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# europaean documentation

*a survey*

**EUROPEAN PARLIAMENT**

General Directorate of Parliamentary  
Documentation and Information

This publication deals with problems relating to the progress of European integration: it analyses noteworthy attitudes taken and articles written on these issues. It also reports on the efforts pursued by the European Parliament, the Parliaments of the Six Member States and by other European parliamentary bodies with a view to achieving the aim of uniting Europe.

For further information on some of the problems tackled by the European Communities and, in particular, on the work of the Executives, readers are referred to the following official publications :

Bulletin of the European Coal and Steel Community

Bulletin of the European Economic Community

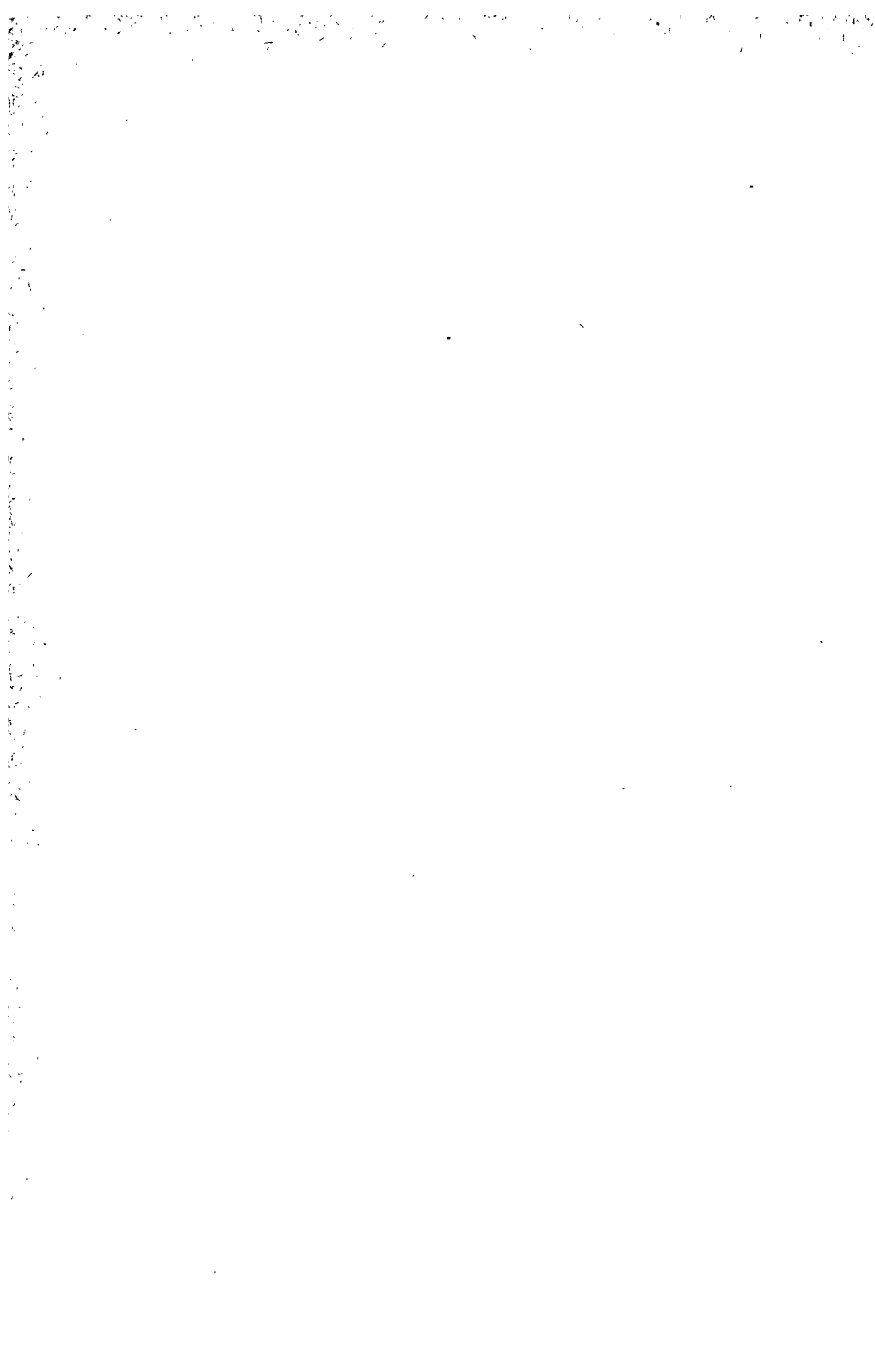
Euratom-Bulletin of the European Atomic Energy Community

The Council of Ministers issues a press release at the close of its sessions. Its activities, however, are also covered in the Community Bulletins.

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## ACTIVITY OF THE EUROPEAN PARLIAMENT

### a) Session of 17 to 21 October in Strasbourg

#### . Health problems arising in connexion with imports of cattle, swine and fresh meat

The EEC Council asked the opinion of the European Parliament on (a) a draft Council directive to settle questions of foot-and-mouth disease regulations and health issues involved in importing cattle, swine and fresh meat from third countries, and (b) a draft Council decision setting up a veterinary committee.

In the report (1) submitted by Mr. Hansen (Socialist, Luxembourg), the Health Protection Committee asked that the control measures planned in the EEC Commission proposal be made even more stringent to give more effective protection to the consumer and to cattle in the Community.

In the Parliament's debate of 17 October, Mr. Mansholt, Vice-President of the EEC Commission, advocated re-introducing, in the draft directive, the original text of articles 14 and 15 (which contained some of the provisions which the Committee wanted to see more stringent) instead of the text amended by the Committee. The Chairman of the Health Protection Committee explained that the text could not be amended as requested by Mr. Mansholt because it had already been unanimously adopted by the Committee. Consequently, the Parliament decided to refer the report back to the Committee.

#### . Preservatives and colorants used in foodstuffs

At its session of 17 October, the Parliament examined report (2) drawn up for the Health Protection Committee

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- ) Doc. 70/1966-67
  - ) Doc. 71/1966-67

by Mr. Lenz (Christian Democrat, Germany) on the EEC Commission proposals concerning:

- (a) a decision setting up a foodstuffs committee;
- (b) a directive amending the Council directive of 5 November 1963 on the approximation of the laws of the member States on preservatives used in foodstuffs;
- (c) a directive amending the Council directive on the approximation of the laws of the member States on colorants used in foodstuffs.

Mr. Lenz was unable on this occasion to present his report in person. There was nothing controversial in the report, however, and it had been passed unanimously by the Committee; consequently, after brief interventions by Mr. Dittrich, for the Socialist Group, and by Mr. Hansen, the Parliament adopted the report and the resolution appended to it. In the resolution the Parliament welcomed the Commission's initiative; it stressed, however, that it was essential to create conditions enabling the foodstuffs committee to extend its activity to other spheres of foodstuffs law so that it might, in particular, be possible to approximate the laws in force in the member States on antioxidants, cocoa and chocolate.

### 3. Imports of rice from Madagascar and Surinam

In a Regulation which came into force on 1 November 1964 the EEC Council laid down the general provisions governing imports of rice and broken rice originating in the Associated African and Malagasy States and in the Overseas countries and territories and other special provisions governing imports of rice from Madagascar and Surinam, whereby, until 31 August 1965, imports into France of rice originating in Madagascar and imports into any of the non-producer member States of rice originating in Surinam, should be effected free of levies up to a given amount.

The Regulation further laid down that from 1 September 1965, on imports into France of milled rice originating in Madagascar and on imports into each of the non-producer member States of milled rice originating in Surinam, within the quantitative limit laid down, the fixed component should be equal to nought. In pursuance of this Regulation the quotas applicable for 1964-65 were

ased on the average amounts imported during the years 1961, 1962 and 1963. Once the quotas were used up, the system applicable for imports originating in Madagascar and Surinam was the general system of the Associated States.

In view, however, of the system's inability to guarantee the interests of Madagascar and Surinam, the EEC Commission submitted a draft regulation providing that from 1 September 1966 to 31 August 1967 imports into France of rice originating in Madagascar and imports into each of the non-producer member States of rice originating in Surinam should be effected free of levies up to a given amount.

The Parliament was asked for its Opinion. It unanimously approved the draft regulation submitted by the EEC Commission without a debate; this was on the basis of a report (1) drawn up for the Agricultural Committee by Mr. Lardinois (Christian Democrat, Netherlands) and submitted at the plenary session of 17 October by Mr. Charpentier (Christian Democrat, France).

#### 2. Capital movements

The Council asked the Opinion of the Parliament on a directive on (a) the communication, to the Commission, of statistical data on capital movements to and from third countries and (b) a recommendation concerning the organization of consultations within the Community on national policies on capital movements.

The report (2) approved the Commission proposals but reserved the right to return to this question at a later date when the statistical data required became available. It noted, however, that the data to be communicated to the Commission would not give an adequate picture of the situation for lack of advance estimates on other factors, such as trends in capital movements within the Community, the proportion of direct investment by third countries devoted to research, the need to promote a medium-term industrialization policy in the host country and the

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1) Doc. 121/1966-67

2) Report by Mr. Baas Doc. 119/1966-67

participation in terms of capital and management in the country where the investments were made.

In the Opinion of the Economic and Financial Committee, no final solution to this problem could come through any measures that might be taken to restrict foreign investments. These measures could only be of value if they were strictly temporary and coupled with measures designed to promote research and to adjust the size of firms and capital markets to match the scale of the European Market in the making.

Speaking in the debate for the Socialist Group, Mr. Kriedemann (Germany) pointed out that a medium-term economic policy predicated accurate information on all the factors influencing the economy. He took exception to the ideas current in certain countries that seemed to stem from an outworn patriotism and whose common feature was the fear of an 'invasion by foreign capital'. He felt that such patriotism was quite out of place in this context.

Speaking for the EEC Commission, Mr. Marjolin said that all the suggestions made in the report would be borne in mind. The Commission would be pleased to inform the Economic and Financial Committee of the conclusions it reached. Mr. Marjolin gave his unqualified endorsement to the Economic and Financial Committee's suggestion that the various factors prompting capital movements should be studied. The Commission trusted that when the Governments compared their policies this would induce them to adopt a common policy.

The Commission considered that the latter should involve no restriction factors. The end in view was that foreign investments in the Community should make the most effective contribution possible to economic expansion and scientific and technical research.

