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EUROPEAN PARLIAMENT

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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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PARLIAMENTARY ACTIVITY

EUROPEAN PARLIAMENT

a) Session of 30 January to 3 February in Strasbourg

1. Arrangements for the joint control of import quotas

On 30 January the Parliament approved, without debate, the resolution submitted at the conclusion of the supplementary report drawn up for the External Trade Committee (1) by Mr. Vredeling (Socialist, Netherlands) on the amended EEC Commission proposal to the Council for a regulation on the phased introduction of arrangements for the joint control of quotas on imports into the Community.

It was noted with satisfaction in the resolution that the EEC Commission had incorporated in its amended proposal to the Council either the wording or the substance of nearly all the amendments tabled by Parliament at its session in May 1966. Parliament therefore decided not to press for the inclusion of the other amendments it had proposed.

2. Trade in fats between the Community and Greece

During the course of the same session on 30 January, the Parliament approved, without debate, the resolution submitted at the conclusion of the supplementary report drawn up for the Committee for Associations (2) by Mr. Faller (Socialist Germany), on arrangements for trade in fats between the Community and Greece. The resolution approved the policy pursued by the EEC Commission on trade in fats between the Community and Greece.

(1) Doc. 153/1966-67

(2) Doc. 168/1966-67

3. Euratom's budgetary questions

At a public session held on 30 January 1965, Parliament passed, following a report introduced by Mr. H. Merten (Socialist, Fed. Rep. of Germany) the ECSC's additional research and investment budget for 1966 (1). In this connexion, Mr. Merten asked the representative of the Euratom Commission for information on the progress of work concerning the research and investment budget for 1967 and the extension of the five-year programme. In the opinion of his Group, Euratom's work which may be regarded as remarkably successful for the member States of the Community, must not only be pursued but should be extended to other fields of research, since such research is essential to economic progress.

Mr. Margulies, a member of the Euratom Commission, stated that the Council had been unable to draw up the research and investment budget for 1967 as no agreement has been reached on a second amendment to the current programme suggested by the Commission. He stated, in addition, that the research and training programme would be replaced in 1968 by an 'action programme' which was now being drawn up. In the course of the next few days the Commission would put forward a project for the opinion of the Consultative Committee on nuclear research. It would also seek the opinion of other consultative bodies on scientific and technological matters. The 'action programme' would most probably be forwarded by the Council in September 1967 at the same time as the draft budget for 1968.

Mr. Pedini (Christian Democrat, Italy) endorsed, on behalf of his Group, Mr. Merten's statement concerning Euratom's future and the Community's research policy. He also obtained from the representative of the Euratom Commission the assurance that work on the ECO-ESSOR test reactor would not be delayed.

4. The operation of the coal and steel market and the objectives for steel up to 1970

At the public meeting of 31 January 1967, Parliament introduced and discussed two reports relating to the

(1) Doc. 174/1966-67

coal and steel industry, one of which had been drafted on behalf of the Internal Market Committee and the other on behalf of the Financial and Economic Committee. It will be remembered that at Parliament's session of November 1966, Mr. Del Bo, President of the High Authority, had reported on the position concerning coal and steel matters as well as on coal matters in relation to coal and steel production. The report had been forwarded to the Internal Market Committee - in its capacity as the committee ultimately concerned - and to the Energy, External Trade and Economic and Financial Committees for their opinions.

Mr. Blaisse (Netherlands, Christian Democrat), appointed rapporteur by the Internal Market Committee, seeks in his report long and short-term remedies to the perturbing situation on the steel market (1). For several years now steel sales have been increasingly difficult. Production capacity is now only used up to 78.5 per cent whereas in 1960 it had reached the figure of 96 per cent. This comparative production lag can be accounted for by the drop in steel consumption in processing industries and by the size of investments in the 60's. The worst effects of the present market position will of course be on the prices which, on average, were 20 per cent below list-prices, but above all in the dwindling self-financing possibilities of firms which have to resort, to a greater extent, to loans.

As a short-term aim, the Internal Market Committee suggest that the balance between production and consumption be restored. The long term aim should be to ensure the competitiveness of Community coal and steel on world markets under normal and fair conditions of competition.

The Internal Market Committee noted that plans and projects for expanding the steel industry had recently been drawn up in the various member States. It pointed out in this connexion that any action on the part of a member State must aim at ensuring the satisfactory operation and normal development of the general economy and that it should not aim at taking measures that were incompatible with the objectives laid down in the first articles and the preamble to the ECSC Treaty.

(1) Doc. 173/1966-67

For its part, the Internal Market Committee supported the High Authority in its attempt to streamline supply and demand by urging enterprisers to keep their production under control. Such a step, based on Articles 46 and 47 of the Treaty, could not be coercive with regard to enterprises without making it clear that they were infringing Article 65, which prohibits concerted practices. Should this measure fail to produce the anticipated results, then the Committee and the High Authority felt that it would be necessary to envisage resorting not to Article 58 (which tends to fix production quotas) and was regarded as too rigid, but to Article 95 (cases not provided for in the Treaty) with a view to taking not only long-term but also short-term policy measures.

The Committee requested the High Authority to pursue its efforts with a view to ensuring the transparency of the market by means of price control, in co-operation with the Governments of the member States.

The Internal Market Committee dealt not only with market problems but also with 'structural' questions for improving the competitiveness of the coal and steel industry. It requested the High Authority to provide information on the proportion of firms that had obviously become technologically obsolescent, and to consider measures for closing down these firms partly or entirely. The committee was in favour of company concentrations, especially concentrations that would be made 'over the borders'. It hoped that a Community solution would be found to the question of coking coal supplies i.e. a solution that would ensure similar competition conditions for all coal and steel enterprises and enable the ECSC collieries to market their production. The Energy Committee came out in favour of a temporary system of subsidies to intra-Community coking coal trade, that is a system that could be embodied in an overall energy policy which had still to be defined.

Mr. Blaisse's report concluded with an appeal to the High Authority to do everything in its power in order that changes currently taking place in the European coal and steel industry should not be to the detriment of workers who would have to adjust themselves to the new situation.

The report on general objectives concerning the modernization, long-term manufacturing targets and production capacity expansion arrived at somewhat different conclusions from those of the Internal Market Committee (1).

(1) Doc. 172/1966-67

The Economic and Financial Committee felt that the difficulties with which the coal and steel industry was grappling varied considerably in kind. The rapporteur considered that the difficulties experienced in the coal and steel industry were only partly due to the economic situation and that the decisive factors were the technical adjustment and certain changes that had occurred in the meantime on the markets. Thus the rapporteur was not at all sure that general measures would be effective and warranted. He believed it essential for the High Authority to state much more clearly than in the Memorandum its opinion on the situation. It was desirable to bring into relief regional and local differences and the causes thereof. To arrive at a more detailed analysis of the situation, the rapporteur put a number of questions to the High Authority.

The Economic and Financial Committee regretted that the Council, despite the High Authority's efforts, should manifestly be unable to introduce a common coal and steel policy. With a view to determining policy responsibilities, the Committee requested the High Authority to provide information on efforts made by the latter. If a common coal and steel policy was regarded as essential, then it was equally essential to find means of implementing such a policy. On the other hand, in case amendments to the Treaty were necessary, then the High Authority should make suggestions to this effect to the Council.

It was absolutely indispensable, according to the report, that measures to ensure the competitiveness of the coal and steel industry should be coupled with measures to prevent untoward social consequences of the former measures.

The Economic and Financial Committee was convinced that co-ordination of investments in the coal and steel sector was a fundamental condition for improving the relationship between capacity and demand, which is necessary to greater competitiveness. It believed that the High Authority should increase its efforts in that direction, particularly by providing guidance to all those that take part in decisions reached by enterprises with regard to investments.

According to the report, a larger degree of harmonization would be needed between mean-term economic policy objectives and local objectives - in the circumstances the 'steel objectives' of the member States. It pointed out, however, that these conditions were not met in all the member countries, especially in those where there

was no mean-term programme.

After presenting the two reports, Mr. Illerhaus (Federal Republic of Germany) signified the Christian Democrat Group's approval of the whole of the report drawn up by Mr. Blaisse. The High Authority's policy was, quite appropriately, based on a stricter implementation of Articles 46 and 47 of the ECSC Treaty. Enterprises should in no circumstance rely on premiums granted when factories were closed down, i.e. premiums distributed by the High Authority in order to fill the gap between the production potential and actual production. It would appear, moreover, that the High Authority should have dispelled any hopes that may be entertained on the subject. It should, at any rate, ensure that competition was maintained by means of measures to be taken in order to reorganize markets and to promote the concentrations that are necessary for rationalizing production, as is the case when obsolescent factories are closed down.

The ability to secure coking coal supplies at world market prices was vital to the coal and steel industry and, indirectly, to steel users who must remain competitive on export markets. It was for the same reason that the steel market should arrive at a greater degree of transparency and that the question of setting steel prices should be closely watched. The Christian Democrat Group expected the High Authority and the ECSC Council to introduce as soon as possible a Community regulation on assistance to coking coal. It invited member States not to disregard proposals made by the High Authority with a view to finding Community solutions in connexion with trade policy. It drew the High Authority's attention to the financial means that were available to it in order to deal with regional problems and social questions raised by structural changes in the coal and steel industry. Lastly, it believed that member States should co-ordinate their national plans on a Community level especially with regard to investments.

Mr. Pedini (Christian Democrat, Italy) regretted that there were still numerous nationalistic trends that often took the form of bilateral agreements on coal and steel problems. In his opinion, the time has come to lay down an industrial policy within the framework of common economic institutions, namely a policy designed to enhance the value of all the basic sectors of economy and not only coal and steel. Such an industrial policy should be concerned with the object of assisting developing countries through a better distribution of means of production.

On behalf of the Socialist Group, Mrs. Elsner (Federal Republic of Germany) stressed the need for investment co-ordination and for a policy aimed at closing down uneconomic enterprises. Mrs. Elsner was of the opinion that, in the interest of the Community and especially for social considerations, it will be unavoidable to give secondary importance for some time ahead to economic location problems with which coal and steel firms that have to use Community coal are faced. The Socialist Group was in favour of a Community solution to the Community's difficulties. It trusted that the High Authority will make more complete proposals than those embodied in its Memorandum on general objectives.

The Socialist Group's viewpoint was also put forward by Mr. Seuffert (Federal Republic of Germany). He was gratified to note that the High Authority was now about to introduce a proper steel policy in the Community, based on forecasts which even specified production per enterprise. The speaker referred to concerted attitudes, cartels and other practices prohibited by the ECSC Treaty. He noted in this connexion the High Authority's statements whereby it was prepared to take action in future, in spite of all difficulties, with a view to ensuring compliance with the Treaty. The Socialist Group was not opposed to mergers of enterprises, especially if these resulted in creating economic and financial links beyond the borders. On the other hand, he was not prepared to accept a policy aiming at partitioning off national markets by setting up obstacles to trade.

Mr. Bech (Christian Democrat, Grand Duchy of Luxembourg) put forward the opinion of the External Trade Committee on the reports submitted by Messrs. Blaisse and Kriedemann. His Committee endorsed the attitude of the High Authority which had not suggested measures aiming at strengthening protection on external borders. Regulations on subsidies to coking coal could remain in force until 1 June 1968 when a common trade policy should be achieved and applied to the coal sector as well.

The Committee was even of the opinion that the present peripheral production could be weakened. It supported, in part, the standpoint of the High Authority whereby it was particularly important, in the Kennedy Round of negotiations, to arrive not only at a tariff reduction but also and above all at a harmonization of entry duties charged by steel producer countries.

Mr. Catroux (European Democratic Union, France) found that the drop in steel prices was largely due to the

pressure exerted by Belgian and Luxembourg supplies to the French and German markets. In his view the interpenetration of trade had been introduced too soon and it would be advisable for the High Authority, with the support of the governments, to take immediate action by momentarily blocking, at the present level, intra-Community trade.

Mr. Armengaud (Liberal, France) suggested to the High Authority a range of possible solutions. He felt, in fact, that the High Authority's statements did not provide a satisfactory Community solution to the problems of the coal and steel industry. He submitted to the European Parliament an amendment whereby Parliament, instead of expressing confidence in the High Authority, would invite the latter to inform Parliament of any structural and cyclical measures it proposed to take with a view to resolving the problems with which it was faced. The amendment was rejected.

Mr. Berkhouwer (Liberal, Netherlands) made several observations relating to the lack of precision of the basic data supplied by the High Authority on its policy regarding European coal and steel problems. By suggesting that exceptional steps be taken in case indirect measures proved to be inadequate, the High Authority seemed to want to overlook some of the intervention possibilities afforded by the Treaty.

The speaker wondered whether it was advisable to 'express confidence' in the High Authority as suggested in the draft resolution.

Mrs. Gennai Tonietti (Christian Democrat, Italy) thought that it would be preferable to stimulate market demand than to reduce production. The second alternative would not fail to have unpleasant social repercussions.

Mr. Oele (Socialist, Netherlands) was in favour of a Community investment programme that would combine the EEC's mean-term economic policy with national investment programmes in respect of steel.

Mr. Dichgans (Christian Democrat, Federal Republic of Germany) was against subsidies to coal and steel enterprises. He would only support a steel policy that could also be applicable to other economic sectors.

In reply to the various speakers, Mr. Hellwig, a member of the High Authority, stated that the High Authority did not exclude the possibility of applying minimum steel

prices but that it must, beforehand, find out the position on the market and that it had passed for this purpose a regulation enforcing the obligation on the part of enterprises to declare prices charged for coal and steel product deliveries. If the High Authority had suggested the application of Article 95 when indirect measures were insufficient, it was because it found in that article - more than in Article 58 - a possibility of adjusting its intervention to circumstances, bearing in mind, for instance, the distribution of production between profit-making enterprises and obsolescent ones. The immediate solution of freely accepted discipline by enterprises was, in the opinion of the High Authority, an efficient means and, at the same time, one that was least likely to hamper competition.

That solution appeared preferable to one that consisted in a stricter application of pricing rules, for controlling prices has always been extremely difficult unless one had a host of inspectors and closer co-operation between member States. In any case, the interests of users had been sufficiently borne in mind to make it possible to uphold those of producers as well.

Replying to Messrs. Catroux and Armengaud, the High Authority's representative could not accept as compatible with the aim of a common market the idea of subjecting trade between member States to quantitative control. Article 37 had made it possible in the past to isolate the Belgian coal market but that article presupposed the initiative of a member State.

Addressing Mr. Berkhouwer, Mr. Hellwig stated that the question of raising the countervailing tax had to be considered within the framework of the introduction in Germany of the added-value tax (AVT) which presupposed a co-ordination of rates. If, on the other hand, member States were consulting with one another on current matters appertaining to the coal and steel market, then the High Authority saw no reason for intervening in view of the partial nature of the integration provided for in the Treaty.

Lastly, in connexion with reduced rate credits granted under professional plans or programmes, the High Authority regarded these as a solution on the part of the governments to a capital market problem which did not come under its jurisdiction and whose harmonization could not be achieved by a specific regulation from the ECSC.

Mr. Reynaud stated, on behalf of the High Authority, that the Community's coal and steel industry should adjust itself not only to technical developments and to new conditions on the raw materials market but that it should also do so where demand was sagging. The High Authority advocated reforms that would meet the imperative needs of this treble movement. The aim to be reached was a long-term coal and steel policy that took account of economic, social and technical aspects.

With regard to the structure of enterprises, the coal and steel industry was compelled to modernize by avoiding surplus capacity development. This was, indeed, the object of the concentration and investment policy of the High Authority. The comparatively reduced size of Community enterprises had induced the High Authority to accept concentrations, the creation of selling organizations, specialization agreements and co-operative production units with the only proviso that some degree of competition would be maintained.

The means available to the High Authority for action in respect of investments (general objectives and opinions on investment projects by enterprises) were useful but insufficient. The High Authority agreed with the suggestions made in the Kriedemann report for increasing co-ordination on investments.

Concerning the location of coal and steel enterprises, the High Authority's policy was not to oppose the movement of industries towards the coast.

Mr. Reynaud stated that the High Authority was more than ever convinced of the need to advance on the path of a reconversion policy in order that the necessary change in the coal and steel industry should take place without harming workers, executives and areas. This policy, which had been introduced by the High Authority, should become part of the overall regional and economic development of the Community.

Mr. Linthorst Homan, a member of the High Authority, declared that following an oral question put by Mr. Berkhouwer, the High Authority had investigated certain agreements concluded by enterprises in violation of Article 65 of the ECSC Treaty. The investigation had revealed that certain international agreements involving enterprises under the ECSC's control could have a nefarious effect on competition within the Common Market. The investigation was going on. The High Authority hoped,

moreover, that the European Parliament would soon resume its examination of the competition policy followed in the ECSC.

Mr. Coppé, Vice-President of the High Authority, stated that whilst the Paris Treaty provided a wide range of measures to meet difficulties, a political will was required to implement these measures. In connexion with the question of the location of enterprises, Mr. Coppé pointed out that it was possible to arrive at a solution. A first step in that direction had already been taken by the High Authority when it proposed to the Council to grant subsidies for coking coal produced in the Community in order to reduce the price to the level of that of coal imported from third countries.

At the end of the debate, the European Parliament passed the draft resolution put forward by the Internal Market Committee which summed up the report drawn up by Mr. Blaisse. In that resolution Parliament stated its confidence in the High Authority to resolve problems raised and requested the High Authority to submit in due course a report on results obtained or remaining difficulties. It also invited the High Authority and the Council to consider the extent to which the Treaty provisions could be amended in order to take account of a coal and steel situation that differed from that at the time when the Treaty was drafted.

In the resolution which it passed following the report presented by Mr. Kriedemann, the European Parliament invited the High Authority and the Council to submit as soon as possible a programme for adapting the coal and steel industry to the economic and technical development and to provide for Community measures to meet the current danger of a crisis.

