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information series

the sittings

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The Sittings

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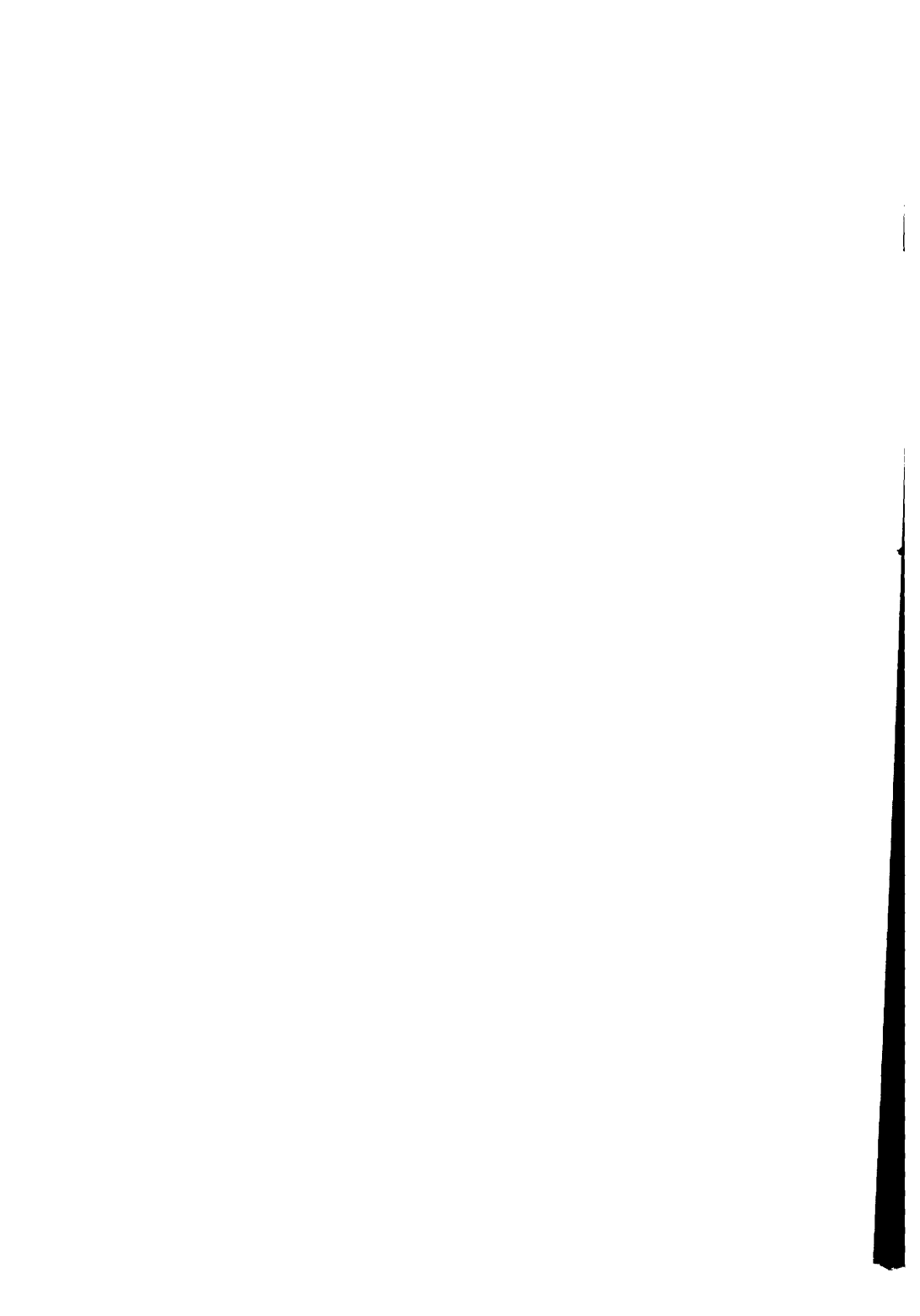
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Introduction

Agriculture and external relations were the main subjects at Parliament's June sittings. Agriculture took up the whole of the first two days and external relations most of the second two.

It was a week in which the Irish members of Council, Commission and Parliament played a prominent part. The President of Ireland, Mr Cearbhall O Dalaigh, paid the House an official visit. He is the first head of state to have done so and his address to Parliament was very well received. Dr Garret FitzGerald, President of the Council of Foreign Ministers, gave an account of his term of office now due to end on 30 June as did Mr Michael O'Leary, President of the Council of Labour Ministers. Mr O'Leary clashed with another Irishman, Commission Vice-President Patrick Hillery, when he described the Community's social policy as irrelevant to the needs of today. Dr Hillery replied that 'to assert that the Commission's work in the areas of living and working conditions and of participation is not relevant to the problems of inflation is to misunderstand the nature of these problems'. This led to a debate of some consequence in which Mr Giraud perhaps best summed up the general feeling when he asked: 'Why are there always agricultural marathons and why has there never been a single social policy one?' Lastly, Mr James Gibbons again extracted an assurance from Commissioner Petrus Lardinois that proposals for a common sheep meat policy would be forthcoming before the Summer recess.

The great agricultural debate was in principle about the Commission's review of the CAP. In fact it was far more a debate about the agricultural policy itself. The House broadly accepts CAP but is divided about details. What the motion tabled by Mr James Scott-Hopkins did call for was some kind of forward planning to give CAP greater coherence. Commissioner Lardinois promised to look into the possibility of say, an annually reviewable five year plan in certain sectors. But he seemed anxious to approach the whole subject with caution.

The agricultural debate carried overtones of a broad division of Europe into two areas: the Continental Europe with a capital-intensive agriculture producing

commodities in good supply, occasionally edging into surplus and the Mediterranean Europe with a labour-intensive agriculture producing commodities in short supply, often having to sustain keen competition from other Mediterranean countries. Another overtone was concern for the family farm, expressed with some emphasis by the Group of European Progressive Democrats in particular.

In external relations, Parliament debated the situation in Portugal. Mr Peter Kirk summed up the Community's dilemma: 'At what point does the principle of giving aid to a country in grave economic difficulty begin to conflict with the principle that we do not interfere in the internal affairs of an associated country?' The House listened with interest to Sir Christopher Soames's account of China's opening diplomatic relations with the Community and to another by Sir Christopher on progress at the present 'Tokyo Round' of GATT negotiations. Interim arrangements for the ACP and OCT pending the full implementation of the Lomé Convention were also debated.

Two other salient points from the June Sittings were a debate on the state of the textile industries following an oral question put down by Mr Tom Normanton and a debate on telling the public the facts about nuclear power stations, particularly in view of the Community's stated aims of obtaining 50 per cent of all its energy from nuclear sources by 1985.

President welcomes result of UK referendum

President Georges Spénale opened the European Parliament's week of sittings in Strasbourg on 16 June by calling to mind two of the significant events in Europe's progress towards unity. The first occurred twenty years ago when a conference was held in Messina at the beginning of June in 1955 which produced the treaties that were later to be signed in Rome setting up the European Economic Community and the European Atomic Energy Community. After the failure of the European Defence Community Messina represented a new start. Twenty years later, almost to the day, the British people came out very strongly in favour of continued British membership of the European Community. The 5th June 1975 would remain as an important date, the one on which Europe had finally welcomed one of its members with the greatest wealth of history, influence and democracy. Mr Spénale said that as soon as he had learned of the result he had sent a telegram of congratulations to Mr Harold Wilson. The British Prime Minister had replied: 'Thank you for your congratulations on the results

of the referendum. I am very pleased with this result. We intend to continue to work together with our partners in Europe to serve the true interests of the Community. I think that it is good that we should now be fully represented in all the Community institutions.' President Spénale added that the referendum meant the British people fully supported the work and the aims of the Community which were now much stronger. The most important aims in the immediate future were obvious: the election of the European Parliament by direct universal suffrage in 1978, the definition and setting up of the European Union for 1980, the realisation of Economic and Monetary Union which conditioned the development of our common policies, our external credibility and the exercise of our responsibility in the world and the implementation of the Lomé Convention with the 46 partner countries of Africa, the Caribbean and the Pacific. 'These alone represent a considerable programme worthy of the ambition of the Communities. Now, twenty years after Messina, the massive support of the British people has given us the chance of a fresh start and real hope for the future.'

The President of Ireland's visit

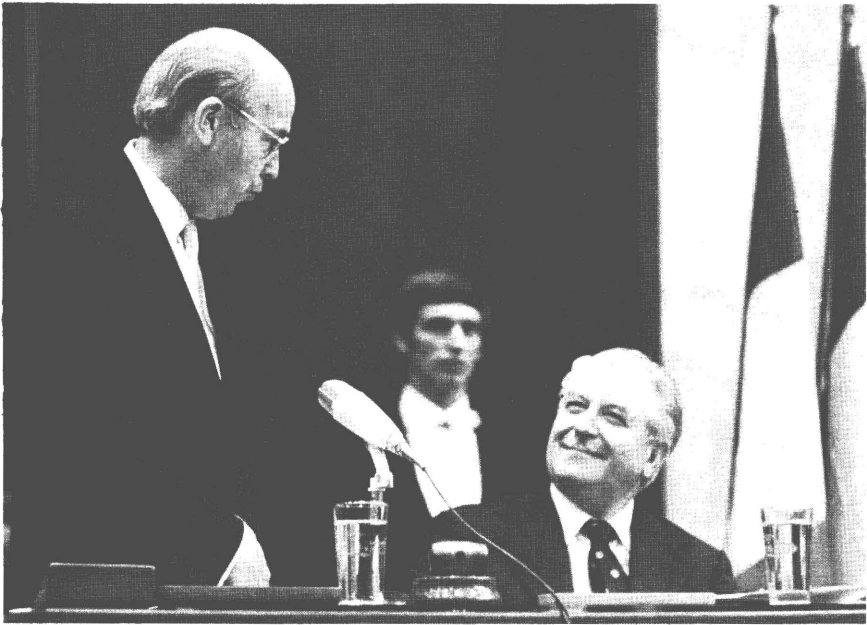
At a special sitting on the occasion of the visit to the European Parliament of Mr Cearbhall O Dálaigh, President of Ireland, Mr Georges Spénale President of the European Parliament, welcomed him with these words:

'It is my pleasant duty and privilege on behalf of the European Parliament and on my own behalf to extend a most cordial welcome to Mr Cearbhall O'Dálaigh, President of Ireland, and to wish him "Céad Míle Fáilte". This is indeed a unique occasion as it is the first time that this Parliament, the first of the institutions of the Communities, has had the privilege of receiving a Head of State of a Member country. It also gives me an opportunity to reciprocate your kind reception on the occasion of my visit to your delightful country some weeks ago. Mr President, you are not altogether inexperienced in the workings of our institutions as you served as a Judge of the Court of Justice of the Communities from the time your country joined the Communities until you were called to your present exalted office. I hope, therefore, that you will also permit me to greet you as a former colleague who worked with such great distinction in the Court of Justice bringing to bear on that task the wealth of legal expertise you had garnered when occupying the highest legal and judicial offices in your country. Your unanimous selection as President of Ireland, consequent on the

sudden and much regretted death of your illustrious predecessor, President Childers, was a reflection on the esteem in which, for your humanity and wide range of interests and talents, you were held by your fellow citizens.

