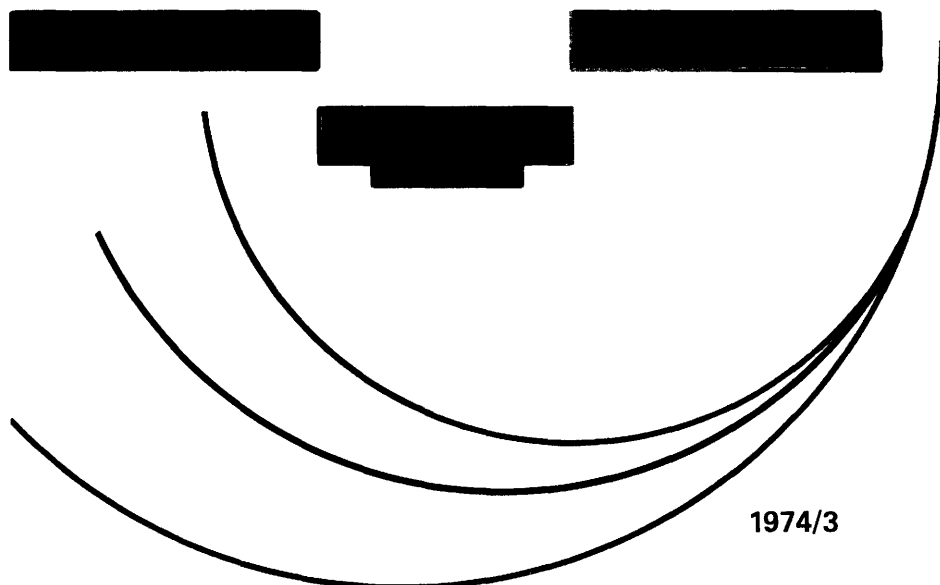


europaean parliament

information

PARLIAMENT IN SESSION



1974/3

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Introduction

The European Parliament met in plenary session on Monday, 11 March and from Tuesday, 12 to Friday, 15 March 1974.

The second Tuesday in March is by tradition the first day in the European Parliament's year and, again by tradition, the year began with the election of officers.

Mr Cornelis Berkhouwer was re-elected President of the European Parliament and the following were elected Vice-Presidents:

Mr Giovanni Bersani (Italian, Christian Democrat)

Mr Walter Behrendt (German, Socialist)

Lord Bessborough (British, European Conservative)

Mr Pierre-Bernard Cousté (French, European Progressive Democrat)

Mr Gérard Bordu (French, Communist)

Mr Friedrich Bergbacher (German, Christian Democrat)

Mr Egidio Ariosto (Italian, Socialist)

Mr Charles McDonald (Irish, Christian Democrat)

Mr Poul Christian Dalsager (Danish, Socialist)

Mr Maurice Dewulf (Belgian, Christian Democrat)

Mr Joseph Wohlfart (Luxembourg, Socialist)

It will be noted that the Bureau (comprising the President and the Vice-Presidents) now includes a Communist Member.

The main debates during the week's remaining sittings were on taxation, on the Council's report on its activities, on energy policy and on the Community's Association with the African States and Madagascar.

There was also an important debate on recent events in Spain and concern was expressed about conditions currently prevailing in that country.

I. Report on the activities of the Council

Mr Hans Apel, President of the Council of Ministers, presented a report on the activities of the Council of the European Commission.

1973 was the year of Enlargement. It had gone smoothly. The change had enriched the Community. 1973 had confronted the Community with the task of implementing the Paris Summit.

This had led to a common position at the GATT negotiations, the adoption of a social programme and to decisions on industrial and technological policy, scientific research and environmental policy.

The Council had made efforts to improve its relations with the European Parliament and had paid particular attention to Parliament's budgetary powers. Mr Apel was confident that positive results would be achieved on this point.

1973 had brought the monetary crisis, staggering rises in raw material prices and finally the oil crisis, staggering rises in raw materials these events but of seeking together how to overcome our problems.

Mr Apel concluded: 'I believe that I speak for the Council as a whole when I express our conviction that the only way in which we can take up the challenge of present events is to continue to do what we have been doing for more than twenty years, that is to seek constantly to reconcile legitimate national interests with the interests of the Community as a whole – in other words, the way of European solidarity.

When we in the Council examined the situation last month, all the Member States reaffirmed their loyalty to the Community and their intention to continue to strengthen the work of building up a united Europe in which they believe. We are resolved to work towards this end in order to achieve the objective assigned to us which is now more than ever necessary: European Union.

In the coming months these intentions must be translated into practical acts and decisions which are both bold and realistic. This is not merely an earnest wish but a vital necessity if we are to continue to play our part in world history and not become mere spectators.'

The Council's report was debated later in the day. The following spoke: Mr Alfred Bertrand (Belgian) for the Christian Democrats, Mr Ludwig Fellermaier (German) for the Socialists, Mr Russell Johnston (British) for the Liberals and Allies, Mr Peter Kirk (British) for the European Conservatives, Mr Gustave Ansart (French) for the European Progressive Democrats and Mr Maurice Faure (French Socialist).

Mr Hans Apel replied to the debate.

Mr Bertrand was critical of the Council. He appreciated its optimism but pointed to the public's loss of confidence in the Community. The Council had not implemented the Summits. The hopes they had raised had given way to despair. Mr Bertrand argued that the Council should abandon the veto principle and its unanimity rule. Decisions were needed: on economic and monetary affairs, regional policy and Parliament's budgetary powers. But nothing had been done. Public opinion must be mobilised. The Council must be brought under pressure to act.

Mr Fellermaier also criticised the Council. It was more of a diplomatic conference than a Council. It had the power, under the Treaty, but was unable to put it to use. He suggested the Council reconsider the practice of changing the presidency every six months. This might make for better continuity.

The crises had shown the limits of the Community's capacity to act. But how long, he asked, did the Council wish to remain the sole public legislator? He agreed with Mr Bertrand's comments on the unanimity rule. Hundreds of Commission proposals and hundreds of European Parliament opinions had vanished into the Council's archives because the issues raised could only be resolved unanimously.

Mr Fellermaier reserved judgment on the subject of budgetary proposals.

Mr Russell Johnston said he had hoped for frankness about the state of the Community instead of '46 pages of political bromide'. Why, he asked, have we responded in such a divided way to adverse external pressures and what are we as a Community going to do about it?

He criticized individual Member States for adopting national attitudes when the Community attitudes were vital. 'Unless we can restrain the excessive nationalism which fragments us, we shall never be able to resist the external

challenges that we face nor reach for the prizes of economic stability and shared prosperity and political influence with which all our futures are bound up.'

He disagreed with Mr Apel about dramatizing the situation. It had to be dramatized and it had to be brought home to individual members of the Community that their domestic priorities were less important.

Mr Kirk was concerned that the Community was making no progress in shifting the emphasis from the Member States to the Community itself. If anything it was going into reverse. The Council ought now to join with the Commission and Parliament in producing ideas for making the Community better. The idea of having special Ministers charged with the entire European responsibility, for example, could be re-examined.

He agreed that external events had influenced Community affairs; but even before this things had begun to go profoundly wrong. The Community ought to be able to cope with external pressures but it had so far shown it was incapable of doing so. 'It is a challenge to the Community to ensure that we come through the present difficulties.'

Mr Kirk concluded by expressing profound regret that the British Labour Party remained unrepresented in the European Parliament 'at such a significant time in the history of Europe'.

Mr Ansart said it was commonplace to say the Community was in a serious state of crisis. It reflected the general crisis of the capitalist world. It would get worse unless the Community changed course.

Mr Ansart said a new policy was not only necessary, it was possible. He was critical of many aspects of the Community today: economic policies based on exports, the multinational companies, unemployment, rising prices and the weight of taxation.

He was not opposed to nationalism; it could go hand-in-hand with European policy, which was timid enough. How much the European Community would grow in the eyes of the Nine peoples if it helped to ensure peace and détente, if it helped speed up the GATT negotiations, if it helped lighten the burden of armaments and if it asserted its determination to be independent.

This did not mean refusing to cooperate with the United States or the Soviet Union.

Mr Cousté, by contrast, argued that the Community had gained in stature; it had a more authentic identity. The common agricultural policy made for stability in an unstable world economy and quietly secured the Community's food supply. The Community had attempted to tackle inflation: the situation would have been worse had nothing been done at all.

Mr Cousté trusted the Commission and Council would be able to take Economic and Monetary Union a stage further. He drew attention to industrial policy and patents and the ultimate objective of a great social policy to bring better living and working conditions for all, particularly for the millions of handicapped people.

Mr Cousté thought the Council should pursue its work of giving greater depth to the Community in the field of external affairs. He could not accept any undue pessimism and he welcomed the improvement in relations between Council and Parliament. He concluded by saying the time had come for translating intentions into action.

