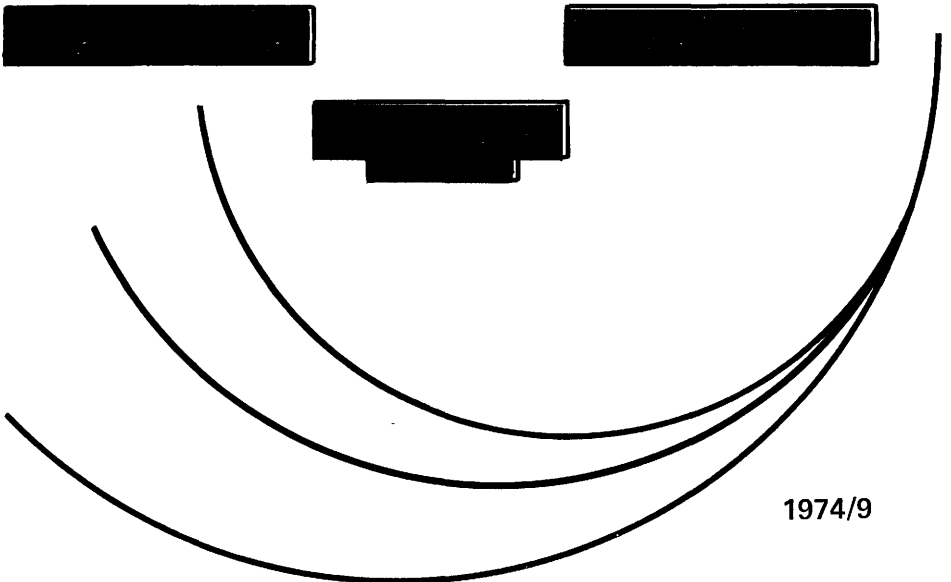


europaen parliament

information

PARLIAMENT IN SESSION



1974/9



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 plenary session from Monday, 14 October to Friday, 18 October 1974.

The main events of the week were a political debate between Parliament, Council and Commission and the presentation to Parliament of the draft budget for 1975. There will be a further debate on the budget in November.

The House particularly welcomed the decision by Mr Jean Sauvagnargues, Council President, to enter into a debate with Parliament after presenting his report on political cooperation. He is the first Council President to do so.

Mr Sauvagnargues told the House that European Union remained the Community's objective, adding that this would imply some cession of sovereignty. His government, he said, and indeed all the Community governments (with perhaps one exception) remained deeply attached to the aims set out at the Paris and Copenhagen summits. But he stressed that the Community should not simply be a Europe of Governments. It must be a Europe of Peoples. It was for this reason that the dialogue between Council and Parliament was essential.

Political affairs

Parliament's October political debate covered three distinct items on the order paper which it was decided, for reasons of convenience, to take together: the report of the Conference of Foreign Ministers on political cooperation, a report on the state of the Community and an interim report on European Union. Mr Jean Sauvagnargues, President of the Council, welcomed this approach and made a single presentation of the first two of these reports. The third report, on the other hand, raised a difficulty. It was drawn up for the Political Affairs Committee by Mr Alfred Bertrand (Be, CD) but had not of course been accepted by Parliament at the time of the debate. It was therefore not possible for Mr Sauvagnargues to comment on the proposals it contained. He dealt in detail with points raised by the various speakers but did so outside the context of the interim report.

Mr Sauvagnargues began by expressing his concern at the Community's failure to find a common response to the gathering crisis, a failure compounded by a lack of confidence in the Community itself. This prompted a tendency to withdraw from the EC (and here he hoped the United Kingdom would soon reach a decision) and a tendency to look beyond Europe 'for what were thought to be more convincing or more effective arrangements'. But there had been progress. The finance ministers would now be meeting every month to keep the economies of the Member States under regular review and the Council had resolved to lay down guidelines for a common energy policy before the end of the year.

At the same time Europe's audience in the world at large was growing steadily. The EC was meeting its commitment and assuming its responsibilities, particularly toward the African, Carribean and Pacific States. The EC had been the first to respond to the UN appeal for help for the world's poorest countries and those hardest hit by the oil crisis. It had now initiated the Euro-Arab dialogue agreed upon in Copenhagen last November and it had been present in the Cyprus affair. Hence political cooperation was becoming a reality.

Mr François-Xavier Ortoli, President of the Commission, took a rather different view. For Europe to develop a joint problem-solving capability, it needed appropriate machinery. This was why he viewed the concept of 'cooperation' as distinct from the Community idea with some disquiet. The EC's decision-taking machinery needed speeding up and this was partly a state of mind: even when decisions were taken slowness was still the rule. The whole approach needed overhauling. What was needed was nerve.

