proposal. Christopher Tugendhat will aim to do this by the end of the year (doc. 41/76; 66/77)
- EC Court of Auditors to have provisional seat in Luxembourg

Tuesday, 10th May

- General debate on energy: EP discusses Bravo, pollution, missing uranium, coal policy but nuclear option key feature EP approves Commission proposal to promote use of coal for generating electricity (doc. 25/77; 29/77; 31/77; 74/77; 535/76; 45/77; 106/77)
- Question Time: 11 questions to the Commission (doc. 92/77)

- Council, Commission and Parliament exchange ideas about Community budget for 1978. Michael Shaw wants it to be ‘courageous and comprehensive’ (doc. 83/77)
- EP calls for proposals to reduce EC ‘deficit’ in royalty payments (doc. 75/77)

Wednesday, 11th May

- Question Time: 13 questions to the Council. Mr John Tomlinson, British Under-Secretary of State for Foreign and Commonwealth Affairs and current President of the Council, replied. Three questions to the Commission (doc. 92/77)
- Council and Commission statements on Downing Street summit
- The economic situation: François-Xavier Ortoli cautiously optimistic
- Parliament calls for greater respect for human rights (doc. 23/77; 69/77; 89/77)
- Parliament sets out principles for Belgrade Conference (doc. 90/77)
- Parliament looks for progress at MBFR Conference in Vienna (doc. 91/77)
- Pierre-Bernard Cousté questions Council about the renewal of the multifibre agreement. Parliament concerned at present agreements in effectiveness (doc. 78/77)
- Parliament debates information policy with an eye to direct elections (doc. 93/77)

Thursday, 12th May

- Henk Vredeling’s statement on farm prices: only two changes to Commission’s original proposals
- Parliament welcomes Commission’s proposals for overhauling Social Fund (doc. 50/77; 84/77)

- House agrees to Commission's submitting new proposal on adding a second deputy director's post to the establishment plan of the foundation for the improvement of living and working conditions (doc. 272/76; 18/77)
- Motion on how to deal with irregularities in the beef price support system agreed to unanimously (doc. 88/77)
- Parliament endorses motion by Cornelis Laban on the modernization of farms (doc. 51/77; 79/77)
- Commissioner Richard Burke plays down Italian currency controls but speakers express their distaste for exchange restrictions (doc. 77/77)
- House welcomes proposals to increase tax- and duty-free allowances for travellers crossing internal Community borders (doc. 524/76; 68/77)
- Mario Martinelli reports on additional protocol to EC-Israel Agreement of 11 May 1975 and on a financial protocol. House agrees to motion (doc. 56/77; 67/77)

Friday, 13th May

- EP approval for 6,000 metric ton quota for eel imports (doc. 10/77; 80/77)
- EP approval for tighter purity control of shellfish beds (doc. 427/76; 96/77)
- EP approval for vine-uprooting premiums (doc. 72/77; 109/77)
- EP calls for action at 3rd UN Law of the Sea Conference (doc. 82/77)
- EP approval for EC agreements with Egypt, Jordan and Syria (doc. 98/77; 99/77)
- EP approval with reservations for the EC-USA fisheries agreement (doc. 52/77; 110/77)

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