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SESSION OF THE EUROPEAN PARLIAMENT

1976 - 1977

Sittings held in Luxembourg Monday 5 July to Friday 9 July 1976

The week in Luxembourg

If you want to talk about personalities, and most people do, it was Max van der Stoel, Petrus Lardinois and Laurens Jan Brinkhorst who dominated the European Parliament's sittings in Luxembourg this week. Max van der Stoel with his somewhat calvinistic view of his next six months as Council President; Petrus Lardinois with a whole bag of proposals for restoring sanity to the milk market and - with splendid timing in a very torrid week - for alleviating the drought which has hit some areas of the Community very hard; and Laurens Jan Brinkhorst with a new defence against Parliament's constant criticism of Council secrecy: 'Things are not as we would like them to be. But as the Council goes on acting as an inter-governmental agency there is little prospect of the Community being run in a more open way.' This indeed was the Dutch note all week: 'if you want to solve the Community's problems we can tell you the solution. The solution is for us to act together. But we also have to tell you that there is so little desire among the Nine to do this, that the Community looks like being relegated to a museum of lost causes ...' Not surprisingly, this was something of the tone of Leo Tindemans's remarks when he was elected President of the European Peoples Party at its constituent meeting on Thursday. But there was for him one hopeful note - as there was for Max van der Stoel: the prospect of a decision on direct elections to the European Parliament next Tuesday. This could be the breakthrough we have all been waiting for.

A calvinist's view of the future

Mr Max van der Stoel, a former Member of the European Parliament, received a warm welcome back here today when he made his first appearance before the House as President of the Council. Mr van der Stoel was, however, in no mood for rejoicing and in his appraisal of the six months ahead he tended to take a somewhat calvinistic view of the future.

The old aims of completing, enlarging and strengthening the Community had given way to a mood of stagnation, decline and escapism. The reason, for Mr van der Stoel, was a simple one: it was the tendency to look for national solutions to national problems. But there was one prospect to make this a time of hope as well as concern: the prospect of a decision at the European Council on July 12th and 13th on the direct election of the European Parliament.

Mr van der Stoel then reviewed the prospects in greater detail. The point on which he laid the greatest emphasis, however, was that the Community should speak with a single voice rather than be silent with a single voice in international affairs. Mr van der Stoel then answered questions from various Members.

Mr van der Stoel incidentally paid a great tribute to the work done by Mr Gaston Thorn as President of the Council during the first six months of this year: 'The inspiring way in which my Luxembourg colleague acquitted himself of his task in spite of these unfavourable times, is an example which I shall constantly bear in mind in the months to come'.

The straw is not for burning

Commissioner Petrus Lardinois delivered a statement this morning on last night's Commission's decisions on reducing structural dairy surpluses. But he began by talking about the drought. Taking Luxembourg as an example of other drought-stricken areas of the Community, he said that two-thirds of normal grain production had already been lost — and rain now could no longer reverse the situation. The Commission had decided that, in addition to France, farmers in Belgium, Luxembourg, Germany and the southern part of Holland could now sell cattle into intervention. This would help to prevent panic selling which could disrupt the beef market.

Moreover, there was to be a total prohibition on burning straw, and a 40 - 50 per cent levy was to be imposed on the export of hay and green fodder.



Max van der Stoel: 'Should we be unable together to agree on the need to apply the Community rules as they stand or in the form and weight which should be given to the Community's representation in specific cases, such as at international conferences where the Community's interests are at stake, then I fear the outlook for European integration is dismal.'

Turning to structural measures in the dairy sector, the Commission wanted to deal with the problem on two fronts: by curbing production and increasing marketing efforts within and without the EC. The effect of the measures, always supposing the Council accepts them will be to reduce the EC herd by 1.25 million, which will bring no joy at all to those regions which depend almost wholly on dairy farming for their living.

Specific measures:

a premium for the non-delivery of milk. This would be tantamount to a slaughtering premium for small farmers, and a conversion premium for larger farmers, who could convert to beef. Mr Lardinois estimated that this would result in a 1.25m reduction in head of cattle.

- Abolition of dairy support measures at national level. This, he agreed, was a controversial proposal which might not be easily implemented.
- Introduction of the principle of sharing financial responsibility for dairy farmers.
- Imposition of levies on non-animal fats.

Several speakers reacted to Mr Lardinois' statement. Mr Michel Cointat (Fr, EPD) thought slaughter of calves should be reduced to prevent a later beef shortage. Mr Scott-Hopkins thought the Commission should provide aid to individual drought-stricken farms. Mr Cornelis Laban (Du, S) suggested direct aid to farmers' incomes. Mr Mario Vetrone (It, CD) pointed out that in Italy was a milk shortage, not a surplus. Mr James Gibbons (Ir, EPD) was worried about the proposals' effects on Ireland, where dairy farming was the principle industry.

Praying for rain

Commissioner Petrus Lardinois welcomed a motion tabled by Mr Albert Liogier (Fr, EPD) this afternoon calling for action to alleviate the effects of the century's worst drought. But he told the House that the pattern varied. In Northern Germany and the West and South of the Netherlands and the South of England things are not too bad. Whereas in Luxembourg, Belgium, Germany and North and West France the situation is very serious. The Po Valley is green but there is no water and south of Rome there is too much water. Vineyards there are threatened by various insects as a result. And in Sicily wheat durum cannot be brought in because it is too wet.

Mr Lardinois agreed with Mr Lucien Martens (Be, CD) that the drought could have side effects on other sectors and ultimately affect jobs and a whole range of food prices too. A dry year on the other hand could be good for some products. There were no problems for fruit and vegetables. People were eating them all. And all kinds of surpluses could be sold.

What is growing is of very good quality, said Mr Lardinois. Hay, in particular, did not now need to be dried.

As to the future, he told Mr Martens that, three weeks ago, he had set up a group to keep a constant check on developments.

Mr Lardinois added, in reply to a comment by Mr Niels Anker Kofoed (Da, L) that the year was only half over. Farmers should be encouraged to have seed ready for the moment the weather changes. There could be a good crop of green fodder later in the year. And he reminded the House that last year the weather had been so good that dairy cattle had not even had to be taken in.

In reply to Mr James Spicer (Br, EC), who raised the whole question of water storage he said (in English — because this part of his speech was being broadcast): 'I am in complete agreement that water supply is very important. In the Fifties and Sixties we had more wet than dry years. There was a lot of drainage and little irrigation. In the Seventies we could well end up by having more dry years than wet years. So we need to do all we can to effect simple water storage possibilities on the land. We in the Community will help farmers with financial aid.'

Taking the mountain to the Council

Not for the first time — and probably not for the last — Parliament this evening discussed the milk powder mountain. But this time, as Lord Walston pointed out, the House was addressing a question to the Council rather than the Commission. Despite the drought, despite Petrus Lardinois' latest proposals on

Lord Walston: 'Surely it is only right, simply in order to save the Community the (80 mua per annum) expense of storing 1m tons skimmed milk powder to dispose of at least half a million tons as quickly as is feasible at concessionary rates or as free gifts to the starving peoples of the world.'



reducing structural surpluses in the dairy sector, there would still be over a million tons of skimmed milk powder in storage at the end of the year. Rather than leave it all there, we should cut our losses and give it away. That might not be easy — there were problems of hygiene in reconstituting it, problems in handling it — but it could be done. And the Council should decide to do it.

President-in-office of the Council Laurens Jan Brinkhost evaded the issue neatly: he pointed out that the Council could only act on proposals from the Commission. And the Commission had already proposed increasing skimmed milk powder as food aid from 50 to 200 thousand tons. And that was probably as much as the third world wanted. Mr Jan De Koning (Du, CD) agreed. After all, he said, the third world wasn't a convenient dustbin for us to dump our surpluses into. Anyway, Lord Walston had himself recognized that there were handling and reconstitution problems — and they, too, cost a lot of money. Mr James Gibbons (Ir, EPD) felt that there was an element of buck-passing in the Council's assertion that the Commission proposed while it disposed. He then went on to discuss possible solutions to the structural problems which had produced the surplus — to which, he said, Ireland had contributed a mere 60,000 tons.