Mr Maurice Faure said Mr Cousté seemed to be the only optimist in the House. The Council's report was a list of setbacks and a justification for our failures. There was little that was constructive about it. It offered little hope. It was for Parliament to assess the seriousness of the situation to recognize realities and bring recovery within reach.

Winding up the debate, Mr Apel replied to the various speakers. Mr Bertrand had made an important point in diagnosing structural differences between Member States as the key obstacle to integration. By structural he meant not only the economic set-up and pattern of society but the whole political outlook of the different countries.

These differences came out when the Nine came to deal with Economic and Monetary Union. In some, price stability had top priority and in some, employment ranked higher; in others, neither was a problem.

He warned against trying to solve today's problems with tomorrow's remedies, otherwise the European public would not take the Community seriously.

He agreed with Mr Fellermaier on the need to democratize Europe's institutions.

Turning to transport policy, Mr Apel had the feeling nothing had yet been achieved. What had happened to the plans of Mr Kapteyn* and the initiatives of Mr Posthumus**? The answer was nothing.

Mr Apel hoped that regional policy would be settled this year. But Europe had little chance of emerging unless there were a number of successes: the second stage of Economic and Monetary Union, genuine cooperation in cyclical policy, in achieving price stability, in avoiding competitive devaluations, in improving the institutions with more power for the European Parliament.

He agreed with Mr Johnston that the report was no success story. In recent years the threads of European policy had been lost and nationalism was breeding nationalism. We had to break the dangerous horse-trading habits.

He agreed with Mr Kirk that external events were not alone to blame for the state of the Community. But they had taken us by surprise. Mr Apel pointed out the Community had a high standard of living, with ideas and manpower moving freely: these were achievements millions of other Europeans would like to share.

Mr Apel disagreed with Mr Ansart's analysis and did not share Mr Faure's pessimism. The Community was the most socially-advanced area in the world, particularly as regards the free movement of workers. He agreed with Mr Cousté.

He pointed out that the European Parliament was influential. His conclusion was that despite the setbacks Europe did exist. It was up to all to accept that what it had achieved confronted the Community with the challenge of further achievement.

Sitting of Wednesday, 13 March 1974

II. Parliamentary Conference

Meeting of the EEC–AASM Parliamentary Conference

Debate on the report (Doc. 406/73) drawn up for the Committee on Development and Cooperation by Lord Reay (British, European Conservative) on the results of the Tenth Annual Meeting of the Parliamentary Conference of the EEC–AASM Association (Rome, 30 January to 1 February 1974)

The Committee's report

The focal point of the Tenth Annual Meeting was the debate on the report by Mr Giovanni Bersani (Italian Christian Democrat). There were two major issues facing the Association: the international economic situation and the negotiations for a new Association Agreement.

The increased price of oil and other raw materials, especially cereals, was seriously undermining the economic prospects of many Associated States.

Another point of concern was that the AASM had lost their exclusive access to the Community because of the extension of the EEC's system of generalised preferences. As yet this loss had not been made good in other ways.

The situation in the drought-stricken countries of the Sahel was still extremely serious.

The common stand taken at the negotiations by 44 developing countries was noted as a remarkable political achievement.

The meeting, it was felt, had contributed to a better mutual understanding.

The debate

The following spoke in the debate: Lord Reay (British, European Conservative), Mr Arie Van der Hek (Dutch, Socialist) and Mr Horst Seefeld (German, Socialist).

Mr Claude Cheysson replied on behalf of the Commission.

Lord Reay began by referring to the contacts afforded by meetings of the Association's Joint Committee and its Parliamentary Conference. He felt it worth stressing their value. Turning to the European Development Fund, he said there were two vital principles, (i) the donor must have the final word on whether to pay for a specific project proposed by the developing country or countries and (ii) the Commission must retain sufficient control to ensure funds are used on the purposes for which they were voted.

Lord Reay stressed that the developing countries would need to be involved in the industrial world's financial problem. He then analysed the effects of the world becoming increasingly interdependent.

He recalled Dr Kissinger's saying that 'the overwhelming problem today is to construct a cooperative world order'.

Lord Reay concluded by contrasting 'the world we are leaving and the world we are entering'. In the era we were leaving, the United Kingdom, for example, had continued to claim responsibilities for the ex-colonial territories which she was no longer in a position to discharge. The developing countries, on the other hand, had difficulty in acquiring a feeling of their own independence — '...politically it was a sterile era and we should have no regrets at its passing'.

As for the future, it was important to stress the unprecedented scope for constructive action, the aim of which must be to reach an international political organisation fit to handle the daunting problems of tomorrow.

Mr Van der Hek thought the report had got the emphasis right in setting Euro-African relations in the context of our changing world economy. He asked the Commission what use the developing countries were making of their increased earnings from oil and raw materials so as to overcome the present depression. He also asked whether the Commission thought all the developing countries should receive or only the Associated States.

Mr Seefeld attached special importance to the fact that representatives of the East African Community had attended the Rome Conference as observers. He trusted the negotiations with the 44 countries would be successful. The point at issue was the shape and form of cooperation in the future. Parliament, he said, would be following the work in progress with the closest attention.

Mr Cheysson, replying to the debate, referred first to the reports by Mr Giovanni Bersani and Lord Reay, both of which the Commission fully endorsed. Mr Cheysson described Lord Reay's analysis as 'very brilliant' and agreed with his assessment of the Association's parliamentary institutions. These were in happy contrast to the Association Council which was one of the most upright and boring bodies one could imagine, he said.

The prospects for the developing countries were extremely serious, even disastrous, as Lord Reay had pointed out in his report. The Commission had been making a country-by-country, product-by-product analysis of the situation throughout the Third World. There were three types of economic situations:

- (i) countries whose position was not lastingly better by reason of their raw material exports (oil, phosphates, wood);
- (ii) countries whose improved terms of trade were precarious because their exports (cocoa, coffee, some ores) could be produced in greater quantity in the future;
- (iii) countries whose situation was tragic, either because their exports (tea or manufactures) were either small-scale or had not increased in value.

These countries, from India the largest of them to Burund the smallest, had no economic prospects at all. These were problems that could only be solved at world level through an effort by all who had gained from raw material price rises.

The industrialized states, he added, would probably have to increase their aid. It was important for the new liquidities in circulation to be put to good use, particularly in boosting consumption in the Third World.

Mr Cheysson pointed out that the 44 countries with which the Community was negotiating included 17 of the 25 poorest countries in the world. The Community had therefore to maintain and increase its support for its associates.

He agreed with Lord Reay regarding European Development Fund.

In conclusion he agreed the negotiations would be difficult. The whole of Africa would be seated around the same table. But success would be all the more worthwhile for this reason. It was important for the negotiations to conclude within a reasonable period. The Governments had now to decide on a 'supplementary mandate for the Commission otherwise the Community would be saying to its partners 'the forty-five of you have been able to reach agreement but not the Nine of us'.

The resolution was agreed to.

Sitting of Friday, 15 March 1974

III. Taxation

Value added tax

Debate on the report (Doc. 360/73) drawn up for the Committee on Budgets by Mr Harry Notenboom (Dutch, Christian Democrat) on the Commission's proposal (Doc. 144/73) for a sixth directive approximating the laws of the Member States on turnover taxes – common system of value added tax: uniform basis of assessment.

Introduction

Value added tax is now common to all Member States. It is, of course, a general tax on consumption and as such the basis of the indirect taxation system.

There have now been five directives designed to bring the laws of the Member States into line with each other and the sixth takes this process a stage further. It is, however, more in the nature of a tax law and allows national legislators far less freedom than earlier directives.

The common VAT system as a whole should pave the way for a free flow of goods and services between the Nine. The sixth directive should help towards removing import taxes and export rebates and make for fairer competition. At the same time VAT is to become a source of Community finance. The rate applied to the assessment basis will be less than ten.

The motion in Mr Notenboom's report called for a number of amendments to the Commission's proposals. The debate hinged to a large extent on these amendments and on amendments to the Committee's motion. It will be remembered that up to one point VAT will become Community income as from 1 January 1975 so the basis of assessment will materially affect this issue. It is also to be noted that the Commission proposes that zero rating should be phased out.

The European Conservative Group introduced an amendment arguing that zero rates do not vitiate the system and that Member States should be free to apply zero rates instead of a reduced rate provided the number of rates is restricted to two.

The debate

The following spoke in the debate: Mr Harry Notenboom (Dutch, Christian Democrat), Mr Helmut Artzinger (German, Christian Democrat), Mr Georges Spénale (French, Socialist), Sir Brandon Rhys Williams (British, European Conservative), Mr Pierre-Bernard Cousté (French, European Progressive Democrat), Mr Fazio Fabbrini (Italian, Communist and Allies), Mr Willem Scholten (Dutch, Christian Democrat), Mr Manfred Schmidt (German, Socialist), Mr Marcel Lemoine (French, Communist), Mr Knud Thomsen (Danish, Conservative).

