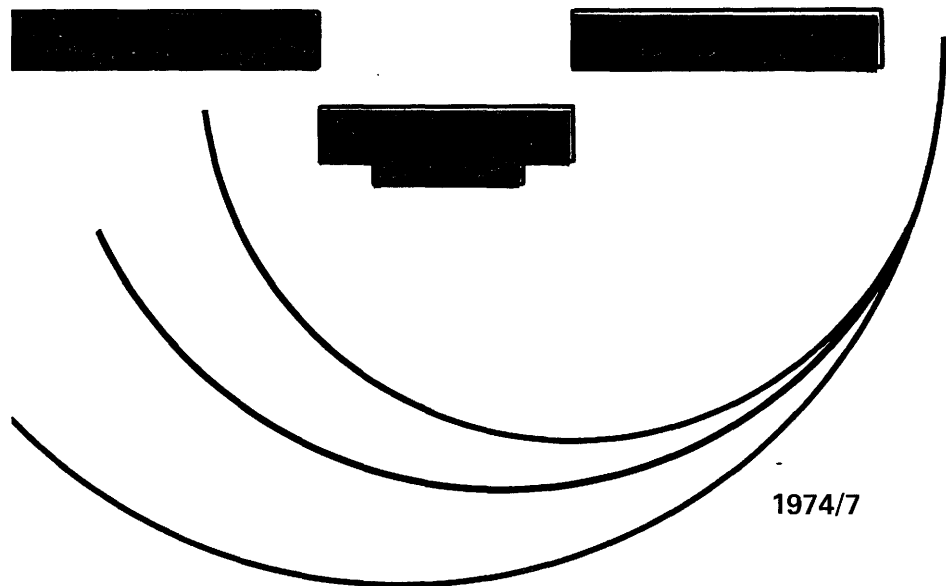


***European parliament***

# **information**

PARLIAMENT IN SESSION



1974/7

Parliament in session is a summary of the sittings of the European Parliament.

A complete record of the proceedings of the House is given in the 'Debates of the European Parliament' which is published as an Annex to the Official Journal of the European Communities.

The 'Debates' and other documents may be obtained either from the Secretariat of the European Parliament (P.O. Box 1601, Luxembourg) or from the Office for Official Publications of the European Communities, (P.O. Box 1003, Luxembourg).



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## Introduction

The European Parliament met in Strasbourg in plenary session from Monday, 8 July to Friday, 12 July 1974. The House considered 19 reports and delivered 19 opinions including a highly detailed resolution on company law. Five oral questions were put down for debate, three to the Commission and two to the Council and at Question Time 4 questions were put to the Council and 3 to the Commission. There were two night sittings. There were major debates on company law, agriculture, energy, development aid and the state of the Community.

The House welcomed Mr Jean Sauvagnargues, French Foreign Minister, in his capacity as President of the Council in a debate on the Community and Mr Bernard Destremau, French Secretary of State at Question Time.

Parliament welcomed a delegation from the Indonesian Republic, including Mr Domo Pranato, Vice-President of the Indonesian Parliament.

The House withdrew from the agenda a report drawn up for the Economic and Monetary Affairs Committee by Mr Pierre-Bernard Cousté on the grounds that the Council had taken its decision before receiving Parliament's opinion. The report concerned data-processing and privacy.

### **Regulating the beef market – Mr Lardinois announces special measures to reduce EC's 130,000 ton beef surplus**

Commissioner Petrus Lardinois told the House the Commission had reached agreement on a series of proposals to regulate the beef market. These aim to boost sales by cutting beef prices for the armed forces as well as hospitals, schools, old people's homes and, more generally, the least favoured segments of society. The beef would be sold at half price and the balance borne as to one-quarter by the Member States and one-quarter by the EC's EAGGF. Fresh

and frozen beef is to be included in the scheme. Similarly (and except in Italy) VAT would be either suspended or cut. The Commission's price and tax-cutting proposals are coupled with a 5m u.a. advertizing campaign designed to make the housewife aware of beef price mark-ups and distribution costs, to pressurize middlemen and boost consumption by ensuring butchers' prices reflect market movements. Another way the stock levels are to be reduced is by diverting some of the surplus to canning instead of freezing.

The EC will offer an over-wintering bonus of 100 u.a. per beast on 400,000 head of 18 month old cattle if they are kept alive another four months until the Spring of 1975. Import licences, meanwhile, including those for frozen beef, would be suspended as from now and a new system introduced on 12 July.

Imports into the EC will have to be paired with purchases of equivalent quantities from Community stocks. Imports of beef for inward processing traffic are to be discontinued for the time being. The proposals would cost the EC some 400 million u.a.