Regional Policy 'in the round'

Some areas of the Community are six times richer, in terms of per capita income, than others — and this differential has grown rather than decreased in recent years. That was why the Regional Fund was of such fundamental importance if European union was ever to become a reality, said Mr Charles McDonald (Ir, CD). He was introducing his oral question to the Commission on payment of Fund money to priority areas. He totally rejected the 'watering-can' principle and thought funds should go to major projects — this would provide a psychological boost, particularly during the run-up to direct elections.

Commissioner George Thomson agreed that the Regional Fund was a top priority for the Community. He reminded the House, however, that the Fund had come into operation only 18 months ago, during the most difficult period, economically, the EC had ever faced. And he pointed out that the Fund's 500m u.a. agreed to in 1974 had since lost a lot of its value as a result of inflation. He gave figures to show that the money so far disbursed had been used overwhelmingly in the 'national priority areas' — Italy's mezzogiorno, for example, or the border areas of Germany.

Mr Michael Yeats (Ir, EPD) was disappointed with the way the Fund had worked so far. He refuted Mr Thomson's claim that 63 per cent of Fund grants to Ireland had gone to priority areas — no-one really knew just where they had gone.

Mrs Elain Kellett-Bowman (Br, EC) lamented the fact that the Commission had so little power to determine how the money was used, since all funds had to be channeled through national authorities. The Northwest of England, she said, which accounted for 90 per cent of weighted unemployment in Britain, had received only 5.7 per cent of Regional Fund aid to Britain.

Chairman of the Regional Committee, Mr John Evans (Br, S) felt the Commission had acted fairly within the terms of reference it had. And Mr Tom Ellis (Br, S), while he agreed, felt that the regional problems could not be solved by a fund alone — what was essential was a regional policy 'in the round'.

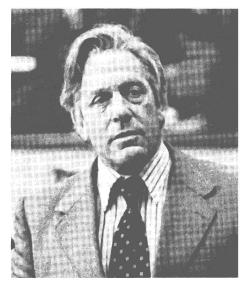
Mr William Hamilton (Br, S) — who, to the applause of the House, said that he would be sorry to see Mr Thomson leave the Commission — highlighted the role of the Regional Fund in redistributing opportunities amongst industrial areas of the EC, a role the EAGGF played in the agricultural sector. His point was taken up by Mr Erwin Lange (Ge, S), who felt that both the industrial and agricultural sectors should be embraced by an overall structural policy.

Mr Bill Molloy (Br, S), who represents Ealing North, made a plea for Greater London. It was all very encouraging the so-called development areas with Regional Fund aid; but it was rather a case of robbing Peter to pay Paul if industries moved out of London to other areas, leaving unemployed behind.

Winding up the debate, Commissioner Thomson agreed with Mr Ellis and Mr Lange that the most important priority in the long-term was an EC regional policy - and the policy should not be identified merely with the Fund or its size.

Marketing and processing agricultural products

The Commission is proposing to make available 400m u.a. from the Guidance Section of the EAGGF over a five-year period as aid to marketing and processing projects: this, Mr Ralph Howell (Br, EC), rapporteur for the Committee on Agriculture, thought was not enough if the common agricultural policy was to



Ralph Howell: 'It might be better for the Commission to delegate responsibility to a body which would be looking after each commodity for the full 365 days of the year. It seems to me the Commission is trying to do too much and that there is not enough continuity of thought in respect of each commodity.'

become more than just a 'fire brigade' to tackle emergencies. Mr Liogier agreed with him, and added that the new provisions under which aid beneficiaries would themselves have to contribute 50 per cent of the money needed left them worse off than under existing arrangements.

Speakers nevertheless welcomed the Commission's proposals — Mr Isidor Früh (Ge, CD) described them as a milestone in CAP history. Mr Niels Kofoed (Da, L) felt the Howell report (which, including annexes, comprises 96 pages) gave a splendid picture of marketing in Europe today. He expressed reservations, however, about Mr Howell's enthusiasm for Marketing Boards, and did not accept that British experience in this area could necessarily be transferred to other countries.

Commissioner Petrus Lardinois, replying, agreed with him. Marketing Boards boiled down to being national monopolies, and he endorsed Mr Früh's view that competition in marketing should be preserved. The Commissioner would also have liked more than 400 m u.a.: however, the Commission did also make direct grants to producer groups, and he felt national agriculture ministries might well think about contributing rather more to Commission-approved projects and less on schemes which weren't in harmony with the CAP.

The House agreed to the motion after adopting a series of amendments, one of which asked the Commission to provide 'at least' 400 m u.a. over the first five-year period.

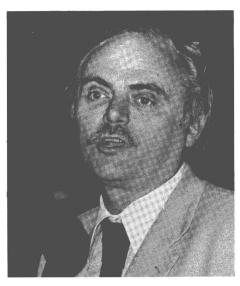
More money for modernizing farms

Parliament agreed to Lord Walston's motion on the Commission's proposal to increase the amounts governing aid laid down in various directives dating back to 1972. The directives concerned structural measures in agriculture, including the modernization of farms and retraining of farm workers, and inflation in the intervening years meant that the amounts had now become inadequate. Mr Lardinois said the Commission accepted Parliament's resolution, but would prefer it if the annual review called for could be undertaken every two years instead.

Tighter control over CAP spending

Mr Michael Shaw (Br, EC) today asked the Commission for quarterly reports on CAP spending to enable Parliament to exercise tighter control, especially bearing in mind such recent examples of questionable decisions as the sale to the Soviet

Michael Shaw: 'The essence of proper control by Parliament must be full and sufficient information made available promptly ... some of the quarterly reports we are getting now take some 8 or 9 weeks to be delivered and ... I believe that that is much too late.'



Union of butter which cost the EC an extra 52 m u.a. and a subsidy for malt exports which cost 110 m u.a.

In reply to Mr Claude Cheysson said the Commission had in mind to make quarterly reports to Parliament and Council. These would appear some five weeks after the end of each quarter and would show how the budget was being executed. Special attention would be paid to any anomaly. Mr Shaw thanked Mr Cheysson for his reply.

Lord Bruce of Donington (Br, S) was less satisfied. He was unable to accept the Commission's concept of 'confidentiality' a concept which is, of course, going to be crucial as far as the status of Parliament's public accounts committee is concerned. This may be a hint of battles ahead.

Budget designed for a community going nowhere

Although there was praise for Mr Claude Cheysson, Commissioner responsible for the budget, for presenting the preliminary draft estimates for 1977 in an easy-to-follow way, there was no corresponding enthusiasm for their actual substance. Indeed Mr Cheysson himself admitted there was really little change: 1977 would be more of a holding operation. Such scope as the Commission had for effecting improvements would be used to serve social and regional interests, research and industrial development and promoting the EC's external relations.

Lord Bruce of Donington (Br, S), the European Parliament's rapporteur for the 1977 budget, was not impressed. He welcomed the fact that the Commission had worked very hard to get the preliminary draft out three months earlier than last year. And he found the estimates much clearer. But, he said, 'this is a stagnant budget'. It was the budget of nine countries which regarded the Community as peripheral. The 9.122 m u.a. envisaged would not top 2 per cent of the EC's gross domestic product. It would have no inflationary or deflationary effect on any of the Nine economies.

This was particularly sad at a time when the gap is widening between the Community's rich and poor. He quoted Commissioner George Thomson's regional fund report as showing that Hamburg and Paris, which used to be four to five times richer than the poorest areas of Italy and Ireland, are now five to six times richer. The answer surely was for Parliament to attack on this and strike a blow for social justice on Europe. (Lord Bruce's opening speech was applauded on all sides of the House).



Claude Cheysson: 'We are not proposing any significant new measures in the 1977 budget ... taking advantage of such scope as we have, the emphasis will be on the social sphere, research and industry and developing the EC's external relations.'

'We have had enough' said Mr Heinrich Aigner (Ge) for the Christian Democrats, 'of the Council using the budget as a kind of marshalling yard'. We have also 'had enough of supplementary budgets'. Liberal spokesman, Martin Bangemann (Ge), saw the entire budgetary procedure as a political weapon if the European Council failed to reach a satisfactory decision on 12/13 July on direct elections, the Parliament should show public opinion what it can do by rejecting the budget.

Rapporteur of 1976, Mr Michel Cointat (Fr, EPD) showed, in the words of Conservative spokesman Michael Shaw (Br) his customary expertize in his comments.

The key to Parliamentary control was control over revenue as well as over expenditure, said Mr Erwin Lange (Ge, S) chairman of the Committee on Budgets.