5. European social policy

In the presence of Mr. Léon Servais, Belgian Minister of Labour and President of the Councils, the European Parliament debated the results of the meeting of Social Ministers of 19 December 1966 at its session of 1 February 1967. The discussion was based on a report prepared by the chairmen of the two Committees responsible for social policy, Mr. Troclet and Mr. Dittrich, on behalf

of the Social Committee and Health Protection Committee (1).

In his introductory address, Mr Troclet sharply criticized the Council of Ministers whose inactivity, stretching over a period of more than two years, had also held up the work of the EEC Commission. The Council's conduct amounted, in his view, to a downright violation of the Treaty. Although Mr. Troclet welcomed the initiative shown by the Netherlands Social Minister in submitting to the Council a memorandum on the future social policy, he expressed strong dissatisfaction with the results of the Council's meeting of 19 December. The only practical measures decided upon concerned the dismissal of Italian sulphur mine workers. Although the Social Committee regarded the solution as substantially satisfactory for those affected, Mr. Troclet criticized the procedure adopted in deciding on these measures. It was particularly to be regretted that they had not been channelled through the European Social Fund instead of being bilaterally agreed. The Committee warned especially against the tendency to resort to bilateral or multilateral ad hoc procedures instead of adopting a Community approach in dealing with social questions.

The Social Committee was also deeply concerned about the large number of problems on which the Council had still taken no decision despite the fact that it had received from the Commission proposals regarding them which, in most cases, had been backed both by the Parliament and by the Social Committee. Particularly regrettable was the fact that the long overdue reform of the Social Fund, the scope of whose activities needed widening, was such a long time in coming.

A second major sphere calling urgently for a Community approach was speeded-up occupational training. If the Council did not soon come to a decision, there was a growing danger that the problem would be dealt with more and more at governmental rather than Community level.

Apart from these two major spheres in which a decision was long overdue, the Committee pointed to a whole series of questions which the Council of Ministers had failed to deal with on 19 December. A complete list of these appears in Annex I to the report.

(1) Doc. 171/1966-67

Although the Social Committee approved in principle of the one actual decision taken regarding the Italian sulphur mine workers, it was nevertheless concerned about the dubious conditions under which it had been reached. Four basic principles had been disregarded:

1. The measures should have been channelled through the European Social Fund. Moreover, express recourse should have been had to Article 128 of the EEC Treaty.
2. Parliament should have been consulted on the last amended proposals submitted by the EEC Commission to the Council of Ministers. Since, however, Parliament was not allowed sufficient time to express its views, and since the measures had to be decided upon as rapidly as possible, it proved to be impossible to follow the procedure laid down in the Treaty.
3. Community regulations would have reflected the spirit of the Rome Treaty, but not ordinary bilateral arrangements as in the case of occupational training or multilateral ones as in the case of the measures on behalf of Italian sulphur mine workers.
4. So as not to disturb the constitutional balance existing between the Community institutions, the powers of the Committee of Permanent Representatives should not be widened at the expense of those of the Commission, as in fact occurred in the case of the measures on behalf of the sulphur mine workers, the European Social Fund and speeded-up occupational training.

Mr. Dittrich, chairman of the Health Protection Committee, then took the floor and also criticized the Council of Ministers for its failure to deal with a whole series of proposals going back to 1964 and 1965. These included:

- a) a proposal for a directive on the approximation of legal and administrative provisions governing the manufacture and use of cartridge-operated stud drivers, submitted on 15 October 1964; Parliament's Opinion delivered on 18 January 1965;
- b) proposal for a directive covering hygiene and food aspects of trade in meat products, submitted on

5 February 1964; Parliament's Opinion delivered on 18 June 1964;

- c) proposal for a recommendation on hygiene in trade in fresh poultry-meat, submitted on 5 February 1964; Parliament's Opinion delivered on 18 June 1964;
- d) proposal for a directive on the approximation of member States' legal provisions on anti-oxidants permissible in foodstuffs, submitted on 21 September 1964; Parliament's Opinion delivered on 20 January 1965;
- e) proposals for
 - I - a directive on the approximation of legal and administrative provisions governing dangerous substances and preparations,
 - II - a directive on the approximation of legal and administrative provisions governing the classification, identification and packaging of dangerous substances, submitted on 15 June 1965; Parliament's Opinion delivered on 26 November 1965.

Mr. Dittrich made a number of further suggestions for other social policy measures:

1. In order to co-ordinate and push on with the legislative work of member States on industrial safety and health protection, the Commission should be given an opportunity to set up a special department for the purpose.
2. The Commission should hold talks at European level, at regular intervals and jointly with the International Labour Office, on accident prevention and industrial safety problems.
3. The Council should make sufficient staff available to the Commission to enable it once and for all to ensure harmonization of the medical and similar professions.

In the ensuing debate Mr. Pètre spoke on behalf of the Christian Democrat group. He fully approved of the report by Mr. Troclet and Mr. Dittrich and stated that his group would vote for the proposed resolution. He regretted that the resumption of meetings of the Social

Ministers had not led to a revival of social initiative. So far, social policy measures had only been taken when they were necessary for the smooth operation of the economic union. In future, however, social progress ought to be regarded as an entirely independent aim.

Mr. Pêtre then turned to the harmonization of legislative provisions in the social field in which he felt the progress made had been entirely inadequate.

Mr. Pêtre backed the efforts of the International Confederation of Free Trade Unions and International Confederation of Christian Trade Unions to organize a conference to be attended by representatives of the Community institutions, of employers and employed and of the governments to discuss the broad lines of a common social policy.

Miss Lulling (Luxembourg) then took the floor on behalf of the Socialist Group. She sharply criticized the Council of Ministers who inactivity was not only acting as a brake on social progress but was also threatening overall economic balance and growth. The failure to pursue a Community policy on employment, industrial redevelopment and occupational training policy increased the danger of sharper fluctuations in market conditions and of lack of progress. The aid of the European Social Fund, whose reform was absolutely essential, should be enlisted in all these sectors. In support of her demands, Miss Lulling referred to an Opinion by UNICE (Union of Industries of the European Community) in which the Federation of European Industries called urgently for a common employment policy and reform of the Social Fund. 'If the views of the workers' organizations, which on this occasion I have not quoted, will not spur the governments into accepting the need for a common occupational training policy and a thorough overhaul of the Social Fund, then perhaps this warning by industry can.'

Turning to the President of the Council of Ministers, Miss Lulling observed that the situation already warranted 'marathon' talks on social policy.

As regards the application of Article 118 of the EEC Treaty, Miss Lulling regretted (i) that the memorandum drawn up by Mr. Veldkamp, Netherlands Social Minister, called into question the Commission's right to be approached directly by employers and employed, and (ii) that it had to be conditional to the consent of the governments.

Such compromises between governments could only aggravate matters in the long run, even where they yielded a short-term solution of crises.

Mr. Merchiers (Belgium), speaking for the Liberals and Allies, approved the report by Mr. Troclet and Mr. Dittrich and the proposal for a solution. He regretted that the meeting of the Council of Ministers of 19 December 1966 had been so badly prepared, this being the reason for the meagre results finally obtained. In future, preparations for meetings of the Social Ministers would have to be more efficiently carried out. Not only should the technical aspects of the Commission's proposals be discussed beforehand by the Permanent Representatives, but the Council of Ministers itself ought to examine the policy aspects of decisions in preliminary talks.

Mr. Merchiers felt that the whole trouble arose from the widely differing views of the Commission and of the Council of Ministers. While the Commission had always argued for a speedy overhaul of the Social Fund, its efforts did not appear to be particularly welcomed by the Council of Ministers. Members of the Council had not apparently reached agreement on the date on which the Social Fund should be overhauled, i.e. on 1 July 1968 or 31 December 1969. The fact that the measures on behalf of the Italian sulphur mine workers had not been financed through the Social Fund also seemed - in Mr. Merchiers' view - to confirm the Council of Ministers' reserve with respect to the Social Fund.

Mr. Estève (France) took the floor on behalf of the European Democrat Union. After approving the report by Mr. Troclet and Mr. Dittrich and the proposal for a resolution, he expressed satisfaction that the Council of Ministers had at last found an answer to the problem of the Italian sulphur mine workers.

Although it had previously been agreed in the Social Committee to discuss only the broad lines of social policy at plenary debates, Mr. Estève took the opportunity of drawing attention to the impending large-scale dismissals in the French chemical industry. The European Community ought to help in dealing with such problems. In view of the fact that similar difficulties were about to be encountered in other countries, as a result in part of mergers and take-overs, the Gaullist deputy suggested an amendment to the proposal for a resolution, namely, that the Commission should be asked, particularly in the case of the chemical industry of the Six to

conduct a survey of mergers and concentrations planned that might lead to unemployment in industrially backward agricultural areas. The Commission should also propose measures for reabsorbing and compensating dismissed workers.

Mr. Merten (Federal Republic of Germany, Socialist Group) was particularly critical of the Council of Ministers. Although no blame could be attached to the Commission and the Parliament, the Council of Ministers could be regarded as a failure, an institution incapable of carrying out its tasks. He put the following five questions to the President of the Council:

'First, when will the Council hold its next meeting, and has it a concrete programme for dealing with the social questions listed in the report by Mr. Troclet and Mr. Dittrich?

Secondly, to which questions does the Council intend to give priority, particularly among those listed in Annex I to the report?

Thirdly, when will the Council follow up the wishes addressed to it by Parliament and explain its attitude to Parliament?

Fourthly, what is the Council's attitude towards the Commission's guidelines and what priority is the Council prepared to extend to the individual matters concerned?

Fifthly, when can a clear-cut definition of the Council's views on these guidelines be expected?'

Mr. Vredeling (Netherlands, Socialist Group) made some comments regarding workers dismissed from the sulphur mines. He criticized the EEC Commission for having departed to a considerable extent, in its talks with the Council, from the views it had expressed to the European Parliament.

Mr. Sabatini (Italy, Christian Democrat Group) was astonished that the Social Ministers, who advocated Community measures, so often failed to act accordingly. A reform of the Social Fund was absolutely essential in dealing with the shortage of skilled workers. Talks should be held with the Council of Ministers with a view to clarifying the problems involved. Mr. Sabatini regretted that compromise solutions that conflicted with the spirit of the Treaties were often resorted to on social questions.

An entirely different approach was taken by Mr. Dichgans (Germany, Christian Democrat) who questioned whether it was a task of the European social policy to intervene in specific cases such as that of Italian sulphur mine workers. It could also be asked whether questions such as that of workers' accommodation actually fell within the province of the European authorities. The European Parliament and the EEC Commission should not - he added - be too eager. There were so many spheres in which their competence was unquestionable and in which so much had still to be done; for example, European aid for disasters, the exchange of information on accident prevention, recognition of degrees and diplomas, and the problem of migrant workers.

Mrs. Gennai Tonietti (Italy, Christian Democrat) merely pointed out that the proposal for a resolution, for which she intended to vote, made no reference to the connexion between the free movement of goods and the free movement of workers. The latter was nevertheless closely linked to the former and would have to be achieved simultaneously with full customs union on 1 July 1968.

Mr. Levi Sandri, Vice-President of the EEC, then addressed the assembly. Turning to Mr. Pètre's criticisms, he agreed that the Community's achievements in the social sector were disappointing, but added that this was because of the limited means of action available to the Commission. Moreover, the progress already made in occupational training, the free movement of workers and study and fact-finding activities should not be lost sight of. These measures were, after all, a necessary prelude to harmonization. As regards the dismissals of Italian sulphur mine workers, he did not personally consider that it had involved a bilateral agreement. The agreement had been reached between the Italian Government on the one hand and the EEC Commission, acting for the Community, on the other.

Mr. Levi Sandri displayed interest in the proposal put forward by Mr. Estève (Gaullist) for a study on concentrations and their social consequences. Finally he emphasized that the EEC Commission welcomed the interest the Parliament was showing in social questions.

At the close of the debate, Mr. Servais, President of the Council of Ministers and Belgian Social Minister, replied to the many criticisms that had been levelled at the Council. As regards the approximation of legal and administrative provisions on the manufacture and use of stud drivers, regarding which the Commission had

submitted a proposal to the Council two years previously, the delay had been due not only to thorny technical problems but also to difficulties of a political and legal nature. Mr. Servais then continued with the items of the agenda of the Council's last meeting that had called forth Parliament's criticisms. As regards co-operation between member States under Article 118 of the Treaty, Mr. Servais said he had been highly satisfied with the Council's meeting. Turning to the Social Committee's criticisms levelled at the measures taken on behalf of the Italian sulphur mine workers, he admitted that there had been considerable delay but added that the Council was not alone to blame for this. Moreover, the Council's decision departed from the Opinion adopted by Parliament only in form and not in substance. He did not regard the decision as a bilateral one since the Community was intervening within the context of expenditure under the 1967 budget. The fact that the Social Fund had not been called was due purely to the delay in arriving at the decision.

Mr. Servais hoped that the next meeting would be held at the end of February, adding that it would have to be thoroughly prepared. Items on its agenda would include the Social Fund, stud drivers, the state of the labour market and other matters which had been raised by the Social Committee.

After a brief discussion on the amendments proposed by Messrs. Deringer, Estève, Naveau and Vredeling, the proposal for a resolution was adopted. In this Parliament criticized, among other things, the fact that the only formal decision taken in favour of the Italian sulphur mine workers departed widely from the Opinion it had previously delivered on the subject, and that not a single decision had been taken on a number of urgent and important measures including the overhaul of the European Social Fund. Parliament came out strongly against a number of tendencies that had emerged during the meeting of the Council of Ministers and which were calculated to impair Community machinery. This was more especially the case if interventions by the Committee of Permanent Representatives were made general, and its powers extended and if the opinions and proposals submitted by the European Parliament and other Community institutions were not adequately taken into account or, if bilateral or multilateral ad hoc procedures were given preference over Community measures. In order to speed up work in the social sector, the European Parliament called upon the Council of Ministers at its next meeting, which on its own undertaking should have been

held before the end of January 1967, to take a decision on all social and health protection problems on which it had so far been consulted. Parliament also requested the Council of Ministers to lay down a priority action programme for the social sector and a time-table for its next sittings providing for regular meetings.

6. The prevention of accidents at work

On 1 February Parliament discussed the report by Mr. Hansen (Socialist, Luxembourg) submitted on behalf of the Health Protection Committee (1) on the problems of preventing accidents at work in the Community.

Mr. Dittrich (Federal Republic of Germany), for the Christian Democrat Group, and Mr. Levi Sandri, Vice-President of the EEC Commission, spoke in the debate.

At the close of the debate, a resolution was approved in which Parliament called upon the EEC Commission:

- a) to co-operate with the International Labour Organization in organizing periodic meetings at the European level to discuss the problems of safety at work and the prevention of accidents;
- b) to issue directives and recommendations to standardize individual safeguards for workers in the various sectors;
- c) to set up a Committee to work out Community standards for testing safeguards and, where necessary, to lay down standards for new tests;
- d) to issue standard regulations as soon as possible on the features and use of safety signs;
- e) to set up a working party comprising experts to make periodic studies of all the problems affecting firms about safety; the EEC Commission should take appropriate action on the basis of the conclusions reached by this working party; the resolution also called upon the EEC Commission to see to it that the exigencies of safety were fully recognized and to speed up and intensify its work in respect of accident prevention at work; the resolution pledged Parliament's unconditional support.

(1) Doc. 155/1966-67

7. The economic situation in the Community

In his annual report to the European Parliament, Mr. Marjolin, Vice-President of the EEC Commission, said that the economic situation was unusually complex and forward indications were less certain than they had been in previous years.

In terms of economic expansion, 1966 had, on the whole, been a satisfactory year. The gross product had increased by 4.5 per cent as against 4 per cent in 1965. This had, however, to be set against developments during the year and the special situation of certain member States. In Germany, for example, the rate of growth had slackened considerably.

Mr. Marjolin then analyzed the factors responsible for Germany's slower rate of growth which was, moreover, affecting the situation in the other Community countries. Mr. Marjolin spoke of the problems of the labour market, of foreign payments and of price and cost developments and then discussed the prospects for 1967. Internationally speaking, the cyclical outlook for 1967 was promising but after a long period of expansion, it would hardly be surprising if there was a certain slowing down. The dominant feature of the economic situation in the EEC would certainly be the development of the short-term economic situation in Germany. Mr. Marjolin, however, while not neglecting these unfavourable factors, did not expect there would be any cumulative downward trend that would adversely affect the German economy. He considered that the present difficulties would be of relatively short duration and that there would probably be a recovery before the end of 1967, due to exports and rationalization investments.

The Commission expected that the overall increase in the Community's gross product would be around 4 per cent or slightly less than that of 1966.

Cost and price trends in 1967 would continue to be a source of concern. The rise in prices could be expected to slow down in Germany, Belgium and the Netherlands, but in France, it might well be higher than that recorded in 1966. For the Community as a whole, the increase in consumer prices might average out at 3 per cent in 1967 as against 3.5 per cent in 1966. The policy pursued by the Dutch and German governments, which was designed to reduce the deficit of the public exchequer through increased taxation, was preferable to

a policy of maintaining budgetary deficits which could have inflationary effects. The same was true of the prices of certain public services which would be increased to meet rising costs; this would avoid placing an extra burden on the budget.

Mr. Marjolin stressed that the continuing rise in costs and prices should not obscure the need for all the member States to achieve a satisfactory rate of economic growth and to keep employment at a high level. To this end, it was important as soon as possible to restore conditions conducive to increased investment in those countries where the lack of investment was currently holding the economy back and restricting the chances of future expansion.

Mr. Marjolin then spoke of the problems of budgetary and monetary policies. Here he stressed that the same imperatives did not apply all round because the economic structures and general outlook of the various countries differed; he gave his opinion on the policy being pursued by the various countries and on what measures were indicated.

