

european parliament

information series

the sittings

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The Sittings

'The Sittings' is intended to give the gist of proceedings in 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.

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Abbreviations

The following abbreviations are used in this text to denote nationality and political allegiance: CD Christian Democrat, S Socialist, LA Liberal and Allies, EC European Conservative, EPD European Progressive Democrat, CA Communist and Allies, 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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Sessions of the European Parliament

1974-1975 and 1975-1976

Sittings held in Strasbourg

Monday 10 and Tuesday to Friday 14 March 1975

Introduction

Parliament's March sittings were dominated by three events: the election of a new President, the first meeting of the European Council in Dublin Castle and the opening shots in what could be a major battle with the Council over the money to pay for Europe's regional fund. If the first two events were more spectacular it was the third of them which mattered most to the European Parliament, the issue at stake being the real meaning of Parliament's budgetary powers.

The election of the President went to four ballots before Mr Georges Spénale emerged as the outright winner. In the first round Mr Alfred Bertrand, the Christian Democrat candidate, led with 50 votes. Mr Michael Yeats, the European Progressive Democrat candidate, was second with 46 votes and Mr Spénale, the Socialist candidate was third with 45. Mr Peter Kirk, the European Conservative candidate, had 18 votes and Mrs Leonilde Iotti, the Communist had 12. The voting in the second round was: Mr Spénale 47, Mr Bertrand 45, Mr Yeats 44, Mr Kirk 19 and Mrs Iotti, 12. Mr Kirk and Mrs Iotti stood down in the third round and attention switched to which two of the three remaining candidates would come first and second and so go into the fourth ballot. Mr Georges Spénale was once again in the lead with 59 votes. Mr Michael Yeats with 54 votes was narrowly beaten by Mr Bertrand with 55 for the 'run-off' in the final round. There was naturally some speculation as to who those voting for Mr Yeats in the third ballot would vote for in the final round. In the event 86 Members voted for Mr Spénale in the fourth ballot and 72 for Mr Bertrand. President Georges Spénale will serve for one year after which he would normally be re-elected to serve a further year. (With direct elections planned for 1978, President Spénale's term of office is likely to be a crucial one in the history of the European Parliament).

The day following, when such customary business as appointments to Parliament's standing committees had been despatched, the House gave a warm welcome to Dr Garret FitzGerald, President of the Council and to Mr

François-Xavier Ortoli, President of the Commission who had just flown in to tell Parliament of the results of the Dublin Summit only a matter of hours after its successful conclusion.

Mr Ortoli was particularly appreciative of the reception extended to those attending the Summit in 'the land of a hundred thousand welcomes'. He was clearly very impressed by the warmth of Ireland's hospitality and, too, by the sheer efficiency with which the meeting was run. Mr Ortoli said he thought that Dr Garret FitzGerald's presence in the Chair had had a lot to do with the success achieved in Dublin Castle.

Mr Garret FitzGerald said 'It seems to be my fate to bring news from Heads of Government meetings hot foot to Parliament'. (Dr FitzGerald's full statement is given on page 7).

Against the background of such events as these it would be easy to overlook what was, for Parliament, the real issue of the week: the money to finance the European Regional Development Fund. Article 203 of the Treaty of Rome makes an all-important classification of expenditure over which Parliament is to have the last word. When it comes to expenditure 'necessarily resulting from this Treaty or acts adopted in accordance therewith' it is Council that has the last word and when the expenditure does not necessarily so result then it is Parliament.

Several Members of Parliament have, from time to time, expressed concern about the rather imprecise interpretation this Article could lend itself to and is insistent, for example, that the moneys to be spent under the regional policy do 'not necessarily result from the Treaty'. This was at all events the view expressed this week by Mr Heinrich Aigner (and endorsed on all sides of the House) in a debate in which Parliament accepted the regional policy (despite its looking like an amalgam of nine national policies) and agreed reluctantly to money for the regional fund being taken from the Agricultural Fund but gave notice that Council's description of the expenditure as 'necessarily resulting from the Treaty' was unacceptable. It now remains to be seen how this issue will be resolved. Parliament will give a first reading to the relevant supplementary budget at its sittings in Luxembourg next month; the second reading will probably be given at Parliament's second series of sittings in April, at which time the European Regional Fund Budget will be finally established. The other point of contention concerning this fund is that Parliament would like to see 300 million units of account actually paid out this year and not simply the 150 million envisaged in the Commission proposals.

Mr Georges Spénale elected President

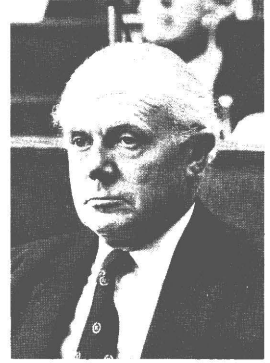
Parliament's year begins on the Second Tuesday in March and its first act, in every second year, is to elect a new President. The re-election of the President at the end of the first year is usually a simple formality. The term of office of President Cornelis Berkhouwer ended on Monday, 10 March and Mr Roger Houdet, the senior Member and, as he put it, 'the only one to have a foot in the



Mr Georges Spénale is elected President of the European Parliament

Nineteenth Century' took the Chair while a new president was elected. After four keenly contested ballots, Mr Georges Spénale emerged as the outright winner with 86 votes to Mr Alfred Bertrand's 72. It was an exciting election, with the result in doubt right up till the final count.

Mr Georges Spénale was born on 29 November 1913 at Carcassonne in the Pyrennees. After graduating in law he entered on what was to be a highly



distinguished career in the French Overseas Service. He became a Governor in 1956 and later, from 1957-1960, High Commissioner to the Togo Republic. In 1962 Mr Spénale stood for the National Assembly as Socialist candidate for the Tarn constituency and was elected. He has been a Deputy in the French Parliament ever since. Mr Spénale became a Member of the European Parliament in 1964 and was, at the time of his election to the presidency, both chairman of the Socialist Group (in which office he is now succeeded by Mr Ludwig Fellermaier) and chairman of Parliament's Committee on Budgets. It is through his work on this committee that Mr Spénale has gained his reputation as an expert on budgetary affairs and as a very determined protagonist in Parliament's fight for greater budgetary powers.

Mr Spénale, who is 61, is married with a son Jean-Jacques and a daughter, Claire-Jeanne. On his election, Mr Spénale said he was deeply moved by the



The 11 Vice-Presidents:

*Mr Giovanni Bersani,
Mr Cornelis Berkhouwer,
Lord Bessborough,
Mr Michael Yeats,
Mr Gérard Bordu,
Mr Walter Behrendt,
Mr Friedrich Burgbacher,
Mr Ove Guldberg,
Mr Lucien Martens,
Mr Achille Corona,
Mr Jaques Santer.*

confidence of the House, a confidence, he said which the calibre of the other candidates served to enhance. 'This confidence makes one even more committed to the service of Parliament and of Europe, this Europe which, for you and I, has the same prestige, the same appeal and makes the same demands as it did at the very beginning'.

Election of eleven Vice-Presidents

On Tuesday, 11 March, Mr Walter Behrendt, Mr Cornelis Berkhouwer, Mr Giovanni Bersani, Lord Bessborough, Mr Gérard Bordu, Mr Friedrich Burgbacher, Mr Achille Corona, Mr Ove Guldberg, Mr Lucien Martens, Mr Jacques Santer and Mr Michael Yeats were elected Vice-Presidents of the European Parliament.

Dublin Summit success

A matter of hours after the conclusion of the meeting of the European Council in Dublin Castle, Dr Garret FitzGerald, President of the Council, appeared before the House in Strasbourg to tell Parliament of the results. After commenting 'it seems to be my fate to bring news from Heads of Government meetings hot foot to Parliament' he went on to say:

'You know already that the meeting was a success. The Heads of Government were able to deal successfully with all the issues before them and, above all, with those questions which remained in relation to the question of continuing British membership. You are aware, I think, that it had already been decided that, in contrast to earlier meetings of Heads of Government, this meeting, as the first of a new series of more regular meetings, would not be followed by a communiqué setting out in detail the views of the Heads of Government on every issue. Instead, a flexible procedure would be adopted under which, on certain matters, there could be declarations of a formal character, on others perhaps statements and on others merely a verbal report by the President of the Council to the public through the Press on the particular matters discussed. On this occasion we have that mixture of forms of reporting of the results.

I shall start with the question of British membership. The discussion of this matter was carried out in an atmosphere of great good will, as indeed has been the case throughout these negotiations. It was evident that all members present were anxious to reach a satisfactory conclusion on this matter at this meeting, and no efforts were spared in seeking solutions to particular problems, some of them very technical and very difficult.

