



european parliament

information series

the sittings

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april 1975

The Sittings

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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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Introduction

The European Parliament began its week of sittings in Luxembourg with a look at the record of the Community's Joint Research Centre at Ispra in Northern Italy. Mr Gerhard Flämig spoke of a history of mismanagement that had certainly not been helped by the stop-go backing the JRC had had from the Member States. Welcoming Commission proposals for Ispra and Petten he hoped EC research would get off to a new start. Commissioner Guido Brunner commented 'Ispra deserves a chance'. Mr Flämig agreed but warned this chance might be the last.

On Tuesday Parliament turned its attention to the Commission's proposals on mergers. The House resolved to amend these proposals to allow for adequate consultation with employees when mergers are pending. Where no agreement follows Parliament wants the matter referred to a board of arbitration comprising labour and management nominees in equal numbers. The jointly appointed chairman will have a month in which to report. In this way Parliament hopes that social tension can be avoided while not putting a brake on business enterprise.

At 3 p.m. on Tuesday the House voted on the EC's first supplementary budget for 1975. It called for an increase in expenditure on the regional fund from 150 m u.a. to 300 m u.a. Parliament regards this as 'non-compulsory expenditure' within the meaning of Rome Treaty Article 203 and as there is a ceiling on the amount by which Parliament can increase this expenditure from one year to the next, it voted to increase the ceiling to 68.35 per cent. Parliament is here in fundamental disagreement with the Council, a disagreement due mainly to the fact that a code of practice has still to be worked out to the satisfaction of all sides, this being still the first year of the EC's new budgetary procedure and its first as a self-financing organisation.

Wednesday began with Quesiton Time. Asked about progress towards a European Passport Union, Dr Garret FitzGerald told the House that work was

now under way. In reply to Mr Brian Lenihan he said the House would be consulted when Commission proposals on the passport union were submitted.

Dr FitzGerald was, on the other hand, able to give little satisfaction to Mr Jim Gibbons in reply to a question about an EC farm modernisation scheme. Mr Gibbons expressed concern about farmers in the West of Ireland and said: 'the amount of encouragement that participants in the scheme may get from Dr FitzGerald's reply is minimal'. In answer to a question about Portugal, Dr FitzGerald was unwilling to be drawn into commenting on developments there. Commissioner Claude Cheysson then took a question tabled by Lord O'Hagan as to the benefits that would accrue to Britain from leaving the EC. He was applauded when he replied that in the Commission's view there would not be any. In reply to another question about the UK, Commissioner Finn Gundelach gave a detailed analysis of trade between Britain and the Community. He was quite unequivocal about the adverse effects Britain's leaving the EC would have. Commissioner Petrus Lardinois was asked about the denaturing of food and said this practice had no financial backing from the EC. It was resorted to in the case of some surplus foods to relieve the market; 'denatured' products were used for animal fodder.

Commissioner Altiero Spinelli was asked about reactor safety following the appearance of hair's breadth cracks in certain US boiling water reactors. He told the House nuclear safety was a matter for Member States but that no faults had appeared in EC reactors. The Commission had recently forwarded a review of nuclear safety in practice to both Council and Parliament. Mr Luigi Noè asked him if the Commission should not intervene when disputes arose over the siting of nuclear power stations. Mr Spinelli thought not. He said the Commission looked at reactor designs and 75 had so far been scrutinised. The Commission was looking into ways of keeping the general public better informed. Commissioner Petrus Lardinois then took a question about the cheese dispute with the US. Last July the EC had lifted its rebates on cheese exports as a temporary expedient. Since then it had sought and failed to achieve a more lasting compromise. Lastly, in response to a question about hot-house production, Mr Lardinois conceded that British growers were at a disadvantage but it was for the British Government to take advantage of the options open to them.

Parliament then discussed the Conference on Security and Cooperation in Europe. Commission Vice-President Sir Christopher Soames agreed with Mr Lucien Radoux that the EC had, as a Community, been more successful at the

CSCE than in anything else it had done. Council President Garret FitzGerald commented that the CSCE's results were going to be limited but he thought they would still be sufficient to make the conference worthwhile.

The House then turned its attention to prospects for the Euro-Arab dialogue. An oral question from the Political Affairs Committee, the first addressed to the Conference of Foreign Ministers, led to a lively debate. Mr Brian Lenihan suggested the EC was best placed to deal with the Arab-Israeli problem effectively but the dialogue itself was what mattered. 'We must act as a Community and avoid any repetition of divergent approaches,' he said.

Asked about cooperation agreements, Dr FitzGerald was unable to give a detailed reply. He thought the aims should be to identify problems of common concern and coordinate action by the Nine in respect of the countries concerned. Sir Christopher Soames, realising the concern felt by the House that cooperation agreements could be used as a way round the common commercial policy, replied at length: 'the key to successful Community action in this field is information, more information, earlier information, more continuous information at all stages of a negotiation and information about governmental measures which are intended to give effect to cooperation agreements'.

The House concluded Wednesday's sitting by considering the storage and management of radioactive waste. Lord Bessborough again drew the attention of the House to the unrivalled experience of British Nuclear Fuels Limited in this sphere. Mr Thomas Nolan made the point that this problem should be solved before the EC embarked on any major expansion in nuclear energy.

Thursday's sitting began with a debate on the situation in the wine sector followed by one on a similar situation in the egg sector. There was then a debate on nuclear fuel supplies and another on exploring for oil and gas. Parliament discussed a programme of pilot schemes and studies to combat poverty. Commission Vice-President Patrick Hillery said 'the programme does not offer direct aid to anyone who is the victim of material deprivation. What it does do is to provide a Community-wide incentive for the examination of the phenomenon of poverty in what we like to think of as an affluent society'.

Thursday's sitting closed with the tabling of a resolution calling on the Commission 'to help relieve the distress of the refugees in Indochina by providing substantial material aid as tangible evidence of the extent to which people of the Community share the sufferings of the peoples of Indochina'. This was agreed to unanimously.

At Friday's morning sitting the House discussed the limitation of extractable quantities of lead and cadmium in ceramics and then considered the situation in Portugal.

Parliament then adjourned until 28 April. There will be three days of sittings on 28, 29 and 30 April in Luxembourg.

Monday

ENERGY

Assessment of the record and the future of the EC's Joint Research Centre

A joint debate on Community research since the founding of the European Atomic Energy Community (EURATOM) in 1958 and its future development in response to the energy crisis was held on 7 April on two reports drawn up by Mr Gerhard Flämig (Ge, S) for the Committee on Energy, Research and Technology.

Assessment of Ispra's record from 1958-1972

The Joint Research Centre, whose function, according to the Euratom Treaty was to make European nuclear research and Europe's nuclear industry competitive, had a pretty dismal record. Mr Flämig told the House what had gone wrong in the hope of getting things put straight for the future. In his oral explanation, Mr Flämig attempted to explain how it came about that the history of Community research in the Community's centres in Ispra, Mol, Petten and Karlsruhe had been one of breakdowns, money wasted and staff unrest. Was the Euratom concept a wrong one? Mr Flämig severely criticised the governments of the Member States; they had forced Community research to play a Cinderella role. Promising research projects had always been given to national research institutes and the Joint Research Centre had received what was left over, especially since the abandonment of the ORGEL project (a heavy-water moderated reactor fuelled by natural uranium which was to make Europe independent of supplies of enriched uranium from the USA). European undertakings had decided in 1967/68 in favour of a light-water reactor powered by uranium enriched in America.

Flämig: 'Researchers feel badly done by'

The failure of the ORGEL project, which for 10 years was the centre of Community research and occupied 60-80 per cent of the staff working at the research institute in Ispra, was, as the rapporteur, stated, the beginning of a four-year period of crisis in which the Council kept the research centre going by means of annual 'survival programmes'. Mr Flämig pointed out that Parliament had always called for long-term programmes and criticized the Council for what he described as its irresponsible attitude at the time. A sense of crisis and a lack of confidence on the part of scientific and administrative staff had helped to prolong the agony. In the resolution, which was adopted unanimously, except for the Communists, at the end of the debate, Parliament once more warned about allowing the Joint Research Centre to continue to exist without 'appropriate and clearly-defined research projects'. In June 1973 the Council reached a decision on the first multi-annual research programme and thus prepared the way for Community research to move forward again after four years of crisis. In its resolution, Parliament calls upon the Council and Commission, warning them against further failure, to 'ensure that the necessary materials, staff and finances are available'. Referring to its budgetary powers, it states that if another failure occurred it would be forced to consider whether funds for Community research should be made available at all.

A glimmer of hope: the Commission's new proposals

Mr Flämig said that in an 'altogether gloomy situation, there was a glimmer of hope in the Commission's new proposals on the review of the Council's 1973 multiannual research and training programme of the Joint Research Centre, the subject of the second report of the Committee on Energy, Research and Technology. The review includes an economic reappraisal of the appropriations, a partial revision of certain objectives, new tasks for the research centre in Petten and measures for drawing up future programmes.

Specifically, the Commission proposes that the budget of the JRC should be increased by about 37 m.u.a. in order to complete the current programme. For new activities at the Petten Research Centre the Commission proposes a sum of 5.3 m.u.a. for 1975/76. The new programmes are concerned with research into the properties of synthetic materials at high temperatures and work on organic reference substances.

On the whole, the European Parliament approved these proposals. The rapporteur expressed reservations as to the staff at Petten, which in his view was not sufficient. The setting up of a group of experts to ensure cooperation between the JRC and those sectors of industry and national research institutes particularly affected by these research projects, was welcomed by Parliament. Mr Flämig called upon the Council, now that the necessary administrative reforms had been implemented, not to be miserly, and to the Commission to act speedily since at present only half of the programme had been carried out. 'It's high time everything started going right'.

EP to control Community research

The speakers of the political groups spoke almost unanimously in favour of determined, long-term action to preserve Community research and, with the exception of the Communist speaker, welcomed the Commission's proposals for a programme as a step in the right direction. Mr Pierre Giraud (Fr, S) stressed that in addition to Member States' independent research, which should be coordinated more closely, there must be a place for Community research, dealing with research problems of special Community interest. Mr Léon Jozeau-Marigné (Fr, L) welcomed in particular the planned coordination of national and joint research projects.

Mr Tom Normanton (Br, EC) called for the introduction of parliamentary control over Community research. He considered the Commission's proposals inadequate as a final solution, particularly in view of the present institutional structure. He did, however, vote together with the other groups at the end of the debate in favour of the motion submitted by the Committee on Energy, Research and Technology. Mr Luigi Noè (It, CD) referred to the implications of research policy decisions for the scientists concerned, and the importance of a good staff policy for the efficient running of the research centres. Mr Michel Cointat (Fr, EPD) stated that this programme was the last chance for Community research.