George Thomson's 'housewife's charter'

Despite pleas from Mrs Winifred Ewing (Br, Ind) and Mr Charles McDonald (Ir, CD) that whisky makes should not have to put a list of ingredients on every bottle, Commissioner George Thomson was today insistent that the housewife

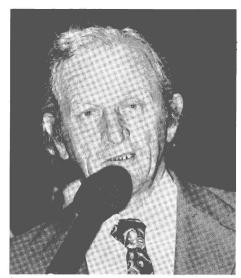
going to the supermarket must know wxactly what she is getting. As Miss Betty Boothroyd (Br, S) pointed out, the old quality labels no longer speak for themselves. Mr Thomson was defending a new directive for 'horizontal harmonization.' This is not, he pointed out, a manual on sex but an across-the-board directive affecting all products.

The directive will bring the laws of the Nine into line on the labelling, presentation and advertising of foodstuffs. Mr Karl-Heinz Walkhoff's (Ge, S) motion welcoming the proposal was agreed to.

Bicentennial Blues

The three year restrictions on Community exports of special steels to the United States is a very sore point. So too is the whole way the US Trade Act can be invoked almost at will. The mere filing of a complaint of dumping appears to trigger off the whole investigation procedure. It is true that dumping allegations against EC cars and shoes have been dismissed. And that has helped. But US steel is still attacking the Community's VAT regulations as a form of subsidy. It is even suing the US administration in the courts on this very point.

This is the background to a question from Mr Micheal Herbert (Ir, EPD) expressing concern about EC-US trade relations. As an Irishman he was



Michael Herbert: 'A worsening of EC-US trade relations would have not only economic consequences but could also be accompanied by serious political consequences which could indeed be very difficult to resolve.'

particularly concerned about how his country's beef exports to the US have been affected — which is the more disturbing because of the relatively small tonnage involved (some 800 tons). Did all this indicate a return by the US to protectionism?

Sir Christopher Soames though this was overstating the case. He had appealed to the US administration over special steels and hoped the rules would not just be relaxed — as Mr James Scott-Hopkins (Br, EC) had urged — but actually lifted.

Other speakers, notably Mr Hans Edgar Jahn (Ge, CD) and Mr Erwin Lange (Ge, S) thought that if there were any friction between the EC and the US, the faults were on both sides. Mr Jahn, however, reminded the House that Americans often suffer from the misapprehension that the Common Market is somehow inconsistent with their interests. He quoted the expansion of US agricultural exports to Europe to disprove this.

What worried Mr Scott-Hopkins, on the other hand, is that the US should have chosen this moment, when the world economy is beginning to pick up, to go for restrictions. He hoped common sense would prevail.

Action to combat terrorism called for

With only one abstention Parliament tonight agreed to a motion welcoming the courageous liberation of the Entebbe hostages and calling on the Conference of Foreign Ministers, the Council and Commission of the European Communities, in the context of European political cooperation and of Community activities, to coordinate energetically and without delay measures to combat international terrorism, and to intensify their efforts to reach suitable mutual judicial assistance agreements with Third Countries.

It also called on the organs of European political cooperation and the European Communities to coordinate their efforts to this end, in particular in the plenary assembly of the United Nations, in the UN Security Council and in the subsidiary organizations of the UN.

Which way is Argentina going?

On the whole Parliament, though disturbed by events in Argentina, seemed ready to give General Videla the benefit of the doubt. As Mr Hans August

Lücker (Ge, CD) pointed out, he faced enormous problems when the Peronista régime ended: a fifty per cent drop in purchasing power and a 650 per cent rate of inflation to name only two.

It was Mr Cornelis Berkhouwer (Du, L) and colleague who raised the question of human rights being violated in Argentina. Mr Berkhouwer feels human integrity is under threat as civilisation itself moves into a state of crisis. The answer for him is for the EC to use its economic clout to press for human rights in Argentina.

Mr Laurens Jan Brinkhorst, Council President, said Argentina was in a state of complete chaos. General Videla had promised to restore civil liberties and the feeling among the nine is that he should be encouraged to do so. Assurances should however be obtained about political refugees.

Sir Christopher Soames said he had informed the Argentina chargé d'affaires of the disturbing effects of reports reaching Europe. The Argentina Government could be in no doubt as to the Community's feelings. On the other hand, he said 'we cannot pose as the moral conscience of the world.' At the same time, he was careful to add, those who deny civil liberties must not look to us for any special favours.

Mr Knud Nielsen (Da, L) felt the debate was on a defeatist bend. It is our duty to promote democracy, he said. But Mr Lücker, while deploring the death of Guittarez Ruiz, Senator Michelini and General Torrez, said that while the Peronista régime had lasted there seemed little hope of an end to the fight between Left and Right. And neither side had fought with the charter of Human Rights in their hands. 'We can only show compassion,' he concluded. 'Argentina wants peace. Let us do what we can to help Argentina's return to civilisation.'

Human Rights in Argentina

Mr Ernest Glinne (Be, S) introduced the motion, to which he was a co-signatory, regretting the suspension of constitutional guarantees in Argentina and deploring the steady deterioration of human rights in that country.

Parliament agreed to the motion unanimously.

Relations with Iran

Thanking. Mr Egon Klepsch (Ge, CD) for his report, Sir Christopher Soames described Iran as a country 'straddled between two worlds'. An agreement between the EC and Iran should be designed to assist the rapid development of the Iranian economy, but Iran, for its part, should provide assurances that it would supply the Community with raw materials — particularly oil — on a non-discriminatory basis.

In the resumed debate on relations with Iran there was general agreement that the Community should rapidly initiate negotiations with a view to the sort of coopearation agreement the EC recently concluded with Canada.

It was noted that Iran's economy now ranges further than woollen carpets and dried apricots, sturgeon and roes. As Lord Castle (Br, S) said, endorsing the motion before the House, a wholehearted effort to get negotiations moving would harm no one and be of great benefit to both sides.

Mr Brondlund Nielsen (Da, L) reminded the House of Iran's potential as a market for the Community. But Mr James Scott-Hopkins (Br, EC) urged that any agreement cover the question of participation. It was vital that the confidence of those seeking to invest in this rich and expanding country should not be undermined.

Political overtones in debate on ASEAN

Mr James Scott-Hopkins (Br, EC) reported to the House on a visit made by a delegation of the European Parliament to Thailand, Malaysia, Singapore, Indonesia and the Philippines in July and August last year. The delegation had been lavishly welcomed and he hoped the parliamentary union of the Association of South East Asian Nations would return the visit.

Mr Scott-Hopkins reminded the House that the ASEAN are trading at a disadvantage with the EC because, of course, they are outside the Lomé Convention. Their exports of pineapples, palm oil, palm kernel oil, coconut oil and three ply and multi ply wood were particularly affected. He suggested the Community should give financial aid to these countries. Their vast natural resources would make investment mutually beneficial. Lastly he suggested setting up an EC information office in the ASEAN, possibly at Djakarta where the ASEAN secretariat would be.

Mr Cornelis Berkhouwer (Du, L) who noted East and West were now meeting, suggested telecommunications might be the best sector in which the EC could help; this and in family planning, bearing in mind the population explosion in the ASEAN. Mr Berkhouwer also alluded to the problems of democracy.

Far more outspoken on this subject were Mr Pierre Lagorce (Fr, S) and Mr Francescopaulo D'Angelosante (It, CA), who expressed considerable concern about the fate of political prisoners in Indonesia. They tabled an amendment to the Scott-Hopkin's motion 'hoping for a rapid, humane and democratic solution to the problem of political internments in Indonesia.'

Mr Giovanni Bersani (It, CD), too, expressed sympathy with this and, when it went to the vote, the amendment was carried. The Liberals and the European Conservatives abstained.

Among the other speakers, Mr Bill Molloy (Br, S) felt the place to put the emphasis was in helping the ASEAN in practical ways as outlined in Mr Scott-Hopkins's report. And Mr Isidor Früh (Ge, CD) expressed concern that the ASEAN might think of the EC as being bigger than it is.