In conclusion he said that the main aim should be to slow down the undue rise in costs and prices in several Community countries while, at the same time, being careful not to place too great a check on economic expansion; in other Community countries the main aim had to be to pursue non-inflationary economic growth.

The balance was a hard one to strike; it was a matter for practitioners and brooked no dogmatism. The Commission would keep a daily watch on a rapidly changing situation and would not hesitate to recommend whatever economic policy adjustments might prove necessary.

8. Organizing the world sugar market

On 2 February 1967 the European Parliament discussed a report (1) drawn up for the Agricultural Committee by Mr. Lückner (Christian Democrat, Germany) on the problems involved in organizing the world sugar market.

In the first part of his report, Mr. Lückner discussed the problems of the international sugar market. He

(1) Doc. 175/1966-67

recalled the unsuccessful attempts to regularize the market that had been made prior to the Second World War. After the War, the United Nations Conference on Sugar had adopted an international agreement which was in force from 1953 to 1963. Renewal of this agreement was not possible - mainly because of the conflict between the United States and Cuba. The international sugar market was mainly influenced by the United States, the United Kingdom, France, Portugal and the Soviet Union as a result of the preference systems they accorded to certain exporting countries. Mr Lückner examined the policy pursued by the EEC, the United States and the United Kingdom. The existence of preference systems meant that the 'world' sugar market was now no more than a limited market onto which the producers offloaded at low prices, the surpluses that they could not market in the normal way. It was therefore understandable that the world sugar market should be subject to substantial fluctuations.

In the second part of his report, Mr. Lückner analyzed the EEC's proposals for sugar in the context of the Kennedy Round. The EEC Council had come out in favour of setting an international reference price and of consolidating the amount of support given. The Agricultural Committee felt that these proposals were too limited and that the mandate given to the EEC Commission was, if the objective were a world agreement that would work, too restricted. To reorganize and stabilize the world sugar market over the long term, the Agricultural Committee proposed that the negotiations should also deal with:

- a) reorganization measures for each party on the basis of an 'own supply' rate to be set by means of conventions;
- b) the creation of an international fund for sugar which would be financed mainly by levies and whose resources, constituted in this way, would serve mainly to diversify the production and exporting structures of the developing countries.

Mr. Lückner recalled that not all the sugar producing or exporting countries were members of GATT. This did not make it any less important for negotiations on a 'general sugar arrangements' to be an integral part of the Kennedy Round. In this field GATT and UNCTAD could well work hand in hand. Agreements would have a more solid constitutional and institutional basis in the GATT framework and they could set out the aims and main

requirements for an agreement that could be concluded at a world sugar conference. The clash between the terms of reference of UNCTAD and GATT, the lack of any offers on the part of major countries participating in the world market, the fact that time was running out on the Kennedy Round, were all factors which made the present situation rather delicate.

Speaking for the External Trade Committee, Mr. Vredeling (Socialist, Netherlands) had similar criticisms. He considered that the EEC could have made more substantial offers with regard to sugar on the Kennedy Round. The Council had rejected any multilateral financing arrangements for surpluses, the setting of an 'own supply' rate and the co-ordination of stocking policies. This short-sighted policy would have its disadvantages both for the developing and for the industrialized countries.

In conclusion, he hoped that the Council would enlarge the Commission's mandate along the lines suggested by the European Parliament.

Mr. Mansholt, Vice-President of the EEC Commission, endorsed Mr. Lückers's proposals. In reply to Mr. Vredeling, he said that he saw no conflict between the Kennedy Round and the UNCTAD negotiations. As the Commission saw it, the two should be complementary. Work should be initiated on GATT and continued on UNCTAD on the basis of an ad hoc conference. Mr. Mansholt also hoped that general principles would be established and that negotiations on sugar would be continued even after the Kennedy Round has been officially concluded.

Mr. Kriedemann (Socialist, Germany) gave his reasons for opposing the draft resolution which was adopted by the Parliament.

9. Common cereal prices

During the course of the same session on 2 February Parliament approved the resolution submitted at the conclusion of the report drawn up for the Agricultural Committee by Mr. Dupont (Christian Democrat, Belgium) (1) on the EEC Commission proposal to the Council (2)

(1) Doc. 180/1966-67

(2) Doc. 160/1966-67

concerning a regulation on interim measures for the application of common prices in the cereals sector. The resolution stressed the need, with regard to each of the animal products processed from cereals (eggs, poultry, swine), for adjustment periods in which these products might be brought into line with common market requirements and during which the present levy system would remain in force.

10. Calculation of the import price of beef and veal and calculation of the levy

During the course of the same session on 2 February the Parliament returned a favourable opinion on the EEC Commission proposal to the Council (1) on a regulation amending Regulation No. 14/64/CEE on the calculation of the import price and the levy for derived products in the beef and veal sector; the basis for the Opinion was a report drawn up for the Agricultural Committee (2) by Mr. Richarts (Christian Democrat, Germany).

Mr. Mansholt, Vice-President of the EEC Commission spoke in the debate.

11. The prevention and suppression of black scab in potatoes and ear worm

During the course of the same session on 2 February Parliament returned a favourable Opinion on the EEC Commission proposal to the Council (3) on the directives concerning:

1. the prevention and suppression of black scab in potatoes,
2. the prevention and suppression of ear worm;

the basis of the Opinion was a report drawn up for the

(1) Doc. 144/1966-67

(2) Doc. 169/1966-67

(3) Doc. 127/1966-67

Agricultural Committee (1) by Mr. Estève (European Democratic Union, France).

12. Assistance from the European Agricultural Guidance and Guarantee Fund

On 2 February Parliament passed, without debate, the resolution submitted at the conclusion of the report drawn up for the Agricultural Committee by Mr. Vredeling (Socialist, Netherlands) (2) on the EEC Commission proposal to the Council on a regulation carrying forward the time-limit laid down in Article 20,1 of Regulation No.17/64/EEC relating to assistance from the guidance section of the EAGGF for 1965.

13. The organization of a major survey in France and Italy

Lastly, on 2 February, Parliament passed a resolution submitted at the conclusion of the report drawn up for the Agricultural Committee by Mr. Bading (Socialist, Germany) (3) on the EEC Commission proposal (4) for a regulation amending, with regard to France and Italy, Regulation No. 70/66/EEC concerning the organization of a major enquiry within the framework of a programme of enquiries into the structure of agricultural businesses.

Although Parliament expressed a favourable Opinion in its resolution, it found it regrettable that the major enquiries could not be carried out simultaneously in all the member States; in terms of implementing the common agricultural policy this would increase the degree to which the markets and prices were out of phase with structures and social policy.

On 3 February, Parliament dealt almost exclusively with transport problems. Indeed it discussed four reports on transport.

(1) Doc. 166/1966-67

(2) Doc. 165/1966-67

(3) Doc. 179/1966-67

(4) Doc. 177/1966-67

14. Regulations for organizing the sugar markets

On 2 and 3 February, the European Parliament discussed an oral report (1) made by Mr. Dupont (Christian Democrat, Belgium) for the Agricultural Committee on the EEC Commission proposal to the Council concerning certain measures for the joint organization of the sugar market for the 1967/1968 crop year (2). At the close of the debate, during which Mr. Vredeling (Socialist, Netherlands) took the floor, the Parliament adopted the draft resolution approving the draft Council regulation; it did, however, ask the EEC Commission to examine whether it would be possible:

- a) to set off against the quota for the 1968/1969 crop year any stocks that might be carried forward in excess of the percentage laid down in article 8 (i.e. 10 per cent);
- b) to make an inventory of stocks of sugar held by refiners and traders.

15. Braking and direction indicator systems on motor vehicles

Parliament began by discussing the report drawn up for the Transport Committee by Mr. Drouot l'Hermine (European Democratic Union, France) (3) on the EEC Commission's proposals to the Council concerning:

- a) a directive to approximate the laws of the member States on direction indicators for motor vehicles;
- b) a directive concerning the approximation of the laws of the member States on the braking systems of certain categories of motor vehicles.

The following spoke in the debate: Mr. Brunhes (Liberal and Allies Group, France), Vice-Chairman of the Transport Committee, Mr. Faller (Federal Republic of Germany) for the Socialist Group and Mr. von der Groeben and Mr.

(1) Doc. 182/1966-67

(2) Doc. 151/1966-67

(3) Doc. 128/1966-67

Schaus, members of the EEC Commission.

In the resolution, Parliament deplored that it had not been consulted with reference to proposals on the harmonization of the whole range of laws concerning motor vehicles; it approved without amendment the two Commission proposals; in this way it avoided expressing any technical judgement on the provisions which they contained.

16. Duty-free entry of fuel for commercial motor vehicles

Mr. Jozeau Marigné (Liberal and Allies Group, France) submitted a report for the Transport Committee (1) on the EEC Commission proposal to the Council on a directive for standardizing the provisions governing the duty-free entry of fuel for commercial motor vehicles.

The following spoke in the debate: Mr. Faller (Socialist, Germany), Mr. Richartz (Christian Democrat Germany), and Mr. Schaus, a member of the EEC Commission.

At the close of the debate, Parliament passed a resolution moving an amendment to Article 2 and introducing an Article 6,(ii) into the directive.

17. Wheeled agricultural tractors

Mr. Wohlfart (Socialist, Luxembourg) submitted a report for the Internal Market Committee (2) on the EEC Commission proposal to the Council on a directive for the approximation of the laws of the member States on wheeled agricultural tractors (maximum speed, seating and load platforms).

Mr. von der Groeben, a member of the EEC Commission, spoke in the debate.

In the resolution, Parliament called upon the EEC Commission to draw up as soon as possible a rational

(1) Doc. 178/1966-67

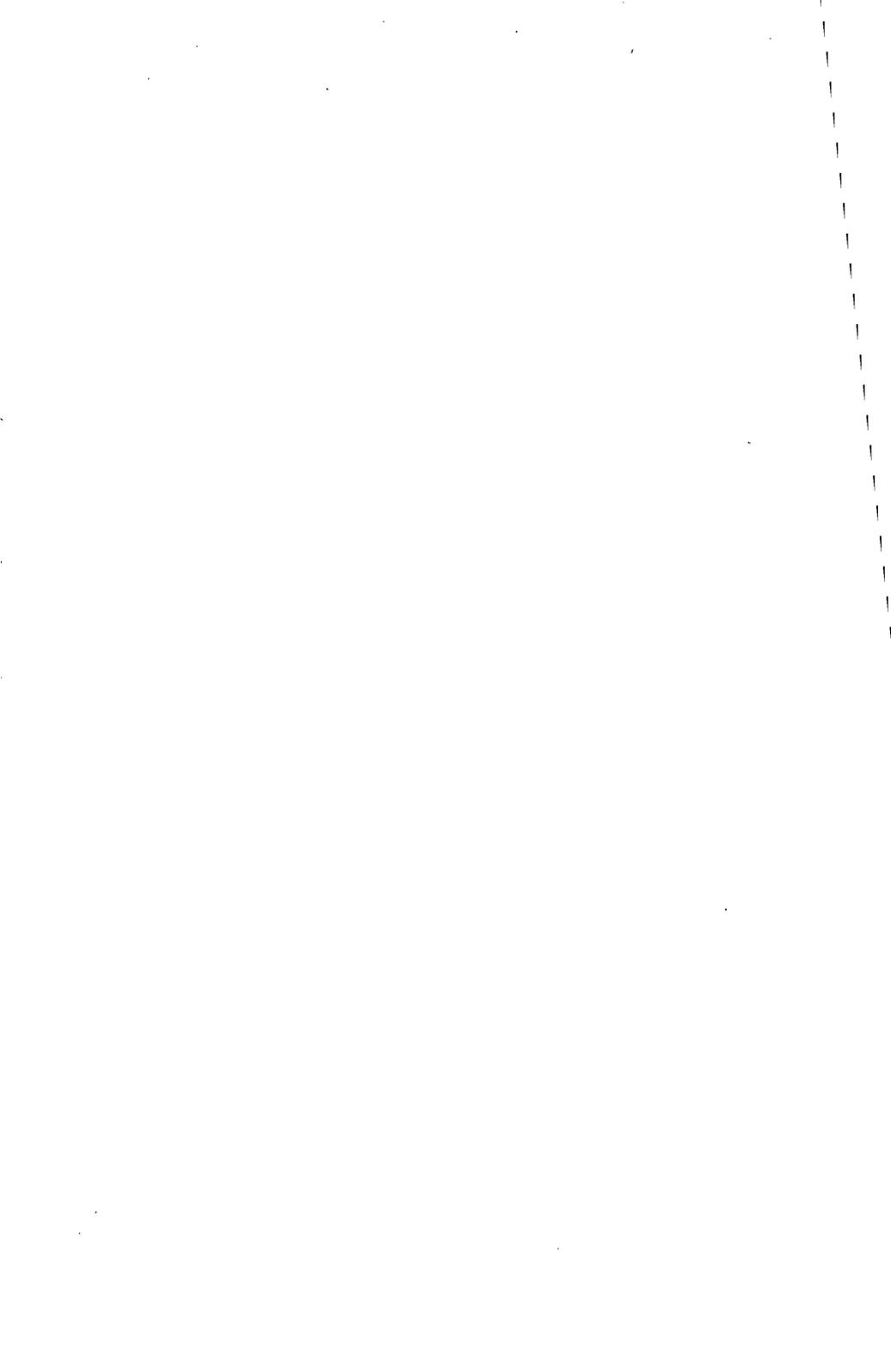
(2) Doc. 167/1966-67

programme to put Article 100 of the EEC Treaty into application with a view to approximating the laws of the member States where divergencies between them had clearly had the most pronounced effects on the introduction and operation of the common market; it also called upon the Commission to define the maximum length and width of the load platforms of agricultural tractors and to review its definition of this means of transport, so that this might be as complete as possible.

18. Suppression of radio interference caused by motor vehicles

In conclusion, Parliament approved, without debate, a resolution submitted at the conclusion of the report drawn up for the Internal Market Committee by Mr. Berkhouwer (Liberal and Allies Group, Netherlands) (1) on the EEC Commission proposal to the Council on a directive for the approximation of the laws of the member States on the suppression of radio interference caused by motor vehicles.

(1) Doc. 154/1966-67



b) Session of 13 to 17 March in Strasbourg

1. Opening of the Constituent Session

In his speech on 13 March, Mr. Santero (Christian Democrat), President by virtue of his status as the oldest representative, expressed his concern about the progress of European integration. The move forward from the transitional phase to the final phase predicated a European authority able to take decisions that would be binding on the Community as a whole. He also referred to the problem of the merger of the Community institutions and to the possible accession of the United Kingdom. He considered that the forthcoming Rome Conference should be a political meeting which might solve the problems outstanding as well as those concerning external affairs and defence. The Parliament had to bring pressure to bear to ensure that this Conference were more than a ceremony of protocol; it also had to endeavour to strengthen the cohesion of the Six.

Mr. Poher (Christian Democrat, France) was re-elected President of the European Parliament by acclamation. Representatives of the three Executives offered their congratulations and then the following were elected Vice-Presidents: Messrs. van der Goes van Naters (Socialist, Netherlands), Battaglia (Liberal, Italy), Vendroux (European Democratic Union, France), Furler (Christian Democrat, Germany), Wohlfart (Socialist, Luxembourg), Berkhouwer (Liberal, Netherlands), Carboni (Christian Democrat, Italy) and Metzger (Socialist, Germany).

Speaking at the session of 14 March, Mr. Poher, President of the Parliament, recalled the efforts made to improve working conditions in the Parliament; he stressed the authentically political resolve and vocation of the Parliament. 'Our political task,' he said, 'calls for new efforts to be made to continue and complete this Community construction which would remain weak and disappointing if we intended to restrict ourselves to the fields of economics and technology.' It was for the Assembly, at every opportunity, to bring into focus the ultimate political and human objectives of the Community Europe. 'It is for us to keep the general public informed and to bring home to the political circles of which we are a part and to the governments the danger

that a faulty completion of our common market would represent; it would be forgotten that it is only the first part of the construction of a Europe able, once again, to find its rightful place in world society. It will indeed be difficult for us to act alone in this connexion. The initiative and the drive must spring both from within the Community and the national frameworks.'

2. The use of colorants in the pharmaceutical sector

On 13 March 1967 the European Parliament discussed a report (1) submitted by Mr. van der Ploeg (Christian Democrat, Netherlands) on a directive concerning the approximation of the laws of the member States on substances that may be added to pharmaceutical products for colouring purposes.

The Health Protection Committee stressed that health protection should take precedence over economic interests. It asked the EEC Commission to re-examine the list of substances authorized for colouring pharmaceutical products so as to establish to what extent the use of such colorants was really necessary. The main purpose of approximating the laws of the member States here should be to give maximum protection to the health of the individual. It was for this reason that the Committee proposed several changes in the EEC Commission's text.

Mr. von der Groeben, representing the EEC Commission, gave various explanations and Mr. Dittrich, Chairman of the Health Protection Committee, intervened briefly. The Parliament then adopted a resolution in which it asked that only colorants of proven innocuousness, the use of which was governed by the real need of the patient, should be authorized as additives to pharmaceutical products. The Parliament asked the EEC Commission to take advantage of the progress of science with a view gradually to reducing the number of colorants authorized and it stressed the need for effective control. Lastly the Parliament approved the draft directive submitted by the EEC Commission, subject to the amendments and

(1) Doc. 96/1966-67

additions that it requested in the interests of a more effective protection of public health.

3. The utilization of colorants in foodstuffs

On 13 March 1967, the European Parliament dealt with the problem of colorants in foodstuffs, in the light of a report drawn up by Mr. Van der Ploeg (Christian Democrat, Netherlands) for the Health Protection Committee (1). The report was approved by Parliament without having been personally introduced by the rapporteur.

