

THE SITTINGS

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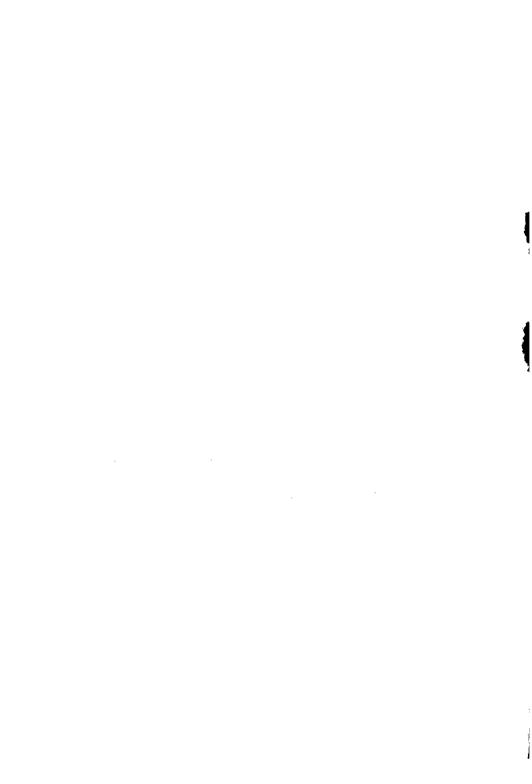
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SESSION OF THE EUROPEAN PARLIAMENT

1974 - 1975

Sittings held in Strasbourg Monday, 17 to Friday 21, February 1975

Introduction

Parliament's February sittings were the occasion for a long, hard look at the state of the Community, touched off by President François-Xavier Ortoli's presentation to the House of the Commission's Eighth General Report. The report, which Mr Hans-August Lücker, Christian Democrat Chairman, described as a 'brilliant diagnosis' analysed the successes, failures and setbacks of 1974 and set out five aims for Europe in 1975. President Ortoli argued that the Community's main emphasis was moving further and further away from the mainstream of political life, with the Member States becoming less and less firm in their commitment to each other. Further material for this analysis of the Community was provided by two other Commission reports, one on the economic situation by Vice-President Wilhelm Haferkamp and one on the social situation by Vice-President Patrick Hillery.

These sittings gave the House a further opportunity to welcome Dr Garret FitzGerald, Irish Foreign Minister and President of the Council. Dr FitzGerald told Parliament of his plans for the Council during Ireland's term of office in the Chair and he created a further precedent by being the first Council President to attend the debate on Commission's General Report, a precedent which President Ortoli and the European Parliament warmly welcomed.

The sittings were also the occasion for the House to signify its agreement to a draft joint declaration (see Postscript) by the European Parliament, the Council

and the Commission on a conciliation procedure for resolving any differences that may arise in establishing the Community budget. Mr Georges Spénale, Socialist Chairman and one of Parliament's leading spokesmen on budgetary affairs, advised the House to endorse the agreement although he did have reservations on one important point: he felt that where the Council departs from the opinion of the European Parliament it should be required to disclose how the voting goes.

The question of the continued membership of the United Kingdom was referred to by several speakers. President Garret FitzGerald said he hoped the people of the United Kingdom would decide in favour of continued membership and President François-Xavier Ortoli said 'Without Great Britain, Europe would be incomplete. It would not have the same place in the world and would not give as much to our peoples if it were once again to be deprived of Britain's original support which, among other progress, has given Europe a new international dimension for example in its relations with Asia and the developing countries.'

President Ortoli said that Britain's membership was a major interest for both the Community and the United Kingdom. Working together over the last two years had brought benefits to both sides and membership had given Britain greater status — as it had to the Eight other Member States — in world affairs. He hoped 'the British people will be at our side in designing the structures and institutions of a politically and economically united Europe.'

Other points raised in a very busy week in Strasbourg were the Channel Tunnel and energy policy. On the tunnel Vice-President Scarascia Mugnozza made it clear that this was a matter for the British Government whatever help Community might be able to give if called upon to do so. On energy policy Parliament agreed to a resolution which was highly critical of the Council's failure to progress towards a common policy for energy at its meeting of 20 and 21 January.

On agriculture Commissioner Petrus Lardinois made a statement on the farm price agreement reached by the Council and Vice-President Sir Christopher Soames made a detailed statement on the Community's progress towards a relationship with Comecon.

Parliament's powers

The conciliation procedure

As rapporteur for the Committee on Budgets, Mr Georges Spénale (Fr, S) reported to the House on the draft of a declaration to be made jointly by Council, Commission and Parliament on setting up what is to be known as a 'conciliation procedure' for ironing out any disagreements between the institutions on the final stages of the budget (for full text of the draft declaration see 'Postscript'). The European Parliament has always argued that it is Parliament alone, in any parliamentary democracy, which can approve new expenditure even though constitutions may give the executive sole rights to propose such expenditure. Now that the Community is self-financing it has become vital for the European Parliament to have a real say in decisions giving rise to EC expenditure. The conciliation procedure proposed could provide the machinery for such joint decision-making. Mr Spénale expressed staisfaction at the progress made towards an understanding between the institutions on this point but insisted that real differences of opinion remained. He felt for example that it should not be possible for Council to depart from the Opinion adopted by Parliament at the end of the procedure unless Council does so unanimously. Hence Parliament's agreement to a provisional introduction of the new procedure is subject to the reservation that Council should state the majority by which it acts at the end of the budgetary procedure. Mr Spénale also argued that Rome Treaty Article 149 implies that if Commission alters its original proposal to take account of Parliamentt's Opinion, Council must act on the modified text and be unanimous if it actually amends it.