As a multi-linguist yourself, you will appreciate that diversity of language and culture is not necessarily a drawback in the context of a united Europe but it is rather a help as, with experience of one another's traditions and working with one another, it leads to that degree of self-recognition that makes us confident of our nationality and so, as equals, willing to work with one another in a European context. The smaller countries in our Community do not need to fear being submerged by the larger. The anti-centralist tendencies, so noticeable in the thinking of the founder Members of the Communities in their reaction to the autocratic and paternalistic regimes that caused such disastrous wars within living memory, are reflected in the concern of the Communities for both the smaller countries and the under-developed areas of all countries. This concern extends to the Third World as well. The Convention of Lomé is an outstanding example of the Communities' desire to help those countries and to encourage them to help themselves. We must be concerned for the primary producers. The very key-stone of our policy is to secure reasonable prices for primary producers and also ensure a regular supply for the consumer. The Regional Policy, which at last is being implemented, is another indication of the interest of the Communities in bettering the economically less well-off people in our countries. In this connection I might add that our differences of opinion with the Council of Ministers, in relation to the nature of the expenditure involved in the implementation of the Regional Policy, was not a mere matter of semantics but one of real principle insofar as this Parliament is concerned.

The presidency in Ireland is an integral part of the National Parliament. All legislative proposals passed by both Houses must be signed by the President as an essential prerequisite to enactment. You will then, Mr President, fully understand our concern with the lack of legislative function of this Parliament. We hope for and expect support from your country in ensuring that in the near future, the legislative function of this Parliament will be considerably strengthened. This leads inevitably to the consideration of the question of direct elections to the Parliament. We have welcomed the decisions of the Council of Ministers in this regard and have prepared a Convention to give effect to this most desirable proposal by 1978. The burden of the dual mandate has been widely discussed and is well appreciated by all of us but more important is the democratic necessity to have the Parliament popularly elected so as to ensure the involvement of the people directly with the Parliament and of the Parliament



Mr Cearbhall Ó Dálaigh

“The European Parliament is the democratic base of the Communities and because it is close to the people, it is essential that its voice be heard.”

with the people who have directly elected it. We have been much encouraged by the positive reaction of your government to the proposal for direct elections.

Mr President, it is a very trite observation to say that we live in difficult times. We must not indeed underestimate the progress that has been made — the customs union, expansion of trade, improvement in the standard of living — all very desirable in themselves. Now, however, with economic difficulties staring us in the face, the real strength and flexibility of our institutions are being tested. Their real worth will be demonstrated only by their ability to deal cooperatively with the many issues that must be resolved. The problem must be tackled in a constructive and rational way. We must call upon all the experience and all the expertise of all the countries to find solutions acceptable to all. However, in dealing pragmatically and in a business-like way with our problems, we must never forget the ultimate ideal of unity, for it is on that base and that alone that

our existence as a community depends and that is the only sure foundation on which a better, more prosperous and more harmonious Europe will be built.’

In reply, Mr Cearbhall O Dálaigh said: ‘Mr President, honourable Members, here in Strasbourg, in the year 843, while taking the oaths that are known as the Oaths of Strasbourg, neither Charles the Bald (whom I resemble a little) nor Louis the German, spoke their own language. Today, I propose to invoke this precedent and not to address you, consequently, in Gaelic*. Permit me first of all to thank you, on my own behalf and on behalf of my wife, for your kind invitation to us to be present here today. Permit me also, Mr President, to thank you for your warm words of welcome which have made our visit here not only an honour but also a deeply-felt pleasure. Mr President your Irish colleagues know very well that I have had unfulfilled ambitions to be a Parliamentarian. There is, however, a counter-weight that I can bring forward against this unhappy state. Allow me to explain what I mean in Italian: You will perhaps recall the story about young Correggio who found himself one day before Raphael’s magnificent protrait of St. Cecilia and said with a certain timidity but also with a touch of pride: ‘I, too, am a painter’, I, paraphrasing Correggio’s words, can say: ‘I, too, am a Parliamentarian’ – and that for two reasons. In the first place, as you know, the lower house in Ireland is called the Dáil, that is the Assembly. My surname derives from this word and means: a person who frequents assemblies. I also have, under another heading, the right to speak in front of your assembly, a right which is better established *juridically* than that suggested by surname and which is given to me by the Constitution of Ireland which states formally in Article 15, paragraph 2: ‘the Oireachtas shall consist of the President and two Houses’ Therefore, Mr President, I introduce myself as one of you.

To have this opportunity to attend the European Parliament is a unique experience and is an opportunity to obtain a real and first hand understanding of so much of what the Communities are all about. Here are assembled the representatives of the peoples of the Member States who reflect in their presence that marvellous cultural and linguistic diversity which is our heritage. As yet the underlying reality of the European Parliament is that, transcending all diversity and national frontiers is a commitment, shared by all the representatives, to the great endeavour of building a new Europe Members may, and do, differ about how precisely to realise that end and that, of course, is what politics is all

* Different passages in this address were delivered in French, German, Italian and English.

about but it is this shared purpose of the Members which has enlightened Parliament's contribution to the construction of the Community to date and which will provide the essential guidelines for its role in the future. The European Parliament is the democratic base of the Communities and because it is close to the people, it is essential that its voice be heard on all issues of major importance to the Communities and that its Opinions be taken fully into account in the formulation and implementation of Community policies. I realise that the Parliament may not consider itself satisfied that it yet has sufficient powers, especially legislative powers, to truly fulfill its functions as the Community's representative institution. This is particularly true if it should compare its powers with those of the national parliaments in the various Member States. Yet I am conscious that the Community is a dynamic organism and that the power balance of its institutions is subject to evolution and change. In this context, the commitment of the other institutions to strengthening the powers of the Parliament must be encouraging to you.

Recent developments in regard to the holding of elections to the Parliament based on direct universal suffrage must also be encouraging to you. A majority of the Member States, including Ireland, have indicated that they favour the holding of direct elections to the European Parliament at an early date and there is the real possibility of such elections being held in a few years time. Of course the holding of direct elections presents problems in itself of which, I know, the Parliament is acutely aware: the difficult problem of the dual mandate, the difficulties of reconciling the voting systems and traditions now operating in the various Member countries and other practical difficulties. I know, however, that this Parliament is tackling these difficulties and looks forward to the day when it will have a system of direct elections which will preserve the link with the national parliament of the Member countries. This is, of course, but one aspect of the task of devising for the Europe of the future Institutions appropriate to its needs. These are, of course, *sui generis*. The Europe we are trying to build finds no precedent in its history or indeed in that of any other continent. No one has previously attempted to construct democratically, from the ground up so to speak, a union of states diverse in their history, their cultures, their languages. All of our countries must contribute towards this new construction but, perhaps, our German friends with their living experience of a two-tier system of Government can bring us some particularly useful insights as we tackle this task together.

May I conclude by expressing a personal philosophical point of view of the subject of the difficulties to be overcome and the stages still to be covered.

Everyone is familiar with the play written by Labiche in the middle of the 19th century entitled 'Mr Perrichon's trip'. Mr Perrichon decides to take his wife and Henrietta, his daughter, to the Alps. At that time such a journey was a formidable undertaking; people did not often travel to the mountains. They arrive at the Gare de Lyon. I quote:

Perrichon – 'This way ... let's not split up or we will never find each other again: Where's the luggage? Ah good. Who's got the umbrellas? '

Henrietta – 'I have, Papa'

Perrichon – 'and our overnight bag? our coats?

Mme Perrichon – 'here they are'

Perrichon – 'and my straw hat? left in the cab. Oh no, here it is. Lord, it's hot'

Mme Perrichon – 'It's your fault you rush us, you bustle us about I don't like travelling like that'

And Mr Perrichon answers with what, in my opinion, is the quintessence of wisdom by saying: 'It's the start that's difficult. Once we get settled'. I would add respectfully: It's the start that is difficult, once we get settled, all will be well.'

Mr Cearbhall O Dálaigh's speech was warmly applauded.

Statement by Dr Garret FitzGerald

Giving the floor to Dr Garret FitzGerald, Mr Giovanni Bersani, Vice-President of the European Parliament, paid tribute to his 'exceptional commitment, dynamism and efficiency during these six months' and to his 'abiding faith in Europe'.

Dr Garret FitzGerald replied: 'Mr President, I thank you and the House for the courtesy of allowing me to pay my respects to Parliament at the end of my presidency. I thank you, Mr President, and your colleagues for the kind remarks that have been made about the Irish presidency during these six months. It has been an eventful period. I would pick out a couple of outstanding events which will certainly remain in my memory. The negotiations with the ACP countries in January, with the Abidjan Parliamentary Conference sandwiched between them,

were an unforgettable experience. I am grateful to have had the opportunity to play a part in it, aided a little, perhaps, by the fact that Ireland's historical experience has been closer to that of many of those with whom we were negotiating than the experience of some of our partners. The first consultations between the presidency of the ACP countries and the Community are taking place at this moment in this building and have been temporarily interrupted for me to make these few remarks. The ACP therefore, is very much present in my mind at the moment. We also had the re-negotiation of the terms of Britain's membership on the basis agreed in Dublin. I am glad that the majority in the United Kingdom referendum and the turn-out of voters was so high, even if it was not quite up to the standards of the Irish referendum three years earlier. I am sorry that I shall not be in Parliament to join in the welcome which will I know will be extended to the representatives of the British Labour Party, who will bring new strength to this body.

Another major event in this period was the Euro-Arab dialogue. At the time that we took over the presidency, the dialogue was in difficulties. It is now under way. Although during the six months renewed difficulties arose at different times, they have been overcome. According to the news that I had from Cairo last week, it seems that we are now beginning to make practical progress in this matter. One of the aims that I set myself was to leave the Euro-Arab dialogue in better shape than we found it and to get it under way during our period of presidency. I hope that we have succeeded in that.

We also had the important conference in Paris — the preparatory Producer Consumer Conference. I know that that was not a success in the sense that it did not lead to agreed results. Nonetheless, it was not a failure either, in the sense that it did not bring to an end the work of seeking to avoid confrontation between producers and consumers and of seeking to bring the two to work together. In this task the Community role has been primordial. It is the Community which has been playing the primary role in trying to find a way through the difficulties and trying to prevent a confrontation between the industrialized and the developing countries. I think the Community actions at that conference helped to ensure that it did not end on a sour note, as it might so easily have done, and it has therefore left open the possibility, which has now become much more clear-cut since the OECD meeting several weeks ago, to take up this matter again to make a second and successful effort to bring the producer and consumer countries together to discuss energy and raw materials.