Mr Silvio Leonardi (It, CA) explained that his group would not vote in favour because the provision in the Euratom Treaty which called for the greatest possible security for the general public had not been adequately observed in the Commission proposals. Energy research projects needed the approval of the masses, which he did not consider had been given in this case because of a lack of information. The failure of Euratom research was the result of the Governments' inability and unwillingness to work out a joint energy policy.

Euratom: a measure of Europe's stog-go attitude to the Community

As for whose fault it was that there was so little to show for Euratom research, Commissioner Guido Brunner said 'The Community's Joint Research Centre has lived through all the ups and downs of people wanting Europe and not'. This was not to say Euratom's centres at Geel, Karlsruhe, **Petten and Ispra** too had gained no recognition. Ispra's research into hydrogen had won special praise from the United States space authority (NASA). 'What we're proposing is to harness these centres to helping beat the energy crisis. You can rely on Ispra but you must give them a chance'.

Tuesday

Mergers

Debate on two Commission proposals for directives

Introduction

In a Community where the main emphasis has always been on agriculture and helping the Third World and, more recently, on social policy and regional development it would be easy to overlook the company law proposals now in the pipeline. This would be a pity because these proposals are important. They are important for the first and rather obvious reason that they affect every company in Europe and the millions of people who work for them (the first directive on company accounts has already passed into law and the second on floating public companies is expected to go through this year). They are also important because they take industrial relations a stage further in that they introduce the principle that no merger shall take place without reference to the workers affected. And this principle seems to have been accepted almost without anybody noticing it. The delay in getting this, the third directive, through has revolved around the form this reference to labour is to take. When Parliament first debated an amended Commission proposal for a third directive in November 1973 it was found impossible to arrive at an acceptable compromise on this crucial point. Indeed, one side of the House wanted to make mergers dependent on what virtually amounted to prior agreement between labour and management which was tantamount to giving workers the right of veto. It was, of course, argued that the shareholders enjoyed this very right under the Commission's proposal. The result was deadlock and the matter was referred back to the committee.

The Legal Affairs Committee suggested a way out of this dilemma which it believed would have the support of the whole House. The compromise it put forward consisted stipulating that where labour and management disagree about the desirability of the merger there should be an arbitration procedure. This basically gives point and precision to Article 6,4 of the Commission's text which, as already indicated, concedes the principle of labour-management negotiations prior to mergers. The Legal Affairs Committee proposed that this arbitration procedure should operate as follows: if the negotiations fall through reference shall be made to an arbitration board. This is to comprise assessors appointed in equal numbers by labour and management and a chairman appointed by common consent. This amends the Commission's proposal that should the negotiations fall through reference should be made to the public authority.

The debate

Opening the debate Mr Paul De Keersmaecker began by reviewing the whole search for a compromise that had culminated in the text his committee was putting to the House. There had been a considerable difference of opinion as to how best to protect the interests of workers. What was now being proposed by his committee was a four-fold operation consisting of (a) a report on the likely effects of anticipated mergers to be sent to workers' representatives within two months (b) discussion and, hopefully, agreement on any necessary action (c) in the event of negotiations falling through within the space of two months either labour or management could refer to an arbitration board (d) this board would give a ruling. Mr De Keersmaecker pointed out that the thinking here was in line with the European Company proposals that were to be referred back to Parliament in due course. Turning to the main difficulty as regards mergers he said that sometimes quick decisions were needed where there was, for example, a public offer of purchase or a takeover bid. But, he insisted, the procedure proposed must be followed. As a guarantee for the parties concerned, he pointed out that either could sue if the procedure was not followed. Lastly, he pointed out that the text under consideration was a directive and not a regulation and was only specific about membership of the board of arbitration and their appointment.

Mr Peter Brugger (It, CD spokesman) began by praising the work done by Mr De Keersmaecker in sounding out opinion and working out a compromise. He pointed out that two years ago the Commission's proposals made no reference to workers when it spoke of third parties needing protection in the event of

mergers. The only idea current in January 1973 was that workers should be informed and given a hearing. The gain in their relative position had been the result of Christian Democrat and Conservative efforts as well as Socialist pressure to improve their position. He said that his group would be introducing an amendment stipulating a time limit within which the board of arbitration would have to deliver its ruling. He also drew attention to the fact that when companies introduced co-management, workers would already be represented on the board of management with the effect that an arbitration board including management representatives in the same number as representatives of workers would make the latter over-represented. He thought this point was worth looking into.

Mr Hans Lautenschlager (Ge, S spokesman) warned that Parliament must be careful not to deliver three different opinions on the subject of defending workers' interests. He was opposed, he said, to the time limit suggested by Mr Brugger. The Socialist view was that the whole procedure of calling in expert opinions and making appropriate studies would be very involved. He also suggested to the House that arbitration presupposed a state of industrial peace, otherwise unacceptable situations could arise.

Lady Elles (Br, EC spokeswoman) opened her remarks by quoting Churchill's dictum 'every solution does present its problems'. But on the question of arbitration, Lady Elles suggested that the flexible approach adopted was probably the best solution. Lady Elles too was opposed to the time limit for arbitration. She reminded the House that the first report had been drawn up at a time of economic prosperity and not one of massive unemployment. The emphasis then had been on mergers rather than on takeovers as at present.

Mr François Duval (Fr, EPD spokesman) said that his group endorsed the report.

Mr Luigi Marras (It, CA spokesman) saw the the whole question of mergers against the background of the basic political options: one's choice lay between the economic and social. He spoke of the scale of the problem of mergers and quoted figures illustrating the extent to which a small number of firms had control over a vast proportion of the Community's gross national product. A chain of mergers had led to the formation of multinational companies and he questioned whether this had been a positive development. The Commission's proposal, he said, left the basic issue unresolved. What was to happen, he asked, if the arbitration board found that a merger would be against the interests of the worker? Would there be an injunction against the merger taking place or what? And why shouldn't the worker have the right to veto a merger?

Mr Knud Thomsen (Da, EC) said that the text before the House was a compromise. He agreed with Lady Elles that today a merger could be the only alternative to a complete closedown and often mergers had to go through fast if a firm was to survive. It would be ridiculous to argue that workers without a job had nothing to worry about because they could always fall back on their arbitration procedure.

Replying to the debate, Commissioner Finn Gundelach said he accepted the committee's proposals and its comments and expressed gratitude to the Legal Affairs Committee for its arbitration board suggestion. This would help solve the difficulty of getting through the mergers needed under today's economic circumstances while at the same time preserving the rights of the worker. Turning to the amendments that had been tabled, he said he had some hesitation about the Christian Democrat Group's request to place a time limit on the arbitration board's deliberations.

Mr Alfred Bertrand (Be, CD) then suggested that to omit a time limit would bring different Commission proposals into conflict and Mr Gundelach conceded that similar problems should be solved in a similar way. But he did indicate that this was the first inkling he had had that a time limit might be proposed.

Lady Elles then raised the question as to whether both parties to any dispute over a merger had a right to appeal or whether this were only vested in the workers. If this were the case the European Conservatives would be opposed to it.

Mr Yeats indicated that as he understood it, either party might appeal.

Mr Broeks, on the other hand, disagreed, arguing that workers might, for example, be deprived of their right to strike if the management referred a merger proposal to arbitration. The amendments were then put to the vote and the one tabled by the Christian Democrat Group calling for a new paragraph to Article 6,4 was adopted. The sense of this amendment is that if labour representatives think a merger likely to be prejudicial, the management will enter into negotiations with labour representatives before the matter comes up at a general meeting. If no agreement is reached within two months either party may refer to an arbitration board which will be bound to take a decision within one month. This arbitration board will comprise labour and management representatives in equal numbers and jointly appointed chairman. This board is to give a ruling within one month. This then was the final compromise on the

most important point and it had the support of some but not all the Christian Democrats present, the European Progressive Democrats and the Liberals. It was opposed by the Socialists and the Communists with Conservatives and some Christian Democrats abstaining.

Introducing his own report drawn up on behalf of the Committee on Social, Affairs and Employment on the Commission's other proposed directive on mergers, Mr Michael Yeats made a very sensitive analysis of the worker's position when mergers occur. He underlined how vulnerable workers were and how often they could be out of a job from one day to the next. He saw little progress of national legislation achieving any success in dealing with the problem and he therefore welcomed what the Commission was proposing. He accepted the idea of an automatic transfer of the job situation, of protection against dismissals occasioned by mergers and the principle of prior notice and consultation. But he saw no attempt in the Commission proposals to deal with the legal consequences of dismissals. Mr Yeats then referred to various amendments he wished to move which were designed to make the Commission's stated aims easier to achieve and secure a more harmonious relationship between labour and management. Referring to the dilemma of choosing between the school of thought that said 'do not give workers the right of veto' and the majority Social Committee view which was that it was unreasonable for mergers to take place before the difficulties of the workers had received attention. He reminded the House of how few workers in the Member States were organised in trade unions and how few were able to defend their own interests.

Mr René Pêtre (Be, CD spokesman) said his group approved the directive and the principles it embodied. But, he asked, would this directive be respected? When? What would happen if some Member States did not make the profound changes in their laws that were needed? Mr Pêtre reminded the House that the report by Mr De Keersmaecker had covered companies merging nationally and the report by Mr Yeats covered all of them.

Mr Augusto Premoli (It, LA) expressed concern about some of the doubts the Commission proposals had left in his mind. No one, he suggested, knew what would happen if either party were to boycott the negotiations envisaged. He suggested that the workers of the purchasing company were also in a vulnerable position.

Lady Elles said that the European Conservative Group approved the Commission proposal. She pointed out that this matter was of great interest to all the 10

million conservative voters, few of whom would be unaffected by the draft directive. 'We are all workers', she said. Lady Elles suggested to the House that it was perhaps unfortunate that there had been no reference to shareholders. There were millions of investors whose money was put to risk to provide jobs in the Member States. She suggested that there would be a real threat to employment as Mr Wedgwood Benn himself had pointed out if there were no new investment. Lady Elles also put in a plea for women workers, some of whom were still treated very shabbily. The transfer of the employment relationship should not deprive them of any right to better conditions.

Mr François Duval, the European Progressive Democrat spokesman, welcomed the Commission proposals for the protection of workers which, he said, was an innovation for several Member States. Only four of them had any legislation in this sphere. He then discussed the scale of mergers that had taken place in recent years. He agreed with Mr Yeats and with Mr Pêtre that workers were very vulnerable. It was vital to give them legal safeguards.

Mr Luigi Marras (It, CA) trusted that the directive would be adopted in the near future. He then referred to a number of amendments his group had tabled to give greater prominence to workers' rights.