(8 July)

### **Emergency debate**

On a European Conservative motion the Chair granted an emergency debate on these proposals after Question Time. This was taken in conjunction with a question put down by Mr James Scott-Hopkins (Br, EC) as to how beef-producers' incomes were to be safeguarded in the second half of 1974. The debate produced a great deal of comment and criticism but no outright rejection of the Commission's proposals. The consensus was that they did not go far enough. Mr James Scott-Hopkins (Br, EC spokesman) found the over-wintering bonus offered inadequate because of high fodder costs. Mr Heinz Frehsee (Ge, S spokesman) thought tinned meat unpalatable and had reservations about the new emphasis on canning. Mr Lucien Martens (Be, CD spokesman) did not see how beneficiaries of the cut-price beef scheme were to be pinpointed. Turning to publicity, he told the House only 75 kg of each 500 kg beast were prime beef. Surely an effort could be made to get the housewife to buy the 45 kgs of second quality beef which cooking could make palatable. Mr Yvon Bourges (Fr, EPD spokesman) welcomed the proposals as did Mr James Gibbons (Ir, EPD) but Mr Gibbons deplored the lack of any overall plan for the Community herd. Mr John Brewis (Br, EC) trusted there would be

no repeat of the butter story. He suggested the British deficiency payments system was better. Commissioner Lardinois said he had nothing against the system but pointed out that introducing deficiency payments would raise the EC budget from 4,000 to 10,000 million u.a. per annum. The real price of meat, he added, had fallen over the last fifteen years. It was just that people spent their money on different things. Turning to rumours of cheap exports to the Soviet Union, he said the EC would be ready to sell to anyone at the world market price.

(9 July)

### **Approval for Commission's proposals**

Mr Cornelis Laban (Du, S) tabled a motion for the Committee on Agriculture approving the Commission's proposals. But the motion asked Mr Lardinois to make a detailed analysis of the beef market and ensure there was no recurrence of the present surplus. It asked that temporary import cuts be looked into as well as increasing beef sales at acceptable prices on the world market. It called on Member States to streamline the beef distribution system and requested them to ensure that cut-price sales did not impair the dignity of the beneficiaries. All qualities of meat should be released from stock at prices acceptable to the consumer. Subject to these reservations, a resolution approving the Commission's proposals was agreed to without debate.

(12 July)

### **Carnation leaf-rollers**

Mr Libero Della Briotta (It, S) presented a report for the Committee on Public Health and the Environment, approving the Commission's proposal for a directive on the control of carnation leaf-rollers. The leaf-roller is an insect which contaminates cut flowers and the purpose of the proposal is to introduce alternative controls. Mr Della Briotta moved approval of the Commission proposals. The House agreed.

(12 July)



## **Rate for the Italian lira**

Mr James Martin Gibbons (Ir, EPD) presented a report for the Committee on Agriculture on the Commission's proposals to devalue the 'farm lira' by 12.5 0/o, to increase prices on the Italian market by 12.5 0/o and to introduce cyclical policy measures to cushion the effects of these increases. Mr Gibbons moved approval of these proposals. The House agreed.

(8 July)

### **Liberals ask for interim price review – Commissioner Lardinois rejects the idea**

In an oral question put down for debate Mr Jean Durieux (Fr, L spokesman) asked the Commission whether it did not consider proposals should be submitted for the review of agricultural prices. Costs had risen exceptionally since the 23 March 1974 price review and CAP itself, one of the main factors of European integration now seemed under threat. Mr Durieux understood the Commission's dilemma of having to contend with rising costs but needing to ensure farm price increases were not inflationary. But ternary fertilizers had risen some 50-60 0/o in his region as compared with June 1973. Other fertilizers had risen up to 40 0/o and seed by over 15 0/o. At Community level costs, which went up 16 0/o in 1973, had gone up by 7 0/o in the first four months of 1974 and in that same period cattle fodder rose by 4 0/o, energy by 31 0/o, fertilizers by 23 0/o, farm machinery by 5 0/o and building materials by 10 0/o.

Mr Petrus Lardinois replied that he did not think an interim review was possibly especially bearing in mind the difficulties the Community already had in agreeing farm prices each year. Situations varying so much between Member States was another difficulty. Headway was first needed towards greater monetary stability through a common monetary policy. Mr Lucien Martens (Be, CD spokesman) found this reply very unsatisfactory and Mr James Scott-Hopkins (Br, EC) shared his disappointment. He could understand the Commissioner's reluctance to envisage an interim price review but why could not the Commission devise outline proposals over a three or five year period to set the broad price parameters within which prices could be reviewed in the line of developments? Mr Heinz Frehsee (Ge, S spokesman) on the other hand felt that attention should focus on costs rather than prices. Mr Lardinois thought Mr Scott-Hopkins' idea was interesting.

## **Christian Democrats and Socialists ask about effects of CAP price rules on EC wheat producers – Commissioner Lardinois outlines state of market**

Commissioner Lardinois took a question about wheat prices at the same time as the one on farm prices. Mr Jan de Koning (Du, CD), Mr Cornelis Laban (Du, S), Mr Heinz Frehsee (Ge, S), Mr Isidor Früh (Ge, S) and Mr Lucien Martens (Be, CD) asked if farm-gate prices had been below guide prices. Was this partly because of the export levies system? With wheat prices so firm on the world market should not the EC price at least be at guide price level and did the Commission intend to apply export levies in such a way as to bring EC prices up to guide price levels? Mr Lardinois confirmed that export levies were a contributory factor and agreed that EC levels should be equal to that of the guide price. Proposals would be made to achieve this in 1975 although he could give no guarantee for the year following. Mr Lardinois pointed out that if the EC price fell below guide price level this did not necessarily mean losses for the producers. But an effort had to be made to secure a reasonable price for home-grown wheat, as near the guide price as possible. He argued that this condition had been met, even in Europe's least productive areas. Speaking more generally, Mr Lardinois agreed that CAP was not satisfactory but it had achieved better results than had been obtained outside the Community.