The last few points I wish to mention particularly to which we have had to give our attention during this period is the situation in Portugal. We have in recent

weeks prepared the way for a programme of aid to Portugal in the perspective of a democratic development there which we all hope for at this critical moment in the history of that country. It would, I think, be tragic if a reversal of the democratic process there should take place and should inhibit the provision of aid and assistance which the Community, I think, is willing to provide to Portugal on its way to democracy. I hope that the preparatory work we have undertaken towards this end will not be found to be in vain but can be put to good use and will help towards the process of democratization in that country.

These are some of the main events and the main preoccupations we have had during this Presidency. However, I should like to add that it was one of the principal objects of the Irish Presidency to strengthen the relationship with Parliament. We in the Council cannot always help towards this end by agreeing with Parliament on every issue. In a Community of nine, as I have said before in this House, policy is sometimes decided by a majority of one against a minority of eight or by various other numerical divergencies between the partners. It is not always easy to get nine countries to agree to make progress in the direction which Parliament wants. But after two-and-half years in the Community, I am more than ever convinced that further progress towards European integration cannot be made except through the evolution of Parliament, through a parallel development in the powers of Parliament and in its method of election.

On Ireland's proposal, it has been agreed, subject to two reservations which I hope will very soon be lifted, that direct elections will take place from 1978. These direct elections, if they are to be meaningful and if people are going to feel it worth while to come out and vote, must be preceded by a strengthening of Parliament by giving it some legislative role in the two years ahead. I express a personal view, as you can imagine, on this point: I am not speaking for the Council at this moment. It is my personal conviction that these direct elections must be preceded by a strengthening of Parliament. Direct elections will be followed by a rapid expansion of Parliament's functions and powers, because this will be demanded by Members who will then draw their authority directly from the peoples of Europe and will be able to talk on different terms to the Council of Ministers as against what it may be possible for Parliament to do at this time.

Freed from the responsibilities of my neutral role in the Chair, I can assure you, Sir, and Members of this House that I will in the months and years ahead press strongly for progress along this road, which is the policy of my government and the purpose and intent of my country. Thank you very much for the kindness

you have shown to me throughout this six months. I hope I may be permitted to return from time to time even in the four years that will elapse before the next time I am entitled to be here as President. I look forward to maintaining the close contacts I have built up with you, Sir, and the other Members of this House during this period. Of course, there is always the possibility I might be coming back as a Member, but I do not hope for that, certainly within this particular period. However, if by any chance a change of government occurred, I would hope that as a compensation for that I should find myself sitting on these benches.'

There was considerable applause for Dr FitzGerald's statement indicating the high esteem in which he has been held in the European Parliament during his six months term of office as President of the Council.

AGRICULTURE

The Common Agricultural Policy

As rapporteur for the Committee on Agriculture, Mr James Scott-Hopkins (Br, EC) opened the debate on the Commission's review of the Common Agricultural Policy. It will be remembered that this review was called for on 2 October 1974 as a condition for confirming a 5 per cent interim increase in farm prices granted on 20 September. Mr Scott-Hopkins set what was to be the tone of the whole debate when he said that the principles of the CAP were still acceptable even though there had been one or two failures. And it was perhaps natural that the failures should attract rather more attention than the successes.

The main failure was the lag in farm incomes. Only a minority of farmers had made any real money in recent years. Taking the modern efficient farm as a base unit — and he suggested that other farms might more properly come under the wing of social policy and regional policy — the Commission should develop a rolling programme to avert the CAP's second failure: plunging from surplus to deficiency from one moment to the next. Here Mr Scott-Hopkins stressed how vital it is to have up-to-date statistics of what is going on. But even if this deficiency is remedied no five-year plan is going to be successful as long as the CAP is bedevilled by green currencies and the monetary compensatory amounts (mca s) that were brought in to offset the effects of currency fluctuations.

Mr Scott-Hopkins then suggested that a lot more could be done in the way of marketing agricultural products. Farmers were good at producing but less proficient at selling their goods. Farmers acting together here might cut the increase in cost from farm gate to consumer 'which is in many cases miles too high'.

He then turned to the individual sectors. He spoke of the imbalance between consumer cereals and fodder cereals and the unacceptable pricing system for butter and skimmed milk: to increase prices in two stages, March and September, might lead to a milk shortage in Winter especially in countries where there was more Winter calving than Spring calving. He considered the Commission's approach to beef and veal, on the other hand, was correct. It was flexible and not expensive. On pigmeat, he looked to the Commission for proposals to make production more responsive to consumption. Mr Scott-Hopkins said the Commission's review made no reference to poultry; this is a sector where 5 per cent of producers produce 75 to 80 per cent of total production but is also important as a source of standby income on other farms. Commission proposals were indicated here too. Mr Scott-Hopkins then referred to two further problems: national aids and stockpiling. Member States must be asked to give a list of the various aids that they give so that the Commission can see what is going on. As to stockpiling he welcomed the Commission's idea that there should be a strategic reserve of production in the Community, 'a stockpile kept and financed by the Community which can be used to even out the flow and ebb of supplies depending on climate and other conditions.' There should also be a stockpile for use as food aid.

Our task, he concluded, is to make sure the farming community realises it has the support of Parliament, Council and Commission in its wish to expand production in a hungry world.

The next speaker, Mr Michael Cointat (Fr, EPD) took a rather different view. As rapporteur for the Committee on Budgets he criticised the Commission for producing a review rather than a balance sheet: there were no long-term projections and there was little enough about the future of the CAP. Mr Cointat too was concerned about the lag in farm incomes and about the incidence of fraud. But the CAP remained a key factor in European integration.

The severest critic of the CAP was perhaps Mr Mario Vetrone (It, CD), spokesman for the Committee on External Relations. CAP's record he said should be measured against the aims stipulated in Rome Treaty Article 39: a



James Scott-Hopkins

"The principles underlying the CAP are still acceptable."

single market, Community preference and financial solidarity. The Commission, he said, maintained that it was only the unity of the market that had been undermined by monetary factors. Why did it say nothing of the other two aims? They too had been jeopardised by the obvious imbalance of the Community's response. One had only to look at the way EAGGF funds were allocated: only ten per cent went on modernising farms compared with 90 per cent on price support. So much for financial solidarity. The same was true of Community preference which had been more or less watered down in trade agreements with third countries, hitting horticulture hardest, he added. By this measure the CAP was unsatisfactory. The Commission, he said, recognised this and ascribed it to the lack of means at its disposal and the lack of support from other policies. The fact was there were two main groups of products: the continental ones which were backed by solid guarantees and which included surplus productions and the Mediterranean ones which were weakly supported and which included

productions in which there were shortages. 'It is not without interest to note that the first group are capital-intensive while the second are labour-intensive' he said.

Turning to the remaining CAP objectives set out in the Rome Treaty (market stability, security of supplies and reasonable consumer prices) he found the Commission's assertion that they had been achieved a trifle optimistic. Allowing for the intermediate cost increases between producer and consumer, prices were reasonable; this was equally true of the supply situation at EC level, if less so nationally.

Mr Vetrone then referred to the measures proposed by the Commission to tackle the four problems of: imbalances in some markets, the status of the farming community, the single market and the cost of the CAP. He emphasised he did not wish to comment in any polemical way on the Commission for he appreciated what it had done. He saw the main tasks as being to restore a balance between earnings and to eliminate the gaps between regions. What the Commission proposed to achieve these aims was inadequate. A much more radical approach was needed. Up to what point could the EC be self-supporting and what methods could be used to overcome any shortages occurring? There could, on the one hand, be a production policy and on the other a policy of stockpiling and international agreements not only to dispose of surpluses but to secure products in short supply in the Community. Mr Vetrone thought that a policy giving maximum support to the capital-intensive industries would only widen the gulf between them and the family farms. It would, on the other hand, be desirable to make producers to some extent responsible for the cost of any surpluses. Turning in conclusion to farm modernisation, he said the problem was the product of many circumstances: the whole socio-economic web in which the farmer operated. It was not enough to give direct income support; the Community had to express its sense of common purpose by carrying through integrated, regional, agricultural development projects. Lastly, said Mr Vetrone, the EC's external trade policy hardly seemed compatible with the aim of restoring a balance between the Community's different regions.

Mr Roger Houdet (Fr, L) Chairman of the Committee on Agriculture, drew attention to the EC's heavy balance of payments deficit in food products which had swollen from 5,000 m u.a. to 12,000 u.a. in ten years. He looked for a more dynamic sales policy based on pluriannual contracts with credit-worthy clients. He supported Mr Scott-Hopkins's plea for five year plans and production targets.

Mr Mark Clinton, President of the Council of Farm Ministers, was then called. He said he appreciated the opportunity of listening to the debate. 'Your opinion will undoubtedly help the Council develop its own views', he told Parliament. He thought the call for production targets deserved careful attention.

In reply Commissioner Petrus Lardinois agreed that the main emphasis had been on criticisms, in the press too. But when things went well the press was sometimes nowhere to be seen. This did not mean no improvement was possible, once the monetary problem had been solved, for example. He welcomed the proposals made, especially concerning co-responsibility. But this would be to no purpose if the Council rejected the method the Commission proposed: a system of levies to cut back surpluses. He agreed to the idea of five year plans. It was a very good suggestion. It need not be a final plan, bearing in mind local and world market fluctuations but to carry it through the Commission would need help from the national authorities. A start could be made with one or two sectors where the EC market plays a preponderate role. Cereals were one example. However, Mr Lardinois added a note of caution: one must bear in mind the risks involved.

Referring to Mr Cointat's criticisms that the CAP review was little more than a photo, he said the Commission could go further if Parliament wished. It could also review the CAP every five years. He agreed that the CAP absorbed three quarters of the EC's income but commented that this money would not be available to the Community if the CAP did not exist.

Mr Lardinois agreed with Mr Vetrone that the EC's Mediterranean policy should be reconsidered. There was much still to be done here. A Mediterranean Conference on Agriculture could focus public attention on devising a better policy for this area. The Commission hoped to submit appropriate proposals before the Summer recess.

Looking back, particularly to the closing of the Italian frontiers less than a year ago, Mr Lardinois said the CAP was still going strong.

There followed the spokesmen for the various political groups Mr Lucien Martens (Be, CD) for the Christian Democrats who asked whether the per capita cost of the CAP of 800 Belgian francs per annum (say 10 pounds) was too high an insurance premium to pay for a steady flow of supplies at reasonable prices? Mr Heinz Frehsee (Ge, S) for the Socialists, was more critical. He too referred to the imbalances between regions. He rejected the idea of rising-prices as the sole

regulator. The aim should be to restore balance to the market and to limit the EC's obligation to intervene. The Commission should direct its efforts at producing fair competition. As to listing national aids, no one had yet defined what aids were.

Mr Jean Durieux (Fr, L) for the Liberals, thought the conditions under which the CAP operated were now better but he too stressed the farm incomes lag and the gap between regions. He agreed on the need for marketing but stressed that farmers must be able to work on a climate of confidence. Hence the importance of five year plans.