The discussions were somewhat long at times, partly because of the complexity of the matter we were discussing when dealing with the corrective mechanism. Our problem was to meet not only the concern of the United Kingdom about the possible burdens on it in certain economic conditions but also the preoccupation of other Member States about the possible cost of any arrangements which might be made and the concern of some Member States about the desirability of minimizing, as far as possible, the rôle that customs duties and levies would play in the final formulae.

The reconciliation of these different considerations led us to explore a number of complex formulae, some of which proved abortive and not likely to give us the results we wanted, before finally we came to a relatively simple solution of

the problem, which was one put forward by the President of France as a compromise solution which finally proved acceptable to all the Member States present and, it must be said, also to the Commission, because it was on the basis of the Commission's communication that we were discussing the matter.

If I may summarize the results, therefore, the suggestions outlined in the Commission's communication were accepted, with two or three exceptions which I shall define. First, the balance of payments deficit criterion was removed as a precondition for making any refund payments under the corrective mechanism scheme. Secondly, the proposed two-thirds ceiling limit was eliminated and no longer applies. Instead, two new provisions were made.

First, it was agreed that there should be a limit of 250 million units of account on the total payment to be made under the scheme proposed, with the provisions that as and when the Community's Budget reached a figure of 8,000 million units of account the limit would be expressed not in absolute terms of 250 million units of account but as 3 per cent of the Community's Budget.

Secondly, it was also agreed in respect of the balance of payments, the criterion of a deficit as a necessary precondition for any payment having been removed, that where a moving average drawn up over three years indicated that the balance of payments and current account of the country in question was in surplus, the correction should affect only the difference between the amount of its VAT payment and the figure resulting from its relative share in the Community's gross domestic product.

With these two new elements having been introduced and those I have mentioned having been removed the communication of the Commission on this matter was accepted. I believe that this was a major achievement, because from the beginning this was seen on the side of the United Kingdom as being one of the most crucial elements in any decision that the United Kingdom Government would take in recommending continued membership to the people of the United Kingdom, and on the side of the other Member States it was seen as one of the problems raised by the United Kingdom Government likely to prove of the greatest difficulty for obvious practical reasons as well as potentially for reasons connected with the basic principles on which the Community is based. The fact that it was possible to find a solution to this problem was the key to the success of this whole process on which we have been engaged during the past year.

The other matter which has to be dealt with in connection with British membership relates to the question of imports of dairy products from New

Zealand under Protocol 18. Here the Heads of Government invited the Commission to present a report to prepare for the review provided for in Article 5 of the Protocol and to submit as soon as practicable a proposal for the maintenance after 31 December 1977 of the special import arrangements referred to in that article.

It is our understanding that the Commission is likely to be in a position to bring forward such a proposal within a period of about four months, by July next. The Heads of Government observed that the Institutions of the Community have already, during the period of operation of the Protocol, carried out certain price adjustments within its framework. In the same spirit the Community, which remains attached to a fair implementation of the Protocol, expressed itself ready through the voices of the Heads of Government, meeting in the Council of the Communities, to review periodically and as necessary to adjust prices having regard to supply and demand developments in the major producing and consuming countries in the world and also to the level and evolution of prices in the Community, including intervention prices in New Zealand, taking moreover into account cost developments in New Zealand and trends in freight charges. It is on the basis of these considerations that the Commission is preparing a proposal to be submitted within this relatively short deadline to the Council.

On the question of the quantities involved, it was agreed that for the period to 1980 the annual quantities, depending on future market developments, would remain close to effective deliveries under Protocol 18 in the year 1974 and the quantities currently envisaged by New Zealand for 1975. These considerations all relate to butter, because Protocol 18 provides that after 1977 exceptional arrangements for imports of cheese cannot be maintained. The Heads of Government agreed, however, that this situation, namely the termination of arrangements under Protocol 18 for cheese and problems which may arise therefrom, will be given attention with appropriate urgency. They went on to express the wish that in the same spirit as the Community approaches the application of Protocol 18 there should be ever closer cooperation and development between the Institutions of the Community and the New Zealand authorities with the objective of promoting in their mutual interest the orderly operation of world markets in dairy products.

On that basis, a solution was found to the second outstanding problem.

In the light of these decisions and these orientations by Heads of Government, the United Kingdom Prime Minister will report to his Cabinet, I understand,

early next week. That Cabinet will take a decision on the recommendation that it is to make to the people of the United Kingdom about continued British membership. It is clear that if the Cabinet decides in favour of a recommendation to the effect that the United Kingdom should remain a member of the Community, the Prime Minister will press home that recommendation to the British people; but of course, the decision as to what recommendation to make must be taken by the British Cabinet.



Mr Garret FitzGerald, President of the Council, reports to the House on the Dublin meeting of the European Council

You will appreciate, Sir, that these matters absorbed a good deal of our time, especially in view of the technical complexity of the corrective mechanism and the discussions concerning it. The Heads of Government, however, discussed a number of other matters. There was a useful discussion on the Conference on Security and Cooperation in Europe, at present in progress in Geneva, and a statement was issued on that subject. In the concluding paragraphs the Heads of

Government pronounced themselves in favour of concluding the work of the Council as rapidly as possible and to this end intended to continue and intensify its efforts to seek in an open and constructive spirit positive solutions to problems still under discussion or outstanding. They hope that participating States will make, as the Council has decided to make, every effort to obtain a balanced and satisfactory result of all subjects on the agenda as this would make it possible to conclude the Conference at an early date and at the highest level.

The Heads of Government gave considerable thought to the question of energy policy. It was agreed that intensive preparations for a conference involving both consumers and producers should be undertaken immediately within the Community framework. It was agreed that these preparations should relate to and be concerned with analysis of the different problems likely to arise during the conference and the preparatory meeting, both problems which specifically relate to energy, economic and financial problems and problems relating to developing countries which are directly linked to the question of energy. The aim will be to seek to define common positions on these matters which will take account of the positions taken, or likely to be taken, by the other participants to the conference.

The preparation for the conference is to be undertaken under the authority of the Council of Ministers of Foreign Affairs within the framework of an ad hoc committee at a high level composed of representatives of Member States and of the Commission. This ad hoc committee will work on the basis of an inventory of problems likely to come up during the conference and the preparatory meeting which will be established by the Commission and of proposals which the Commission will make to the Council, as well as on the basis of suggestions and, indeed, requests or proposals presented by Member States.

On the basis of that work, the Council will take appropriate decisions and will in particular fix the content and the modalities of the dialogue to be undertaken both with other consumer countries and with producer countries. The Council agreed to meet at the level of Heads of Government in adequate time to prepare the main Energy Conference.

These, then, were the decisions taken and incorporated in the declaration made by the Heads of Government on energy policy as it relates to the producer consumer conference.

There was discussion of the economic situation in the Community and in the world, as indeed there was at the last Heads of Government meeting in Paris. The

Heads of Government remain concerned at the very serious economic situation. The views that were expressed are to be taken into account by the Council of Finance Ministers of the Community which will take place on 18 March and which will examine the problems of unemployment and inflation which are affecting the Community and, indeed, the rest of the world so severely at the present time.

There was also a very useful discussion on the question of raw materials, a matter which has not come before the Heads of Government or, one might almost say, before the Council of Ministers to any significant degree until this time. It was decided that this problem should be further considered by the Council of Ministers of Foreign Affairs on the basis of proposals to be presented by the Commission to the Council. This is a matter to which I am sure the Heads of Government will wish to return at future meetings.

The discussion was necessarily a preliminary one. As I have said, this is a matter which has not hitherto been given much consideration. It was very useful to have a first round of discussions on this subject, but much remains to be done before we can reach the point where any concrete proposals that would have a significant effect upon this whole area of raw materials can be arrived at.

On Cyprus the Heads of Government, recalling the statement issued by the Foreign Ministers following their meeting in Dublin on 13 February, expressed the hope that, in the context of the discussions currently being held at the United Nations in New York, there would be an early resumption of negotiations. The Nine will, of course, continue to keep in close touch with developments as regards the situation in Cyprus.

Those were the matters discussed by the Heads of Government, I apologise again for the informal nature of the report I am making in all haste at this time, barely 12 hours after the conclusion of the conference.'

There was considerable applause for Mr FitzGerald's statement.