### **Common organization of the cereals market**

The Commission proposes to amend the cereals market regulations to equate the marketing year with the production cycle for sorghum (1 October to 30 September) and to adjust the correctives applied to advances on cereal export refunds to reflect variations in daily rates. Subject to clarification of a point of detail Mr Jan de Koning (Du, CD) moved approval of the Commission's proposal. The House agreed.

(8 July)

### **Tomato concentrates**

Mr Albert Liogier (Fr, EPD) presented a report for the Committee on Agriculture approving the Commission's proposal for a special regulation on trade in tomato concentrates between the old Six and the new three Member States. This will help tomato concentrate producers in the Six at a time when concentrate prices in the Three are substantially lower. The House agreed.

(8 July)

### **Private storage of pigmeat**

Mr Pierre Bourdellès (Fr, LA) presented a report for the Committee on Agriculture approving the Commission's proposal on granting aid for the private storage of pigmeat. The aim of the proposal is to avoid more costly intervention measures. The House agreed.

(8 July)

### **Animal and plant health**

Mr Pierre Bourdellès (Fr, LA) presented a report for the Committee on Agriculture on the Commission's statement on animal and plant health and animal nutrition. Removing barriers to intra-Community trade in food products means harmonizing health inspection arrangements and approximating the laws on animal protection. In particular this means agreement on pesticides and their residues on and in farm products and agreements on permitted additives and on straight and compound animal feeding-stuffs. The House was sceptical about the practicality of the new programme.

(8 July)

### **European Community law**

Mr Peter Brugger (It, CD) presented a report for the Legal Affairs Committee (on the Commission's proposal for a Council regulation) on a statute for European companies. Mr Brugger agreed that the Commission's proposal will facilitate cross-frontier mergers to create companies capable of sustaining international competition. But he found the law as formulated out of touch with legal and practical realities in the Member States. Mr Brugger accordingly moved many amendments.

Parliament's debate, as expected, focused on Articles 66, 83, 123-5 and 128-9 of the Commission's bill. These concern where power is to lie in the new company. The Commission proposed it should be divided between

- (i) a Board of Management,
- (ii) a Supervisory Board,
- (iii) a General Meeting and
- (iv) a European Works Council.

But the crux of the matter is the representation of workers in the European company (Title V), particularly on the Supervisory Board (Article 137). The Commission proposed that the General Meeting should appoint 2 out of every 3 members of the Supervisory Board (which appoints the Board of Management) and that the employees should appoint 1 out of every 3. The Legal Affairs Committee proposed that the AGM appoint one-third, the employees one-third and that one-third be co-opted by these two groups (which would give the workers a 50/50 say in the running of the firm). On this last point the Political Groups were divided.

This raised a special problem for Commissioner Finn Gundelach who felt most strongly that the bill's future would be more promising if backed by a broad consensus of the House. He told Parliament in his opening speech that the Commission could accept some sixty of the seventy amendments tabled in Mr Brugger's report and that it could accept many of the seventy further amendments put down in the previous two days. His aim was agreement. In the event the Legal Affairs Committee's text of Article 137 was accepted after a move by the European Conservatives and the European Progressive Democrats to restore the Commission's original text had been rejected. The European Conservative Group's argument was that it was the duty of the Commission to draw up a statute that was going to work in practice. The Group, said Sir Derek Walker-Smith, was in favour of worker participation but unless the balance was right, firms would not take up the European option and the statute would remain a piece of paper which was indeed what Commissioner Gundelach was most anxious to avoid. He wanted confrontation in industry to give way to cooperation through the introduction of a modern sophisticated corporate form that would remove the present disincentives to transnational mergers and appeal to capital and labour alike. However a compromise formula was agreed on Article 137 that consisted in adding a third paragraph about the remaining third of the seats on the supervisory board. A third would be workers' representatives under paragraph one and a third shareholders' representatives but the remaining third, under paragraph three, would be selected from candidates for the co-opted third put forward by the General Meeting, the European Works Council and the Board of Management. Such candidates furthermore must be selected for their knowledge, experience and independence. This formula was strongly supported by the Christian Democrat and Socialist Members and an amendment to this effect was carried. This met Mr Gundelach's contention that such a compromise would be meaningless unless it had the support of a large majority of the House.