In the resolution passed without debate, Parliament doubted whether the preliminary requirements for granting final approval to use colorants in foodstuffs had been met. Parliament also referred to its previous Opinion in which it expressed concern at the addition of colorants to foodstuffs and advised restrictions. It finally recalled the grave concern felt by its Health Protection Committee in regard to the use of erythrosin and BS.

4. Right of establishment: activities concerned with public health

On 13 March the Parliament examined the report (2) submitted for the Health Protection Committee by Mr. Santero (Christian Democrat, Italy) on the present state of progress in the EEC Commission's work on the application of the right of establishment to activities concerned with health.

The Committee was greatly concerned about the state of progress in work to bring about the free exercise of medical, para-medical and pharmaceutical professions in the Community. With reference to the general issues involved in bringing about freedom of establishment, the Committee considered that draft directives should

(1) Doc. 25/1967-68

(2) Doc. 1/1967-68

be submitted to the Council at an early date on the co-ordination of the national provisions for associations of persons exercising a medical profession, the reciprocal recognition of degrees and the co-ordination of conditions governing access to the medical profession.

With regard to general practitioners, the Committee considered that freedom of establishment could be brought about at an early date whereas for specialists it would be more difficult, even though there were no insurmountable difficulties. The Committee's rapporteur also looked into the cases of the para-medical and pharmaceutical professions, dentists and veterinary surgeons, hospitals and similar establishments. With respect to the latter, the Committee asked the EEC Commission to submit draft directives to the Council as soon as possible so that co-ordinated measures might be taken in the interests of freedom of establishment.

The European Parliament passed a resolution in which it deplored a lack of staff which prevented the EEC Commission from completing its work on harmonization within the time-limits laid down in the General Programme for the abolition of restrictions affecting freedom of establishment. Parliament asked the Commission to intensify its work in bringing about freedom of establishment in the field of health and it emphasized that when the EEC Council decided in 1961 to publish the General Programme drawn up by the EEC Commission, it contracted an obligation to carry it through within the time-limits laid down; it urged the Council to fulfil its obligations without delay by giving the EEC Commission the necessary staff.

5. Statement by Mr. Coppé, Vice-President of the High Authority concerning problems in the coal and steel sector

During the session of 14 March, Mr. Coppé, Vice-President of the High Authority, notified Parliament of the results of the last meeting of the ECSC Special Council of Ministers. No debate ensued.

Mr. Coppé was pleased to announce that a Community-wide arrangement had been found for the disposal of coking-coal and coke intended for the iron and steel industry.

Two problems had first had to be solved. The first concerned the special subsidies for the iron and steel industry and those for coking-coal and coal supplied to that industry. The latter subsidies had had to be harmonized so as to avoid competition which would have harmed the industry. Secondly, a method of compensation had had to be found for coking-coal and coke circulating among the various member States. This could only be done by resorting to the exceptive clause of Article 95,1 of the ECSC Treaty which requires the unanimous approval of the Special Council of Ministers.

The decisions published in the Official Gazette of the European Communities of 28 February 1967 would remain in force for only two years. Their importance lay in the fact that this was the first time that a joint Community system similar to that applied to the European agriculture system had been set up in the industrial sector. Moreover these decisions put an end to the distortions created within the iron and steel industry by the fact that some enterprises bought coke and coking-coal at world prices and others at the far higher European price.

At the same time the High Authority passed a resolution on the balanced situation in the domestic coal sector.

The High Authority and Special Council of Ministers were continuing their work on the problems of the iron and steel industry. These exhibited social and regional as well as industrial aspects. In order to improve the situation it was essential to subject production to a measure of discipline, preferably on a voluntary basis but, if necessary, compulsorily. If the Community is to be a living reality, said Mr. Coppé, it ought to be in a position to pursue a suitable industrial policy.

Readaptation problems now existed not only in one Community country but also in France, Germany and the Netherlands. Since March 1966 the Special Council of Ministers had approved the grant of readaptation credits to the tune of some 50 million accounting units, a figure since increased by over 2 million. The total demand for such credits now amounted to 84 million accounting units. These figures gave some idea of the range and continuity of the High Authority's work in this field.

6. Decision concerning the marketing of coking coal

On 14 March, following the adoption by the ECSC Special Council of Ministers of a protocol on coke and coking coals used in the steel industry, Mr. Burgbacher (Christian Democrat, Germany) submitted a report (1) to the European Parliament on behalf of the Energy Committee. In a draft resolution which Parliament passed, the Committee adopted a position on the decision taken by the High Authority on the basis of this protocol of agreement.

Parliament considered that this decision was an important addition to the range of coal policy measures and that it would make it possible to continue the rationalization of collieries in a way beneficial to social and regional policy interests. The European Parliament was convinced that lasting solutions to the problems of the Community coal industry would only be possible within the framework of a general energy policy for the Community.

During the debate preceding the adoption of the resolution, Mr. Bech (Christian Democrat, Luxembourg), Mr. Sabatini (Christian Democrat, Italy), Mr. Springorum (Christian Democrat, Germany) and Mr. Behrendt (Socialist, Germany) expressed particular satisfaction that a Community solution had been found to the problem of coking coal. The solidarity of the Community had also to be manifest to solve the other problems facing the ECSC. The speakers came out in favour of the adoption of the draft resolution tabled by the Energy Committee.

7. Problems relating to the adoption by the EEC of colour television

On 14 March, the Parliament discussed problems relating to the European Community's adoption of colour television.

The basis for the discussion was a report drawn up by Mr. Oele for the Research and Cultural Affairs Committee (2).

(1) Doc. 4/1967-68

(2) Doc. 11/1967-68

The report began by pointing out that there were originally three rival colour television systems: the French SECAM, the German PAL and the American NTSC. Then the SECAM system was modified, giving way to SECAM III (in France and to SECAM IV (in the Soviet Union). At a conference held in Oslo in June and July 1966, an attempt was made to agree on a single system but this was unsuccessful. The countries of Europe found themselves divided into two opposing camps - those who opted for the SECAM system and those who opted for the PAL system.

The resulting situation could not be less promising. Indeed the exchange of programmes would be complicated for a long time to come because of the additional technical adjustments that would be necessary. The frontier regions would be particularly affected because television sets in these areas were generally adjusted so that viewers could get the programmes sent out by neighbouring countries. There would be similar difficulties in the case of international transmissions such as the Eurovision programmes.

The Parliament is concerned at this state of affairs and has asked the EEC Commission to make a detailed enquiry and also to take all possible measures to minimize the drawbacks complained of.

8. Statement by the President on the activities of the Councils of the European Communities

On 14 March, Mr. Van Elslande, Belgian Minister for European Affairs and President of the Councils, reported on the work done by the Councils of the European Communities since the discussions of November 1966 and the statements on social policy made by Minister Servais on 1 February 1967.

The Council hoped as soon as possible to make good the accumulated lag in the field of the right of establishment and of freedom to supply services now that an extensive programme of work was under way for studying the numerous proposals which had been submitted by the Commission, and on which Parliament and the Economic and Social Committee had in the meantime delivered Opinions.

In the economic sector, it was mainly in the last few

years that the need had asserted itself for co-ordinated action to ensure basic balance in the Common Market and a continuous rate of growth at a satisfactory level. Mr. Van Elslande referred to the Council's recommendation to member States of 22 December concerning the broad outlines of short-term economic policy for 1967, and to the first medium-term economic policy programme adopted by the Council on 8 February 1967.

This first programme was incomplete and dealt only with the more urgent aspects. The Committee on medium-term economic policy was engaged in studying other sectors which could later also be included in the programme. What was of great importance, however, was that the Community already possessed the means of ensuring co-ordination in this sector.

Also of importance was the fact that the first two directives on the harmonization of member States' legislative provisions on turnover tax had been adopted. This represented not only an important step towards removing distortions of competition but also a first fiscal supplement to the customs union. By 1 January 1970 at the latest, this tax would be levied under a common system and by common procedures. Only the rates themselves would be allowed to differ from one member State to the other. Before the transition period ends the Council would have to specify, on the basis of additional provisions to be submitted to it by the Commission by not later than the end of 1968, how and within what time-limits the harmonization of turnover taxes could lead to the abolition of taxes on imports and of refunds on exports in trade between member States. The Council had not considered it possible to commit itself yet regarding the abolition of 'tax frontiers', particularly in view of the effect this would have on the taxation and budgetary policies of member States. The Council would also have to take up a position with respect to other tax provisions, the differences between which had a distorting effect; for example, excise duties. As the movement of goods was progressively freed, there would be an increasing tendency for the structural adaptation which must necessarily follow to be disturbed by fiscal factors. Moreover, the need for a smoothly-running capital market would make itself increasingly felt.

With regard to the common agricultural policy, since 10 November 1966, olive oil had reached the 'common market' stage. An important step forward has been made in the fruit and vegetable sector. As a result,

producer associations had been assigned an exceptionally important rôle in regularizing markets, mainly through the concentration of supply. In addition, it had been decided that the cost of market interventions and of refunds on exports to non-member countries should henceforth be borne by the Community.

The Council was at present engaged, pending receipt of an Opinion from Parliament, in making preparations for a common market, to come into effect as from 1 July 1967, in cereals, pork, eggs and poultry. Shortly, the Council would also have to lay down all the implementing measures for the common market in oil seeds and oleaginous fruit and their by-products.

By no means negligible progress had been made in the sugar sector following the definition of the rules governing the coming season, which preceded the 'common market' stage.

Although the Council had not been able to adhere to the time-table fixed for agricultural aid, a fairly prompt solution could reasonably be expected.

The Community's external relations had been closely studied by the Council in recent months. The President of the Councils was confident of a successful outcome of the multilateral negotiations in GATT, which would enter upon the final phase early in 1967. The Council had asked the Commission to submit to it, by the end of March, a document outlining the state of the negotiations, which should be completed around the end of April or the beginning of May.

The bilateral negotiations with Austria and with a number of Mediterranean countries were taking a great deal of time, and the problems involved were unusually difficult. In the first case, the Community was for the first time seeking an agreement with a highly-industrialized neutral country; in the second, it wanted to define its policy towards countries of the Mediterranean basin as a whole.

The Council hoped shortly to express its views on relations with the Maghreb countries so that negotiations could be opened, or resumed, as soon as possible. Exploratory talks had in the meantime been held with the Israeli government. As to Spain, it appeared that a trade agreement of the conventional type would not provide an economically reasonable basis for negotiation; the Council was therefore studying the case for a

preferential agreement. The provisions such an agreement should contain for the industrial and agricultural sectors were at present under consideration. The prospects and terms of a trade agreement with Yugoslavia were also being studied.

The trade agreement with Iran, which expired on 30 December 1966, was renewed for one year. Moreover, in accordance with the provisions of the agreement with the Lebanon, member States had already examined a number of projects for technical co-operation submitted by that country.

As regards the association with Greece, on 13 January 1967 the Community had agreed in principle to grant financial aid to that country's agriculture up to a given amount and over a given period. This could not but help towards improving the agricultural structure in Greece.

At its last meeting in October 1966, the EEC-Turkey Council of Association decided to raise tariff quotas for 1967. Moreover, the financial Protocol, which provides for credits to the amount of 175 million accounting units covering the first five years of the Association, was, according to the Turkish Government, being applied satisfactorily.

A great deal of work was also being done on relations between the EEC and the Associated African and Malagasy States. At an extraordinary meeting of the EEC-AAMS Council of Association, agreement was reached on the problem of 'origin'. Since 1 January 1967 all trade between the Community and the AAMS - with the exception of that in petroleum products - had been carried out under a uniform system. Consultations had been held on a large number of problems, including certain offers made by the Community in the Kennedy Round. The institutions of the Association were also studying the question of outlets for AAMS products in the Community. This matter, together with the question of aid for oil seeds and oleaginous fruit imported into the Community, and the revision of financial aid under Annex VI of the Yaoundé Convention, would come up for attention in the near future.

On 27 February the Interim Committee of the EEC-Nigeria Association had met for the first time. The President of the Councils had asked members of the European Parliament to help to speed up the ratification of the Lagos agreement as much as possible.

With the Council's approval, contacts between the EEC Commission and representatives of the Latin American Republics had been put on a more systematic basis. Moreover, the Council had extended by one year the suspension of certain import duties - a decision of major importance for India and a large number of developing countries.

Referring to Great Britain's bilateral talks with the Six over the past few months, the President of the Councils hoped that these would soon be followed up by discussions among the Six.

The European Atomic Energy Community posed certain problems in connexion with the second programme to which a satisfactory solution had not yet been found.

This was why the draft budget for research and investment for 1967 had not yet been laid before Parliament. The Euratom Commission had submitted proposals to the Council which faced it with the need completely to overhaul Euratom's activities. It was still too early to say what position the Council would adopt towards these proposals. The Council had also turned its attention recently to scientific and technical research in general, which Parliament had debated at its October session.

Mr. Van Elslande considered that the Community's institutional machinery was running smoothly, thanks particularly to the preparatory work of the Committee of Permanent Representatives which enabled the Councils to focus attention on the more political aspects of the decisions to be taken. The Councils had not delegated any powers of decision to that Committee - indeed, could not do so - 'so that the Councils still carry full responsibility for all their decisions.' Mr. Van Elslande wound up by saying that he was convinced that in the coming months it would be possible to bring about the merger of the Communities' institutions.

The rapid and somewhat spectacular world political trends were changing the bases of external policy and defence policy. This not only affected the European Communities but also rendered closer co-operation between the Six and rapid progress in building Europe more necessary than ever.

In the ensuing debate, the floor was taken by Mr. Illerhaus (Federal Republic of Germany) for the Christian Democrat Group, Mr. Vals (France) for the Socialist Group, and Mr. Starke (Federal Republic of Germany) for the Liberal and Allies Group.

All three called for the abolition of tax frontiers and for speedy harmonization of turnover tax rates. Mr. Illerhaus thought that direct and indirect taxes should be harmonized along the lines laid down in Articles 99 and 100 of the EEC Treaty. Mr. Vals noted that Parliament had still not been consulted regarding the tax system in agriculture. Consultation on turnover tax had not, therefore, been completed; he could not understand, therefore, how the Council could believe it had drawn up the two directives regarding that tax correctly.

The three political groups welcomed the agreement reached in the Council on medium-term economic policy and the recommendation on short-term economic policy. Economic, monetary and short-term economic policy could no longer be pursued at national level. Mr. Vals urged that co-ordination of national economic policies should culminate in a common economic policy and that member States should step up co-operation in the monetary sphere. For the Liberal and Allies Group, Mr. Starke stressed the need for an early discussion of the short-term economic outlook between Council and Parliament.

The spokesmen of the Christian Democrat and Socialist groups sharply criticized the disappointing results obtained by the Council in the social sector. Mr. Vals felt that the Council was clearly at fault; nothing had been done as yet to widen the European Social Fund's scope for action, while the principle of equal pay for men and women had still only a token significance and the harmonization of social systems was becoming an academic topic.

Mr. Illerhaus stated that transport policy had been the victim of 'almost culpable neglect', adding that his Group looked to the Council to make a thorough study of the memorandum submitted by the EEC Commission in February. The Socialist Group, stated Mr. Vals, realized that the Commission was itself largely responsible for this 'highly deplorable delay'.

As regards energy policy, Mr. Illerhaus felt that the ECSC Special Council of Ministers' highly welcome decision in favour of certain grades of coal was only one of many that ought to be taken in that sector. On the other hand, Mr. Starke and Mr. Vals were concerned about any artificial braking of intra-Community trade in the steel sector, which would be incompatible with the letter and spirit of the ECSC Treaty.

The spokesmen of the Liberal and of the Christian Democrat Groups dealt in some detail with the common commercial policy and the Community's external relations. Mr. Illerhaus regretted the negligible results so far achieved as regards defining a common commercial policy towards the Latin American countries and the State-trading countries of the Eastern bloc, and the conclusion of Community-wide trading agreements. He also urged the Council to be more active in negotiations for the association of non-member countries with the Community. Mr. Starke dwelt in particular on the importance of the Community's relations with the rest of the world.

Finally, Mr. Vals urged on the Council the need to adopt the EEC Commission's proposals aiming at ensuring that the rise in cereal prices, particularly in France, would really benefit producers and not be absorbed by State taxes or other measures.

All three speakers called for a speedy settlement of the problems facing Euratom.

The reactions of the three speakers to Mr. Van Elslande's remarks about the way the institutional machinery was operating differed to a fair extent. Mr. Illerhaus hoped that the tenth anniversary of the Brussels Communities would stimulate much-needed co-operation between Council, Parliament and Commission. Mr. Vals drew attention to the consequences of the fact that the seven points of the Luxembourg compromise of January 1966 had still not been discussed with the Commission. This, he felt, was a case of undue caution, even hesitancy. More and more frequently Parliament learned for the first time from press reports of proposals submitted by the Commission to the Council. This, for example, had happened in the case of the new proposals on transport policy.

The Commission's replies to written questions from members of the European Parliament were tending to become increasingly irrelevant and had even been passed through the 'sieve' by the Permanent Representatives before publication. Turning to the work of the Permanent Representatives, Mr. Vals agreed that in most cases they were doing a great deal for European integration. Their preparatory work, however, often clearly anticipated the Council's decisions. This overlapping of work at institutional level was all the more striking in view of the fact that, in addition to the Committee of Permanent Representatives, there existed the special Agricultural

Committee and the Committee set up under Article 111. A special Transport Committee would no doubt shortly be added to the list. The Council's Secretariat also appeared to want to compete with the Commission's Secretariat.

In view of the fact that the Luxembourg compromise had weakened the Executive's position, Mr. Vals asked the President of the Council if it would not be wiser to assign new tasks to the Commission in accordance with Article 155 of the EEC Treaty.