Replying to the debate, Sir Christopher Soames said one point not sufficiently brought out 'is the extent to which the Community is still not fulfilling its potential economic role in South-East Asia. The region is one of the world's richest sources of raw materials, but in practically all lines of exports from the area the Community takes third place to the United States and Japan — and compared with those countries I am afraid that we play a relatively insignificant role in joint ventures and long-term contracts for the exploitation of their natural resources. We are also still a long way from making the sort of impact we should upon this rich and expanding market of 250 million people. This is why the Commission attaches so much importance not only to the various efforts we are making to provide assistance to the ASEAN countries — notably in respect of food aid, trade promotion and help with regional integration — but also to the Joint Study Group which will hold its second meeting in Manila in the autumn.'

Who wants to be a wallflower?

Mr Alfred Bertrand (Be, CD) introduced the motion he had tabled jointly with Sir Peter Kirk (Br, EC). It regretted that some Member States and not others had been invited to, and had accepted, the invitation to the Puerto Rico economic summit, and was concerned that the same thing could happen again. Mr Bertrand referred to the possibility of another such meeting, to be held in Tokyo.

Mr Martin Bengemann, (Ge), for the Liberals, supported the motion.

The House agreed to the motion unanimously.

Law of the Sea Conference

Mr Niels Anker Kofoed (Da, L), in his oral question to Commission and Council, wanted to know what the Member States were doing in preparation for the next stage of the UN Law of the Sea conference. Mr Laurens Jan Brinkhorst, for the Council, said that the conference would be reconvening on 2 August for what promised to be the decisive phase, and the Council would be meeting on 19 July to try to thrash out a common negotiating position. Agreement in principle had already been reached on a number of points, including the insertion into the UN Convention of a 'Community clause' to enable the EC to be represented as a whole alongside individual Member States.

Sir Christopher Soames, for the Commission, said that the Community had much to lose if the law of the sea conference broke down — so a joint negotiating position was essential if the chances of success were to be maximised.

Other speakers in the debate expressed varying degrees of pessimism about the outcome of the conference. Points raised included coastal fishing rights, rights of way through straits, the proposed Seabed Authority, the 200-mile economic zone — all matters on which agreement was not going to be reached easily. And more than one speaker drew attention to the widely differing importance the whole question had for coastal and non-coastal countries — with the UK and Denmark both having a disproportionately large interest in the outcome of the New York conference.

No taxation without harmonization

Mr Cornelis Berkhouwer (Du, L), presenting the Liberal Group's oral question, deplored the lack of action by the Council on the proposals before it on tax harmonization. He was particularly anxious about the fate of the infamous Sixth Directive, which is intended to permit the application of the system of

Community 'own resources' by making Member States transfer one per cent of their VAT receipts to the Community.

Replying for the Council, Mr Laurens Jan Brinkhorst stressed the difficulties in harmonizing taxes, which were linked to national sovereignty and often had historical roots. But progress was being made. He was optimistic, in particular, that the sixth directive would come into force throughout the EC by January 1978 — it was essential that the Community become financially independent.

For the Commission, Vice-President Carlo Scarascia-Mugnozza pointed out that there were at present wide disparities in the ratios between direct and indirect taxes in the Member States. Mr Kai Nyborg (Da, EPD) wanted to see direct taxes eliminated altogether, and felt harmonization of taxes in general was dangerous. Mr Hugh Dykes (Br, ED) felt direct taxes were a necessary evil, but thought indirect taxes should certainly be harmonized. It was important, he said, to distinguish between tax rates and tax yields. Mr Erwin Lange (Ge, S) felt that total taxation should be divided about equally between indirect and direct taxes.

At the end of the debate the House agreed to a motion submitted by Mr Jean Durieux (Fr), for the Liberal Group urging the Council to decide immediately on the implementation of the sixth directive on VAT to ensure Community financial independence by 1978.

Was the Tripartite conference a success?

Mr Arie van der Hek (Du, S), Chairman of the Economic and Monetary Committee, thinks that the Tripartite conference held between Community, Member States and both sides of industry somehow failed to get up into European gear. It said too little about what the Community, as opposed to its Member States, could do. And here, like Mr Max van der Stoel yesterday, he sought to emphasise the importance for the Nine of acting together.

Mr Wilhelm Haferkamp in reply thought the Conference had served a very useful purpose. It had brought it home to people what the Community could and could not do. It had shown who was willing to cooperate and who not. (He spoke of the CGT leaving the Conference before the end). And it had spelled out a series of aims for the Community as a whole.

Mr Kristian Albertsen (Da), Socialist spokesman, felt the Conference must have disappointed the five million poeple out of work in the Nine today. And Mr Frans van der Gun (Du, CD) thought the employers could have been more forthcoming.

Mr Martin Bangemann (Ge, L) felt the only answer was structural change. Even to maintain present wage levels European industry had to undergo structural change to remain competitive. Mr Albert Liogier (Fr, EPD) said his group regarded full employment as a first principle. Mr Hugh Dykes (Br, EC) agreed with Mr Haferkamp that it was illusory to hope for much until the EC itself was on a much larger scale.

Mrs Marie-Thérèse Goutmann (Fr, CA) thought talk of recovery was a fiction. The economy was not picking up as far as the workers were concerned. Mr Helmut Artzinger (Ge, CD) on the other hand stressed the importance of stability. Stability, he said, is not everything. But without stability nothing is anything.

Young and out of work

Mr Michael Yeats (Ir, EPD) is very perturbed about the number of young people out of work. As the proportion of the population in the 15-25 age group has risen from 15 to 30 per cent of the population, so too the number of those in this age group out of work was increasing by some 64 per cent in Belgium, 405 per cent in Denmark, 77 per cent in France, 210 per cent in Germany, 121 per cent in Ireland and 61 per cent in the Netherlands.

In reply to Mr Yeat's question Mr Brinkhorst, Council President, said that the Council was keeping a close watch on the situation.

Mr Frans van der Gun, (Du) for the Christian Democrats, thought it wrong to isolate the problem from that of unemployment as a whole. Mrs Elaine Kellett-Bowman (Br, EC) agreed up to a point. But the young did have special problems. Too many were going 'from school to dole' (4 out of 23 in the London area and more in some other areas). Mrs Kellett-Bowman again made a special appeal on behalf of the disabled for whom sheltered workshops are the only answer.

Mrs Marie-Thérèse Goutmann (Fr, CA) found the whole debate smacked of utopianism and demagoguery. It was idle to want to solve the problem at Community level and refuse to solve it nationally. She took issue with those who called the young idle and the unemployed lazy.

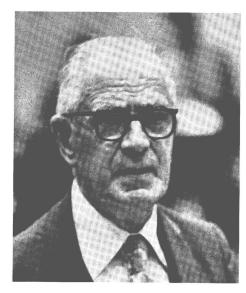
Mr John Evans (Br, S) thought training should be given to all from the age of 16 to 20 and not just to the academically gifted.

Your European passport

There was all party support this afternoon for Mr Michael Stewart's (Br, S) motion urging the Council to agree to a uniform passport by 1978 and expressing its belief in the desirability of a passport union — two quite distinct points, as he went to some length to explain. A uniform passport was simply a document which showed that the holder was a national of a member country of the Community. It was not, Mr Stewart said, 'a massive revolution in human affairs' but would be practical administratively and would have an important psychological effect on Community citizens.

Passport union, on the other hand, implied the abolition of all immigration barriers within the EC — so that people could move unhindered from Copenhagen to Bordeaux without meeting a frontier. It could only come when Europe had moved considerably closer to unity in other areas.

Mr Hans Edgar Jahn (Ge), for the Christian Democrats, said it was right that Parliament should press the Council to proceed with its promises — it failed all too often to meet its deadlines. Mr Kai Nyborg (Da), for the Progressive Democrats, agreed that the 1978 deadline should be met — a uniform passport would help to instil a sense of Community identity in time for direct elections. Sir Brandon Rhys-Williams (Br) said the Conservatives endorsed the motion; he felt that other areas, such as pension rights, should also be dealt with in a uniform fashion. Mrs Winifred Ewing (Br, Ind) wanted an assurance that a uniform passport would be a replacement for, not an addition to, national passports — otherwise it would be useless. Mr Cornelis Berkhouwer (Du), for the Liberals, complained of being treated as a travelling salesman when he crossed frontiers, something he hoped a Europassport would put a stop to. For the Commission, Mr Finn Gundelach stressed the psychologocial advantages of a uniform passport, but said it would not solve the legal problems of free



Michel Stewart: 'The European Community passport ... is a very modest proposal, but it has certain advantages which it is important neither to overestimate nor to ignore'

movement of persons within the EC- that was why the second half of the motion was so important.