A score of speakers followed, reflecting nearly all the shades of political opinion represented in the House. Their assessments of the Community's position varied considerably. Some, like Mr Alfred Bertrand (Be, CD) the rapporteur, argued there was no lack of political resolve to give effect to the decisions of the Paris Summit. Others, like Lord Gladwyn (Br, LA) felt that the timetable laid down there had been put in the dustbin and was likely to stay there. 'All we can do now, he said, is to urge the Ministers to take certain elementary steps to greater unity'. But one theme became very pronounced during the debate: that the Community should go back to first principles. This point was taken up by both Mr Hans-August Lückner (Ge) and Mr Friedrich Burgbacher (Ge) for the Christian Democrats and by Mr Schelto Patijn (Du) for the Socialists. Mr Peter Kirk (Br, EC spokesman) on the other hand, wanted the Council and Commission to give some indication of the direction in which they wished the Community to go, a question which Mr Giorgio Amendola (It, Communist spokesman) felt no one could answer in today's unstable situation. Mr Amendola said most of the speakers seemed concerned, bitter and disappointed. His feeling was that the Council President was speaking at one remove from reality. The Council, he said, was paralysed by its unanimity rule. It was, he argued, the peoples and their sense of responsibility that had to be harnessed to meeting the needs of Europe today. Mr Yvon Bourges (Fr, EPD spokesman) thought priority should be given to economic and monetary affairs and to securing energy supplies. But he also pointed out that if Member States were able to buy food at prices below those on the world market it was because of the common agricultural policy. It deserved developing because it expressed the EC's 'sense of common purpose'.

Replying to the various speakers, Mr Sauvagnargues said he was inclined to agree with Lord Gladwyn although he did not consider the enthusiasm for Europe of Mr Bertrand or Mr Lückner to be groundless. He said that Mr Amendola was perhaps not altogether wrong about unanimous decisions in the Council. This was one of the points now being considered by the French Government.

Lord O'Hagan (Br, Ind) took up Mr Kirk's point and said it would be a great help to those seeking to persuade the British public to vote for staying in the

Community when the referendum is held 'if we have something clear, concrete and definite on which to rely when we say what the Community is for'. Mr Eric Blumenfeld (Ge) turned to another matter that has long been of interest to the House and asked where the Council stood on direct elections to the European Parliament.

Speaking in reply for the second time Mr Sauvagnargues said that Europe's role should be to conciliate and promote cooperation between the rich and the less-favoured countries. As regards energy he trusted that the agreement the 'Group of Twelve' were to sign would not undermine the Community's energy policy. The solution to the energy problem must be initiated in the EC, he said. Referring to the EC's origins he reminded the House of the many years he had spent dealing with European affairs. 'What is new is that there are now political problems which are not dealt with unilaterally'. Mr Sauvagnargues concluded by saying how useful and instructive the debate had been for him. He firmly intended the dialogue should continue.

The House then turned to the interim report proper. A great many amendments were tabled and some time was devoted to debating them. The resolution finally agreed to laid emphasis on developing EC institutions and broadening their scope to include foreign policy and defence. It also called for new institutions: a political decision-making centre, a parliament with at least a directly elected Chamber, a Court of Justice, a Court of Auditors and a Economic and Social Committee. Above all European Union must enable the EC to emerge as an economic and political union.

The draft budget for 1975

Mr Christian Poncelet, Council President, presented the draft budget for 1975. Under Article 203 of the Rome Treaty, a new procedure now comes into force which gives the Community greater financial independence and Parliament the last word over a greater proportion of EC expenditure. Parliament's authority indeed now extends to all 'non-compulsory' expenditure, i.e. in accordance therewith'. Mr Poncelet said that the classification accepted by the Council was that proposed by the Commission. The 'compulsory' category included only expenditure regarding which no budgetary authority was able to fix credits freely. Similarly, if there were any doubt as to whether expenditure were compulsory or not there would have to be a 'joint agreement' between Parliament and Council as to its classification.

These two points were noted by Parliament with considerable interest. The procedural aspect however is still under discussion. For the present Parliament reserved judgement, its main criticisms being directed at the deletion from the budget of any sum in respect of the regional fund. Now the draft budget will be analysed in detail and debated again when the House sits in November.

The draft budget of the European Communities for 1975 (all figures in million units of account)

Expenditure (increase of 13.7 % compared with 1974) 5,775
including

European Agricultural Guidance and Guarantee Fund

Guarantee Section: 3,980
Guidance Section: 325
Operating expenses: 2
Total 4,307

Social expenditure

(Reformed Social Fund 320) 338

Research, technology, industry and energy

(Research and investment 94) 124

Cooperation and development

(Food aid 226) 229

Administrative and operating expenses 384

Costs of collecting EC's own resources 386

Receipts

Own resources 4,000
(70 0/o of total as compared with 60 0/o in 1974)

Contributions of Member States 1,775

Note:

The contributions of Ireland and the United Kingdom derive wholly from the EC's own resources (i.e. receipts from such sources as customs duties and levies and the coal and steel levy) and not from any appropriation from their respective budgets.