Replying to the debate, Dr Patrick Hillery said he appreciated the support of Parliament's standing committees for the Commission's proposals. These had been made all the more necessary by the great increase in the number of mergers. In some Member States the 100 largest firms now controlled half of the industrial turnover. This might be economically desirable and the Commission was trying to act in response to the situation thus created. It had a responsibility to protect workers and this was the aim of its present proposals. Dr Hillery told the House that the Council had undertaken to take a decision on this directive within 5 months. Replying to the point made by Mr Yeats about individual dismissals, he said that he agreed that action was needed and informed the House that preparatory work was already in hand. He reminded the House that the council had passed a directive on mass dismissals on 17 December 1974. The Commission's approach, he said, was a dual one of providing guarantees through laws and a collective system of safeguards based on negotiations. The legal guarantee involved the transfer of employment relationships, informing and consulting workers and negotiations about mergers.

The House then turned its attention to 15 amendments tabled to the text presented by Mr Yeats on behalf of the Committee on Social Affairs and

Employment. The 7 tabled by the Communist and Allies Group were all rejected although Mr Michael Yeats, rapporteur, did suggest to the House that amendment no. 8 adding a new paragraph about workers' representatives remaining in office was a good one. All the other amendments were rejected except nos. 14 and 15. The effect of amendment no. 14 is that if labour representatives think a merger liable to be prejudicial there shall be negotiations between them and the management. If within two months no agreement is reached either party may refer to an arbitration board 'which shall give a binding decision as to what measures shall be taken for the benefit of the workers'. Labour and management would be jointly represented on this board and have a jointly appointed chairman.

This amendment was tabled by the Christian Democrat Group in order to bring this directive into line with the stipulations of the third directive particularly as regards the one month time limit within which the arbitration board must give its ruling. The resolutions on the Commission's proposals for directives were both agreed to.

BUDGET

Vote on supplementary budget No. 1 for 1975

Disagreement between the Council and the Parliament on the financing of the Regional Fund

In the vote on supplementary budget No. 1 for 1975, the European Parliament unanimously approved the sum of 300m. u.a. for the newly established Regional Fund. This is an increase of 150m. u.a. on the Council's proposal. At the same time, Parliament maintains that it – and not the Council – should have the last word on appropriations to the Fund.

This vote, which marked the conclusion of initial consideration of the supplementary budget, underlined the discord between the Council and Parliament on this question. This had already become evident during the general debate on the supplementary budget during the March sittings when there were no signs of any rapprochement on major points.

The Council will now reconsider the budget as amended by Parliament. In this connection, a meeting will be held between the Council and a delegation from the Parliament in order to try to resolve the points of disagreement. The

supplementary budget will consequently be submitted to Parliament for final consideration at the sittings of 28-30 April.

Budgetary powers

The vote stressed the point indicated in the general debate in March that the stage is now set for a fundamental conflict between the Community's two budgetary appropriation authorities on the demarcation of their powers with regard to the new budgetary procedure which came into force for the 1975 budget.

In fact, this conflict has been present or at least latent since December when, during its final consideration of the general budget for 1975, Parliament refrained from requesting 300m. u.a. for the Regional Fund because of the Summit Conference's decision on the Fund.

The conflict arises from the fact that the new budgetary procedure distinguishes between compulsory and non-compulsory budgetary expenditure. Non-compulsory expenditure is expenditure not 'necessarily resulting from this Treaty or from acts adopted in accordance therewith' (Article 203,4) Parliament has the last word on such non-compulsory expenditure. However, for such expenditure the Commission works out and lays down a maximum rate of increase which may only be exceeded if there is agreement between the Council and the Parliament. On the other hand, the Council has the final decision, without reservation, on compulsory expenditure.

The Regional Fund

In the vote on appropriations for the Regional Fund, Parliament took this to be a non-compulsory item of expenditure. On this basis, Parliament unanimously adopted (with 115 votes in favour) an amendment to the effect that the Council's proposal of 150m. u.a. should be increased by further 150m. u.a. entered under 'Non-allocated provisional appropriations' (Article 980 of the budget). Parliament hereby wished to support the Paris Summit decision that 300m. u.a. should be made available for the Fund in 1975. Meanwhile, the Council and the Commission both consider that there is no need to pay out more than 150m. u.a. in 1975, while allowing the Fund to undertake commitments up to 300m. u.a.

On the question of principle concerning the classification of the Regional Fund, the Commission supports Parliament's view. During the budgetary deliberations in December, the Council also provisionally agreed to the classification of the Regional Fund under non-compulsory expenditure, but believes, now that the Paris Summit Conference has fixed a framework amount of 1,300m. u.a. for the next three years, that the Fund should be considered as compulsory expenditure. Parliament consequently reminded the Council, in its resolution on the supplementary budget, that the Council could not change the classification of expenditure unilaterally.

The Agricultural Fund

The Council and the Commission also proposed that the 150m. u.a. for the first year, 1975, should be financed by taking up reserves for the development sector from the Agricultural Fund. 125m. u.a. of this was to come from the reserve for 1972-1974 for 'priority agricultural regions' (Article 833 of the budget). This transfer from the Agricultural Fund to the Regional Fund was approved in principle by Parliament at the March sittings on condition that the 50m. u.a. entered under Article 833 for 1975 should be transferred to other projects in the agricultural development sector. Parliament consequently adopted, by 106 votes in favour, none against and four Communist abstentions, an amendment transferring appropriations under Article 833 to Article 800 ('Projects for improving the structure of agriculture'). This was originally a Commission proposal, but the Council had preferred, in its proposed supplementary budget, not to alter the appropriations for Article 833.

Proposed increase of maximum rate

As a consequence of Parliament's amendments of the Council's proposed supplementary budget, a new maximum rate of increase in non-compulsory expenditure in 1975 as compared with 1974 will have to be fixed. This can only be done by agreement between the Council and the Parliament. Parliament consequently concluded its initial consideration of the supplementary budget by adopting a proposal to set a new maximum rate of 68.35 per cent. This proposal was adopted by 116 votes in favour. There were no votes against and six Communist abstentions.

Other budgetary amendments

Over and above appropriations to the Regional Fund, there was also a transfer in the supplementary budget from the 'Expenditure not specifically provided for' in Chapter 99 to the joint 1975 research and training programme (Chapter 33). This transfer involves 499.508 u.a. which will be used for the newly adopted research and training programme in respect of plutonium recycling in light-water reactors. Parliament agreed to this amendment.

Wednesday

QUESTION TIME

Questions to the Council

1. European Passport Union by Mr Brian Lenihan (Ir, EPD)

'In view of the statement (Point 10) in the Communique of the Paris Summit to set up a working party to study the possibility of establishing a Passport Union, what steps have been taken to set up the working party and what will be its terms of reference?'

Dr Garret FitzGerald, President of the Council, replied: 'Work has started on the setting up of Working Party to study the possibility of establishing a Passport Union and the subsequent introduction of a uniform passport. The Presidency will not overlook the fact that a draft is to be submitted to the Governments of the Member States before 31 December 1976 if possible.' Mr Brian Lenihan (Ir, EPD) asked whether Parliament would be consulted when the draft was completed. Mr FitzGerald replied: 'The position is that the working party would expect to receive from the Commission a proposal on the matter, and that proposal would, of course, come before Parliament for its views before any question could arise of the Council taking a position on it.'

2. Farm Modernization Scheme by Mr Jim Gibbons (Ir, EPD)

'Considering that the target income under the scheme is set too high for many farmers, particularly in the West of Ireland (1,800 pounds), what measures does the Council envisage to correct discrimination in the operation of this scheme?'

Dr Garret FitzGerald replied: 'Council Directive No 72/159/EEC on the modernization of farms establishes a framework within which Member States

determine in their legislation the precise criteria for implementing the Directive and for granting aid under its provisions (see in particular Article 4(4)). The national provisions are subsequently examined by the Commission which, having received the Opinion of the Standing Committee on Agricultural Structures, expresses itself on the consistency of the national provisions with Directive No 72/159/EEC. With regard to Ireland, the Commission decided on 20 January 1975 that the measures envisaged by the Irish Government in its Decision of 1 February 1974 were consistent with the Directive. It is clear, therefore, that assessment of the practical application of the Directive by each Member State is the responsibility not of the Council but of the Commission assisted by the Standing Committee on Agricultural Structures.' Mr Gibbons asked 'Could the Minister say whether, having regard to the fact that farm incomes dropped by an estimated 30 per cent in Ireland last year, he thinks the application of the income standards referred to in the question are fair and equitable? And further, would he say whether, having regard to the uneven pattern of farm incomes in the different countries of the Community, he thinks a flat income level for application of the farm modernization scheme is fair and equitable?'

Mr FitzGerald replied: 'My responsibility as President of the Council is not engaged in relation to the question, for the reason I explained at the outset. But on the particular points raised, the fact is that there was, of course, a drop in income. Moreover, there are regional disparities in income and, as Irish Minister rather than President, I must say that the system under which there is a direct relationship to non-agricultural income, regardless of the relative growth or decline of agricultural and non-agricultural income, and a relationship to the national non-agricultural income rather than to regional non-agricultural income, certainly poses problems. It is because of this that the Irish Government has made further proposals.'

Mr Gibbons then asked 'Does the Minister not agree that, in the final analysis, it is for the Council of Ministers to direct the attention of the Commission to these problems to which he himself refers? Mr FitzGerald replied: 'The Commission will be reporting back this year on the working of the scheme, and, of course, it is open to any government, if the working of the scheme is unsatisfactory, to consider raising the matter with the Council. But in the first instance, governments naturally try to make the scheme work within its present terms of reference before deciding to take the matter further. The honourable Member's question was addressed to the Minister, and I am afraid I am beginning to answer too much as Minister and too little as President'. Mr Gibbons commented: 'Lastly and finally, Mr President, may I thank the Minister for his reply and say

that while he answered more as an Irish Minister than as the President of the Council, the amount of encouragement the participants – or would-be participants – in the farm modernization scheme may get from his reply is minimal’.

3. *Situation in Portugal* by Mr Egon Klepsch (Ge, CD)

‘In view of political developments in Portugal and the preparations for elections, how does the Council assess the present situation and future trends in the light of the desire for fruitful co-operation between Portugal and the European Community?’