In the Resolution (1) which was passed unanimously, the Parliament supported the EEC Commission proposals on a statistical study of capital movements but asked that a study should also be made of other factors which might be neglected when it came to assessing the effects of direct investment in the Community by third countries.

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(1) Resolution of 17 October 1966.



## 5. Euratom's activity

On 18 October 1966 the European Parliament discussed the report (1) by Mr. Battaglia (Liberal, Italy) on the Euratom Commission's General Report on the activities of the Community.

Mr. Battaglia, General Rapporteur, began by making it clear that he would, in presenting his report, have to confine his attention to the most interesting problems. He would, he said, lay special stress on the political aspect of these questions.

He referred to the European crisis which had also affected Euratom and led to delays in the execution of the programme. As recently as a decade ago Europe had been leading in scientific research. It had now fallen behind and failed to reap benefits of work done in the past; it was trying to catch up with the United States and Russia who were the furthest advanced. In this connexion Euratom had a particularly important part to play, both in co-ordinating national programmes and in supplementing them with a joint programme. These two aims had not been achieved and the main reason for this had been an unfavourable political climate.

Mr. Chatenet had told the Parliament in June, the merger of the Executives would make it possible to overcome many obstacles. Yet the merger would not mean a solution to these problems unless it were coupled with determination to carry out the programmes. Euratom's joint programme had been affected by the repercussions of the controversies over the use of natural uranium or lightly enriched uranium which were bound up with a kind of French mystique concerning natural uranium. The choices that Euratom had made had not always been definite and the result had been difficulties and delays.

With regard to controlled fusion and fast reactors, Europe was again liable to lose the race because it lacked any real joint programme of its own. Euratom's goodwill was not enough. What was needed was a political climate conducive to Community action.

There was also the problem of supply. Europe had to

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(1) Doc. 109, 1966/67

ensure security of supplies of fissile materials and this included the enrichment of uranium.

With regard to the Orgel Project it had to be admitted that although the results achieved were interesting, they were not commensurate either with the hopes placed in the project or the expense incurred. The Joint Research Centre, furthermore, still did not occupy its rightful place and the conditions obtaining for research workers were not satisfactory. Sufficient funds for training research workers should be made available under the third five year programme. It also remained to create the University of Europe.

Europe was at present suffering from a scientific and financial 'haemorrhage'. There was a 'brain drain' towards the United States from whom the Community was, as a result, obliged to purchase patents and the progress they represented at a cost of some \$300m. a year! Everything had to be done to stop this. While it might be true to say that 'the making of Europe would come about in the spheres of the atom, space, aeronautical engineering and computers or not at all' it had also to be remembered that Europe would not be able to play its rightful part when it came to the major international options unless it were united. Yet in the field of nuclear research, for example, union was a long way from becoming a reality.

Europe was running the risk of becoming a scientifically under-developed continent.

What of the future? Mr. Battaglia had the impression that new factors were emerging which gave grounds for a certain optimism. A European scientific Community would be a fine achievement.

In conclusion the speaker paid a tribute to the work done by the Euratom Commission and stressed the relevance of the problems dealt with in its report.

Mr. de Groote, a member of the Euratom Commission, took the floor on behalf of Mr. Carrelli, who was indisposed.

The difficulties had been set out in 1964 in the four memoranda submitted by the member Governments and arose mainly from the transition from nuclear research to the stage of industrial development. It had, moreover, been against this background that the Commission had drawn up its first target programme. In the nuclear field, however, the industrial enterprises concerned,

whose influence was growing all the time, intended to retain the benefits of their investments and did not always agree to release information about knowledge acquired.

With reference to the creation of a Community isotope separation plant, the Commission was waiting for the right moment to intervene. As regards the thermonuclear fusion programme the difficulty lay in the lack of staff; with regard to the fast reactor programme on the other hand, the difficulties were financial.

In future projects, at all events, the Joint Research Centre would always have absolute priority. The Orgel Project had to go on. As for action by the Community in the field of thermonuclear fusion, the Commission felt that it would lead to a duplication of effort in view of the existence of five association contracts covering this area.

Mr. Pedini spoke for the Christian Democrat Group. He dealt with the same points of concern as those already covered in the Battaglia Report. The main problem at present was fast reactors. Research in this field should not be restricted to two countries but conducted within a genuinely Community framework and culminate in a European fast reactor model.

With reference to the Orgel Project and to the Joint Research Centre, he did not take up Mr. Battaglia's suggestion that a special parliamentary committee of enquiry should be set up; he did, on the other hand, ask the responsible Parliamentary Committee to draw up a report. The Orgel Project, furthermore, should not be regarded as synonymous with the Orgel Project, and must go on even after the Orgel Project was completed.

With reference to isotope separation, the Community should, instead of building a new plant, find ways and means of using those already in existence in France and the United Kingdom.

Mr. Merten then spoke for the Socialist Group. He asked the Euratom Commission a series of questions about the state of progress in research into fusion and rapid reactors and about the future of the Joint Research Centre.

On the political key, Mr. Merten took the Euratom Council of Ministers to task, asking if it still regarded itself as a Community institution or simply as a conference of the Six Governments. He raised the pro-

blem of the responsibility of the Council; he discussed the Parliament's control over the Council and he also referred to the secrecy surrounding its meetings and decisions taken.

Mr. Battistini then raised the question of the safety of reactors and also spoke of the Italian PEG fast reactor project.

Mr. de Groote and Mr. Margulies, members of the Euratom Commission, replied for the Executive.

Mr. de Groote began by saying that, with reference to Euratom's activity, the Commission was less pessimistic than the Parliament. The difficulties were bearable and could be overcome. He then replied to the various questions and said that although Euratom was not in the forefront in space, it was nonetheless not completely inactive in this field. There was at Ispra a team of international renown. As regards thermonuclear fusion, Euratom and its European associates were investing capital on a scale comparable with the American research drive. The question of staff was very important and the Commission was encountering the greatest difficulties in its request for staff. Biological research would have to be stimulated in the near future and here questions of safety would be in the foreground.

Mr. de Groote then came back to the question of fast reactors. It was not unreasonable to have several prototypes in the Community; this could even have its advantages.

In reply to a question put by Mr. Merten, the speaker said that work on thermonuclear fusion should not be entrusted to Ispra because Euratom had already concluded five contracts to cover this field. As for fuel elements one had to wait until the market was big enough to make their manufacture profitable. As for the future of Ispra, Euratom placed great hopes in the realization of the Sora Project. Lastly Mr. de Groote stressed the supplementary rôle placed by Euratom in relation to the national organizations particularly concerning the dissemination of information. The main thing was to achieve a result in such a form that the knowledge gained might be accessible to everyone.

Mr. Margulies stressed the importance of health protection and safety in nuclear work. He endeavoured to clarify the problems relating to the safety of reactors, emergency help plans, the monitoring of foodstuffs and

insurance.

At the close of the debate the European Parliament adopted a resolution on the Ninth General Report on the activities of Euratom. In this it deplored the delays in giving effect to the merger of the Executives and it considered it essential that Euratom's special characteristics as well as its specific functions should be preserved in the single Executive. It asked its Political Committee to submit a report on the operation of Euratom with the merger in view and its Committee for Research and Cultural Affairs for a report on the future of the Orgel Project. It urged the Governments to take the necessary steps so that efforts might be concentrated on research in the Community framework and full scope given to Euratom's Joint Research Centre by bringing all research areas into its purview. Lastly the Parliament expressed its satisfaction at the work done by Euratom in the fields of information and documentation, external relations and its relations with the developing countries.

#### 6. Technological progress and scientific research - a common science policy

On 18 October the European Parliament dealt with the report by Mr. Oele on technological progress and scientific research in the European Community (1) in conjunction with the report by Mr. Schuijt (2) and the draft resolution on a common European science policy (3): both were submitted by the Committee for Research and Cultural Affairs.

Mr. Oele (Socialist, Netherlands) pointed out that the emphasis placed on scientific research varied widely from one member State to another: from 0.4 to 2 per cent of their gross national product. He felt that Community scientific research must be co-ordinated for it was of capital importance to the Community's economic and social progress. He said that the Community countries were too small to pursue autarchic scientific research policies and even if the United Kingdom and all

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- (1) Doc. 97/1966-67
  - (2) Doc. 107/1966-67
  - (3) Doc. 63/1966-67

the EFTA countries joined the EEC this would still apply. The course indicated was to exchange scientific and technical information with the major industrialized countries, especially the United States, to divide responsibilities, dovetail activities and pool experience gained.

Mr. Oele then outlined the principles on which a common science policy could be based: (1) the common science policy should be directed at increasing the standard of living in the EEC, promoting increased productivity and quality improvement and increased supply on the market; (2) internally, the common science policy would have to help guarantee balanced economic and social development in the Community; (3) this policy must also find application in relations with the developing countries. To achieve these objectives, it was important: (a) to have a common scientific teaching; (b) to set up a Community institute; (c) to harmonize the fiscal aids to research extended in the individual member States; (d) to promote the division of work in respect of projects carried out mainly at the national level and (e) to choose practical projects for Community research.

Mr. Schuijt (Christian Democrat, Netherlands) referred the Parliament to a draft Resolution of 12 May in which Mr. Gaetano Martino (Liberal, Italy) had drawn attention to the need to give Euratom complete responsibility for research; he had called for the United Kingdom's immediate accession to the EAEC and suggested setting up a European consultative committee comprising scientists from the Community countries. The speaker agreed and said that the Committee for Research and Cultural Affairs had welcomed Mr. Martino's resolution, even though the conclusions he reached differed to some extent. Indeed, Mr. Schuijt felt, the responsibility for research should continue to rest with the individual Communities; the United Kingdom should accede to all three Communities and not just one. Setting up a consultative committee was, at present, not feasible, desirable though it might be to bring experts together to foster the implementation of a European science policy.