Economic affairs

The economic situation in the EC

Mr Jean-Eric Bousch (Fi, EPD) submitted a report for the Committee on Economic and Monetary affairs on the Commission's annual report on the economic situation. The Commission noted the disruptive effects of inflation at a time of a world-wide economic downswing and the impact of oil price increases on the balances-of-payments of importing countries. It analysed the situation in the Nine Member States and set out guidelines for the next twelve months. Mr Bousch asked the House to approve the Commission's report. The motion tabled placed the main emphasis on preventing a recession. Member States with moderate inflation and no serious balance-of-payments problems should pursue careful and selective expansion and those with high inflation and adverse balances-of-payments should concentrate on containing prices and righting their balances-of-payments. The failure of Member States to limit the money supply (further to a Council Directive) was deplored. There had to be greater coordination of economic policies and loans given should come within the Community framework. This last point had widespread support when the motion was debated.

Mr Wilhelm Haferkamp, Vice-President of the Commission, said oil price increases was not the only cause of the economic crisis. The EC was witnessing the end of an era. The motion was put to the vote and the resolution agreed to subject to an amendment tabled by the Christian Democrat Group which read:

'The European Parliament reiterates its appeal to Member States to avoid taking any action which may jeopardise the free movement of goods and workers within the Community or obstruct trade with third countries'.

The paper trade

Mr Ivar Norgaard submitted a report for the Committee on Economic and Monetary Affairs welcoming a Commission memorandum to the Council about the problems of the pulp, paper and paperboard industry. Mr Norgaard said the paper trade was a good case for a common policy on industry, a point Mr Altiero Spinelli, the Commissioner responsible, conceded as the close of the debate. Mr Norgaard argued that long-term proposals were called for. The EC was not producing enough wood and the proposals should cover re-forestation, finding substitutes for wood pulp, recycling paper and making use of straw. Other speakers stressed other materials that could be used: Mr Liogier referred to broom and Mr Normanton to wood chips, sawdust and straw. Mr Petersen (Da, spokesman for the Committee on Public Health and the Environment) expressed concern about pollution caused by colouring agents used in paper making. He also suggested Member States should cooperate in research.

In reply Mr Spinelli said the Commission was still working out proposals on the principle of the polluter paying. The same was true of industrial policy, which had to embrace every sector. In the meantime one had to rely on competition or aid to help sectors redevelop, although this too was only valid as part of a comprehensive approach. And the EC had to be able to mobilise the resources it needed to put such a policy into effect. The motion, urging the Commission to give priority to securing supplies, particularly with EFTA countries, and regretting that pollution control proposals were not submitted by 1 July 1974 was then put to the vote. The resolution was agreed to.

EC loans

Mr Erwin Lange (Ge, S) submitted a report for the Committee on Economic and Monetary Affairs asking the House to approve a Commission proposal for a regulation on Community loans. Under this the EC will raise funds either directly by private investment or in the capital markets with the sole aim of relending such funds to one or more Member States in balance-of-payments difficulties. The Council is to decide on the conditions to be fulfilled by the

beneficiary to redress its balance-of-payments. After a short debate in which Sir Brandon Rhys-Williams (Br, EC) pointed out that 'the oil crisis had enabled the Community to come together and accept a common code of practice in economic affairs', a resolution approving the Commission's proposal was agreed to.

Competition policy

Mr Helmut Artzinger (Ge, CD) submitted a report for the Committee on Economic and Monetary Affairs on the Commission's third report on competition policy. He recognized the Commission had made progress towards a common policy for competition and pointed to the close connection between this policy and the policy for consumer protection. He welcomed the Commission's move to lay down rules for judging selective marketing systems and called for an unambiguous policy on licensing contracts for patents and know how. He supported the Commission's investigating restrictive export practices and recommended trade policy proposals against third countries where appropriate. He looked to the Commission to ban agreements between manufacturers and consumers designed to cut out competition and block the free movement of products in the EC. He urged the Commission to get greater discipline over national subsidies and asked for a review of state aids in the EC. He believed regional aid ought to be open to scrutiny and its effects assessable and he urged the Council to submit a regulation on merger control by the beginning of next year. He tabled a motion to this effect.