Dr Garret FitzGerald replied ‘The Council recalls the declarations of intention which it has made concerning the attitude of the Community towards Portugal. In the light of these and at the request of the Portuguese Government, the Council last November invited the Commission to explore the possibilities of developing and extending relations between Portugal and the Community. To this end, the Joint Committee provided for in the EEC-Portugal Agreement has set up a Working Party which is to report to the Joint Committee at its next meeting’. In reply to supplementary questions from Mr Klepsch and Mr Edgar Jahn (Ge, CD), Mr FitzGerald informed the House that he thought that it would be neither appropriate or tactful to comment on the developemnt of political structures in another country. On the other hand, the Community’s relationships with other countries were constantly under review.

Questions to the Commission

1. *Benefits of leaving EEC* by Lord O’Hagan (Br, Ind)

‘What benefits would the United Kingdom gain by leaving the EEC?’

Commissioner Claude Cheysson replied that the Commission did not think that the question arose. There could be no gain to the United Kingdom from withdrawing from the Community. This reply was applauded and Lord Lothian (Br, EC) said: ‘May I thank the Commissioner for that most interesting reply and express the hope that it will be noted in my own country’.

2. *United Kingdom trade with the EEC* by Lord Reay (Br, EC)

‘Since the replies given by Commissioner Gundelach to questions put in this Parliament on February 19 on the subject of the United Kingdom’s trade deficit with the EEC have been the subject of debate in the British Parliament, and his conclusions have been described as false by the British Minister of trade on the grounds that the Commissioner failed to make a distinction between total trade including oil trade, and non-oil trade, could he say what figures should have been after taking account of British oil trade both with other Member States and with third countries?’

Commissioner Finn Gundelach replied: ‘In a reply on 19 February to a question put by Mr Scott-Hopkins on British trade, I stated that the trade figures do not indicate that membership of the European Economic Community has been disadvantageous for Britain. The conclusion has been contested on the grounds that the figures I quoted included trade in oil and thereby disguised the fact that a deterioration in the British balance of trade in goods other than oil has mainly occurred in trade with the European Economic Community.

What I used were the actual figures for British trade, and they have not been contested. They reflect reality by being the expression of actual developments. They are not artificial figures where some elements are subtracted or added with the intention of leaving a certain impression. I stand by my figures and by the comments with which I introduced them.

Of course, one very often attempts to correct statistics for disturbing or accidental factors in order to get a clearer picture of the underlying trend. For example, this is done by eliminating seasonal factors, the influence of a bad harvest, deliveries of ships or aircraft, etc., but the oil price increase is not this simple kind of one-time accidental phenomenon which can be merely eliminated by subtracting oil from the trade figures. If one wants to engage in the hypothetical exercise of assessing the situation had the oil price increases not occurred, one cannot subtract the trade in oil from the figures. The oil price increases have dramatically influenced the general economic situation not only in Britain but in the entire world. For example, they sparked off inflation and contributed to the economic slow-down.

In order to adjust to these consequences one would have to establish a completely new economic model, a model which, if not impossible, then at best would be extremely hazardous to establish. To illustrate some of the difficulties involved in describing a hypothetical situation in figures, there is reason to emphasize, as I did in my reply on 19 February, that Britain switched to the

EEC for her food imports and this switch has resulted in a lower foodbill for Britain. In addition, Britain's imports of goods such as chemicals and plastic products from the EEC partners became more expensive owing to the oil price increases. These three categories of items I mention are among the three biggest items on the British import bill from the Community, and they are all oil-price-influenced. The UK imports from the Community would thus, in the hypothetical situation described, have been noticeably smaller than indicated by trade figures simply adjusted by eliminating oil trade. Had the oil price increases not taken place, one could on the export side have experienced a higher economic activity.

This would have resulted in a lower overall trade deficit and a lower deficit in trade with the EEC partners because of the generally better conditions for the export of industrial products.

Britain's overall deficit in trade would, of course, have been lower had the oil prices not increased. Undoubtedly, her deficit in trade with the EEC partners would have been lower had the oil prices not increased. But this has, indeed, nothing to do with EEC membership, and I would repeat that the figures, whether including oil or not, do not indicate any adverse effect on Britain through membership. On the contrary, as stated on 19 February, there is naturally cause for concern over Britain's trade deficit. This is, however, due to general economic factors, both inside Britain and internationally, but they are not caused by EEC membership. Britain's balance-of-payments difficulties must can be solved by an increase in exports. This will be facilitated by access to a large open market, a condition which is fulfilled by being a member of the European Economic Communities.'

Lord Reay then asked: 'I am very grateful to the Commissioner for the stout and convincing defence which he has given of the statement which he made to this House on 19 February and which has been subject to misleading criticism in some quarters. Would the Commissioner not agree that the worrying problem of the United Kingdom trade deficit is a problem which Britain has to deal with, whether she is in the Community or not, and that there is nothing to suggest that this problem has been caused by the United Kingdom's membership of the Community, and could he say what possible advantage there could be from the point of view of the trade deficit for the United Kingdom to give up membership of the Community in order to become a member of a free trade area with the Community? Would this not be, in fact, to retain all the disadvantages of which Mr Shore complains without the benefit of a share in the decisions by which we would still be affected?'

Mr Gundelach replied: 'Mr President, I feel that the self-contradictory nature of the criticism which has been levelled against the comments and figures I quoted is demonstrated by the fact that the vast majority of participants in this discussion, whatever their stand on the broader European issue, is in favour of free European trade and as free a trade as possible between Europe and the rest of the world. And if no other substantive argument can bring this artificial discussion to an end, this contradiction ought to do it! '

Lady Elles asked: 'The Commissioner just said that British difficulties would be partly solved by an increase in export trade with other Member States of the Communities. Would he not also agree that in the hypothetical event of the United Kingdom withdrawing from the Communities, our export trade and orders, and consequently external investment in the UK, would considerably suffer and that hence jobs in the UK would also suffer as a consequence of our hypothetical withdrawal? '

Mr Gundelach replied: 'There is no doubt that if an economy like the United Kingdom's stood in isolation or moved into isolation, this would cause a considerable degree of uncertainty which would have a negative effect on economic development'.

3. Destruction and denaturing of food by Mr Ole Espersen (Da, S)

'Does the Commission think that in the long term the destruction or denaturing of good food products may become an element of the EEC's market policy for agriculture and fisheries and how does it intend to encourage fishery producers' organisations to introduce voluntary quota systems for catches in order to avoid destruction or denaturing? '

Commissioner Petrus Lardinois replied that he wished to make it clear that no destruction of foodstuffs in agriculture or horticulture or even in the fisheries had been agreed to by the Commission or paid for from Community funds. The only case in which financial help was given was when such foodstuffs could be put to a second use such as the feeding of livestock. The Commission's ultimate aim was to promote quality food production for human consumption. He stressed, however, that supply fluctuations were a difficulty which had to be dealt with. This was why temporary surpluses were taken off the market.

4. Safety of atomic power stations in the Community by Mr Kurt Härzschel (Ge, CD)

'What is the Commission's view on the safety of the atomic power stations in the Community in the light of the temporary shut-down and safety inspection of 23 American nuclear power stations? '

Commissioner Altiero Spinelli replied that following the finding of hair's breadth cracks in one or two boiling water reactors at present in operation in the United States, the US Atomic Energy Commission as well as the builders and operators of all similar reactors had immediately launched a large-scale check up. It was found that there had been no radioactive fall out. It had been stressed in the United States that so far cracks of this type expanded slowly and could, therefore, be promptly traced by means of suitable detection systems before there could be the least real threat to the safety of the reactor. As regards the Community, the responsibility for issuing operating licences for nuclear power stations and for their inspection fell to the authorities responsible for nuclear safety in each of the Member States. The Commission knew that these authorities had taken adequate measures to check the five reactors of this type in operation in Europe without any similar fault coming to light. The swiftness of the reaction and the scale of the measures taken by the responsible bodies testified to the vigilance and safety consciousness with which such problems were dealt with. Mr Spinelli added that the Commission had recently forwarded to the Council and to Parliament a statement on the technological problems in nuclear safety. This was intended to speed up the standardization of methodologies and criteria for nuclear safety. Mr Luigi Noè (It, CD) then asked him whether the Joint Research Centre was looking into the materials used in these reactors. Mr Spinelli said that this was the case but added that the problem did not concern nuclear reactors alone but all tubes used for hot water.

5. *Construction of nuclear power stations* by Mr Luigi Noè (It, CD)

'Does the Commission not consider that in view of the difficulties often raised by local authorities concerning the building of nuclear power stations in various Member States, it should adopt a clear general position on this important problem and intervene directly in the individual discussions in the most important cases, thereby helping to clear up some misunderstandings and to make the positions which these same Member States will adopt on the subject more uniform?'

Mr Altiero Spinelli replied that the Commission was also very concerned about the difficulties of every kind encountered in building nuclear power stations but it did not consider that it was its duty to intervene in individual cases at the local level. The Commission had, however, made its position clear on several occasions and had taken a series of measures to deal with this problem. He referred to the action programme for the protection of the environment of November 1973 which included the management and storage of radioactive waste, a matter on which the House would be called upon to deliver an opinion on that afternoon.

He referred to the resolution on energy and the environment which the Council approved in November 1974 and which showed the need for a rigorous control over the use of nuclear energy so as to guarantee the safety of the public and the protection of the environment. Lastly, Mr Spinelli spoke of the action programme to promote the use of nuclear energy of February 1974, the most important aspect of which was to protect the public and safeguard the environment. Under this programme the Commission had already sent proposals to the Council for adjusting the basic rules for protection against radiation laid down by the Council in 1959 and on the technological problems of nuclear safety. These proposals would be followed by action on the thermic effects of power stations, the potential radiological implications of long-term nuclear programmes, the recycling of obsolete nuclear power stations, the transport of radioactive materials and regulations as to the location of sites. He reminded the House that Article 37 of the Euratom Treaty enabled the Commission to see to it that radiation hazards were taken into account in the design of nuclear plants. 75 such designs had already been scrutinized. Lastly, the Commission was in the process of making a full investigation into the problem raised by Mr Noè of the scope and limits of an action programme to explain the facts fully and impartially to the general public.

6. *Curtailement of the advisory powers of the European Parliament* by Mr Jean Durieux (Fr, L)

'Does the Commission feel that the European Parliament is able to carry out its task of democratic control in cases where it is consulted on the basis of Article 235 of the EEC Treaty when essentially, the decision is taken by the Council in the light of a memorandum submitted to it by the Commission?'