Speaking for the Euratom Commission, Mr. de Groote made a statement on scientific and technical research policy in the Europe of the Six. He said that Euratom was the Community institution most involved in the problem of scientific and technical research because nuclear research could not be dissociated from pure and applied research. He agreed that the level attained in the Community in the research sector was not satisfactory but

he argued that the Community could make good this lost ground. Indeed this leeway ought to induce the Six countries the better to design a common research policy. He said that to achieve this end, Euratom had decided to make available to the European Community all its best achievements. The problems of pure and applied research could be resolved through action by the Community, he said. On the problems of industrial research, he referred to Article 1 of the Euratom Treaty in which a Community science policy was defined for this sector. He then stated that prior to the merger of the Executives, the Euratom Commission would make certain definite proposals, bearing in mind the fact that after the merger, certain current problems would no longer arise. He added that the Executive Commission considered it would be impossible to entrust it to two different bodies to define a common research policy and to carry it into effect: these responsibilities should be entrusted to the same body. He concluded by agreeing with Mr. Gaetano Martino's proposal that a consultative committee should be set up comprising experts whose task would be to draw up a Community plan for research.

Mr. Mansholt, Vice-President of the EEC Commission, stated that the Community's leeway vis-à-vis the USA, the UK and the USSR was now obvious. In 1962, the USA spent \$17,500m. on scientific research; the Community spent \$2,800m. Mr. Marjolin also laid stress on the emigration of European research workers to the United States of America; Europe was falling behind in aeronautical engineering, space research and electronic computers; this had led to Europe's acquiring foreign patents, aggravating the balance of payments and condemning Europe to intellectual and economic under-development. Mr. Marjolin suggested a research policy based on the following principles: (1) to improve the quality of higher education by making generous financial resources available for university and post-graduate research; (2) to increase the contribution of the State towards applied research, either directly or by financing private industry; (3) to encourage the creation of enterprises of optimal size; (4) to pursue an economic policy that will allow firms to conduct scientific research on a greater scale than at present. In practical terms it is necessary to carry through a limited number of important projects, in which the member States could participate to varying extents. Third countries, especially the United Kingdom, could be associated in these projects; (5) to group, for certain sectors, the contracts placed by the governments of the member States and pass them on to industry bearing in mind the latter's

research record; (6) to develop State aid but without prejudice to competition; (7) to obtain the maximum diffusion of scientific information, by recourse to 'clearing houses' at the 'European' level (the Six and the USA); (8) to ensure a common market of research workers.

Speaking for the Christian Democrat Group, Mr. Schuijt endorsed the report by Mr. Oele. He said it was essential to promote scientific research if the Community did not want to lose what it had gained in the economic field. He also emphasized the close links between technological development and social progress.

Speaking for the Socialist Group, Mr. Oele endorsed the report by Mr. Schuijt. He recalled that it had not yet been possible to determine in what way the responsibilities of Euratom could be enlarged as proposed without amending the Treaty. For this reason, the EEC had to play its part in the science policy. Mr. Oele also said it was time the United Kingdom acceded to the Community: in this way Community problems would find an easier solution.

Speaking for the Liberal and Allies Group, Mr. Berthoin (France) endorsed the two reports. He thought that Europe would not be independent unless it could make good its scientific research leeway; failing which it would become a colony of the major technological powers. He argued that Euratom had to maintain its position as the promoter and driving force with regard to this Community research objective. Lastly he gave a warning, urging the national governments to take up the political challenge of carrying a common scientific policy into effect.

Speaking for the European Democratic Union, Mr. Laudrin (France) endorsed the two reports. He said that it was a risk for Europe to lag behind scientifically; the risk was that Europe might become a dependency of the USA. He thought this risk could be averted through efforts at the national, intra-European and Community levels. At the national level, the member States should appropriate funds for research on a scale consistent with their internal balance. The intra-European efforts had to be Community efforts in so far as the Six were concerned but these could be extended to others in the form of bilateral agreements. Mr. Laudrin said that he endorsed Mr. Martino's proposal to set up a consultative committee comprising scientists and



experts from industry. Lastly he argued that the Community's research drive had to follow the suggestions of the French memorandum of March 1965, involving: taking a census of the studies and research in progress; comparing programmes in the non-military field; concentrating firms. He concluded his speech by proposing the creation of a Community information office which would keep the member States abreast of the results of the scientific research programmes.

Speaking for the Socialist Group, Mr. Merten (Federal Republic of Germany) endorsed the report by Mr. Oele. He laid stress, however, on the need for political drive to counteract feelings of self-sufficiency and to develop scientific and technological research. The basis for promoting scientific research could not be found in the Treaty of Rome, which was wanting in this respect; the answer, he felt, lay in interpreting the Treaty broadly.

Mr. Catroux (EDU, France), Chairman of the Committee for Research and Cultural Affairs, thought that the variations in the research pattern as between the USA and Europe were political in origin. A European industrial market had to be brought into being. A form of European enterprise had to be created, comparable in size with the American firm. The free movement of persons and capital had to be guaranteed. Mr. Catroux said that the co-ordination of scientific research would be meaningless unless development were possible through a common industrial policy.

The Parliament then approved the resolution appended to the report by Mr. Oele. In the resolution the Parliament was of the opinion that scientific and technological progress was a sine qua non condition for the promotion of the social and cultural well-being of the populations of the Community; it trusted that the efforts made within the Community in the fields of science and technology would be increased to a level comparable with the large industrial nations; agreed that the development of scientific research must be considered as one of the Community's three priority objectives for the next five years; was convinced that Euratom might represent the requisite catalyst for the Community authority which was to be made responsible for the management of these projects and the co-ordination of these programmes and asked the EEC Commission to draft a report on science policy.

The Parliament then went on to examine the draft resolu-

tion appended to the report by Mr. Schuijt. Mr. Merten and Mr. Oele both spoke for the Socialist Group, Mr. Moreau de Melen (Belgium) for the Christian Democrat Group. The Parliament then approved a resolution in which it expressed the wish that, pending the fusion of the three Executives, the different Communities might co-ordinate the general research policies of the member States within the Inter-Executive Working Party on 'Scientific and Technological Research'; considered that the valuable experience gained by Euratom should be better employed by entrusting, to Euratom, the management of common projects; noted that, for the purposes of working out an efficient science policy, the experience and the contribution of the United Kingdom could scarcely be dispensed with and suggested the organization of a European symposium with a view to facilitating the drawing up of a European science policy.

#### 7. Euratom's supplementary research and investment budget

Euratom's Council forwarded on 22 September 1966 to the European Parliament, for its Opinion, a draft supplementary research and investment budget for 1966. This draft budget provides for an increase of 2m. a.u. on the amount of funds appropriated to the Dragon reactor for 1966. The Council decided in May 1966 to extend beyond 31 March 1967 and up to 31 December 1967 the agreement to build and test this reactor. The additional supplies will be issued from the reserve fund provided for under the second research and investment programme. The draft budget also suggests a new timetable for commitments and payments.

The draft estimates were laid before the Budget and Administration Committee which appointed Mr. Merten, (Socialist, Federal Republic of Germany) (1) as Rapporteur. Mr. Merten advocated in his report that the amendments requested by the Council be approved. He pointed out, however, that the preliminary draft budget submitted to the Council by the Euratom Commission included further appropriations for such purposes as the Orgel reactor, direct conversion and scientific information. He was puzzled by the Council's refusal to take into account

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(1) Doc. 120/1966-67

the other preliminary draft budgets submitted by the Commission. These concerned, in the first place, the creation of posts provided for under the second programme. The fact that these had not yet been created was definitely prejudicial to work in progress. They also concerned the appropriation of funds for adjusting salaries to the higher cost of living. Lastly, they concerned further appropriations for meeting payments for services and supplies.

The report of the Budget and Administration Committee was dealt with at a plenary session on 18 October 1966. Parliament then passed a first resolution approving the draft budget which it regarded as final but reserving the right to revert to the supplementary draft budgets rejected by the Council when it next discusses the draft research and investment budget for 1967. In a second resolution passed by Parliament it considered that it was absolutely essential for the Council to submit as soon as possible the other supplementary preliminary budgets in order to normalize the budgetary and financial administration of the EAEC and thus express its confidence in Euratom's future.

#### Financial and budgetary control of the EEC and the EAEC

The European Parliament having been apprised of the management accounts and financial balance sheets of the EC and the EAEC covering transactions in 1964 and of the report of the Control Committee regarding these accounts, forwarded these documents to the Budget and Administration Committee, which appointed as Rapporteur r. V. Leemans (Christian Democrat, Belgium). The latter refers essentially to three questions in his report, the first of which concerns the financial administration of the first European Development Fund.

As soon as the provisions of the first Fund were carried into effect, it appeared necessary, for reasons of efficiency, to take special steps with a view to compiling information on the programme of work and supplies provided for the development projects which were to be carried out in the Associated States. The EEC Commission had to call on a special body - the European Co-operation Association - whose task it is to check such information. The Rapporteur also pointed out that the

financial regulations of the first Fund had not made it possible to carry out a very strict financial management of the whole of the Fund's liquidities.

The second item touched upon by the Rapporteur related to the financial management of the EAEC Commission. In this connexion, the Rapporteur mentioned that a satisfactory solution had been found in regard to accounting vouchers covering the operations of the research contracts concluded between the EEC Commission and individuals. Thirdly, the Rapporteur noted that the Control Committee had made in its report a number of 'descriptive' remarks or 'interpretative' comments on the statutory regulations, relating to the common institutions. This was not in accordance with the terms of reference of that Committee. He accordingly invited the Control Committee to discharge its duties in a manner that was more consonant with the provisions of the EEC and EAEC Treaties.

Mr. Leeman's report was dealt with at a public meeting on 18 October 1966. During the debate, Mr. Rochereau, a member of the EEC Commission, expressed surprise at the fact that Parliament had invited the Executive to assume a more direct responsibility for the Fund's management. In his opinion, the administrative control of local staff, in accordance with the Yaoundé Association Convention, is in itself quite an important task without it being necessary to carry out, in addition, the direct supervision of staff employed by the European Co-operation Association. Mr. Laudrin (European Democratic Union, France) requested the deletion in the draft resolution of the reference to more direct control by the EEC Commission of the budgetary duties of the European Development Fund. The Rapporteur replied that the text in question only reflected the opinion expressed by the Budget and Administration Committee and that he could not support the amendment, even if the resolution should be regarded as slightly offensive to Mr. Rochereau. The question was then put to the vote and Parliament passed a preliminary resolution approving the accounts of the European Parliament as at 31 December 1964.

In a further resolution Parliament requested the Councils to pass the budgets for 1964, as implemented by the EEC and Euratom Commissions, stressing at the same time the above-mentioned points, in particular that concerning the direct control by the Commission of the budgetary operation of the Development Fund.