Parliament agreed to the motion, and adopted an amendment tabled by Mr Peter Brugger (It, CD) for the Legal Affairs Committee, urging the Commission, as well as the Council, to play a part in the establishment of a passport union.

Passports please

Over the next two months millions of Community citizens will be taking their summer holidays and discovering that their Treaty-enshrined right to free movement within the EC is still subject to bureaucratic obstacles which include, in the words of Mr Ludwig Fellermaier's (Ge, S) oral question to the Commission,...'identity checks at the Community's internal frontiers, involving the stamping of passports, checks on motor vehicles, boots and luggage; the use of boarding and landing cards for air travel; health checks at airports; bureaucratic restrictions and lack of cooperation on the part of insurance companies following car accidents abroad; quarantine regulations for domestic animals; complications for the recipients of mail from other Community countries; inadequate telephone links between one Community country and another; terms laid down by travel firms which are disadvantageous to the customer; double booking of hotel rooms through travel agencies.'

These, said Mr Horst Seefeld (Ge, S), who was standing in for the questioner, were just a few examples. With the prospect of direct elections this whole question would in future have great psychological importance for Community citizens, who really ought to be able to travel from one part of the EC to another without having to have passports stamped.

Commissioner George Thomson agreed that the situation was far from satisfactory. He laid much of the blame at the feet of the national customs and immigration authorities, which he described as one of the 'oldest trade unions' in the world.

But the Commission had made proposals regarding the freedom of establishment of travel agencies, had abolished the need for motorists to show their 'green card' at borders, had increased duty-free allowances. However, he agreed that too little had been done to create an industrial framework for tourism.

Mr Michael Shaw (Br, EC) agreed on the need for reducing controls, but felt that the UK was fully justified in retaining quarantine restrictions to combat rabies. And Mr Richard Mitchell (Br, S) emphasized the security aspects of border controls, particularly at the present time with the constant threat of terrorism.

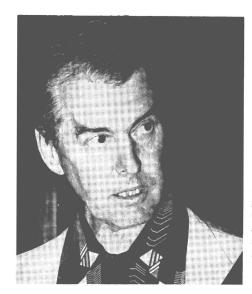
A European Air Policy? Yes, but.

The European Parliament today gave a generally favourable reception to the Commission's proposals for a European air policy but hedged its approval with one or two 'buts'.

Most members see the need for a joint policy, especially if the industry is to sustain competition from the US, Japan and Russia — or, as several Members put it — if Europe is to be more than a subcontractor for the USA.

But it is hard to discuss air policy without touching on defence: and, as last year's debate on Lord Gladwyn's report showed, there are strong feelings, particularly among Socialists, that defence is best left to NATO. And again, it is hard to discuss air policy without discussing national sovereignty.

Against this background the House agreed to consider Commissioner Altiero Spinelli's proposals (which Commissioner Henri Simonet defended in his absence) as a kind of half-way house.



Ove Guldberg: 'I congratulate the Commission on its proposal to set up a European arms procurement agency ... this could cut defence costs, make Europe more independent and make its aerospace industry more competitive'

The motion tabled by Mr Ove Guldberg (Da, L) however, accepted the need for considerable resources to be transferred to the EC (though Mr Erwin Lange wondered how they would show up in the budget) to finance a common aircraft industry policy but reserved judgement until the cost can be assessed more accurately.

The motion approved the idea of a common European airspace but expressed concern about the difficulties of coupling an air transport policy with a common aircraft industry policy. Lastly it endorsed the idea of an EC military aircraft procurement agency. The motion called for some changes in the Commission's text.

Mr Hans-Edgar Jahn (Ge, CD), for the Political Committee, endorsed the proposals. Mr Luigi Noé (It, CD), for the Regional Committee, suggested that cooperation between airlines must come first. Mrs Hanna Walz (Ge), for the Christian Democrats, thought the Commission proposals too ambitious. Mr Martin Bangemann (Ge), for the Liberals, welcomed them. But he disagreed with Mr Noé about priorities. Cooperation should begin in industry. Mr Pierre-Bernard Cousté (Fr), for the Progressive Democrats, stressed the industry's chance to grow. Concorde was only one example of what the Community's 400,000-strong work force could do. Mr Tom Normanton (Br), for the Conservatives, put the emphasis on a minimum of political intervention and a maximum of industrial cooperation.

Mr Silvio Leonardi (It), for the Communists, found fault with the Commission's lack of any political analysis. Lord Gladwyn (Br, L) wanted to know what had become of the cooperation between the Eurogroup and France. Could not defence ministers meet under Davignon arrangements? Mr John Osborn (Br, EC) was concerned that the EC met such a high percentage of its needs from the USA. The Seattle and California assembly plants were, he said, so much bigger and runs of planes went to 500 as compared with 100 on this side of the Atlantic. Mr Osborn stressed the importance of developing Eurocontrol.

Mr Richard Mitchell (Br, S), taking up a Conservative point, said if the UK aircraft industry were not taken over, there would be no industry in three year's time. Mr Tam Dalyell (Br, S) totally opposed the proposals. Mr Tom Ellis (Br, S) qualified Mr Kristian Albertsen's Socialist line on defence.

Parliament agreed to the motion, having rejected two amendments.

They shoot smokers don't they?

Opening the debate on tobacco taxes, Mr Helmut Artzinger (Ge, CD), rapporteur for the Committee on Economic and Monetary Affairs, said that 'tobacco', in this case, should read 'cigarettes' — that was what was involved. Cigarette taxes,



Helmut Artzinger: 'I don't think that our society's expenditure in finding a cure for living cancer is as great as its income from the tax on cigarettes.'

under the harmonized system laid down in 1970, composed a 'specific' and a 'proportional' component. The Commission proposals were designed to bring the relationship between these two components closer together in the various Member States.

Mr Artzinger received plaudits from most subsequent speakers, though not all of them agreed entirely with the need for, or the content of, his report.

Mr Tom Normanton (Br, EC), who countered the rapporteur's claim to be a heavy smoker with the assertion that he himself was a non-smoker, and therefore didn't care how high the taxes were, thought that the Commission might do better to concentrate on tax harmonization in more important areas than tobacco. Mr Michael Yeats (Ir, EPD) was concerned that the Commission's proposals, by increasing the price differential between cheaper and more expensive brands, would cause Irish manufacturers, who concentrated on quality cigarettes, particular problems.

But it was Mrs Gwyneth Dunwoody (Br, S) who was most adamantly opposed to tax harmonization for cigarettes. Describing cigarettes as 'highly dangerous and killing products', she felt each country should be able to use whatever fiscal measures it saw fit to discourage smoking.

Mr Henri Simonet, replying for the Commission, said the proposals certainly weren't going to lead to cheaper cigarettes or encourage smoking. And Mr Artzinger added that the only sure way of eliminating cigarette smokers would be to shoot them all.

Parliament approved the motion.

The catch is in the ketchup

There seems to be something of a Community surplus in peeled tomatoes and tomato concentrates, and the Commission has introduced a variety of measures to reduce it. These include increasing exports to third countries, providing more effective protection against cheap imports from Mediterranean countries and increasing intra-Community trade. Mr Liogier, introducing his report on the subject, welcomed the Commission's present proposal, which was aimed at increasing the sale of tomato derivatives, particularly from Italy and France, to the three new Member States. However, both he and Mr Della Briotta felt that



Albert Liogier: 'The surplus of peeled tomatoes could be some 200,000 tons at the end of the crop year and 60,000 tons for tomato concentrates. To deal with this the Commission has set minimum prices for imports from third countries ... Greece however has not been subject to this restriction.'

more could and should be done by either strengthening protection against imports from third countries or making it easier to dispose of processed tomatoes inside or outside the Community.

But then came ketch 22: Mrs Elaine Kellett-Bowman (Br), for the Conservatives, said her group could not endorse the Commission's proposals because they would tend to put up the price to the British housewife of Heinz tomato ketchup, which was made from Portuguese tomatoes. Mr Lardinois looked baffled. He could not understand why the fact that Italian tomato concentrate might become cheaper on the British market would involve Portugese concentrate becoming more expensive. He also found Mrs Kellett-Bowman's assertion that imported peeled tomatoes would compete with domestic UK production of fresh tomatoes extremely dubious: any competition would be extremely marginal.