Mr François-Xavier Ortoli, President of the Commission, who had also flown to Strasbourg direct from Dublin said it was too early to say what could be expected of the European Council. Its main virtue was that it imparted a new political impetus. It enabled Heads of Government to deal with major issues and, he was glad to note, the choice of subjects for the Dublin Summit had been right

and the approach adopted was right too. There was no question of the European Council setting itself up as a court of appeal and certainly one of the risks had been that it could gradually be transformed into a final court of appeal. Mr Ortolì stressed that the Commission's part in the proceedings had been fully respected. This was not to say he no longer had any fears on this point. One still had to be vigilant but on the whole what was satisfactory was that major issues had been dealt with in the right way on the basis of Commission proposals. Mr Ortolì added that the atmosphere at the European Council had been good and discussions had shown that the atmosphere became all the better when things were well organised and well conducted.

Mr Ortolì's statement was applauded.

Funding Europe's regional policy

Europe's regional policy is beginning to have a long history. Point five of the Preamble to the Treaty of Rome states that (the Member States are) 'anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions'. But it was not until the Paris Summit of 9 and 10 December 1974 that this Treaty commitment took on the hard outlines of a practical policy. Paragraphs 23 and 24 of the Summit communiqué read: 'The (European Regional Development) Fund will be endowed with 300 m u.a. in 1975 and with 500 m u.a. for each of the years 1976 and 1977, i.e. 1300 m u.a. This total sum will be financed up to a level of 150 m u.a. by credits not presently utilised from the European Agricultural Guidance and Guarantee Fund (Guidance Section)'.

It was the bill concerning this latter point that came before the House this week. Further to the Summit decision, the European Commission duly submitted a proposal to the Council to the effect that 150 million units of account held in reserve in the Guidance Section of the European Agricultural Guidance and Guarantee Fund should now be transferred to the European Regional Development Fund. Reporting to the House on this proposal on behalf of the Committee on Budgets, Mr Heinrich Aigner (Ge, CD) was less than satisfied. In a detailed exposition, which had the broad support of all sides of the House, Mr Aigner argued that appropriating this 150 m u.a. would cut down the annual appropriations for the Guidance Section. He took exception to the fact that 25 m u.a. of this sum would be taken from what is known as the Mansholt Reserve because this could set a dangerous precedent. He could only ask the House to agree to the transfer proposed with substantial reservations.

Mr Aigner then turned to the first draft amending and supplementary budget for financial year 1975 covering this transfer. And he explained the points of disagreement between Parliament and Council on the budgetary aspect of the case. Apart from the disagreement as to the source of the money (i.e. the EAGGF), Mr Aigner also felt the amount actually paid out in 1975 (instead of



Mr Heinrich Aigner: 'We can not accept that regional policy expenditure should be described as "compulsory" within the meaning of Rome Treaty Article 203, i.e. as expenditure over which Parliament does not have the last word'

simply 'committed') should be 300 million units of account. But his big disagreement centred on the Council's wish to describe the expenditure as 'compulsory' (i.e. as expenditure 'necessarily resulting from this Treaty or from acts adopted in accordance therewith' within the meaning of Rome Treaty Article 203). The point here being that (subject to a certain ceiling) it is Parliament itself which has the last word over expenditure that is not described as compulsory. Mr Aigner argued that this expenditure did not 'necessarily result from the Treaty'.

When the matter went to the vote the House agreed to a resolution accepting the transfer of funds, subject to substantial reservations; the budgetary aspect, however, was left open. Parliament will give this supplementary budget a first reading on 8 April and a second reading on or around 28 April. Council is expected to state its position on 14 April.

As regards the regional policy itself, Mr Pierre Giraud (Fr, S) who was reporting the House on behalf of the Committee on Regional Policy and Transport, was as dissatisfied as Mr Aigner. The a priori allocation of funds between all Member States did not meet the requirements of a Community policy. Priorities should be established as between regions and not between States. Mr Giraud added that these priorities should be determined with reference to statistics on Community averages not national ones.

Mr Giraud also felt the fund should have a more pronounced social emphasis and that the whole local population of regions in difficulty must be involved in promoting its development. Nevertheless, he did not wish to propose any amendments because he wanted the Regional Development Fund to become operational as soon as possible. Subject to these various points therefore he asked the House to approve the Commission's regional policy proposals and Parliament agreed to a resolution to this effect.

The Lomé Conventon (See Postscript for full list of signatory states)

As rapporteur for the Committee on Development and Cooperation, Miss Colette Flesch (L, LA) presented an interim report on the Convention signed in Lomé on 28 February 1975 between the Community and 46 African, Caribbean and Pacific countries. Welcoming the convention, Miss Flesch paid tribute to all those who had contributed to its successful conclusion, particularly President Babacar Ba, Mr Claude Cheysson and Mr Garret FitzGerald whose role in the negotiations had been decisive.

The Lomé Convention provides for aid totalling 3,390 million units of account over a five year period and includes special help for some of the world's least developed countries. To help the developing world still further, the convention will introduce a system of stabilising export earnings which will be particularly valuable to countries whose economies are largely dependent on exports of raw materials (cocoa, coffee, iron ore, sisal, cotton, tea, bananas, timber, hides, palm kernel products, groundnuts and coconuts). And there are special arrangements for sugar whereby the Community will import 1.4 million tons divided into quotas for each producing country.

Miss Flesch stressed the need for the Lomé Convention to be ratified as soon as possible and moved a motion calling upon all contracting parties to do so without delay. 'The Lomé Convention is an important milestone in the development of relations between the Third World and the Community. It must become fully operative within the shortest possible time,' Miss Flesch concluded. The resolution was agreed to.

State of the Community's economy

As rapporteur for the Committee on Economic and Monetary Affairs, Mr Pierre-Bernard Cousté (Fr, EPD) reported to the House on the state of the Community's economy. He was in fact giving his committee's response to the economic situation statement made to the House by Commission Vice-President Wilhelm Haferkamp on 19 February. Mr Cousté tabled a motion arguing that the Community itself provided the best frame of reference for dealing with the present crisis and he came out strongly against any hint of protectionism or going it alone. Trade expansion was what the Community should aim at. His motion signified approval for the introduction of the EC loan arrangements, the Zeist Agreement on mobilising gold reserves and the Washington Agreement on recycling oil dollars. The motion went on to state, however, that recycling could only be regarded as a temporary expedient. What was needed was a new impetus coupled with stability, with Member States pursuing policies appropriate to their inflation rates and balance of payments situations. The motion signified approval for curtailing consumption, boosting investment and making the necessary transformations in our society. The motion called for a common policy on energy to keep Europe competitive and secure the viability of its economy. But the motion concluded by emphasising the human aspect. 'The threat to our economy posed by the present crisis cannot be met without the active support of the various social groups urges therefore that the cost of sacrifices to be made should be spread equitably; and supports to this end the Commission's projects for expanding and from the Social Fund to cope with adjustments in employment.'

Mr Gérard Bordu (Fr, CA), the Communist spokesman, found the motion before the House placed too little emphasis on the human factor. It was all very well talking of cutting consumption but this would in turn cut back production and further increase the numbers of the unemployed. It had been pointed out the figure was now 3,700,000 without jobs which represented 3.5 per cent of the active population; it was the highest figure since the Community began. So that

while Mr Bordu agreed, as did the spokesman for the other groups, with the analysis delivered to the House by Mr Haferkamp on 19 February, he could not accept the remedies advocated.

Indeed, remedies were the focal point of the debate. Mr Heinrich Aigner conceded there was no universally applicable physic. But he certainly agreed with Mr Haferkamp and disagreed with Mr Bordu that part of the answer was to curtail consumption and boost investment. Mr Aigner here came close to the view frequently put forward by Sir Brandon Rhys Williams (Br, EC) 'We must invest our way out of inflation'. Indeed, the European Conservative spokesman on this occasion Mr Hugh Dykes expressed great concern that investment levels in the United Kingdom, for example, were half those of the Federal Republic of Germany.

Mr Francis Leenhardt (Fr, S), Socialist spokesman, on the other hand, found the 'cut consumption and boost investment' formula too facile. He was sorry that a more selective approach had not been adopted and he had been surprised to hear Mr Cousté comment that although the situation was serious the Community was not in a state of crisis. He thought that with 3,700,000 unemployed the Community was in a crisis.

Replying to the debate on his economic analysis, Mr Wilhelm Haferkamp, Vice-President of the Commission, said what mattered most was that the Community should have the guts to face up to the truth. There could be no increase in consumption as long as more goods and services continued to be needed to meet the Community's increased oil bill. And if they went to pay this bill they could not go for domestic consumption. 'It is no use throwing sand in people's eyes' he said. The economy had now to be geared to the working man. This meant investment otherwise new jobs would be in jeopardy.