Mr Ralph Howell (Br, EC) for the European Conservatives agreed with his colleagues about better marketing. But he asked whether we were being too sensitive about surpluses. Surely it was a great success to produce enough and to spare? He also thought greater accuracy should be brought to the measurement of surpluses, in terms of days supply.

Mr Xavier Hunault (Fr, EPD) for the European Progressive Democrats, said he would have preferred greater emphasis on raising farm incomes and restoring the Community preference. He also thought the policy on incentives to abandon farming needed re-examining.

Mr Nicola Cipolla (It, CA) for the Communists, said that the EC would have to take a much broader view of the CAP given the prospect that Greece and Spain might become members. He agreed with Mr Cointat that the Commission's review was by no means an appraisal and he shared Mr Vetrone's view as to the unsuitability of the Commission's proposals. Mr Cipolla, incidentally, strongly attacked the concept of Community preference. The Community's own dumping disturbed the world markets and hit the EC balance of payments. Referring to the alternative of free competition, he pointed out that in the United States the housewife paid 20 per cent less for her food basket than the German housewife. Mr Cipolla called for a new Stresa Conference (the first being in July 1958 to draw up the CAP) to draw up a new CAP for Europe's farmers and consumers.

There followed a number of speeches from the floor. Mr Isidor Früh (Ge, CD) thought farmers had never worked less to earn so much and asked whether one could be in favour of Europe if the CAP was all it amounted to. Mr Cornelis Laban (Du, S) was concerned about the effect on farm workers of the wrong kind of investments. This concern was shared by Mr Brondlund Nielsen (Da, L).

Mr John Corrie (Br, EC) thought the Community should 'produce what we can and then find ways of doing something with it. We can perhaps find better ways of storing the surplus and processing it. Factories could be built in rural areas providing employment as well as processed goods. Surely it is better to have a strong agricultural industry producing surpluses than a weak industry creating high prices to the consumer and making shortages the order of the day.'

Mr Albert Liogier (Fr, EPD) said 'We have now got it accepted that the family farm needs to be kept in being.' He called for Community preference and referred to a Munich dealer offering French wholesalers Polish or Rumanian frozen raspberries and strawberries at much lower prices than French producers could meet. Charity, he suggested, should begin at home.

Mr Marcel Lemoine (Fr, CA) deplored the lag in farm incomes. Productivity had gone from 100 to 188 in ten years but incomes had lagged. 1,500,000 farms had gone out of existence and 5 million farmers had left the land. The CAP had benefitted industry and speculators to the detriment of the small farmer. There were four million hectares laying uncultivated in the Community and yet the EC's balance of trade deficit was 12,000 m.u.a. in food and agricultural products.

Mr Giovanni Bersani (It, CD) shared the concern expressed by Mr Vetrone that there should be two CAPs. He called for a balance between the two areas of Europe.

Mr Thomas Nolan (Ir, EPD) also stressed the importance of the family farm and he sought to bring the question of surpluses into perspective. In the footwear industry there was a surplus and in the textile industry. But 'because it is agriculture a tremendous amount of publicity is given to this 10 days' reserve of beef we have in the Community at the present time'. Mr Nolan said he knew the real answer to the problem of monetary compensatory amounts was economic and monetary union. But in the meantime could not the mcas be adjusted twice or even more often each year? He also strongly urged an end to 'this nonsense of floating currencies. Let us all get back into the tunnel, whether we win or lose!' Mr Nolan concluded by thanking Mr Lardinois for his promise of proposals for a common sheep policy before the recess.

Mr Jan de Koning (Du, CD) also stressed the need for forward planning.

Mr Libero Della Briotta (It, S) thought the Commission had avoided the issues. He too thought the Mediterranean productions had had little protection. He

pointed out that beef could be produced more quickly than olives and warned there could be further unrest over wine.

Mr Charles McDonald (Ir, CD) thought the mca system should be discontinued but suggested special consideration be given to Member States with depreciating currency problems. He looked forward to the Commission's proposals for the sheep market and concluded by asking Commissioner Lardinois how he thought farm incomes could be kept at a level of incomes outside agriculture if producers were to be held responsible for the cost of disposing of surpluses, as had been suggested.

Mr Michele Cifarelli (It, S) agreed with Mr Della Briotta about Mediterranean agriculture. But as a federalist of long standing he thought political considerations were paramount. To fail in our political task could mean our becoming protectorates or colonies of the United States, the USSR, China or some Arab power.

Mr Willem Scholten (D, CD) thought that the taxation and social security contributions paid by farmers should be brought in line to make for fairer competition.

Replying to the debate Commissioner Petrus Lardinois said he would take the points raised in reverse order. He promised Mr Scholten to bear social security costs in mind. He noted Mr Cifarelli's point about clearly distinguishing between different regions but did not comment beyond saying his was a subtle assessment of the problem and noting his wish for greater attention to Mediterranean agriculture. In reply to Mr McDonald and Mr Nolan he repeated his promise of sheep market proposals before the recess. As to how farmers were to achieve parity if they were made co-responsible, Mr Lardinois denied he had said this; co-responsibility to him meant something quite different from simply saying who was to pay the costs of intervention.

Mr Lardinois thanked Mr Bersani for his comment that the Commission's proposals were going in the right direction. In reply to Mr Lemoine, he commented too that surpluses were pleasanter to deal with than shortages. He said the EC's production was fundamentally sound and provided a base for further modernisation. Turning to the question of family farms he quoted his predecessor, Dr Sicco Mansholt, as saying: 'In the family farm, the farm is everything and the family is nothing'. Mr Lardinois added: 'We want sound family farms operating in an up-to-date way and yielding a fair income. But, he

went on, we must dare to say there are still too many family farms although I remain convinced that this form of business has enormous potential.'

Replying to Mr Liogier he asked for details of the case referred to but came out strongly against the operation of any escape clause within the EC. It would be the beginning of the end of the CAP.

He agreed with Mr Corrie about adopting a flexible approach and with Mr Nielsen about doing away with national support measures. Addressing Mr de Koning he said that long-term estimates were possible. He did not say 'no' but there could be problems if production targets were set too rigidly. Mr de Koning had parted company with the critics of the beef market but not with those of the cereals market. He reminded the House that two thirds of the grain produced went for animal fodder. In the United States it was just the reverse. Poultry and pig meat production had been cut back by 25 per cent and beef by 15 per cent. In Europe production had remained up to the mark in all sectors. In reply to Mr Laban he said the EC needed a good stock of butter at the start of the Winter. Last year stocks had only just lasted over till March. Poultry prices were fairly good on the whole but egg prices were not. He hoped for an improvement. He said he would be having talks with COPA and the poultry producers to this end. Meanwhile the beef market had improved.

In reply to Mr Cipolla, who agreed with the Mediterranean Conference, he pointed out that this would take place before agreements were concluded with various countries, although some such as those with Israel and the Maghreb States were either final or due to be finalised soon.

He agreed with Mr Howell about statistics but pointed out how dependent the EC was on the national statistical services of the Member States. Replying to Mr Hunault, who like Mr Nolan, had spoken of the family farm, he agreed on the need for balance.

Replying to Mr Durieux's criticisms that the beef market was closed too late because the procedure was complex, Mr Lardinois said it was not true. All the Commission had to do was make an announcement in the Official Journal and that was that. But such decisions could not be taken lightly. On Mr Frehsee's call for a catalogue of national aids, Mr Lardinois said he hoped the Commission would be in full possession of the facts by the end of July.

He noted Mr Martens was hesitant about the idea of co-responsibility but noted he did not quite close the door.

Mr James Scott-Hopkins then wound up for Parliament by noting the debate confirmed the impression that 'the CAP in basis and principle is right' even though certain aspects had been criticised.

A very detailed 59 point motion was then put before the House and a large number of amendments discussed. This broadly summed up the points raised in debate although the final text was not such as to satisfy either the Communists and Allies who voted against the motion or the European Progressive Democrats who abstained.

The Communists asked Parliament to state that the CAP 'far from presenting a cohesive link between the member countries is a source of continual disputes and disruptive tendencies' but this amendment was rejected.

The European Progressive Democrats moved various amendments calling for greater emphasis on the concept of the balanced family farm and for greater respect for principle of EC preference. These were rejected.

The motion broadly approved the CAP but its most important point was to call for the fixing of production targets to act as general guidelines taking into account domestic consumption to be covered by EC agriculture, EC export and import requirements, imports from poor countries and stocking requirements.

The resolution was agreed to.

Common organisation of the wine market

In reply to a question from two Christian Democrat Members, Mr Isidor Früh (Ge) and Mr Jan de Koning (Du), as to why the government of the Netherlands did not appear to be in favour of regulations to ensure tighter control of the wine market, Commissioner Petrus Lardinois said that this was a purely technical matter. All the Member States were in favour of the Commission's proposal of 4 November 1974 requiring Member States to inform each other of any infringement suspected or discovered of Community regulations in the wine sector. Mr Lardinois added that the proposals had been submitted in April and a decision by the Council was pending.

Helping the FAO prevent the spread of the exotic foot-and-mouth virus

As rapporteur for the Committee on Agriculture, Mr Camille Ney (Lu, CD) asked the House to approve a Commission proposal to help the FAO. The proposal, which is for a Council decision, concerns the EC contribution to the Food and Agriculture Organisation for the purchase of vaccine to be used in the buffer zones created along the frontiers between (i) Greece and Turkey and (ii) Turkey and Bulgaria to prevent the spread of the exotic foot-and-mouth virus to other European countries and, hence, to the Community. Mr Ney told the House that two and half million doses of a bivalent vaccine would be needed and that the cost to the Community would be 280,000 u.a. The Commission proposed that this should come from Ch. 99, Head 3103. He said that in the Spring of 1972 foot-and-mouth disease had reappeared in Greece and had rapidly gained some of the regions bordering on Turkey. The situation now seemed better but it was still necessary to maintain buffer zones in these regions. Commissioner Petrus Lardinois welcomed the support of the House and the resolution was agreed to.

Agricultural research

As rapporteur for the Committee on Agriculture, Mr James Gibbons (Ir, EPD) asked the House to approve a Commission proposal on agricultural research. The proposal called for a Council decision on common and coordinated research programmes into animal leucoses, livestock effluents, beef production and plant protein production. Mr Gibbons told the House that the main role of the Commission was to try to ensure there was no overlapping of research work. 'Consequently, the Commission's main task is to provide a common meeting-ground for those already undertaking research. In these cases, the Community's financial participation will be very limited and confined to such matters as travelling expenses. However, where national programmes do not exist, the Commission's role is more extensive. It is to develop common programmes of research. In these cases, the Community's participation will be calculated on the basis of 50 per cent. The intention of this proposal is obviously an admirable one – especially since these programmes are intended to develop practical knowledge that can be applied directly by farmers – namely, to contribute to the improvement of agricultural productivity and elimination of obstacles to trade within the Community. The proposals in these spheres can be warmly welcomed as a contribution to the aims laid down for the common agricultural policy. The Committee on Agriculture would like to suggest, however, that the improvement of winter housing for cattle be included in the

programmes established for beef production and livestock effluents. Seasonal fluctuations in the supply of cattle to the market because of increased costs in winter are a major problem for market management. Slaughter premiums have been introduced to encourage more orderly marketing. Research on winter housing to arrive at improved design of space and to deal with problems caused by animal effluents would make an important contribution to increasing the possibilities for farmers to retain cattle in the winter months and so to achieve a more regular flow to the market.'