The House agreed to the motion.

All-Party anger at Swiss sentence on Adams

Mr Stanley Adams, who gave information to the Commission about Hoffmann-La Roche's taking unfair advantage of the position in the vitamin

market, was sentenced in absenta on 1 July to twelve months in prison. The charge was industrial espionage.

Mr John Prescott (Br, S), who was speaking to an all-party question, was annoyed both at the vicious way in which Mr Stanley Adams has been prosecuted by the Swiss authorities (he has had to leave Switzerland; his wife has committed suicide) and at the way Swiss law seems to conflict with the international obligations. Mr George Thomson in reply said the Commission took the matter as seriously as Parliament. It had stood bail and would provide him with help for any appeal he might make. Meanwhile Hoffmann-La Roche have been fined 300,000 ua under Rome Treaty article 86 (abuse of dominant positions). The Commission and Parliament will be returning to this matter in the autumn.

Vladimir Bukovsky

Parliament unanimously agreed to a motion tabled jointly by the Christian Democrats and the Conservatives condemning the Soviet Union's treatment of Vladimir Bukovsky, who was in prison for having exposed the 'psychiatric abuses of the Soviet prison system' and calling on the Soviet Union to honour the Final Act of the Helsinki agreement.

Streamlining Parliament's procedure

The House began business this afternoon by considering three reports from Mr Willie Hamilton's (Br, S) Rules Committee on streamlining Parliament's procedure.

Mr Michael Yeats (Ir, EPD) reported on procedure for consulting the House (old rules 22, 42 and new rule 27a).

Under the new rule, Commission proposals will be deemed to be approved 'without comment' if Parliament delivers no opinion within 2 months. He assured the House that this new procedure would incorporate adequate safeguards. There is no controversy surrounding this proposal.

Mr Willie Hamilton reported on changes that could be made to chapter XI of Parliament's rules — (questions). He proposed, inter alia, that Question Time be

held in the afternoon of the second sitting day and in the morning of the third sitting day for not more than 90 minutes each time. Another proposal he made was that emergency debates arising out of points raised at Question Time should be held at the discretion of the President. The matter would not be put to the vote. In such debates Members would speak for 5 minutes only and 'not make obvious use of a text'.

Commissioner Carlo Scarascia Mugnozza indicated that the Commission would be glad to take advantage of replying to questions on one or other of the two QT periods.

Mr Lucien Martens (Be, CD) then reported on changes that could be made to chapters I—X, XIII and XIV of Parliament's rules. He proposed, inter alia, that debates should not be opened on reports tabled later than 12 days before the sittings. He proposed too that rule 18 (which reads 'a summary report of the proceedings of each sitting shall be drawn up and distributed in the official languages') should have added to it the words 'on the day following that sitting'. The other changes called for by Mr Martens involve the whole procedure for voting: this may, in cases of doubt, include Westminster-style divisions. It is proposed that the vote be recorded in such cases.

There was a brief debate in which Sir Derek Walker-Smith (Br, EC) reminded the House that democracy can only be as strong as a parliament is effective and Mrs Winifred Ewing (Br, Ind) indicated the changes proposed would provide adequate guarantees for the rights of the independent Members. The House then moved on to other business, the vote on the changes being planned for noon tomorrow.

There are a great many amendments tabled — so many indeed that they may be referred back to the Rules Committee. It should be noted, however, that all three reports have the unanimous support of that committee.

It is worth adding that one idea for which support is fairly strong is that the way Members vote should go on the record. This is only done on special occasions at present.

The vote

There was a substantial majority of the House in favour of a series of changes in Parliament's Rules of Procedure on which Mr Michael Yeats, Mr Willie Hamilton and Mr Lucien Martens reported yesterday.

The main changes are as follows: Rule 27A; in future Parliament will be deemed to have given its approval to any Commission proposal on which it has not commented within the space of two months. Rule 13; in future and except in cases of urgency, reports will not be taken unless they have been tabled at least twelve days before the sittings.

A number of other changes were proposed but the number of amendments to these changes is such that Mr Willie Hamilton, Chairman of the Rules Committee, decided they should be referred back. As he said, 'Changes to our rules are needed urgently. What is not agreed is what these changes should be'.

President Georges Spénale thanked the three rapporteurs and particularly Mr Hamilton, looking to him to report back to the House about the rules of procedure in the Autumn.

Italy's exchange control regulations

In reply to a question from Mr Arie van der Hek (Du, S), Chairman of the Committee on Economic and Monetary Affairs, Mr Wilhelm Haferkamp said the Commission hoped Italy's exchange control regulations would be eased soon. There had, he said, been no violation of the treaties otherwise the Commission would have already acted.

Mr Helmut Artzinger (Ge,CD) referred to cases of tourists being subject to harsh treatment because of their ignorance of the regulation. A lot of currency had been confiscated.

Preventing pollution is better than cure

There was strong support tonight for Commission proposals for protecting the environment. These form part of a first programme begun in 1973 and of a second programme due to have taken the care of the environment a stage further.

Commissioner George Thomson said the emphasis was on preventing pollution. And he added that, to help in assessing ecological impact, a series of ecological maps were to be drawn up.

He noted Mr Heinz Frehsee's (Ge, S) comment, on behalf of the Agricultural Committee, about preserving a balance between agricultural technology and the environmental interest. He thought it easy to play up a conflict of interests here. Was not the European landscape made by agriculturalists?

Mr Thomson concluded by stressing the importance of the European Parliament's role in environmental policy. To carry it through the Community needs massive support.

Fresh water

The Commission wants all Member States to define water quality in the same way. This will make information returns more meaningful and allow for stricter controls against pollution. With one or two reservations Lady Fisher of Rednal (Br, S) welcomed the proposal. These reservations concerned the spacing of monitoring stations and standardizing of samples taken. Mr Thomson took note of these points.

Mrs Clara Kruchow (Da, L) then asked why lakes as well as rivers were not being included. Mr Thomson said he would refer the question to Mr Carlo Scarascia Mugnozza the Commissioner with special responsibility for the environment.

Food aid for developing countries

Mr Jan Broeksz (Du, S) asked the House to approve a Commission proposal to supply food aid in the form of milk powder to developing countries. Mr George Thomson reminded the House that on March 19th the Council decided to increase this food aid from 55,000 tons to 200,000 tons. In reply to Mr Broeksz, he said 150,000 tons would be supplied this year and 50,000 tons next. He told Mr Cornelis Laban (Du, S) he did not know how much had actually been shipped but would find out and let him know.

Aircraft noise

Mr Gerhard Flämig (Ge, S) introduced the Müller report on limiting the noise from subsonic aircraft. While it generally welcomed the Commission's proposals, the motion did request the Commission to make a number of changes in its directive. Replying, Mr George Thomson said the Commission could in fact only accept one of these — the change to Article 11.

The House agreed to the motion unanimously.

Signs for safety at work

The Commission is proposing to introduce a series of standard signs to promote safety at work. Mr Karl-Heinz Walkoff (Ge, S) welcomed the proposal but would like it tightened up on one or two points. A motion to this effect was agreed to.

Carry-forwards

A motion by Mr Heinrich Aigner (Ge, CD) approving carry-forwards from 1975 to 1976 went through on the nod.

38,000 ton tobacco quota at 7 per cent approved

Miss Colette Flesch (Lu, L) moved approval of a 38,000 ton quota for tobacco of a value above 280 ua per 100 at a duty of 7 per cent. The main beneficiary will be India. A motion to this effect was agreed to without debate.

Hops

Parliament agreed to the Commission's 7.9 m u.a. scheme to give aid to hop producers for the 1975 harvest. Inflation and increased production costs meant that producers' incomes for that year were considerably down on 1974.

Wines from Turkey

Mr Frankie Hansen (Lu, S) asked the House to approve a proposal waiving some of the CCT duties on wines imported from Turkey. The duty waiver amounts to some 40 per cent, but it is important to underline that the quantities involved are fairly small. (Some 6,000 hectolitres in 1973)

A motion to this effect was agreed to.

QUESTION TIME

Question to the Conference of Foreign Ministers

Mr Brinkhorst said in reply to a question from Mr Cornelis Berkhouwer (Du, L) that the Foreign Ministers were considering the Tindemans Report chapter by chapter but that it was still too early to give any idea of their conclusions. Mr Berkhouwer, who took advantage of the opportunity to condemn the Rambouillet and Puerto Rico meetings as a negation of foreign policy integration, then asked what procedure would be followed in appointing next year's Commission. The President said this was still under consideration.