Returning to the question of widening Parliament's budgetary powers, Mr. Vals pointed out that it was only in a formal sense that the Community lacked resources of its own, and that it was impossible for the national Parliaments to supervise the Community budget. There was no point therefore in deferring the matter to 1970.

For the Liberal and Allies Group, Mr. Starke stated that the transfer to the Community of wider powers, particularly in the legislative field, would depend on whether, when the time came, it had been possible to find in the Community a really democratic means of compensating the national Parliaments for powers surrendered by them.

On the other hand, it did not augur well for the Community that its relations with non-member countries, including some in Europe, were anything but clear-cut, and that there was a lack of balance both in its internal development and in the relations existing between its institutions.

Mr. Margulies, Euratom Commission member, stated that the Community's activities were still being financed under the system whereby expenditure could be effected on a monthly basis up to one-twelfth of the budget appropriations for the preceding financial year. The inter-Executive working party on scientific research had made considerable progress, details of which Mr. Starke hoped would shortly be put before Parliament. Addressing the Council, Mr. Margulies finally expressed the hope that he could count on the collaboration of the Permanent Representatives, with whom the Commission enjoyed satisfactory and friendly relations.

In his reply Mr. Van Elslande, President of the Councils, said he was handicapped by the fact that he had to stick to Community positions, at least in so far as they had

in fact been taken up. Much of the criticism brought forward in Parliament would have to be repeated before the national Parliaments. It was therefore up to members of the European Parliament, once they were back in their national Parliaments, to bring home to their governments the need for widening the powers of the European Parliament.

For the rest, Mr. Van Elslande pleaded extenuating circumstances. This applied particularly to the complicated field of external relations where, whenever an agreement was envisaged, it was necessary to ascertain what would be its consequences, not only for the Community and the country concerned but also for the EEC's relations with a large number of non-member countries in Europe, and even for other parts of the world and for less-developed areas. The EEC Commission deserved to be congratulated, particularly as it took into account not only the technical but also the political aspects of these problems. Extenuating circumstances must also be pleaded as regards energy policy and social policy; everything could not be done at once. As regards Euratom, however, it should be noted that the interregnum had now come to an end and that the Atomic Energy Community once again stood on a solid base. In the last few months a number of serious problems had been solved. The Community still had to deal with the vast problem of the GATT negotiations - the overriding question both for the Common Market and for relations between the Common Market, EFTA and the 43 States affected by the Kennedy Round.

9. Financial frauds in the agricultural sector

The Budget and Administration Committee addressed to the EEC Commission an oral question - involving a debate - on the frauds that had been practised to the detriment of the system for financing the common agricultural policy. It will be remembered that at the end of 1966, frauds were uncovered first in Antwerp and subsequently in southern Germany. Mr. Leemans (Christian Democrat, Belgium) put this question at the session of 14 March 1967 (1). He wanted to know what was the known amount of the

(1) Oral question No. 3/1967

embezzlements, how the offenders had been able to contravene the provisions in force and evade the various checks made by the national customs authorities, for a straightforward statistical cross-check at the customs would have disclosed the frauds if the economic departments had co-ordinated their activity with that of those administering the Agricultural Fund. Mr. Mansholt, Vice-President of the EEC Commission, said in reply that although the Commission had asked the member States for information, the results of their inquiries had not yet been received. It appeared to be the member States that were directly concerned by these frauds which had occurred before the Agricultural Fund had entered upon its activities. He explained various fraudulent procedures which, he thought, showed a measure of negligence on the part of the customs authorities. The EEC Commission could not be held to blame for there was no clause in the Treaty which made it responsible for checking customs documents. The Commission had tried to make some investigations with its extremely limited staff but these had been to no avail.

Mr. Mansholt considered that the customs authorities in member States should establish close cooperation among themselves. The Commission, for its part, would be submitting proposals to the Council establishing the Community's responsibility in this context. Mr. Vredeling (Socialist, Netherlands) stated that Mr. Mansholt's reply clearly showed a conflict between Community expenditure and national supervision of this expenditure. It was not enough simply to coordinate the activities of national customs authorities as proposed by the Dutch Government.

Mr. Leemans (Christian Democrat, Belgium) concluded that such supervision should take the form of coordinated action by the customs authorities, under the responsibility of the Community. The problem concerning agricultural products might also arise for industrial products and it would be worth while exercising an adequate measure of control over customs practices.

10. Third meeting of the Parliamentary Conference of the EEC-AAMS Association

On 15 March the European Parliament, in the light of a report drawn up by Mr. Scarascia Mugnozza (Christian Democrat, Italy) (1), discussed the results of the third meeting of the Parliamentary Conference of the Association between the European Economic Community and the Associated African and Malagasy States held in Abidjan from 10 to 14 December 1966 (2).

Mr. Scarascia Mugnozza began with an outline of the work done by the Conference. This dealt mainly with the second annual report on the activities of the Association Council and with the statement on the Yaoundé Convention and on economic cooperation between the EEC and the 'Organisation commune Africaine et Malgache' made on 25 October 1966 by Mr. Hamani Diori, President of Niger, before members of the EEC Commission as President of OCAM.

The political crisis through which the Community had passed in 1965 had not hampered the application of the Yaoundé Convention. However, trade between the EEC and AAMS had fallen so sharply in 1965 that the Conference had pressed for more energetic measures to step it up. Fortunately, in the first eleven months of 1966 the situation had noticeably improved. Trade between the EEC and AAMS was of radical importance for the latter's economic and social development. A number of study missions had been carried out by members of the European Parliament in the last few months in various African countries, particularly with a view to examining the problem of price stabilization. Others had been planned. Without wishing to anticipate the results of these missions, Mr. Hamani Diori said he could not imagine that the Associated States would be left to their fate at the first sign of difficulties.

As regards financial cooperation, the Conference had expressed the wish for a measure of planning to enable those countries whose need was greatest to get more financial aid.

(1) Doc. 16/1967-68

(2) See European Documentation, 1967, No. 1, p. 41

It would, moreover, be of help if the work done by the Conference and the Association Council could be better coordinated by providing facilities for putting oral and written questions.

The Yaoundé Convention would have to be renewed in June 1968. In view of the relatively short term still to run, the Community should prepare in adequate time for the important tasks it would shortly have to face both under the Yaoundé Convention and at the wider international level. The problem of observers at the Conference would also have to be solved. At the last meeting four States had not been represented by a parliamentary delegation because at the time they had had no national parliament. The Rapporteur therefore urged that the status of observers at the conference should be altered in such a way as to enable them to represent their countries properly. Moreover, European members of the Conference ought to prepare themselves thoroughly for these meetings, for example at an informative gathering at the start of the Conference. The association with Nigeria, which had met with general approval, and any new associations, would call for the adoption by the Community of a balanced policy towards all African States. Just as efforts were being made to apply a well-balanced trade policy to all countries in the Mediterranean basin, so should the policy towards Africa be such as in no way to harm existing associations.

Mr. Rochereau, EEC Commission member, took the opportunity of passing on to Parliament what the Commission had learnt from the Abidjan conference. First of all it was clear that the African and Malagasy States were highly satisfied with the financial aid and technical cooperation given them by the Community. Their only criticisms related to technical points of procedure. The Associated States, however, were also partly to blame for any shortcomings in this sphere. The major point was, however, that all the Associated States should be alive to the gravity of the commercial problems arising within the Association. The Community had met its obligations but the hard fact was that the Associated States, like nearly all developing countries, were interested primarily in the prices of raw materials. An organized defence of their requirements was emerging in the developing countries. It had already been noted at the Geneva World Conference on Trade in 1963 and was likely to emerge even more clearly in New Delhi next year. The same impression had been gained at the Abidjan conference. Efforts would have to be made in the Association to find a solution - in an

atmosphere of mutual understanding and not of conflict - that could bring prosperity to all these countries. Top priority would therefore have to be given in development aid to stabilizing raw material prices at a sufficiently remunerative level. Although the EEC Commission felt that stabilization could not be brought about purely in the context of the Association, it was already possible to improve the position of a number of products. The Abidjan conference had opened the debate on this crucial question.

Speaking for Mr. Thorn (Liberal, Luxembourg), chairman of the Committee on Relations with African States and Madagascar, Mr. Carcassone (Socialist, France), vice-chairman of that committee, dwelt on the need for the six governments to tighten up co-ordination of commercial policy with regard to African countries and bilateral aid to them. He feared that cooperation with the developing countries, and more particularly with the Associated African States, no longer received as close attention from the six governments as formerly, and that there appeared to be a growing tendency to turn to trade relations with countries of the Eastern bloc. It was essential, however, not to break the continuity of aid to the AAMS, whose progress depended on it.

For the Christian Democrat Group, Mr. Furler (Federal Republic of Germany) stated that the setting up of a joint parliamentary assembly of the seventeen African States, Madagascar, and the six European countries had proved successful. This afforded great satisfaction to the European Parliament on whose initiative the Parliamentary Conference had been first set up. The joint efforts made within the context of the Conference had done much to breed the atmosphere of mutual trust so essential for really constructive work. In the trade sector, pricing policy and purchase agreements were still thorny problems which had to be gone into more thoroughly.

Considerable development aid (DM 2,400m. from the first Fund and DM 3,000m. from the second Fund) was proceeding satisfactorily, although the Africans complained that too much time elapsed between the drawing up of projects and their execution. The Christian Democrat Group felt that the Fund's credits should not be allocated solely to infrastructure investment but also for diversification projects in favour of agriculture or for the setting up of small and medium-sized industries. The system of aid under the Association could serve as a model since, in accordance with Article 27 of the Yaoundé Convention, the providers and recipients of aid worked together in fram-

ing development policy. As a result of this close co-operation there had been no misdirected investment of any size and the measures decided upon had been satisfactorily carried out. Aid had, moreover, been allocated to clearly-defined projects.

The possibility of allowing African States which, for internal policy reasons, could not send a parliamentary delegation to the Conference, to appoint permanent representatives, was worth considering. Mr. Furler cautioned, however, against putting prior consultations between members of the European Parliament on an institutional basis. The Conference was a parliamentary assembly and ought to function on parliamentary lines. Its European members should not set up a sort of common front towards the Africans.

On 31 May 1967 financial aid would have to be reviewed and in June 1968 the new association period would commence. The European Parliament should look carefully into these matters and, if necessary, itself draft a new association agreement.

After endorsing the proposal for a resolution on behalf of his group, Mr. Furler stated that the open character of the Association was also appreciated by the Community's African partners. No political conditions were attached to membership of the Association, and its members were free to pursue whatever foreign policy they wished. Technical cooperation, however, and the mutual trust it had bred, were of considerable political importance, not only because of their favourable effect on the stability of the Associated States and on their attitude towards Europe and the West as a whole, but also because they fostered European consciousness and acted as a spur to progress in the European Community.

For the Socialist Group, Mr. Metzger (Federal Republic of Germany) dwelt on the political significance of the Association, which had laid the psychological foundation for further progress. Man stood at the centre of development policy. The Conference had therefore accepted the need to raise the general educational standard of the people by awarding scholarships for study in Europe and widening educational facilities in Africa. In addition, the Community's inspectors would be expected to meet stringent requirements.

The Association Agreement with Nigeria would expire at the same time as the Yaoundé Convention. Could not the

links between Nigeria and the other associated countries then be drawn closer? Mr. Metzger went on to point out that the Association of the AAMS was based on the Treaty of Rome and could not therefore be denounced by the signatories to the Treaty.

Mr. Metzger wound up by saying that stabilization of prices of primary commodities was essential if aid was not to be frittered away.

Mr. Pedini (Christian Democrat, Italy) argued that the Association could not be considered separately from the general problem of international trade relations. If Europe wanted to serve the interests of the Association, it would have to take a more and more active part in the dialogue on general problems of world trade. The Community could not shut its eyes to the difficult political situation facing its associates. In order to get the best results, the Association would have to be given the means to pursue a policy covering all sectors of the economy. It was not for the Development Fund to finance prestige projects; its main concern ought to be a project's utility. The third Convention should also open the way to the financing of operating costs. Was it not possible to conclude specific agreements, within the Association, that took account of the special position of certain associated countries? A disparity already existed in the level of development as between countries on the coast and those in the hinterland. Mr. Pedini was concerned by the fact that the Fund's interventions did not fall within a general plan that took account of the geographic and social situation of the associated countries as a whole.

Mr. van der Goes van Naters (Socialist, Netherlands) stated that the annual discussion of the results of the Parliamentary Conference offered a better opportunity to take stock of the Association's activities than a study of the EEC Commission's annual report. He asked the Commission whether it had yet prepared a detailed reply to the argument raised by the President, Mr. Hamani Diori, and if this could be notified to the Parliamentary Committee concerned. In addition, he felt it would be better if the Executive, in accordance with parliamentary usage, were not the first to take the floor but first replied to the speakers. Two important lessons could be drawn from the experience of the Association: its institutions had proved their worth and the ultra-modern form of collaboration between Europe and Africa in the Association, the most spectacular feature of which was

the intercontinental parliamentary assembly, had been a success. Ought the Association to be put an end to and the whole matter referred to the United Nations? According to the speaker, the Association as such had been called in question by one of the Community's member States. Credits continued to be made available but what suffered was the highly successful institutionalization of human relations. The speaker urged the European Parliament to resist this tendency to the utmost of its powers.

Replying to the questions put by Mr. van der Goes van Naters, Mr. Rochereau, EEC Commission member, said the Commission's views on Mr. Hamani Diori's memorandum had been passed on to the Council and would also be made known to the Parliamentary Committee concerned.

At the close of its business Parliament passed a resolution (1) in which it expresses its satisfaction at the overall success of the Association's first years of activity and endorses the conclusions reached by the Parliamentary Conference in its resolution of 14 December 1966. Parliament then goes on to draw the attention of the Commission and of the Council to the need for the Community to make timely and adequate preparations for the tasks it must carry out in the near future both in the Association and at the wider international level. Parliament intends, if necessary to make a detailed scrutiny of the results of study and fact-finding missions carried out in the Associated States. Finally, it considers it desirable that the European delegation should make thorough preparations for the discussions in the Parliamentary Conference of the Association.

11. The Community's economic situation

Following the account of the Community's economic situation given by the EEC Commission before the European Parliament at its January 1967 session, the Economic and Financial Committee drew up a report (2) on economic trends in 1966 and the prospects for 1967.

(1) of Official Gazette of the European Communities,
3 April 1967, p.975/67

(2) Report by Mr. Bousch, Doc. No. 6/1967-68

The major problems now facing the Community in the economic sector are price levels and the financial and labour markets. As regards prices, which are still rising the Economic and Financial Committee does not believe that all increases in costs and prices can be equated with inflation. Moreover, structural aspects deserve special attention in the fight against inflationary price rises.

With regard to the financial market, the report considers the question to be whether future budgets will be able to carry the heavy burden of government loans. In spite of the tightness of the financial market, a considerable demand for capital will persist. This demand corresponds closely to the needs of productive investment. According to the report, it is a slackening off in investment that should be feared most in the near future. The difficulties on the labour market, which is at present experiencing a rise in unemployment, can be tackled by measures taken by the governments, but measures of a more vigorous nature may shortly prove necessary.

With regard to the policy to be followed in 1967, the report points out that budgetary policy is able to exert only limited influence on the short-term economic situation. The scope it offers should certainly be taken full advantage of, for example, by drawing on budget reserves to finance public investment in the event of a downswing of the economy.

The introduction of automation techniques in public services and cuts in certain subsidies could, moreover, help to improve the economic situation. The Economic and Financial Committee recommends that details of all visible and invisible subsidies should be published at regular intervals.

The report goes on to deal with credit and incomes policy.

The report was discussed on 15 March. During the debate Mr. Dichgans (Federal Republic of Germany) pointed out for the Christian Democrat Group that if the State intervenes in the field of private investment, it can do so only within the context of a well-balanced plan covering the Community as a whole.

For the Socialist Group, Mrs. Elsner (Federal Republic of Germany) recommended that plans for the creation of additional jobs should be drawn up in all Community

countries for putting into effect as and when desired.

The Vice-President of the EEC Commission summarized the modified figures relating to the economic trends in the past year and to the prospects for 1967.

In the resolution passed at the close of the debates, Parliament advocates a flexible transition from the existing system to one of close co-ordination that takes the Community's interests into account as a whole, so as to avoid a situation in which, while the national Governments lose the opportunity to intervene effectively, the powers of Community institutions are not correspondingly widened.

With regard to the rise in unemployment in various areas, Parliament urges that dismissed workers should receive identical treatment regardless of whether they are nationals of the country concerned or of other member States.

Parliament looks to the EEC Commission to make studies of various aspects of inflation, as well as of its structural causes, of imported inflation and of a particular feature of the problem, namely, the influence of land prices on the rise of costs in the building sector.

Turning to the tools of short-term economic policy, the resolution rejects too restrictive a credit policy as liable to exert a braking action on directly productive investment. At the same time it advocates that use be made of the tools of budgetary and taxation policy.

Since budgetary policy of itself offers only limited scope for influencing the economic situation, the resolution recommends that it be applied with a certain amount of flexibility. This should be compatible with public investment programmes extending over several years whenever priorities are laid down in them.

12. Progress on the Kennedy Round

On 15 March Mr. Pedini - jointly with Mr. Kriedemann and Mr. Mauk - put an oral question to the EEC Commission, on behalf of the External Trade Committee, on the state

of progress in the Kennedy Round (1).

Mr. Pedini based his question on two groups of problems, one relating to the pace of negotiations and the other to the main difficulties standing in the way of an early settlement.