In reply, Mr Albert Borschette, the Commissioner responsible, stressed the importance of two guiding principles laid down by the Court of Justice: the paramountcy of Community law and its applicability throughout the Common Market. This gave added point to two of the Commission's recent decisions: one prohibiting the application of an agreement between the main glass packing producers (curiously described as 'fair competition rules' but designed to undermine any real competition on prices, rebates or terms of trade); the second fining wallpaper manufacturers for organizing a collective boycott of a trader refusing to comply with cartel rules, particularly over prices. Turning to selective distribution systems, principles were now been drawn up for the automobile industry and the perfume sector. It seemed one had to accept links between producer and seller in the automobile sector and this meant accepting that being a seller was not open to every one. This meant recognizing links could limit the number of sellers. But for the Commission to authorize such a system the buyer

had to be sure of being able to buy his car in any Member State and get it repaired at any dealers.

Patent licences he added would be discussed at a conference later in the year; but one point could already be taken: patented products must circulate freely. As regards agreements to limit exports, the Commission kept this under constant review. Two cases had come up recently, one concerning books, newspapers and periodicals. In one the Commission was investigating price anomalies as between Member States. The other concerned Dutch book exports to Belgium where the nub seemed to be a carve-up of sales areas. Other investigations concerned IBM, where the point was whether complaints brought against the firm in the United States had any currency in Europe, Hoffmann La Roche (in the valium and librium sedatives business) where market-sharing was in question and Radio-Luxembourg where the conditions obtaining for music publishers were under consideration. Lastly an investigation had begun concerning United Fruit's European subsidiary over banana imports.

Turning to state aids he said the Commission would be submitting principles to the Council regarding help intended for regions. This might help the United Kingdom's current negotiations and facilitate setting up a regional development fund. The last case he referred to was the complaint made by the Commission to eleven oil companies in seven international corporations for partly or wholly failing to supply an independent company with motor fuel or, when supplying it, of doing so at prohibitive prices. When Mr Borschette concluded, Mr Tom Normanton (Br, EC) asked the Commission 'to avoid initiating measures which might inhibit progress towards making the Community more efficient and that means more competition'. Mr Borschette replied the Commission had accepted an amendment tabled in the House when merger control was discussed to the effect that the state of competition on the world market should be taken into account in determining whether mergers should be allowed. He felt this met the concern expressed by Mr Normanton. The resolution was then agreed to.

Legal affairs

Life assurance

Mr Jan Broeksz (Du, S) submitted a report for the Legal Affairs Committee on the Commission's proposals for two directives of life assurance, one approximating laws on the practice of direct life assurance as a profession and

the other abolishing any restriction on freedom of establishment for those concerned. The Commission's proposals hinge on three basic issues. The first is that any new firm setting up will have to choose between life assurance and indemnity insurance. This Parliament accepted. The second concerns solvency margins: should these be the figure arrived at before or after reinsurance costs have been deducted? The Commission proposed a figure equal to the sum of two results: (1) '4 0/o of the mathematical reserves relating to direct business and insurance acceptances; Parliament moved this be amended to 3.5 0/o of the mathematical reserves relating to direct business without deducting reinsurance transfers and including reinsurances accepted from outside the EC and (2) the Commission proposed 'the figure representing 3 0/o of the capital at risk'; Parliament moved this be amended to 0.25 0/o. The last point concerned Italy where reinsurance is compulsory. The Commission proposes to remove this obligation. Parliament agreed to a resolution embodying the amendments mentioned and several others, subject to which it approved the Commission's proposals.

External relations

Portugal's relations with the EC

Mr Achille Corona (It, S) put down a question on behalf of the Socialist Group on Portugal's relations with the EC. He asked what steps the Commission had taken to strengthen Portugal's ties with the EC; what action it was taking to help the Portuguese Government solve its economic problems and thereby further democratic developments in Portugal; whether it was ready to propose immediate improvements in the existing trade agreement and whether it agreed that once elections had been held in Portugal association should be facilitated.

In reply Sir Christopher Soames, Vice-President of the Commission, said that he thought it would be wrong for the Commission to answer hypothetical questions without there first being some definite statement from the Portuguese side. Agreement had first to be reached on the content and the scope of the EC's future relationship with Portugal and then it would be possible to say what the most suitable arrangement would be. While pointing out that EC tariffs towards Portugal will drop by a further 20 0/o on 1 January 1975 bringing the total decrease to 60 0/o, and stressing the Commission applauded Portugal's move towards a democratic regime, Sir Christopher concluded on a note of caution: 'it would be quite wrong for anything to be said from this bench which in any

way complicated the already challenging problems that the Portuguese Government has before it'.

Extradition of Klaus Barbie

The House agreed to a resolution presented to Parliament by Mr Virgil Barel calling for the extradition to France of the Nazi war criminal Klaus Barbie. It called upon all authorities concerned to facilitate the surrender of Klaus Barbie to the French authorities and instructed its President to forward the resolution and the text of the petition to the Council and Commission of the European Communities, to the Governments and Parliaments of the states concerned and to the Interparliamentary Conference between the European Community and Latin America.