Questions to the Council

Pursuing a related question Mr Willie Hamilton (Br, S) asked Mr Brinkhorst when precisely the Council will discuss the Tindemans recommendations as to Parliament's role. He also wanted to know if the Council would listen to Parliament's views and act on them now rather than after direct elections.

Mr Brinkhorst said he expected this point would be raised at the European Council meeting in Brussels on July 12th and 13th. Speaking personally, he said the request was one the Dutch delegation would support.

Mr James Scott-Hopkins (Br, EC) asked: 'Isn't it vital that Parliament should approve appointments to the new Commission? Mr Brinkhorst hoped for an early Council agreement on this point.

Mr Pierre Deschamps (Be, CD) asked if the ministers had a programme for studying the Tindemans Report. Mr Brinkhorst said 'yes'.

Mr Brinkhorst said in reply to Mr Pierre-Bernard Cousté (Fr, EPD) that recent decisions by the Court of Justice had made it much easier to put the Rome Treaty into effect as regards freedom of establishment. Mr Cousté reminded him that proposals had been pending for ten years. Mr Brinkhorst agreed this was disappointing but thought that talking of progress was not using hollow words.

With the 21 January 1974 social action programme coming to an end Mr Willy Dondelinger (Lu, S) wanted to know what lay ahead. In reply Mr Brinkhorst reminded the House that the Foreign and Finance Ministers meeting in April were agreed that definite priority should be given to social action. Mr Dondelinger wanted to know why the directive designed to protect the rights of employed persons when mergers take place had not been approved yet. Mr Brinkhorst said it was under consideration. Company law varies so much between the Nine and this compounds the social complexities.

Mrs Elaine Kellett-Bowman (Br, EC) asked whether a levy would not be valuable to swell the Social Fund's capacity to help the disabled and unemployed. Mr Brinkhorst thought this was part of a much wider issue.

Mr Luigi Noè (It, CD) asked about jobs in research and technology for the young unemployed. Mr Pierre Deschamps (Be, CD) took this point up too. In reply Mr Brinkhorst said that Education Ministers had been looking into this in conjunction with the Committee on Education Policy.

Mrs Gwyneth Dunwoody (Br, S) was looking for a limited action programme now. Could not the President try and spell out the priorities? Mr Brinkhorst replied in substance that ultimately a great deal depended on the state of the economy.

Sir Brandon Rhys Williams (Br, EC) asked about harmonising rates of personal taxation and social security benefits. Mr Brinkhorst, in reply, appealed for a sense of realism. There were long traditions behind each of the Nine taxation and social security systems.

Mr Charles McDonald (Ir, CD) asked about young women who are unemployed and are outside the scope of social welfare or unemployment benefit schemes. Mr Brinkhorst said he hoped the House would not find him insensitive on this point. He agreed the situation is unacceptable but had nothing to add to his previous replies.

Mr Alexander Fletcher (Br, EC) and Mrs Winifred Ewing (Br, Ind) asked about Council meetings: can't minutes of legsilative meetings be published and can Council meet in public when making laws? Mr Brinkhorst said in reply that he personally favoured a more open system but felt that only a change in the whole EC set up would make any such progress possible.

Mr Fletcher suggested no Member State would dare to be as secretive as the Council. Mr Brinkhorst replied that as long as the Council acted as an inter-governmental body the problem could not be solved. Mr Cornelis Berkhouwer (Du, L) reminded him the Council is an EC body. 'Yes, but it acts as an inter-governmental one' replied Mr Brinkhorst after a series of heated exchanges with Mr Berkhouwer across the floor.

Mr Hugh Dykes (Br, EC) suggested the final session in any law-making process could be in public. The Council he says has 'nothing to fear but secrecy itself'. Mr Brinkhorst said he did not want to prejudge what Mr Max van der Stoel would say this afternoon but he said the Dutch would do what they could to make the procedure better.

Mr Martin Bangemann (Ge, L) asked if minority views at Council could be published when majority decisions were taken. Mr Brinkhorst said a communiqué was issued after every Council meeting. In addition every Council member was responsible before his national parliament.

Sir Derek Walker-Smith (Br, EC) reminded the President that it is now three years since Parliament made recommendations regarding the Council's legislating in public. Each time the point was raised, the House was told these recommendations were being considered. What consideration had in fact been given to them? Mr Brinkhorst simply said the matter had been discussed but that no agreement had been reached.

Mr Schelto Patijn (Du, S) who said it was impossible to find out anything about Council meetings, asked if the communiqué released could not be more substantial. Mr Brinkhorst pleaded lack of time.

Unusually, Mr Georges Spénale, President of the European Parliament, then intervened from the Chair to point out that the peoples of Europe and this parliament must know the thinking behind Community legislation.

Mr Brinkhorst said Council meetings were quasi-confidential.

Mrs Ewing noted that there seemed to be support across the whole body of the House in favour of greater disclosure of information. Why couldn't the Council accept Mr Dykes's suggestion? It is galling to read inadequate accounts in the newspapers of the reasons for legislation. Mr Brinkhorst agreed the situation was not ideal. 'I'm a democrat' he said, adding that he did not want to be part of a



Laurens Jan Brinkhorst: 'The question of a more open legislation process will not be resolved as long as the Council goes on operating as an inter-governmental negotiating body.'

secret society. He had doubts however about the prospects of effecting any change at present.

Mr Tam Dalyell (Br, S) then said 'Will the President be warned of the emotive phrases used by Mrs Winifred Ewing to catch press headlines? It should go out to the people of Scotland that the Council is not the Klu Klux Klan.'

Mr Berkhouwer asked if the President could say which Member States favoured greater openness and which favoured less? But Mr Brinkhorst was not to be drawn, though he sympathized with Mr Berkhouwer's feelings.

Mr Tom Ellis (Br, S) asked whether the President would venture an opinion as to the effect of direct elections on Council procedure. Mr Brinkhorst replied that direct elections would extend Parliament's legitimacy and that a directly-elected Parliament would develop its **pow**ers.

Questions to the Commission

Community offices outside Europe

The Community maintained three types of offices outside the Community, said Commission Vice-President Carlo Scarascia Mugnozza. There were offices in countries with which the EC had important political and trade links, or in cities where international organizations had their seats — Washington, Ottawa, New York, Tokyo, Santiago in Chile, Geneva. Then there were representatives in various Lomé Convention countries, and, finally, in countries which had association agreements with the EC — he referred to the Ankara and Athens offices.

Answering a supplementary question by Sir Geoffrey de Freitas (Br, S), Mr Carlo Scarascia Mugnozza said the Community had no plans to open further offices.

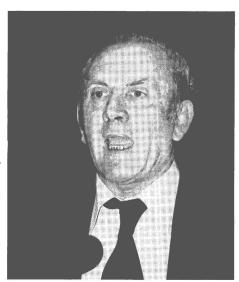
Grants from the Regional Fund

Commissioner George Thomson cited Luxembourg and the UK as two countries where local authorities received Fund money directly from their central governments. While he agreed that links between the Commission and local authorities were valuable, he did not believe, as Mr Tom Ellis (Br, S) and Mr Giovanni Bersani (It, CD) suggested, that these should be institutionalized. Each country should follow its own practices — but that did not mean that some could not learn from others.

Payments from the Regional Fund

Total payments from the Regional Fund until end June 1976 totalled 141.4 m u.a. Mr Thomson said. However, since payments could only be made on receipt of applications, he could not forecast exactly how much would be paid out over the rest of the year.

Mr John Evans (Br, S), in a supplementary question, was concerned that the effects of inflation meant that the 500 m u.a. for the Regional Fund agreed in 1974 would be worth considerably less in real terms when it came to be disbursed. Mr Thomson agreed, and thought that in future the effects of inflation should be taken into account when Fund money was agreed.



Donal Creed: 'The fact that the people in the hinterland of Derry city, which borders on County Donegal, are being harassed and photographed and prevented from shopping in that city is distorting the whole commercial life of the area.'