Mr. Rey, EEC Commission member, said in reply, with reference to the pace of the negotiations, that 30 April had been accepted by all as the date upon which the Kennedy Round should conclude. The importance of the problems under discussion would, however, make the negotiators' task extremely difficult. The difficulties concerned not so much industrial issues as agricultural problems. Indeed the Community was confronted with many GATT partners who regarded its offers on agriculture as inadequate. At the same time, it had to be remembered that the Community was at present engaged in shaping its common agricultural policy; inevitably, its attitude in defending this policy was less flexible than it would have been if it had had a few years' practical experience of this policy to look back on. In any event, he concluded, it could be hoped that by the agreed closing date of 30 April it would be possible, notwithstanding the difficulties referred to, to reach a general agreement so as to achieve the main objectives for which the negotiations were started almost three years ago.

With reference to the ECSC sector, Mr. Wehrer, member of the High Authority, said that the only problems arising concerned steel. As far as coal was concerned, the general rule of a 50 per cent reduction had been accepted. For steel it had been decided that the customs duties should be reduced all round from approximately 14 per cent to the Benelux rate of 6 to 7 per cent. This proposal, however, had failed to win acceptance - except in Great Britain - from the other Contracting Parties. It was not possible to accept the elimination of this protection because the industries of other countries continued to get the benefit of State aid.

In a resolution passed at the close of the debate, Parliament commended the work done by the EEC Commission. The resolution also stated that attention should be drawn in the Kennedy Round or in other international negotiations, to the Community's willingness to take part in

(1) Oral Question No. 1/1967

working out measures that would help to solve the world's food problems (1).

13. Organizing world markets in dairy produce, beef and veal

On 16 March, the Parliament discussed the report (2) drawn up for the Agricultural Committee by Mr. Lückner (Christian Democrat, Germany) on problems relating to organizing the world markets for dairy produce, beef and veal.

The first part of the report concerned dairy produce. The rapporteur dealt with the general features of the international markets (changes in world production and in the position of the EEC) and with the characteristics of the markets for the various products (butter and powdered milk). In the second part, which dealt with beef and veal, the rapporteur outlined the general features of the international markets in these products. The Committee also examined the Community's Kennedy Round proposals for these markets, for a general arrangement for 'dairy produce' and 'beef and veal.'

The Committee's opinion of the Community's offers in respect of dairy produce and beef and veal was summed up in the draft resolution which the Parliament adopted at the close of its debate.

After Mr. Lückner had submitted his report, Mr. Dulin (Liberal, France) stressed the importance of a world agreement for the dairy produce, beef and veal markets. He had some comments to make with particular reference to dairy produce and said he was convinced that the organization of the world markets for the primary agricultural products would only be successful, as far as animal production was concerned, in so far as it was coupled with the finalization of the EEC's own internal organization.

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- (1) Proposal for a resolution, submitted for the Committee on External Trade Relations by Mr. Kriedemann, on the state of progress in the Kennedy Round (Doc. No. 30).
(2) Doc. 27/1967-68

Mr. Vredeling (Socialist, Netherlands) drew attention to the imbalance between vegetable oils and fats and animal fats. In this field, the EEC's proposals were inadequate. He thought that once world agreements had been concluded it would be easier to solve certain problems now presenting difficulties.

Mr. Mansholt, Vice-President of the EEC Commission, recalled that the Commission was in favour of organizing world markets provided that the national organizations were improved and made subject to certain regulations. Partial and bilateral agreements were today out of date. Preparations had also to be made straightaway for resolving any issues not settled by the Kennedy Round.

In the resolution passed at the close of the debate, the Parliament expresses satisfaction at the aims implicit in the Community's offer to conclude general arrangements, within the framework of the Kennedy Round negotiations, concerning dairy produce, beef and veal with a view to stabilizing and reorganizing the markets for these products; it again recalls that long-term reorganization of the world agricultural markets would only be possible if the importing and exporting countries were ready to bring their national policies into line with a common, international system, and stresses that the Kennedy Round offers an opportunity to exercise control over the way in which world agricultural markets develop, for each Contracting Party is bound to assume equal, or at least equivalent obligations for each product, both in the agricultural and in the industrial sector.

Parliament is nonetheless concerned by the fact that although it had originally been envisaged and decided otherwise, a shortage of time has made it necessary to adjourn or abandon the negotiations on certain key products (sugar, vegetable oils and fats). Consequently it sees a danger not only of upsetting the balance of the agricultural sector itself but also that existing between the agricultural and industrial sectors; the result of this would be to call into question the long-term objective of improving the international division of work in the agricultural sector. The Parliament again asks that no effort be spared, in the Kennedy Round negotiations, to reach agreement at least on the objectives, principles and key factors which could subsequently serve as the basis for world agreements for these markets, too. It endorses the general trend, reflected in the offers made by the Community for dairy

produce, beef and veal, to fashion world agreements in a more flexible form (than the cereal agreements, for example) particularly as regards their essential machinery and the reciprocal undertakings given, because little experience has so far been gained of such organized international cooperation.

Parliament considers that the following should be the operative principles in setting international reference prices:

- a) price levels should, without recourse either to price support or to production subsidies, give the world's most productive dairy produce, beef and veal producers whose production was needed to meet total demand, an adequate revenue and help secure a long-term balance between supply and demand on these markets;
- b) international reference prices must correspond to a relationship between the price of milk and the price of beef and veal which would stimulate beef and veal production and so make good the deficit in this sector;
- c) international reference prices for dairy produce should be consonant with a supply and demand situation which reflects an appropriate relationship between the valorization of fats and of milk albumin;
- d) international reference prices should take due account of the special importance of differences in quality (especially as regards meat) and in taste (especially in the case of butter) on these markets.

Parliament points out that the present agreements, which are based on quotas, will become unnecessary once a world agreement has been concluded. It stresses the Community's willingness, which is more particularly in evidence in an offer in the matter of dairy produce to make the necessary efforts to secure the necessary supplies of albumin of animal origin (lactoalbumin) within the framework of food aid. It finds it regrettable that the Community's offer makes no express reference to the degree of self-sufficiency - including food aid (particularly in the form of powdered milk) as a criterion for the reorganization measures of the various Contracting Parties, and that these measures are not to come under a joint financial responsibility.

Parliament lastly draws attention to the fact that the State-trading countries must certainly assume equivalent obligations, particularly in regard to world agreements for these sectors, and considers that a certain number of

problems, connected with the possible entry of the United Kingdom into the Community, would be simplified by the conclusion of these agreements.

14. Draft accounts of the European Parliament

The President of the European Parliament has sent the draft accounts for 1966 to the parliamentary committee concerned (1). The interim report drawn up by Mr. Carcaterra (Christian Democrat, Italy) proposed that Parliament should take formal notice of the accounts before forwarding them on to the auditors. Once it had learned the auditors' comments, Parliament would draw up a supplementary report establishing its accounts in their final form and proposing their adoption.

The report was submitted during the session of 16 March 1967. Parliament immediately passed a resolution taking note of its accounts for 1966.

15. Measuring instruments

On 6 May 1966 the Council referred to the European Parliament the proposals drawn up by the EEC Commission for directives on the approximation of the laws of member States on measuring instruments in general, clinical maximum mercury thermometers from glass, parallelepipedal medium-precision weights of between 5 and 50 kilograms, cylindrical medium-precision weights of between 5 and 50 kilograms and cylindrical medium-precision weights of between 1 gram and 10 kilograms.

Mr. Berkhouwer (Liberal, Netherlands), who was appointed Rapporteur by the Internal Market Committee, took no position on the essentially technical subject of the directives (2). He noted with satisfaction the statement

(1) Doc. No. 15/1967-68

(2) Doc. No. 14/1967-68

made in Parliament on 3 February 1967 by Mr. von der Groeben, EEC Commission member, to the effect that the EEC Commission was ready to take part in a general debate on the problems of approximating laws in pursuance of Article 100 of the EEC Treaty. In the resolution immediately adopted by it, Parliament trusts that a rational programme will be drawn up as soon as possible for the application of Article 100 in order really to facilitate the establishment and development of the Common Market in the essential fields. It approves the text of the directives while suggesting that a directive should be drawn up requiring periodic checks and indicating the machinery for carrying these out as well as the categories of instruments which would be subject to such control.

16. Implications of a treaty on the non-proliferation of nuclear weapons

On 16 March Mr. Edoardo Martino (Christian Democrat, Italy), Chairman of the Political Committee, put an oral question (1) to the Euratom Commission on behalf of the Political Committee.

Mr. Martino asked the Euratom Commission to inform Parliament of the implications which the proposed treaty on the non-proliferation of nuclear weapons might have on the Community, and to state what action had been or would be taken to protect Community interests.

Mr. Chatenet, President of the Euratom Commission, stated that the problem would have to be examined in the light of three diplomatic instruments involved: (i) the Treaty of Rome which established the European Atomic Energy Community; (ii) the Nuclear Cooperation Agreement concluded at the end of 1958 between the United States' Government and the European Community; and (iii) the proposed non-proliferation treaty.

Under the terms of the Cooperation Agreement with the United States, the Euratom Commission was informed about the proposed non-proliferation treaty. Under this treaty, control over the use of nuclear materials would

(1) Oral Question No. 2/1967

be entrusted to the Atomic Agency in Vienna. Under the Agreement between the United States and the Community, however, such control was the responsibility of Euratom. It was therefore clear that there would be a change in the existing legal situation. Then again, while dual control either by Euratom or the Atomic Agency in Vienna might be theoretically possible, it did 'not seem feasible from a practical point of view.' The proposed treaty on the non-proliferation of nuclear weapons would therefore interfere harmfully with Euratom's activities.

With reference to what action the Commission had taken to avert the dangers causing concern, Mr. Chatenet stated that his Executive had begun by referring the matter to the Council. The question was now being examined by the Council and, through its agency, by member States.

Mr. Hallstein, President of the EEC Commission, stated that the problem of the greatest concern to Parliament was whether the non-proliferation treaty might clash with the political unification of Europe. Europe had also to be united in the field of defence and until nuclear weapons had been abolished it had to take into account the importance of this issue. Similarly, the non-proliferation treaty was liable to call into question many facets of the Euratom Treaty. The main danger was that new frontiers would come into being within the Community and that a situation of nuclear inequality might arise between the various member States.

Mr. Coppé, Vice-President of the ECSC High Authority, stressed the political importance of avoiding any discrimination between Community countries, as this might call the Community itself into question.

Speaking for the Christian Democrat Group, Mr. Schuijt dwelt on the need to ensure that further countries would not develop nuclear weapons of their own, and that those which already possessed them limited or reduced their stocks. It was along these lines that an answer should be sought to the many difficulties which stood in the way of an agreement and challenged the basic principles of Euratom.

For the Socialist Group, Mr. Merten said he would agree to any measure to prevent the proliferation of nuclear weapons but pointed out that methods of destroying those already existing should be studied.

Speaking for the Liberal and Allies Group, Mr. Berkhouwer pointed out that the authors of the proposed non-proliferation treaty appeared to be unaware of Euratom's existence. It was therefore desirable that the rights of the Atomic Community should be borne in mind when problems connected with this treaty were being discussed. While these rights were respected, the Atomic Agency in Vienna and Euratom would be able to co-operate effectively.

On 17 March the debate was concluded by the adoption of a resolution stressing that it is most desirable for all member States of the Community to act jointly in order to display their firm resolve to ensure that the development of nuclear industries using atomic power for peaceful purposes is not imperilled.

17. Euratom's activities in the future single Executive

At its session of 18 October 1966 the European Parliament instructed the Political Committee to draw up a report on Euratom's activities in the future single Executive and on the need to preserve the special features of the Euratom Treaty within that Executive.

On 16 March 1967 Parliament discussed the report drawn up by Mr. Schuijt (Christian Democrat, Netherlands) for the Political Committee (1).

The Rapporteur regretted that the Governments of the member States had still not reached agreement on the application of the Treaty of 8 April 1965 which had already been ratified by the national Parliaments, all the more so because the specific effects, particularly as regards Europe's 'lag' in scientific research and technical progress, were making themselves felt. Europe would have to make up the ground lost as rapidly as possible as otherwise it could suffer untold harm.

The problem should therefore be viewed in the light not only of Euratom's activities but also of the administrative reorganization of the three Communities whose common aim is to strengthen Europe politically, economi-

(1) Doc. 9/1967-68

cally and socially. The merger of the Executives should not stop short at streamlining the organization but should also pave the way to the merger of the Communities.

Parliament's proposal for a resolution is framed in such a way as to ensure that the special features of the Euratom Treaty, together with its highly specific tasks to which no equivalent exists in other sectors, are preserved in the single Executive. Mr. Schuijt pointed out that the question was highly complicated, all the more so before the single Executive entered upon its activities. According to Annex I of the Treaty on the merger, it shall be the single Executive's task to take any measures, within the limits of its powers, necessary to complete the rationalization of its departments within a reasonably short period not to exceed one year.

Without going deeper into the sources of all the difficulties at present facing the European Atomic Energy Community and the European Coal and Steel Community, it should be noted that research and technical development must be fitted into a suitable framework that takes account of the requirements of the economy and industry. The value of the experience acquired by Euratom in close on nine years of activity is beyond doubt, some of it having already passed into the common ownership of the member States.

The resources and facilities extended to the Community by the Treaties of Paris and Rome in the sphere of scientific research are limited. The Communities have, however, succeeded in making the most of them and, as Euratom's experience indicates, in setting up a number of important programmes and structures. The Political Committee therefore feels it essential to make greater concessions and wider powers available to the Communities in this sphere. This calls for political will on the part of member States who could thus prove their readiness to advance along the road to European integration.

In the course of the debate Mr. Margulies, member of the Euratom Commission, referred to the respective positions of Euratom and the EEC within the integration scheme. While the EEC was concerned with singling out a preference zone - customs union and economic union - from total world trade, according to the provisions of GATT, Euratom had to start, as it were, from scratch and to be given the task of importing into Europe, through a

suitable network of external relations, the experience and know-how of the rest of the world. One of the hardest tasks of the single Executive would be to draw a line between tasks that could be dealt with by individual member States, that is, at national level, and those that would have to be entrusted to the Community and dealt with, therefore, on a common basis.

Mr. Margulies dealt in detail with the problem of fitting research into medium-term economic policy. This would prove difficult alone because the very concept 'medium term' was far from precise. Moreover the necessary prelude to applied research was research of a fundamental nature, and it was impossible to forecast when the results of this would be available. This in turn precluded their incorporation in advance in a medium-term economic policy. The position was otherwise with applied research, geared as it was to specific economic trends, though even here difficulties existed.

Mr. Margulies pointed out that the results of research and development were themselves aspects of economic policy. One of the problems to be faced was, therefore, how to take account of the circumstance that nuclear engineering, and especially reactor construction, was moving out of the research into the industrial stage and therefore, as an aspect of energy policy, becoming part of energy policy. As regards the relations existing between the private and the public sector, there was no lack of cooperation. What was needed was to make a clear distinction between enterprises which spend large sums on research and development with a view, of course, to making a profit. The tendency of governments, on the other hand, like that of Euratom, was to foster and finance research apart from considerations of pecuniary gain. This could lead in some cases to competition for the private sector, though not inevitably.

Mr. Aigner (Federal Republic of Germany) stated on behalf of the Christian Democrat Group that Europe's financial resources, when compared with those available to the United States, were obviously extremely modest. If more funds were required, then sacrifices would naturally have to be made. One could not expect to lead simultaneously in the social sector, in the consumer goods industry and in scientific research. The Euratom Commission and research centres had achieved satisfactory results which promised well for the future. In the future single Executive, Euratom, because of the position it occupied in nuclear research and industry, would have to continue in existence in some form or other, a cen-

tralized body of its kind being of more use than the individual research organizations of member States. Mr. Aigner added that he was in favour of joint management of all research projects in the single Executive, as this would encourage scientific activity at European level and ensure common documentation and practical applications in the field of rocket propulsion.

Mr. Battaglia (Italy), speaking for the Liberal and Allies Group, called for a realistic approach. In 1964 Parliament had passed a proposal for a resolution in which it was stated that the merger of the Executives could only be effected if all the powers and the administrative independence of Euratom were preserved intact. He added that the present text of the proposal for a resolution did not fully reflect the wishes expressed by Parliament in October 1966, in spite of the Opinions submitted by the Energy Committee, the Research and Cultural Affairs Committee and the Budget and Administration Committee. Mr. Battaglia then read out passages from the Opinion of the Research and Cultural Affairs Committee advocating the merger of the Executives and wider powers for the Community in the field of research.

He pointed out that the views of the Research and Cultural Affairs Committee did not emerge from the Political Committee's proposal for a resolution. The Rapporteur had put forward special arguments for not carrying out his mandate to the letter. Mr. Battaglia therefore suggested that the proposal for a resolution on the Political Committee's report should be amended and called for the adoption of the new text which more closely reflected Parliament's wishes.

Mr. Merten (Federal Republic of Germany) of the Socialist Group pointed out, like the previous speaker, that the Political Committee's report should have more accurately reflected the views of the other committees consulted on the matter. The views expressed in the other committees differed on a number of points from those of the Political Committee. Parliament ought to attach special weight to Euratom's rôle and to the work of its researchers. Since this point was omitted from the Political Committee's report, the report would have to be amended or referred back for revision to the Political Committee.

Mr. Schuijt, Rapporteur, replied that his Committee did not want to follow up Mr. Battaglia's proposal because it saw a risk in the administrative independence of cer-

tain departments. Moreover it was astonished to find Mr. Merten proposing on behalf of his Group that the report should be referred back to the Committee when a number of members of the Group had already accepted the proposal for a resolution.

Following the remarks of Mr. Battaglia, who backed Mr. Merten's proposal that the report should be referred back to the Committee, and of the Rapporteur, Mr. Schuijt, who took the contrary view, Parliament decided to refer back to the Political Committee both the report and proposal for an Amendment No. 1.

18. Recommendation of the Joint EEC-Turkey Parliamentary Committee

On 16 March the Parliament discussed a report, drawn up for the Committee for the Association by Mr. Brunhes (Liberal, France) (1) at the suggestion of the Joint EEC-Turkey Parliamentary Committee, on the first annual report of the Association Council.