He took up the point made by Mr Tom Normanton (Br, EC) that it was not the oil crisis alone that was responsible for Europe's difficulties. For years Member States had been consuming 110 per cent for every 100 per cent produced. And the consequence had been inflation. And who was hardest hit, he asked? It was the worker. Mr Haferkamp said the fault here lay with governments not daring to say 'no' to pressure to spend more. And some fault too lay with national Parliaments' failing to state the financial consequences of the laws they passed.

He agreed with Mr Bordu that the crisis was general abut disagreed that its origins lay in the Community system. Comecon too had to reckon with similar

difficulties. And it was too easy to blame the multinational companies for everything. In fact Europe's economy had proved more resilient than might have been guessed a year ago. 'So we should not hazard this system which has absorbed the shock, which we are improving every day and whose shortcomings we must remedy'.

Looking ahead Mr Haferkamp hoped for an improvement in the economy in the second half of the year. 'There can be no doubt we are in a difficult situation, call it crisis or what you will: it is difficult. And the problems facing us are not going to be easy to solve we have a long and hard road ahead and we are going to need the courage to face the truth, to be able to rely on our own strength and to work with a sense of common purpose'.

Mr Haferkamp was applauded and Mr Cousté's resolution was agreed to.

Energy

Research and development programmes

As rapporteur for the Committee on Energy, Research and Technology, Lord Bessborough (Br, EC) reported to the House on the Commission's proposal for research and development programmes on energy. This followed on from the 'Energy for Europe' statement made to the Council in August last year, pinpointing seven strategic sectors for research: energy conservation, fossil energy, nuclear energy, use of hydrogen, new sources, environmental protection and systems modelling. The Commission makes a distinction between projects likely to contribute substantially to the EC's energy supplies within ten years and those likely to contribute decisively in the longer-term. In this paper the Commission proposes a four-year (1975-1978) programme for research in five fields (conservation, modelling, hydrogen, solar energy, geothermal energy) with a total funding of 54.96 million units of account. Lord Bessborough argued that this programme should not be restricted to four years and he moved an amendment to the Commission's proposal to this effect.

Presenting his motion to the House Lord Bessborough described the Commission's proposal as an 'excellent and eminently practical document I sincerely hope it will be approved by the Council without difficulty.

Mr Cornelis Laban (Du, S) Socialist spokesman, agreed with him. The main aim, after all, was to reduce Europe's dependence on energy sources outside the

Community. Mr Marcel Vandewiele (Be, CD), Christian Democrat spokesman, signified his group's support for Lord Bessborough's amendment. A four-year programme could hardly be regarded as a permanent arrangement, he said.

Lord Bessborough's resolution was agreed to.

Common policy aims

As rapporteur for the Committee on Energy, Research and Technology, Mr Emile Muller (Fr, LA) deputising for Mr Jean-François Pintat (Fr, LA) welcomed the Commission's statement on common energy policy aims for 1985. He noted the Commission's plans will make the Community less dependent for its energy on outside sources and he approved the proposal to restrict the increase in energy consumption to a rate of 3.5 per cent per annum. He stressed, however, that this could only be done by concerted national and EC efforts. He drew attention to the disparity in energy pricing systems as an obstacle to achieving the Commission's aims. He argued that the EC should promote exploration for new hydrocarbon deposits to reduce dependence on present suppliers. Lastly, he made the point that 'the development of nuclear energy on the scale envisaged by the Commission depends on the removal of a great many obstacles, one of the main ones being public ignorance on the subject'.

Presenting a motion summing up these various points Mr Muller reminded the House of the actual size of the oil dependence problem. At the end of 1974 the total deficit of the industrialised countries had been estimated at 40,000 million dollars; the developing countries had an annual deficit of 20,000 million dollars, at least half of which was due to the oil price increase. This increase was equal to the total amount of foreign aid these countries were receiving. The oil producing countries, on the other hand, had an export surplus of 60,000 million dollars at the end of 1974.

The seriousness of the situation, said Mr Muller, might lead one to suppose the states concerned must have formulated some kind of strategy for dealing with the crisis. Unfortunately this was simply not true. The Council's aim for electricity production from nuclear sources, for example (160 GWd) was arrived at simply by adding nine national programmes together.

'The whole success of a common policy depends on the political will of the Council' said Mr Muller. Mr Normanton suggested a pricing policy for all forms

of energy to provide insulation against violent price fluctuations. Mr Michael Yeats (Ir, EPD), European Progressive Democrat spokesman, agreed with Mr Noè and Mr Laban that the emphasis should be on saving energy. Here, he said, the situation was relatively satisfactory: 'In 1974 the Community saved 6 per cent and we hope for a further saving of about 5 per cent in 1975. This would lead to a total saving of some 11 per cent as against the situation in 1973'. He pointed out that the United States had made a saving of only 2 per cent.

Mr Gérard Bordu (Fr, CA) Communist spokesman, said he could only approve some of the ideas put forward by the rapporteur, particularly concerning the diversification of supplies. He was sorry however that no mention was made of the oil companies or of the United States' domination over energy options.

Among the points made in the ensuing debate was a suggestion by Mr Luigi Noè (It, CD) Christian Democrat spokesman, that it would be worth while looking into the regulation of combustion in relation to surrounding temperature with a view to saving energy in heating. He also drew attention to the savings that could be made from night storage electricity usage. Turning to the insulation of buildings, he said energy could be saved here but actual location seemed the main factor.

Mr Cornelis Laban (Du, S) Socialist spokesman on the other hand, took issue with the Council for not consulting Parliament on its own initiative about energy aims for 1985 although he too spoke of the need to save energy.

Mr Tom Normanton (Br, EC) European Conservative spokesman, felt the Community had abdicated all responsibility for energy. 'For that I feel that the political leadership of Europe stands – and history will prove that it stands – indicted'.

Replying to the debate Mr Henri Simonet, Vice-President of the Commission, said the key issue as far as Europe's energy future was concerned was to avoid a split between Member States on energy policy and particularly between those who were and who were not members of the International Energy Agency. But he thought that following the European Council meeting in Dublin, at which an ad hoc committee had been set up, it should gradually be possible for the Nine to arrive at common positions on a number of key points, particularly on the definition of a floor price for oil.

Taking up a point raised by Mr Adrien Zeller (Fr, CD), Mr Simonet said the common policy was more than the sum of its national parts. The Commission's

aim had been to urge the Member States to go beyond their original energy production targets. In conclusion, he said that the floor price referred to was found to reflect the positive or negative outcome of the dialogue with the oil producing countries.

The resolution tabled by Mr Muller was agreed to.

Environment

Saving the Mediterranean

As rapporteur for the Committee on Public Health and the Environment, Mr Augusto Premoli (It, LA) reported on a Petition (3/74) submitted to Parliament by Mr Barel on protecting the Mediterranean. Mr Premoli reminded the Commission and Council of Parliament's plea for an anti-pollution convention and he looked to the Council to adopt the Commission's directive to limit discharges of titanium dioxide into the sea. At the same time Mr Premoli gave due credit to industries already engaged in purifying pollutants.

In the debate that followed, a number of speakers expressed their concern about the state of the Mediterranean including Lord Reay who said 'I believe that my group would support any action proposed by the Commission which would assist towards the solution or the alleviation of a problem which must surely be a matter of the greatest interest to all the citizens of our Community'.

In reply, Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, agreed that the Mediterranean should be handed down unspoiled to future generations. He spoke of the work being done to tackle the problem but the key lay in coordinated action by the Member States.

The resolution tabled by Mr Premoli was agreed to.

Protecting international watercourses

As rapporteur for the Committee on Public Health and the Environment, Mr Libero Della Briotta (It, S) moved a motion asking the House to approve a Commission proposal for a decision concluding a European convention for the protection of international watercourses against pollution. The convention will

set up a Committee of Experts and a Committee of Technical Experts to further the aims of protecting international watercourses against pollution. The resolution was agreed to.

Monitoring atmospheric pollution

As rapporteur for the Committee on Public Health and the Environment, Mrs Elisabeth Orth (Ge, S) welcomed the Commission's proposals on the exchange of information between surveillance and monitoring networks on atmospheric pollution in the Community. The proposal comes under the Commission's environmental action programme. Mrs Orth trusted that the scope of the operation would be extended as soon as possible to other atmospheric pollutants in addition to sulphur compounds and suspended particles and looked to the Commission to take steps to develop 'atmospheric pollution climatology'. Mrs Orth tabled a motion calling for a wide range of steps to be taken and requesting Parliament's responsible committee to keep a close watch on developments. The resolution was agreed to.