Development and cooperation

EC contributions to UN

Two questions were put down for debate with the Commission on what the Community is doing to help the world's poorest countries. One was in the name of Mr Eric Blumenfeld, Mr Kurt Härzschel, Mr Hans-Edgar Jahn, Mr Egon Klepsch and Mr Hermann Schwörer (German Christian Democrats) and asked what contribution the Commission envisaged to the UN Fund for developing countries with few natural resources and the other, in the name of the Committee on Development and Cooperation, asked what action the EC had taken to implement its decision of 25 June 1974 to contribute substantially to a special aid project for developing countries most seriously hit by recent international price rises. The two questions were taken together.

In reply Mr Claude Cheysson said that to begin with EC aid was intended for countries where per capita incomes were less than 160 dollars per annum. The initial contribution of the Community would be 150 million dollars, 30 million of which would be paid into the special account of the UN Secretary General and 120m distributed to three countries in Asia, eight to ten in Africa and two in Latin America. Besides its insistence that priority be given to these poor countries it had also called for contributions from other countries. These had now been forthcoming and the total amount promised was 1,100,000,000 dollars. 170 million had been paid into the special account, including 100m from

Venezuela, 20m from Algeria, 20m from Iran and 30m from Saudi Arabia. Firm promises from other industrialised countries amounted to 350m and included 7m from Yugoslavia, 15m from Switzerland, 37m from Sweden and 100m from Canada. Australia had also responded very favourably. The East European countries had done nothing. Neither for the moment had the United States.

Generalised preferences

Mr Gabriel Kaspereit (Fr, EPD) submitted a report on the Commission's proposals on granting generalised preferences in 1975. The proposals represent an improvement on preferences granted this year, particularly for processed agricultural products, Virginia flue cured tobacco (which will help India) and a range of products including natural honey, fresh and cut orchids, preserved anchovies and tapioca and sago substitutes obtained from potato or other starches. The Commission also proposed to include palm oil and palm kernel oil, coconut oil and pepper. These concessions are not intended to apply until the association agreement with the ACP countries comes into force. It is tentatively estimated that preferential imports will reach 2,300m u.a. in value in 1975. Mr Kaspereit agreed that the proposals represent a great improvement in the generalised preferences system. He was somewhat concerned however that other industrialised countries should extend these preferences too. This was a condition for the success of the scheme. He stressed that the United States was a non-participant. He was also concerned that it should not be prejudicial to the Association with ACP. He said it was very hard to get any clear idea of the effect the scheme was having either on the developing countries or on the economies of the Member States. More statistics were needed and more information generally.

Replying to the debate Sir Christopher Soames welcomed the European Parliament's report. Each year these reports were a mine of constructive information. He agreed with Mr D'Angelosante about not wanting to freeze existing patterns of trade. He understood Mr Kaspereit's concern regarding the associates, but pointed out the position of countries covered by the Joint Declaration of Intent was less advantageous and that this Declaration was as much a part of Community policy as the Association themselves. He thought it would be very unwise to review the list of the Group of 77. It raised the delicate problem of making distinctions. It would be impossible to keep the use of such objective criteria as gross national product per head free from political pressure. It would be an irritant and would not help. The generalised preferences scheme was designed not so much to boost the balances of payments of developing

countries but to give a fillip to their industrialisation and processing trades. Iran's gross national product for example had increased considerably but its industries still needed protection. Meanwhile, its neighbour Turkey had an association with the Community so it was in a slightly better position. But the generalised preferences scheme was the only way of offering such countries as Iran a more favourable status than, say, Canada or the United States. He pointed out in passing that Canada was now granting generalised preferences but the United States still needed to get a trade bill through the House of Representatives.

He took Mr Kaspereit's point on marketing and referred to the agreement reached in April by the Council to release funds for this purpose. He hoped that by early next year the flow of statistics and information would be improved.

Replying to a specific point raised by Lord Reay he said that jute and coir would become duty free as from 1 January 1975. In conclusion he quoted India's representative at the UN saying that the political significance of the generalised preference scheme was appreciated as a measure of a seriousness in which the EC took its responsibilities to the third world.

A motion approving the Commission's proposals was then put to the vote. The resolution was agreed to.

Customs Union

Petroleum products

Mr Erwin Lange (Ge, S) submitted a report for the Committee on External Trade Relations asking the House to approve a Commission proposal on the concept of the origin of petroleum products. Certificates of origin of refined products will now have to show the origin of the crude oil from which they were extracted. Mr Gerd Springorum (Ge, CD) signified the approval of the Committee on Energy, Research and Technology. A resolution approving the proposal was agreed to.