In the absence of the Rapporteur, the report was presented to Parliament by Mr. Moreau de Melen who pointed out that although the Agreement establishing an Association between the EEC and Turkey had come into force on 1 December 1964, the first annual report of the Association Council covered a period of thirteen months (1 December 1964 to 31 December 1965).

The primary objective of the Association, it was pointed out, was to increase trade so as to raise the standard of living of the Turkish people. Agricultural products such as tobacco, raisins, dried figs and hazelnuts had formed the basis of that trade. With reference to industrial products, it was pointed out that there was, on the Turkish side, a certain amount of concern which stemmed from a fear of competition from the Community. The Parliament pointed out, however, that these fears were groundless because none of the existing arrangements for the protection of Turkish industrial products would be abolished during the preparatory period.

(1) Doc. 5/1967-68

Similarly, during the transitional period, protection would be reduced only in the light of the progress made by the Turkish economy.

With regard to labour, the Parliament stressed the desirability of encouraging the engagement of Turkish workers in the Community. This would enable them to acquire skills which they could subsequently turn to advantage in their own country.

Mr. Rey, EEC Commission member, was pleased to see that the preparatory period had made such a good start.

Mr. van der Goes van Naters (Socialist, Netherlands) expressed the Socialist Group's satisfaction at the work that had been done and dwelt upon the desirability of strengthening existing links with Turkey. Speaking in a personal capacity, he drew Parliament's attention to the need to reach the stage of using, at most, only two to three languages in the Community in view of the fact that as this grew larger, the linguistic problem would raise an increasing number of difficulties.

19. The outlook for the forthcoming conference of heads of state or government of the member States of the Community

In anticipation of the proposed summit conference in Rome, the Parliament held a debate on 16 March on the issues likely to be raised on that occasion (1).

The basis for the debate was a report by Mr. Edoardo Martino (Christian Democrat, Italy), who recommended that only the most urgent problems be brought to the attention of the conference. Among these he referred to the merger of the Executives provided for in the Treaty signed on 18 April 1965. He also pointed out that the conference ought to endow the single Executive with effective powers in the fields of scientific research and technological progress. It should not be forgotten that since the Treaties were signed, enormous

(1) Doc. 170/1966-67

progress had been made in science and technology, and the Community should therefore be given wider powers in this sector.

It was then pointed out that another problem the summit conference could examine was that of the participation of the United Kingdom and other European countries in working out an effective European policy in the field of scientific research and technological progress.

Attention was drawn to the desirability of providing for the future of the Euratom Community. This was at present passing through an extremely difficult crisis which only an unwavering political will could overcome. Similar comments were made with reference to the Coal and Steel Community which had serious problems to solve in the steel sector.

One last suggestion put forward for the summit conference concerned the accession of third countries to the Community. It was recalled that the Parliament had on many occasions come out in favour of enlarging the existing Communities.

With reference to research, Mr. Carrelli, Vice-President of the Euratom Commission, pointed out that it was desirable not only to develop pure research but also to permit the growth of enterprises of continental or inter-continental scale capable of withstanding international competition. It was only in this way that the technological gap between the United States of America and the European Communities could be bridged.

Mr. Mansholt, Vice-President of the EEC Commission, said that the summit conference in Rome should be used to strengthen the powers and responsibilities of Community bodies and particularly of the European Parliament.

With reference to the proposed merger, Mr. Coppé, Vice-President of the ECSC High Authority, said that the most important aspect was the merger of the Communities rather than that of the Executives.

20. Directive on preserves, jams and fruit jellies

On 16 March the European Parliament expressed its views on an EEC Commission directive laying down standards for the ingredients, manufacturing requirements, packaging and labelling of preserves, jams, fruit jellies and chestnut paste. It did so on the basis of a report and a complementary report drawn up for the Agricultural Committee by Mr. Herr (Christian Democrat, Luxembourg) (1) and of an Opinion returned by the Health Protection Committee.

Parliament endorsed the conclusions drawn in these documents, pointing out that it would be desirable to take not only Article 43 but also Article 100 of the EEC Treaty as the legal basis for the directive.

With reference to the health problems arising in connexion with the directive, the Parliament proposed that citrus fruits used in manufacturing the products concerned should be completely free of peel when treated with diphenyl or derivatives of diphenyl; it asked that the use of peel be prohibited in the manufacture of quince marmalade. Parliament also reduced from seven to five years the period during which member States would still be able to authorize the manufacture of jams containing fruit pulp preserved with sulphuric anhydride, and proposed that products containing sulphuric anhydride in the agreed proportions should be referred to as being of 'standard quality.'

Other amendments moved by the Parliament concerned the labelling of products, sampling procedures and the methods of analysis needed to check the ingredients used and compliance with manufacturing requirements with respect to the products covered by the directive.

21. Preservatives in and on citrus fruit

On 16 March 1967 the European Parliament submitted a report on the use of preservatives in and on citrus fruit.

(1) Doc. 104/1966-67 and Doc. 10/1967-68

The report was based on a report (1) drawn up by Mr. Pêtre (Christian Democrat, Belgium) for the Health Protection Committee. The most important aspect of the Committee's proposal on the subject is the utilization of diphenyl, orthophenylphenol and natrium-orthophenylphenolate for the surface treatment of citrus fruit. The Health Protection Committee was against the proposed use of these preservatives as their harmlessness had not been clearly established. The requirements of public health should have precedence over economic interests.

In the course of the discussion, Mr. Kriedemann, speaking for the Agricultural Committee, came out in favour of accepting the Committee's suggestions subject to an amendment to the draft resolution. He felt that these preservatives were only harmful if used in large quantities. He suggested, however, that the draft proposal should be modified so as to make it clear that the preservatives could only be used within clearly defined bounds.

At the close of the debate Mr. Mansholt, Vice-President of the EEC, took the floor. He was also in favour of allowing these preservatives to be used in limited quantities so that public health would in no way run the risk of being harmed. It should also be borne in mind, he felt, that unduly stringent measures would be prejudicial to the economy of some producer countries such as Israel.

After a further intervention by Mr. Pêtre, who once again supported the unanimous opinion of the Committee, Parliament approved the amended text of the resolution.

22. Reduction of some customs duties during the third stage

On 16 March, the European Parliament dealt with a directive, about which it had been consulted by the Council of Ministers, under which member States will be required, as from 1 July 1967, to charge duties not exceeding 25 per cent of the basic duty on agricultural products imported from each other and so far subject only to the

(1) Doc. 24/1967-68

regulations covering reductions in customs duties.

Following some observations by Mr. Carboni (Christian Democrat, Italy), Rapporteur for the Agricultural Committee (1), Parliament approved the directive. It pointed out, however, that the proposed reduction might lead to difficulties in some sectors, especially those in which a market organization was either planned or possible. It invited the EEC Commission to propose the necessary measures to ease the transition from the systems obtaining in the member States to the Community system - so as to enable the Council to take a decision in time - and to submit as soon as possible market organization proposals already planned or on which a decision as to the principle must be taken by 1 July 1967.

23. Regulation relating to social harmonization in road transport

On 17 March 1967, the European Parliament discussed the report (2) by Mr. Laan (Socialist, Netherlands) on the EEC Commission proposal (3) to the Council for a regulation on the approximation of certain social provisions governing road transport.

Mr. Laan noted in his report that the main aim of the draft regulation under discussion was to eliminate certain competitive anomalies and that it fitted neatly into the framework of the Council decision of 13 May 1965. The draft regulation represented a real contribution to an increase in the safety factor in road transport and it would also reduce the artificial disparity between road transport costs in the member States. Similarly working conditions, which were often far from satisfactory, would be improved. Road safety and the structure of transport enterprises had everything to gain from this improvement. Checks to ensure that the social provisions were applied - and these checks were particularly important - would

(1) Doc. 33/1967-68

(2) Doc. 31/1966-67

(3) Doc. 102/1966-67 O.G. No. 185 of 17 October 1966, p. 3195

really only be possible with the cooperation and assistance of labour and management. In submitting his report for the Transport Committee, Mr. Laan stated he was in favour of the proposal, subject to one or two amendments.

Speaking for the Liberal and Allies Group, Mr. De Clercq (Belgium), outlined his Group's reservations about the financial implications of the proposed measures. His group would none the less vote in favour of the resolution.

Mr. Richarts (Christian Democrat, Germany) returned to the question of controls in road transport. He advocated the use of recording tachometers and asked the Commission to make a thorough study of the norms of daily mileage and of the question of costs resulting from the new provisions.

Mr. Riedel (Christian Democrat, Germany) asked that conditions of competition should not involve any undue danger to the safety of road transport.

Mr. Müller (Christian Democrat, Germany), explained why he was unable to vote for the resolution proposed in the report by Mr. Laan. Road safety had gained nothing from the amendments proposed. It would be better to abandon the idea of setting mileage limits and standards than to increase the working driver's day or reduce the daily rest period.

Mr. Faller (Germany), said that the Socialist Group would vote for the resolution even though it had certain criticisms and did so with some misgivings. The proposals could only be accepted as transitional measures and would have to be reviewed within two years; the economic effect of the provisions would be salutary and would help to reorganize the transport sector.

Mr. Schaus, a member of the EEC Commission, recalled that the draft regulation under discussion was a first step in terms of social security in the sphere of transport. It would be the first time in the Community that a regulation had been applied to social security conditions in any one branch of the economy. The Commission was also in favour of the use of recording tachometers to keep a check on transport. During the two years at its disposal it would look into the economic implications of these measures and into the standards that could be laid down.

At the close of the debate, the European Parliament adopted a resolution in support of the draft Commission regulation while at the same time moving certain amendments to it.

The European Parliament advocated that it should be obligatory for drivers to have a certificate of physical and mental aptitude and for some mechanical control apparatus to be installed in all vehicles registered after 1 January 1969.

24. Rhine shipping problems and navigable waterway transport capacity

On 17 March the European Parliament discussed, in the light of a report by Mr. Carcaterra (1) drawn up on behalf of the Transport Committee, problems relating to the control of navigable waterway transport capacity.

Reference was made to the fact that, as a result of numerous difficulties encountered in Rhine shipping, it had been decided to create an international union for Rhine shipping (Union de Navigation Internationale Rhénane). The main feature of that association is that it groups together all the owners of vessels sailing on the Rhine or its tributaries and registered in a shipping register. The aim of the union is to overcome shipping difficulties on that River.

On 22 June 1966 the EEC Commission put forward to the Council a report on the 'UNIR Plan' and on navigable waterway transport control.

The European Parliament has always supported the view that any solution designed to regulate Rhine shipping cannot and must not be sought outside the common transport policy. In order to hasten the process of solving problems relating to Rhine shipping, the European Parliament invited the EEC Executive to intensify contacts with the central Rhine shipping committee with a view to finding an interim solution to ease the present situation. Parliament then pointed out that the procedure followed by the EEC Executive in respect of a report to

(1) Doc. 8/1967-68

the Council on the UNIR Plan and on regulations governing waterway transport capacity leaves something to be desired. Indeed, the problem in question is already under consideration by the permanent representatives although the EEC Commission has not yet put forward a final document. This is prejudicial to the desired institutional balance as required by the EEC Treaty which makes specific provision for Community regulations whose implementation would be supervised by the European Parliament or the Economic and Social Committee.

Under present circumstances, if the permanent representatives should submit to the Council a tentative decision regarding the control of navigable waterway transport capacity and if the Council should approve that tentative decision, then the EEC Commission would implicitly lose the power of initiative.

The European Parliament, stressing the need to arrive at regulations governing internal waterway transport capacity, pointed out that the rules for accession to the market should take into account both quantitative and qualitative limitations. The object of the qualitative limitations is to restrict membership to carriers that offer technical, personal and financial guarantees. With regard to quantitative limitations, Parliament observed that existing regulations in the Community countries should be reassessed in so far as the needs of the integrated market required a larger availability of transport capacity.

In the course of the debate Mr. Seifriz, speaking for the Socialist Group, expressed the hope that the Executive would put forward by the end of the year a proposal for controlling internal navigation capacity.

Mr. Schaus, a member of the EEC Executive, stated that Article 162 of the Treaty specifies that the Council and the Commission must engage in mutual consultations. In this context, consideration should be given to contacts that took place with the permanent representatives on the subject under discussion. Mr. Schaus then stated that implementation of the UNIR Plan would lead to the creation of a Rhine community parallel to the European Community. The Executive, therefore, was opposed to the UNIR Plan.

At the close of the debate, approval was given to a resolution deploring the lack of proposals on the part of the EEC Executive designed to regulate navigable waterway

transport capacity, notwithstanding repeated requests from the European Parliament.

25. Regulation concerning milk and cream of milk

At its session of 17 March, the European Parliament examined a regulation amending the regulation on the common market organization of the milk and dairy produce sector in respect of unconcentrated, unsweetened fresh milk and cream. The purpose of this regulation is to fill certain gaps in the basic regulation which have given rise to practices that have rendered the Community market organization system inoperative.

Parliament expressed a favourable opinion of the proposed amendments on the basis of a report (1) by Mr. Dupont (Christian Democrat, Belgium). At the same time, it maintained that this issue again highlighted the drawbacks of not giving simultaneous effect to Community regulations on the various products, or on groups of products falling within one and the same production sector.

26. Aids to the beef and veal sector

On 17 March the European Parliament returned its Opinion on a proposed regulation amending the regulation on the phased introduction of a common market organization for beef and veal and extending until 31 March 1968 the authorization given to the Government of the Grand-Duchy of Luxembourg to grant aids to the beef and veal sector. The Opinion was based on a report (2) drawn up for the Agricultural Committee by Mr. Richartz (Christian Democrat, Germany).

Parliament approved this extension; it pointed out, however, that as from 31 March 1968, when the common market for beef and veal comes into operation, it will no longer be possible to allow any further assistance.

(1) Doc. 3/1967-68

(2) Doc. 32/1967-68

27. Trade in processed agricultural products

On 27 October 1966 the Council adopted a regulation introducing a trading system for certain goods made by processing agricultural products. Under the regulation the new system would come into force on 1 April 1967. In view, however, of the time-lag occasioned in the various member States by the implementation of the provisions of the regulation, the EEC Commission proposed to the Council that its entry into force should be deferred to 1 May 1967.

When this proposal came before Parliament, it acted on the advice of its Internal Market Committee in accepting the deferment of the entry in force of the regulation; Parliament did so on the basis of a report (1) drawn up by Mr. Berkhouwer (Liberal, Netherlands).

(1) Doc. No. 23/1967-68

c) Work of the Committees in February

Political Committee (1)

Meeting of 1 February in Brussels: Discussion on the finalization of proposals to be sent to the Bureau on the participation of representatives of third countries in meetings of Parliament and its Committees. Discussion on the future work of the Committee with special reference to the forthcoming conference of the heads of state or government of the Six Community countries. Appointment of Mr. Schuijt as rapporteur on the function of the ECSC in the single executive.

Meeting of 24 February in Brussels: Perusal and adoption of a draft Opinion by Mr. Van der Goes van Waters on the recommendations of the Joint EEC-Turkey Parliamentary Committee relating to the first annual report of the Association Council. Continued perusal of the outline report by Mr. Dehousse on relations between the Communities, on the one hand, and third countries and international organizations on the other. Discussion on Euratom's position concerning the proposals for an international nuclear agreement and adoption of an oral question to be put to the Euratom Commission at the next plenary session; representatives of the Euratom Commission were present.

External Trade Committee (2)

Meeting of 21 February in Brussels: The state of progress on the Kennedy Round was discussed and procedural arrangements were made for a debate at the European Parliament's session in March 1967; representatives of the EEC Commission were present. Examination and adoption of the draft Opinion drawn up by Mr. de la Malène, draftsman, for the attention of the Committee for Associations, on the recommendations of the Joint EEC-Turkey Parliamentary Committee relating to the first annual report of the Association Council; representatives of the EEC Commission were present. Examination and adoption of the draft Opinion drawn up by Mr. Kriedemann for the attention of the Health Protection Committee on an EEC

Commission proposal to the Council for a directive on the use of certain preservatives for the surface treatment of citrus fruits and on control measures relating to research into and identification of preservatives in and on citrus fruits; representatives of the EEC Commission were present. Discussion with a view to drawing up an Opinion for the attention of the Agricultural Committee on problems relating to the organization of the world market for beef and veal, dairy produce and vegetable fats; representatives of the EEC Commission were present. Appointment of Mr. Vredeling as rapporteur for the Opinion. Discussion with a view to drawing up an Opinion for the attention of the Agricultural Committee on the main general issues raised by market organization regulations at the single market stage; representatives of the EEC Commission were present. Appointment of Mr. De Gryse as rapporteur.

Agricultural Committee (3)

Meeting of 1 February in Strasbourg: Examination and approval of a draft report by Mr. Dupont on a draft Council regulation on interim measures affecting the application of common prices in the cereals sector. Examination and approval of an Opinion drafted by Mr. Bading on a draft regulation amending Regulation No. 70/1966 relating to the organization of a major survey in France and Italy.

Meeting of 2 February in Strasbourg: Approval of a draft oral report by Mr. Dupont on a draft Council regulation on certain measures concerning a common market organization in the sugar sector for the 1967/68 crop year.

Meeting of 16 and 17 February in Brussels: Discussion with Mr. Mansholt, Vice-President of the EEC Commission, on the progress of the common agricultural policy and on the Kennedy Round. Examination of a draft report by Mr. Blondelle on 'the broad general issues raised by market organization regulations at the single market stage'; Mr. Mansholt, Vice-President of the EEC Commission, was present. Examination and approval of a draft report by Mr. Dupont on a draft regulation amending Regulation No. 13/64/CEE in respect of milk and cream, fresh, not concentrated or sweetened. Oral report by Mr. Lückner on problems relating to the conclusion of a

world agreement on dairy produce and beef and veal.