Mr Henri Simonet spoke on behalf of the Commission.

The following spoke on amendments: Mr Willem Scholten (Dutch, Christian Democrat), Sir Brandon Rhys Williams (British, European Conservatives), Mr Henri Simonet (French, Vice-President of the Commission), Mr Harry Notenboom (Dutch, Christian Democrat), Mr Georges Spénale (French, Socialist), Mr Jean-Eric Bousch (French, European Progressive Democrat), Mr Friedrich Burgbacher (German, Christian Democrat), Mr Kurt Härzschel (German, Christian Democrat), Mr Francis Leenhardt (French, Socialist), Mr Francis Vals (French, Socialist), Mr Hans-August Lücker (German, Christian Democrat), Mr Augusto Premoli (Italian, Liberal) and Miss Astrid Lulling (Luxembourg, Socialist).

The number of speakers and the number of amendments tabled gives some idea of the importance Parliament attached to this particular subject.

Introducing his report Mr Notenboom said there had been progress in the customs union but VAT and excise duties raised other problems. This was a big step forward for the Community to take. It would, of course, be followed by a further directive bringing the rates of tax into line with each other. Ultimately too the relationship between direct and indirect taxation would have to be finalized. The final dispensation would depend on the design for Europe that prevailed.

Mr Notemboom said that there was no plan worthy of the name for the Value Added Tax. There was no idea about how the taxes should be collected. It was important, he said, to inform the general public that this was not an increase in taxation but a change. The directives were not designed to place national administrations under superfluous constraints.

There were many differing views on the problem of the zero rate. Some regarded it as a subsidy and some argued that it was a rate of a kind that precluded exemptions or waivers. The Commission intended to phase zero rates out. Mr Notemboom agreed with this.

The Commission's work in harmonizing VAT legislation was important especially as the Community would be self-financing as from 1 January 1975 and the financial contributions of the Member States would include VAT.

Mr Leenhardt, speaking for the Committee on Economic and Monetary Affairs, said the whole problem of VAT was most complex. It was the European Parliament which had stressed the need for fiscal harmonization and seven years later there were still nine different rates. As regards the tariff system itself he thought it inevitable that there should be a conflict between the need for neutrality and the desire for flexibility. The directive would, he stressed, be a step forward towards economic and monetary union.

Mr Héger, speaking for the Committee on Agriculture, was concerned about the fixed rate schedule. He was sure that Mr Simonet would understand that this aspect of the measure must be rejected because it was unfair to small farmers. He looked for a simple system for the benefit of those with no special knowledge.

Mr Simonet, Vice-President of the Commission, said that the purpose of the directive was to establish the basic principles. There would be a further directive on the collection of taxes when the Community had its own resources. This would be the beginning of a political development towards what we all wished for, i.e. a development of a political power that was democratically controlled.

The Commission had tried to make the system flexible for the individual Member States. This was the point of the zero rating. This was a transitional feature which would be phased out with the disappearance of fiscal frontiers. Zero rating could only be applied for social purposes and provided it were applied at the point of consumption.

When the debate was resumed on Thursday morning Mr Artzinger stressed that the harmonization planned would remove certain regrettable practices in the application of VAT. His Group supported the directive which would be very important to the Community.

Mr Spénale stressed the social importance of this directive which affected every branch of the economy.

Sir Brandon Rhys Williams said that the tax on foodstuffs was a hot political issue. It had been the subject of controversy for more than 100 years. He suggested that the United Kingdom's approach was a rational one at a time when all governments were fighting inflation. This approach, of course, involved a zero rating on foodstuffs and this was a tax, not a subsidy. Sir Brandon pointed out that in the USA there were variations from state to state and he thought it would be wrong for the Community to have too much power over the individual details.

Mr Cousté agreed with Sir Brandon but stressed the disadvantages of zero rating which could involve very high rates on some items to compensate for the zero rates on foodstuffs. The aim should be to harmonize rates and retaining zero rates would run counter to this aim.

Mr Fabbrini pointed out that the Communists had already voted against VAT in the Italian Parliament even though he could see its technical advantages. His Group was opposed to the Sixth Directive because he saw no point in dealing with indirect taxation without dealing with direct taxation at the same time and overhauling the whole fiscal policy.

Mr Lemoine criticized VAT for the increase in prices that resulted. It placed a proportionally heavier burden on those with low incomes. On the other hand it was highly beneficial to the multi-national companies.

Mr Thomsen thought that harmonization was not an end in itself and thought that the Commission should allow the Member States to set their own rates.

Closing the debate Mr Notemboom said that his Committee had tried to take account of the special position in the United Kingdom and other countries and of the effects of VAT on consumption. The burden should be equally divided over all income groups.

The main political issue being zero rating, the vote on the amendment tabled by the European Conservatives was awaited with keen interest. This amendment was carried. The second amendment of political importance concerned the small and medium-sized firms and this was also carried. This made the arrangements applicable to them permanent instead of temporary. Parliament rejected amendments which would have had the effect of placing real estate outside the scope of VAT or of exempting investments by public authorities from VAT.

Sitting of Wednesday, 13 March 1974

IV. Energy

Energy policy

Motion (Doc. 344/73) tabled for the Committee on Energy, Research and Technology by Mr Gerd Springorum (German, Christian Democrat) on appropriate medium and long-term measures for the further alleviation of the energy supply crisis in the European Community

The Committee's motion

The committee considers there must be a shift of emphasis from 'cheapest supplies' to 'adequate supplies' and that the Community must act together.

The medium-term measures advocated include:

- (1) avoiding wastage,
- (2) converting to natural gas or electricity for heating,
- (3) fiscal measures to change consumer habits,
- (4) converting natural gas power stations to coal in winter,
- (5) studying manpower in coal-mining,
- (6) greater efforts in coal gasification and liquefaction,
- (7) building large nuclear-powered ships,
- (8) accelerating development of high temperature and fast breeder reactors,
- (9) improving energy transport, storage and distribution,
- (10) speeding up prospecting for new sources of energy in politically safe areas,
- (11) introducing summer time and dividing the Community into time zones,
- (12) electricity generation by nuclear means.

The long-term measures advocated include:

- (1) generous support for the search for new sources of energy and research into the better utilization and recovery of used energy,
- (2) adapting transport policy to the change in the energy sector.

The debate

The following spoke in the debate: Mr Luigi Noè (Italian, Christian Democrat), Mr Gerhard Flämig (German, Socialist), Mr Tom Normanton (British, European Conservative), Mr Jean-Eric Bousch (French, European Progressive Democrat), Mr Helmut Kater (German, Socialist), Lord Bessborough (British, European Conservative), Mr Friedrich Burgbacher (German, Christian Democrat), Mr Pierre Lagorce (French, Socialist) and Mr Gerd Springorum (German), rapporteur.

Mr Henri Simonet replied on behalf of the Commission.

The House as a whole endorsed the motion and the main drift of the many speeches made was how to deal with the crisis.

Mr Springorum, rapporteur, said the Community was in a position to take up the challenge thrown down by the oil-producing countries. But he did not think trips to these states a profitable approach. One way was to curtail consumption but without cutbacks in production. He also suggested 'Summer Time' and production premiums. Mr Springorum was emphatic that joint action was the only answer, a lesson Europe had still to learn, even after the Washington Conference.

Mr Noè stressed the importance of developing alternative sources of energy, particularly through nuclear power stations. He referred to the work of the Batelle Institute in Geneva on a mathematical model showing the precise implications of alternative fuel use. He referred too to the hydrogen conference to be held in Miami and a congress to be held in Rome on geothermic springs.

He reminded the House that in Vienna in July 1973 the Canadian expert Mr Barrett had said we were on the verge of a crisis, not through a lack of resources but through a failure to develop the means available to meet needs.

Mr Noè spoke of a new idea for raising energy, consisting of taking two rocks at a point below ground, where temperatures exceed 3000 degrees, Centigrade, and introducing water which would evaporate to drive steam turbines. As a fuel source, it would last for 30 years.

Mr Noè referred to Mr Cesare Marchetti's view that just as the coal and oil ages had lasted 100 years, so too the nuclear age would probably span the century 1950 to 2050. The scope of technology and human ingenuity were still appreciable, he concluded.

Mr Flämig pointed out that Parliament had for years been prodding the Community to look for alternative sources of energy, but without success. The Socialist group moved two amendments, one on the need to rationalize air and develop waterway transport and one on the recycling of waste materials to save energy.

Mr Normanton stressed that the Community should have one aim in mind: the creation of an indigenous source of power and energy within the Community confines, completely independent of sourcing or replenishing from the rest of the world.

Mr Normanton drew attention to the increasing use of natural gas and the principle of dual firing. In the case of oil, however, such a policy would depend on a truly comprehensive and integrated system of supply pipelines, whether for gas or oil, throughout the Community.