Delivery dates

Mr Christian de la Malène (Fr, EPD) submitted a report for the Committee on External Trade Relations asking the House to approve a Commission proposal on delivery dates. Under this the price paid or payable may be accepted if the date

of contract precedes the date of import by not more than two years. For reasons of force majeure this may be extended. A resolution approving the proposal was agreed to.

Value of goods at customs

Mr Egon Klepsch (Ge, CD) submitted a report for the Committee on External Trade Relations asking the House to approve a Commission proposal on the value of goods for customs purposes. This normalises one aspect of EC relations with the German Democratic Republic. A resolution approving the proposal was agreed to.

Nomenclature of goods for statistical purposes

Mr Knud Thomsen (Da, S) submitted a report for the Committee on External Trade Relations asking the House to approve a Commission proposal changing the nomenclature of goods for the EC's external trade statistics and for those of trade between Member States. The aim is to streamline the collection of statistics. A resolution approving the Commission proposal was agreed to.

Goods imported for testing

Mr Giovanni Boano (It, CD) submitted a report for the Committee on Budgets asking the House to approve a Commission proposal for a regulation on the customs treatment of goods imported for testing. The regulation follows from a recommendation of the Customs Cooperation Council in response to a request from the Council of Europe. A resolution approving the proposal was agreed to.

Agriculture

Raisins

Mr Mario Vetrone (It, CD) submitted a report for the Committee on External Trade Relations approving the Commission proposal to establish an EC quota for raisins for 1975. The quota will amount to 10,960 tons and replace the quota in the Community's old agreement with Iran which expired on 30 November 1973

and which has not been renewed. This was an autonomous decision for a quota under the same conditions. The rate of duty will be 1.2 0/o. A resolution approving the Commission proposal was agreed to.

Wines from Portugal

Speaking for the Committee on External Economic Relations, Mr Mario Vetrone (It, CD) asked the House to approve a Commission proposal for a Community quota for wines from Portugal. This covers Port, Madeira and Setubal muscatel wines and comes under the EC Agreement with Portugal (Article 4 of Protocol 8). The effect of this is to reduce the duty on port by 60 0/o for a quota of 20,000 hectolitres and by 50 0/o for a quota of 285,000 hectolitres for wine in containers holding more than two litres. For Madeira there is to be a 30 0/o duty reduction applying to 15,000 hectolitres. The duty reduction for Setubal is 30 0/o on a quota of 3,000 hectolitres. Mr Vetrone pointed out that there were doubts among national experts as to the way the EC quota was shared out. He asked for more statistical information. In reply, Mr Petrus Lardinois, Commissioner responsible, said that an effort would be made to ensure that better statistics were made available as soon as possible.

Hazelnuts

Mr Jan Baas submitted a report for the Committee on External Economic Relations asking the House to approve a Commission proposal for an EC quota for hazelnuts from Turkey. This will involve 21,700 metric tons and the rate of duty is to be reduced from 4 0/o to 2.5 0/o. A resolution approving the proposal was agreed to.

Pigmeat

Speaking for Mr Pierre Bourdellès (Fr, LA), Mr Roger Houdet (Fr, LA) presented a report on a Commission proposal to enable Council to step in if pigmeat prices fall substantially. Mr Houdet said that everyone was aware that there had been a fall in pigmeat prices but the Commission had appeared a little late in the day with its proposals. The Committee on Agriculture had voted by 11 votes to 5 in support of the Commission's proposal but asked that the flow of detailed statistics be improved to avoid such situations in the future. The

committee also hoped that the distribution network could be improved. In reply Mr Lardinois said the flow of statistics was now better. He pointed out that compared with beef and veal the pigmeat sector was much better organised and the distribution circuit was better. Mrs Orth (Ge, S) urged a publicity campaign to boost pigmeat sales to ensure there was no repetition of the cheap meat sales to Russia. A resolution approving the proposal was agreed to.

Fraud

Mr Rene Pêtre (Be, CD) submitted a report on behalf of the Committee on Budgets welcoming the Commission's report on the European Agricultural Guidance and Guarantee Fund covering financial year 1972. The report gives details of cases of fraud recorded in the Member States. He was concerned, however, that the report had been submitted rather late. Speaking for the Committee on Agriculture Mr Nicola Cipolla (It, CD) criticized the fact that the report was essentially retrospective. Mr Lardinois said in reply that he trusted that the reports in future would come through more quickly. He agreed with Mr Cipolla that the monetary compensatory amounts must either be phased out or cut back in the near future. Not every case of fraud could be avoided but an attempt had to be made to curtail it. A resolution welcoming the Commission's report was then agreed to.