9. Ninth General Report on the activities of the European Economic Community

On 19 October 1966 the European Parliament examined the report (1) on the Ninth General Report of the European Economic Commission on the activities of the Community.

In the introduction to her report Mrs. Strobel dealt with democratic factors in the EEC's institutional structure and the use made of them by the European Parliament and with relations between Parliament and the Council of Ministers. The simplification of institutional structures expected to follow from the merger would bring European problems more clearly home to the general public. One might also look forward to a single Executive enjoying heightened prestige and authority depending, of course, on the qualities of its members. The merger would provide the European Commission with an opportunity of drafting, in the light of years of experience and reflection, a well-balanced treaty for the merger of the Communities geared to present-day needs. At the end of her introduction Mrs. Strobel referred to the chances for a geographical extension of the Community and to the causes and settlement of the 'Community crisis.

Mrs. Strobel considered that the establishment of the customs union had to be accompanied by the abolition or modification of government trading monopolies. The modification of certain monopolies had to be studied in the light of the policy it was intended to follow as regards the products concerned. Although Article 37 gave no special powers to the Commission in this sphere, it did, however, stipulate clearly that 'member States shall gradually adjust any state trading monopolies'. The customs union would not suffice if frontier checks were not abolished. These would not disappear automatically with the abolition of customs duties. Charges other than customs duties were collected at the frontier; in addition checks were carried out there for compliance with a host of national regulations. Mrs. Strobel pointed out that the countries of Europe were today separated from each other not only by customs frontiers but also by tax and administrative frontiers. The abolition of fiscal frontiers had to be examined in the context of the approximation of tax provisions. The

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1) Doc. 110/1966-67, 10 October 1966

abolition of other checks had to be part of an overall arrangement to be worked out by the Commission. The resistance of the national administrations to the 'withdrawal from the frontier' must be overcome as there could be no real Common Market so long as goods were subjected to existing checks as they crossed the frontier. This held from the psychological point of view. The general public would not regard the Common Market as an established fact until all obstacles to trade and checks at frontiers had been done away with.

As for the problem of freedom of establishment and freedom to provide services, the General Rapporteur pointed out that all that had been done had been to make a start. The timetable in the General Programmes was a long way from having been complied with and a great deal remained to be done. This far from satisfactory state of affairs was due in no small measure to shortage of staff at the Commission. But since this lag in fact existed the Internal Market Committee proposed that the General Programmes should be revised and a new timetable of work drawn up.

Mrs. Strobel considered that an active European competition policy was one of the cornerstones of the Common Market. Competition as an influence on economic development was one of the major principles of the Treaty. It could, of course, only play its rôle effectively if it did not undergo distortion. This meant first of all removal of the remaining barriers to free competition between Common Market undertakings. The Internal Market Committee again pointed out that in approximating taxes, account should be taken of the likely social and short-term economic effects. It again urged prompt abolition of tax frontiers and complete neutralization of charges based on the origin of goods and services. This also applied to the approximation of consumer taxes.

In another part of her report Mrs. Strobel analysed the implications of the Common Market for the consumer. The Internal Market Committee pointed out in its Opinion that the General Report had little to say about the improvement of living conditions, one of the Community's fundamental aims. Mention was made of a number of price cuts in certain sectors and countries but the information given remained fragmentary and no bird's eye view was provided. Such an overall picture might very well prove discouraging. It was unfortunate that so far the Common Market had not succeeded either in bringing down or in stabilizing consumer prices.

The nearer the Community got to the end of the transition period the greater the need for a common, or at least co-ordinated, policy. In a chapter on short-term economic policy, Mrs. Strobel took the view that such a policy could not be put into effect by direct action by the Community itself but required co-ordination along identical lines of national measures. The instruments of short-term economic policy - budget and credit policy - were still in the hands of the States. All the Community could do was to influence the use they made of these instruments. Although there were divergencies on short-term economic policy, the monetary and credit policy followed in the member States was, on the other hand, broadly in line with the recommendations of the Community. In some cases credit policy had been applied more severely than originally planned because the monetary authorities had had to check the over-expansionary effects attributable to public finance. In its opinion the Economic and Financial Committee pointed out that it was asking too much of the monetary authorities to expect them to pursue a stabilization policy with the instruments available to them.

During the period under review the Community had also made some headway with its medium-term economic policy. In its General Report the EEC Commission describes the aim of the first programme as to shape economic policy in a way that would create the best possible conditions for healthy economic growth while maintaining a high level of employment, monetary stability and adequate competitiveness in the Community's economy. In its opinion the Economic and Financial Committee said that the first medium-term economic policy programme ought in no way be regarded as a magic formula. It was only the basis for policy decisions still to be taken and which would have to be co-ordinated.

With reference to the development of the energy market, Mrs. Strobel said that the Chapter in the Ninth General Report on energy policy provided but a slender basis for discussing the policy pursued. The results achieved in the energy policy field during the period under review were unfortunately decidedly meagre. Moreover, as repeatedly pointed out in its Opinion by the Energy Committee, the Ninth General Report completely neglected to interpret the facts reported from the political and economic angle.

In the debate that followed the submission of the report, Mr. Hallstein, President of the EEC Commission, said that the arguments in support of the merger had always

been highly valid. He felt that it would be no exaggeration to speak of 'a need to overhaul the Community'. In the meantime views and attitudes had been thrown into sharper relief; he referred, in particular to the Coal and Steel Community and Euratom. With reference to the European Parliament's resolution expressing its resolve 'to exhaust all the possibilities offered to it in its capacity as representative of the peoples of the Community to serve with success the cause of Europe's unity, its democratic development and economic and social progress', Mr. Hallstein had no hesitation in pledging the Commission's full support.

Mr. Hallstein then spoke of the concern of the general public which he thought was a repercussion of the crisis. He spoke of signs of skepticism and doubt and of a certain apathy that at times amounted to defeatism. There were clouds piling up here and there which somewhat obscured the clear appraisal of European objectives. Even if the report spoke of a disappointing year, an attempt should be made to preserve a sense of proportion and be on one's guard against dramatising one's disappointment. This would be a disservice to European policy because its opponents would exploit it for their own ends.

Speaking for the Democratic Group Mr. Lucker said that the Ninth General Report was perhaps the most disappointing so far. Nothing could be done to alter the fact that the year under review had been one of crisis. On the credit side, there had been the decisions of the Council of Ministers on agricultural policy, the Kennedy Round and the working programme for the transition period which should complete the economic Europe. The problem of the merger of the Executives had to be solved as quickly as possible so that the political unification of Europe might go forward.

Mr. Deringer (Christian Democrat, Germany) spoke mainly on competition policy. He pointed out that it was impossible to go on covering the losses of certain public enterprises while private enterprises had to cover all their own risks from their own resources. He also touched on the controversial question of State trading monopolies before going into the development of Community law.

Mr. Scelba (Christian Democrat, Italy) said that the Common Market had entered its third stage, in other words one was going forward. The stage had been reached when it was no longer in the interests of any country to re-



nounce economic integration. The crises now overcome proved the Community's vitality; people had already begun to think at the European level. The balance sheet was largely sound and, after nine years' experience, allowed one to contemplate the future with complete confidence. He hoped that a major impetus would be imparted to the European Parliament through direct elections. The balance sheet of political integration showed a deficit. There had even been a definite regression which had had economic repercussions. Economic integration had so far been regarded as the best way of preserving the cohesion of the Community; our thinking today should be directed towards a new society which would enable us to transcend the national frontiers of the past.

Mr. Pedini (Christian Democrat, Italy), Chairman of the External Trade Committee thanked the General Rapporteur for his advocacy of a common trade policy. He thought that the Parliament of the Six States should call upon the Commission and the Council of Ministers to break fresh ground in this important field as soon as possible. Mr. Dichgans (Christian Democrat, Germany) dealt particularly with the association of Spain and Mr. Dehousse's comments on this issue.

Speaking for the Socialist Group, Mr. Dehousse (Belgium) dealt with the problems of increasing the authority and competence of the European Parliament and opined that the Parliament was at present satisfied to do no more than to be heard more often by the Council of Ministers. As for the merger, there were two alternatives: the minor merger - that of the Executives - or a major merger - that of the three Treaties. At present this problem no longer seemed of immediate importance; this was, however, no tragedy because the unification of Europe would not come about through the merger alone. Mr. Dehousse argued that the waning of the supranational idea would make it easier for new members to join the Common Market. The Socialist Group stood out decisively in favour of enlarging the Communities especially through the accession of the United Kingdom and the association of Austria. The speaker was, on the other hand, opposed to the admission of the Spanish dictatorship to the European Economic Community. Mr. Dehousse found it deplorable that the voting on the Council of Ministers should be kept secret. He found himself incapable of understanding how this could be justified. This was moreover one of the reasons why the influence in the European Parliament was noticeably declining. It was, of course, legitimate to ask for greater authority but the Parliament

should first ensure that the prerogatives it held were made full use of. He referred here to the Association Agreement concluded with Nigeria where the European Parliament was practically confronted with an accomplished fact.

Mr. Brunhes, Spokesman for the Liberal and Allies Group, drew the Parliament's attention to problems of energy policy and transport policy. The interim transport policy solution adopted on 22 June 1965 satisfied no one. Through this agreement, obligatory rates for transport by road, rail and navigable waterway; these were, however, unduly complex and were consistent with no recognizable political decisions. The energy problems went well beyond the bounds of the EEC. Hence the EEC Treaty dispensation was inadequate to deal with problems of coal and nuclear energy. These problems could only be solved by merging the Executives. To achieve a common trade policy for coke and coal, the Treaty had to be amended so that these fuels could be regarded as products subject to the Treaty. Mr. Merchiers (Liberal) found the Community's economic balance sheet encouraging especially in view of the decisions taken on agriculture. Socially speaking, however, the balance sheet was less encouraging. To preclude prejudice to the economy from larger-scale social measures an attempt had to be made to harmonize the social legislation of the member States as soon as possible.