Referring to Summer Time, Mr Normanton said the economic gain was marginal and people were, in any case, reluctant to depart from long-standing customs.

Mr Bousch felt Europe had been too long lulled into an illusion of security by cheap energy supplies. It was now paying for it. But energy could be saved by increased emphasis on public transport, making more of the coal mines and better insulation for buildings. Urban heating should also be developed.

Mr Kater was concerned most about the effect of the crisis on the rate of inflation and, hence, on the cost of living. He referred to the 'Frankfurter Allgemeine's' report that some fuel prices had risen by 145 per cent in February.

The consequences for the Third World, he said, could be very serious. He referred too to the multinational companies whose power had increased appreciably. He concluded on the desirability of a common policy.

Lord Bessborough referred to work being done on solvent extraction of coal and on coal gasification. He added that serious consideration must again be given to the building of nuclear-powered ships, which might well now be competitive with conventionally powered vessels. Lord Bessborough personally recommended the use of the type of reactor installed in the German ship, the 'Otto Hahn'.

Nuclear-powered ships would be particularly appropriate as long range container ships although such ships might prove less necessary if the Suez Canal were to be reopened.

Mr Burgbacher thought the energy crisis was not over nor had it even reached its peak. The latest forecasts for the year 2000 were alarming. Similarly a cutback in available energy would mean stagnation in several branches of the economy. Europe, he said, had to be independent, to bring its discussions to an end and get down to business.

Mr Simonet, replying to the debate, said the Commission agreed almost without reserve with the motion before the House.

There had, he said, been an improvement in the energy situation but there was still a deficit of production and consumption of between 8 and 10 per cent. The main problem was the trend in prices. The Arab states would have a surplus of some \$60,000m, some two-thirds of which would find its way into the complex of financial circuits and would trigger off speculation. Organized floatation blocked this to some extent but one might well ask if the 17,500 million dollars adverse balance of trade would get worse.

The Washington Conference had induced a certain amount of optimism. Eight Member States had agreed to set up a group on coordination. 'We can', he said, 'work towards a common policy. We consider that the oil companies will continue to play a valuable part as intermediaries but we need a better definition of the national and Community roles.' There needed to be a new definition of the role of these companies. In the course of the month the Commission would be submitting a series of proposals and would try to get the Council together so that practical decisions could be taken.

Sitting of Thursday, 14 March 1974

Safeguards against radiation hazards

Debate on the report (Doc. 387/73) drawn up for the Committee on Public Health and the Environment by Mrs Hanna Walz (German, Christian Democrat) on the Commission's proposal (Doc. 299/73) to amend the directives laying down Basic Safety Standards for the health protection of the population and workers against the dangers of ionizing radiations

The Commission's proposal

The original standards, drawn up pursuant to Article 31 of the Euratom Treaty, were the translation into Community directives of recommendations made by

the International Commission on Radiological Protection. These Basic Standards, dating from 1959, were revised in 1962 and 1966. The present amendments are part of a general revision to improve the organization of radiological protection.

'Basic Standards' are incidentally defined by Article 30 of the Euratom Treaty as follows:

- (a) maximum permissible doses compatible with adequate safety;
- (b) maximum permissible levels of exposure and contamination;
- (c) the fundamental principles governing the health surveillance of workers.

The Committee's report

The committee welcomed the Commission's proposal and urged the Council to adopt it forthwith. But it called on the Commission to make the public aware of the high security of reactors, the relatively low level of radioactivity, the Euratom safety standards and the considerable advantages of nuclear power stations compared with conventional thermal power stations.

The debate

The following spoke in the debate: Mrs Hanna Walz, rapporteur, Mr Pierre Lagorce (French, Socialist), Mr Augusto Premoli (Italian, Liberal) and Mr Doeke Eisma (Dutch, Socialist).

Mr Scarascia Mugnozza replied on behalf of the Commission.

Presenting her report, Mrs Walz endeavoured to set radiation dangers in perspective. The problem was how to keep the general public informed about highly complex technologies.

Mr Lagorce underlined the comment in Mrs Walz's report 'there is no absolute security'. He wanted to express his concern and to voice the anxiety of the layman. He thought it contradictory to say the benefits of nuclear energy were out of all proportion to the risk, given there was no absolute security. He called for a large-scale Community drive to inform the public about the high level of security in the use of nuclear energy and to reassure the public about the future.

Mr Premoli said the oil crisis had given a boost to nuclear power stations as an alternative source of power; it was regrettable that the short-sightedness of the governments had held back the switch-over to substitute fuels. Some years previously the House had courageously rejected a Euratom budget as a protest against the Council's policy. Mr Premoli strongly supported amending the directive to read that the worker had a right to safe working conditions.

Mr Scarascia Mugnozza said the whole problem deserved more attention. The difficulty was that experts disagreed about the effects of radiation on animal and plant life. He agreed the Commission's information drive, first launched in 1959, could be stepped up. He suggested to Mr Premoli that directives were for Member States to translate into law. He had reservations about the amendment moved.

A resolution summing up the committee's opinion was agreed to.

Sitting of Monday, 11 March 1974

V. Economic Affairs

Commission's statement on the economic situation in the Community

Debate on the report (Doc. 407/73) drawn up for the Committee on Economic and Monetary Affairs by Mr Jean-Eric Bousch (French, European Progressive Democrat) on the Commission's statement on the economic situation in the Community

The Commission's statement

It will be remembered that Mr Ralf Dahrendorf, who spoke for Mr Haferkamp, made his statement to the House on Thursday, 14 February 1974. The increase in the real gross Community product had been 5.72 per cent, the highest rate since 1969. But 1973 had also been the sixth successive year of accelerating inflation: consumer prices rose by 8.5 per cent. And the oil crisis would make the Community's external balance much more unfavourable: a deterioration of 17,500 million dollars in the Community's trade and services account with non-member countries. There was a great risk of a return to protectionism. He warned of the high social cost and dangers of such a backward step.

The Council, he said, should issue a statement expressing the intention of the Member States to refrain from any currency devaluation designed to secure competitive advantage and from any measures that restrict trade. The Commission would also like the Member States to consult each other effectively and on a continuous basis on their exchange rate policies and the measures having a direct bearing on them.

The committee's report

The committee shared the Commission's concern about the economic situation and was particularly worried as to whether adequate measures were being taken to deal with it.

The committee's motion

- (1) noted that the machinery for coordinating economic and monetary policies in the Community was proving totally inadequate and considered that the advanced interpenetration of the economies of the Member States called for a redistribution of powers between the Community institutions and the national authorities;
- (2) asked the Commission to draw the logical conclusions from these findings and submit proposals to the Council which went beyond simple technical amendments to existing procedures and involved an extension of the implementing and decision-making powers of the Community institutions;
- (3) considered budgetary, monetary and credit policies in particular should have been the subject of binding Community decisions;
- (4) repeated that, where powers in respect of economic and monetary policy were transferred from the national level to the Community, democratic supervision should have been ensured by increasing the powers of the European Parliament.

The debate

The following spoke in the debate: Mr Erwin Lange (for Mr Bousch), Mr Friedrich Burgbacher (German, Christian Democrat), Sir Brandon Rhys Williams (British, European Conservatives), Mr Gabriel Kaspereit (French, European Progressive Democrat) and Mr Jean-Eric Bousch (French, European Progressive Democrat).

Mr Wilhelm Haferkamp spoke on behalf of the Commission.

Introducing the report on Mr Bousch's behalf, Mr Lange said there were three serious problems: accelerating price increases, the threat to employment and adverse balances of payment. He agreed with the Commission that these problems could only be dealt with through reasonable joint action.

Turning to the institutions Mr Lange asked if the Commission and Parliament ought to arraign the Council before the Court of Justice of the European Communities.

Mr Lange was critical of the whole institutional structure of the Communities. Europe was on the point of disintegration and the Commission must propose the rejection of the Luxembourg agreements to enable the Council to act.

Mr Burgbacher saw the main problem as being the organization of its capital market. Only if this were done and the Arab States invested in it, would it be possible to avoid their destroying it. He pointed out that the oil producers were the first to realise their powers; but if bauxite producers, for example, called for higher prices, this could lead to raw material increases all round. The price of gold was going up all the time, which demonstrated how little confidence people had in paper money. Mr Burgbacher said the Christian Democrats supported the committee's motion.

Mr Lange, speaking for the Socialists, said his Group also supported the motion.

Sir Brandon Rhys Williams said 'I am sure that all of us in the European Parliament would oppose any tendency to return to purely nationalist policies in the economic sphere'.