EAGGF aid for 1974

Speaking for the Committee on Agriculture Mr Albert Liogier (Fr, EPD) asked the House to approve the Commission's proposal for a regulation on aid under the Guidance Section of the EAGGF for 1974. The effect of the proposal will be to increase to 45 o/o the maximum aid from the EAGGF for modernisation plans. The beneficiaries' own contribution (for projects submitted in 1971, 1972, 1973 and 1974) will have to be at least 20 o/o for projects involving structures and 38 o/o for projects concerning marketing structures. A resolution approving the Commission's proposals was agreed to.

The Community's institutions

EC staff regulations

Miss Colette Flesch (Lu, L) submitted a report for the Committee on Budgets approving the Commission's proposal to amend the Service Regulations for EC

staff subject to certain modifications. The Commission amendments relate to working conditions and social security, travel expenses, the right to strike and the reduction of working hours to forty. New provisions are proposed for translators and interpreters. A resolution approving the Commission's proposal subject to a number of amendments was agreed to.

QUESTION TIME

Questions to the Council

1. *Rules of origin* by Mr Tom Normanton (Br, EC)

'In view of the great importance which the textile and clothing industries of the Community attach to the maintenance of rules of origin based on process under the existing Yaoundé Treaty, would the Council please explain what decisions were taken in this context at the Ministerial Meeting in Kingston, Jamaica in July?'

Mr Bernard Destremeau, President of the Council, replied: 'The Ministerial Conference of the Community and the African, Caribbean and Pacific States, held on 25 and 26 July 1974 at Kingston (Jamaica), adopted the following conclusions on rules of origin by joint agreement of both parties.

- '1. The Community recognizes that rules of origin can create difficulties for the free access of the products of ACP countries to its market. A solution which would resolve these difficulties will be sought in the framework of the new Convention.
2. The principle for determining origin is that of a change in tariff heading.
3. The Conference asks the negotiators to examine the exceptions which exist in the present Community system with a view to permitting the freest possible access to the Community market for ACP products, in view of the importance of such access for the industrial development of the ACP countries, including processed agricultural products. This examination also will deal with the protective element of the exceptions.
4. It is also understood that where the required change in tariff heading does not take place the product concerned must nevertheless be accepted as an originating product if the value added in the exporting country reaches a certain minimum percentage.

It is understood that the appropriate minimal solution may vary to some extent, depending on the industrial sector concerned. It is noted that the ACP countries have proposed that the percentage be 25 %.

5. There must be adequate administrative cooperation to enable origin to be verified in order to avoid any abuse of the system."

On the basis of these conclusions and of the Council's directives to the Commission, the negotiations in Brussels are currently continuing within a Trade Sub-Committee of the Plenary Committee of Ambassadors and Plenipotentiaries to draw up the rules of origin which will apply under the future Convention between the Community and the African, Caribbean and Pacific States concerned.'

2. *Persons escaping from the GDR and their helpers* by Mr Eric Blumenfeld (Ge, CD)

'Can the Council confirm that during the CSCE negotiations in Geneva on the free movement of persons, information, etc., in Europe, strong emphasis was placed on the constant molestation, arrests and convictions of persons seeking to leave the GDR and their helpers?'

Mr Bernard Destremau, President of the Council, replied: 'I should like to reiterate that all Member States are concerned that human rights should be respected and consider it essential that progress on humanitarian matters be achieved in the CSCE. Nevertheless, as the Council has already pointed out on a previous occasion, the specific question put by the Honourable Member falls outside its competence.'

3. *Agricultural prices* by Sir Douglas Dodds-Parker (Br, EC)

'What progress has been made since the Council meeting of 20 September 1974 in reaching agreement on the proposals for an increase in agricultural prices?'

Mr Bernard Destremau, President of the Council, replied: 'Following its meeting of 20 September 1974, at which agreement in principle was reached on a whole range of measures to cope with the present economic situation in agriculture, the Council held a further meeting, as you know, on 2 October 1974. At that meeting, the Council confirmed its agreement in principle of 20 September and accordingly adopted Regulation No 2496/74 laying down an across-the-board increase of 5 0/0 in the prices applicable in agriculture for the 1974/75 marketing year. This price increase came into force on 7 October 1974.'

Questions to the Commission

1. *Invitation from the Secretary-General of COMECON to the President of the Commission* by Mr Schelto Patijn (Du, S)

'What was the nature of the invitation from the Secretary-General of COMECON, Mr Fadeyev, to the President of the Commission and what was the Commission's reply?'

Sir Christopher Soames, Vice-President of the Commission, replied: 'The President of the Commission has received an invitation from Mr Fadeyev to discuss ways in which relations could be established between COMECON and the Community. The Commission is considering the reply which it expects to send shortly to Mr Fadeyev. Its character will, of course, be positive.'