Mr Gibbons said that the Committee on Agriculture would welcome proposals as to vertical integration, producer incomes and the study of soils and their potential utilization. The Committee also wished to draw attention to the need for research into pesticide residues in edible horticultural produce and in feedingstuffs, particularly those relating to the egg and poultry sector. As regards the cost of the programme, Mr Gibbons pointed out that 640,000 u.a. would be spent in 1975 and an estimated 15,9991,500 between 1976 and 1979. Mr John Corrie (Br, EC) agreed with Mr Gibbons. He said that on a recent tour of Australia, New Zealand and South Africa he had been shocked by the extent to which research had been duplicated at a very high cost in these countries. Mr Cornelis Laban (Du, S) also spoke in favour of the Commission's proposals asking whether research into the production of methane from cattle effluents could not be included.

Commissioner Petrus Lardinois thanked the House for their support. Replying to the debate he said that it had not been possible to add research into pesticides in the present scheme or to include research into the winter housing of cattle or pesticide residues. But the Commission would endeavour to introduce an element of coordination here. Referring to methane, he said that this could be discussed when other priorities had been dealt with. He promised that the Agricultural Committee and the House would be kept informed. The resolution was agreed to.

Fish storage

As rapporteur for the Committee on Agriculture, Mrs Elisabeth Orth (Ge, S) asked approval for a Commission scheme of aids for fish storage. The Commission proposal is to grant aids for frozen tunny, frozen fillets of cod and frozen fillets of saithe. Slack demand has meant large stocks. Tunny stocks are 14,000 metric tons compared with a normal 1,000; cod are 52,000 (18,000) and

saithe 11,500 (5,800). To release them onto the market at present prices would increase losses already incurred still further. The scheme is temporary. Meanwhile the Commission has now virtually completed its work on restructuring measures for the coastal fisheries sector. These will be paid for out of the Guidance Section of the European Agricultural Guidance and Guarantee Fund.

Mr John Corrie (Br, EC) spoke in support of the Commission proposal. The alternative was to let the fishing industry collapse. The regulation, perhaps, epitomized the CAP in the taking of excess products off the market to allow the industry to go on functioning in times of glut so that, in times of shortage, it could be released onto the market to allow a steady price to prevail as well as a steady supply. He thought that the estimated cost of around 3 million u.a. was a small price to pay. Mr Kai Nybord (Da, Ind) and Mr Knud Nielsen (Da, S) also spoke in support of the proposal.

Thanking the House for its support, Commissioner Petrus Lardinois said in reply to a point raised by Mr Lange of the Committee on Budgets that it was only possible to give the overall cost of measures proposed because the market was such a changing one. He added that a supplementary budget would not be needed. The resolution was agreed to.

Aid for dismantling glasshouses

As rapporteur for the Committee on Agriculture, Mr Heinz Frehsee (Ge, S) asked approval for a proposal to pay out a premium of 3.5 u.a. per square meter for dismantling glasshouses. There are about 10,000 hectares of glasshouses in the EC and it is estimated some 10 per cent will be dismantled. This will cost the Community 8.8 m u.a. over 3 years. The scheme will help streamline horticulture by concentrating production in the most modern glasshouses where production costs are lower. There was support for the Commission proposal from Mr Adrien Zeller (Fr, CD) who thought it valuable to replace national aids by Community measures although he did hope that the Commission would keep the House informed of the results and by Mr Cornelis Laban (Du, S) who, however, asked the Commission whether it had considered the possibility of a differentiated grant. Mr Knud Nielsen (Da, S) on the other hand, had misgivings about a uniform system and about a misuse of subsidies. Mr Ralph Howell (Br, EC) pointed out that the British Government's decision in taking advantage of the Community's fuel support measures was seriously affecting British

horticulturalists. He asked whether in fact there was over-production. Mr Michele Cifarelli (It, S), on the other hand, was completely opposed to the measures because, he said, this was all part of the madness of the CAP where subsidies were granted for everything, for uprooting trees and then for planting them, for slaughtering cattle and then for building up herds. He also thought that it opened up a possibility of fraud. How could one tell that a hothouse had not simply been dismantled to be put up elsewhere. Mr Nicola Cipolla (It, CA) also found the proposal unacceptable. He pointed out that there were vast areas of glasshouses in Italy producing flowers, tomatoes, aubergines, gherkins and citrus fruits two months ahead of the season. He thought it unacceptable to offer these producers a premium to dismantle their glasshouses. He asked the Commission to withdraw its proposal which was not much help and which badly affected the image of the CAP. 'I do not think we can ignore the fact that the CAP helped to alienate the United Kingdom and kept Norway out. We would accept aid for better glasshouses'.

In reply, Mr Lardinois said that he was willing to make a report to the House in response to Mr Zeller's request but pointed out that the administrative services were somewhat slow. He would, however, give an interim report in six months. In reply to Mr Laban he said that the Commission had thought of differentiating premium but did not want to cut out all glasshouses. Attention focused on the 10 o/o of glasshouses which needed an undue amount of heating. In Italy there would be little need for this. But he thought the House should realise that it was only the energy producing industry which was a heavier consumer of energy itself than the horticultural industry. Mr Lardinois then dealt with the various other points raised and the resolution was agreed to.

The state of the beef market

Oral questions on the state of the beef market were put down for debate with the Commission by both the Liberals and Allies and the European Progressive Democrats. Mr James Gibbons (Ir, EPD) in particular expressed great concern about a Commission decision which would reduce the quantities of beef subject to intervention (i.e. which can be bought up by the Community at a set price if not sold on the market). Speaking to his question, Mr Gibbons said that Irish producers did not have a fair opportunity of supplying their beef to export markets. The markets were already over-supplied and even though Irish beef was cheap in price the incidence of the mca s priced that beef out of the market. The mca was the biggest single obstacle the Irish producer had to face. After

exporting 100,000 head of cattle to the Six in 1972 and 65,000 head in 1973, Irish cattle and beef exports to the continent had virtually ceased with a corresponding increase in sales to intervention coinciding with the application of the mca charged by the Community. The mca s were undermining competition between Member States and this was seriously affecting the incomes of Irish beef producers. 'As we are the biggest net exporters of beef in the Community, some means must be found of ensuring continued access for our cattle and beef exports to continental markets, without the crippling effects of these taxes. Such a measure is essential to stabilize the beef market in the Community. The uncertainties of the last year-and-a-half have driven many herd-owners out of beef and back into milk production. The Community is now faced with a substantial beef shortage in 1976. The disappearance of almost every beef herd in the country is not to be welcomed. While the present instability continues, farmers cannot be blamed for seeking a reliable and more stable line of production. This situation can only lead to further instability in agriculture generally as we fail to arrest the cyclical trends of shortages and excesses.'

In reply Mr Lardinois said the situation on the beef market was now much better in Ireland. Prices were 22.23 per cent higher than a year earlier, this despite the strike by veterinary surgeons. And there was little chance of a beef surplus at the end of the year.

But beef was a difficult product to regulate for. It had to be done by reference to coefficients reflecting the state of the market. If the Commission had not recently reduced these the member governments would have been obliged to do so. Five weeks earlier the Irish Government had called upon the slaughter houses to cut back production and the French Government had taken similar action. This was a direct result of the ineffectiveness of the coefficient then operating, following which it was the Commission which was exposed to criticism for reducing the coefficient. The problem was that the difference between shortage and surplus was so narrow a gap. Hence the need for a prompt response to a changing market situation.

Oil seeds

The House agreed without debate to a resolution submitted by Mr Giovanni Boano (It, CD) for the Committee on Agriculture approving a Commission proposal for a regulation fixing the main intervention centres for oil seeds for the 1975/76 market year and the derived intervention price applicable in these centres.

EXTERNAL RELATIONS

Portugal

In an emergency debate on Portugal held at the close of Question Time, spokesmen for all Political Groups expressed concern about current developments. Mr Ludwig Fellermaier (Ge, S) for the Socialists drew attention to the rising unemployment and fallback in investment in Portugal and the fact that workers were sending less money home. The EC should not interfere. The main thing was to get Portugal out of the red. Sir Christopher Soames said the Commission shared Parliament's concern and believe it should do everything it could to help Portugal become a pluralist democracy. The Commission was proposing to help Portugal economically because the economic situation was undermining the political situation. 'Of course', he concluded, 'the Commission and the House as a whole wish Portugal well in the terrible difficulties confronting it at the present time'.

Mr Hans-August Lücker (Ge, CD) for the Christian Democrats and Mr Peter Kirk (Br, EC) for the European Conservatives agreed with Mr Fellermaier. Mr Kirk warned, however, that the time might come when the EC would have to choose between the principles of wanting to help and that of not interfering politically. Mr Cornelis Berkhouwer (Du, L) for the Liberals argued that as Portugal was part of Europe its concerns could be regarded as internal concerns of Europe. Mr Christian de la Malène (Fr, EPD) for the European Progressive Democrats was less sanguine about non-interference. What about Cuba? Helping Portugal was very well but only a democratic Portugal. Mr Francis Leenhardt (Fr, S) for the Socialists, on the other hand, thought the EC should bear in mind that Portugal had just come to an end of fifty years of fascism. Mr Gustave Ansart (Fr, CA) for the Communists thought there had been few enough protests during Salazar's dictatorship and that there did not seem too much enthusiasm about the changes that had occurred. Mr Giovanni Bersani (It, CD) agreed with Mr Kirk that 'response is, in a way, conditioned by the very principles of our Community' and lastly Mr Eric Blumenfeld (Ge, CD) thought the EC should send out a clear signal to the people of Portugal.

Relying, Sir Christopher Soames took Mr Berkhouwer's point. If this were not a European matter what cause would there be to give aid. He noted Mr Ansart welcomed Portugal's move to democracy and observed that Mr Ansart was the only Member not to speak of a 'pluralist' democracy. He agreed with Mr Leenhardt it was too soon to despair. The question was in what political

circumstances must the EC help Portugal. Mr Kirk had really pinpointed the key issue: what situation would lead the EC to 'freeze' what it had decided to do? The question was hypothetical but the debate showed Parliament thought 'the Community should offer aid, should offer real, genuine worthwhile assistance to Portugal in the context of the expressed desire of the Portuguese people to proceed towards a pluralist democracy, that the aid is linked very clearly in the Community's mind to this.'