Sir Brandon said that experts discussing the danger of a recession, a decline in investment and the under-use of resources were obviously echoing a genuine fear. 'But it would, he said, not only be a blunder to permit a recession at this time; it would be a crime against humanity, when the world is calling for our goods and is in a position to pay for them, that we should allow a situation to develop in the Community which leads to a reduction in production. That would be a defiance of economic sense and of our responsibility to the world economy as a whole.'

Mr Kaspereit found the Commission's statement incomplete. It should include new guidelines. How, he asked, can the Community contain the increase in energy consumption without this affecting growth and employment. He saw the real issue as being that of financing external debts by attracting new liquidities.

Replying to the debate, Mr Haferkamp said that today's economic difficulties gave good cause for concern about the Community's lack of political resolve. He drew attention to variations within the Community. The five countries within 'the snake' would have a surplus of between 4,000 and 5,000m u.a. while those outside it would have a deficit of over 20,000m u.a.

Those in 'the snake' should maintain a growth rate of 3 to 4 per cent or even more.

The aim remained to bring the economic and monetary policies of the Nine into line with each other. 'We can't wait for monetary reform by the Ten, the Twenty or the 130. We must begin here. We must avoid drifting apart', he concluded.

Sitting of Wednesday, 13 March 1974

VI. Agriculture

Sugar: market and prices

Debate on the report (Doc. 393/73) drawn up for the Committee on Agriculture by Mr Jan de Koning (Dutch, Christian Democrat) on the amendments to the Commission's proposals (Doc. 388/73–1/II) for

- I. a regulation supplementing Regulation No. 1009/67/EEC on the common organization of the market on sugar
- II. a regulation fixing for the 1974/75 sugar marketing year derived intervention prices, intervention prices for raw beet sugar, minimum prices for beet, threshold prices, the guaranteed quantity and the maximum amount of the production levy.

The Commission's proposals

The Commission's proposals for amending the Basic Regulation No. 1009/67/EEC are (i) that the Council shall not fix the guaranteed quantity for the sugar marketing year 1974/75 until arrangements for imports from some developing countries as from 1 January 1975 have been made and (ii) that Article 6 fixing the guaranteed quantity for 1974/75 at 8.29m tons of white sugar should be deleted.

The Committee's report

The committee moved endorsement of the Commission's proposals subject to the guaranteed quantity being fixed at not less than 8,290,000 tons of white sugar.

The debate

The following spoke in the debate: Mr Albert Liogier (French, European Progressive Democrat), Mr John Hill (British) and Mr Nicolla Cipolla (Italian) for the Communists and Allies.

Mr Scarascia Mugnozza, Commissioner, replied that the Commission accepted the guarantee figure proposed.

A resolution, giving the committee's opinion was then agreed to, the Communists and Allies voting against.

Sitting of Monday, 11 March 1974

Cereals

Debate on the report (Doc. 394/73) drawn up for the Committee on Agriculture by Mr Jan de Koning (Dutch, Christian Democrat) on the Commission's amended proposal (Doc. 388/73-III) for a regulation amending Regulation No. 120/67/EEC on the common organization in the market in cereals

The debate

Mr de Koning asked for approval of the Commission's proposals.

A resolution to this effect was agreed to.

Sitting of Monday, 11 March 1974

Soya beans

Debate on the report (Doc. 395/73) drawn up for the Committee on Agriculture by Mr Jan de Koning (Dutch, Christian Democrat) on the Commission's amended proposal (Doc. 388/73-IV) for a regulation extending to soya beans the system of prices applicable to oilseeds

The debate

Mr de Koning asked for approval of the Commission's proposals. A resolution to this effect was agreed to.

Sitting of Monday, 11 March 1974

Processed agricultural products

Debate on the report (Doc. 399/73) drawn up for the Committee on Agriculture by Mr Charles Emile Héger (Belgian, Christian Democrat) on the Commission's proposal (Doc. 397/73) for a regulation amending Article 4(a) of Regulation (EEC) No. 974/71 as regards the monetary compensatory amounts applicable to processed agricultural products

The debate

The following spoke in the debate: Mr Charles Emile Héger (Belgian, Christian Democrat), Mr James Scott-Hopkins (British, European Conservative) and Mr Nicola Cipolla (Italian, Communist).

Mr Scarascia Mugnozza replied on behalf of the Commission.

Mr Héger noted that a distinction was to be made between the variable and the constant factors in import charges. This would make it easier to work out the appropriate level of protection for processed products.

A resolution approving the Commission's proposals was agreed to.

Sitting of Monday, 11 March 1974

Survey of agricultural holdings

Debate on the report (Doc. 400/73) drawn up for the Committee on Agriculture by Mr Cornelis Laban (Dutch, Socialist) on the Commission's proposal (Doc. 167/73) for a directive on the organization of an intermediate survey as part of a programme of surveys on the structure of agricultural holdings

The Commission's proposal

The need for high quality information is a prerequisite for a successful Community policy. Hence this proposal.

Mr Cornelis Laban (Dutch, Socialist), rapporteur, spoke.

Mr Petrus Lardinois replied on behalf of the Commission.

Parliament agreed to a resolution approving the Commission's proposal subject to this being for a regulation and, accordingly, for it to be binding and directly applicable in all Member States.

Sitting of Friday, 15 March 1974

Fruit tree statistics

Debate on the report (Doc. 385/73) drawn up for the Committee on Agriculture by Mrs Elizabeth Orth (German, Socialist) on the Commission's proposal (Doc. 346/73) for a Directive No. 71/286/EEC, dated 26 July 1971, concerning statistical surveys to be carried out by Member States to determine the production capacity of plantings of certain tree fruits

The Commission's proposal

These surveys are urgently needed for forecasting fruit crops and, in the medium term, for estimating production and market supply.

The committee's opinion

The committee approves the Commission's proposal but urges the Commission to press the Member States to comply with the time limits stipulated.

Mr Petrus Lardinois replied on behalf of the Commission.

A resolution summing up the Committee's opinion was agreed to.

Sitting of Friday, 15 March 1974

Processed fruit and vegetables

Debate on the report (Doc. 401/73) drawn up for the Committee on External Economic Relations by Mr Jan Baas (Dutch, Liberal) on the Commission's proposal (Doc. 345/73) for a regulation concerning the system of trade with third countries in the market in products processed from fruit and vegetables

The Commission's proposal

The proposal provides for a system of floor prices for sensitive products to preclude abnormally low import prices for products processed from fruit and vegetables.

The committee's opinion

The committee approved the Commission's proposal but asks for annual reports so as to determine whether adaptations in the regulation are desirable.

A resolution summing up the committee's opinion was agreed to.

Sitting of Friday, 15 March 1974

Liqueur wine and grape musts

Debate on the report (Doc. 392/73) drawn up for the Committee on Agriculture by Mr Francis Vals (French, Socialist) on the Commission's amended proposal (Doc. 371/72) for a regulation amending Regulation (EEC) No. 816/70 as regards the definition of liqueur wine and of certain grape musts

The Commission's amended proposal

The original proposal concerned the total maximum content of sulphur dioxide in wines other than sparkling wines and liqueur intended for direct human consumption in the Community. This was less favourable to imported than to Community wines. The amended proposal rectifies this situation.

The committee's opinion

The committee approved the proposal for a regulation.

A resolution to this effect was agreed to.

Sitting of Friday, 15 March 1974

VII. Social Affairs

Mines Safety

Debate on the report (Doc. 384/73) drawn up for the Committee on Public Health and the Environment by Mr James Gibbon (Irish, European Progressive Democrat) on the Commission's proposals (Doc. 305/73) for

- I. a decision the setting up of a general committee on safety at work.
- II. a decision to confer on the Mines Safety and Health Commission the task of continuing its preventative action in the field of safety at work in the whole range of extractive industries

The Commission's proposals

The Commission notes that since the Rome Treaty was signed

- the overall frequency of industrial accidents has not diminished decisively or for any length of time;
- the most laborious and unhealthy work is shunned by Community workers and done by an increasing number of foreign workers;
- technical progress continually creates production methods which involve dangers and difficulties. These should be eliminated as quickly as possible and this can only be achieved by considerable effort.

This called for preventative action. To see this through a general Committee on safety at work is needed.

As regards preventative action in the mines, the Commission points out that fatalities over the last ten years have been at the rate of six killed per year per thousand employed persons.

The figure is less in coal mines but is particularly high in open-cast quarries.

Apart from fire-damp, which is particular to coal mines, the safety problems are similar. They include:—

- in deep mines, problems connected with subsidence and ventilation and atmosphere;
- for all mining, problems of transport in a confined space, laborious work (heavy tools, uncomfortable posture, confined space) and working environment (dust, lighting);
- finally, all mining activity is faced, to a varying degree, with problems of blasting, roof fall and particular difficulties in operating machinery.

Hence the Commission's proposal.

The committee's report

The committee is concerned about the frequency of fatal accidents in extractive industries, which is higher in these industries than in any other.

The committee welcomes the proposals subject to certain modifications.