Speaking for the EDU Group, Mr. de Lipkowski said he did not altogether agree with those who thought that the debit side outweighed the credit side on the Community balance sheet. He recalled the mood prevailing in debates held a year earlier. Economic integration had reached the point of no return. The agreements of 11 May had been so balanced that they were neither victors nor vanquished. The common agricultural market had been completed eighteen months ahead of schedule. Those suspected of wanting to put a break on the integration process had done the most towards achieving this end. The common agricultural market, which was more important than the common industrial market, would generate an irresistible momentum. The relevant interests were so enmeshed that the freedom of manoeuvre of the Governments was steadily dwindling. In solving the difficulties of the previous year, the Governments had demonstrated their European determination. Mr. Dehousse might doubt the legal validity of the compromise reached in Luxembourg on 29 January 1966. Mr. de Lipkowski for his part thought it had two advantages: it had made possible an agreement on the common agricultural market and it had restored the

Community spirit. The value of the Luxembourg Agreements had been that they were adopted unanimously; no country had been obliged to accept a decision against its will.

With regard to the accession of the United Kingdom to the EEC, Mr. de Lipkowski felt that it was for the United Kingdom to take the initiative. An attempt had to be made today to bring into being a 'Europe of responsibilities' i.e. a Europe that was really independent politically. This would only be feasible if Europe were founded on a solid economic basis. In this respect the concentration of European enterprises was of capital importance if Europe was to withstand competition from the East and from the United States. This concentration might also facilitate scientific research. If action were not taken soon the danger was that the United States would establish in Europe multi-national American companies for which Europe would do no more than provide the labour force. One of the most important problems at present was the part that Europe could and must play in the world. The split of Europe into two blocks had in any event to be put to an end.

In its resolution the European Parliament noted with satisfaction that in so far as it was threatening the further economic development of the Community during the period covered by the report, the crisis had been overcome; it was gratified on the whole, without approving them on all points, that the decisions taken by the Council in May and July 1966 had made it possible to reach definite agreement on the establishment of the customs union, the common agricultural policy and important questions relating to the Kennedy Round. It stressed, however, that because of refusal to widen the powers of the European Parliament, of delay in effecting the merger and also because of continuing divergencies of opinion on the Community's political objective and the application of the mandatory provisions of the Treaty (majority vote), the EEC was still labouring under severe handicaps and that only new and improved advances, chiefly in the development of Parliamentary democracy, could fully satisfy the Parliament. It expected of the EEC Commission that, with the backing of the Parliament, it would support and thus take action calculated:

- (a) to strengthen parliamentary democracy in the Community;
- (b) to develop the political aspects of the Community;
- (c) to pave the way for advancing on the geographical and

material planes - beyond partial integration.

It agreed with the Commission that the building and development of economic union must now take place rapidly and hoped that, with this in view, all the time-lags which the General Report had revealed in almost all fields of Community policy would be made good. The European Parliament stressed that it was most urgent in the field of external trade that the EEC should pursue a policy which, as laid down in the Treaty, should contribute to the harmonious development of world trade and to the economic expansion of the developing countries to an extent consonant with the Community's responsibility at the world political level and with its economic power.

#### 10. Development of the institutions of the European Communities

On Thursday, 20 October 1966 Mr. Illerhaus (Christian Democrat, Germany) submitted a report (1) for the Political Committee on the European Parliament's attitude to the recent development of the institutions of the European Communities. He began by drawing attention to the number of draft resolutions on institutional matters. The fact that little was said about good constitutions proved that the Community system was imperfect and did not measure up to the needs it was designed to meet.

Mr. Illerhaus considered that its biggest shortcoming was the weakness of the European Parliament whose powers were inadequate. Its position was not consistent with the basic principles of democracy which were recognized throughout the Six countries. As a result the Executives were taking decisions in key sectors without the Parliament's intervening in any way; political power in the Communities therefore had no broad-based support.

He stressed that it was essential that the Community's future should not be one in which a respect for democracy was lacking. The Communities had so far made considerable progress in the economic field but the institutional system remained unchanged; for both direct elections to the Parliament - provided for in the Treaties - and an increase in the Parliament's powers had remained a dead

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(1) Doc. 118, 1966/67

letter.

Mr. Illerhaus did not conceal his concern at this situation which was liable to hold back the future development of the Community.

He then analysed the background to the report; he referred to the Resolution of June 1963 on the Furler Report. It was his intention to discuss only the main points and the main requests.

There were two alternatives: either to make a radical change in the constitution of the Communities or to improve it within the framework of the Treaties. It was the latter approach that had been adopted in the present report. The requests put forward were designed solely to increase the Parliament's scope for action within the bounds already set.

Mr. Illerhaus then analysed some of these requests: that the Parliament should play a more active part in decision-taking process and greater attention paid to the Parliament's Opinions. He emphasized how important it was to improve relations between the Parliament and the Commission. The Parliament had to be able to make its criticisms clearly heard.

As for transferring prerogatives to the National Parliaments, Mr. Illerhaus dissented. He trusted, none the less, that they would give the European Parliament the support it needed to reassert its position.

He concluded by justifying the timeliness of the report. Once the 1965 crisis had been resolved, he said, there could be no further reason for withholding it. Opportunities for action had to be seized at once.

For the Legal Committee, Mr. Jozeau-Marigné, (Liberal, France) then presented the report - for the Opinion the Committee had been asked for - on Mrs. Strobel's draft resolution.

The Opinion was favourable, subject to reservations on points of phrasing.

With reference to point 5, the Committee fully agreed that the Executive Commission should itself amend its proposals. To make it obligatory for the Commission to consult the Parliament, however, would be without legal foundation because the Commission had the right in this connexion to take the initiative. It was for the Par-

liament to seek the co-operation of the Commission.

The first of the spokesmen for the political groups, Mr. Furler (Christian Democrat, Germany) stressed the part played by the Parliament despite its limited powers in the development of the Community.

He noted that there had been progress regarding the Parliament's right to be consulted, but he deplored the Council's failure to comply with wishes expressed. As a general rule, he said, it was for the Council to keep the general public in Europe informed through the agency of its Parliament.

Mr. Furler also called upon the Commission to safeguard its independence vis-à-vis the Council for it was endowed with the right to take the initiative. The Parliament would continue to support the Commission.

Relations between the Parliament and the Council had to be developed, particularly through the medium of the colloquy.

Lastly, Mr. Furler concluded, it was the position of the European Parliament that had to be strengthened and not that of the National Parliaments.

Speaking for the Socialist Group, Mr. van der Goes van Naters (Netherlands) compared the present report to a medium-term plan. He made no reference to widening the powers of the Parliament or to its election by universal suffrage. He supported the principle of strengthening the economic and democratic components of the Community. In this matter the Parliament had to take its responsibilities seriously.

He criticized Mr. Illerhaus' idea of Europe as a third force.

Lastly he urged the Commission, in the person of President Hallstein, to discharge its responsibility towards the Parliament in a practical way; the Parliament would not let this matter rest.

Speaking for the Liberal Group, Mr. Berkhouwer (Netherlands) said that developments gave no grounds for pessimism.

The path towards democratization, he added, was a matter not for the National Parliaments but for the European

Parliament. The Council had to shoulder its responsibilities towards the Parliament and this principle should find practical expression, when the case arose, in oral questions in particular.

Mr. Berkhouwer stressed how important it was for the Parliament to keep in touch with developments and to take full advantage of modern means of a communication. It had also to become more aggressive.

The spokesman for the European Democratic Union, Mr. Vendroux (France) felt that the report went too far and challenged the institutional balance which the Treaty had sought to establish. He did not share the fear that the Commission might be swallowed up by the Council. He did not agree that the function of the Permanent Representatives Committee should be open to question; it was effective. He was not in favour of increasing the Parliament's powers of control for this would not always be beneficial. Elections to the Parliament, furthermore, might be liable to take away the de facto control of the Council by the national Parliaments.

Mr. Hallstein, President of the EEC Commission, said he was very satisfied with the debate. He agreed that there should be an improvement in relations between the Parliament and the Commission.

He none the less rejected the 'all or nothing' theory. He thought that the progress of the Community was not contingent upon improving the institutions although he agreed this was desirable.

The debate continued with Mr. Vredeling (Socialist, Netherlands) taking the floor. He said that the European Parliament had a greater political responsibility than the Commission and it therefore had to be firm. In the interests of democratizing Europe, he felt it would be valuable for the national parliaments to be more closely associated with decisions taken. The Council, he said, was not institutionally answerable to the European Parliament.

Mr. Illerhaus, the Rapporteur, took the floor again to comment on the speeches made. He re-affirmed his hope that the principles of democracy would win recognition.

At the close of the debate the Parliament adopted the draft resolution submitted by the Political Committee.

In this the Parliament deplored the non-application of democratic principles. It enjoined the Commission to ensure that the Parliament was consulted on important political measures and to make certain that the amendments the Parliament proposed were taken into account. The Parliament expected the Commission to be worthy of its political responsibility. Lastly an appeal was addressed to the national parliaments calling on them to help to ensure that the European Parliament was able to exercise its democratic right to intervene.

## 11. European energy policy

At its session of 20 October the Parliament discussed two reports on European energy policy.

### 1) Petroleum and natural gas

The first report was drawn up on behalf of the Energy Committee by Mr. Leemans (Doc. 117, 1966/67) and dealt with the Community's policy for petroleum and natural gas as outlined in an EEC Commission memorandum. The Commission laid stress on how the Community could secure adequate hydrocarbon supplies cheaply.

The Rapporteur outlined the Commission's proposals and then commented on those for petroleum which represented a step forward towards a common hydrocarbon supply policy. He laid stress on supply diversification in its short and long-term aspects and on the need to prevent short-term supply crises by building up minimum stocks and the need to avoid long-term crises through consultation arrangements with the governments of the exporting and producing countries.

With reference to the contribution that the international and European companies could make to the Community's supply security, he laid emphasis on co-ordinating the action taken by these enterprises and the need to encourage concentrations of international and European enterprises within the Community. The Energy Committee was in favour of tax concessions being granted to petroleum companies operating in the Community.

The Rapporteur dealt with the problems arising because competitive conditions for international companies were not the same as they were for European companies. This



problem had to be solved first, following which anomalies that were fiscal in origin would have to be dealt with. A close examination had also to be made of which companies should attract the 'Community' qualification. Criteria, whereby it could be ascertained without any risk of discrimination whether a given company deserved the protection anticipated in the Commission proposals, had to be defined as soon as possible.

The Rapporteur made certain suggestions on the Community's policy for petroleum:

- a) the need to initiate a common trade policy;
- b) intervention by the Commission to continue wherever national provisions were liable to hamper competition in the Community;
- c) co-ordination of national measures on the basis of Community criteria;
- d) definition of common principles to govern the transport of petroleum.