The compromise on Article 137 has to be seen in conjunction with Parliament's revised text of Articles 66 and 123. In Article 66 the point at issue is the powers

of the Supervisory Board. The Legal Affairs Committee proposed that more matters should be subject to its prior approval. In textual terms this would have involved deleting the word substantial. The text read: 'The following acts of the Board of Management shall be subject to prior authorization by the Supervisory Board: closure or transfer of a business or substantial curtailment or extension of a firm's activities or substantial organizational changes'. Moving the retention of the word 'substantial' for the Christian Democrat Group, Mr Gerd Springorum (Ge, CD) included a new paragraph to the effect that account must be taken of the consequences for the firm and employment of such acts. He was supported by the Centre and Right of the House and opposed by the Left. The Centre and Right won the vote. In Article 123 the point at issue is which decisions the Board of Management may take only with the agreement of the European Works Council. And here the crux, in this list of acts, was paragraph 'h': 'permanent closure, or closure for an indefinite period of time, of the undertaking or of parts thereof'. Mr Springorum moved the deletion of this clause and the voting was so close there had to be a recount. The Socialist and Communist Members voted against as did some European Progressive Democrat Members. The Christian Democrat and European Conservative Members won the vote on the recount. The Works Council would be consulted but its agreement would not be mandatory for a firm wishing to close down. Other important amendments concerned:

- (a) the minimum capital required to float a joint subsidiary. Parliament's text reduces this from 250,000 u.a. to 100,000 u.a.,
- (b) that the European company should have only one registered office.

In the motion tabled Parliament welcomes the bill because divergencies in national laws are a bar to Economic and Monetary Union. The bill will facilitate international business often hampered by prejudice against foreign concerns and promote mergers and strengthen EC industry generally, especially in advanced technology. Parliament considers access to the European Company should be liberalised to include limited liability companies and cooperative societies. Parliament 'is convinced that the economic, social and political solidarity of Europe is inconceivable without satisfactory participation by employees in the life of the undertaking; therefore welcomes the fact that the Statute for European companies gives employees the opportunity of actively participating in the life of the undertaking and enables them to make their voice heard on questions affecting security of employment and working conditions'. Parliament approved the Commission's proposal subject to the amendments shown in Mr Brugger's report including those referred to here. The resolution was agreed

to, thus concluding a debate that had taken some fourteen hours, one of the longest in Parliament's recent history.

(10-11 July)

### **State of the Community**

The debate on the state of the Community gave Parliament the chance to welcome Mr Jean Sauvagnargues, French Foreign Minister, who was addressing the House for the first time since assuming office. Mr Sauvagnargues said it had been easy to launch the European Community when the economy was booming. It was all the more necessary now when times were less easy. What mattered was to hold fast to what had been achieved. This was the top priority. There had been real progress in relations with the Mediterranean countries and the imminent Euro-Arab Conference was another positive sign. In relations with the Associated States Mr Sauvagnargues spoke of a broader front for cooperation which would test the Community's willingness to meet its commitments. Finally the EC had to forge a common policy for energy.

President François-Xavier Ortoli described the debate as useful and timely. There had been progress but it had not been decisive. There were still ambiguities. There had been progress regarding the budgetary powers of the European Parliament. Steps had been taken to speed up the Council's decision-taking. Measures had been taken to help Italy. Relations with the United States were better and the United Kingdom was now thinking in Treaty terms. To sum up the Council had begun taking decisions again. The Community was possessed of a new self-confidence. But the problems were still very real. Inflation and balance of payments difficulties should be a warning that all could suffer from protectionism. He looked forward to the meeting of the Council of Finance Ministers and hoped that there would be a bridge between the countries inside and those outside the snake. He was also hopeful of the policy of participation by the social partners. Europe, he said, needed to feel successful. Mr Ortoli was quite emphatic that the EC must add up to more than an agreement to cooperate.

Mr Girardo, Chairman of the Political Affairs Committee, spoke of a change in the air but regional, social policies must be hammered out. Mr Bertrand (CD spokesman) expressed disappointment at what Mr Sauvagnargues had said but then after eleven days what could you expect but generalities? Little

progress was possible on economic and monetary union or regional policy if the Community failed to tackle the problem of its institutional structure and this meant that in addition to budgetary powers the European Parliament must have the right of co-legislation. The Christian Democrats had high hopes of the new French presidency and asked for a programme to be set out in the autumn. Mr Fellermaier (S spokesman) contrasted the promises of the Summits and the realities of today but trusted that the Council would speak with one voice in external relations and that it would enter into a dialogue with Parliament. Mr Jean Durieux (LA spokesman) said that everything was marking time and he asked how the image of such a Community could possibly appeal to the young. He too had great hopes of the new presidency. Sir Brandon Rhys-Williams (EC spokesman) said that although the snake had failed and had given way to a sort of greater Benelux, this was not the only way of achieving monetary union. Just enough progress in the monetary field to launch economic union was all that was needed. He pointed out that the governors of central banks had done what the European Community had failed to do. Europe had had more of a union in 1950 with the European Payments Union. It was on these lines that one should be thinking today. Mr Yvon Bourges (Fr, EPD spokesman) suggested the Community should have a political secretariat to be located in the capital of the country assuming the presidency and he called on Mr Sauvagnargues to take part in a debate on European Union in September and October. He suggested launching a large scale European loan. Mr Giorgio Amendola (It, CD spokesman) asked who was going to pay the bill for the present crisis. It should not be the working class alone. Replying to the debate, Mr Sauvagnargues agreed his speech had been general but it was difficult to talk of European Union when the British would not hear of the word being mentioned. In principle however he was willing to take part in Parliament's autumn debate on this subject.