Mr Claude Cheysson replied that the Commission attached the greatest importance to the European Parliament's being able to fully exercise the consultative function conferred on it by the Treaty and, of course, by Article 235. On its own initiative, the Commission often made the suggestion to the Council that it should consult Parliament about proposals regarding which consultation was not legally obligatory but which were of special political importance. In the case of Article 235 the consultation of the Assembly on Commission proposals is mandatory, he said. If, on occasion, the Commission were prompted to draw up a memorandum or make a communication before making its formal proposal it was precisely because it could first have the reactions of the institutions and thus of the Parliament about its ideas on the policy to be followed and on the proposal to make. In any event, the Parliament

was subsequently consulted on the formal proposal of the Commission. If the Assembly did not seize the opportunity to give an opinion on the Commission's communication beforehand it could in any case play the part entrusted to it by the Treaty at this stage. 'I would add, Mr President, that the influence of Parliament on Council decisions particularly under Article 235 will grow considerably and assume a public and fundamental character through the implementation of the conciliation procedure'.

7. *Exports of cheese* by Mr Pierre-Bernard Cousté (Fr, EPD)

'Can the Commission give its views on what is already referred to as the 'cheese war' which has apparently resulted from the reintroduction by the Community of refunds on exports of cheese, which the American authorities treat as export subsidies, leading to the imposition of compensatory levies in cheese entering the territory of the United States?'

Commissioner Petrus Lardinois told the House that the dispute over EC cheese exports to the US went back some time. In July 1974, in an attempt to avoid any move liable to hold up the passage of the Trade Bill through Congress, the Community had decided to discontinue all rebates on cheese exports for the time being. These rebates came in again in February but at a rate one third below the July 1974 level. The United States were not happy about this and fresh talks ensued. These progressed well and a compromise looked possible by Easter. This would have involved withholding all rebates from directly competitive EC cheese used for indirect consumption, though rebates would still be paid on cheese for direct consumption. This would be the cheese from Southern Europe of the 'extra' quality. Mr Lardinois indicated that although he had hoped for an agreement along these lines it had simply not materialised. The US government was making its assent dependent on the agreement of certain senators who were in turn making their assent dependent on the agreement of the dairy producers. This, he said, seems to be the way things are. I have no further comment except to say that the end is not in sight'. He emphasised that the Commission's rooming to manoeuvre and willingness to compromise were not unlimited.

8. *Fuel subsidy to British glasshouse growers* by Mr Ralph Howell (Br, EC)

'Since the 31st December 1974 the fuel subsidy to British glasshouse growers has been discontinued, whereas other Member States are subsidising fuel to their glasshouse industries. What steps does the Commission intend to take to ensure that British glasshouse growers do not have to face unfair competition from other EEC countries?'

Mr Petrus Lardinois replied that because of the enormous increase in oil prices in 1974 the Commission had authorised the Member States to pay a subsidy to glasshouse growers representing up to 50 per cent of the difference between the old and the new oil prices. At the end of last year the Commission had extended the period of application of this authorisation until 1 July 1975. This option, however, was not taken up by the British government. 'The fact is, he said, that even with this subsidy and even allowing for the fact that the United Kingdom is not taking advantage of it, there are still serious competitive anomalies in the glasshouse sector due, in particular, to the fact that gas, for example, is much cheaper. We have promised Parliament and Council proposals for standard regulations which are intended to ensure that competition is not undermined in this sector.

Mr Howell thanked him for his reply and added 'Can I urge him to try to persuade the British Government to reconsider its shortsighted policy and to re-introduce the aid for the six months between 31 December and June when it is proposed to have a uniform policy for the whole Community? I believe it is essential that this should be done in order to safeguard the interests of the British producers and also to maintain the credibility of the EEC'.

Mr Lardinois replied that under Articles 92-94 of the Rome Treaty, the Commission could authorise subsidies but it could not constrain Member States to introduce them. He, personally, thought it was desirable for the British to take advantage of this option but could take no formal action. He would, however, make an informal approach to the British Government to make sure that it had not overlooked this possibility.

The Conference on European Security and Cooperation (CSCE)

Introduction

This 35 country conference has been in progress for 29 months and is due to conclude in Helsinki sometime in July. The subjects under discussion are grouped together in what are known as 'baskets', of which there are four. The first concerns the general principles to govern East-West relations and covers such tricky items as (a) warning of manoeuvres (b) the status of neutrals and (c) the status of Germany. No agreement on these points is exactly imminent. The second concerns economic cooperation and even here there are difficulties. The third basket concerns the contentious issue of future East-West contracts:

freedom of movement and information and particularly the status and rights of the Western press in Russia. There appears to be no immediate prospect of agreement. The last of the four baskets concerns the future of the conference itself i.e. whether or not it should be institutionalised.

With little to show in the way of results or prospects for results, the CSCE still seems to be regarded as a worthwhile exercise, if only for the opportunity it has given the West to define the scope and limits of the rather ambiguous word 'détente'.

The debate

The governments of the Nine Members States should intensify their efforts to ensure that greater progress is made in all the committees of the Conference on Security and Cooperation, particularly Committees I and III (European security questions and cooperation in the cultural and humanitarian spheres) so that the goal of agreement in the second phase of the CSCE may be achieved soon. This appeal was launched by the European Parliament on 9 April on the recommendation of its Political Affairs Committee.

The rights of the various Member States of the European Community peacefully to change their frontiers and create a political union was explicitly underlined. The outcome of the CSCE must not, in the European Parliament's view, impede the realization of European Union.

The CSCE negotiations in Geneva have been in progress at ministerial level since July 1973. They were initiated in November 1972 with multilateral talks at expert level, which took place in Helsinki. For the first time in 30 years 35 states are gathered round one negotiating table. In addition to the USA and the USSR all the European nations are participating. The position of the European Community is represented by the Minister of the country holding the Presidency of the Council of the European Community. The delegation from that country also includes a representative of the Commission

The Political Affairs Committee of the European Parliament has watched closely the preparations for and the course so far followed at the Conference. Following the adoption of earlier resolutions, Mr Radoux's report was an interim one on the results hitherto achieved at the Conference. It contained a detailed description of the chronological course of events at the Conference and the

problems encountered. As regards the representation of Community interests, the rapporteur came to the conclusion that, firstly, all negotiations connected with the CSCE in areas in which the Member States have transferred responsibility to the Community, must be conducted by the Commission and, secondly, it must be made clear that although they are prepared to accept further development of their relations with Eastern Europe, the Nine insist on the development of Western European integration having priority over East-West cooperation.

The latest position in Geneva

The rapporteur, Mr Lucien Radoux (Be, S) supplemented his written report, which he himself described as outdated in some aspects due to the rapid course of events in international politics, with an outline of the latest position at the Conference, which has now been going on for two years. Nine principles put forward by Committee I (security questions) had so far been accepted. Mr Radoux, however, warned against naively assuming that the formal announcement of a number of political principles might be sufficient to guarantee European security. This could only be achieved if accompanied by measures in the military sphere, one of the two sensitive items at the Conference: the conditions for announcing military manoeuvres. The second controversial point is the inviolability of frontiers demanded by the Eastern Bloc countries, which the rapporteur feels should allow Western countries to change their own frontiers if they freely agree to do so. Difficulties had now also been encountered in Committee II (economic questions). Mr Radoux endorsed the view that trade relations must everywhere be based on the principle of reciprocity. A draft charter on industrial cooperation had been put forward. The results achieved in Committee III (humanitarian and cultural cooperation) should be regarded as a 'test of détente'. Without human contacts détente remained precarious. Noteworthy was the agreement on uniting families. Regrettably, no agreement had yet been reached on the working conditions of journalists.

The discussion principally concerned the prospects of agreement being reached in the three specialized committees of the Conference. The differences of opinion related not so much to the principles involved as to the setting of priorities and the evaluation of the effects on the Conference of recent political events in the world.

European Community stands the test

All Group spokesmen agreed that the positive results hitherto achieved at the Conference were due to the united approach of the Community.

Mr Peter Corterier (Ge, S) disagreed with the scepticism frequently voiced and described as a decisive intermediate result of the Conference the improvement in the political climate as a result of the reduction in the distrust that had developed on both sides. The views of the political groups differed as to the course the negotiations should follow in the future. Mr Egon Klepsch (Ge, CD) emphasized that recognition of the present extent of Soviet influence in Europe would only be acceptable if concessions were made as regards free movement of individuals and the self-determination of the nations and in the military sphere. He opposed the conclusion of the Conference under pressure and reaffirmed the principle of the reciprocity of benefits. Like Mr Corterier, he pointed out that the events in Portugal, the Middle East and South-East Asia might affect the further development of the Conference. Mr Corterier stressed that Portugal must be left to choose its own future. For Western Europe, stabilization of the political situation was extremely important if the possibility of a Soviet attempt to disturb the balance was to be excluded. Mr Ove Guldberg (Da, S) called for reliable guarantees for Western Europe.

Mr Alain Terrenoire (Fr, EPD) felt it was now clear that Europe must take its destiny in its own hands and ensure its security. Mr Gérard Bordu (Fr, CA) hoped that the experience gained from the failure of the USA's policy of aggression in South-East Asia would further improve the negotiating atmosphere at the CSCE and make it easier to reach agreement on questions still outstanding. During the voting his group abstained on the grounds that Parliament's resolution went too far when the possibilities were considered. Institutionalization of the Conference in the form of a permanent organ was rejected by the Christian Democrat spokesman. The rapporteur, on the other hand, felt that it would be generally useful if it took the form of permanent negotiations. Mr Helveg Petersen (Da, LA) advocated the creation of an international agency for the collection of information on conflicts.

Disarmament and cooperation inseparable

The Christian Democrats, Socialists and Liberals were unanimously opposed to a separation of the military aspects from cooperation. They stressed that the

negotiations now taking place in Vienna on troop reductions and armaments control (MBFR) should form part of the political negotiations and that the present stalemate must be overcome. This view was also shared by the chairman of the Political Affairs Committee, Mr Giovanni Giraudo (It, CD) who moreover considered it unlikely that the Conference would be concluded in June of this year, a prospect held out by various quarters.

Humanitarian relief

The major difficulties in the questions still outstanding at the Conference concern, according to Mr Edgar Jahn (Ge, CD) technological and scientific cooperation and relief in the humanitarian sphere. Spectacular decisions were not expected here, merely gestures of goodwill. In the appropriate contact committee modest progress had gratifyingly been made in the question of facilitating visits by journalists. Mr Eric Blumenfeld (Ge, CD) pointed out that the final outcome of the Conference could not be predicted from the present state of the negotiations in Geneva since no apparatus was provided for automatically ensuring the transition of intermediate results in one committee to final results in another.

Sir Christopher Soames, Vice-President of the Commission and Mr FitzGerald, President of the Council, stated at the close of the debate that as participants in the Conference they considered the intermediate results of the CSCE generally positive and that they were optimistic as regards the continued development of the Conference. Both felt the Conference had shown that the Nine were a factor to be taken seriously in important questions. For the first time the Community had negotiated on questions which came under the heading of political cooperation and for which the European Community was the competent body.

