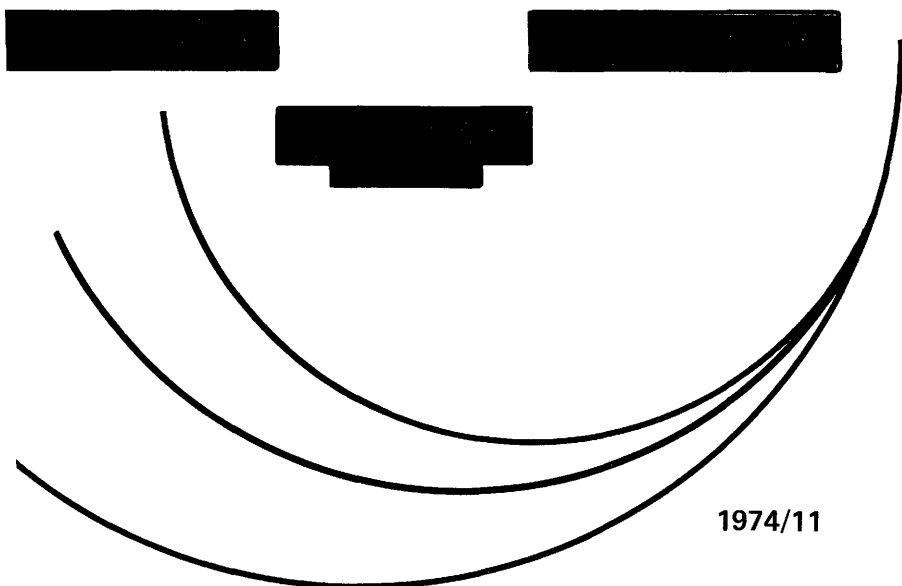


European parliament

Information

PARLIAMENT IN SESSION



1974/11

Parliament in session is a summary of the sittings of the European Parliament.

A complete record of the proceedings of the House is given in the 'Debates of the European Parliament' which is published as an Annex to the Official Journal of the European Communities.

The 'Debates' and other documents may be obtained either from the Secretariat of the European Parliament (P.O. Box 1601, Luxembourg) or from the Office for Official Publications of the European Communities, (P.O. Box 1003, Luxembourg).

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Introduction

The European Parliament met in Luxembourg in plenary session from 9–13 December 1974. It was a busy week. It was, first of all, the week in which Parliament established the Budget of the European Communities for 1975, an event in itself in Community terms, for this budget is the first to be passed by Parliament under the new procedure of Rome Treaty Article 203. It stands at 5,825,283,360 u.a. It was also the week of the summit conference. Dr Garret Fitzgerald, President of the Council, told the House of what the summit had achieved and he was very well received.

The wide range of other subjects discussed included multinationals, the Community's progress in dealing with pollution (where the Commission was subjected to some close questioning by Mr Hans Edgar Jahn) and the Channel Tunnel where Commission Vice-President Scarascia Mugnozza suggested that although the initiative for such projects must come from Member States (and he noted the British were having second thoughts about the tunnel) help from European Investment Bank and the new Regional Fund for appropriate projects submitted to the Commission would not be difficult to obtain.

Political affairs

The Summit Conference, Paris 9–10 December 1974 (see Postscriptum for summit communiqué)

On the day following the two days of talks between the Nine Heads of Government, it fell to Mr Garret Fitzgerald, Irish Foreign Minister, to assume the mantle of Council President and report to Parliament on the results achieved. He spoke of the considerable progress made on a number of points. Europe was now nearer to a wholehearted acceptance of the principle of acting together in all areas of international affairs affecting Community interests. There had been a commitment to earlier direct elections and to greater legislative powers for Parliament. The idea of European Union was moving into sharper focus and there had been a firm commitment to sustaining economic growth. The surplus countries were ready to help here. There had been a decision on regional policy and a most positive approach to British membership. 'To me, he said, these seem to be the main results and I think it is not a bad package to have emerged.'

There was loud applause for Mr Fitzgerald's statement and a number of questions were then addressed to him. Mr Alfred Bertrand (Be, CD spokesman) expressed his group's satisfaction at the summit outcome particularly as the prospects for its success had seemed so poor. Now things looked more promising but so they had after the Paris Conference of 1972. What, he wanted to know, were the real details? Would the Commission be making proposals for giving Parliament greater legislative powers or would it be the Council? What was going to happen over energy policy and what Community standpoint would President Giscard d'Estaing represent in his meeting with President Gerald Ford of the United States? Mr Fitzgerald took Mr Bertrand's point about the hopes summits engendered. 'All the problems are not solved, but for somebody who experienced the Copenhagen summit and had the intense feeling of letdown at the end of it, the contrast between that and Paris was such as to leave one in a relatively optimistic humour. I don't want to overstress this. The fact is we have made modest, but significant progress over a wider field than most people anticipated.' Proposals regarding Parliament's powers, he thought, would have to come from the Commission 'but obviously the views of Parliament will be vital and they must be presented'. As regards energy, the Council was to meet on 17 December and the Heads of Government were confident progress would be made. As for the meeting between the President of France and the President of the United States, Mr Fitzgerald said such broader issues had been considered but the feeling was that 'the best way forward was through these discussions and

that before making any doctrinaire statements of policy it was better to await the outcome.'

Mr Georges Spénale (Fr, S spokesman) said his group welcomed the impetus the summit would give to Community affairs particularly at a time when everyone had the feeling of standing still. He asked if the summit had discussed the present concertation between Parliament and Council over the budget. Mr Fitzgerald replied that it had not come up because the Council had considered the matter at its recent meeting and would shortly be communicating its view to Parliament.

Mr Jean Durieux (Fr, Lib spokesman) said his group was glad that unlike previous ones this summit appeared to have taken decisions and to have restored a certain amount of momentum. He asked whether in view of the thrice-yearly European Council meetings planned it would not be better to hold them in Brussels instead of the capital of the Member State in the Chair? Mr Fitzgerald replied 'this is something one can argue about and one can argue about whether they should all be in Brussels or whether they could be elsewhere. There is some argument for the Heads of Government meeting occasionally in the capital of each member country. This has considerable effect on public opinion in the member country on increasing interest in and awareness of the Community and the mutual interests and solidarity of Member States. I think this should not be dismissed at a time when the Community requires the fullest backing of public opinion in all the Member States.'

After congratulating Mr Fitzgerald, Mr Peter Kirk (Br, EC spokesman) asked whether the Summit had gone any way towards resolving the problem whether direct elections to Parliament should come before greater powers or vice-versa. Mr Fitzgerald said that the inter-relationship between the powers of Parliament and direct elections was recognised; both must be dealt with at once. On another point raised by Mr Kirk he confirmed that the reference in the summit communiqué to the principles that should guide the Community if unacceptable situations arose was indeed a quotation from the Treaties of Accession. What was now being studied was the machinery for applying these principles should the United Kingdom's 'contributory situation become intolerable'.

Mr Giovanni Giraudo (It, CD) chairman of the Political Affairs Committee, asked Mr Fitzgerald whether there would be a report to Parliament after each Heads of State or Government meeting. Mr Fitzgerald said he was sure this would continue to be the practice.

Mr Brian Lenihan (Ir, EPD spokesman) asked Mr Fitzgerald whether the secretariat being formed to back up the Heads of State meetings was the embryo of a real political secretariat, 'with the meetings gradually evolving into a form of European government'. Mr Fitzgerald replied that he did not think so. There was no question of creating a new body.

Mr Gustave Ansart (Fr, Com spokesman) asked how the summit's discretion about defence was to be interpreted. Mr Fitzgerald said there was no reference to defence because it was not discussed. Mr Ansart also asked how the EC was going to face up to the possibility of 4,500,000 unemployed in June 1975. In his view the essential decisions depended on the United States of America rather than the Community. How was progress possible and was it not dangerous for there to be a line-up of consumers against the Arab States as advocated by Henry Kissinger?

Mr Fitzgerald replied there was a clear recognition that the US role in the world economy is of great importance and this was referred to both in the discussions which Chancellor Schmidt had with President Ford and in relation to the future evolution of economic policy. 'A close coordination of policies between the Community and the United States and other countries too is vital.'

Mr Lucien Radoux (Be, S) asked if he was right in thinking there had been a rapprochement regarding the United Kingdom's membership of the Community. The Socialists, he added, had never wanted a Community without the United Kingdom. Mr Fitzgerald thought there had been a rapprochement and that the study to be undertaken was indicative of a meeting of minds and of considerable goodwill in this matter.

Lord Gladwyn (Br, EC) asked, 'Are we to assume that in effect there is to be a sort of merging of the Davignon procedure for conducting foreign policy with the Community machine for conducting economic and social policy?'

Mr Fitzgerald replied, 'Here there is an arrangement under which the Heads of State or Government will meet, and at the same place and on the same occasion discuss these matters. Clearly they will discuss them in different formats. But in so far as they are discussing Community matters they must do so in accordance with the Community competences and acting, in so far as decisions are taken, on proposals from the Commission.' He added, 'There are some matters that the Community has to discuss which have both Community and political cooperation overtones. To segregate them into separate discussions in separate

cities, and to do as we have had to do in the past, fly on the same day from one city to another to discuss things that are interconnected, that practice certainly will not continue. But the distinction between the competences is one which will be maintained.'

President Francois-Xavier Ortoli then spoke of the European Commission's reaction to the summit's achievements. He said it would be some time before the full implications could be assessed. What he welcomed was the end of the summits that were 'events' and the fact that this had been a working summit. He was glad too that future summits would be part of the Community operation. This satisfied two demands the Commission had repeatedly made: that the Community's decision-making capability be improved and that a new political impetus be given. The modus operandi had been wrong and the way the Treaty was applied had been wrong. But the new European Councils must not become a kind of court of appeal. Council, Commission and Parliament must continue to play their part to the full, the new body being an enlarged Council which would provide impetus and momentum and take the really big decisions. Mr Ortoli was glad the summit had repudiated the universal application of the unanimity rule. He pointed out this implied having the courage to vote by a qualified majority when this became the way in which a decision could actually be taken. At the same time this new attitude must percolate down to expert level. It was quite wrong the way experts spent hours and days discussing matters without their even coming to the notice of the Council. Mr Ortoli was particularly glad the summit had given serious attention to the direct election of the European Parliament. For the Community had to have a more pronounced democratic emphasis. European Union would be impossible without a quite radically different institutional balance, without a clear recognition of the legislative process and legislative powers. As to who would be the chicken and who the egg, Mr Ortoli said Parliament and Commission must discuss this together. He felt, though, that the heads of government saw a definite link between direct elections to and greater powers for the European Parliament. Turning to European Union Mr Ortoli said the new procedure underlined 'the importance of the work we shall do together'.