Social Committee (4)

Meeting of 7 February in Brussels: Discussion on recommendations adopted by the Joint EEC-Turkey Parliamentary Committee on 6 and 7 January and appointment of Mr. Merchiers as Rapporteur. Brief exchange of views on debate held in Strasbourg on 1 February on the Dittrich-Trocllet Report.

Meeting of 20-21 February in Brussels: Perusal and adoption of a draft Opinion by Mr. Carcaterra on the proposal for a Council regulation on the harmonization of certain social provisions relating to road traffic. Perusal and adoption of draft Opinion on recommendations adopted by the Joint EEC-Turkey Parliamentary Committee (Rapporteur: Mr. Merchiers).

Internal Market Committee (5)

Meeting of 20 February in Brussels: Continued discussion with the High Authority on certain current questions of competition in the ECSC and, in particular, on the results of the investigation carried out following Mr. Berkhouwer's oral question, and on the project of setting up steel selling organizations in Germany as well as selling organizations for the products of Sidmar, Usinor-Sollac, etc. Examination of petition No. 1/1966-67 by Mr. Louis Worms and opinion of the Legal Committee on the admissibility of the petition, drawn up by Mr. De Winter. Examination, attended by representatives of the EEC Commission, of the latter's amended proposal for a directive concerning the guarantees required of firms in the member States.

Economic and Financial Committee (6)

Meeting of 13 February in Brussels: Discussion following the report made by Mr. Marjolin to the European Parlia-

ment on 2 February, on the economic situation in the Community in 1966 and the outlook for 1967. Appointment of Mr. Bousch as rapporteur.

Meeting of 28 February in Brussels: Approval of the draft report by Mr. Bousch on the economic situation in the Community in 1966 and the prospects for 1967.

Committee for Co-operation with Developing Countries (7)

Meeting of 24 February in Brussels: Appointment of Rapporteur for a draft Opinion of the Political Committee on the Community's relations with third countries and international organizations. Discussion with the EEC Commission on relations between the EEC and the Maghreb countries (Algeria, Morocco, Tunisia). Perusal of the working document by Mr. Carcassonne on the results of study and fact-finding mission to Madagascar, Burundi and Rwanda. Preliminary study in the presence of EEC Commission representatives, of draft report by Mr. Scarascia Mugnozza on the results of the meeting of the Parliamentary Conference of the Association in Abidjan.

Transport Committee (8)

Meeting of 17 February in Brussels: Resumption of the discussion of the draft report by Mr. Laan on the EEC Commission proposal to the Council on the approximation of social security provisions for road transport. Discussion of the draft report by Mr. Richarts on the EEC Commission proposal regarding assistance to road, rail and inland waterway transport enterprises.

Energy Committee (9)

Meeting of 23 February in Brussels: Report by the High Authority on the handling of its proposals in favour of certain grades of coal in the Special Council of Ministers (members of the inter-Executive working party

were present). Discussion of the report. Perusal and adoption of draft report on problems of general energy policy (Rapporteur: Mr. Blaisse).

Research and Cultural Affairs Committee (10)

Meeting of 16 February in Paris: Discussion on extending the terms of reference of Euratom's Joint Research Centre to all areas of research; representatives of the three Executives were present. Mr. Moreau de Melen would submit a report on this subject. Discussion on the Opinion to be returned by the Committee on the draft resolution submitted by Mr. Gaetano Martino (Doc. 170/1966-67) on the joint programmes for scientific research and technological progress. Mr. Dröscher would draft the Opinion. It was decided that a delegation of the Committee would get in touch with the Political Committee with a view to joint action on problems that could be raised in connexion with the treaty on the non-proliferation of nuclear weapons. Statement by Mr. Pedini on problems raised by the Orgel Project.

Health Protection Committee (11)

Meeting of 14 February in Brussels: Perusal and adoption, in the presence of EEC Commission representatives on draft report by Mr. Van der Ploeg on proposal submitted by the EEC Commission to the Council for a directive on the approximation of member States' legislative provisions on colorants added to pharmaceutical products. Perusal and adoption of draft report by Mr. Santero on the application of the right of establishment to activities in the health sector. Perusal and adoption of draft supplementary Opinion for the Agricultural Committee on proposed amendments Nos. 1 to 32 submitted to the draft resolution with the European Parliament's Opinion on proposal submitted by the EEC Commission to the Council on a directive relating to jams, preserves, jellies and chestnut paste (Rapporteur: Mr. Aloys Lenz). Discussion on proposal submitted by the EEC Commission to the Council for a directive on the use of certain preservatives for the surface treatment of citrus fruits and on measures for the detection and identification of preser-

vatives in and on citrus fruits (Rapporteur: Mr. Pêtre).

Legal Committee (13)

Meeting of 17 February in Brussels: Discussion on the application of Community law in the member States of the Community; representatives of the three Executives and of the three Councils were present. A working document was drawn up by Mr. Dehousse. Resumption of the discussion on the legal protection for private individuals under the European Treaties. Rapporteur: Mr. Deringer. Resumption of the discussion on the consultation of the European Parliament by the Executive in the event of amendments to proposals already submitted to the Council. Rapporteur: Mr. Jozeau-Marigné.

Committee for Associations (14)

Meeting of 28 February in Brussels: Perusal and adoption of the draft report by Mr. Brunhes, rapporteur, on the recommendations of the Joint EEC-Turkey Parliamentary Committee relating to the first annual report of the Association Council. Discussion on the organization of the third session of the EEC-Turkey Joint Parliamentary Committee.

d) Work of the Committees in March

Political Committee (1)

Meeting of 3 March 1967 in Brussels: Perusal and adoption of draft report prepared by Mr. Schuijt, as requested by Parliament on 18 October 1966, on Euratom's work in the single Executive. Perusal of draft report by Mr. Edoardo Martino on the prospects opened up by the forthcoming meeting of the heads of State or Government of the Six and on Mr. Gaetano Martino's proposal for a resolution. Discussion with EEC Commission representatives on the political and institutional aspects of the Yugoslavian Republic's request for the conclusion of a preference agreement with the Community.

External Trade Committee (2)

Meeting of 9 March in Brussels: Examination and adoption of the draft Opinion by Mr. Vredeling, rapporteur for the Opinion, on problems relating to the organization of the world market for dairy produce, beef and veal. Exchange of views on the discussion of the oral question (involving a debate) on progress on the Kennedy Round negotiations which was addressed to the EEC Commission. Preliminary discussion with representatives of the EEC Commission on the request of the Republic of Yugoslavia to enter into a trade agreement with the Community.

Agricultural Committee (3)

Joint meeting with the Health Protection Committee of 2 March in Brussels: Perusal, on the basis of a working document drawn up by Mr. Herr, of amendments submitted by the Health Protection Committee to the directive on preserves, jams and fruit jellies.

Meeting of 2 and 3 March in Brussels: Adoption of a supplementary report by Mr. Herr on proposed directive

concerning preserves, jams and fruit jellies. Perusal of draft report by Mr. Lückner on problems connected with the organization of world markets for dairy produce, beef and veal; Mr. Rey, EEC Commission member, was also present. Oral report by Mr. Estève based on an examination of EEC Commission proposals relating to the common market organization for the poultry and eggs sector. Perusal, on the basis of an oral report by Mr. Kriedemann, of an EEC Commission proposal to the Council on a directive concerning the use of certain preservatives for the surface treatment of citrus fruit and on checks and controls for detecting and identifying preservatives in and on citrus fruit, and of an EEC Commission proposal to the Council for a directive amending Council directive on the approximation of member States' provisions on colorants that may be added to foodstuffs intended for human consumption. Perusal, on the basis of an oral report by Mr. Lardinois, of proposed regulation relating to the organization of markets in the cereal sector. Perusal of a working document by Mr. Klinker on a proposed regulation relating to the common market organization of the sugar sector.

Meeting of 9 March in Brussels: Perusal of report by Mr. Lückner on problems relating to the organization of world markets for dairy produce, beef and veal.

Social Committee (4)

Meeting of 1 March in Brussels: Discussion on the basis of a paper on social policy in agriculture submitted by Mr. Van der Ploeg. Resumed study of proposal for a regulation on the application of social-security systems to denizen workers in the Community (Rapporteur: Mr. Léon-Eli Troclet).

Meeting of 8 March in Brussels: Discussion on Regulation No. 37/67 amending Regulation No. 9 on the European Social Fund published in the Official Gazette No. 33 of 24 February 1967. First general study of 'Directives for the Commission's activities in the social sphere'. Resumed study of proposal for a regulation on the application of social-security systems to denizen workers and their families in the Community (Rapporteur: Mr. Léon-Eli Troclet).

Internal Market Committee (5)

Meeting of 6 March 1967 in Paris: Examination of a draft regulation submitted by the EEC Commission to the Council carrying forward the date on which the trading system set up by Regulation 160/66/EEC is to come into force. (Rapporteur: Mr. Berkhouwer). Examination of and vote on the draft report by Mr. Berkhouwer on the approximation of the laws of the member States on measuring instruments in general; representatives of the EEC Commission were present. Examination of and vote on the draft report by Mr. Breyne on the draft decision concerning the formalities laid down by the member States for trade with each other; representatives of the EEC Commission were present. Discussion with the EEC Commission on the state of progress on harmonizing turnover taxes and on the requests made by the European Parliament in its Opinion on the second directive on this subject.

Committee for Co-operation with Developing Countries (7)

Meeting of 6 March in Brussels: Chairman's report on study and fact-finding mission to be carried out in spring in the Associated States of Equatorial Africa. Perusal and adoption of draft report by Mr. Scarascia Mugnozza on the results of the meeting of the Parliamentary Conference of the Association in Abidjan. First discussion, attended by EEC Commission representatives, on the Community's relations with non-member countries and international organizations. Discussion with the EEC Commission on problems arising from the European Development Fund's activities relating to technical aid for the Mogadiscio general hospital. Further discussion with the EEC Commission on the application of the Association Agreement with Nigeria.

Transport Committee (8)

Meeting of 2 March 1967 in Brussels: Discussion on draft report by Mr. Laan on EEC Commission proposal concerning harmonization of certain social provisions in the road transport sector. Adoption of draft report by Mr. Richarts

on EEC Commission proposal concerning aid to rail, road and inland-waterway transport enterprises.

Research and Cultural Affairs Committee (10)

Meeting of 6 March in Brussels: Discussion on the problems arising in connexion with the Orgel project and approval of a draft resolution; representatives of the Euratom Commission were present. Perusal and adoption of report by Mr. Oele on the political and cultural issues raised by the adoption, within the European Community, of a colour television system. Perusal and adoption of draft Opinion drawn up by Mr. Dröscher for the Political Committee on draft resolution submitted by Mr. Gaetano Martino on joint programmes in the fields of scientific research and technological progress. Discussion on widening the scope of Euratom's Joint Research Centre to embrace all areas of research; representatives of the three Executives were present. Report by the Chairman on the Political Committee's debate on the problems that would face Euratom if member States signed the treaty on the non-proliferation of nuclear weapons.

Health Protection Committee (11)

Meeting of 2 March in Brussels: Perusal and adoption at a meeting attended by EEC Commission representatives of a draft report by Mr. Van der Floeg on an EEC Commission proposal to the Council for a directive on the approximation of member States' legal provisions on substances that may be added as colorants to pharmaceutical products. Study of conclusions to be drawn from the meeting held jointly with the Agricultural Committee on the same day regarding draft supplementary Opinion drawn up for the Agricultural Committee on proposed amendments 1 to 32 to proposal for a resolution submitted together with the European Parliament's Opinion on the EEC Commission proposal to the Council on a directive concerning preserves, jams, fruit jellies and chestnut paste (Draftsman: Mr. Aloys Lenz).

Meeting of 7 March in Brussels: Perusal and adoption at a meeting attended by EEC Commission representatives of supplementary Opinion drawn up by Mr. Lenz for the Agricultural Committee on EEC Commission proposal to the Council for a directive on preserves, jams, fruit jellies and chestnut paste. Perusal and adoption of draft report by Mr. Pêtre on EEC Commission proposal to the Council for a directive on the use of certain preservatives for the surface treatment of citrus fruit and on checks and controls for detecting and identifying preservatives in and on the surface of citrus fruit. Perusal and adoption of draft report by Mr. Van der Ploeg on EEC Commission proposal to the Council concerning a directive for the approximation of member States' legal provisions on substances that may be added as colorants to pharmaceutical products.

Budget and Administration Committee (12)

Meeting of 6 March 1967 in Paris: Examination of the draft statement of the accounts of the European Parliament for 1966. Vote on the interim report by Mr. Carcatterra. Examination of frauds in the system for financing the common agricultural policy. Examination of and vote on the draft Opinion by Mr. Aigner - to be referred to the Political Committee - on the rôle of Euratom in the single executive; representatives of the three Executives were present.

Meeting of 13 March 1967 in Strasbourg: Examination and adoption of a draft Opinion drawn up by Mr. Vals for the Bureau on the draft tenancy agreement for renting part of the Kirchberg building in Luxembourg.



Through a resolution passed on 2 February 1967 the European Parliament modified the number and membership of its parliamentary committees. These changes came into force in March 1967, that is during the 1967-1968 session. Following are essential details of the work of the committees shown under their new names and in the modified order in which they will be listed.

Political Affairs Committee (1)

Constituent meeting of 15 March 1967 in Strasbourg:
Election of chairman and vice-chairmen. Discussion on the Committee's programme of work.

Meeting of 16 March in Strasbourg: Adoption of a proposal for a resolution for submission to Parliament, following discussion in plenary session of oral question (with debate) No. 2/67 put to the Euratom Commission on the possible implications for the Community's responsibilities and activities of a draft treaty relating to the non-proliferation of nuclear arms.

Economic Affairs Committee (2)

Constituent meeting of 14 March 1967 in Strasbourg:
Election of Mrs. Elsner (Socialist, Federal Republic of Germany) as Chairman and of Mr. Bech (Christian Democrat, Luxembourg) and Mr. Starke (Liberal, Federal Republic of Germany) as first and second Vice-Chairmen respectively.

Committee for Finance and Budgets (3)

Constituent meeting of 15 March 1967 in Strasbourg:
Election of Mr. Spenale as Chairman and Mr. Carcaterra and Mr. Borocco as first and second Vice-Chairmen. Discussion on the Committee's working schedule.

Committee on Agriculture (4)

Constituent meeting of 15 March in Strasbourg: Election of Mr. Boscary-Monsservin as Chairman and of Mr. Sabatini and Mr. Vredeling as Vice-Chairmen. Perusal and adoption of draft report by Mr. Richarts on proposed Council regulation amending Regulation 14/64/EEC as regards aid granted by the Grand-Duchy of Luxembourg in the beef and veal sector.

Meeting of 16 March in Strasbourg: Perusal of draft report by Mr. Carboni on proposed Council directive on the first reduction to be made, during the third stage, in customs duties between member States on products listed in Annex II of the Treaty. Mr. Mansholt was also present.

Committee on Social Affairs and Health Protection (5)

Constituent meeting of 15 March in Brussels: Election of Mr. Müller as Chairman and of Messrs. Troclet and Angioy as Vice-Chairmen. Discussion on the Committee's programme of work.

Committee on External Trade Relations (6)

Constituent meeting of 15 March in Strasbourg: Election of Mr. de la Malène as Chairman, Mr. Kriedemann as first Vice-Chairman and Mr. Lardinois as second Vice-Chairman. Discussion on the future working schedule of the Committee.

Legal Affairs Committee (7)

Constituent meeting of 15 March in Strasbourg: Election of Mr. Deringer (Christian Democrat, Federal Republic of Germany) as Chairman and of Mr. Dehousse (Socialist, Belgium) and Mr. Merchiers (Liberal, Belgium) as first and second Vice-Chairmen respectively. Discussion on the future work of the Committee.

Committee on Energy, Research and Atomic Problems (8)

Meeting of 15 March in Strasbourg: Constituent meeting of the Committee: election of Chairman. Election of first

and second Vice-Chairmen. Brief discussion on the Committee's programme of work and postponement of discussion on submission of Opinions on the General Reports on the activities of the ECSC, EEC and EAEC and appointment of draftsmen.

Transport Committee (9)

Constituent meeting of 14 March in Strasbourg: Election of Mr. Laan (Socialist, Netherlands) as Chairman and of Mr. Brunhes (Liberal, France) and Mr. Richarts (Christian Democrat, Federal Republic of Germany) as first and second Vice-Chairmen respectively.

Committee for the Association with Greece (10)

Constituent meeting of 15 March in Strasbourg: Election of Mr. Schuijt as Chairman, Mr. Faller as first Vice-Chairman, and Mr. Bernasconi as second Vice-Chairman. Discussion on the future working schedule of the Committee.

Committee for the Association with Turkey (11)

Constituent meeting of 15 March in Strasbourg: Election of Mr. Moreau de Melen as Chairman, Mr. Metzger as first Vice-Chairman and Mr. Mauk as second Vice-Chairman. Discussion on the future working schedule of the Committee.

Committee on Relations with African States
and Madagascar (12)

Constituent meeting of 15 March in Strasbourg: Election of Mr. Thorn as Chairman, Mr. Carcassonne as first Vice-Chairman and Mr. Moro as second Vice-Chairman. Discus-

sion on the future working schedule of the Committee.

Joint EEC-Greece Parliamentary Committee

Eighth session on 30 and 31 March in Salonica: Discussion, attended by representatives of the Association Council, the Government of the Kingdom of Greece, the EEC Council and the EEC Commission on the progress of the Association with particular reference to:

- (a) the harmonization of the agricultural policies of Greece and the EEC;
- (b) the industrialization of Greece and contributions from the Community and the European Investment Bank;
- (c) the occupational training of Greece's manpower potential.