The EC at GATT

As rapporteur for the Committee on External Economic Relations, Mr Gabriel Kaspereit (Fr, EPD) reported to the House on the Community's position in the GATT negotiations. The negotiations opened in Tokyo on 12 September 1973 but could not get under way before the passing of the American Trade Act. This came on 20 December 1974 and negotiations in fact started in Geneva on 11 February 1975. The EC's aims are (a) freer world trade and (b) better opportunities for the developing countries. To achieve these 2 aims five points have to be considered: (i) cutting tariffs significantly and harmonising them (ii) removing non-tariff barriers to trade (iii) agreements to expand trade and stabilise markets (without hurting CAP) for cereals, rice, sugar and dairy produce (iv) a new look at the GATT escape clause (v) perfecting the generalised preferences scheme for developing countries. Mr Kaspereit concluded by saying that the idea in Tokyo had been to pursue the GATT negotiations and the monetary negotiations simultaneously. This was not a good idea. It was the conclusions to these two rounds of negotiations that were needed at the same time, otherwise, the main aim of improving living standards would not be achieved.

Among the speakers that followed, Mr Egon Klepsch (Ge, CD) expressed concern about certain practices in the United States which, he felt, ran counter to the principles of GATT. Lord Reay (Br, EC), on the other hand, was concerned about how difficult it is for the man in the street to follow the GATT negotiations. Their importance, he said, was easy to underestimate but GATT could regulate international trade at a time when there had never been a greater need for a voluntary world discipline. Mr Schelto Patijn (Du, S) thought that the GATT negotiations should take the time that was needed and he hoped that although the Tokyo round was less momentous than the Kennedy and Dillon rounds it would be as successful. Mr Knud Thomson (Da, EC) warned that although the attempt was to free trade by removing barriers, the whole order of

world trade could be undermined by monetary difficulties. Mrs Elaine Kellett-Bowman (Br, EC) drew attention to the importance of abolishing consumer taxes on products from the developing countries.

Answering the various speakers, Sir Christopher Soames said he could only give a interim reply because there had only been limited progress so far with the discussions largely hinging on matters of procedure and tactics. Lowering tariffs could no longer be the sole aim. What was needed was a harmonisation of tariffs and, here, Sir Christopher said that the principle was that the higher the tariff, the greater the cut should be. He then briefly reviewed the various formulae. The comparison of these formulae was going ahead but he doubted whether there would be very much progress here until the autumn when the United States' administration would have completed its hearings. As Mr Kaspereit had pointed out, there were 850 non-tariff barriers. These had been broken down into groups and submitted for analysis to four sub-committees in Geneva. The first would be dealing with customs procedure such as valuation and nomenclature, the second with technical barriers to trade and this was where the proposed standards could come in, the third would be looking into quantitative restrictions which were closely linked to the whole question of safeguard procedures and the fourth would deal with subsidies and countervailing duties. This last area was one where there were constant irritants in relation with the United States because of the lack of an injury criteria in US legislation on countervailing action. Sir Christopher concluded: 'I am not saying that great progress has been made but I think the Community can feel it is playing an active and prominent part in these negotiations and that is the way I believe the House would like us to keep it.'

China

The chairmen of five of the European Parliament's Political Groups put down an oral question for debate with the Commission on the subject of relations between the EC and the Chinese People's Republic. In reply, Sir Christopher Soames, Vice-President of the Commission, said that the aim of his recent visit to China had been to establish contact. 'During my visit to Peking I called on the Chinese Prime Minister, Mr Chou En lai, and had a considerable talk with him and their Vice-Premier, Li Hsien-nien. I had two lengthy talks and a dinner with the Foreign Minister, Mr Chiao Kuan-hua. I also saw the Minister for Foreign Trade, Mr Li Chian, and his Deputy, Mr Yao, and my officials followed up these talks in two sessions with officials from the Ministry of Foreign Trade. My talks with Chinese government leaders were comprehensive, very frank and, for me,

most stimulating and agreeable. In addition to discussing the future relationship between China and the Community, our exchange of views covered a wide range of issues in the international economic field. We discussed the evolution of the relations between the developing and the industrialised countries, with particular reference to international problems like energy, raw materials and food. I was able to give some account of the prospects for the development of the European Community and for the evolution of its relations with various other parts of the world. We also discussed Chinese attitudes on these matters, which were set out to me particularly by Mr Yao. It was encouraging to hear at first hand a reiteration of the long-standing position of the People's Republic of China of support for the efforts we are making towards greater unity in Europe. It was also encouraging that both sides were convinced of the need to conduct future international economic discussions in a spirit of dialogue and cooperation and not one of confrontation.

As the House will be aware, two significant points emerged in respect of bilateral relations between China and the European Community. In the first place, the Chinese Foreign Minister informed me that his government had decided to establish official relations with the Community as such and intended to accredit an ambassador to the Community. I was able to welcome this decision unreservedly on behalf of the Community and to make it clear that we regarded it as a most constructive step towards developing a closer and more fruitful relationship between China and the Community. The Minister of Foreign Affairs recalled in this context China's well-known position in the matter of Taiwan, a question to which the Chinese Government attach great importance. He enquired about the Community's attitude to this question, and I explained that matters such as the recognition of states did not come within the responsibility of the Community; but I was able to satisfy my Chinese hosts that, in keeping with positions adopted at various times by the Member States, the Community does not entertain any official relations with Taiwan or have any agreements with it.'

EC aid for non-associates 1976-1980

As rapporteur for the Committee on Development and Cooperation, Mr Kurt Härzschel (Ge, CD) reported to the House on a Commission statement on EC aid to non-associates over the 5 years 1976-1980. The aid programme envisaged will be geared to helping meet developing countries' food requirements and promoting local cooperation between developing countries themselves. Limited

standby funds will be available for emergencies. The Commission proposes setting aside 100 m u.a. for the programme in 1976 plus 5 m u.a. for trade promotion. Disbursements in subsequent years would be twice the initial amounts. While approving the programme in general terms Mr Härzschel stressed that (a) priority must be given to associates (b) the special nature of this aid must be clear and (c) the policy for non-associates must serve a long-term aim of placing development aid on a stronger EC footing. A detailed 23 point resolution summing up these various points was agreed to.

Advance application of the Lomé Convention

As rapporteur for the Committee on Development and Cooperation, Lord Reay (Br, EC), deputizing for Mr Tom Nolan (Ir, EPD), asked the House to approve a Commission proposal to provide for duty free entry into the EC of all ACP products bar the agricultural ones pending the full implementation of the Lomé Convention and for a draft decision of the ECSC member states to open tariff preferences for ACP products coming within the province of that Community. A resolution to this effect was agreed to.

Interim trade arrangements with the Overseas Countries and Territories

As rapporteur for the Committee on Development and Cooperation, Mr Giovanni Bersani (It, CD) welcomed a recommendation for a Council Regulation on interim trade arrangements with the Overseas Countries and Territories associated with the Community. A resolution approving this recommendation was agreed to.

Interim arrangements on behalf of the ACP and OCT

As rapporteur for the Committee on Development and Cooperation, Mr Adrien Zeller (Fr, CD) asked the House to approve Commission proposals (a) to open a duty free quota for imports of pure alcohol from the ACP into the Community. The quota will consist of 204,503 hectolitres of rum, arrack and tafia (184,000 being imported to begin with and 20,503 being held in reserve) (b) to open arrangements for the import of agricultural and processed agricultural products from the ACP or the OCT (beef and veal, oleaginous products, fishery products,

some grains, rice products processed from cereals and rice, fruit and vegetables, products processed from fruit and vegetables, raw tobacco). A resolution to this effect was agreed to.

Events in Uganda

The chairmen of the Christian Democrat, Socialist, Liberal and Communist Groups tabled a motion recalling that Uganda is one of the African, Caribbean and Pacific states of which the European Community concluded the Lomé Convention and appealing, therefore, to General Amin, President of Uganda, to relieve the British citizen Mr Denis Hills and urging the governments of the Member States and the other signatory states of the Convention to make every effort to obtain this reprieve. This resolution was agreed to.

Lemons from Israel

The House agreed without debate to a resolution submitted by Mr Gabriel Kaspereit (Fr, EPD) for the Committee on External Economic Relations approving a Commission proposal for a regulation on imports of fresh lemons from the state of Israel.

Safeguard measures in the EEC/Israel Agreement

The House agreed without debate to a resolution submitted by Mr Schelto Patijn (Du, S) for the Committee on External Economic Relations on a Commission proposal for a regulation on the safeguard measures in the agreement between the Community and Israel.

Social situation

Statement by Mr Micheal O'Leary

Mr Micheal O'Leary made a statement to the House at the conclusion of his term of office as President of the Council of Labour Ministers. His main concern had been the problem of unemployment and his main endeavour had been to work out an appropriate EC response to this problem. He had endeavoured to organise

a joint meeting of finance and labour ministers but so far this had not been possible. He expressed doubts about the relevance of the Community's social policy in the present economic circumstances. Mr O'Leary's statement was warmly applauded. Mr Patrick Hillery, Vice-President of the Commission, said that a draft agenda for a joint meeting of the Council of Labour and Finance Ministers had already been submitted. It was certainly an idea the Commission supported but so far the Council did not appear to have decided to hold such a meeting. Meanwhile, the Commission Social Action Programme had three main aims: full and better employment, improved living and working conditions and greater participation in economic and social decisions. 'These aims are as relevant today as they were 18 months ago and probably more so'. He, therefore, rejected the view that the programme was either unrealistic or irrelevant and concluded 'I believe anyone genuinely concerned to see the Community foster social progress will join me in doing so.'

ENERGY

Information about nuclear power stations

Mr Norbert Hougardy (Be, L) put down a question for debate with the Commission about informing the general public on the subject of nuclear power stations. Mr Simonet, Vice-President of the Commission, said he welcomed the opportunity to discuss this subject. It was particularly appropriate in view of the decision to give priority to the production of electricity and to ensure that by the year 1985 half the Community's electricity should come from nuclear power stations. This was a wise decision because it would gradually reduce the Community's dependence on outside sources of energy. The fact remained that a large scale effort had to be made to tell people the facts. The Commission had tried to solve this problem in the usual way by informing accredited correspondents, publishing brochures and organising information drives through its Directorate-General for Information but he agreed that this was not enough. The main point that had to be dealt with was the way in which the comparative cost of nuclear energy was worked out. This was far in excess of the cost usually put forward to justify a creation programme of nuclear power station development. The point here was that the costs incurred in developing nuclear energy were not costs that should be taken into account by the nuclear industry so that it could very well be competitive with other sources of energy after a certain production threshold had been reached. Hence the accelerated development of nuclear industry would not be an unacceptable burden for our economies.