On behalf of the Commission, Dr Patrick Hillery agreed to the amendments proposed.

The committee's resolution was agreed to.

Sitting of Friday, 15 March 1974

Cosmetics

Debate on the report (Doc. 383/73) drawn up for the Committee on Public Health and the Environment by Mr Karl-Heinz Walkhoff (German, Socialist) on the Commission's amended proposal for a directive on the approximation of the legislations of the Member States on cosmetics

The Commission's amended proposal

This takes account of a resolution Parliament agreed to in July 1973. But it does not meeting Parliament's wishes to the point called for by the requirements of

consumer health and safety. In its report, the committee urges the Commission to accept

- (a) the compulsory requirement that information given on containers and labels of cosmetic products be printed in the language of the country of destination,
- (b) the implementation of the system of compulsory positive lists of cosmetic products within the next five years.

The debate

The following spoke in the debate: Mr Karl-Heinz Walkhoff (German, Socialist), Mr John Brewis (British, European Conservative) and Mrs Elizabeth Orth (German, Socialist).

Mr Petrus Lardinois replied on behalf of the Commission.

A resolution summing up the committee's opinion was agreed to. This regretted the Commission's failure to take note of its proposals of 6 July 1973 and insisted the Commission took into account its demands regarding the system of compulsory positive lists of cosmetic products.

Sitting of Friday, 15 March 1974

Social security for migrant workers

Debate on the report (Doc. 405/73) drawn up for the Committee on Social Affairs and Employment by Mr Ferruccio Pisoni (Italian, Christian Democrat) on the Commission's proposal (Doc. 347/73) to amend Regulations Nos. 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community

Mr Luigi Noè introduced the report on Mr Pisoni's behalf and Dr Patrick Hillery replied on behalf of the Commission.

Mr Noè pointed out that the regulation was designed to bring a whole series of provisions together in a single document. Individual workers were, however, continuing to experience difficulties. It would therefore be preferable to issue a separate summary for each country in addition to the general text.

Dr Hillery accepted the rapporteur's suggestion.

A motion was moved endorsing the Commission's proposal.

The resolution was agreed to.

Sitting of Friday, 15 March 1974

VIII. Cultural Affairs

European University

Debate on the report (Doc. 396/73) drawn up for the Committee on Cultural Affairs and Youth by Mr Egon Alfred Klepsch (German, Christian Democrat) on the Convention setting up a European University Institute

The committee's opinion

This opinion, submitted for Parliament's approval, welcomed the Convention but deplored the lack of any institutional link between the University and the Communities. The committee trusted the Governments would actively involve the Community institutions. The committee found unsatisfactory the Institute's status as research centre for post-graduates; it should become a university in the true sense.

The debate

The following spoke in the debate: Mr Egon, Alfred Klepsch (German, Christian Democrat) and Mr Karl-Heinz Walkhoff (German, Socialist).

Mr Petrus Lardinois replied on behalf of the Commission.

Mr Lardinois agreed with the committee's opinion; for practical reasons, however, it had not been possible to go as far as had been hoped.

A resolution approving the Convention was agreed to.

Sitting of Friday, 15 March 1974

IX. External relations

Agreement with India

Debate on the report (Doc. 402/73) drawn up for the Committee on External Economic Relations by Mr Pierre-Bernard Cousté (French, European Progressive Democrat) on the Commercial Cooperation Agreement between the European Economic Community and the Republic of India

The committee welcomed the signing of the agreement. The committee approved the agreements on jute and coir products and urged that negotiations on cotton textiles and cotton industry goods be concluded without delay.

The committee welcomed the setting up of a Joint Commission and trusted that it would be free to seek ways to promote trade and capital investment, to facilitate technical cooperation and solve India's energy problems.

A resolution to this effect was agreed to.

Sitting of Wednesday, 13 March 1974

Agreement with Brazil

Debate on the report (Doc. 381/73) drawn up for the Committee on External Economic Relations by Mr Egon Alfred Klepsch (German, Christian Democrat) on the Trade Agreement concluded between the European Economic Community and the Federative Republic of Brazil

The committee approved the agreement.

A resolution to this effect was agreed to.

Speaking for the Communists and Allies Group, Mr Sandri objected to the agreement on political grounds.

Sir Christopher Soames replied:

'The burden of Mr Sandri's speech seemed to me to be that he did not think we should make this trade agreement with Brazil because he did not like the political system in Brazil. Whatever views honourable Members may take of the political conditions in that or in other countries at the moment, however, they will be aware that the Community has never taken the view that to promote trade with a country implies approval of its domestic political system. If we fostered trade only with those countries that have the same sort of democratic system as our own, where there is no persecution as we mean the word 'persecution' and where the freedoms and human rights are as we know them in Europe, our ability to trade would, alas, be severely circumscribed, as I am sure Mr Sandri would be the first to agree.'

Sitting of Wednesday, 13 March 1974

Agreement with the Lebanese Republic

Debate on the report (Doc. 380/73) drawn up for the Committee on External Economic Relations by Mr Pierre-Bernard Cousté (French, European Progressive Democrat) on the Agreement between the EEC and the Lebanese Republic

The committee welcomed the agreement.

A resolution to this effect was agreed to.

Sitting of Wednesday, 13 March 1974

Agricultural products from Turkey

Debate on the report (Doc. 404/73) drawn up for the Committee on External Economic Relations by Mr Giovanni Boano (Italian, Christian Democrat) on the Commission's proposal (Doc. 398/73) to amend Council Regulation No. 3574/73 on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey.

The Commission's proposals

This corrects an error in an earlier proposal.

The committee's opinion

The committee approved this proposal.

A resolution to this effect was agreed to.

Sitting of Friday, 15 March 1974

X. Regional Policy

Motion for a Resolution (Doc. 5/74) tabled by Mr Horst Gerlach (German, Socialist), Mr Karl Mitterdorfer (Italian, Christian Democrat) and Mr Egbert Wieldraaijer (Dutch, Socialist)

on the Community's regional policy as regards the regions at the Community's internal frontiers

The European Parliament

1. calls upon the Commission to include the programmes for cross-frontier cooperation in regional policy at the Community's internal frontiers in the support offered by the Regional Development Fund and to extend accordingly in its new proposals to the Council the list of regions to receive support;
2. demands that resources of the European Investment Bank and the Social Fund should be used in particular for projects in areas which are near to or which cross frontiers;
3. calls upon the Commission to create legal bases for cross-frontier cooperation between local authorities in frontier areas;
4. calls upon the Commission to support as a model case the cooperation in matters of regional policy resulting from local initiative at the Dutch-German frontier, which has become known as the 'Euregio', and to this end:
 - to help finance the 'socio-cultural study commission' set up for this region,
 - to make it financially possible to bring up to date the expert opinion on structure produced for the region,

- to make it financially possible for common statistics on the 'Euregio' region to be produced as a model case for the approximation of statistics in Europe, and to have them produced by the Community Statistics Office;
5. also calls on the Commission to give greater consideration to the recognition of diplomas in terms of the need for cooperation at the Community's internal frontiers and to speed up considerable work concerned with this;
 6. instructs its Committee on Regional Policy and Transport to submit a report on all problems concerning regional cooperation at the Community's internal frontiers, and a further report on the possibility of encouraging cooperation in matters of regional policy by the European institutions at the Community's external frontiers.

This resolution was agreed to.

Sitting of Wednesday, 13 March 1974

XI. Question Time

Questions to the Council

Prospects offered to the Community by the European-Arab Conference

Question No. 1/74 by Mr Pierre-Bernard Cousté (French, European Progressive Democrat)

‘Can the Council state what prospects are offered by the European-Arab Conference decided in principle by the Ministers of Foreign Affairs of the Member States on 4 March 1974, within the framework of political cooperation?’

Mr Hans Apel, President of the Council of Ministers replied:

‘With regard to the proceedings of the Ministers for Foreign Affairs, you must appreciate that in my position as President of the Council, I cannot discuss them here. However, this evening I shall give all the relevant details to your Political Affairs Committee.’

The Council has discussed matters relating to cooperation with the Arab States and coming within the purview of the Community, but has not yet reached any decision. As soon as a decision has been taken, I shall certainly inform the European Parliament.’

Sitting of Wednesday, 13 March 1974

Proposals of the Council for a common position in the foreign policy of the European Community

Question No. 2/74 by Sir Tufton Beamish (British, Conservative)

‘What positive proposals has the Council to ensure that the Nine member countries speak increasingly with one voice in important world affairs as decided in paragraph 1 of the Summit communiqué of the 15 December 1973?’

Mr Hans Apel, President of the Council of Ministers, replied:

'As regards problems within the purview of the European Communities, I may remind you that the Community always endeavours to have a common or coordinated attitude. Such common attitudes are generally worked out within the Council but also, where necessary, at on the spot coordination meetings where participation in international organizations or meetings is involved. This is an accepted practice which has always been followed by the Community.