There was one point on which Mr Ortoli had been very happy and that was the setting up of the regional fund for he had seen this as a test. It was moreover a good agreement, even though the final figure was not what the Commission had originally proposed. Because there was not going to be 2,000 m.u.a. to dispose of the Commission had proposed a highly concentrated use of the means available. This meant that, proportionately, Italy and Ireland would get by far

the larger share. Europe had fulfilled a commitment and it had launched a new policy. This was not just an emergency aid fund. Mr Ortoli noted too the determination to combat inflation and unemployment and the resolve of the surplus countries to sustain their economies to give deficit countries greater export opportunities. As regards energy policy, he hoped the Council meeting of 17 December would produce results.

Turning in conclusion to Britain, Mr Ortoli said there was no doubt that it was in Europe's interest to seek the United Kingdom's presence and to do so with a proper respect for the rules and the ambitions of the Community.

The budget of the European Communities for 1975

At its sitting of Thursday 12 December the European Parliament adopted the budget of the European Communities for 1975 by 101 votes to 4. The budget, which has now been through all its stages, stands at 5,825,283,360 units of account or some 1,244,000 u.a. more than the figure in the draft budget referred back to Parliament by the Council. The final figure includes collection costs.

In the opening debate on Tuesday Mr Christian Poncelet informed the House of the Council's response to the draft budget Parliament had referred to it after giving it a second reading in November. In technical terms he told the Members of the amendments it had modified and of the modifications it had accepted or rejected. It will be remembered that Parliament has the last word over amendments which cover non-compulsory expenditure but not over modifications which relate to expenditure necessarily resulting from the Treaty and sometimes described as 'obligatory' or 'compulsory'. It will be remembered too that there is a limit on the rate of increase in expenditure of the 'non-compulsory' type. So Mr Poncelet began by reviewing the amendments. The Council had accepted 19, not accepted 7 and modified 1. The amendments accepted included 35 m u.a. for the Social Fund, 1.5 m u.a. for a foundation for the improvement of living conditions, 1.5 m u.a. for social action, including the fight against poverty, the humanisation of work and the participation of the social partners and 1 m u.a. for an expansion of the EC's information activities, particularly by setting up information offices in Lima and Ottawa. Amendments not accepted by the Council included 10 m u.a. for industrial development, 10 m u.a. for development and 2,864,000 for safety and programmes at the Joint Research Centre. The Council accepted Parliament's modifications regarding premiums paid for the denaturing of wheat and of sugar. Mr Poncelet then

referred to the way expenditure had been classified. Here, he said, Council had decided to use the classification adopted by Parliament even though in future it would only be after considering the texts governing each item that it would be possible to decide if it were 'compulsory' or not. Commission, Council and Parliament would have to come together again to interpret the relevant regulations.

Mr Poncelet told the House that the Council's legal advisers had indicated that Parliament's view regarding new expenditure was not consistent with the Treaties. Parliament had argued, in its resolution of November, that the maximum rate was not applicable to new expenditure or to that resulting from an existing policy assuming greater scope. He conceded, however, that the maximum rate must not hold back the introduction of new policies. As regards regional policy Mr Poncelet said that the financial consequences of the summit decisions would be reflected in a supplementary budget.

Mr Heinrich Aigner (Ge, CD) rapporteur, thanked the Council for the willingness it had shown to enter into a dialogue with Parliament. He agreed that the present economic situation had to be borne in mind when assessing the budget but he found it quite unacceptable to hold up budgetary decisions because the Council had failed to reach agreement. Amendment No. 28 was a case in point. This concerned food aid and expenditure on cooperation with the developing countries and it had been rejected, not because the Council did not want it, but because no agreement had materialised. Mr Aigner then reviewed other amendments that the Council had modified and expressed particular disappointment that the Council had not accepted Parliament's amendment regarding Euratom and the Joint Research Centre. He noted that the Council had accepted that expenditure on regional policy was non-compulsory, and he pointed out that any Council decision on this point would call for concertation with the European Parliament. Mr Aigner then referred to Amendment No. 60 calling for an increase in appropriations of 10,000,000 u.a. intended to promote private development aid by private organisations carrying out social projects in developing countries. Again the Council had rejected this amendment and amendment No. 57 for a similar amount, not because there was any disagreement here, but because for the Council to have accepted them would have meant Parliament's taking advantage of its right to change the maximum rate of increase and because this in turn would have involved a second round for the purpose of establishing a new maximum rate. Parliament wanted a classification outside the maximum rate but Council had rejected this. Mr Aigner said that the House had no choice but to accept this and pointed out that the

effects of it would be felt when supplementary budgets came up for consideration.

Mr Claude Cheysson, Commissioner, said he was glad that as a result of the concertation procedure it had been agreed that all expenditure should be classified. The Commission also welcomed the increase in Parliament's powers over the budget, but said that he had certain reservations. He found it regrettable that the Council should have rejected the appropriation for food aid that Parliament had asked for and he described it as a quite extravagant procedure to have to envisage 5 supplementary budgets before the first one was out. These would include food aid, an increased appropriation to cover EAGGF price guarantees, the regional fund, the European Development Fund and the emergency aid fund to the United Nations. Token entries, he commented, would not feed many people in India or Mali.

Mr René Pêtre (Be, CD) said that his group too was disappointed at the Council's attitude on development aid.

Another criticism was voiced by Mr Georges Spénale (Fr, S), chairman of the Committee on Budgets. He thought that it was not good enough to classify the regional fund as non-compulsory expenditure for the time being. New policies and new items could not be kept within the statistical increase in the maximum rate and to apply Article 203,8 after the budget was established would throw doubt over the whole procedure. He recognised, however, that there was a better balance in the 'free' part of the budget but noted that the part that was not free made up the bulk of it. Social needs and inflation had been taken into account. Turning to the amounts of money over which Parliament still had right of disposal, he said that the Socialist Group would like to keep them as a cyclical reserve if the Council would concede Parliament's right to make use of them later. They would be earmarked for social purposes. As to procedure, Mr Spénale expressed satisfaction at the spirit of cooperation that had prevailed with the Commission and with the Council. At the same time he found that the Council had shown understanding regarding Parliament's amendments but had been authoritative regarding the amendments it had proposed. This meant that even under good conditions the line of conduct followed was decided by power. Mr Spénale concluded by noting with some enthusiasm that the European Parliament as a whole had discharged all the responsibilities falling to it. The establishment of the budget by the European Parliament was an historic event.

Replying to the debate, Mr Claude Cheysson took up one of the points raised by Mr Spénale regarding right of disposal. He could see no legal objection to Parliament's retaining this right over sums not disposed of, but it would have to be a matter for agreement between Parliament and Council.

The last of the draft amendments were then put to the vote. Amendment No. 3 introducing a new item to guarantee workers' incomes during retraining was passed by 110 votes. Draft amendment No. 2 calling for an increase in research expenditure of 1,244,000 u.a. was passed by 107 votes. Draft amendment No. 4 calling for an increase in research expenditure of 13,781,192 u.a. was passed by 109 votes. The most controversial of the amendments was No. 9 calling for a new chapter in the budget to cover payments to private development aid organisations for guaranteed social projects in the Associated States: 5 m.u.a. There were 66 votes in favour of this amendment, including those of Christian Democrats, the European Progressive Democrats, European Conservatives and some Liberals. There were no votes against the amendment but the abstention of the Socialist and Communist Members and some Liberals meant that the necessary majority was not secured, so that this amendment was rejected. The point at issue was that the Socialist Group felt that given a choice, priority should be given to the social needs of the Community. The budget as a whole was then adopted.

In this, inter alia, Parliament deplored the fact that none of the 10 proposed modifications adopted by Parliament on compulsory expenditure, which accounted for some 85 % of all appropriations in the draft budget, were accepted by the Council. The resolution also asked if the expenditure under the guaranteed section for the EAGGF was really compulsory, subject to which the European Parliament found that the procedure laid down in Articles 203 EEC, 177 EAEC and 78 ECSC had been completed and adopted the general budget for the European Communities for the 1975 financial year. The resolution was agreed to.

Summary

Before finally establishing the budget Parliament had right of disposal over 5,099,879 u.a. Under amendment No. 2 (covering research and investment) Parliament added back 1,244,000 u.a. to give a final total figure, inclusive of collection costs of 5,825,283,360 u.a.

The breakdown between the institutions is:

European Parliament	41,597,229
Council	50,472,467
Commission	5,723,893,644
Court of Justice	9,320,020

	5,825,283,360

Budgetary affairs

ECSC levy

As rapporteur for the Committee on Budgets, Mr Pierre Lagorce (Fr, S) asked the House to approve the maintenance of the levy rate at 0.29 o/o. This levy is payable by interprises in the coal and steel industries and is related to their production. The main expenditure in 1975 is to be on aid to resettlement, aid to research, interest subsidies and subsidised housing for coal and steel workers. The resolution was agreed to.