EC aid towards financing nuclear power stations

As rapporteur for the Committee on Energy, Research and Technology, Mr Linus Memmel (Ge, CD) reported to the House on a Commission proposal for a decision that would empower the Commission to issue Euratom loans with a view to a Community contribution towards financing nuclear power stations. Mr Memmel believed that proceeds from such loans should only be invested in viable projects which incorporated the latest technical developments in electricity generation. He also thought that an entry should be made in the budget to cover borrowings and lendings and that this should be subject to the normal budgetary procedure. A resolution to this effect was agreed to.

ENVIRONMENT

Polychlorinated biphenyls

As rapporteur for the Committee on Public Health and the Environment, Mrs Elisabeth Orth (Ge, S) reported on a Commission proposal for a directive on the collection, regeneration and/or destruction of polychlorinated biphenyls. This forms part of the Action on the Environment Programme of 22 November 1973 and is an urgent step to deal with PCBs whose toxicity to living organisms and non-degradability make them a real health hazard. Mrs Orth moved a number of amendments to the Commission proposal and a resolution embodying these amendments was agreed to.

Acute danger of further pollution of the Rhine

As rapporteur for the Committee on Public Health and the Environment, Mr Willi Müller (Ge, S) tabled a motion urging immediate action to prevent further pollution of the Rhine. There could be a breakdown of the ecological balance in some parts in 1975. Mr Müller suggested EC support for building purification plants at the most seriously threatened points on the Rhine. A resolution to this effect was agreed to.

European sources of information on the environment

The House agreed without debate to a resolution submitted by Mr Hans Edgar Jahn (Ge, CD) on behalf of the Committee on Public Health and the

Environment welcoming a Commission proposal for a decision to establish a common procedure for preparing and constantly updating a European inventory on sources of information on the environment.

BUDGETS

Discharge for implementation of EC budget 1971

As rapporteur for the Committee on Budgets, Mr Horst Gerlach (Ge, S) reported to the House on (a) the failure to give the Commission a discharge for the implementation of the EC budget in 1971 (b) the discharge given to the Commission in re the European Development Fund's activities in 1971 and (c) the discharge for Parliament's accounts as at 31 December 1971. The main point here was that a discharge could not be given to the Commission in respect of the implementation of the EC budget for 1971 because it had not received all the necessary information from the Member States with respect to expenditure under the Guarantee Section of the EAGGF. A procedural compromise proposal was put forward a year ago by the Commission and this was accepted by the European Parliament. But it was not accepted by the Council. Three resolutions summing up these various points were agreed to.

Draft estimates for the EP for 1976

As rapporteur for the Committee on Budgets, Miss Colette Flesch (Lu, L) reported to the House on the draft estimates of revenue and expenditure of the European Parliament for financial year 1976. A resolution approving the sum of 51,774,614 u.a. was agreed to.

Appropriations brought forward

As rapporteur for the Committee on Budgets, Mr Micheal Shaw (Br, EC) reported to the House on the second list of requests for the carrying forward of appropriations from financial year 1974 to financial year 1975 (appropriations not automatically carried forward). Mr Shaw told the House that the total amount involved in the two lists was 601 million u.a. which was equivalent to 10 per cent of the original 1975 budget plus its two supplementary budgets or, put another way, they were equivalent to about four times the 1975 entry for the

regional fund. Mr Shaw told the House his committee had a great many reservations about asking Parliament to approve the carrying forward of these appropriations. He indicated he would be making proposals for changes in the Financial Regulation of 25 April 1973 (which governs the implementation of the budget) with a view to tightening Parliament's control over this aspect of the EC's budgetary procedure. A resolution embodying Mr Shaw's reservations was agreed to.

BUSINESS

State of the textile industries

On behalf of the European Conservative group, Mr Tom Normanton (Br, EC) put down the following question for debate with the Commission:

'Is the Commission aware of the growing anxiety throughout the Community at the deterioration in trading conditions and employment in the textile industries, and what action is being taken to deal with the situation?'

Speaking to the question Mr Normanton told the House that a highly efficient industry whose splendid labour record was being threatened by cheap imports. This was a form of unfair competition which he appealed to the Commission to deal with. In reply, Mr Simonet, Vice-President of the Commission, said that the Commission had decided to immobilise all its resources to accelerate the conclusion of negotiations under Article 4 of the Multifibre Agreement. He expected these negotiations to conclude by the autumn. Meanwhile, an a posteriori watch was being kept on imports of 22 textile articles considered to be among the most sensitive with respect to quantity, price and origine. This had come into operation under regulation 1439/74 and the first results were expected in the next few weeks. In special cases where a disorganisation of the market had been established as a result of imports of specific products from given third countries, emergency safeguard measures had been taken by the Community. This was, for example, the case of imports into Ireland of shirts from South Korea or shoes from that country imported into Germany or the Benelux countries or cotton textiles from Brazil imported into Germany. He pointed out that in these cases the cooperation of the third countries concerned had been secured under arrangements laid down for such cases in article 3 of the Multifibre Agreement. Mr Simonet added that the Commission had submitted a statement to the Council and he hoped that this would be considered in the near

future. He assured Mr Normanton that he had taken note of the suggestions he had made particularly as regards improving the statistical services of the Community and improving its communications system.

Value Added Tax

As rapporteur for the Committee on Budgets, Mr Helmut Artzinger (Ge, CD) deputizing for Mr Harry Notenboom (Du, CD) tabled a motion deploring the Council's failure to adopt the Sixth Directive on the approximation of the laws of Member States concerning turnover taxes. This is one of a series of directives on taxation and concerns the common system of Value Added Tax. The Directive is politically important because a proportion of the Value Added Tax is nominally part of the Community's own resources pursuant to the Luxembourg agreement of Article 1970. The problem that has to be solved before the Council can adopt this Directive, however, is what the uniform basis of assessment of Value Added Tax is to be. Mr Artzinger looked to the Council to take a decision to the effect that the Directive might enter into force by 1976 so that the Community had these resources of its own as from 1 January 1977. A resolution to this effect was agreed to.

REGIONAL POLICY AND TRANSPORT

Speed limits

As rapporteur for the Committee on Regional Policy and Transport, Mr Kai Nyborg (Da, EPD) tabled a motion calling for speed limits within the Community to reduce the terrible toll of road accidents. He asked for proposals for flexible measures to regulate speeds for different categories of road vehicles on different types of road under varying conditions but stopping short of blanket measures to limit speeds. A resolution to this effect was agreed to.

European agreement on international road transport

The House agreed without debate to a resolution tabled by Mr Horst Seefeld (Ge, S) for the Committee on Regional Policy and Transport on a Commission proposal for a regulation to give effect to the European agreement on the work of crews of vehicles engaged in international road transport.

Question Time

Questions to the Commission

Portugal by Mr Ludwig Fellermaier (Ge, S)

'Does the Commission believe that its proposals for aid to Portugal are economically and politically sufficient?'

Sir Christopher Soames, Vice-President of the Commission, replied: 'Last week the Commission sent to the Council a comprehensive set of proposals for the extension and expansion of Portugal's existing agreement with the Community covering agricultural and industrial trade, the treatment of Portugal's migrant workers in the Community, and industrial, technological and financial cooperation and special financial aid. They are aimed at being both economically and politically effective.' Sir Christopher then took supplementary questions but being appraised that an emergency debate was to follow asked leave to present the bulk of his observations at that later stage.

Policy on raw materials by Mr Arie van der Hek (Du, S)

'Could the Commission provide details of the proceedings of the last session of the Ministerial Council of the OECD at the end of last May and about the outcome of that meeting; and how, in the light of that meeting, does it view the prospects of establishing a rational organisation of markets in raw materials?'

Sir Christopher Soames, Vice-President of the Commission, replied that the OECD Ministerial Council had discussed many different aspects of the world economy at its meeting in May. Sir Christopher added: 'On raw materials, the Ministers underlined the need for adequate supplies of raw materials at fair remunerative prices. They stressed the interdependence on consumers and producers and their common interest in avoiding excessive market fluctuations. To give effect to their ideas, the Council of the OECD set up two high-level working groups, one concerned with raw materials and the other with relations between OECD countries and developing countries. The Community is taking part in both of these groups. Before the OECD meeting, the Commission sent to the Council a paper setting the approach which the Community might take to raw materials problems which affect developing and other producer countries. In this paper the Commission suggested a number of areas for specific action. Of these the most important are, first, reduced protection by industrialized

countries against the first transformation by producer countries of their raw material resources. Secondly, the Commission proposed that the Community should consider a wide range of raw materials for commodity agreements, and thirdly, the adoption of a system for the stabilization of export earnings. The Commission last week sent further more detailed papers on commodity agreements and stabilization of export receipts elaborating the analysis of possible courses of action and giving its view. Our aim is to contribute to the more rational organization of markets in raw materials, of which the honourable Member rightly stresses the importance.'

Mr Francis Leenhardt (Fr, S) asked him whether the changing attitude of the United States regarding raw materials was likely to lead to genuine negotiation between oil producers and consumers. Sir Christopher Soames replied 'Yes. The changes in United States' policy in this regard have been very helpful. Indeed, the United States administration has publicly announced that they would favour the reconvening of the conference and would be prepared to do everything to help in this regard.'

Advanced Remote Sensing Techniques by Lord Bessborough (Br, EC)

'What measures is the Commission taking to encourage the exploitation of the new methods of remote sensing from aircraft and satellites for the survey of natural resources, particularly for overseas development, and for the monitoring of the European Environment and the neighbouring areas?'

Sir Christopher Soames replied: 'New techniques for remote sensing by satellite or aircraft can and, indeed, do already assist in making inventories of resources and in forecasting their development. They are and will be increasingly a useful means of surveying man's environment and they could make a valuable contribution to the administration of certain Community policies. These techniques are, indeed, of the greatest interest to every country which is developing its resources, but, of course, it is for each of them to decide whether and how to make use of them. The Commission is actively considering the areas in which remote sensing is of practical utility in relation to the Communities' policies and it is working with the European Space Agency in studying the backup facilities which are needed as the opportunities offered by remote sensing are exploited and ways are found of improving the distribution of data and pictures transmitted by satellite.'

Measures to combat pollution of the seas by Mr Horst Seefeld (Ge, S)

'The Yugoslavian freighter 'Cavtat' with its highly toxic cargo, which for the past year has been lying on the sea-bed close to the Italian coast off Otranto, presents a serious threat to the lives of local residents, tourists from many Member States and people who eat the fish caught there.'

Mr Petrus Lardinois, Member of the Commission, replied that he was aware that it had a certain responsibility to deal with pollution of the sea. Indeed, it had not been inactive. It would be shortly submitting proposals to the Council on (a) attempts to stop pollution of the Mediterranean, (b) dealing with effluents from the production of titanic oxide, (c) the prevention of pollution through the control of licence issues and (d) standards for the quality of water. The responsibility of the Commission, he added, was complementary to that of the Member States. Mr Seefeld then pressed Mr Lardinois for a more precise reply, to which he said that the Commission had no facilities for lifting ships from the Mediterranean. It had, however, been in touch with the Italian government and it was playing an active part in the Barcelona conference.