Insofar as the Honourable Member's question relates to the sphere of political cooperation, I must point out that the latter does not fall within the jurisdiction of the Council but is a matter for the Ministers for Foreign Affairs of the Member States. It is not, therefore, part of the Council's functions to make proposals in this sphere.

However, if you so desire, this question could be raised during the discussions to be held this evening with the Members of the Political Affairs Committee.'

Sitting of Wednesday, 13 March 1974

Questions to the Commission

Free competition in the shipping sector within the Community

Question No. 3/74 by Mr John Brewis (British, Conservative)

'The Commission is asked what action it will take in the shipping sector to encourage free competition within the Community and to prevent flag discrimination by external states?'

Mr Scarascia Mugnozza replied that action should be taken, in the Commission's view; the difficulty was that a common policy for air and sea transport called for a unanimous decision by the Council of Ministers. The Commission had sent a memorandum on transport policy to the Council and was holding meetings with ship owners and other interested parties. Their purpose was to determine the scope and limits of action in this field. Proposals would be submitted to the Council in a few months time.

Flag discrimination was being discussed at trade negotiations under Treaty Article 113 but progress had not been encouraging. Proposals would be made to deal with this difficulty.

Sitting of Wednesday, 13 March 1974

Reorganization of the Joint Research Centre

Question No. 4/74 by Mr Luigi Noè (Italian, Christian Democrat)

‘How soon does the Commission propose to complete the reorganization of the Joint Research Centre, in view of the need to implement the pluriannual programme adopted in February 1973 and to re-form the top management structure following the application of the voluntary retirement procedure?’

Mr Ralf Dahrendorf replied that a number of research workers had taken advantage of the voluntary retirement option extended when the Communities were enlarged. It was hoped the vacancies would be filled.

Mr Noè argued that if this took too long it could be prejudicial to the pluriannual programme. The Committee on Energy, Research and Technology would soon be visiting the Joint Research Centre at Ispra and he hoped this would be dealt with by then.

Mr Dahrendorf agreed that vacancies must be filled as quickly as possible.

Sitting of Wednesday, 13 March 1974

Facilities for Italian emigrants to participate in the divorce referendum

Question No. 5/74 by Mr Luigi Marras (Italian, Communist)

‘Does the Commission agree that the Governments of Member States should – by approaching employers, providing additional transport facilities, and reducing fares – enable the greatest possible number of Italian migrant workers to travel home to take part in the forthcoming referendum on the divorce law?’

Mr Dahrendorf replied that Community law provided no means of constraining Member States to facilitate participation by migrant workers in elections or referenda in the home country.

The Commission was aware of the problem. At the last general election in Italy, fewer than 5,000 of the 650,000 migrant workers entitled to vote had done so. Mrs Caretoni Romagnoli challenged these figures. Mr Dahrendorf said he would check them. Mr Girardin agreed with Mrs Caretoni Romagnoli.

Mr Jahn suggested postal voting. Mr Dahrendorf thought this a welcome suggestion but felt it might be hard to introduce.

Sitting of Wednesday, 13 March 1974

Future relations between COMECON and the European Community

Question No. 6/74 by Mr Schelto Patijn (Dutch, Socialist)

‘Has the Commission already established contact with a COMECON representative concerning future relations between this organization and the European Community, and if so, what is the nature of such contacts?’

Sir Christopher Soames replied as follows:

‘As my honourable friend, Mr Dahrendorf, told the House in February, the situation in regard to COMECON is that the Danish Ambassador in Moscow, in his capacity as a representative of the President, conveyed a reply to Mr Fedayev, the General Secretary of COMECON, last September.

The Community’s reply stated that we had taken note of the informal démarche by the General Secretary of COMECON and, should COMECON wish to take the matter further, they should do so with the Commission.

I welcome this opportunity to confirm, in case there has been any misunderstanding, that this reply was in no sense a negative one but was merely the normal Community response to such an approach and that if COMECON wishes to pursue the matter, the Commission stands ready to have an exploratory discussion with them about the areas of possible cooperation.’

Sitting of Wednesday, 13 March 1974

XII. Oral questions with debate

Protecting the privacy of the Community's citizens

Oral question No. 193/73 with debate by Mr Pierre-Bernard Cousté (French, European Progressive Democrat)

'Many large data banks are already operational or being set up in the Community countries.

Does the Council propose to take adequate measures, within the framework of Community data processing policy, to protect and guarantee the privacy of citizens, in particular by strictly regulating conditions for access to such information?'

Mr Hans Apel, President-in-Office of the Council, replied:

1. In its Resolution on industrial policy adopted on 17 December 1973, the Council made provision for the first decisions in the data processing sector to be adopted before 1 October 1974 on the basis of the proposals contained in the communication submitted by the Commission. This communication, which was accompanied by a draft Resolution and was submitted to the Council at the end of last November, sets out the main points of a Community data processing policy.

2. In this communication, which was referred to the European Parliament, the Commission particularly emphasizes the need to protect private individuals from the development of data processing. As the Honourable Member rightly points out, many data banks are already operational or being set up in the Community countries. Large quantities of information of various kinds such as private, medical, fiscal, etc., are stored in these data banks. Strict rules for access to this information must therefore be laid down in order to ensure that the privacy of private individuals is protected.

3. As the Council has not yet discussed the Commission's communication and has not yet received any formal proposals in the field of data processing, it is not yet in a position to comment on the measures to be adopted to ensure such protection.

As to whether each country should be left to guarantee this protection under its own legislation, or whether provision should be made in the framework of Community rules for approximating the laws of Member States, or on the contrary whether common basic rules should be adopted, in accordance with the Commission's wishes, these are matters of fundamental importance on which the Council has not yet expressed its opinion.

In any case, the Council will take into consideration any authoritative opinions expressed on this subject and can assure the Honourable Member that it will devote its full attention to this problem, which is central to the protection of the privacy of private individuals, when examining any proposals in respect of the data processing sector which the Commission may submit to it.'

Sitting of Wednesday, 13 March 1974

Development of the Economic Community

Oral question No. 197/73 with debate by the Committee on Economic and Monetary Affairs

'When and to what extent does the Council intend to promote the Economic Community into the second stage of economic and monetary union?'

Mr Hans Apel, President-in-Office of the Council, replied:

'At its meeting of 17 December 1973, the Council reached agreement on all but two paragraphs, relating to structural policies, of a resolution concerning the content of a second stage in Economic and Monetary Union. Copies of the resolution have been made available to the European Parliament.

Transition to the second stage is linked to the question of regional policy which is an important element in achieving Economic and Monetary Union and upon which agreement has not yet been reached by the Council. It is therefore not possible at the present juncture to say when the Council will be in a position to adopt the resolution concerning transition.

Furthermore, at its meeting of 18 February 1974, the Council formally adopted, in the official languages of the Communities, the following acts, which have been published in the Official Journal:

- the Decision concerning the achievement of a high degree of convergence of the economic policies of the Member States of the European Economic Community;
- the Directive concerning stability, growth and full employment in the Community;
- the Decision setting up an Economic Policy Committee;
- the Resolution on short-term monetary support.

Sitting of Wednesday, 13 March 1974

Control of the activities of oil companies

(taken with Oral question No. 205/73)

Oral question No. 204/73 with debate by Mr Giorgio Amendola (Italian), Mr Gustave Ansart (French) and Mr Gerard Bordu (French) for the Communists and Allies.

'Given that the big oil companies, which are mostly American, have recently, by coordinated direct price-fixing, limiting outlets, partitioning markets and unfairly exploiting their trading partners, been increasing their monopolistic practices;

Given the effects of the economic and political domination which the big oil companies, supported by the American Government, exercise on the various Community Member States and the weakness of the reactions of both national governments and Community bodies;

We are concerned at the social, economic and political consequences of such a situation and accordingly ask the Commission of the European Communities:

1. what conclusions it draws from this situation and whether, faced by repeated violations of the provisions of the Treaty of Rome, it intends imposing sanctions and, if so, which?

2. whether it intends to present the Council with a proposal for the immediate establishment of a public committee of inquiry and investigation including both workers and elected representatives in order to prevent these oil companies from abusing their position and ensure adequate permanent control of their activities? ’

Abuse by oil companies of their dominant positions

Oral question No. 205/73 with debate by Mr Giorgio Amendola (Italian), Mr Francescopaolo D’Angelosante (Italian) and Mr Gérard Bordu (French) for the Communists and Allies.