Mr Hans-Edgar Jahn (Ge, CD) wanted details of how much Fund money individual countries had received — in Germany, he said, only one project had been agreed to. Mr Thomson said he would reply tomorrow during the debate on the Regional Fund. Sir Geoffrey de Freitas (Br, S) raised the question of providing Regional Fund aid to help drought-stricken areas, and Mrs Kellett-Bowman (Br, EC) felt that aid was often disproportionate to need. Mrs Gwyneth Dunwoody (Br, S) though that EAGGF money could more usefully be used by the Regional Fund. Mr Thomson said that he, too, sometimes felt rather envious at the funds available to his colleague Mr Lardinois.

Cross border studies

Commissioner Thomson said that consultancy firms had now been selected and the studies would be carried out within the next eight months.

Mr Tam Dalyell (Br, S) wondered whether the Commission and Council could not involve themselves more directly in reconciling the Northern Ireland conflict.

To applause, Mr Thomson replied: 'I often think the less said the better about some of these things ... The Commission at least has the advantage of not being

associated with past history: I hope it will increasingly be associated with a rather more constructive future.'

Replying to Mr Bersani, he added that similar cross border studies were being carried out in the Netherlands, Belgium and Germany.

Deposit on Italian imports

Vice-President Finn Gundelach quoted Treaty Articles 108 and 109 in defence of the Italian measures. He saw no indication that these provisions would be invoked by other countries. He pointed out that what was good for the Italian financial situation was also good for the Community as a whole. Replying to Mr Cointat, who wanted to introduce protective measures to stem the import of cheap Italian shoes, Mr Gundelach pointed out that the value of the lira had since risen and the French were not pressing their demands.

Aid for fisheries research

Commissioner Petrus Lardinois said his services were looking into the possibilities of assisting research into deepwater fishing.

Trade relations with India

Mr Thomson pointed out that India was the fourth biggest beneficiary under the EC generalized preferences scheme. It was also a major aid recipient, and received particular advantages from the recent sugar agreement, under which it was paid the same prices for sugar as the African and Caribbean countries.

Asbestos

The Commission was extremely concerned about the risks of asbestos production, Vice-President Hillery said, and had classed it as a first-category pollutant. Lord Bethell (Br, EC) wanted to know why it hadn't been included in the environmental action programme. Mr Hillery agreed that not enough had been done. He also agreed that measures to provide for retraining of asbestos workers should be introduced to enable them to change jobs before they became infected with asbestosis.

Mr James Spicer (Br, EC) expressed his deep disappointment with Mr Hillery's assertion that fire standards were the sole responsibility of the Member States. Lives could be saved if uniform safety standards were introduced. Both Mr Wolfgang Schwabe (Ge, S) and Lord Bethell referred to possible distortions of competition if hotels, say, could be built more cheaply in one country than another because of laxer fire safety standards. Mr Hillery repeated that the only way the Commission could become involved was if Member States asked it to.

Answers to the remaining ten questions to the Commission will be given in written form.

Summing up

At its sittings of 5, 6, 7, 8, and 9 July 1976, Members put down 5 questions for debate with the Council and 10 questions for debate with the Commission. At Question Time 1 question was addressed to the Conference of Foreign Ministers, 5 questions were addressed to the Council and 9 questions were addressed to the Commission. 5 motions were put down and there were 5 statements, 1 without debate. 21 reports were considered and Parliament delivered 27 opinions. The House sat for 35 minutes on Monday, for 9 hours 25 minutes on Tuesday, for 8 hours 35 minutes on Wednesday, for 9 hours on Thursday and for 3 hours 50 minutes on Friday, making a total of 31 hours 25 minutes.

Presentation of two petitions

The President announced that he had received:

- a petition from Miss Oonagh Hartnett and 15 other signatories on public-funded help with home responsibilities, and
- a petition from Mr Walter Braun and 9 other signatories on the right to vote of European citizens.

These two petitions had been entered under Nos 8 and 9/76 in the general register provided for in Rule 48(2) of the Rules of Procedure and, pursuant to paragraph 3 of that same rule, referred to the Committee on the Rules of Procedure and Petitions.

References

Subject	Comm. doc. No.	E.P. doc. No.	Date of Debate
Praying for rain	175/76	223/76	8/7
Taking the mountain to the Council	-	186/76	7/7
Regional policy 'in the round'	_	189/76	9/7
Marketing and processing agricultural products	241/75	162/76	8/7
More money for modernizing farms	129/76	204/76	8/7
Tighter control over CAP spending		193/76	6/7
Budget designed for a Community going nowhere	_	_	6/7
'Housewife's charter'	52/76	211/76	9/7
Bicentennial Blues	_	149/76	8/7
Action to combat terrorism called for	_	188/76 222/76	7/7
Which way is Argentina going?	_	190/76	7/7
Human rights in Argentina	_	229/76	9/7
Relations with Iran	_	119/76	8/7
Political overtones in debate on ASEAN	_	181/76	8/7
Who wants to be a wallflower?	_	227/76	9/7
Law of the Sea conference	_	191/76 192/76	7/7
No taxation without harmonization	-	187/76 188/76 220/76	7/7
Was the Tripartite conference a success	_	194/76	8/7
Young and out of work	_	185/76	7/7

Your European passport	_	55/76	6/7
Passports please	_	200/76/rev	9/7
European Air Policy	319/75	203/76	6/7
They shoot smokers don't they?	552/75	128/76	6/7
The catch is in the ketchup	214/76	224/76	8/7
All party anger at Swiss sentence on Adams	_	230/76	9/7
Vladimir Bukovsky	_	228/76	9/7
Streamlining Parliament's procedure		196/76 197/76 198/76	6/7
Italy's exchange control regulations	_	195/76	8/7
Preventing pollution is better than cure	51/76	215/76	8/7
Fresh water	113/76	205/76	8/7
Food aid for developing countries	183/76	208/76	9/7
Aircraft noise	59/76	199/76	9/7
Signs for safety at work	68/76	217/76	9/7
Carry forwards	159/76	218/76	9/7
Tobacco quota	161/76	207/76	9/7
Hops	182/76	221/76	8/7
Wine from Turkey	219/76	225/76	_
Question Time	_	201/76	_

ABBREVIATIONS

The following abbreviations are used in this text to denote nationality and political allegiance: CD Christian Democrat, S Socialist, L Liberal and Allies, EC European Conservatives, EPD European Progressive Democrat, CA Communist and Allies, Ind Non-attached Independent Members, Be Belgian, Br British, Du Dutch, Fr French, Ge German, Ir Irish, It Italian, Lu Luxembourg, EC European Community.

Decision on Direct Elections

On Monday, July 12th 1976 the heads of state or government meeting as the European Council in Brussels decided that the European Parliament shall be elected directly as from May or June 1978 with the following numbers of Members from each of the Member States (present numbers in brackets):

Belgium	(14)	24
Denmark	(10)	16
Germany	(36)	81
France	(36)	81
Ireland _.	(10)	15
Italy	(36)	81
Luxembourg	(6)	6
Netherlands	(14)	25
United Kingdom	(36)	81
Total membership	(198)	410

This decision now goes to the nine national parliaments for ratification: Article 138 of the Rome Treaty cannot be amended without their consent.

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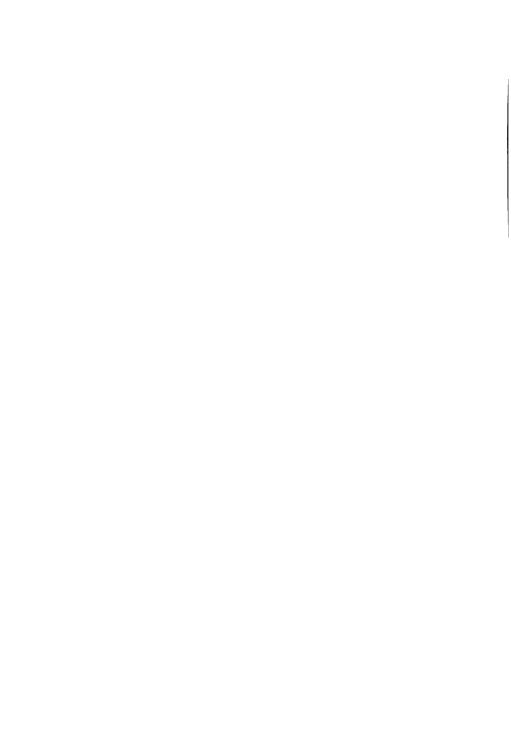
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