Prospects for the Euro-Arab dialogue

The Commission, the Council, and the Conference of Ministers of Foreign Affairs of Member States of the Community were asked by the Political Affairs Committee of the European Parliament to make their views known on the prospects for Euro-Arab talks, the principle of which was decided on a year ago, but which have not yet taken place.

This was the first time that Parliament has officially put a question to the Conference of Ministers of Foreign Affairs. It was thereby applying paragraph 4 of the final Communiqué of the Meeting of Heads of Government of the Community in Paris on 9-10 December last year: 'In view of the increasing role of political cooperation in the construction of Europe, the European Assembly must be more closely associated with the work of the Presidency, for example through replies to questions on political cooperation put to him by its Members.'

Mr Eric Blumenfeld (Ge, CD) who put this question on behalf of the Political Affairs Committee, had stressed his hope that this new procedure would make for better relations between the different bodies responsible for the construction of Europe. But the answer given by Mr FitzGerald, President of the Council and of the Conference of Ministers of Foreign Affairs, was considered disappointing by the Members of Parliament because he restricted himself to reading out a written statement.

Mr FitzGerald emphasized the importance of the talks sought by the Nine for the purpose of improving overall relations between the Community and the Arab countries. A durable framework for discussion must be established, with the collaboration of the Commission on matters concerning the Community. A working party for the Nine had been set up in Dublin last March to determine the economic, cultural and technological questions to be raised at the Euro-Arab talks. The Nine were keeping the development of the situation in the Middle East under constant review, in order to be able to begin the talks as soon as possible.

Mr Claude Cheysson, member of the Commission, stressed the importance which the Community should attach to the Euro-Arab talks: these talks would be 'the expression of a will to work together where there are common interests.' The common interests of Europe and the Arab countries were certainly numerous. Europe needed to establish relations with these countries, just as the latter needed to establish relations with European countries, who are for them 'irreplaceable partners', on account of their proximity, their dependence on outside sources for their energy, and the values which they defend. It was essential, he said, for these talks to move into an operational stage: the Commission will have a role to play, as will the European Parliament, in this 'great adventure' of improving relations between European countries and the countries of the Mediterranean basin.

Mr Eric Blumenfeld (Ge), on behalf of the Christian-Democratic Group, Mr Walter Behrendt (Ge), on behalf of the Socialist Group and Lord St. Oswald

(Br), on behalf of the European Conservative Group, were opposed to the participation of the PLO at the Euro-Arab talks. In Mr Blumenfeld's opinion, the participation of this Palestinian organization would only be possible if it abandoned terrorism as a means of political action. According to Mr Behrendt, the PLO was not a state and therefore could not be recognized under international law. Lord St. Oswald said that Europe could in no circumstances enter into discussion with these 'inhuman gangsters' who simply desired the destruction of Israel. On the contrary, Europe should, he added, urge President Sadat to break all his ties with the PLO. Mr Francescopaolo d'Angelosante (It), on behalf of the Communist and Allies Group, refused to accept these arguments, and affirmed that the people of Palestine were in fact a state whose territory was under military occupation by another country. For that reason he wanted the PLO to participate at the Euro-Arab talks. As for Mr Brian Lenihan (Ir), on behalf of the Group of European Progressive Democrats, he declared that the debate should be free from passion. For years, he said, Europe had 'plundered' certain developing countries without re-investing the enormous profits made on oil and raw materials. He therefore favoured Europe's contributing to the development of the Mediterranean basin.

Finally, Mr Ove Guldberg (Da), on behalf of the Liberal and Allies Group, pointed out that a political solution of the Middle East conflict must allow all the countries in the area, including Israel, to exist as an economic community. In his opinion the Community alone could help them to bring this about. All the speakers stressed the need for Europe to make contact with Israel in parallel with the Euro-Arab talks.

Mr FitzGerald assured Parliament that he would inform his colleagues of the outcome of this debate.

The employment situation in the Community

On behalf of the Communist and Allies Group, Mrs Marie-Thérèse Goutman (Fr) and Mr Luigi Marras (It) asked the Council whether they intended to convene another tripartite social conference, similar to that of 16 December last, but this time with the participation of the Ministers of Finance. Mr Marras pointed out that during the first social conference, at which the Ministers for Labour had taken part, the European Trade Union Confederation had asked for a further conference to be convened during the first half of 1975 with the Ministers of Finance, to examine different aspects of the problem of employment. The

Council has not given its views on this request, but the Italian and Irish Ministers have said that they would personally be in favour. While waiting for this conference to be convened, Mr Marras asked for a joint meeting of Ministers of Labour and Ministers of Finance to be organized within the Council.

Mr Garret FitzGerald, President of the Council, pointed out that the Standing Committee on Employment, which brings together representatives of the Commission, management, and the trade unions had resumed its work at the beginning of this year. He did not exclude the possibility of a joint meeting of Ministers of Labour and Ministers of Finance, which would then consider the advantages of convening another tripartite conference. This request from the European Parliament would be brought before the Ministers of Finance, who will meet before the end of April.

Mr Ernest Glinne (Be) on behalf of the Socialist Group, and Mr Luigi Girardin (It) on behalf of the Christian Democratic Group, supported the trade unions' proposal for a new tripartite conference. The only opposition came from Mr Kai Nyborg (Da) on behalf of the Group of European Progressive Democrats, who feared that certain other measures concerning employment would not be implemented until the conference had taken place.

Cooperation agreements

Several members of the Christian-Democratic Group asked the Council and the Commission for details of cooperation agreements signed between certain Member States and third countries. In fact, as Mr Hans-Edgar Jahn (Ge, CD) pointed out, cooperation agreements are not subject to the obligations of the common commercial policy in force since 1973. Moreover, the European Parliament had already considered this problem on 18 February, when it adopted a report by Mr Egon Klepsch (Ge, CD) on relations between the Community and the state-trading countries. Today the House was more interested in cooperation agreements between private firms on which the Community does not have to be consulted, and which sometimes receive aid from Member States: a serious threat to competition. They were in favour of harmonization at Community level of aid granted for such agreements.

Mr Garret FitzGerald, President of the Council and Sir Christopher Soames, Vice-President of the Commission, confirmed that most Member States had concluded cooperation agreements with certain state-trading countries and with

oil-producing countries. The appropriate parliamentary committee could be given further details on these agreements. Some cooperation agreements related only to principles, while others were more specific and gave a list of projects or of the sectors in which the cooperation would take place. As for agreements between private firms, Sir Christopher Soames expressed the hope that an international code of conduct might be drawn up, in order to avoid dangerous competition. The Commission and even the Member States lacked information on these agreements: it was especially hard to give a precise definition of the concept of a cooperation agreement. The important thing was to prevent simple trade agreements from turning into cooperation agreements.

All the political groups which gave their opinions agreed on the inadequacy of the obligations imposed by the common commercial policy. According to Mr Erwin Lange (Ge) speaking on behalf of the Socialist Group, all Europe's external economic relations should come under a Community system. Mr Paul de Clercq (Be), on behalf of the Liberal and Allies Group, felt that Article 113 of the EEC Treaty, which was the basis of the common commercial policy, should be brought up to date to include cooperation agreements. If such a review proved difficult, the procedure laid down in Article 235 could be invoked. Mr Knud Thomsen (Da) spokesman for the European Conservative Group, considered that this amendment would be of little use, to the extent that all cooperation agreements should clearly come under Article 113, because they influence trade.

Radioactive waste management and storage

5-year research programme

On the basis of a report drawn up by Mr Luigi Noè (It, CD) on behalf of the Committee on Public Health and the Environment, Parliament approved the Commission's proposal to use just under 20,000,000 u.a. over the next five years on specific research projects on the best ways of managing and storing radioactive waste to safeguard the public and the environment. As Parliament was at pains to point out in its resolution, ten years had passed since it first called for action on radioactive waste. The Commission's programme is intended to form the first part of a longer term programme and will be reviewed at the end of two years. Parliament furthermore adopted an amendment providing for the revision or automatic extension of the programme at the end of the first five year period. It also recommended that a public service be created for the

management and storage of radioactive waste, to take the form of a joint undertaking as provided for in the Euratom Treaty.

Endorsement of the programme – despite lack of time

Introducing his report, Mr Noè stressed that it should be read in conjunction with two other reports which were in the process of being drawn up: one by Mr Emile Muller (Fr, LA) on problems of safety in nuclear power stations and the other by Mr Jan Baas (Du, LA) on the siting of nuclear power stations. Mr Noè recommended that a joint resumé of these reports should be produced.

As revealed in the debate, the European Parliament was dissatisfied with the short time it had been allowed to deliver an opinion on the proposal and, even though all the spokesmen for the political groups expressed support for the Commission's proposal, there was concern about the way it had had to be dealt with. In particular some members of the Socialist Group considered that a number of problems remained unsolved, and that it had been impossible to deal with the proposal properly. These members, led by Mr Erwin Lange (Ge, S) abstained from voting on the motion while all the other members voted in favour.

A greater chance of being struck by lightning

Mrs Hanna Walz (Ge, CD), speaking on behalf of the Christian-Democratic Group, stressed that it was not the harm that had actually been caused in nuclear power stations that roused people's fear, but possible future risks, and she remarked that the chance of being struck by lightning was five hundred times greater than of being injured by nuclear power.

Mr Libero Della Briotta (It) speaking on behalf of the Socialist Group, expressed the hope that the Community would be prepared to cooperate with other countries and international organizations. He would have preferred this report to be dealt with in conjunction with the two other reports mentioned by Noè.

Speaking on behalf of the Liberal and Allies Group, Mr Norbert Hougardy (Be) referred to the lack of public information. He stressed that there was no time to be lost in this matter. A proper publicity campaign would have to be organized by experts with all possible speed.

Lord Bessborough, (Br, EC spokesman), pointed out that there was a firm, 'Nuclear Fuels Ltd.' in his country with unique experience in this field, which he hoped all members of the Community had fully consulted.

Mr Thomas Nolan (Ir) speaking on behalf of the European Progressive Democrats, said that nuclear power had been the subject of debate since Hiroshima and Nagasaki. He expressed concern on the question of where radioactive waste should be taken to and thought that serious leakages might arise from current techniques in 20 to 30 years' time. However, he endorsed the report and was prepared to approve any further expenditure that might be required.

Current techniques effective

Mr Altiero Spinelli, Member of the Commission, concluded the debate. He pointed out that the proposal did not mean that no methods were known at present of rendering the waste harmless. But the quantity of waste would increase as the number of nuclear power stations increased and it was therefore essential to develop methods on the industrial level to provide the best protection possible. He drew attention to the fact that the programme represented only the first phase in a programme to be implemented over the next ten years.