The Rapporteur then discussed the Commission's proposals for natural gas whose importance, as a source of energy in the Community, was increasing all the time. This was why it would be beneficial for the Commission to draw up coherent proposals for a European natural gas policy so as to strike the best possible competitive balance between natural gas and the other energy sources.

To achieve this the Rapporteur recommended that Community criteria should be established for the exploration and exploitation of new deposits and that detailed plans be drawn up to organize the transport of gas within the Community.

In conclusion the Rapporteur considered that the Commission's proposals were still only a first step towards getting a Community hydrocarbon policy under way. Only a Community policy for all energy sources would be in keeping with Europe's determination to secure its energy supplies on the same terms as the major powers of the world and only this would ensure its success in putting an end to the adverse conditions prevalent on the energy market.

Speaking for the Liberal and Allies Group, Mr. Hougardy, (Belgium) said that he would prefer to see a policy defined rather than a plan drawn up to exploit the petroleum and natural gas reserves within the Community. Similarly he felt there were no grounds for drafting special legislation in the matter of common carriers. He felt

the existing texts were quite adequate. He felt it desirable to ensure, as of now, that national laws on petroleum and natural gas did not stand in the way of the definition of a Community policy for energy.

Speaking for the Socialist Group, Mr. Oele, (Netherlands) felt that the Community's energy policy should secure short and long-term supplies. The coal crisis necessitated substitution arrangements and these should also be embodied in this policy. He asked that the petroleum policy should not be protectionist and he stressed that close co-operation between small and medium-sized companies would be beneficial to the Community's petroleum economy. The Socialist Group approved the draft resolution but found it regrettable that energy policy had been tackled on a sector by sector basis.

Speaking for the European Democratic Union, Mr. Bousch, (France) stressed Europe's need to ensure supply security so as to safeguard its economic independence. In this context he felt the national companies of the member States deserved special consideration. This was why the Community must not rely on the international companies. It was essential to obtain support from the strictly 'Community' companies in drawing up a plan for Community supplies. To counter-balance the privileges of all kinds enjoyed by the international companies in their country of origin, the member States should take measures on behalf of the Community companies in the form of tax concessions and research grants. The end result had to be a genuinely Community hydrocarbon policy.

Speaking for the Christian Democrat Group, Mr. Pedini, (Italy) argued that the common policy for energy should spring not only from an agreement struck between the interests of the governments but also from an act of will on the part of the Community. The group was in favour of co-operation between Community and international petroleum companies and of approximating national laws governing research.

Mr. Carcassonne, (Socialist, France) emphasized that a systematically liberal policy for petroleum would only aggravate the difficulties of the collieries. A coherent policy had to be adopted for the different energy sectors. He also felt that safeguarding the strictly 'Community' petroleum industry was fundamental.

Speaking for the Christian Democrat Group, Mr. Springorum, (Germany) argued that when the Community institutions were merged it would be much easier to draw up a common

policy for energy. He laid stress on the discord on the European market between the various types of enterprise. The Community had to do its utmost to obtain a place for itself on the world energy market. It was only by concerted action that a good energy policy for Europe would be possible.

The Commission proposals differentiated between Community and international petroleum companies. Mr. Marjolin, Vice-President of the EEC Commission, said that this differentiation would not be made any sharper. He also gave an assurance that the Commission did not want a protectionist policy for petroleum. The only protectionist measures in force were ones designed to allow the coal industry to adjust. The Commission stuck to its viewpoint on the need for stocking. He recalled that the Commission had decided that the main petroleum problem was supply security. This had to have priority even if there was no common policy for energy which, moreover, could not be effectuated unless there was a political resolve to achieve success.

Mr. Coppé, Vice President of the High Authority, stated that merging the Community's institutions would not solve all the problems at present preventing the Community from drawing up a common energy policy. If there was to be such a policy, considerable efforts had still to be exerted.

At the close of the debate the Parliament adopted a resolution in which it suggested that the possibilities be canvassed of drawing up a plan to exploit the petroleum and natural gas reserves in the Community and to promote co-operation between Community enterprises to give effect to the principles outlined above; it trusted that a careful study would be made of energy transport trends and that the relevant inferences would be drawn regarding supply and stocking policies. The Parliament considered that it was essential to examine how a single European Executive could co-operate with such groups as the OPEC (Organization of the Petroleum Exporting Countries) and international and European petroleum enterprises to ensure the dependability of supplies for the Community and so promote its economic expansion. It asked that the EEC Commission proposals be supplemented as soon as possible along lines indicated in the report and that any energy policy measure taken might form part of a wider energy policy for the Community. It considered that only a common energy policy for all forms of energy would secure energy supplies for Europe.

Lastly the Parliament noted with concern that energy policy measures being taken in the Common Market stemmed from divergent trends and urged the Council to demonstrate determination in prosecuting a European policy for energy which made full provision for a Community hydrocarbon policy.

## 2) The coal industry

The second report concerning energy policy was drawn up on behalf of the Energy Committee by Mr. Burgbacher (Doc. No. 117, 1966/67). In order to counteract the trend emerging in the coal sector and forestall all the adverse economic and social effects that this trend might have and in view of the fact furthermore that the chances of obtaining a common energy policy were getting steadily poorer, the Energy Committee was convinced that the Council had to intervene without delay and take firm action in the matter of energy policy. The Energy Committee stressed the urgency of interim measures on behalf of certain sectors of the European coal industry. It reminded the Council that the Protocol for Agreement of 21 April 1964 was intended, pending the merger of the Communities, to allow for energy policy measures to be taken. There was therefore no reason for awaiting the merger of the Treaties before setting up a Community energy policy.

In view of the urgency of the matter, the Energy Committee restricted its attention (within the framework of its mandate covering the energy policy aspects of the merger) to submitting a draft resolution on the need to take urgent energy policy measures on behalf of certain sectors of the European coal industry pending the merger.

During the debate which followed the submission of the report by Mr. Burgbacher, all the speakers, Mr. de Winter (Belgium) for the Christian Democrat Group, Mr. Kulawig (Germany) for the Socialist Group, Mr. de Clercq (Belgium) deputy for Mr. Rossi (France) for the Liberal and Allied Group, Mr. Bousch (France) for the European Democratic Union, Miss Lulling (Socialist, Luxembourg) and Mr. Herr (Christian Democrat, Luxembourg), laid emphasis on the need for a common energy policy and deplored the failure of the Ministers to take any decision on this point. This was why one was faced with a coal crisis which called for urgent action at the Community level. All the speakers agreed with the draft resolution submitted by the Energy Committee. Mr. Kulawig and Mr. Bousch laid special stress on the problem of coking coal while Mr. de Clercq (for Mr. Rossi) asked the High Authority if it felt it was still possible to bring in a Community policy for coal.

Lastly, Miss Lulling and Mr. Herr expressed concern at the adverse effects of the present crisis on the Luxembourg steel industry.

Mr. Lapie, a member of the High Authority, recalled what the High Authority had done in its efforts to solve the coal problem and the problem of coking coal in particular which affected both the coal and the steel industries. The High Authority had suggested a solution which comprised three key provisions:

- a) alignment of prices of coal imported from third countries;
- b) subsidizing the collieries;
- c) setting up financial machinery for intra-Community trade.

The Ministers had not accepted these proposals and so the High Authority was at present trying to work out a new solution even though this could only be a stop-gap one. None of these problems could be solved once and for all except as part of a common policy for energy.

In the resolution adopted at the close of the debate the Parliament again noted - it deplored this - that there had been no progress with the merger of the Executives or consequently with the merger of the Communities. It saw no reason for further delay in formulating a Community policy for energy pending the merger of the Treaties and referred back to the Protocol for Agreement of 21 April 1964, the sole purpose of which was to provide a provisional solution to energy problems pending the merger of the European Communities.

The Parliament asked that an interim solution for Community coke be found. It supported what the High Authority had done to bring about such interim solutions. It appealed to the Governments of the member States not to refuse to recognize how essential it was to resolve the coke problem at the Community level if the ultimate prosecution of a European policy for energy were not to be further hampered. Lastly the Parliament stressed that there should also be Community regulations governing coal for domestic consumption.

## 12. The European Parliament's budget for 1967

The Councils of the EEC and the EAEC consulted Parliament by letter dated 20 September 1966 regarding certain amendments they wished to introduce to several items of the preliminary draft budget of the European Parliament.

This concerns in the first place Parliament's establishment plan. In that connexion Mr. E. Battaglia, who had been appointed Rapporteur by the Budget and Administration Committee, pointed out that Parliament merely suggested in its estimates that two Grade A posts and seven Grade C posts be changed. These proposals would not, under present circumstances, make a considerable difference in the structure of institutional staffs since they did not purport to create posts but simply to introduce minor changes. He recalled that Parliament had proved very modest in its amendments to the establishment plan during previous financial years while the Councils had not hesitated in creating for themselves entirely new posts, particularly four Grade A posts for 1967.

The other two comments made by the Councils concerned the installation of the General Secretariat in Luxembourg and Strasbourg. The Rapporteur recorded the fact that the Councils were not against the credits earmarked for the new installation of the Secretariat in Luxembourg. He expressed surprise at the Councils' reservations regarding the advisability of the credits for improving material working conditions for parliamentarians and the Secretariat during the sessions that were held at Strasbourg. In his opinion, these credits were in no way conflicting with the decision of the representatives of the Governments of the member States of 8 April 1965 concerning the provisional setting up of certain institutions and certain departments of the Communities.

Mr. E. Battaglia submitted his report during the public meeting of 21 October 1966 (1). Parliament passed a resolution confirming, on the one hand, the establishment plan previously laid before the Councils and, on the other, its decision to appropriate as soon as it is in possession of all the necessary details and decisions for allocating these credits to the various chapters and items of the budget.

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(1) Doc. 115/1966-67

### 13. Supplementary estimates of the European Parliament for 1966

Credits appropriated in 1966 for staff expenditure were found to be inadequate following the Council's decision to adjust the salaries of all officials to the higher cost of living. Furthermore, contributions to the independent medical funds were also raised with retroactive effect from 1 October 1965. The additional funds requested amount to 269,000 a.u. and may be covered by receipts from the partial winding up of the provident fund set up before the service regulations were drawn up in 1962. It would therefore not be necessary to ask the member States to increase their budgetary contributions. Mr. V. Leemans (Belgium, Christian Democrat), appointed Rapporteur for the Budget and Administration Committee, submitted a brief report on the matter at the meeting of 21 October 1966 (1). Parliament then passed a draft resolution laying down the supplementary estimates and requesting the President to forward these to the Commissions and Councils, to the High Authority and to the Committee of Four Presidents of the ECSC.