Development and cooperation

Renewing the Association

As rapporteur for the Committee on Development and Cooperation, Miss Colette Flesch (Lux. Lib) reported to the House on negotiations between the EC and African, Caribbean and Pacific countries on the renewal and enlargement of the Association. The 44 countries concerned are the nineteen states already associated with the Community: (1) Burundi, (2) Cameroon, (3) Central African Republic, (4) Chad, (5) Congo, (6) Dahomey, (7) Gabon, (8) Ivory Coast, (9) Madagascar, (10) Mali, (11) Mauritania, (12) Mauritius, (13) Niger, (14) Rwanda, (15) Senegal, (16) Somalia, (17) Togo, (18) Upper Volta, (19) Zaïre; the three East African States of (20) Kenya, (21) Tanzania and (22) Uganda; the African states of (23) Nigeria, (24) Gambia, (25) Botswana, (26) Ghana, (27) Lesotho, (28) Malawi, (29) Sierra Leone, (30) Swaziland, (31) Ethiopia, (32) Guinea, (33) Liberia and (34) the Sudan; the 6 Caribbean island states of (35) Jamaica, (36) Trinidad, (37) Barbados, (38) Guyana, (39) Granada and (40) the Bahamas and the three Pacific island

states of (41) Fiji, (42) Samoa and (43) Tonga and (44) Haiti. (Equatorial Guinea has also attended negotiations in the capacity of observer. Hence certain references to '45' states).

The negotiations are due to be concluded by the end of the year bringing most of the world's poorest countries into association with the EC. These are the countries where the GNP is less than \$ 100 per inhabitant per annum and where over 80 o/o of the population can neither read nor write. Miss Flesch suggested the new European Development Fund should be geared to the much greater scope of the Association; it should take account of the real purchasing power of aid given and it should reflect the real economic and social needs of the Forty-four. Miss Flesch asked that the ACP be given a guaranteed sugar market of 1.4 million tons at prices ensuring fair receipts for the countries concerned. Lastly she called for an 'Annual Conference representing the Peoples of the Association' to succeed the present 'Parliamentary Conference of the Association'.

Mr Ernest Glinne (Be, S. spokesman) said his group appreciated the political importance of replacing the Yaoundé and Arusha agreements by a new convention. But what was needed was a determination to keep the Association going and he would like this principle embodied in the agreement. He also suggested the Association could later be enlarged through a simplified accession procedure. He thought this would be of particular interest to the former Portuguese colonies and Namibia. Among other speakers Lord Reay (Br, EC spokesman) wanted Commissioner Cheysson to comment on the size of the European Development Fund and the differences between Member States on this point. Mr Laudrin (Fr, EPD spokesman) wanted to know if there was any conflict between non-reciprocal concessions and the rules of GATT. Mr Renato Sandri (It, Comm. spokesman) stressed the importance of cooperation between trade union organisations in the EC and the ACP. Sir Douglas Dodds-Parker (Br, EC) pointed to the value of the Association's institutions which brought parliamentarians face to face with the problems of the third and fourth world. He instanced the resolution pressing for emergency aid for Somalia as one direct result of the contacts these institutions fostered. Mr Arie van der Hek argued that the great disadvantage of Protocol 22 and the whole Accession Treaty was that they meant only a limited number of countries could become associated with the Community. He was thinking particularly of the large states in Asia, South-East Asia and Latin-America.

Replying to the debate, Mr Claude Cheysson, Commissioner, said that aid should be concentrated where it could have the greatest impact. He told Mr van der Hek

that 60 0/0 of the EC's food aid went to the Indian sub-continent and 80 0/0 of the UN's emergency aid. It was to be hoped that agricultural production would expand but to be realistic, this depended on the progress made by those living in the rural areas. It would take time there as it had in Europe. In reply to Mr Glinne, he said there was no difficulty concerning Botswana, Swaziland or Lesotho. There had only been the technical difficulty of their customs union with South Africa. The EC's responsibility was particularly great in that access to the Common Market gave these countries a bit of independence which could be vital in relation to Mr Smith's Rhodesia and South Africa. This could be important for Mozambique, Zambia and Malawi too. As regards the size of the Fund, Mr Cheysson said he was unable to reply at this stage in the negotiations. He noted that the ACP wanted their purchasing power stabilised and it was intended to introduce a system for stabilising earnings. This would particularly apply to the exports of the poorest countries. There had also been contacts at trade union level, another instance of the widening scope of the new Association. At the same time, Mr Cheysson said, real progress had been made on most of the issues outstanding and he was optimistic as to the final outcome.

The motion contained in the report by Miss Flesch was then considered. Among the points raised were the following: the motion stressed that the Association was the result of a political decision and therefore welcomed its enlargement. It was hoped that it would break the present vicious circle of under-development. The development of trade was one of the main aspects of the Association and it was to be hoped that it would receive greater attention in the new convention. The success of the Kingston conference was noted and it was hoped that its decisions would find their way into the agreement. The motion drew attention to the effects of the closure of the Suez Canal on some of the ACP, particularly Somalia and its banana trade. The motion stressed that the sugar-producing ACP countries must have a market guarantee of 1.4 million tons at a fair price. The export income stabilisation scheme was also welcomed. The resolution was agreed to.

Economic and monetary affairs

Multinational companies

As rapporteur for the Committee on Economic and Monetary Affairs, Mr Francis Leenhardt (Fr, S) reported on the Commission's statement to the Council on multinational undertakings and EC regulations. The Commission

considers it should try and remove legal and fiscal obstacles to transnational integration but is also aware of the anxieties aroused by the growing hold of multinationals on the economic, social and even political life of the countries in which they operate. The Commission therefore believes a balance must be struck and outlines appropriate measures under seven headings: Protection of the general public, protection of workers' interests, maintenance of competition, takeover methods, equality of conditions of reception, protection of developing countries and improvement of information. Mr Leenhardt asked the House to approve the measures envisaged. The motion he moved regretted the Council's failure to take a decision on Commission proposals for removing tax barriers in transnational mergers which were submitted more than five years ago. At the same time it called on the Commission to take the initiative in negotiating with governments and international organisations to ensure the universal application of what it proposed under the headings referred to. In the ensuing debate there was criticism as well as praise for multinational companies. Mr Harry Notenboom (Du, CD) argued that there were too few of them and Mr Tom Normanton (Br, EC) wanted to put an end to the bogey-hunting tactic with which the word multinational is connected. Lord Reay (Br, EC) on the other hand focussed attention on sources of conflict between industry and government which are inherent to the structure of a company with multinational production facilities. He referred to transfer prices, market sharing and taxation. The multinational company's aim was to maximise cash flow so as to maximise investment but in seeking this goal they rarely resorted to competition by price. The effect was an upward pressure on prices. Speaking for the Committee on Development and Cooperation, Lord Reay concluded by saying the popularity of the multinationals in the developing world would depend on their capacity to respond to the need of these countries for a different technology. Mr Gérard Bordu (Fr, Comm. spokesman) thought it surprising that so little attention should be paid to the power of the multinationals at a time when the flow of wealth to the oil-producing countries was being discussed in dramatic terms in official circles. He pointed to the power of some multinationals. The turnover of General Motors was greater than the GNP of Belgium or Switzerland and the liquidities of American multinationals amounted to 268,000 million dollars, a figure equal to 300 % of the total resources of the developed countries or 200 % of the reserves of the world. The transfer of 1 % of these 268,000 m dollars could cause an international monetary crisis and it was remarkable that multinationals were mainly engaged in high technology industries. The Community he said was a Europe of multinationals. Commissioner Altiero Spinelli, replying to the debate rejected his argument. The multinationals had simply been more successful in turning the Common Market

to their advantage. The Commission wished to promote links between companies in indifferent Member States but it also had to prevent abuse. Two counter-weights to the multinationals were the trade unions and new laws now under consideration but great care was needed here. It was alleged that multinationals exercised a non-political influence in the developing countries but the idea was to help them and that control would ultimately revert to the countries themselves. As for the Community, Mr Spinelli thought it wrong to complain if profits made in one country were reinvested in another. This was the whole point of the multinational. Meanwhile the Commission had demonstrated its independence by the enquiries it was conducting. It would be defining 9,000 multinational companies in due course. Requests for balance sheets had been sent to over 100 firms. In conclusion he said he was not against multinationals. He simply thought they should be based on and in the European Community. The resolution was agreed to.

Indexing Earnings

Mr Pierre-Barnard Cousté (Fr, EPD) and Mr Alain Terrenoire (Fr, EPD) put down an oral question for debate with the Commission on indexing earnings.

'In view of the present rate of price increases in most Member States and with inflation expected in almost all sectors of the economy, the effect of an anti-inflationary policy as recently recommended by the Commission would undoubtedly be a recession, already reflected in the growing number of unemployed. In the light of this does the Commission not think that the best way to remedy this situation would be to draw up contracts expressing wages and salaries, interest rates and taxation in real terms, that is, in relation to overall price levels and not in nominal terms?'

Speaking to the question Mr Thomas Nolan (Ir, EPD) said the crux of the problem was the delays in adjusting wages and salaries, pensions and allowances because of the time taken to calculate purchase price indices and calculate pay remuneration. His group believed indexing savings, as a more general way of indexing earnings, would reduce inequalities resulting from inflation.

In reply Commissioner Finn Gundelach said indexing was no miracle cure for inflation. The end result would be that the level of economic activity and employment would be the only way of steering economic policy. In some countries indexation had worked well particularly in the social field but such measures as this had to be seen in a broader economic and social context. Indexation could not be considered in isolation. Similarly, differences between

Member States were not going to be overcome overnight. 'I am only asking for a bit of realism. I am not being negative', he concluded.

Technical barriers to trade

As rapporteur for the Committee on Economic and Monetary Affairs, Mr Karl Mitterdorfer (It, CD) asked the House to approve a series of Commission proposals designed to remove barriers to trade. These concern such matters as the scale of charges for testing gas meters, radio interference, road and rail transport tanks used as measuring containers, the reverse and the speedometer of motor vehicles, anchorages for seat belts and statutory plates and inscriptions for motor vehicles and their trailers and their location and method of fixing. The House's approval was given subject to certain general reservations on the procedure for removing obstacles to trade, which needs streamlining. A resolution to this effect was agreed to.

Energy

OECD Agreement

Mr Gerd Springorum (Ge, CD), Chairman of the Committee on Energy, Research and Technology, moved a motion calling for the implementation of the Community's new energy policy strategy of 11 July 1974. The motion expressed regret that the Council resolution of 17 September 1974 failed to do this and urged the Council to ensure early accession of the EC to the international agreement of the OECD to safeguard energy supplies and to apply for full EC membership of the international petroleum supply agency to be set up in the OECD. The resolution was agreed to.