Second category pollutants

As rapporteur for the Committee on Public Health and the Environment, Mr Hans Edgar Jahn (Ge, CD) asked the House to approve the Commission's proposal for a Council resolution on a revised list of second category pollutants to be studied as part of the action programme on the environment. These include ten pollutants to be found in the air and twenty-six pollutants to be found in water. The studies will be geared to assessing quantities present in the environment, the effect on the population, the toxic effect on human beings and, if possible, on flora and fauna and the health and ecological consequences of prolonged exposure to small doses. A resolution to this effect was agreed to.

GATT negotiations

Mr Pierre-Bernard Cousté (Fr, EPD) put down the following question for debate with the Commission:

'What are the main features of the instructions given to the Commission of the European Communities at the Council meeting of 10 and 11 February 1975 on participation in the GATT multilateral trade negotiations which have just opened at Geneva?'

Speaking to the question Mr Cousté indicated a number of other points on which he said he would appreciate further details.

Sir Christopher Soames, Vice-President of the Commission, said he welcomed the opportunity of discussing this matter with the House although he added 'if the negotiations are to be successful we must hold some cards close to our chests'. But, he said, the Commissioner had received a directive for the negotiations from the Council which was substantially the same as that proposed by the Commission. Referring to the United States trade act and to the point which Mr Cousté had raised to the effect that the US administration would be empowered to reduce tariffs by a maximum of 60 per cent, Sir Christopher said that 'when the Bill went before the House of Representatives the figure was 75 per cent. The Senate wrote it down to 50 per cent. We hoped that it might find its way back to 75 per cent but it did not. It came out as 60 per cent which at least is better than 50 per cent'. Taking up the question of the Common Agricultural Policy to which Mr Cousté had referred, he said there was no question of its being undermined by any decision taken in negotiations. As regards reducing tariffs, Sir Christopher agreed that the more that were cut back the more this would erode tariff preferences given. 'We have made it clear that we attach the greatest importance to ensuring not only that the developing world does not lose because of these negotiations but that there is a positive gain for the developing world'. Referring to the actual time table, Sir Christopher indicated that the preliminaries for the GATT negotiations should be concluded by Easter after which the negotiations proper could get under way.

Council agreements concluded 'ad referendum'

Mr Jean Durieux (Fr, LA) put down the following question for debate with the Commission:

'Does the Commission feel that the system of voting subject to confirmation is in accordance with the procedures laid down in the Treaties and with the concept of a Community body? Would it be prepared, if necessary, to institute the proceedings designed to ensure compliance with and uniform interpretation of the Treaties?'

Mr Garret FitzGerald, President of the Council, replied:

'What has occasionally been incorrectly termed voting subject to confirmation or ad referendum by analogy with certain diplomatic procedures should be considered from the point of view of Community law as a conditional agreement which is, in effect, reached only after the Minister concerned has had time for further reflection. As a result, the act for which this Council Member has resorted to such procedure will be formally adopted only when the Minister concerned has confirmed his conditional vote. The Council as a Community institution will then be considered as having taken its decision.

This kind of procedure is perfectly in keeping with the provisions of the Treaty governing voting in the Council. It can also have the practical advantage in certain cases of facilitating the procedure for taking decisions in the Council. In

any event, it has the effect of speeding up the proceedings by ensuring that the same item does not unnecessarily reappear on a subsequent agenda.'

Sir Christopher Soames, Vice-President, replying on behalf of the Commission, said that 'the use of this mechanism, although I would agree with the President of the Council that it has not been used extensively, has two advantages. First, it allows a decision which has been taken by the Council to be given full effect from the moment when the Member who has introduced a reservation withdraws it, without further consideration by the Council.

Secondly, if we are not to allow this 'vote ad referendum' Ministers will come with a mandate from their governments. After all, one wants to have a debating chamber and to have debates. The Council wants to have debates, and people's views ought to be able to be swayed by debate as it takes place. A Minister might be convinced but might not have had the authority of his government to go beyond a certain point.

If we are to take from such a Minister the right to vote ad referendum, I am afraid he would say, 'I am mandated to vote only in this way', and the matter would unfortunately come to an end. Our proposal is a good and pragmatic addition. It is not something to be used very often. I do not believe that it has been used very often or that it has been misused.

As to the further question whether subsequent developments require any act, the Commission is the guardian of the Treaty and I would certainly agree with the honourable gentleman. He should rest assured that we should take all the appropriate measures open to us.'

Regional policy and transport

Regions straddling internal frontiers

As rapporteur for the Committee on Regional Policy and Transport, Mr Horst Gerlach (Ge, S) reported to the House on regions straddling the Community's internal frontiers. These areas face unusual problems because they are usually peripheral to their national economies even where they are centrally situated. This affects the services available (public transport, schools, hospitals) and creates a pull from national centres which regional cooperation (in land use, tourism, infrastructure and protecting the environment) would serve to

counteract. Mr Gerlach argued the Community is in a unique position to tackle these problems, through economic studies, coordinating experience gained and promoting regional policy cooperation, particularly on the Irish border.

Moving a motion summing up these various points Mr Gerlach quoted Alfred Moser's comment: 'frontiers are the scars of history'. Our efforts, he said, should not be directed at removing frontiers but at healing these scars and at creating a legal framework for solving the problems of these areas because the regions themselves and those who lived there had little chance of solving them on their own.

Mr Karl Mitterdorfer (It, CD) Christian Democrat spokesman, agreed with Mr Gerlach as did Mr Jan Broeksz (Du, S), Socialist spokesman. Mr Michael Herbert (Ir, EPD) made the point that although the interim report represented the first stage in finding a Community solution to the problems of frontier regions, it was not Parliament's first venture into the area of cross-border cooperation. 'There is no doubt Parliament's work has influenced the Commission, he said and added 'the Commission is now completing its own report on cross-border cooperation. Mr Kai Nyborg (Da, EPD) also welcomed Mr Gerlach's report.

Replying to the debate, Commissioner George Thomson accepted the suggestions made. His department, he said, had been studying these problems and their report had been made available to Parliament. After reviewing the limited possibilities open to the Community and stressing that border areas should have priority under the Regional Fund, Mr Thomson said: 'the key to making concrete progress in this difficult area will be the creation of the right climate which will persuade governments that real action is necessary and will persuade them to conquer their national inhibitions and sensitivities. The Commission intends to promote discussion of the frontier problem issue in the Regional Policy Committee as soon as may be practicable. The continued work of Parliament will be of crucial importance in creating this climate'.

The resolution was agreed to.

State aids to transport

As rapporteur for the Committee on Regional Policy and Transport, Mr Wolfgang Schwabe (Ge, S) reported to the House on the Commission's proposal to change the system for state aids to road, rail or inland waterway operations.

Mr Schwabe tabled a motion asking the House to agree to certain amendments to the Commission's text. The resolution was agreed to.

Removing technical barriers to trade

As rapporteur for the Committee on Economic and Monetary Affairs, Mr Karl Mitterdorfer (It, CD) asked the House to accept a number of amendments to a series of Commission proposals designed to remove barriers to trade. These concern motor vehicles and their equipment. The resolution embodying these amendments was agreed to.

Agriculture

Cheeses

As rapporteur for the Committee on Agriculture, Mr Michele Cifarelli (It, S) asked the House to approve the Commission's proposal for a Council regulation amending the common organisation of the market in milk and milk products by altering the minimum age at which Grana Padano and Parmigiano-Reggiano cheeses may be the subject matter of a private storage contract. Mr Cifarelli called on the Commission to ensure that the reduction of the minimum prescribed age of the two cheeses did not lead to an impairment of their quality. A resolution approving the proposal was agreed to.

Sugar beets

As rapporteur for the Committee on Agriculture, Mr Lucien Radoux (Be, CD) put down a motion asking the House to approve a Commission proposal laying down rules for the purchase of sugar beets. The resolution was agreed to.

Computer Centre in Luxembourg

As rapporteur for the Committee on Budgets, Mr René Pêtre (Be, CD) reported on the European Community's Computer Centre in Luxembourg. He made a number of practical recommendations and tabled a motion calling on the Commission to forward documents being drawn up on the future organisation of

the Centre and on its development. In the debate, Mr Luigi Noè (It, CD) made the point that the Centre was too small. Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, agreed with him. The resolution was agreed to.