Mr Spinelli stressed that the Commission was ready to cooperate with others, but it was first essential to establish a common EEC platform. It was essential for the Council to adopt the programme as quickly as possible. He thought that, if the Council did not adopt it before the end of the month, a number of Member States would act independently. He therefore warned Parliament against deferring its decision.

Thursday

The situation in the wine sector

The French Government's decision to ban imports of Italian wines is a serious infringement of the Treaty of Rome, such as has rarely been seen in the past. This was stated by Commissioner Lardinois when he opened the debate on the 'wine war' in the European Parliament. In the wide-ranging debate which took

place at a critical stage in the Franco-Italian controversy, on the eve of the decisive meeting of the Council of Ministers scheduled for 15 April in Luxembourg, many Italian and French speakers explained the views of their respective countries. Though not without its high words, the debate on the whole was calm and of a high standard and provided an opportunity to take stock of the complex wine crisis in the wider context of the Common Agricultural Policy.

The initiative for the debate came from the Christian-Democrat Group. In an oral question to the Commission, it called for the reinstatement of the Community rules that had been violated by France and for the adoption of measures to end discrimination against wine growers compared with other agricultural producers. An emergency debate was also requested by French members of the European Progressive Democrats Group by Mr Giorgio Amendola (It) on behalf of the Communists, and by Mr Libero Della Briotta (It) for the Socialists.

Commissioner Petrus Lardinois spoke first. He said that as soon as it was found that the French Government had infringed the rules of the common market, the Commission of the European Communities had instituted proceedings against France under Article 169 of the Treaty. If the French Government failed to comply with the Commission's request, the matter would be referred to the Court of Justice. In Mr Lardinois' opinion, there was no doubt that the Treaty had been violated. The Commissioner went on to explain the causes of the wine crisis, recalling the serious disorders in Southern France where the exasperated wine growers had blocked roads, sacked public buildings, and damaged tanker trucks carrying Italian wine. The real cause of the trouble was two exceptionally good harvests in recent years. While in 1971-72, the Community had produced 260 million hectolitres of wine, output in 1973-74 jumped to 328 million hectolitres, causing prices to slump. At the same time, chiefly owing to the economic situation, both internal consumption and exports had fallen off.

What did the Commission propose to do? Mr Lardinois announced that the regulation on wine would be reviewed detailed proposals would shortly be submitted to the Council of Ministers. To meet the immediate situation, the quantity of wine earmarked for distillation would be substantially increased. In the longer term, stringent controls on production would have to be introduced, in order to cut back the area under cultivation and to encourage quality rather than quantity. Distillation alone would not solve the problem, because there was no guarantee that the market was capable of absorbing smoothly huge quantities

of alcohol. On the other hand, Community aid for exports to third countries (in practice the Soviet Union and the Communist countries) encountered political difficulties as happened with butter and meat.

Mr Mario Vetrone (It, CD) thanked the Commissioner for the vigorous action taken, but recalled that the present grave crisis had been fully expected all along. If the anger of the French wine-growers had already exploded in the recent regrettable incidents, we should not be under any illusion as to the feelings of the Italian peasants who, if action was not rapidly forthcoming, could, in their turn, react ill-advisedly.

He stressed the severity of the discrimination against wine-growers who did not enjoy the guarantees granted to other agricultural sectors. They were also bearing the costs of the common policy towards the other Mediterranean countries, from which considerable quantities of wine were imported. As to the proposal for imposing quantitative restrictions on production, Mr Vetrone said he was in agreement with this, provided that an equally strict policy of quality control was simultaneously introduced.

The only speaker from a non-wine-producing country was Mr Cornelis Laban (Fr, S) who advocated major structural changes. There was too much wine being produced, and too much poor wine, he said, referring also to the effects of the celebrated frauds in quality wines which had adversely affected exports. Mr Laban said he was concerned about the cost to the Community's Budget of the new proposals, adding that too much should not be asked from countries who were not wine producers and yet were obliged to finance the distillation policy. In his opinion, the preferable, because financially less onerous, course could be aids to exports.

The speech by Mr Michel Cointat (Fr, EPD), a former French Minister of Agriculture, was eagerly awaited. He referred to the dramatic events which had occurred in Southern France: vandalism, fires, sacking of buildings, road blocks. Faced with this situation, the French Government could not have acted otherwise than it did, since the primary need was to restore order. 'When your house is burning,' he exclaimed, 'you stop arguing about principles and rules, and call for the fire brigade.' Moreover, in the past, other Member States had behaved similarly, and certainly Italy had no right to cast the first stone.

Mr Cointat then listed four emergency measures which should be introduced to resolve the problem in the medium term: 1. A ban on new plant for the

production of table wine; 2. Introduction of a permanent system of price intervention such as already exists for cereals; 3. Limitation of output to 150 hectolitres per hectare; 4. Quality control at the production as well as at the marketing end.

Mr Nicola Cipolla (It, CA) said that the struggle waged by French and Italian wine growers was a just one. The full responsibility lay with the governments and the Commission of the European Communities. At present, only 2 per cent of the EEC's spending on agriculture went to wine growing (and some time ago, it was less than 1 per cent), while this sector accounted for 25 per cent of the entire agricultural output. The French Government, which for years had been neglecting the southern regions of the country, was now using the wine growers' anger to cause a stir. According to Mr Cipolla, any subsidies from the Commission should be directed to the wine growers and not to speculators. The proposals announced by the Commission were insufficient and would not solve the problem. Regulation of output should apply not only to wine, but to all agricultural products.

Mr Libero Della Briotta (It, S) said that tribute must be paid to Italy for not adding oil to the fire of France's grave violation of the Treaty. We should not forget that, in the past, mass sales of French agricultural products had seriously upset the Italian market. The speaker urged that the current crisis be used as an opportunity to introduce a new Mediterranean products policy and seek new trade outlets. Wine-growing in the EC should be kept to the traditional, particularly suitable areas, such as hill regions.

Mr Albert Liogier (Fr, EPD) said he was grateful for the moderation shown by the Italian members. A wholly understanding attitude should be shown to the French wine growers, who could hardly remain indifferent when they saw wines imported from Italy being sold off at ruinous prices.

Mr Luigi Marras (It, CA) said that the crisis in the wine-growing sector could only be solved as part of a reform of the Common Agricultural Policy. Mr Lardinois' proposals were not convincing because they envisaged a 'Malthusian' solution, i.e. the reduction of output, despite the fact that wine was the most typical product of the Community. The emphasis, instead, should be on expanding the market.

Mr Pierre Lagorce (Fr, S) considered the human aspect of the problem and pointed to the paradox that a good harvest was nowadays considered a

catastrophe. The exasperated French wine growers were not angry with their Italian counterparts but with the European Commission which had failed to offer them sufficient guarantees.

Mr Giovanni Bersani (It, CD) said that the important viticultural sector had long been neglected, and now the bill was being presented. In the course of these years, the Community's Mediterranean policy had progressed quite some way, and now it was our producers who were bearing the cost of trade agreements (some 70 of them) concluded with a whole series of countries. A way must be found to ensure that the weaker would not have to pay for the advantages obtained by economically stronger regions.

Commissioner Lardinois wound up the debate. He rejected the charges against the Commission, recalling that the 1969 regulation on wine was the result of a political compromise, reached in the Council, between the Italian view that wine was a product like any other and the French argument that production should be strictly controlled to prevent surpluses. Today we are paying the consequences of that compromise. The 1969 regulation had, however, some positive features, for example, it encouraged production of quality wines in Italy. In conclusion, Mr Lardinois pointed to the dangers inherent in the present crisis which could shake the whole agricultural policy edifice. Confidence in the Community must be restored as quickly as possible among the sections of population directly concerned, even if the price were high.

Egg producers

Mr James Scott-Hopkins (Br, European Conservative spokesman) put down the following question for debate with the European Commission:

'In view of the severe damage presently being suffered by the Egg Producing Industry in the United Kingdom, where the market is being undermined by imports from the EEC countries at prices below cost of production, will the Commission take immediate steps to safeguard the economic position of egg producers in the Community?'

Speaking to the question on behalf of his colleague, Lord St. Oswald told the House that in the Community in 1973 309 million hens had laid 65,000 million eggs, accounting for 4.7 per cent of the Community's total agricultural production. Eggs were, therefore, an important factor in the Community's economic scheme of things. It was also a Community problem because several Member States were affected. France, Germany and the Netherlands were

overproducing and the importing of cheap eggs from France into the United Kingdom was causing dismay and even rancour. For these exported eggs to be three or four pence per dozen below cost was unfair competition especially as producers in the United Kingdom were very efficient. He gave the House the figures for egg production in France where 66,300 hens produced 720,000 metric tons and the United Kingdom where 47,000 hens produced 864,000 metric tons to illustrate his point. He called on the Commission to enforce the Treaty and establish equal competition between egg producers throughout the Community.

Mr Michel Cointat (Fr, EPD) said that it did not seem to be France's lucky day. When she exported she was told it was too much but even when she imported ten times as much wine as five years ago she was told that this was not enough. He regarded this issue as one of the day-to-day problems of building a new Europe and suggested that this was in reality one of the problems that the new Europe had caused. He told the House France was exporting about 150 million eggs, including 17 million to Britain (equivalent to 1.2 per cent of the UK's production). He pointed out that Brittany used to be a peripheral region which had suddenly discovered a large market, as it were, on its doorstep and its egg producing capacity had expanded accordingly. Mr Cointat reminded the House that two years ago France had either been self-sufficient or a net importer of eggs and had only recently begun to export on any scale. He emphasised that France was a much smaller exporter than other Member States. He also reminded the House that the United Kingdom had been in the habit of buying cheaply on the world market and guaranteeing a fixed price to home producers to ensure that imports did not adversely affect them whereas now they had changed this system. He added that some time ago the Dutch had been more competitive but the French had now caught up in productivity. Perhaps the answer for the United Kingdom lay along these lines.

In reply, Commissioner Petrus Lardinois said that the quantity of eggs involved represented less than 2 per cent of the United Kingdom's production. He conceded that there were problems but thought the Commission could solve them. He took up Mr Cointat's point about exports from Brittany to the United Kingdom. The British market was much more accessible than Paris, for example. But he firmly denied that the prices in either London or Paris were any evidence of dumping. He then told the House about the various measures that the Commission had authorised to help the egg market and suggested that consumer preference was also an important factor. The Breton egg producers had been very successful in selling brown eggs. Lord St. Oswald then said that he was somewhat disappointed by the Commissioner's answer for he felt that artificial aids to

production were undermining fair competition between efficient producers. He referred to the heating oil grants in Germany and the crisis subsidies in the Netherlands. Mr Lardinois said that the measures in question had been authorised by the Commission and that if the United Kingdom were to envisage any action the Commission was always willing to consider the matter. But he saw no reason to ban French exports. He was willing to have talks with producers but he refused to countenance any action at frontiers.