Social affairs

New European Social Fund

As rapporteur for the Committee on Social Affairs and Employment, Mr Frans van der Gun (Du, CD) reported to the House on the Commission's Second Annual Report on the activities of the New European Social Fund. This

covered 1973, the fund's first fully operational year. The fund, whose main purpose is to promote employment through retraining schemes, attracted a first budget of 177.5 m u.a. in 1973 and a supplementary budget of 45 m u.a. Of this 68.8 m u.a. was appropriated under Article 4 and 153.4 m u.a. under Article 5 of the Social Fund. (These articles demarcate areas of intervention: Article 4 concerns the employment situation directly resulting from EC policy and Article 5 concerns the employment situation resulting indirectly from EC policy. Under Article 125 of the Rome Treaty, the Fund meets 50 % of expenditure incurred in ensuring productive re-employment through retraining and resettlement allowances). The amount allocated to the United Kingdom in 1973 was 57.4 m u.a. and to Ireland 9.8 m u.a. One new feature of the Fund's operations is that it now covers three new categories of beneficiaries: handicapped workers, migrants and shipbuilding workers. The main problem the Social Fund has to face is the selection of applications for assistance. The main criterion is the Community emphasis of the projects concerned. In his report Mr. Frans van der Gun (Du, CD) welcomed the priority given to Member States with the most pressing social and employment problems. He shared the Commission's objections to applications couched only in general terms and repeated the point already made that the Fund's main problem was a shortage of financial resources. He therefore regretted the Council's attitude taken on this point. The decision to reduce appropriations under Article 5 was, he said, in contradiction with commitments entered into at the first Paris summit. A motion summing up these various points was put to the House and the resolution was agreed to.

It will be noted that it was regarding the Social Fund that Parliament used its budgetary powers to greatest effect. It amended the budget to increase expenditure on the Social Fund by thirty-five million units of account.

Public Health and the environment

The EC action programme

Five Christian Democrat Members put down an oral question for debate with the Commission about the EC action programme for the protection of the environment of 22 November 1973, Speaking to the question Mr Hans Edgar Jahn asked for details of Commission proposals submitted in furtherance of this programme. He was particularly interested in the state of progress of this work. Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, gave an extremely detailed reply.

The proposals submitted concerned: the exchange of information about monitoring and controlling air pollution from sulphur dioxide and other sources, the quality of drinking water, directives on the lead content of petrol, a directive on the sulphur content of diesel oil, a directive on the lead and cadmium content of crockery and china, a directive on the composition of certain harmful substances, a resolution on energy and the environment, proposals for the EC's participation in the Strasbourg Convention, a directive on the elimination of used oils, a directive on the elimination of refuse, the creation of a European Foundation for improving working and living conditions. He added that the Council had adopted proposals concerning quality aims for drinking water, directives on disposing of waste oils, a resolution on energy and the environment, the participation of the Community in the Paris Convention and the participation of the Community in the Strasbourg Convention. Some of the Commission proposals had been submitted after the time limit and these concerned criteria for measuring the harmfulness of polluting agents, standards for drinking water, procedure for exchanging information about monitoring and controlling water pollution, directives on paints and varnishes, directives on noise on building sites and on pollution in the three sectors: the paper and board industry, the manufacture of titanium dioxide and the steel industry; a recommendation on the basis of the principle that the polluter pays, directives on non-biodegradable refuse and directives on afforestation. Proposals adopted by the Council after the time limit included a directive on aid to mountain areas and a recommendation on the principle that the polluter pays. He expected that approval for the creation of a European Foundation would be forthcoming within the next few days. The directive on the lead content of petrol and the sulphur content of diesel oil had not been approved because the opinion of the European Parliament had not yet been delivered.

Pollution caused by energy production

As rapporteur for the Committee on Energy, Research and Technology, Mr Luigi Noè (It, CD) reported to the House on the Commission's preliminary report on pollution caused by energy production. While welcoming the report, Mr Noè was sorry that only three types of pollution were covered. He agreed with the Commission that supply problems should not undermine efforts to protect the environment. He drew attention to studies into the use of waste heat from heat power stations and asked the Commission to reconsider its attitude to both wet and dry cooling towers. He asked for priority to be given to the desulphurization of fuels and pointed out that the emission of sulphur dioxide

could be substantially reduced if home heating wasted less energy. He called for an EC campaign to promote better home insulation. Mr Noè moved appropriate amendments to the Commission's proposal for a Council resolution on energy and the environment. A resolution embodying these amendments was agreed to.

Directives to approximate laws on gas cylinders

As rapporteur for the Committee on Public Health and the Environment, Mr Willi Müller (Ge, S) asked the House to approve Commission proposals for directives to approximate the laws of the Member States on welded unalloyed steel gas cylinders and on seamless aluminium alloy gas cylinders. He pointed out, however, that these regulations were only a halfway house and that total harmonization should be the Commission's aim. A resolution to this effect was agreed to.

Third International Parliamentary Conference on the Environment

As rapporteur for the Committee on Public Health and the Environment, Mr Hans-Edgar Jahn (Ge,CD) reported to the House on the Third International Parliamentary Conference on the Environment held in Nairobi from 8 – 10 April 1974. Mr Jahn stressed the need for a rapid extension of the Global Environmental Monitoring System (GEMS) and the International Referral System for Sources of Environmental Information (IRS) and requested that the Commission should participate in the boards of GEMS and IRS to involve the EC more closely and that all Members of the European Parliament should have access to information from these two systems. Mr Jahn advocated universal use of environmental impact statements for all construction projects, especially motorways and called for discussions with the International Air Transport Association (IATA) on reducing aircraft noise. A Resolution summing up these various points was agreed to.

Reducing pollution in the aquatic environment

As rapporteur for the Committee on Public Health and the Environment Mr Augusto Premoli (It,L) reported to the House on a Commission proposal for a Council decision on the aquatic environment of the Community. Mr Premoli expressed the hope that Member States would forward an inventory of

discharges into the aquatic environment by 31 December 1975, and that they would extend their global approach on catchment basins to all other aquatic problems. The resolution approving the Commission proposal was agreed to.

Cocoa and chocolate products

As rapporteur for the Committee on Public Health and the Environment Mr Libero Della Briotta (It, S) asked the House to approve a Commission proposal for a directive approximating the laws of the Member States on cocoa and chocolate products. The aim of the proposal is to allow chocolate products to be marketed in the form of bars or tablets weighing 85 grams, to amend the definition of refining 'cocoa butter' so that refining is not obligatory (to prevent definitions of chocolate products containing milk from unjustifiably restricting the manufacturers' choice of raw materials). The expression 'filled chocolate' used in the relevant texts was to be replaced by names more familiar to the consumer. A resolution approving the Commission proposal was agreed to.

Regional policy and transport

Permanent sea links

As rapporteur for the Committee on Regional Policy and Transport, Mr James Hill (Br, EC) reported to the House on the possibility of permanent links across certain sea straits in the Community. There included the Messina link, the Channel Tunnel and bridges between Sweden and Denmark. The Messina link was the most important of these and was the link on which there appeared to be a lack of progress despite Italian enabling legislation passed in December 1971. Mr Hill noted that although the European Investment Bank would make loans up to a maximum of 50 m u.a. (21 million pounds) it would be possible for the Channel Tunnel to attract four separate sums of 50 m u.a. One could cover the environmental aspect, one the United Kingdom's share, one the French share and one the industrial complex that will obviously develop on the French side of the channel. He thought the same would apply to the Messina link.

Speaking for the Christian Democrat Group Mr K. Heinz Mursch (Ger) welcomed Mr Hill's report. Coordination of such plans could not come soon enough. Mr Franco Concas (It, Soc. spokesman) agreed. Isolation had always

been an enemy of progress. The easier sea links were, the more important they became for local populations and it was inconceivable there should be no EC law on this matter. The links envisaged would increase traffic and help outlying regions. The Liberal spokesman Mr Ernest Glinne (Be) also welcomed the report, particularly for focussing on the development needs of certain regions. He reminded the House that the Russian railways were a European enterprise and suggested raising a European loan for the Channel Tunnel to which small and large investors could contribute. It would be the material expression of the Rome Treaty concept of free movement. Sir Douglas Dodds-Parker (Br, EC spokesman) suggested that in the world today more capital was available for construction projects than there was profitable investment. He hoped the Channel Tunnel project could be expanded into a Community project. As Mr Hill had pointed out, help from the regional fund and social fund could be given to retrain port workers and others who might lose their employment. Mr Kai Nyborg (Da, EPD) thought Mr Hill would be remembered as the man under whose Regional Committee chairmanship the regional fund had become a reality. His sense of vision deserved the highest praise. Mr Nyborg thought work on these projects should begin now at a time when so much labour was available. Mr Alfredo Covelli (It, Ind) stressed that psychological as well as geographical gaps would be overcome if the projects went through. Aid would be available from the regional fund and it would be wrong not to take advantage of this opportunity especially as, in the case of the Messina link, an election had been fought on this very issue. Mr Luigi Noè (It, CD) pointed out that in contrast to other links there were no actual routes traced out for the Messina Straits. The choice was between a bridge and a tunnel, though the seismic characteristics of the Straits might make a tunnel more advisable. The rifts in the rocks could be followed the way they are in Japan. He referred to the risks of seepage and the vibration effect of the very large pumps that would be needed. All of this needed careful study. Mr Hill had spoken of motor vehicles being able to travel from Sicily to Scandinavia and with the new low-altitude Alpine tunnels this would be all the more feasible. Mr Tom Normanton (Br, EC) suggested a link between South West Scotland and Northern Ireland might help to end 'the apparently never-ending conflict of separation'.