Parliament sets up an Associations Committee

A motion tabled by Group Chairmen calling for an Associations Committee, with 35 members, to be set up to be responsible for all relations with all associated Mediterranean countries and which would appoint from among its members delegations to the Joint Parliamentary Committees. The resolution was agreed to.

QUESTION TIME

Questions to the Council

1. Trade in live sheep, mutton and lamb by Mr Charles McDonald (Ir, CD)

'Will the Council say what the situation will be regarding the access of Irish live sheep, mutton and lamb to the French market at the end of the transitional period in 1977; also would the Council say why certain other Member States have more favourable access than Ireland to the French market for these products?'

Dr Garret FitzGerald, President of the Council, replied: 'On several occasions, and even before the Accession Treaty, the Council took note of the fact that the Commission had undertaken to put forward proposals for the organisation of the markets in mutton and lamb. This undertaking was reaffirmed in 1973 in the memorandum submitted by the Commission on the adjustment of the common agricultural policy. To this date, no such proposal has reached the Council. As soon as the matter is referred to the Council, it will be called upon to give its view and decide, as appropriate, on the setting up of a common organisation. It is hoped that it will be set up before 1977'.

Mr Charles McDonald (Ir, CD) then asked: 'Is the President of the Council aware that France, the country which provides the largest export market in the Community for Irish, and, indeed, British sheep meat, has the most severe protectionist system in force? Imports of chilled mutton and lamb are authorised only sporadically within a very small quota, while those of sheep and

lamb on the hoof and meats other than chilled are allowed only when the internal market exceeds a certain threshold. In addition, a compensatory tax is levied as well as customs duties, and its level varies with the internal French market price. This is in contrast to other Member States of the original Community. There are no quantity restrictions on imports from other Member States. Will the President of Council therefore elaborate on the part of my question concerning the situation after 1977? ’

Mr Garret FitzGerald replied: ‘My understanding is that, as far as the new Member States are concerned, the tariffs which continue to apply on a degressive basis, as in the case of industrial goods, will phase themselves out by 1977. It is my understanding that the minimum import prices – the other restriction which operates, as Mr McDonald said, sporadically – will cease to operate after the transitional period’.

Mr Albert Liogier (Fr, EPD) asked Mr FitzGerald whether it was not true that France had been calling for a common organisation of the sheep market ever since 1967. Mr FitzGerald replied he understood that this was the case. Mr Jim Gibbons (Ir, EPD) asked Mr FitzGerald ‘is it not the case that since the accession of Great Britain and Ireland the supply situation to the mainland has altered radically? Is it not also the case that the position of the producers of sheep meat in Great Britain and Ireland is aggravated by the continued importation of New Zealand lamb? Will it be possible gradually to phase out these importations of lamb?’ Mr FitzGerald replied: ‘Part of the problem of securing a common organisation of the market is, I am sure, the fact that in respect of one Member State there are large imports from outside the Community. No doubt these are part of the political background to the problem. But when the Commission makes a proposal it is to be hoped that the Council will be able to establish a regulation for these products, because there is certainly an anomalous situation since for these products and for virtually no others we have neither the industrial-type regime nor the agricultural-type regime. We have the continuing operation of these obstacles to trade. The Council will wish to consider proposals by the Commission, therefore, for a common regulation of the market as soon as it receives such proposals from the Commission’.

2. *National contributions to Community expenditure* by Mr Jean Durieux (Fr, L)

‘Does the Council envisage having recourse to the procedure under Article 235 – as proposed by the Commission – in respect of the correcting mechanism for national contributions to Community expenditure?’

Mr Garret FitzGerald replied: 'The Council is currently examining the principle of a correcting mechanism on the basis of a communication from the Commission. As soon as the Commission has put forward proposals in this connection, probably based on Article 235 of the EEC Treaty, the Council will, of course, consult the Parliament.'

Replying to supplementary questions by Mr Jean Durieux, Liberal Chairman and Mr Schelto Patijn (Du, S), Mr FitzGerald said that very special circumstances governed this particular case. He did not think that the correcting mechanism would undermine the operation of the Community's own resources system. Mr Peter Kirk then asked him whether the mechanism were of general application. Mr FitzGerald said that it was and that within the seven-year period envisaged a country other than the United Kingdom could benefit from the operation of the corrective mechanism.

3. Choice of West Berlin as location for the Vocational Training Centre By Mr Luigi Marras (It, CA)

'Has the Council, in choosing West Berlin as the location for the European Vocational Training Centre considered the difficulties that will beset the Centre's functional operation owing to the fact that Berlin has a special status under international law?'

Mr Garret FitzGerald replied: 'After due consideration of all the factors involved, the Council has decided to establish the seat of the European Centre for the Development of Vocational Training in West Berlin, where it will be able to carry out its activities under the most appropriate conditions. In particular, the Centre will be able to benefit from the presence in this city of a series of highly qualified scientific and research institutes, as well as two universities which offer the scientific infrastructure necessary for the development of its activities.'

In reply to supplementary questions by Lady Elles and Mr Giovanni Bermiani as to why the Centre had not been established in an area where the job training problem was most acute, Mr FitzGerald replied that the Vocational Training Centre was a place for coordination of documentation so that the question of its accessibility to Community workers did not really arise.

4. *Bilateral agreements between Member States and state-trading countries and other third countries* by Mr Eric Blumenfeld (Ge, CD)

'How does the Council view the fact that bilateral agreements on trade, credit and cooperation between individual Member States and third countries, especially state-trading countries, are still being concluded (e.g. the recent agreement between the United Kingdom and the Soviet Union) and what position will it adopt on this question?'

Mr Garret FitzGerald replied: 'The Council would like to remind the Honourable Member that negotiations for and conclusion of economic co-operation agreements fall within the competence of the Member States. However, under the information and consultation procedure adopted by the Council on 22 July 1974, Member States are bound to inform both the other Member States and the Commission beforehand of such negotiations and to enter into consultation if a Member State or the Commission so requests. Such co-operation agreements should obviously not contain any factors covered by the common commercial policy for which only the Community is competent. The Commission keeps a close watch over such matters through the activities of the Committee on Co-operation Agreements set up under the abovementioned Council Decision. As regards the agreements recently signed by the Prime Minister of the United Kingdom on his visit to Moscow, the United Kingdom delegation had informed the Committee on Co-operation Agreements on 24 January 1975 of the intention of the United Kingdom Government to conclude with the Soviet Union a supplementary agreement which was to form part of the long-term agreement concluded with that country in May 1974. The aim was to specify and identify operations and sectors qualifying for co-operation. At the same time, the United Kingdom delegation gave some indication of the likely content of the agreement. At the first meeting of the Committee on Co-operation Agreements following Mr Wilson's visit to Moscow, the United Kingdom delegation provided the other Member States and the Commission with the text of the 'Long-Term Programme' signed in Moscow. To date, neither the Commission nor any of the Member States has felt it necessary to initiate the consultation procedure in respect of this agreement, from which it might be concluded that the agreement does not seem to give rise to any objectives'.

5. *The Community's observer status at the United Nations* by Mr Ernest Glinne (Be, S)

'What arrangements regarding representativity, competencies (Article 229 of the Treaty) and practical organisation has the Council made now that the 29th General Assembly has granted the Community observer status at the United Nations, with the right to speak in committee?'

Mr Garret FitzGerald replied: 'The following practical arrangements have been adopted regarding organisation of the representation of the Community as an observer in the United Nations General Assembly: (i) the Community delegation is composed of a representative of the country holding the office of President of the Council and of a representative of the Commission. (ii) The Position to be put forward by the Community is defined in advance, in accordance with Community provisions and according to the usual procedures, by means of discussions within the Community bodies in Brussels and/or co-ordination on the spot.

(iii) When a joint position has been established, the role of spokesman for the Community is undertaken by the representative of the country holding the office of President and by the Commission representative, and the duties are allocated depending on the subject matter dealt with and the circumstances prevailing at the time the Community position is defined. It is understood that the Commission is normally the spokesman for the Community in all matters covered by common policies, although different arrangements can be agreed upon if the circumstances so require'.

Mr Glinne then asked what this meant in practical terms and Mr FitzGerald replied: 'The change in status is, of course, fundamental. At the United Nations, at the General Assembly and within its committees, including the Second Committee which deals with economic problems, the Community as such was not previously officially represented. It now has the right to speak on matters for which it is responsible'.

6. *Daily allowances for European Community staff* by Mr Horst Seefeld (Ge, S)

'In view of the fact that since 1971, daily allowances for European Community staff have not been adjusted to take account of price rises, especially in the services sector, when will the Council award this long overdue rise?'