## QUESTION TIME

### Questions to the Council

#### *1. Conference on security and cooperation in Europe*

Lord Chelwood (Br, EC) asked the Council for a progress report on the conference and for details of the Community's part in it. Mr Bernard Destremau, Secretary of State at the French Foreign Ministry and President of the Council, replied:

'The Conference on Security and Cooperation in Europe is an inter-State conference which also deals with economic and commercial matters falling within the competence of the Community Institutions. In such matters Community guidelines established in Spring 1973 provide the basis for the positions that Member States and Commission representatives adopt on the various questions discussed, especially those dealt with by the Subcommittee on Trade. The Council, for its part, will inform the European Parliament of progress made in the discussions on these aspects of the CSCE's work.'

## 2. *Legislative function of the Council*

Lord O'Hagan (Br, Ind) asked: 'Will the Council now agree to meet in public when acting as a legislature?' Mr Destremau replied: 'As my predecessors mentioned at Question Time during the Parliament sittings of 5 April and 12 December 1973, the Council still holds the view that its discussions must remain confidential. However, the Council remains prepared to give the European Parliament information on the main problems which it has been discussing just as it has done on several occasions in the past, using the existing procedures and in accordance with the pursuit of even closer links between our two Institutions.' Lord O'Hagan was not satisfied with this answer. Mr Destremau replied that the Council's function was normative rather than legislative, a function which rested with the governments in most Member States.

## 3. *EEC and Comecon*

Mr Edgar Jahn (Ge, CD) asked: 'When, and in what context, did the President of the Council forward to the Soviet Union an information document on the EEC and COMECON?' Mr Destremau replied: 'On several occasions in the past, the Council and the Commission have been asked about the question of relations with COMECON. I fully understand the Parliament's great interest in this matter. I should like to remind you that in August 1973 unofficial contacts were made by the Secretary-General of COMECON, Mr Fedajev with the Presidency of the Council which was at that time in the hands of Denmark, on the subject of possible future relations between COMECON and the Community. At its meeting on 20 September 1973, the Council agreed that the President should inform the



Secretary-General of COMECON, through the good offices of the Danish Ambassador in Moscow, that: (a) the Community Institutions had taken note of these unofficial contacts and (b) that, if COMECON wished to approach the Community, it was the Commission's responsibility to receive any relevant communication or representation. Following this, at its meeting on 7 May 1974, the Council agreed that the Parliament should inform the Secretary-General of COMECON that: 'The Council confirmed, as already indicated in the Danish Ambassador's reply of 27 September 1973, that the Community Institutions had taken note of the unofficial contacts and that, if COMECON wished to approach the Community, the Commission was ready to receive any relevant communication or representation. The Ambassador of the Federal Republic of Germany in Moscow officially sent this message to Mr Fedajev on 15 May 1974.'

#### 4. *Public supply contracts*

Mr Jan Broeksz (Du, S) asked: 'When does the Council intend to take a decision on the proposal from the Commission for a Directive on the coordination of procedures for placing public supply contracts, on which the European Parliament delivered an Opinion on 20 April 1972, and which was amended by the Commission on 4 May 1973, pursuant to Article 149 of the EEC Treaty?' Mr Destremau replied: 'In accordance with the undertakings contained in its Resolution of 17 December 1973 on industrial policy, the Council intends to take a decision on the Directive coordinating the procedures for the awareness of public supply contracts by 1 January 1975. With this in mind the Council is actively engaged on the necessary preparations.'

### Questions to the Commission

#### 1. *Official visits to China*

Sir Douglas Dodds-Parker (Br, EC) asked: 'What action has been taken to follow up proposals made that there should be visits on behalf of the Commission and the European Parliament to China to discuss possible developments of trade?' Sir Christopher Soames, Vice-President of the Commission replied: 'So far as visits by members of this House to China are concerned, it is of course not for me to comment; this is a matter for

Parliament. There has been no invitation for a visit to China on behalf of the Commission, but we have been glad to note signs of China's increasing interest in the Community and we are very conscious of the human and economic potential of the vast country. I think that it is still too early to see just how future relations between the EEC and China may develop, but I am convinced that there is scope for strengthening what are at present rather tenuous links between us to our mutual advantage.'

## 2. *Trade negotiations with the United States*

Mr Pierre Cousté (Fr, EPD) asked: 'What is the extent of the concessions which the Community had had to grant in its trade negotiations with the United States in relation to the compensation demanded by the latter because of enlargement, and from when do these concessions apply?'

Sir Christopher Soames replied: 'The GATT Article 24 negotiations which the Community has now successfully concluded with most of its main trading partners, although of a bilateral nature, were based on a series of global offers by the Community, designed to meet the Community's obligations to all its negotiating partners. The concessions agreed are granted on a most favoured nation basis and therefore profit all suppliers of the products in question. So far as the United States is concerned, the concession agreed affects the tariffs charged on various items. In some cases they amount to only one or two tariff points, in others they are more substantial. They affect the tariff levels of products which we estimate to account for about 5 % of the United States' exports to the Community. The large majority of the tariff concessions will be implemented on 1 January 1975 but in a number of cases the reductions have been staggered over more than one year and will enter into force progressively on 1 January of subsequent years. In the case of oranges the concession entered into force on 15 June last.