Replying to the debate, Mr Carlo Scarascia Mugnozza said that the present economic situation did not help. It was holding back a number of projects. The Channel Tunnel was apparently being reconsidered. At the same time he welcomed Mr Hill's report. It could have positive results. There were, he pointed out, two sources of funds for such projects. There was the European Investment Bank, which had incidentally helped finance the Bosphorus Bridge, and there

was the regional policy which could help finance projects or preparatory studies. The initiative lay with Member States although of course there was an agreement to notify the Commission of plans of this kind. The Channel Tunnel had been notified by the French and British Governments. He urged Members to get their governments to submit projects to the Commission. Once they had been submitted it would not be difficult to obtain help of the European Investment Bank for projects either at the planning or the execution stage and it would not be difficult to obtain help from the Regional Fund. A motion underlining the gain to the Community of permanent sea links was then put to the vote. The resolution was agreed to. In conclusion Mr Hill said he understood funds were now available for the Messina link survey. He thanked the House for the consideration given to his report.

Approximating laws on tractors

As rapporteur for the Committee on Regional Policy and Transport, Mr Michael Herbert (Ir, EPD) reported to the House on Commission proposals on the braking devices and the lighting and light signalling devices of wheeled agricultural or forestry tractors and on the permitted sound level and the exhaust system of motor vehicles. Mr Herbert considered that the optional system to apply to the approximation of laws regarding tractors should be for a limited period only. Mr Herbert welcomed the reduction in the permitted sound level of motor vehicles and trusted the Commission would continue its noise abatement efforts. Mr James Hill (Br,EC) chairman of the Committee, pointed out that tractors were not among the safest of vehicles in daily use and 'anything that could be done to improve their safety is therefore welcome'. The resolution was agreed to.

External Relations

Cooperation agreements with the Soviet Union

Eight Christian Democrat Members put down an oral question for debate asking what information the Commission had on American-Soviet cooperation agreements or on bilateral and private economic cooperation in general and on the exploitation of Soviet sources of raw materials. In reply Commissioner Finn Gundelach said that sales of US grain to the USSR under special conditions were 'a not insignificant part' of the increase in trade between the two countries.

There had been considerable criticism of these sales in the United States. Mr Gundelach then indicated that two US-Soviet agreements were signed in June, the first being a ten year one to promote economic, industrial and technical cooperation and the second was a five year one on energy. This was to facilitate joint research and development of various forms of energy. He added that for Europe to conclude, operate and implement fully fledged cooperation agreements with the Soviet Union would require a great deal of political will on the part of our Member States. The present position was that trade agreements between individual Member States and East European countries would cease to be valid as of the end of the year and the Community was ready to negotiate EC trade agreements with any East European country that would like to do so. The Council had now agreed to an outline of the sort of trade agreements the Community envisaged and the Commission had communicated this to our potential partners. However, technical, industrial and scientific cooperation remained a matter for Member States. The Commission proposed that such agreements be subject to consultations and Mr Dahrendorf had outlined these to the House in February. Council accepted the proposal in June and the procedure was now in operation.

CCT duties waivers on Turkish products

As rapporteur for the Committee on External Economic Relations, Mr Jan Baas (Du,L) asked the House to approve a Commission proposal waiving or suspending CCT duties on products from Turkey. A resolution to this effect was agreed to.

Help for refugees in Cyprus

The chairman of all six political groups in the European Parliament put their signatures to a motion calling on the Council 'to decide at once to make available a further 5,000 tons of cereals for the refugees in Cyprus and to take further humanitarian relief measures on the basis of proposals from the Commission'. Mr Michael Yeats (Ir, EPD) said that 'when some forty-thousand Cypriot people are still living in tents at a time when the weather is becoming increasingly cold, this is a human tragedy on a large scale and the aid for which we call today would seem to be the absolute minimum that would be required under the circumstances'. The resolution was agreed to.

Relations between the Community and the Arab States

In an oral question put down for debate seven Christian Democrat Members asked the Commission about the state of the Community's relations with the Arab countries, particularly in the light of the energy supply crisis. Speaking to the question Mr Hans Jahn (Ger, CD) said that a year had gone by since the war in the Middle East but the problems were still there. New wars threatened. He thought it was no service to peace to pursue a policy recognizing both sides were right.

In reply Commissioner Claude Cheysson said that the EC was not engaged in any negotiations with the Arab countries as a whole. Current talks concerned three members of the Arab League (Sudan, Mauritania, Somalia) under the ACP negotiations. The 'global' approach to the Mediterranean countries covered a further eight members of the Arab League. This broke down into talks with Algeria, Morocco and Tunisia and with Israel (which was not in the Arab League but which was treated in the same way) and talks with Egypt, Jordan, Syria and Lebanon with a view to preferential agreements. Mr Cheysson pointed out that the Arab countries were very different, one from another. Some were rich, others poor. Some were populous, others deserts. Some lenders, some borrowers. Some had ties with Europe, some with other countries. What they had in common was their determination to progress. They knew they had raw materials the EC needed and they intended to turn the present juncture to advantage. As the debate opened out Mr Cheysson said he now realised Parliament would have liked a political debate on this matter. He suggested a good time would be when the Commission presented its recommendations for negotiations with Israel's four neighbouring Arab countries.

Agriculture

Yeasts

There was a certain amount of controversy over the Commission's proposals for approximating the laws of the Member States concerning yeasts. The difficulty lay in the differences in practice as between the United Kingdom and Ireland and the other Member States. This prompted the European Conservative Group to table a number of amendments, some of which were withdrawn when satisfactory explanations were given. Mr Marcel Brégégère (Fr, S) who was reporting on this subject for the Committee on Public Health and the

Environment asked the House to approve the Commission's proposals subject to a series of detailed amendments. The resolution was agreed to.

Wine market

As rapporteur for the Committee on Agriculture, Mr Libero Della Briotta (It, S) asked the House to approve a Commission proposal for a regulation on the wine market. Mr Della Briotta asked, however, whether a certificate of appellation was to be required for Tokay under this regulation and whether all the wines concerned were to be imported from Spain and Portugal under tariff quotas. A resolution approving the proposal was agreed to.

Veterinary measures

As rapporteur for the Committee on Agriculture, Mr Xavier Hunault (Fr, EPD) asked the House to approve a Commission proposal to establish rules on the use of an emergency measure of 2.5 m u.a. for 1975 to enable the EC to combat any outbreak of exotic diseases either in the Community or in third countries. The resolution was agreed to.

Potatoes and vinegars

As rapporteur for the Committee on Agriculture, Mr Pierre Bourdellès (Fr, Lib) asked the House to approve a Commission proposal to extend the period of the system of minimum prices for potatoes and certain vinegars from 1 January to 31 December 1975. Mr Bourdellès expressed regret, however, that the Commission had still not submitted proposals for the common organisation of the potato market. The resolution was agreed to.

Sugar beet prices in UK and Ireland and butter prices in Denmark

As rapporteur for the Committee on Agriculture, Mr Lucien Martens (Be, CD) asked the House to approve Commission proposals setting the derived intervention prices for white sugar, the intervention price for raw beet sugar and the minimum price for beet for Ireland and the United Kingdom and altering the intervention price for butter for Denmark. This would bring the prices in the

new Member States into line with the common prices. One consequence for the United Kingdom was that the price at which sugar is purchased under the Commonwealth Sugar Agreement would go from 17.10 u.a. per 100 kgs of raw cane sugar to 21.37 u.a. The resolution was agreed to.

Additives in fodders

As rapporteur for the Committee on Agriculture, Mrs Elisabeth Orth (Ge,S) asked the House to approve a Commission proposal on additives in feedingstuffs. Mrs Orth noted, however, that there was still some way to go before the farmer would be able to purchase feedingstuffs suitable for animal production anywhere in the EEC under identical conditions. The resolution was agreed to.

Frozen beef quota

As rapporteur for the Committee on Agriculture, Mr Mario Vetrone (It, CD) reported to the House on a Commission proposal for an EC quota for frozen beef and veal. The Community opened an annual quota for frozen beef to meet obligations entered into during the GATT multinational negotiations. Mr Vetrone asked why no reasons were given for the increase in the total quota volume proposed for 1975. While approving the proposal, therefore, Mr Vetrone asked the Commission to ensure that this beef is only imported when there is a ready market for it and that protective measures be taken under Article 19 of GATT if these imports cause or threaten to cause disturbances on the EC market. A resolution to this effect was agreed to.

CCT duty waivers

As rapporteur for the Committee on Agriculture, Mr Ralph Howell (Br, EC) asked the House to approve a Commission proposal temporarily reducing or waiving CCT duties on fish roes, dried white beans, dates and bitter or Seville oranges. This will apply from 1 January to 30 June 1975. There is a shortage of these products at present and the measure is intended to ensure supplies on favourable terms for EC processing industries. The resolution was agreed to.

Report on Dutch guilder

As rapporteur for the Committee on Agriculture Mr Heinz Frehsee (Ge, Soc) asked the House to approve a Commission proposal to authorise the Netherlands to grant aid for agricultural products following the rise in the central rate for the Dutch guilder. A resolution to this effect was agreed to.

QUESTION TIME

Questions to the Council

1. Choice of a single seat for the European Institutions by Mr Luigi Noè (It, CD)

'Does the Council not believe that it is becoming increasingly necessary to decide on a single seat for the Parliament, the Commission and the Council of the Communities in order to increase the efficiency of the drafting and decision-making processes of these institutions?'

Mr Bernard Destrémau replied: 'As the European Parliament is aware and as the Council recently had the occasion to re-state in its reply to Written Question No. 153/74 put by Lord O'Hagan, the location of the seat of the Community Institutions is a matter to be decided by the Governments of the Member States. By their decision of 8 April 1965 on the provisional installation of certain Institutions and departments of the Communities, the representatives of the Governments of the Member States confirmed that Luxembourg, Brussels and Strasbourg remained the provisional places of the Community Institutions. The Council does not consider that this arrangement prevents it from performing its duties.'

Mr Noè then asked Mr Destrémau whether the Council was aware that having different places of work meant a loss of efficiency for the European institutions which could be as much as 20 o/o and which would be unacceptable in a private firm.

In reply Mr Bernard Destrémau said the Council was aware of the problems but pointed out that there were some positive aspects. Besides, it was not just a question of efficiency, there were political implications too. According to the Treaty, the problem could only be resolved by unanimous agreement between Member States.