Mr Garret FitzGerald replied: 'The Council has acknowledged the urgent nature of the problem of daily mission allowances. At your request and at that of the Commission, it has therefore separated this matter from the general review of the Staff Regulations and has given it priority.'

Questions to the Commission

1. *Arrest of prominent persons in Spain* by Mr Lucien Radoux (Be, S)

'Following the arrest of a certain number of prominent persons in Spain after the creation of the 'Junta Democratica de Madrid', can the Commission say what have been the results of demarches made by a certain number of its members to obtain the release of these persons?'

Sir Christopher Soames, Vice-President of the Commission, replied: 'I understand that none of the persons concerned are now under arrest'. In reply to supplementary questions about negotiations for a new trade agreement with Spain, Sir Christopher said 'We are in a very early stage of the preparatory discussions with Spain and I should not like to give any comments one way or the other at this stage'.

2. *Storage capacity for oil and oil products* by Mr Tom Normanton (Br, EC)

'What practical measures have been adopted by the Commission to establish increased storage capacity for oil and oil products within the Community and whether the Commission is satisfied with the progress to date?'

Commissioner Claude Cheysson replied that under Directive 72/425, the Commission had sent a report to the Council at the end of 1974 on the measures taken by the Member States to bring their oil stocks up to the 90 day level. This showed that storage capacity was at a level of 125 days, given an average rate of use of 85 o/o. On the whole, therefore, these capacities appeared sufficient although the situation varied from one country to another. Here, the Commission was recommending bilateral agreements to enable some of the Nine to hold their stocks in another Member State. As regards the second part of the question the Commission stressed that no Member State had challenged the principal of raising stocks to the 90 day level. As a rule the view was that this was an effective measure in the event of supply difficulties. By the month of May the Commission would be forwarding a report on the implementation of this Directive to Parliament's Committee on Energy, Research and Technology. He undertook to forward it to the European Parliament for information purposes.

Thanking the Commissioner for his reply, Lord Lothian asked whether he did not agree that the Community as such still had no truly cohesive energy policy and whether he had any proposals as to how the Commission might achieve this.

Mr Cheysson replied that there could be no doubt of the determination either of Parliament or the Commission to get an energy policy. The Commission had submitted one proposal after another and the Council had considered these proposals on 17 September and 17 December 1974 and 23 January 1975. The matter had also been raised at the European Council in Dublin.

3. Feed grains prices by Mr Peter Kirk (Br, EC)

'What is the difference in landed prices (including monetary-compensatory amount payments) of feed grains from Community countries and from 3rd countries at Liverpool and Belfast?'

Commissioner Petrus Lardinois replied that he was unable to give any satisfactory answer at this stage. There appeared to be a small difference in prices and the Commission was looking into this. He promised a more detailed reply later. Mr Kirk then asked for an assurance that the Commission would conduct its investigations as quickly as possible because of the grave anxiety being caused to consumers of feed grains in Northern Ireland and to producers in the United Kingdom. Mr Lardinois gave the assurance requested.

4. Limitation of shareholdings by residents of third countries by Lord Reay (Br, EC)

'Is the Commission considering proposals in order to prevent the possibility of Member States adopting divergent regulations to limit the extent of shareholdings taken up in Community undertakings by residents of third countries, and if so, are they thinking along the lines of a limitation of shareholders, voting rights, or of the establishment of an international investment fund with specified powers of investment in such undertakings, or other possibilities?'

Commissioner Finn Gundelach replied that there was no limit on shareholdings by residents of third countries and that there was no limit on their voting rights in the companies in which they had invested. There were no Community rules governing investment but there was the capital code of the OECD which had some relevance here. All Member States had some form of control or some way of keeping an eye on investments but their methods varied so much that the investments policy of one Member State could be undermined by that of another because capital could flow from one Member State with loose regulations into another with stricter ones. He agreed with Lord Reay that it should be possible to adopt means to enable countries wishing to do so to take up shareholdings in Community firms without provoking fears among Community host countries of control falling into foreign hands.

5. *The United States' present laissez-faire monetary policy* by Mr Alain Terrenoire (Fr, EPD)

'To what extent is the Commission of the European Communities disturbed about the United States' present policy of laissez-faire in monetary matters and its consequences for the pattern of international trade and, in particular, Community exports, and the direction taken by the recycling of the funds released by the oil-producing countries?'

Mr Wilhelm Haferkamp, Vice-President of the Commission, said it was some time before exchange rate changes began to have an effect on trade flows. The successive devaluations of the dollar since 1971 had led to a considerable reduction in the balance of trade deficit of the United States. They had, indeed, led to a surplus of trade in industrial goods. This aspect was of particular importance for the Community. The overall balance of trade surplus of the Community with the United States in 1971 and 1972 was virtually nil. In 1974 the Community had a deficit of around 3,000 million dollars. The decrease in the rate for the US dollar had gone hand in hand with a slowing down in inflation in the USA. This would further strengthen the trend to a balance of trade surplus because they made American goods more competitive on the world market. As regards the second part of the question, there had for some time been tendencies for the OPEC countries to diversify their investments. The differences in the interest levels as between United States markets and elsewhere and the devaluation of the dollar itself tended to direct current liquidities to European markets or certain international markets rather than to the American finance market. The duration and scale of this diversification towards European currencies would depend principally on the policy pursued by the responsible authorities particularly as regards the level of taxation on the currency markets. The Commission was aware of the problem that had resulted from the fluctuation in the dollar rate but took the view which it had often expressed in the House that the multilateral coordination of economic and monetary policies particularly as regards interest policies between the main countries should be stepped up.

References

| Subject | European Parliament document number | Commission document number | Date of debate |
|---|--|--|-------------------|
| Computer Centre of Communities | 486/74 | — | 10/3 |
| Protection of the Mediterranean | 386/74 | — | 10/3 |
| European Regional Development Fund | 534/74 | 528/74 | 12/3 |
| Transfer from EAGGF to European Regional Fund | 532/74 | 491/74 | 12/3 |
| Draft amending and supplementary budget no. 1 for 1975 | 533/74 | — | 12/3 |
| Voting subject to confirmation | 508/74 509/74 | — — | 12/3 12/3 |
| Participation in multilateral GATT negotiations | 521/74 | — | 12/3 |
| Internal frontiers | 467/74 | — | 13/3 |
| Economic situation in Community | 518/74 | — | 13/3 |
| Energy: Research and Development programmes | 526/74 | 473/74 | 13/3 |
| Common energy policy | 524/74 | — | 13/3 |
| Second category pollutants | 514/74 | 404/74 | 14/3 |
| Protecting international watercourses | 516/74 | 471/74 | 14/3 |
| Sugar beets | 2/75 | 527/74 | 14/3 |
| Cheeses | 519/74 | 504/74 | 14/3 |
| Removing technical barriers to trade | 517/74 | 450/74 452/74 456/74 457/74 462/74 463/74 464/74 406/74 453/74 454/74 459/74 | 14/3 |
| Monitoring atmospheric pollution | 515/74 | 405/74 | 14/3 |
| State aids to transport | 512/74 | 407/74 | 14/3 |

Notes

Tribute to Mr Joseph Bech

The President paid tribute to Mr Joseph Bech, former member of the Government of the Grand Duchy of Luxembourg and co-signatory of the Treaties establishing the European Communities, who had died on 8 March 1975.

Verification of credentials

The President announced that on 21 February 1975, the Danish Folketing had appointed Mr Ove Guldberg as member of the European Parliament to replace Mr Norgaard. He also announced that the British House of Commons had appointed on 28 February Mr John Corrie, Mrs Elaine Kellett-Bowman, Mr John Osborn and Mr Jim Spicer as members of the European Parliament to replace Mr Brewis, Sir Douglas Dodds-Parker, Mrs Fenner and Mr Hill. The President welcomed the new members on behalf of Parliament.

Membership of committees

At the request of the European Conservative Group, Parliament appointed Mr Corrie and Mrs Kellett-Bowman as members of the Committee on Regional Policy and Transport, the latter to replace Lord Mansfield. At the request of the Communist and Allies Group, Parliament appointed Mr Cipolla as member of the Legal Affairs Committee to replace Mrs Iotti and Mrs Iotti as member of the Committee on Public Health and the Environment to replace Mr D'Angelosante. At the request of the Christian Democrat Group, Parliament appointed Mr Santer as member of the Committee on Social Affairs and Employment to replace Mr Poher and Mr Poher as member of the Associations Committee to replace Mr Santer.