2. *Commission's Economic Statistics* by Lord Bessborough (Br, EC)

'On 1 October 1974 the latest available issue of the Commission's 'Monthly Graphs and Notes on the Economic Situation in the Community' was that of July 1974, whereas the latest issue of the OECD's 'Main Economic Indicators' was that of September 1974. What information is 'Graphs and Notes' intended to provide which is not available in 'Main Economic Indicators'?''

Mr Wilhelm Haferkamp, Vice-President of the Commission, replied that the two publications were not comparable. The OECD's 'Main Economic Indicators' gave no background to the data supplies whereas the EC's statistics allowed an assessment of the main aspects of the Community's short-term economic situation. Obviously duplication had to be avoided and this was one of the points the Commission was discussing with the OECD under their pluriannual programme. The aim was to harmonize statistics. Any delays, he said, were due to a number of factors. But in addition to avoiding duplication the main issue was to ensure statistics were comparable.

Lord Bessborough asked why the Commission did not produce its statistics ahead of the OECD and why there was a duplication within the EC. Mr Haferkamp replied that the EC's statistics served different purposes. They were to some extent geared to monthly bulletins on the economy and to reports appearing quarterly. The annual report on the economy (discussed the previous day) on the other hand was of a different nature. Statistics there related to efforts at coordination and did not necessarily coincide with what was being done by other international bodies. Mr James Soctt-Hopkins (Br, EC) asked whether the Commission's statistical service needed overhauling and Mr Hafer-

kamp said that making the Nine's statistics comparable was complicated. This was still going on. He pointed out that finding qualified staff from the new Member States was a factor to be considered here.

3. *Relations of EEC with Australasia and South East Asia* by Lord O'Hagan (Br, EC)

'What plans has the Commission to improve relations with Australasia and South East Asia?'

Sir Christopher Soames, Vice-President of the Commission, replied that he had just returned from a trip to Australia and New Zealand and four of the South-East Asian countries. 'We agreed in Canberra and in Wellington to institute regular talks between the Commission and each of these two governments', he said. These would be at senior official or ministerial level and cover points of common interest. A joint study group was also being set up to consider how the EC could help the South-East Asian countries. There, he added, there was a real appreciation of the way the EC was giving effect to the Joint Declaration of Intent (in the Treaty of Accession) which undertook to strengthen traditional links between Member States and Commonwealth and other countries in South-East Asia, particularly through its approach to the generalized preference scheme in 1974 and 1975.

REFERENCES

Subject	European Parliament document number	Date of debate	Commission document number
Raisins	267/74	14/10	220/74
Port, Madeira, Setubal muscatel wines . . .	264/74	14/10	166/74
Hazelnuts	263/74	14/10	167/74
Pigmeat	293/74	14/10	278/74
EAGGF for 1972	297/74	14/10	109/74
Aid from EAGGF for 1974	295/74	14/10	217/74
Economic situation	286/74	15/10	280/74
Paper trade	291/74	15/10	48/74
EC staff regulations	253/74	15/10	174/74
1975 budget	288/74 288/74-Annex	16/74	
European Union, political debate	300/74	16, 17/10	
Generalized tariff preferences	285/74	17/10	201/74
Direct life assurance	254/74	17/10	313/73 351/73
Petroleum products	268/74	18/10	212/74
Community loans	307/74	18/10	310/74
Competition policy	290/74	18/10	118/74

Customs treatment of certain goods	281/74	18/10	145/74
Delivery periods of imported goods	279/74	18/10	224/74
Value of goods for customs purposes . . .	357/74	18/10	178/74
Nomenclature of goods for statistical purposes	258/74	18/74	202/74

Abbreviations

CD	Christian Democratic 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
EC	European Community

Be	Belgian
Br	British
Da	Danish
Du	Dutch
Fr	French
Ge	German
Ir	Irish
It	Italian
Lu	Luxembourg

Notes

New Members

Mr Wessel Hartog (Du, CA), Mr Aart Geurtsen (Du, LA) and Mr Willem Albers (Du, S) took their seats in the House on 14 October. They were appointed by the two Chambers of the States-General of the Netherlands on 3 October and their credentials were verified by the Bureau of the European Parliament on 17 October. They take the seats left vacant by Mr Doeke Eisma, Mr Pieter van der Sanden and Mr Egbert Wieldraaijer.

Welcoming Mr Wijntuin

The President welcomed on behalf of Parliament Mr Wijntuin, President of the Chamber of Deputies of Surinam.

Summing up

At its sittings of 14, 15, 16, 17 and 18 October Members put down 3 oral questions for debate with the Commission. At Question Time 3 questions were addressed to the Council and 3 to the Commission. 19 reports were considered and the European Parliament delivered 20 Opinions.

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