## 3. *Planning and building nuclear power stations*

Mr Kurt Härzschel (Ge, CD) asked: 'In view of the fact that as a result of the oil crisis the planning and construction of nuclear power stations have been stepped up to ensure adequate energy supplies, could the Commission indicate how many new nuclear power stations are to be built by 1985 in the Member States of the Community, whether fuel supplies are assured up to

1985 and beyond for existing nuclear power stations and those scheduled for construction up to 1985 and what agreements exist on the supply of nuclear fuels from third countries? ' In reply, Mr Henri Simonet, Vice-President of the Commission said that there were 56 nuclear power stations in the Community at present with an installed capacity of 11.5 gigawatts. To judge by the intentions of the electricity producers there would be 119 in 1980 (64.9 gigawatts) and 217 by the end of 1985 (176.3 gigawatts), thus meeting the EC's target capacity figure of 200 gigawatts. Referring to natural uranium, Mr Simonet said the EC was assured of supplies up to 1980 and to some extent for 1980-1985. But that period would require attention because of the gap between supply and demand. Turning to enriched uranium, he said that Urenco and Eurodif had reached saturation point: the contracts they had concluded with electricity producers would guarantee their profitability as from 1982. European clients of the United States Atomic Energy Commission, on the other hand, were encountering difficulties in concluding supply contracts covering the period 1981-1991. 'We hope the United States authorities will soon be able to give us an assurance about these contracts', he said. Otherwise greater efforts would have to be asked from Eurodif and Urenco and the EC might have to try and obtain supplies from the USSR.

### **A strategy for energy**

Three reports on energy were taken together. Mr Silvio Leonardi (It, CA) presented a report for the Committee on Energy, Research and Technology on the conclusions reached at the hearing of experts on safeguarding Community energy supplies in cooperation with producing states. The experts think oil consumption could be cut without curtailing growth but not by much. They think it almost impossible to change the relative proportions of energy sources in total supply very much in the next 10 to 15 years. The report asked the Council and Commission to bear these finds in mind in giving effect to energy policy measures.

Mr Jean-François Pintat (Fr, LA) presented a report for the Committee on Energy, Research and Technology approving the Commission's 'new strategy for energy statement' and calling for back-up action in foreign trade. The strategy, he said, hinges on putting a brake on consumption and on making the EEC less dependent on traditional outside suppliers. Consumption could be cut by 10 % and generating more electricity from nuclear power could make the Community

less dependent, especially as North Sea gas and oil production are now increasing. Other positive points are:

- (i) that Alaskan and Indonesian oil production is making the world less dependent on traditional suppliers;
- (ii) EEC coal is now more competitive;
- (iii) demand for imported coal is growing.

The strategy for energy put forward by the Commission is to make the Community independent of outside energy suppliers by the year 2000 and, in the medium term, to cut the Community's 60 % dependence to 40 % by 1985. By 2000 the Community should be getting 50 % of its energy from nuclear sources, 30 % from natural gas and 20 % from oil and coal. The programme will cost 300,000m u.a. by 1985. This will mean boosting nuclear energy and natural gas production and cutting total energy consumption by 10 %. If this is achieved the Community's oil need in 1985 will only be slightly higher than at present. In practical terms, however, only two directives and one regulation are envisaged. The directives aim at cutting natural gas and oil consumption at power stations and the regulation will place checks on the import and export of petroleum products. The committee agreed with the strategy but wants more proposals for dealing with the key issues.

Mr Luigi Noè (It, CD) presented a report for the Committee on Energy, Research and Technology on the Commission's proposal to the Council for a Euratom programme on plutonium recycling in light-water and heavy-water reactors. Mr Noè moved approval of the Commission's proposal but asked for close coordination between Community and national programmes and requests that a consultative management committee be set up for this action programme. It would advise on contracts and prevent duplication.

In reply, Mr Henri Simonet, Vice-President of the Commission said decisions had to be taken as a matter of urgency. The oil crisis and the resulting price increases would leave the EC with a 20,000m u.a. deficit in 1974 (including United Kingdom with a deficit of 9,000m u.a. and Italy with one of 7,500m u.a.). The steady inflow of oil money was disrupting the capital market and it could pile up to the point where producers cut back output to bring oil earnings in line with the market's capacity. Kuwait already seemed to be veering this way. Twelve consumer countries (but not France or the Commission) were cooperating in the coordination group set up by the Washington Conference. What Mr Simonet now feared was a clash within the Community. He hoped the Council meeting of

22-23 July would avert this danger. Progress was being made towards a dialogue with the Arab countries but rapid results were unlikely.

The resolutions on the three reports were agreed to.

### **Multiannual research programme**

Mr Gerhard Flämig presented a report for the Committee on Energy, Research and Technology on the four-year research programme and the Commission's proposal for the revision of the multiannual research programme. Mr Flämig welcomed the Commission's proposals but took issue with the hard-to-follow way they were presented. He reserved the right to comment further at a later date. In reply, Commissioner Claude Cheysson said the complexity of the proposals was due to the very nature of research being carried out. The Commission would endeavour to submit texts to Parliament earlier. Mr Cheysson announced that the Commission would soon be presenting a new energy research programme.