Nuclear fuel supplies

The House considered two further reports on different aspects of the Community energy policy whose aims, in view of the energy crisis, are to achieve greater security of Community energy supplies. This involves gradually reducing dependence on imported oil and, in return, expanding the use of nuclear power to cover as much as 50 per cent of the Community's electricity production by about 1985.

Concrete measures are, of course, required to achieve these general objectives, and Parliament has delivered an opinion on several such measures.

An adequate and reliable supply of nuclear fuel, that is, mainly enriched uranium, is an essential prerequisite for a greatly increased use of nuclear power. It is estimated that the annual demand for nuclear fuel will increase tenfold over the next 10 years. The Commission has therefore submitted an action programme for a nuclear fuel supply policy, which Parliament debated on the basis of a report drawn up by Mr Pierre Giraud (Fr, S) on behalf of the Committee on Energy, Research and Technology. The main features of this action programme are diversification of energy sources, expansion of the capacity of the European uranium enrichment firms URENCO and EURODIF to cover a substantial part of the EEC's requirements, and increased cooperation with the uranium-producing countries.

In its resolution, Parliament expresses the view that the Commission's proposal makes a valuable contribution to improving the security of energy supplies. It points out the need to expedite the amendment of Chapter VI of the EURATOM Treaty regarding the Supply Agency to adapt the provisions to the need for an active supply policy. Parliament also considers it essential for measures to be taken within the framework of the common commercial policy with a view to ensuring an adequate supply of nuclear fuels.

Dealing with oil supply difficulties and exploring for gas and oil

The problem of security of energy supplies was tackled from another angle during a joint debate on two reports from the Committee on Energy, Research and Technology. The first had been drawn up by Mr Michel Cointat (Fr, EPD) on the Commission's proposals on measures to be taken in the event of oil supply difficulties and the second by Mr Tom Normanton (UK, EC) on the Commission's proposal on common projects for hydrocarbon (oil and gas) exploration at sea, first and foremost in the territorial waters of the Member States. Both these proposals were approved by Parliament.

Parliament agreed that the Commission should be empowered in the event of a new energy crisis to set a target for reduction in energy consumption at Community level and to supervise intra-Community trade in oil and oil products by introducing an automatic authorization system. The Commission's proposals can be amended by the Council acting by a qualified majority within ten days. Mr Michel Cointat, when presenting his report, complained, however, that no definite criteria were given for determining when there was a supply crisis, so he feared that the proposals would prove inadequate.

Mr Tom Normanton (Br, EC) presenting his report, affirmed his support for the Commission's proposal, but criticized a number of points. He hoped there would be a comprehensive strategy for the exploitation of hydrocarbon resources but doubted whether the financial and taxation provisions applicable to undertakings in this sector were conducive to achieving the required rate of extraction.

Mr Albert Vandewiele (Be, CD), speaking on behalf of his group, endorsed the proposal, but feared that the conditions of eligibility for support were insufficiently precise.

Mr Pierre Giraud (Fr, S spokesman) tabled an amendment to the effect that any Community support granted in the event of large oil finds should be repaid in full. After some discussion this was adopted.

Mr Gérard Bordu (Fr.), speaking on behalf of the Communist and Allies Group, thought that the proposal was designed to support the oil companies and declared that it was they that would present the real threat to the unity of the market in the event of a new crisis.

Mr Henri Simonet, Vice-President of the Commission, concluded the debate by emphasizing that the proposal they were considering was only part of a larger

strategy. He expressed the hope that the Parliament could gradually adopt proposals which would together eventually constitute a common energy policy. He did not think it feasible to define a crisis situation in advance.

In response to Mr Normanton's request, he denied emphatically that there were any technocrats in Brussels wishing to lay hands on British North Sea oil.

Mr Simonet refuted Mr Bordu's views regarding the oil companies. It was true that these companies could be criticized on certain points, but Mr Bordu's allegation did not accord with the facts. Finally, Mr Simonet said that the Commission would feel bound by Parliament's adoption of Mr Giraud's amendment.

Fight against poverty

On the basis of a report introduced by Mr Willy Dondelinger (Lu, S) on behalf of the Committee on Social Affairs and Employment, the European Parliament approved a programme of pilot schemes and studies to combat poverty. This programme, drawn up by the Commission, is designed to boost the campaign against poverty in the nine Member States by selecting a limited number of projects to identify the main causes of poverty and discover ways of reducing it. The Commission will grant aid up to 50 per cent of the cost of these projects out of appropriations of 2,500,000 u.a. entered in the 1975 budget and 2,750,000 u.a. for 1976. These pilot schemes are designed to promote the study of new methods of reducing poverty and to gather information on the causes of poverty with a view to devising new strategies to combat it. Twenty schemes are at present under consideration.

Introducing his report, Mr Dondelinger expressed regret that the programme had been submitted to the Council in the form of a communication rather than a draft decision or directive, for this made it more difficult to make use of the legal instruments provided for in the Treaty.

Mr Helmut Artzinger (Ge, CD) draftsman of an opinion for the Committee on Cultural Affairs and Youth, welcomed the programme, which he saw as a modest, but genuine step forward in the struggle against poverty. However, he considered that the period set aside for the programme (two years) was too short and stressed that the research teams must be drawn from different countries as well as from different disciplines.

All the political groups with the exception of the Communist and Allies Group approved the Commission's programme. Mr Kurt Härzschel (Ge, CD) said we had to concern ourselves with the needs of borderline groups in our relatively affluent societies. However, he criticized the programme on two counts: the appropriations earmarked were, in his view, insufficient and the schemes submitted showed a lack of overall awareness of what had already been done in this field. Mr Santer (Lu, CD) said that the programme gave a new dimension to the Community's social policy. Mr Willem Albers (Du, S), while approving the motion, also offered criticism of the Commission's programme. He was especially sorry that none of the schemes submitted dealt with migrant workers. Lady Elles (Br, EC) stressed that throughout Europe the incidence of hardship – all the more serious for being hidden – was higher than was generally realised. The Commission's programme, she felt, should be more flexible to prevent any risk of administrative paralysis. Finally, Mr Gérard Bordu (Fr) declared that the Communist and Allies Group would abstain from voting on this motion, which in his view did no more than scratch the surface of the problem. This could not be solved by a policy of aid but by establishing an economy which would genuinely cater for everyone.

Dr Patrick Hillery, Vice-President of the Commission, thanked Parliament for having supported this programme when voting the 1975 budget. He told the House that the Commission would report on the implementation of the programme before the end of next year.

The situation of refugees in Indochina

The chairmen of Christian Democrat, Socialist, Liberal, European Conservative and European Progressive Democrat Groups tabled a motion on the situation of refugees in Indochina. This resolution, which was agreed to unanimously, asked the Commission 'to help relieve the distress of the refugees by providing substantial material aid as tangible evidence of the extent to which the people of the Community share the sufferings of the people of Indochina'.

Mr Pierre Deschamps (Be, CD), moving the motion to the House, explained that it was not a matter of holding a political debate on the situation in Vietnam, but of urgently releasing aid to relieve human distress, mainly through the International Red Cross. Mr Willy Dondelinger expressed the same view. Lord Reay sought to give the debate a more political emphasis by declaring that it was a question of helping peoples who had stood up to the Communists. The

Communist and Allies Group, which had not been asked to sign the motion, tabled an amendment asking for the aid from the Community to be given to the whole civilian population of Vietnam; this, however, was rejected. Mr Gérard Bordu (Fr) had argued that the civilian victims in Vietnam could not be classed according to political criteria.

Dr Patrick Hillery, Vice-President of the Commission, informed Parliament that concrete proposals for aid to the victims of the war in Vietnam were being drawn up and would be submitted to the Council as a matter of urgency. He expressed the hope that there would be close coordination between the Community and the Member States in the matter of aid.

Friday

Lead and cadmium in ceramics

As rapporteur for the Committee on Public Health and the Environment, Mr Hans Edgar Jahn (Ge, CD) reported to the House on a Commission proposal on the amount of lead and cadmium in ceramics likely to come into contact with food. Mr Jahn objected to the fact that the proposed provisions, which are designed to protect public health, are not to take effect until mid 1977; and he asked for the proposal to be amended accordingly. Mr Jahn moved a number of other amendments concerning labelling. A resolution incorporating these amendments was agreed to.

The situation in Portugal

A motion tabled on behalf of the Christian Democrat, Liberal, European Conservative and European Progressive Democrat Groups stated that Parliament, in its capacity as representative of the people of Europe, noted with satisfaction the change in the political situation in Portugal but viewed certain negative features in the evolution of democracy in that country with concern. The motion appealed to all democrats in Portugal to ensure free participation by the whole population in the forthcoming elections and stressed the influence which a positive democratic evolution in Portugal could have on European cooperation and even on détente in Europe. The resolution was agreed to.

References

Subject	European Parliament document number	Commission document number
Assessment of the record and future of the EC's Joint Research Centre	511/74 522/74	455/74
Third directive on the coordination of safeguards required in connection with mergers between companies	513/74	—
Directive on retention of rights of employees in the case of mergers	385/74/rev.	149/74
Supplementary budget no. 1 for 1975	530/74	—
Conference on security and cooperation in Europe	485/74	—
Employment situation in the Community ..	14/75	—
Euro-Arab dialogue	11/75 12/75 13/75	—
Cooperation agreements	9/75 10/75	—
Programme on radioactive waste management and storage	23/75	475/74
Situation in the wine sector	29/75 33/75	—
Economic position of egg producers	31/75	—
Nuclear fuel supply policy	25/75	—
Exploring for gas and oil	26/75 3/75	— 415/74
Programme for dealing with poverty	4/75	466/74
Refugees in Indochina	36/75	—
Lead and cadmium in ceramics	18/75	458/74
The situation in Portugal	37/73	—

Notes

Membership of committees

At the request of the Liberal and Allies Group, Parliament appointed Mr Pierre Bourdellès as member of the Associations Committee. At the request of the European Conservative Group, it appointed Lord Bethell as member of the same committee to replace Lord St. Oswald.

Summing up

At its sittings of 7, 8, 9, 10 and 11 April Members put down 6 questions for debate with the Council, 12 questions for debate with the Commission and one question for debate with the Conference of Foreign Ministers. At Question Time 3 questions were addressed to the Council and 8 to the Commission. 11 reports were considered and the European Parliament delivered 14 Opinions.

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