### 14. Freedom of establishment for banks and other financial institutions

At its October session the Parliament gave its Opinion during a plenary session on an EEC Commission proposal to the Council for a directive designed to abolish restrictions to freedom of establishment and to the freedom to supply services in the field of non-wage earning activities connected with banks and other financial institutions.

The directive concerned the abolition of discrimination existing in the member States for the branches of activity concerned with respect to nationals of other member States.

In the report (2), the Internal Market Committee noted

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(1) Doc. 114/1966-67

(2) The report by Mr. Leemans, Doc. 105/1966-67

that in practice the draft directive would do little to change the conditions of access to and exercise of banking professions in the Six countries of the Community.

According to the proposal, the activities involved in the exercise of public authority were excluded from this liberalization measure.

In addition, conditions of access in the Six countries were quite different with respect to their own nationals. Consequently, the parliamentary committee felt that the draft directive should have been coupled with proposals relating to co-ordination. It regretted that the EEC Commission had not submitted proposals designed to ensure this co-ordination.

The Economic and Financial Committee had entered an Opinion on this proposal to the same effect as the report of the Internal Market Committee.

During the debate, Mr. Colonna di Paliano, a member of the EEC Commission, stated that the Executive would no doubt still be able to submit a proposal relating to co-ordination in 1966 (involving a co-ordination of the administrative and legislative provisions governing the conditions of access to employment with the public authorities in question) in line with the wishes of the Parliament.

In its Resolution (1) the Parliament noted with regret that the draft directive had come very late in the day in comparison with the timetable laid down in the General Programmes for the abolition of restrictions to freedom of establishment and to the freedom to supply services. It also thought that for this directive to have any real effect it ought to have been accompanied by programme proposals to co-ordinate the administrative and legislative provisions concerning access to, and exercise of, these activities. Subject to this reservation, the Parliament approved the draft directive.

#### 15. Right of farmers to join co-operatives

The general programme for removing restrictions on the

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(1) Resolution of 21 October 1966



freedom of establishment includes a special timetable concerning the right of farmers to join co-operatives, with particular reference to nationals of other member States that have already settled in the host country since the beginning of the third transitional period, i.e. in 1966. The Commission put forward to the Council a draft directive laying down the conditions under which this right would be granted to farmers by the States. The Council informed Parliament accordingly by letter dated 1 March 1966.

Mr. Bersani (Italy, Christian Democrat), who had been appointed Rapporteur by the Internal Market Committee, pointed out that the co-operative movement had found support among farmers and had been greatly enlarged but each member State had given it a different form through various legislative interventions. The Rapporteur did not, however, request an immediate co-ordination of legislation or even the introduction of common legislation although certain legislative texts or certain practices could be continued as implicit conditions of nationality. He thought that the Commission's proposal, by granting to farmers the same terms as those afforded to nationals, was a first necessary and important step towards removing restrictions to the freedom of establishment in farming. This initial directive could only be completed in the sense of an approximation of legislation when the results already obtained in implementing the special programme for the establishment of farmers were known. To this end, the Rapporteur had requested the EEC Commission to let him have a detailed report on the progress of implementation in the member States of the various directives already introduced under this first special programme.

Mr. Bersani presented his report at the public session of 21 October 1966 (1). He was glad to record that an international legal body had been asked - as mentioned by the EEC Commission - to prepare a survey on the general aspects of the co-ordination of legislation applicable to co-operatives in the Six countries.

In reply to the Rapporteur, Mr. Colonna di Paliano, a member of the EEC Commission, stated that he was prepared to inform the European Parliament or its Internal Market Committee of progress achieved in implementing the directives on the freedom of establishment in each of the six States.

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(1) Doc. 122/1966-67

The resolution passed at the end of the debate covered the essential points of the arguments referred to above and endorsed the text of the draft directive submitted for an opinion.

16. Right of farmers to various forms of credit.

In accordance with the general programmes for the gradual suppression of restrictions to the freedom of establishment and free supply of services, the EEC Commission has drawn up a draft directive whose object is to enable farmers who are nationals of a particular member State and established in another member State to enjoy the right to various forms of credit. This proposal was submitted on 1 March 1966 by the Council to the European Parliament for its Opinion. The Internal Market Committee, to which this proposal was referred, appointed Mr. G. Breyne (Belgium, Socialist) Rapporteur (1). The latter endorsed the opinion put forward on the subject by the Agricultural Committee. He thought it would be quite appropriate to exclude from the various forms of free credit facilities those that appear to be connected in some measure with the credit operation. The Rapporteur also agreed with the Agricultural Committee that it would not be essential to include in the directive a list of the restrictions that were to be removed since such an enumeration would only be for indicative purposes and would apply to one member State only. The two parliamentary committees hoped that credit operations would soon be harmonized and that actual free movement of capital and standardization of loan conditions would be added to the free access to credit facilities.

The Economic and Financial Committee, whose Opinion was sought, regretted that the draft directive submitted for Parliament's Opinion was not supported by accurate information showing how the general programmes affected the establishment of farmers who were nationals of the other member States. Such information would make it possible to form an idea of the possible effects of the draft directive, all the more so as the question of access to credit facilities was of great importance. The Economic and Financial Committee hoped in this respect that a large

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(1) Doc. 116/1966-67

European private capital market would develop within the Community and that all farmers would equally be able to apply to it for assistance.

Mr. G. Breyne presented his report during the public meeting of 21 October 1966. He emphasized how difficult it was to distinguish an ordinary loan from one that covered in some form or other a subsidy relating to the credit operation. In his opinion, this operation could be equated with a credit operation. But the Internal Market Committee had decided otherwise and came out in support of the more limitative theory. Mr. Colonna di Paliano, a member of the EEC Commission, pointed out that any obstacles to the freedom of establishment should be clearly referred to so that all the States concerned should have full knowledge of the obligations flowing from the directive. The EEC Commission even proposed to extend the enumeration of obstacles to be removed if, during the Council's debates, it appeared that other forms of restriction had been omitted.

#### 17. Activities ancillary to transport

On 1 March 1966 the Council submitted to the European Parliament, for its Opinion, two draft directives concerning those engaged in non-wage-earning activities ancillary to transport (e.g. travel agents, customs agents, bonders and warehousemen). The first of these directives concerned the abolition, in accordance with the general programmes, of restrictions to freedom of establishment and the free supply of services. The second directive lays down the terms of transitional measures pending the co-ordination of legislative and statutory provisions on access to the above-mentioned activities and the mutual recognition of diplomas and certificates. The Internal Market Committee, to whom the matter had been referred, appointed as Rapporteur Mr. A. Kulawig (Germany, Socialist) while the Transport Committee asked Mr. P. de Clercq (Belgium, Liberal) to draw up a report on its behalf. The latter defended the attitude taken in recent years by the Transport Committee, namely that the problem of the freedom of establishment and the freedom to supply services by those engaged in activities ancillary to transport should only be settled when similar measures were taken by transport firms, either by 31 December 1967 at the earliest or at the end of the transitional period at the latest, and in accordance with the common transport poli-

cy.

The Internal Market Committee felt that it was necessary to distinguish between technical services in connexion with transport facilities and actual transport agents whose commercial rôle seemed predominant. Technical services should be related to transport itself. As for transport agents, they should follow the particular rules of the Treaty concerning the freedom of establishment and the free supply of services. The Internal Market Committee found that under the general programmes the activities of transport agents should have been freed by 31 December 1963 at the latest. It had no intention of deferring this limit date to 31 December 1967, when transport activities proper and technical services services must be freed. Neither did it intend to defer these to an as yet uncertain date when the common transport policy would be implemented. For these reasons, the Internal Market Committee approved, subject to certain minor amendments, the two draft directives submitted for its Opinion.

During the debate that was held on 21 October 1966 on Mr. Kulawig's report (1), Mr. Colonna di Paliano, a member of the EEC Commission, endorsed the views defended by the Rapporteur, as he considered that the course advocated in the general programmes would be a logical solution to which one should keep if one did not wish to impair the agreement on the right of establishment and the freedom to supply services. The European Parliament then passed the two draft resolutions thereby marking its approval of the draft directives submitted for its Opinion.

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(1) Doc. 99/1966-67

b) Work of the Committees in October

Political Committee (1)

Meeting of 30 October in Brussels: Examination and adoption of the draft report drawn up by Mr. Illerhaus on the European Parliament's attitude on recent institutional developments in the European Communities and on the draft resolutions by Mr. Birkelbach and others of 8 January 1964, by Mrs. Strobel for the Socialist Group of 21 October 1964, by Mr. Dichgans of 21 January 1965 and by Mrs. Strobel for the Socialist Group of 13 May 1966; Mr. Hallstein was present.

Appointment of a Rapporteur for the annual reports on the Association between the EEC and Greece.

Appointment of a Rapporteur for the annual report on the Association between the EEC and Turkey.

Meeting of 19 October in Strasbourg: Selection of several subjects to be suggested to the bureau of the Parliament in anticipation of the annual colloquy to be organized between the Parliament, the Councils, the ECSC High Authority and the EEC and Euratom Commissions; Mr. Sassen was present.

External Trade Committee (2)

Meeting of 10 and 11 October in Rome: Discussion with Mr. Rey, a member of the EEC Commission, on relations between the Community and third countries and on the Community's international relationships within the framework of international organizations:

- a) the Community and third countries in Europe (Greece, Turkey, Austria, Spain, the United Kingdom, Ireland, Switzerland and the Scandinavian countries);
- b) the Community and third countries in the Near East and North Africa (Iran, Israel, The Lebanon, Tunisia, Morocco, Algeria and Libya);

- c) the Community and the countries of Latin America;
- d) the Community and countries where wages are low (Japan) and certain developing countries in Asia (India and Pakistan);
- e) the Community and multilateral organizations (GATT - the Kennedy Round; the United Nations World Trade and Development Conference).

### Agricultural Committee (3)

Meeting of 3 October in Brussels: Report by Mr. Mansholt, Vice-President of the EEC Commission, and discussion with him on the Council decisions on a) common prices; b) on the offers to be made with reference to agricultural products in the Kennedy Round; c) on the negotiating mandate for a world agreement on cereals; d) discussion on the report of the Commission to the Council on developments in the cereal sector since the Council decision of 15 December 1964.