(11 July)

### **Regional Policy**

Speaking for the Christian Democrat Group, Mr Donal Creed (Ir, CD) asked the Commission for an assessment of progress on its regional policy proposals. What was the Commission doing to maintain momentum towards the implementation of these proposals? Commissioner George Thomson replied that on 4-5 March he had told the Council of the Commission's readiness to submit new compromise proposals in a search for agreement around the Commission's original proposals for a regional development fund. Mr Thomson went on 'The Commission's new suggestions would have involved a smaller fund, but a greater concentration of the fund on the three Member States – Ireland, Italy and the United Kingdom – that are generally recognized as having the worst regional problems. In the case of the United Kingdom over a three-year period it would have meant an entitlement of about 400 million units of account and for Italy and Ireland proportionately greater sums.

The truth is that the Community has been marking time over what is by far its most important new policy commitment. The reasons for this hold-up are well

known. It is due partly to the fact that there has been an unusually large number of new governments coming into office over the past few months; but it is also due to the particular situation created by one of those new governments, the British Government, with its request for changes in its arrangements within the Community. I suppose it is inevitable that the British Government and a number of other Member States should wish to wait and see how a substantial new spending proposal such as is represented by the regional fund fits into these discussions. Having said that, I recognize that this is deeply disappointing not only to the Commission but to this Parliament, which worked so hard and earnestly last year to keep to its side of the contract with regard to the timetable.

All of us concerned in this work are particularly conscious that the real victims of the delay are the poor and underprivileged in places like the Italian Mezzogiorno, Ireland and some of the black spots of industrial decline in my native Scotland and other parts of the United Kingdom. But the unfulfilled expectations of the poorest of the poor in Italy and Ireland are in a special category because they have no responsibility for the situation which has arisen, which is holding up the decision-making on this matter, and it is important that they should be reassured that what they face is merely a delay in their hopes of help from the Community and not any long-term postponement of those hopes. It would help, I believe, in sustaining their confidence if Member States were to take every opportunity to make sure that the Community will not be able to move forward again without a regional policy and that the commitment of the Paris Summit Conference to set up a regional fund stands absolutely.'

(11 July)

### **External relations and development aid** **The Community's food aid policy**

Mr Horst Seefeld (Ge, S) submitted a report for the Committee on Development and Cooperation on the Community's food aid policy. Mr Seefeld welcomed the Commission's statement on food aid and analysed the whole problem of underdevelopment. The casual chain was: unemployment – poverty – inadequate demand backed by purchasing power – low food production – malnutrition. Hence the need for measures aimed at promoting general development.

The population of the world in 1900 was some 1,500 million. By the 1970's it was 3,800 million. By 1980 it might be 4,800 million. The world's population increases by 200,000 every day. By the end of the century the population of the developing countries may have doubled so that 80 % of the world's population could by then be living there. The two ways of solving this problem are increasing the supply of food and improving the scope for making use of this supply and limiting further increases in world population. Meanwhile, pessimism is general. Mr Seefeld spoke of the ten million people who die of starvation each year. Common principles had to be drawn up for a long-term policy. Mr Seefeld hoped this would include a better coordination of food aid within the EC framework.

Replying for the Commission, Mr Claude Cheysson said the point at issue was suffering and Europe's sensitivity to that suffering. 1,000 million people had food problems including 400 million who were now in danger. The world food shortage had grown worse. The 'green revolution' had failed to meet expectations. By 1985 the developing countries would be importing 80 or 90 and perhaps even 100 million tons of cereals. The difficulties were aggravated by uncertainty about crops. Malnutrition and famine had serious consequences: poor physical growth, low productivity small-scale production and limited purchasing power. Malnutrition was the original sin of underdevelopment.

Mr Cheysson refused to accept the food shortage was chronic. Turning to what the Community was doing Mr Cheysson said that Agriculture accounted for the 88m u.a. or 18 % of the first European Development Fund, 200m u.a. or 30 % for the second EDF and 230m u.a. or 37 % of the third EDF. More would have to be done but the basic principle was continuity so that the developing countries knew what help they could count on. Aid had to be diversified and more emphasis given to highly nutritious lower-volume products. The EC programme had to be more flexible. It had to be on a larger scale. 5 % of the EC budget was used for food aid in 1974; adding fertilizers and emergency aid the figure was nearer 8 %. In 1975 aid would total 305 million u.a. Mr Cheysson looked forward to the next world food conference which, he hoped, would mobilize governments and public opinion in developed countries to deal with this scourge.

(12 July)

## **Offsetting price rises affecting developing countries**

Mr Renato Sandri (It, CA) submitted a report for the Committee on Development and Cooperation on an attempt to neutralize international price movements for the most affected developing countries. Mr Sandri welcomed the initiative taken by the Community to organize a special international operation to help the worst hit countries. He moved a motion approving the Commission's statement on this subject. The House agreed. Mr Cheysson said the Community's action had created a very good impression, even among countries not directly benefiting from the emergency scheme.

(12 July)

## **Generalized preferences**

Mr Knud Nielsen (Da, S) presented a report for the Committee on Development and Cooperation on the Commission's proposal to lengthen the list of products coming under the generalized preferences scheme. Mr Nielsen regretted the list is not even longer, particularly in respect of products from Asian countries. He wanted the term 'developing country' redefined and thought other industrialized states must assume their share of responsibility. He moved a motion to this effect. The House agreed. Mr Cheysson pointed out these were interim arrangements.