2. *Relations of the Community with the 20 Arab countries* by Sir Douglas Dodds-Parker (Br, EC)

'What further progress has been made in the discussions between the Council and the representatives of the 20 Arab countries?'

Mr Bernard Destrémau replied: 'In February 1974 the Council took a decision empowering its President, in collaboration with the Commission, to enter into talks with the Arab countries on matters falling within the competence of the Communities. In June the Ministers for Foreign Affairs of the Nine gave their final approval to the text of a memorandum, to be addressed to all the Arab countries, in which the Nine expressed in particular their desire to continue the talks begun with those countries. After a number of preliminary contacts in Cairo and Paris between representatives of the Arab countries, and the President — in his double capacity as chairman of the Political Co-operation Committee of the Nine and President of the Council of the Communities — and the Commission, it was agreed in July 1974 by common consent of all parties that a General Committee would be set up with the task of defining the areas of co-operation envisaged in the talks between the Europeans and the Arabs, the first of which was scheduled for 26 November in Paris. This meeting was postponed at the request of the Arabs for reasons with which the Honourable Member is undoubtedly acquainted.'

Sir Douglas Dodds-Parker then asked whether in view of the very difficult situation in the Middle East the Minister would do everything possible to re-arrange this meeting and to foster a dialogue between the European Parliament and representatives of the Arab countries.

Mr Destrémau replied that efforts to establish this dialogue would continue but that contacts at a parliamentary level were entirely a matter for the House so that the Council could not express an opinion on this point.

3. *European-Arab dialogue* by Mr Alain Terrenoire (Fr, EPD)

'What conclusions does the Council draw from the postponement of the meeting of the 'general committee', which was to have been held on 26-28 November to determine a strategy for the European-Arab dialogue?'

Mr Bernard Destrémau replied: 'As yet the Council has not drawn any conclusions from the postponement of the meeting of the General Committee,

which was to have been held from 26 to 28 November. It is currently examining this question and possible approaches to it, which must be viewed in the overall context of relations between the Community and the Arab countries.'

4. *Common commercial policy towards state-trading countries* by Mr Eric Blumenfeld (Ge, CD)

'Is it true that the Council's decision on common commercial policy towards state-trading countries under which commercial policy towards the socialist state-trading countries may only be conducted jointly as from 1 January 1975, was reached in the face of objections from the Federal German Government and that the latter has already taken action against this decision?'

Mr Bernard Destrémau replied: 'As from 1 January 1975, the Community's commercial policy towards state-trading countries will be based essentially on the following legal instruments which the Council has adopted, with the agreement of all its members on a proposal from the Commission:

- as regards contractual policy the Council at its meeting on 7 May 1974, restated the principle that henceforth all trade negotiations must be conducted by the Community. It therefore approved a memorandum and an outline agreement which constitute the basis of a negotiating offer to the state-trading countries.
- as regards the autonomous policy, the Council adopted, on 2 December 1974, a Decision defining the arrangements to be applied in Member States to imports from state-trading countries of products subject to quantitative restrictions. This Decision will shortly be published in the Official Journal of the Communities.

In addition, the Council adopted on 22 July 1974 a Decision establishing a consultation procedure in respect of Member States' Co-operation Agreements with non-member countries, including therefore state-trading countries.'

5. *U.N. debate on Palestine* by Mr Schelto Patijn (Du, S)

'Why, in one of the votes following the U.N. debate on Palestine, did a Member State decide at the last moment to depart from the voting procedure previously agreed by the Nine within the framework of European political co-operation?'

Mr Bernard Destrémau replied: 'The question put by the Honourable Member of Parliament does not fall within the Council's competence, but rather concerns co-operation between Member States of the Community on matters of foreign policy.'

6. *Admission of Israel to the UNESCO European Regional Group* by Mr Cornelis Laban (Du, S)

'Is it true that in the vote at the UNESCO General Assembly of 21 November 1974 in Paris on the possible admission of Israel to the UNESCO European Regional Group, no agreement could be reached within the framework of European political co-operation on a common voting position of the Community countries, and if so for what reason?'

Mr Bernard Destrémau replied: 'As pointed out by the Honourable Member, the matter he raises falls within the purview of political cooperation and not that of the Council of Ministers of the European Communities.'

Questions to the Commission

The following two questions were taken together:

7. *Regulation on sheep meat* by Mr John Brewis (Br, EC)

'When does the Commission intend to put forward a regulation on sheep meat?'

and

8. *Common Agricultural Policy for Sheep* by Mr Thomas Nolan (Ir, EPD)

'in the light of the current stocktaking of the Common Agricultural Policy by the Commission following the Resolution adopted by the Council of Ministers on October 2, 1974, does the Commission intend to deal with the question of sheep in its submissions with a view to the early adoption of proposals for a common agricultural policy for sheep?'

Sir Christopher Soames replied: 'Mr President, the Commission cannot say precisely when it will submit formal proposals to the Council of Ministers and to this House on the common organization of the market in sheep meat. The first

priority in the livestock field must be to restore order to the market for beef. In reply to Mr Nolan, I would remind the House that the Commission has already suggested the general outlines of a possible market organization in its memorandum of October 1973 on the improvement of the common agricultural policy.'

Mr John Brewis asked: 'Is the Commissioner aware of the indignation among the farming community in Scotland at imports of unneeded beef while their exports of quality lamb can be quite capriciously cut off from the continent? As the Common Agricultural Policy is a basic part of the Community, when is the Commission going to put an end to this quite unjustified delay in producing this regulation?'

Sir Christopher Soames replied: 'Well Sir, I think that unjustified is a strong word here. The main difficulty in the meat market, as the honourable gentleman will be well aware, is in the field of beef, and to the extent that there is a problem in the lamb market, it is not in any way because of excessive supply within the Community. It is because what happens in the beef market has a considerable effect upon the lamb market. I would also put to my honourable friend the fact that throughout the whole Community the price for lamb at present is fairly firm. Indeed, in the United Kingdom which interests the honourable Member particularly, it is above the guaranteed price. I am not saying that we should not have, should not aim at having, a sheep regulation. I quite agree that the Common Agricultural Policy will not be entirely complete until there is; but at this present juncture there are other and higher priorities in the meat sector'.

Mr. Thomas Nolan asked: 'In February 1974 the Commissioner stated that it was very important to have a regulation on sheep and he promised this House that he would have one by June of 1974. To date we have no regulation on sheep. Now, the Commissioner is aware that Member Countries are putting quantitative restrictions on the import of mutton and lamb into their countries from other Member States, and this is the reason I put the question. I want to know when the draft regulation will be placed before this House and why Member States are putting quantitative restrictions on the imports of lamb or mutton from other countries.'

Sir Christopher Soames replied: 'The answer to the second part of the question, Sir, is that until there is a regulation each country is allowed to follow its own regulations. There is good and there is bad in this, but there is no doubt that we

will not have a full Common Agricultural Policy until we have the sheep regulation, until sheep are included among the commodities subject to a regulation. I cannot, I am afraid, at this point in time, give any promise to the honourable Member as to when a regulation will be drafted, but I know that Mr Lardinois will do so as soon as possible.'

9. *Implications for the Irish economy of the disastrous state of the beef market in all countries* by Mr James Gibbons (Ir, EPD)

'Does the Commission, as guardian of the Treaties, intend to ensure that the principles of free movement are observed, so as to allow Irish beef cattle to be exported to all the Community Member States, and to see that a generalized intervention system is introduced in respect of beef cattle such as would assure both producers and exporters a fair return?'

Mr Albert Borschette, Commissioner responsible, replied that the Commission naturally saw to it that the principle of the free movement of products and commodities was respected. The Commission referred to its Decision of 29 November 1974 which covered this point as far as the United Kingdom was concerned. The Commission also drew the attention of Mr Gibbons to its recent price proposals for beef and veal.

Mr Gibbons (Br, EC) then asked the Commissioner if he would make representations to the British authorities to ensure that exports of Irish cattle and meat both to the UK itself and in transit through the UK to the mainland were not interfered with.

Mr Borschette said the Commission would see that the Decision of 29 November was strictly applied.

Mr Ralph Howell (Br, EC) said 'I find the Commissioner's answer to this question of Mr Gibbons very odd in view of the extraordinary scenes in connection with imports of beef into Britain, when we are supposed to have a common market. I cannot reconcile his answer with the complacency he showed in his previous reply to me regarding the importation of mutton'.

Mr Borschette said the Commission would intervene whenever it was necessary against any Member State which prevented the free movement of products whether industrial or agricultural.

10. *Control of poverty* by Mr Luigi Marras (It, Com)

'Can the Commission indicate what criteria it adopted in preparing its document entitled 'The Control of Poverty' and whether it does not feel that participation by the authorities in the solution of their problems can only come about through a social programme which provides for full employment, safeguards the purchasing power of wages and guarantees decent pensions to workers? .

Mr Patrick Hillery, Vice-President of the Commission, replied: 'Mr President, in the context of the social action programme, the Commission is charged with presenting to the Council before the end of the year, a programme of specific actions to combat poverty by drawing up pilot schemes. This will comprise a limited series of experimental projects designed to test out new techniques to alleviate poverty and to provide information for future national policies. I am not yet in a position to advise the honourable member of the Commission's decisions on the matters, but the principal criteria being considered for the selection of schemes include the following: First, they shall be of an innovatory nature, capable of contributing to future policies on a larger scale. Secondly, they shall provide for the participation of the people served by the schemes in their operation and as far as possible in their planning. Thirdly, they shall be of interest to the Community, in that they deal with problems common to several states. A certain number of cross-national projects will be included. The projects will deal with a variety of aspects of poverty and will have regard to monetary and employment policy, as well as social protection.'

11. *Reserve oil stocks* by Mr Lucien Radoux (Be, S)

'Has the Commission been able to ensure compliance by the Member States with the obligation to maintain reserve oil stocks equivalent to ninety days' consumption, which came into force on 1 January 1974?'