‘Having regard to legal proceedings pending in Italy against directors and representatives of oil companies for suspected offences such as price-rigging; having regard to similar proceedings instituted by the judicial authorities of the United States; having regard to reports of similar offences on other Member States of the Community both in the press and by politicians and members of government:

1. Does the Commission regard this behaviour on the part of oil companies as an abuse of their dominant positions seriously infringing fair competition (Article 86 of the Treaty)?
2. Does the Commission intend to take action against the offending parties with a view to applying the sanctions provided in current Community legislation? ’

The debate

The following spoke in the debate: Mr Gérard Bordu (French, Communist), Mr Luigi Noè (Italian) for the Christian Democrats, Mr Arie Van Der Hek (Dutch) for the Socialists and Mr Mario Scelba (Italian, Christian Democrat).

Mr Borschette replied on behalf of the Commission.

Mr Bordu, who introduced these two questions together, asked whether the Commission intended to take sanctions against oil companies for taking unfair advantage of their dominant position in the market and whether it envisaged

introducing standing controls or setting up committees of enquiry which would comprise representatives of the workers.

In reply, Mr Borschette said he was also concerned about the conduct of the large oil companies, whether European or American. In December 1973 the Commission had for this reason initiated a study into price policy, especially in relation to the smaller operators who did not have their own refining capacity. There were many difficulties in conducting this enquiry. The petroleum product market was very complex.

The Commission had therefore to determine the role played by the oil companies themselves and that played by the national authorities. If its conclusion were that oil companies had acted together to undermine competition or had misused its power it would have to take the necessary sanctions.

Mr Borschette pointed out, however, that action of this kind was not to be confused with measures taken under fiscal law which were unrelated to infringements of the rules of competition.

Sitting of Thursday, 14 March 1974

XIII. Oral questions without debate

Environmental measures proposed by the EEC Commission

Oral question No. 196/73 without debate by Mr James Scott-Hopkins
(British European Conservative)

‘The Council is asked whether they agree that it is within the articles of the Treaty of Rome, including Article 235, that environmental measures proposed by the EEC Commission should continue to be put forward even though they fall outside the competence of articles 43, 75, 100-102, 117, 118, 228, 231, Euratom Treaty articles 30-39, ECSC Treaty article 55?’

Mr Hans Apel, President-in-Office of the Council, replied:

‘The Council adopted a Community environmental programme on 22 November 1973. As part of this programme the Council adopted a certain number of measures to be taken at Community level and noted that the Commission would submit suitable proposals at a later date. A good number of these proposals could certainly be adopted on the basis of the Articles quoted by the Honourable Member. However, a final reply on this matter cannot be given until concrete proposals have been placed before the Council. This does not, nevertheless, preclude recourse to other Articles – indeed, it would seem that it is rather the converse which holds true. When adopting the programme the Council acknowledged that the qualitative improvement of living conditions and the safeguarding of the natural environment were part of the vital tasks incumbent upon the Community and that such tasks should be of a global nature and could not therefore be undertaken within the framework of sectoral policies. It is for this reason that various Articles of the Treaties other than those mentioned by the Honourable Member (specifically Article 235 of the EEC Treaty), could also serve as a legal basis for the environmental measures in question.’

At the Conference held in Paris on 19 and 20 October 1972 the Heads of State or of Government were agreed in thinking that, for the purpose in particular of carrying out the tasks laid down in the different programmes of action, it was desirable to make the widest possible use of all the provisions of the Treaties, including Article 235 of the EEC Treaty. This statement is particularly applicable to the environmental programme.

It is quite clear from this Article that the necessary action may be taken by the Community for the purpose of attaining any of the objectives the Community sets itself. In addition, it was acknowledged in the environmental programme of 22 November 1973 that the fulfilment of the task incumbent upon the Community under Article 2 of the EEC Treaty, i.e. "to promote throughout the Community a harmonious development of economic activities and a continuous and balanced expansion", called for effective pollution and nuisance control and the qualitative improvement of living conditions and the safeguarding of the natural environment. The Council has therefore approved in principle this basic pre-condition contained in Article 235, in order to adopt the environmental measures in question.'

Sitting of Wednesday, 13 March 1974

Fuel prices in the coastal fishing industry

Question No. 3/74 by Mr Horst Gerlach (German, Socialist)

'What measures has the Commission introduced to eliminate the distortions of competition affecting the coastal fishing industry of the Federal Republic as a result of differences in the prices of fuels, which are obviously subsidized in neighbouring Member States?'

Mr Horst Gerlach (German, Socialist) spoke.

Mr Petrus Lardinois replied on behalf of the Commission.

In reply Mr Lardinois said the Commission had made proposals to the Council to preclude such anomalies. There had been considerable increases in the price of heavy oils in Germany and this had affected her fishing fleet. The Dutch and Danes, however, had not experienced the effects of this until late October. A subsidy could be granted but this would only be effective in the short-term and should be followed by harmonization throughout the Community.

Sitting of Friday, 15 March 1974

XIV. Other matters

Number of committees of the European Parliament and their membership

Motion for a Resolution (Doc. 391/73) tabled by Mr Hans-August Lücker (German, Christian Democrat), Mr Lucien Radoux (Belgian, Socialist), Mr Jean Durieux (French, Liberals and Allies), Mr Albert Liogier (French, European Progressive Democrat), Sir John Peel (British, European Conservatives) and Mr Giorgio Amendola (Italian, Communists and Allies) on the number of committees of the European Parliament and their membership.

The following spoke: Miss Astrid Lulling (Luxembourg, Socialist), Mr Francis Vals (French, Socialist), Mr Pierre Lagorce (French, Socialist), Mr Jean Durieux (French, Liberal), Mr Linus Memmel (German, Christian Democrat), Mr Hans-August Lücker (German, Christian Democrat), Mr Joseph Wohlfart (Luxembourg, Socialist) and Mr Nicolas Kollwelter (Luxembourg, Christian Democrat).

Miss Lulling asked that Rule 37 regarding fair representation should be applied. Her point was that there was no Luxembourg representative on the Political Affairs Committee or on the Economic and Monetary Affairs Committee.

In reply, Mr Vals said this was a matter on which the Group chairmen could readily reach agreement.

After some discussion, a resolution, renewing a resolution of 11 March 1973, was then agreed to. The effect of this was to retain the present structure of 10 committees of 29 members and 2 (External Economic Relations and Development and Cooperation) of 35 members.

Sitting of Monday, 11 March 1974

Spain

Motion for a Resolution (Doc. 4/74) tabled by Mr Hans-August Lücker (German, Christian Democrat), Mr Francis Vals (French, Socialist), Mr Jean Durieux (French, Liberals and Allies), Mr Peter Kirk (British, European Conservatives), Mr Giorgio Amendola (Italian, Communists and Allies) on the execution of Salvador Puig Antich.

The following spoke: Mr Renato Sandri (Italian, Communist), Mr Alfred Bertrand (Belgian, Christian Democrat), Mr James Hill (British, European Conservative), Mr Peter Kirk (British, European Conservatives), Mr Augusto Premoli (Italian, Liberals and Allies), Mr Erwin Lange (German, Socialist), Lord St. Oswald (British, European Conservative), Mr Mario Scelba (Italian, Christian Democrat), Mr Hans-August Lücker (German, Christian Democrat), Mr Hans Edgar Jahn (German, Christian Democrat), Mr Heinrich Aigner (German, Christian Democrat), Mr Erhard Jakobsen (Danish, Independent), Mr Peter Corterier (German, Socialist), Mr Gérard Bordu (French, Communist), Mr John Hill (British, European Conservative), Mr Poul Christian Dalsager (Danish, Socialist), Mr Rafton Pounder (British, European Conservative), Lady Diana Elles (British, European Conservative), Mr Jans Broeksz (Dutch, Socialist) and Mr Renato Sandri (Italian, Communist).

The length of the debate and the number of speakers illustrated the degree of Parliament's concern about conditions in Spain.

The following resolution was the one finally agreed to:

The European Parliament

- moved by the dramatic events which have recently taken place in Spain;
- proclaiming the sanctity of human life and its horror at any recourse to assassination even for political motives, whether on the part of States or individual citizens;
- reaffirming the validity of the principles of the Charter of Human Rights according to which no citizen can be deprived of his citizenship on political grounds;
- denouncing the recourse by dictatorships to the use of special courts to try opponents of the régime in power;

- in the light of the execution of Salvador Puig Antich, who was tried by special courts, and of the threatened expulsion from Spain of the Bishop of Bilbao by the Spanish Government and of the political reasons on which this measure was to have been based;
1. Declares that the accession of Spain to the European Community is being hindered by repeated violations on the part of the Spanish Government of fundamental human rights and the fundamental rights of the citizen and its contempt for the democratic rights of minorities in a Europe which is seeking its own free and democratic path towards unity;
 2. Instructs its President to forward this resolution to the Council and Commission of the European Communities and to the governments of the Member States.

Sitting of Thursday, 14 March 1974

Erratum

In the January edition of Parliament in Session (1974/1) there was an error in the second line of the penultimate paragraph on page 22. The word 'diffusion' should have read 'centrifuge'.