(12 July)

## **Wines from Algeria, Morocco, Tunisia and Turkey**

The Commission proposes to suspend a proportion of the CCT duties on these wines pending a final settlement. The Community imported 606,450 hectolitres from these countries in 1972. Mr Libero Della Briotta moved approval of this proposal. The House agreed.

(8 July)



## **Goods returned to customs area of EEC**

Mr Michael Herbert (Ir, EPD) presented a report for the Committee on External Economic Relations approving the Commission's proposal on customs rules to apply to goods returned to the customs territory of the Community. The purpose of the proposal is to ensure that goods returned inward are dealt with as Community goods. The House agreed.

(12 July)

## **Trade arrangements with Tunisia and Morocco**

Mr Egon Klepsch (Ge, CD) moved approval for the Commission's proposals to extend the arrangements applicable to trade with Tunisia and Morocco beyond the date of expiry of the Association Agreement. The House agreed.

(12 July)

## **Bilateral economic, industrial and technological cooperation agreements**

Mr Schelto Patijn (Du, S) put down a question on behalf of the Socialist Group asking the Council if it had made any progress towards a decision on agreements between Member States and third countries, if the Council agreed that agreements with oil-producing states should come within the scope of such a decision and where matters stand further to the Commission's memorandum of 8 February on relations with energy-producing countries. Mr Bernard Destremau replied:

'At its meeting on 25 June 1974, the Council agreed in principle to the decision setting up a consultation procedure for cooperation agreements between the Member States and third countries. The Permanent Representatives Committee was instructed to finalize the text of the decision, to be submitted for formal approval by the Council at its meeting on 22 July. The consultation procedure I have just referred to will be applicable under the same conditions both to cooperation agreements between Member States and oil-producing countries and to agreements with State-trading countries. Here, the Council is thus of the same opinion as the Commission. The Commission memorandum on relations with energy-producing countries will be taken into consideration in the context of the

planned dialogue with the Arab States. Since this dialogue has now been opened, the Council proposes to start examination of the Commission memorandum shortly.'

(9 July)

### **Textile names**

Mr Erwin Lange (Ge, S) moved approval for a Commission proposal to approximate the laws of the Member States on textile names. The effect of this is to place Gibraltar on the same position as the Member States. The House approved without a debate.

(12 July)

### **The Community's institutions**

#### **Simplifying institutional structures**

On behalf of the Liberal and Allies Group, Mr Jean Durieux (Fr, LA) put this question to the Council: 'The Conference of Foreign Ministers, introduced by the Davignon Report, has the same membership and the same chairman as the Council of Ministers of the European Communities. Could this fiction not be brought to an end by formally instructing the Council and the bodies by which it is normally assisted to look after political cooperation between the nine Member States?'

Mr Bernard Destremau replied: 'As the Council has indicated on several occasions, political cooperation does not come within its province. The European Parliament and its Political Affairs Committee have, moreover, been kept regularly informed by the Chairman of the Conference of Ministers for Foreign Affairs, both concerning the procedure followed for such cooperation and the problems dealt with. It seems to me that the present situation can only evolve through discussions among all the Institutions on the setting up of a European Union which, as is stated in paragraph 16 of the Communiqué issued after the Conference of Heads of State or of Government in Paris, aims at "transforming .... the whole complex of the relations of Member States".'

(9 July)

## REFERENCES

Subject	European Parliament doc. number	Commission doc. number
Regulation on CCT duties on wine from Algeria, Morocco, Tunisia and Turkey .....	186/74	168/74
Effects of increased costs on the level of agricultural prices .....	170/74	
Wheat prices .....	192/74	
Animal and plant health .....	162/74	108/74
Aid for private storage of pigmeat .....	183/74	137/74
Trade in tomato concentrates .....	182/74	128/74
Rate for Italian lira .....	187/74	133/74
Cereals market .....	180/74	175/74
Data-processing policy .....	153/74	
Bilateral economic, industrial and technological cooperation agreements .....	144/74	
Simplification of the institutional structure .....	143/74	
European Company Law .....	67/74	98/70
European Community's energy supplies .....	185/74	
Energy policy strategy .....	184/74	136/74
Plutonium recycling in light-water reactors .....	163/74	80/74
Regional policy .....	142/74	

Multiannual research programme .....	161/74	89/74
Textile names .....	190/74	107/74
Trade arrangements with Tunisia and Morocco .....	196/74	188/74
Carnation leaf-rollers .....	181/74	77/74
Food aid policy .....	171/74	37/74
Offsetting price rises affecting developing countries .	177/74	
Generalized preferences .....	172/74	104/74
Goods returned to customs area of EEC .....	126/74	79/74
Beef market .....	203/74	

### Abbreviations

CD	Christian Democrat Group
S	Socialist Group
LA	Liberal and Allies Group
EC	European Conservative Group
EPD	European Progressive Democrat Group
CA	Communist and Allies Group
Ind	Non-attached, Independent Members
Be	Belgian
Br	British
Da	Danish
Du	Dutch
Fr	French
Ge	German
Ir	Irish
It	Italian
Lu	Luxembourg
EC	European Community



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