Appointment of a new member

The President announced that the Lord Chancellor of the House of Lords of the United Kingdom had informed him that the House of Lords had appointed Lord Bethell as member of the European Parliament to replace Lord Mansfield, with effect from 10 March 1975.

Welcome to various personalities

The President welcomed Mr Bouhamoud, Minister of Education of the Kingdom of Morocco, who was visiting the Parliament together with a delegation from his Ministry. He also welcomed Sir Lekraz Teeluck, Ambassador of Mauritius to the European Communities, and Mr Furler, former President of the European Parliament.

Congratulations

The President announced that the Socialist Group had informed him that Mr Fellermaier had been elected chairman of the group.

Summing up

At its sittings of 10, 11, 12, 13 and 14 March Members put down 7 questions for debate with the Council and 7 questions for debate with the Commission. At Question Time 6 were addressed to the Council and 5 to the Commission. 16 reports were considered and the European Parliament delivered 17 Opinions.

Chairmen and Vice-Chairmen of Parliament's Standing Committees

1. Political Affairs

- Chairman:
Mr Giovanni Giraudo (It, CD)
- Vice-Chairmen:
Mr Lucien Radoux (Be, S); Lord Gladwyn (Br, LA)

2. Legal Affairs

- Chairman:
Sir Derek Walker-Smith (Br, EC)
- Vice-Chairmen:
Mr Léon Jozeau-Marigné (Fr, LA); Mr Peter Brugger (It, CD)

3. Economic and Monetary Affairs

- Chairman:
Mr Francis Leenhardt (Fr, S)
- Vice-Chairmen:
Mr Harry Notenboom (Du, CD); Sir Brandon Rhys Williams (Br, EC)

4. Budgets

- Chairman:
Mr Erwin Lange (Ge, S)
- Vice-Chairmen:
Mr Heinrich Aigner (Ge, CD); Mr Charles Durand (Fr, LA)

5. Social Affairs and Employment

- Chairman:
Mr Alfred Bertrand (Be, CD)
- Vice-Chairmen:
Mr Rudolf Adams (Ge, S); Mr Luigi Marras (It, CA)

6. Agriculture

- Chairman:
Mr Roger Houdet (Fr, LA)
- Vice-Chairmen:
Mr Mario Vetrone (It, CD); Mr Cornelis Laban (Du, S)

7. Regional Policy and Transport

- Chairman:
Mr Charles McDonald (Ir, CD)
- Vice-Chairmen:
Mr Kai Nyborg (Da, EPD); Mr Horst Gerlach (Ge, S)

8. Public Health and the Environment

- Chairman:
Mr Libero Della Briotta (It, S)
- Vice-Chairmen:
Mr Hans-Edgar-Jahn (Ge, CD); Mr Erhard Jakobsen (Da, EC)

9. Energy, Research and Technology

- Chairman:
Mr Gerd Springorum (Ge, CD)
- Vice-Chairmen:
Mr Gerhard Flämig (Ge, S); Mr Silvio Leonardi (It, CA)

10. Cultural Affairs and Youth

- Chairman:
Mr Jan Broeksz (Du, S)
- Vice-Chairmen:
Mr Tom Nolan (Ir, EPD); Mrs Hanna Walz (Ge, CD)

11. External Economic Relations

- Chairman:
Mr Gabriel Kaspereit (Fr, EPD)
- Vice-Chairmen:
Mr Knud Thomsen (Da, EC); Mr Alessandro Bermani (It, S)

12. Development and Cooperation

- Chairman:
Miss Colette Flesch (Lu, LA)
- Vice-Chairmen:
Mr Pierre Deschamps (Be, CD); Mr Knud Nielsen (Da, S); Mr Renato Sandri (It, CA)

13. Associations

- Chairman:
Mr Willem Schuijt (Du, CD)
- Vice-Chairmen:
Mr Frankie Hansen (Lu, S); Mr Paul de Clercq (Be, CA); Mr Pierre Cousté (Fr, EPD)

Postscript

SIGNATORY STATES OF THE LOME CONVENTION

The Nine Member State of the European Community

| Country | Capital | Area (Sq. Kms) | Population |
|----------------|------------------|----------------|-------------|
| Belgium | Brussels | 30,500 | 9,673,000 |
| Denmark | Copenhagen | 43,100 | 4,963,000 |
| France | Paris | 547,000 | 51,250,000 |
| Germany (FR) | Bonn | 248,500 | 61,284,000 |
| Ireland | Dublin | 70,300 | 2,978,000 |
| Italy | Rome | 301,200 | 53,899,000 |
| Luxembourg | Luxembourg | 2,600 | 342,300 |
| Netherlands | Amsterdam | 40,800 | 13,190,000 |
| United Kingdom | London | 244,000 | 55,668,000 |
| | Total population | | 253,247,300 |

The following 37 African countries
including
Signatory States of the former Yaoundé Convention

| | | | |
|--------------------------|-------------|-----------|-----------|
| Burundi | Bujumbura | 28,000 | 3,700,000 |
| Cameroon | Yaoundé | 475,000 | 6,090,000 |
| Central African Republic | Bangui | 623,000 | 1,660,000 |
| Chad | N'Djamena | 1,284,000 | 3,850,000 |
| Congo | Brazzaville | 342,000 | 1,030,000 |
| Dahomey | Porto-Novo | 113,000 | 2,850,000 |
| Gabon | Libreville | 268,000 | 510,000 |
| Ivory Coast | Abidjan | 322,000 | 5,410,000 |
| Madagascar | Tananarive | 587,000 | 7,060,000 |
| Mali | Bamako | 1,240,000 | 5,250,000 |
| Mauritania | Nouakchott | 1,031,000 | 1,200,000 |
| Mauritius | Port Louis | 2,000 | 880,000 |
| Niger | Niamey | 1,267,000 | 4,200,000 |
| Rwanda | Kigali | 26,000 | 3,800,000 |
| Senegal | Dakar | 196,000 | 4,080,000 |

| | | | |
|-------------|-------------|-----------|------------|
| Somalia | Mogadishu | 638,000 | 2,930,000 |
| Togo | Lomé | 56,000 | 2,050,000 |
| Upper Volta | Ouagadougou | 274,000 | 5,620,000 |
| Zaire | Kinshasa | 2,346,000 | 22,800,000 |

Signatory states of the former Arusha Agreement

| | | | |
|----------|---------------|---------|------------|
| Kenya | Nairobi | 583,000 | 11,850,000 |
| Tanzania | Dar es Salaam | 940,000 | 13,980,000 |
| Uganda | Kampala | 236,000 | 10,330,000 |

the States of

| | | | |
|-------------------|------------------|-----------|-------------|
| Nigeria | Lagos | 924,000 | 69,100,000 |
| Gambia | Bathurst | 11,000 | 364,000 |
| Botswana | Gaborone | 600,000 | 690,000 |
| Ghana | Accra | 239,000 | 9,600,000 |
| Lesotho | Maseru | 30,000 | 930,000 |
| Malawi | Zomba | 118,000 | 4,950,000 |
| Sierra Leone | Freetown | 72,000 | 2,620,000 |
| Zambia | Lusaka | 753,000 | 4,360,000 |
| Swaziland | Mbabane | 17,000 | 420,000 |
| Ethiopia | Addis Ababa | 1,250,000 | 26,100,000 |
| Guinea | Conakry | 246,000 | 4,070,000 |
| Liberia | Monrovia | 110,000 | 1,590,000 |
| Sudan | Khartoum | 2,500,000 | 16,420,000 |
| Equatorial Guinea | Bata | 73,000 | 310,000 |
| Guinea Bissau | Bissau | (*)28,000 | 487,448 |
| | Total population | | 254,141,448 |

The following 6 Caribbean island states

| | | | |
|----------|------------------|---------|-----------|
| Jamaica | Kingston | 11,400 | 1,890,000 |
| Trinidad | Port of Spain | 5,100 | 1,050,000 |
| Barbados | Bridgetown | 400 | 246,000 |
| Guyana | Georgetown | 215,000 | 775,000 |
| Granada | St. Georges | 300 | 96,000 |
| Bahamas | Nassau | 14,000 | 190,000 |
| | Total population | | 4,247,000 |

(*) at high tide; the area at low tide is 36,125 sq. kms.

The following 3 Pacific island states

| | | | |
|-------|------------------|--------|---------|
| Fiji | Suva | 18,300 | 550,000 |
| Samoa | Apia | 2,800 | 151,000 |
| Tonga | Nukualofa | 700 | 94,000 |
| | | | <hr/> |
| | Total population | | 795,000 |

Total population of African, Caribbean and Pacific States: 259,183,448

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