Multinational companies by Mr Fernand Delmotte (Be, S)

'In view of the fact that the Council has taken no action on the Commission's communication on multinational companies, what does the Commission itself intend to do to ensure that work is resumed in this area, and what does the Commission see as the main obstacles to real progress here?'

Mr Albert Borschette replied that the difficulties encountered in the adoption of the Commission's proposals on multinational companies were not wholly attributable to the politically delicate nature of these companies but also needed to approximate the laws of the Member States in many cases. Some Member States saw this as jeopardising their integrity in areas within the purview of the public authority. A fresh attack on this problem by the Council was, therefore, directly dependent on whatever chances there were of a new start towards economic and monetary union; this quite apart from the problem of multinationals themselves. Against this background the Commission was proposing to re-initiate discussions on the Council giving priority to the following matters: the rights of workers, mutual assistance between Member States in taxation, the attitude of the Member States to the problems raised by multinationals in developing countries, coordination in respect of backing operations and public purchasing and merger control. The Commission would not, of course, be giving up all the other measures announced in its 1973 programme which had, moreover, been before the Council for a long time.

Mr Leenhardt thanked him for his reply but pointed out that one of the most powerful agencies in the inflation prevailing in the world lay in the uncontrolled activity of multinational companies. They raised their own finance on a very large scale in various countries and reached agreements about prices which made practically certain that they did not fall below a certain level. 'We therefore attach great importance to the Commission's efforts. I would add that one of the reasons behind our efforts to promote European unification is this feeling we have that the national authorities are impotent when it comes to multinational companies'. Mr Delmotte asked whether there was any chance of progress towards bringing the multinational companies within the Community under control.

Mr Borschette replied frankly that he did not think any great progress was possible at the moment. He added that 'anything that we do in the Community is only one stage towards the solution of this enormous problem of multinational companies. It must be tackled first in the OECD for Europe and more generally at the United Nations. Because it is by definition a multinational phenomenon it must have a multinational and even a world-wide solution. I have already had occasion to say that we should arrive at a code of good conduct for the multinational companies in the framework of the United Nations.'

Sir Derek Walker-Smith (Br, EC) asked 'Would Commissioner Borschette make clear that the Commission recognizes that multinational companies are part of the economic mechanism of the modern world and that the Community should take an outward-looking view of these matters? Will the Commissioner therefore resist measures, animated by whatever ideological or idiosyncratic motives, to exercise discrimination against multinational companies as such and consider and evolve the necessary safeguards within the more general context of the Community's current review of company law and practice?'

Mr Borschette replied that there was no doubt that multinational companies were a factor in the economy of today that had to be taken into account. 'I have already had occasion to say here in this house that under the Treaty of Rome there can be no question of discrimination against multinationals. But this does not mean that multinationals are not required in the same way as any other company to obey rules. Multinationals are a new problem, we must find a new solution to deal with them.'

Study of Community oil resources by Mr Luigi Noé (It, CD)

'Does the Commission not consider it desirable to update as soon as possible the study undertaken in 1965 by Mr Eich on the Community's oil resources and their exploitation, in order to enable the Community bodies concerned to obtain adequate information?'

Mr Albert Borschette replied that the Commission was paying the closest attention to the question of reserves and the exploitation of hydrocarbon resources in the world at large and in the Community in particular. He referred to the Commission's publications on that subject. He added, however, that it was difficult to obtain the necessary information from the Member States or to make use of them if they were forwarded to the Commission by inadequately trained staff. Mr Noè asked whether it would not be possible, with the view to a coherent energy policy, to draw up forecasts of possible oil resources in the Community along the lines of those for the nuclear sector where five year forecasts of maximum and minimum capacities were made. Mr Borschette replied that he was in complete agreement with Mr Noè that it was vital to have the necessary information and to make very long-term projects, failing which, it would be impossible to control some of the aspects of our economy. It was for this reason that the Commission had asked Lord Kenneth some months ago to look into the best ways in which the Commission could draw economic projections for the future. 'I saw Lord Kenneth quite recently and he told me that he would probably be submitting his report in the autumn'.

Restrictions on occupational choice in the Federal Republic of Germany by Mr Gérard Bordu (Fr, CA)

'In its reply to an oral question (H-40/75), the Commission solemnly reaffirmed 'the horror with which it regards any violation of human rights and any attack on democracy'. In the Federal Republic of Germany, however, an increasing number of citizens are being denied the fundamental freedoms, in particular the freedom to choose one's occupation. Does the Commission consider that such encroachments on the fundamental freedoms accord with the spirit and the letter of the Treaties?'

Sir Christopher Soames replied 'the Honourable Member gives no indication in his question of the specific cases which he evidently has in mind. Unless he is ready to be more specific, it is not possible for the Commission to answer his question.' On being pressed further, Sir Christopher added 'the Treaties do not affect national rules on access to and exercise of any particular occupation in any Member State. They provide only that these rules should be harmonised to facilitate the Community's principle of freedom of movement. The Treaties imply the elimination of discrimination, except in relation to public service occupations, against Community nationals moving from one Member State to another, but they do not affect the rules which are applied indifferently to anyone exercising a particular activity within a Member State.' Some discussion followed but Sir Christopher was unwilling to be drawn on a subject which the Commission believed to be a matter outside its competence.

Cross-Channel ferries by Mr Tom Normanton (Br, EC)

'Having regard to the consistently declared policy of the Commission in its opposition to monopolies and restrictive practices, how does it view the fares cartel on the cross-channel ferries operating between Belgium, France and Britain?'

Mr Albert Borschette replied that the price agreements between Belgian, French and British companies operating ferries across the channel would have to be examined in the light of the competition rules in the Treaty of Rome. Enquiries had been deferred pending the outcome of an enquiry being conducted by the Monopolies Commission. Mr Borschette added that the decision of the Court of Justice in Case 167/73, Commission versus French Republic, would have to be taken into account. There the Court had confirmed that the general provisions of the Treaty applied to sea transport and hence the application of the rules of competition to such transport. Failing any specific regulation on the application of Articles 85 and 86 of the Treaty of Rome enacted under Article 87, the Commission could only act for the moment through the provisions of Article 89. There were two possibilities: a proposal to the Council for a specific regulation under Article 87 and secondly, the direct application of Article 89. 'I shall not fail to inform the House of the action taken by the Commission'.

Mr Normanton then referred to the case of the 'Mary Poppins'. Mr Borschette said that this was quite a different matter. 'We are looking into it although this is not really a matter of competition but an internal market question'.

Measures to encourage farm modernization by Mr Isidor Früh (Ge, CD)

'What experience has the Commission had with the 'assistance threshold' in the context of Directive 72/159/EEC on the modernization of farms and does it envisage any adjustment of the threshold in the light of this experience?'

Mr Petrus Lardinois replied that it was too early to say but when sufficient experience was to hand the whole question would be reviewed.

Notes

Renewal of the French delegation

The President announced that the French National Assembly had renewed its delegation to the European Parliament. The following had been appointed: Mr Gustave Ansart, Mr Gérard Bordu, Mr Pierre Bourdellès, Mr Jean de Broglie, Mr Georges Carpentier, Mr Michel Cointat, Mr Bernard Cousté, Mr Jean Durrieux, Mr Maurice Faure, Mr Xavier Hunault, Mr Gabriel Kaspereit, Mr Krieg, Mr Pierre Lagorce, Mr Hervé Laudrin, Mr Francis Leenhardt, Mr Marcel Lemoine, Mr Albert Liogier, Mr Christian de la Malène, Mr Emile Muller, Mr Georges Pianta, Mr Hector Rivierez, Mr Georges Spénale, Mr Alain Terrenoire and Mr Adrian Zeller whose appointments were later ratified.

Membership of committees

At the request of the Group of European Progressive Democrats, Parliament appointed Mr Alain Terrenoire as member of the Associations Committee and of the EC-Greece Joint Parliamentary Committee, to replace Mr Gibbons, and Mr Krieg as member of the Committee on Economic and Monetary Affairs and the Committee on External Economic Relations to replace Mr Bourges.

Presentation of a petition

The President announced that he had received two petitions on a draft constitution establishing a European government, one from Mr Auguste Pinton and sixteen other signatories and the other from Mr Erich Heimeshoff, Mr Raoul Nachez, Mr Werner Kiessling and several thousand other signatories of the 'Europa Action 1975' of the 'Verband der Heimkehrer, Kriegsgefangenen und Vermissten-Angehörigen Deutschlands' (German association of war veterans, prisoners of war and relatives of those missing). He also received from Mr Peter Becker, Mr Helmut Stein, Mr Gerhard Stuby and eight other signatories a petition on restrictions on occupational choice in the Federal Republic of Germany.

Welcome to delegations

The President welcomed on behalf of Parliament a delegation from the Australian Parliament led by Mr Gordon Munro Bryant, Minister of Capital

Territory. He also welcomed a delegation from the two Chambers of the Congress of the United States of Mexico, led by Mr Enrique Olivares Santana and Mr Carlos Sansores Perez.

Summing up

At its sittings of 16, 17, 18, 19 and 20 June Members put down 15 questions for debate with the Commission. At Question Time 9 were addressed to the Commission. 21 reports were considered and the European Parliament delivered 26 Opinions.

Abbreviations

The following abbreviations are used in the 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.

References

Subject	European Parliament document number	Commission document number	Date of debate
Modification of the common organisation of the market in wine	125/75	—	16/6
Decision on foot and mouth disease	132/75	82/75	16/6
Agricultural research	134/75	86/75	16/6
Fish storage	112/75	97/75	16/6
Aid for dismantling glasshouses	129/75	89/75	16/6
Common agricultural policy	115/75	529/74	17/6
Beef and veal market	85/75 127/75	—	17/6
GATT negotiations	106/75	—	18/6
EEC-Chinese relations	126/75	—	18/6
Information programme on nuclear power stations	124/75	—	19/6
Aid to non-associates	133/75	38/75	19/6
Interim arrangements affecting ACP and OCT	131/75) 128/75) 130/75)	109/75) 81/75) 102/75)	 19/6
Euratom loans to finance nuclear power stations	79/75/rev.	480/74	19/6
Implementation of EC budget for 1971 . .	11/75	206/72/ I-IV	19/6
Draft estimates for Parliament for 1976 . .	150/75	—	19/6
Textile industries' difficulties	123/75	—	20/6
Sixth directive on turnover taxes	110/75	—	20/6
Polychlorinated byphenyls	117/75	510/74	20/6

Speed limits	118/75	—	20/6
Threat to Rhine	116/75	—	20/6
EC agreement on international road transport	145/75	104/75	20/6
European inventory of sources of information on the environment	141/75	15/75	20/6
Regulation on lemons from Israel	144/75	103/75	20/6
EEC-Israel agreement	146/75	114/75	20/6
Oil seeds	151/75	139/75	20/6
Carrying forward of appropriations from 1974 to 1975 financial year	143/75	100/75	20/6

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