Mr Henri Simonet, Vice-President of the Commission, replied: that the Commission had just submitted to the Council a report on the execution of the Directive in question and on any problems arising from building up stocks as required by this Directive. In its conclusions the Commission stressed that the reasons which led the Council to decide on an increase in stocks from 65 to 90 days' consumption were still valid and were even more to the point after the recent changes on the world oil market and their consequences for Community supplies. The Commission also thought there was no overriding obstacle to a 90 day stock level being built up within the time limits laid down in the Directive which could not be resolved at Community level. The Commission's information

was that stock levels were already very close to the 90 day level throughout the Community with some differences between Member States. It was not possible to give precise figures because details of stock levels were confidential.

Mr Tom Normanton (Br, EC) asked Mr Simonet to comment on the recommendation made by Parliament's Standing Committee on Energy, Research and Technology that the same policy should apply to generating capacity of less than 100 megawatts and to private electricity capacity.

Mr Simonet replied that this matter was under consideration.

12. Support of women who are divorced, separated or deserted by their husbands by Mr David Thornley (Ir, S)

'Does the Commission not consider that it would be particularly appropriate, in the light of the fact that 1975 is to be 'Women's Year', to undertake the examination, (promised in answer to my written question no. 195/74), of the problem of the rights to state support of women who are divorced, separated or deserted by their husbands, and to take whatever measures that lie within its power, to resolve this problem?'

Mr Patrick Hillery, Vice-President of the Commission, replied: 'Mr President, the Commission has not promised to undertake a study of the kind referred to by the honourable Member. However, the matter is being looked into in the context of a number of actions on the Social Action Programme, particularly those concerning the extension of social security coverage and certain of the pilot projects against poverty now under preparation in cooperation with the Member States.'

Mr Thornley asked: 'Could I just ask the Commissioner whether he does not think this is a grave social problem. It is a change to get away from sheep and lamb. Would he not think, in the context of the increasing fluidity of movement between the Nine countries and the increasing discrepancy in the law between the various countries with regard to the problem of deserted wives, that the answer given to me on 31.8.1974 and which the Commissioner has in effect repeated does not really answer my question? Does he think this is a satisfactory situation? Does he not agree that it is a very dire social problem, which he and his whole department should look into. To answer that they do not have the statistics available to look into this question is not sufficiently satisfactory.'

Mr Hillery replied: 'We should be aware that examination of the problem to the extent Mr Thornley would like would take a great deal longer than one year. In fact, a study in one of the Member States took four years to complete, but that does not mean the Commission will find it impossible to do the work in the time he mentioned. The Commission is not turning away from the problem and does intend to deal with it in so far as it can, in the context of the examination I mentioned, in the Social Action Programme.'

Lady Elles (Br, EC) asked: 'Will the Commissioner please take note that we do not approve of Mr Thornley's idea of transferring on the state obligations undertaken by husbands to maintain their wives. Secondly, will the Commissioner consider proposals for more effective legislation in the Member States on the attachment of earnings and better family allowances for those wives who have children, in particular where the first child is not receiving any allowance which is the case in some Member States? Finally, Mr President, in view of the fact that 1975 is to be the United Nations Women's Year, will the Commission please take energetic steps to ensure that women can earn their own living in terms and conditions of equal opportunity with men.'

Mr Hillery replied: 'With regard to the first part of the question I will pass on the message to Mr Thornley. I will have the other matters examined by the Services of the Commission.'

Statement by the Commission on action taken on Parliament's advice

Mr Patrick Hillery, Vice-President of the Commission told the House that the Commission had been able to respond positively, in general, to the advice of Parliament on the wide range of topics currently under consideration. Referring first to direct life assurance on which Mr Jan Broeks (Du, S) had submitted a report, he said the Commission had incorporated 20 of the points made by the Parliament in its directive. These included all the important points made on life assurance by Parliament. As to the Second Directive on the setting up in the life assurance business, he pointed out that the ruling of the Court of Justice of 30 October 1974 (Reyners versus the Belgian State) would now serve no useful purpose. Referring to the tobacco taxes, he said that the Commission agreed with Parliament but was unable to accept the idea of increasing the number of taxation categories.

With regard to Mr Giosuè Liogios's (It, CD) report on forestry, Mr Hillery reminded the House that Commissioner Lardinois had already signified his

agreement to most of the amendments proposed. The Commission was unable to accept Parliament's point about increasing the quantity of fuel in commercial vehicles to be exempt from duty. It would raise enormous difficulties because it was bound up with the whole problem of harmonising taxes on gas and oil and this would inevitably complicate the issue at a later stage.

Lastly, Mr Hillery referred to Mr Cornelis Laban's (Du, S) request for a better presentation of proposals. He said that the Commission had recently presented proposals to the Council for the codification of the main regulations affecting pigmeat, eggs and poultrymeat. The aim was to replace the many texts which at present have to be referred to. He hoped that ultimately the number of regulations on which the Common Agricultural Policy is based would be cut down by 80 o/o. He added that the Council of Ministers of Justice had set up a working party to look into improving the presentation of legal texts. Meanwhile, the Commission was working on codification proposals for cereals, rice, fishery products, milk and milk products.

Mr Hillery thanked Members 'for the impressive volume of important work completed at Parliament sittings, particularly through the efforts of the various specialised committees'.

REFERENCES

Subject	Date of debate	European Parliament document number	Commission document number
Summit conference	9/12– 11/12	367/74 194/74	
Yeast and yeast residues	9/12		7/73
Social Fund	9/12	380/74	2400/74
Wine market	9/12	375/74	352/74
Animal Health	9/12	374/74	330/74
Potatoes and vinegar	9/12	389/74	371/74
Sugar, butter and sugar beet	9/12	396/74	391/74
Budget	10/12	400/74 410/74	
ECSC levy	10/12	398/74	353/74
ACP Association	10/12	388/74	
EC relations with Arab countries	10/12	283/74	
Energy policy	11/12	366/74	
Cooperation with USSR	11/12	211/74	
Multinationals	12/12	292/74	261/73
Obstacles to trade	12/12	323/74 164/74 189/74 230/74	235/74 227/74 234/74
Indexing earnings	12/12`	328/74	
Sea transport	12/12	305/74	
Sea tunnels	12/12	319/74	
Energy and environment	12/12	320/74	1150/74
Protection of environment	12/12	359/74	

Gas cylinders	13/12	384/74	216/74
Tractors	13/12	364/74	199/74
Fodder additive	13/12	377/74	219/74
Turkish products	13/12	378/74	332/74
Nairobi Conference	13/12	361/74	
EC beef and veal quota	13/12	395/74	369/74
Aquatic pollution	13/12	393/74	334/74
Dutch farm aid	13/12	411/74	370/74
CCT waivers	13/12	392/74	342/74
Cocoa and chocolate	13/12	397/74	381/74
Refugees in Cyprus	13/12	412/74	

ABBREVIATIONS

CD	Christian Democrat Group
S	Socialist Group
LA	Liberal and Allies Group
EC	European Conservative Group
EPD	European Progressive Democrat Group
CA	Communist and Allies Group
Ind	Non-attached, Independent Members
EC	European Community

Be	Belgian
Br	British
Da	Danish
Du	Dutch
Fr	French
Ge	German
Ir	Irish
It	Italian
Lu	Luxembourg

NOTES

Court of Justice

The President informed the House that Mr Aindrias O’Caoimh had been appointed judge at the Court of Justice in succession to Mr Cearbhall O’Dalaigh.

European Commission

The President informed the House that Mr Guido Brunner had been appointed commissioner in succession to Mr Ralf Dahrendorf.

Petition No. 4/73

The President announced that a petition submitted by Mr Bourgeois and others on industrialisation projects in the Toul region had been considered by the Committee on Regional Policy and Transport and by the Legal Affairs Committee and was now being forwarded with the Regional Committee’s opinion to the Commission of the European Communities.

Sitting days in 1975

13–17 January in Luxembourg, 17–21 February in Strasbourg, 10–14 March in Strasbourg, 7–11 (and perhaps 28–30) April in Luxembourg, 12–16 May in Strasbourg, 16–20 June in Strasbourg, 7–11 July in Strasbourg, 22–26 September in Luxembourg, 13–17 October in Strasbourg, 10–14 November in Luxembourg and 15–19 December in Strasbourg.

Summing up

At its sittings of 9,10,11,12 and 13 December, Members put down no questions for debate with the Council and 4 questions for debate with the Commission. At Question Time 6 questions were addressed to the Council and 6 to the Commission. 25 reports were considered and 26 Opinions delivered.

**Summit Conference,
Paris 9–10 December 1974 Communiqué**

1. The Heads of Government of the nine States of the Community, the Ministers of Foreign Affairs and the President of the Commission, meeting in Paris at the invitation of the French President, examined the various problems confronting Europe. They took note of the reports drawn up by the Ministers of Foreign Affairs and recorded the agreement reached by these Ministers on various points raised in the reports.

2. Recognizing the need for an overall approach to the internal problems involved in achieving European unity and the external problems facing Europe, the Heads of Government consider it essential to ensure progress and overall consistency in the activities of the Communities and in the work on political cooperation.

3. The Heads of Government have therefore decided to meet, accompanied by the Ministers of Foreign Affairs, three times a year and, whenever necessary, in the Council of the Communities and in the context of political cooperation.

The administrative Secretariat will be provided for in an appropriate manner with due regard for existing practices and procedures.

In order to ensure consistency in Community activities and continuity of work, the Ministers of Foreign Affairs, meeting in the Council of the Community, will act as initiators and co-ordinators. They may hold political cooperation meetings at the same time.

These arrangements do not in any way affect the rules and procedures laid down in the Treaties or the provisions on political cooperation in the Luxembourg and Copenhagen Reports. At the various meetings referred to in the preceding paragraphs the Commission will exercise the powers vested in it and play the part assigned to it by the above texts.

4. With a view to progress towards European unity, the Heads of Government re-affirm their determination gradually to adopt common positions and co-ordinate their diplomatic action in all areas of international affairs which affect the interests of the European Community. The President in office will be

the spokesman for the Nine and will set out their views in international diplomacy. He will ensure that the necessary concertation always takes place in good time.