Joint meeting with the External Trade Committee on 11 and 12 October in Rome: Report by Dr. O. Matzke, Deputy Director of the Planning Division of the 'World Food Program' on the problems of the world's food requirements and on the programme of assistance in this field.

Discussion of the draft report by Mr. Lückner on problems connected with the conclusion of a world agreement on agricultural products, particularly cereals, and on the Opinion drafted by Mr. Kriedemann for the External Trade Committee.

Meeting of 12 October in Rome: Resumption of the study of the draft report by Mr. Lückner on problems connected with the conclusion of world agreements on agricultural products, particularly cereals.

Approval of a draft report by Mr. Lardinois concerning a regulation amending Regulation 121/64/CEE of the Council on the system applicable to imports of rice originating in Madagascar and Surinam.

Meeting of 26 October in Brussels: Examination of the

preliminary draft budgetary estimates for the Community for 1967.

First examination of the 'Report on the situation in the fishery sector in the EEC member States and on the basic principles of a common policy.'

First examination of a draft directive on the approximation of the laws of the member States concerning the classification of unworked timber with a view to drafting an Opinion to be referred to the Internal Market Committee.

First comments on the draft Resolution drawn up by Mr. Lükker appended to the draft Report on problems connected with the organization of the world agricultural product markets.

#### Social Committee (4)

Meeting of 13 October 1966 in Brussels: Examination and adoption of the draft Opinion by Mr. Bersani on the proposal on the draft medium-term economic policy programme.

Meeting of 27 October 1966 in Brussels: Examination resumed of the report by Mr. Müller on the social situation and of the draft Resolution appended to this report.

#### Internal Market Committee (5)

Meeting of 3 October in Brussels: Examination of and vote on the draft report on a proposal for a directive designed to give to farmers, who are nationals of one member State and established in another, the right to take advantage of the various forms of credit available; representatives of the EEC Commission were present.

Discussion with the EEC Commission on its draft regulation (published in the Official Gazette of 26 August 1966) on the application of Article 85,3 of the Treaty to certain types of 'sole rights', bilateral agreements

and concerted practices.

Meeting of 14 October in Brussels: First examination of the EEC Commission proposal to the Council for a first directive to co-ordinate the administrative and legal provisions governing access to and exercise of the activity of direct insurance other than life insurance; representatives of the EEC Commission were present. Rapporteur: Mr. Deringer.

Examination of and vote on the draft report on a proposal for a Council directive designed to enable farmers, who are nationals of one member State and established in another, to join co-operatives; members of the EEC Commission were present.

#### Economic and Financial Committee (6)

Meeting of 4 October in Brussels: Adoption of a draft report by Mr. Baas on the EEC Commission proposal to the Council on a directive concerning the communication to the Commission of statistical data on capital movements to and from third countries and on the EEC Commission recommendation on a decision relating to the organization of consultations within the Community on national policies with regard to capital inflow from third countries. Statement by Mr. Marjolin on the most recent meeting of the International Monetary Fund in Washington. Discussion on a draft report by Mrs. Elsner on the EEC Commission proposal to the Council on a draft medium-term economic policy programme. Discussion on the draft memorandum on the definition of general objectives for steel for the Community for 1970; Mr. Reynaud, a member of the High Authority, was present. Appointment of Mr. Kriedemann as Rapporteur. Adoption of an Opinion by Dr. Dröscher on the EEC Commission proposal to the Council on a directive designed to effectuate freedom of establishment for farmers who are nationals of one member State and established in another, and enable them to get the benefit of the various forms of credit.

Meeting of 25 October in Brussels: Examination of a draft report by Mrs. Elsner on the first medium-term economic policy programme.



Committee for Co-operation with Developing Countries (7)

Meeting of 18 October in Strasbourg: Report by the Chairman on the first fact-finding trip to the Associated States (Madagascar, Burundi and Ruanda) which took place from 1-11 October 1966.

Discussion on the problems arising in connexion with technical assistance on the part of the EEC to the General Hospital of Mogadishu.

Transport Committee (8)

Meeting of 27 October in Brussels: Adoption of the report by Mr. Drouot L'Hermine on:

- a) a directive concerning the approximation of laws on the direction indicator equipment in motor vehicles;
- b) a directive concerning the approximation of laws on the braking systems of certain categories of motor vehicles;

Adoption of the Opinion drafted by Mr. Drouot L'Hermine on a directive concerning the approximation of laws on eliminating the radio interference caused by motor vehicles.

Adoption of the Opinion drafted by Mr. Naveau on a directive concerning the approximation of the laws of the member States on wheeled farm tractors (maximum speed, driver's seats and loading platforms).

Research and Cultural Affairs Committee (10)

Meeting of 28 October in Jülich: Visit to the nuclear centre at Jülich and discussion on the achievements of this centre. Appointment of Mr. Catroux as Chairman, Mr. Schuijt and Mr. Merten as Vice-Chairmen and Mr. Berkhouwer as members of a delegation to represent the Research and Cultural Affairs Committee at a meeting to be held with the Budget and Administration Committee to examine the

Euratom's preliminary budgetary estimates for 1967.

Health Protection Committee (11)

Meeting of 14 October in Brussels: Examination and adoption of the draft Opinion by Mrs. Gennai Tonietti, to be referred to the Social Committee, on those parts of the report on social developments in the Community in 1965 coming within the terms of reference of the Committee; representatives of the EEC Commission were present. Examination and adoption of the draft report by Mr. van der Ploeg on the EEC Commission proposal to the Council for a directive on the approximation of the laws of the member States on colorants used in pharmaceutical products. Representatives of the EEC Commission were present.

Budget and Administration Committee (12)

Meeting of 11 October in Brussels: Examination of and vote on the draft report on Euratom's draft supplementary research and investment budget for 1966 and on certain other budgetary questions concerning Euratom; representatives of the Euratom Commission were present.

Examination of the Euratom Commission's budgetary proposals for 1967; representatives of the Euratom Commission were present.

Committee for Associations (14)

Meeting of 17 October in Strasbourg: Discussion on the working document drawn up by Mr. Erez for the delegation of the Grand National Assembly of Turkey in anticipation of the forthcoming meeting of the Joint EEC-Turkey Parliamentary Committee.

Examination and approval of the draft programme to be submitted to the bureau of the Parliament concerning a

fact-finding trip to be made to Turkey on the occasion of the second meeting of the Joint Parliamentary Committee.

Discussion on the outcome of the Seventh meeting of the Joint EEC-Greece Parliamentary Committee which took place in Toulouse from 29 September to 1 October 1966.

## c) Activities of the Political Groups

### Conference in Munich of the Christian Democrat Group

The Christian Democrat Group of the European Parliament held a three day conference in Munich from 5 to 7 October 1966.

Mr. Lückner, the German MP, gave the Group an outline of the most recent activity report of the EEC Commission. He dwelled particularly on the current aspects of the Community's enlargement. The Group advocated other European States' joining the EEC. The political objectives of the existing Treaties, however, could not be called into question. The present need was to create the sort of conditions - through bilateral talks between governments - conducive to an early resumption of negotiations, with the United Kingdom and the Scandinavian countries, which held out some real chance of success. Mr. Lückner also referred to Euratom's still unresolved financial crisis, the ECSC's economic crisis and the 'aftermath' of the crisis prevailing in the EEC because the political issues had still found no solution.

Professor Hallstein, President of the EEC Commission, spoke of the Kennedy Round. Apart from cuts in customs duties, the main concern at Geneva should be to reach agreement on the principles to govern the organization of world trade. At present international trade in agricultural products could only be described as chaotic. He was, he said, optimistic as to the outcome of the negotiations. A successful conclusion would also help to bridge the gap between the EEC and EFTA. Politically too, it would induce the USA to recognize Europe's efforts to reach agreement and progress further towards partnership on a parity basis. He concluded by stressing that to give effect to the idea of a united Europe and to be able to deal on a basis of equality with the United States of America, there had to be a united Europe.

Mr. Strauss, CDU Chairman, came out strongly in favour of closer co-operation with France. The only signs of a driving force towards an independent European policy, of the kind needed today vis-à-vis the nuclear world powers, came from France. Mr. Strauss further stated that, at the consultations held in July 1964, General de Gaulle had offered the German Government a common approach to all matters affecting policy on the East European countries;

is was contained in the Protocol. This initiative had been frustrated. General de Gaulle's closest partners, from Germany to America, had proved intractable; he had therefore stepped beyond his own and the European sphere of interest and was attempting to influence Europe from without. Instead of criticising General de Gaulle all the time, the European states would be better employed in working with him to build a stronger and more solid basis for European policy.

The CSU President stressed that the United Kingdom had so far become a member of a European Union in due course. It seemed, however, that there was not the necessary political will on England's part, any more than there had been earlier, to share the destiny of her European neighbours on all counts. England could not play on two pianos, if she wished to play her rightful part on the European stage. Today a political understanding was necessary between Paris, Bonn and London. England had first to take political decisions before joint discussions upon her accession to the EEC could begin.

Mr. Strauss strongly criticized the false impression created by recent German Government statements in Oslo and Stockholm. These cheerless comments on the political support of the EEC and on a political core of Europe had had a particularly negative effect in France. It was already possible to speak of a real crisis of confidence which had principally affected the really committed supporters of integration, usually described as the 'European opposition' in France, with respect to German policies. The EEC had to be strengthened by governmental decisions on foreign and defence policies. Mr. Strauss called upon the Christian Democrat members of the European Parliament to intervene to press for the headquarters of the Atlantic Council's remaining in Paris.

The Italian Senator Moro felt that the Christian Parties in the EEC had to have a unified political will. He was critical of France's attitude which had led to a crisis in the European Community. To change the present absurd and unbearable situation in the Europe of the Six, the Christian Democrat Group had to take new initiatives. Above all there was a lack of democratic control over the common European institutions and the European Parliament's powers were inadequate. He proposed an information and public relations campaign on the part of the Christian Parties in favour of an integrated Europe and called for the creation of a committee of lawyers to give effect to the - at present inoperative - Community Treaties in the individual member States. (European Parliament, Press

release of 6 and 7 October 1966 on the Munich Conference  
of the Christian Democrat Group of the European Parlia-  
ment.)