In view of the increasing role of political cooperation in the construction of Europe, *the European Assembly must be more closely associated with the work of the Presidency, for example through replies to questions on political cooperation put to him by its Members.*

5. The Heads of Government consider it necessary to increase the solidarity of the Nine both by improving Community procedures and by developing new common policies in areas to be decided on and granting the necessary powers to the Institutions.

6. In order to improve the functioning of the Council of the Community, they consider that it is necessary to renounce the practice which consists of making agreement on all questions conditional on the unanimous consent of the Member States, whatever their respective positions may be regarding the conclusions reached in Luxembourg on 28 January 1966.

7. Greater latitude will be given to the Permanent Representatives so that only the most important political problems need be discussed in the Council. To this end, each Member State will take the measures it considers necessary to strengthen the role of the Permanent Representatives and involve them in preparing the national positions on European affairs.

8. Moreover, they agree on the advantage of making use of the provisions of the Treaty of Rome whereby the powers of implementation and management arising out of Community rules may be conferred on the Commission.

9. Cooperation between the Nine in areas outside the scope of the Treaty will be continued where it has already begun. It should be extended to other areas by bringing together the representatives of the Governments, meeting within the Council whenever possible.

10. A working party will be set up to study the possibility of establishing a Passport Union and, in anticipation of this, the introduction of a uniform passport.

If possible, this draft should be submitted to the Governments of the Member States before 31 December 1976. It will, in particular, provide for stage-by-stage

harmonization of legislation affecting aliens and for the abolition of passport control within the Community.

11. Another working party will be instructed to study the conditions and the timing under which the citizens of the nine Member States could be given special rights as members of the Community.

12. *The Heads of Government note that the election of the European Assembly by universal suffrage, one of the objectives laid down in the Treaty, should be achieved as soon as possible. In this connection, they await with interest the proposals of the European Assembly, on which they wish the Council to act in 1976. On this assumption, elections by direct universal suffrage could take place at any time in or after 1978.*

Since the European Assembly is composed of representatives of the peoples of the States united within the Community, each people must be represented in an appropriate manner.

The European Assembly will be associated with the achievement of European unity. The Heads of Government will not fail to take into consideration the points of view which, in October 1972, they asked it to express on this subject.

The competence of the European Assembly will be extended, in particular by granting it certain powers in the Communities' legislative process.

Statement by the United Kingdom delegation

The Prime Minister of the United Kingdom explained that Her Majesty's Government did not wish to prevent the Governments of the other eight Member States from making progress with the election of the European Assembly by universal suffrage. Her Majesty's Government could not themselves take up a position on the proposal before the process of renegotiation had been completed and the results of renegotiation submitted to the British people.

Statement by the Danish delegation

The Danish delegation is unable at this stage to commit itself to introducing elections by universal suffrage in 1978.

13. The Heads of Government note that the process of transforming the whole complex of relations between the Member States, in accordance with the decision taken in Paris in October 1972, has already started. They are determined to make further progress in this direction.

In this connection, they consider that the time has come for the Nine to agree as soon as possible on an overall concept of *European Union*. Consequently, in accordance with the requests made by the Paris meeting of Heads of State and of Government in October 1972, they confirm the importance which they attach to the reports to be made by the Community Institutions. *They request the European Assembly, the Commission and the Court of Justice to bring the submission of their reports forward to before the end of June 1975.* They agreed to invite Mr. Tindemans, Prime Minister of the Kingdom of Belgium, to submit a comprehensive report to the Heads of Government before the end of 1975, on the basis of the reports received from the Institutions and of consultations which he is to have with the Governments and with a wide range of public opinion in the Community.

Economic and monetary union

14. The Heads of Government having noted that internal and international difficulties have prevented in 1973 and 1974 the accomplishment of expected progress on the road to EMU affirm that in this field their will has not weakened and that their objective has not changed since the Paris Conference.

Convergence of economic policies

15. The Heads of Government discussed the economic situation in the world and in the Community.

16. They noted that the increase in energy prices is adding to inflationary tendencies and balance of payments deficits and intensifying the threat of general recession. The resulting alterations in the terms of trade are forcing the Member States to re-direct their production structures.

17. The Heads of Government re-affirm that the aim of their economic policy continues to be to combat inflation and maintain employment. The co-operation of both sides of industry will be essential if this policy is to succeed. They

emphasize that in the present circumstances high priority must be given to economic revival in conditions of stability i.e. action aimed both at preventing a general economic recession and restoring stability. This must not involve any recourse to protectionist measures which, by setting up a chain reaction, could jeopardize economic revival. Member States which have a balance of payments surplus must implement an economic policy of stimulating domestic demand and maintaining a high level of employment, without creating new inflationary conditions. Such an attitude would make it easier for countries which have considerable balance of payments deficits to follow a policy which will ensure a satisfactory level of employment, stabilization of costs and an improvement in their external trade balance without resorting to protectionist measures.

18. In the context of the effort to be made by countries having a surplus, the Heads of Government greet the economic policy measures already adopted by the Netherlands Government as a step in the right direction. They also note with satisfaction the short-term economic programme which the Government of the Federal Republic of Germany intends to follow, particularly as regards stimulating public and private investment, and the fact that the Belgian Government intends to follow suit. They also express satisfaction at the efforts made by the countries having a balance of payments deficit to maintain their competitive position so as to achieve a more satisfactory balance of payments and to improve the level of employment.

19. While acknowledging the special situation of each of the Member States of the Community – which makes a uniform policy inappropriate – the Heads of Government stress that it is absolutely necessary to agree on the policies to be adopted. This convergency will be meaningful only if it works towards Community solidarity and is based on effective permanent consultation machinery. The Ministers for Economic Affairs and Finance will be responsible, within the framework of Community procedures, for implementing these guidelines.

20. It is obvious that all these policies will be really effective only insofar as the world's major industrialized countries succeed in arresting incipient recessionary tendencies.

In this connection, they note with satisfaction the account given by the Chancellor of the Federal Republic of Germany of his talks with the President of the United States.

They desire that, at his forthcoming meeting with President Ford, the President of the French Republic should, on behalf of the Community, stress the importance of convergence between the economic policies of all industrialized countries along the lines indicated above.

They also wish the Community and its Member States to do the same during the forthcoming international consultations and in the appropriate international bodies.

21. The Community will continue to contribute to the harmonious expansion of world trade, especially in relation to developing countries, and in order to do so will take a constructive part in the GATT trade negotiations which it hopes to see actively continued in the near future.

Regional policy

22. The Heads of Government decide that the European Regional Development Fund, designed to correct the principal regional imbalances in the Community resulting notably from agricultural predominance, industrial change and structural under-employment will be put into operation by the institutions of the Community with effect from 1 January 1975.

23. The Fund will be endowed with 300 m u.a. in 1975, with 500 m u.a. for each of the years 1976 and 1977, i.e. 1300 m u.a.

24. This total sum of 1300 m u.a. will be financed up to a level of 150 m u.a. by credits not presently utilised from EAGGF (Guidance Section).

The resources of the Fund will be divided along the lines envisaged by the Commission:

Belgium	1,5 0/0
Denmark	1,3 0/0
France	15,0 0/0
Ireland	6,0 0/0
Italy	40,0 0/0
Luxembourg	0,1 0/0
Netherlands	1,7 0/0
Federal Republic of Germany	6,4 0/0
United Kingdom	28,0 0/0

Ireland will in addition be given another 6 m.u.a. which will come from a reduction in the shares of the other Member States with the exception of Italy.

Employment problems

25. The effort needed to combat inflation and the risks of recession and unemployment as described above must accord with the imperatives of a progressive and equitable social policy if it is to receive support and co-operation from both sides of industry, both at national and Community level.

In this respect, the Heads of Government emphasize that the Economic and Social Committee can play an important role in associating both sides of industry in the definition of the Community's economic and social aims

Above all, vigorous and co-ordinated action must be taken at Community level to deal with the problem of employment. This will require the Member States, in conjunction with the organizations concerned, to co-ordinate their employment policies in an appropriate manner and to set priority targets.

26. When the time is ripe, the Council of the Community will consider, in the light of experience and with due regard to the problem of the regions and categories of workers most affected by employment difficulties, whether and to what extent it will be necessary to increase the resources of the Social Fund.

27. Being convinced that in this period of economic difficulty special emphasis should be placed on social measures, the Heads of Government re-affirm the importance which they attach to implementation of the measures listed in the Social Action Programme approved by the Council in its Resolution of 21 January 1974.

28. The Heads of Government make it their objective to harmonize the degree of social security afforded by the various Member States, while maintaining progress but without requiring that the social systems obtaining in all Member States should be identical.

Energy

29. The Heads of Government discussed the energy problem and in this connection the related major financial problems created for the Community and for the wider world.

30. They further noted that the Ministers of Energy of the Community countries are due to meet on 17 December.

31. The Heads of Government, aware of the paramount importance which the energy problem has in world economy, have discussed the possibilities for co-operation between oil exporting and oil importing countries, on which subject they heard a report from the Federal Chancellor.

32. The Heads of Government attach very great importance to the forthcoming meeting between the President of the United States and the President of the French Republic.

33. The Heads of Government, referring to the Council Resolution of 17 September 1974, have invited the Community Institutions to work out and to implement a common energy policy in the shortest possible time.

Britain's membership of the Community

34. The Prime Minister of the United Kingdom indicated the basis on which Her Majesty's Government approached the negotiations regarding Britain's continued membership of the Community, and set out the particular issues to which the Government attached the highest importance.

35. The Heads of Government recall the statement made during the accession negotiations by the Community to the effect that 'if unacceptable situations were to arise, the very life of the Community would make it imperative for the institutions to find equitable solutions'.

36. They confirm that the system of 'own resources' represents one of the fundamental elements of the economic integration of the Community.

37. They invite the institutions of the Community (the Council and the Commission) to set up as soon as possible a correcting mechanism of a general application which, in the framework of the system of 'own resources' and in harmony with its normal functioning, based on objective criteria and taking into consideration in particular the suggestions made to this effect by the British Government, could prevent during the period of convergence of the economies of the Member States, the possible development of situations unacceptable for a Member State and incompatible with the smooth working of the Community.

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