He therefore moved a motion accepting the joint declaration on a provisional basis subject to these reservations. Mr Spénale did so on the understanding that although the procedure is not perfect it is perfectable, a view endorsed by Mr Peter Kirk (Br, EC) spokesman for the Political Affairs Committee and Mr Harry Notenboom (Du, CD) spokesman for the Christian Democrat Group.

Dr Garret FitzGerald, President of the Council, said 'I recognize that what has been agreed here does not give satisfaction on all points to Parliament ... but this is an evolving procedure and is only a small part of the long-term process which will take its next great step forward when we reach the stage of direct elections'.

Mr François-Xavier Ortoli, President of the Commission, said budgetary powers were but one link in a chain and agreed that 'we shall have to take another look at this problem of legislative powers'. Direct elections in turn raised the question

of the purpose they were intended to serve. In conclusion he stressed the Commission's commitment to broadening the whole legislative process.

The motion moved by Mr Spénale was then put to the vote. It was agreed to.

Political affairs

The Commission's Eighth General Report

Article 143 of the Rome Treaty reads: 'The Assembly shall discuss in open session the annual general report submitted to it by the Commission.' The discussion is in two stages. First the Commission's report is presented and a first debate follows; then there is a detailed analysis of the Commission's report by Parliament's standing committees and a further debate is held. This second debate usually concludes with what amounts to a vote of confidence in the Commission. It is this first stage that the report went through this week.

Presenting the Commission's Eighth General Report, President François-Xavier Ortoli said the state of Europe's union was no cause for complacency. Progress had been made but there had also been setbacks and failures which, he thought, were extremely serious. Yet it was no good getting depressed. Europe had gone ahead in four ways: the Nine had begun to realise they were interdependent; this had led to a common approach in Washington to international monetary relations; secondly, rhetoric had given way to reality; the regional fund had been set up and the Social Fund had to expand; the Community loan arrangements were also important. Thirdly, Europe now had a development policy in relation to the Third World and the Fourth World and lastly, there had been the Paris Summit which had given the Community a new impetus.

Against this, there had been failures: Europe was less independent, its ambitions had been scaled down and the Community had sustained a semi-failure in its institutions. Independence was what Europe was all about and yet, in the last fifteen months, Europe had become less independent, less in command and control of its own future. For thirty years Europe had managed to come to terms with its lack of energy and raw materials. Today the truth was staring us in the face. To pay for energy and raw materials, resources had to be transferred; that is, work had to be transferred. Secondly, the United States was now in a stronger position than before. 'Let's not fool ourselves, said President Ortoli, if

we have become less independent, less free to manoeuvre, it's our own fault. It is because we have failed to pursue a definite policy and failed to bring all our weight to bear in the great diplomatic chaos from which the pattern of our future emerges.' It was also Europe's fault if relations with the United States were not those of equals: any attempt to speak as one nation — and he quoted the Washington Conference of February 1974 — was a miserable failure, even where there had previously been agreement, such as on the problems of recycling.

Even more serious was Europe's loss of ambition. The principle underlying the Treaty of Rome that responsibilities should be pooled, especially where this raised to a higher level our responsibility to our peoples and the world. Our joint activities had become marginal and our commitment to each other less and less firm. What had happened to the common policy for energy and where had we got with bringing taxation systems into line with each other? Where had we got with pooling reserves? Europe's achievements dated from another era. 'Since then we have lost our nerve and we have lost our vision.' The third setback, a semi-failure, had been the decision to hold regular Council meetings at heads-of-government level. This could undermine the whole structure of the Community. If this considerable innovation brought with it a new decision-taking capability, a real policy transcending the artificial differences between the Community's area and the inter-governmental one, then we should have won. But one should not overlook the danger that circumstances, a lack of nerve, convenience, or confusion over responsibilities might lead to greater inter-governmental cooperation to the detriment of the right way for Europe, which was integration.

President Ortoli set out five aims for Europe. First of all it must become less dependent. This meant setting targets for energy and doing something to attain them. Secondly Europe must restore its economic and social balance by providing a new base for economic growth. The Commission's had a four point programme for achieving this second aim: developing complementary economic policies, returning to investment-based economic growth, setting up a medium-term research institute and a European export bank and involving the people of Europe in achieving this aim through a new bill on the European company. Thirdly, Europe should aim to establish a new relationship with the third world: what really matters here is that the new agreements succeeding the Yaoundé Convention should provide for access to large markets, for a stabilisation of income to cushion Europe's forty-six partners against any sudden drop in world prices, for systematic cooperation to promote industrialisation

and for political institutions to enable parliamentarians and governments in Europe and the developing countries to work together as equals. Fourthly, Europe must go on to Economic and Monetary Union. Inflation, the oil crisis and monetary difficulties had left Europe without a policy. The answer lay in setting ourselves credible aims in a few areas: the common agricultural policy, launching the regional policy, making new tools for the Community: a stronger Monetary Cooperation Fund, a European export bank and back-up machinery for energy policy. The fifth aim was to pave the way for European Union. Parliament and Commission were to present reports by June 1975 and Mr Tindemans, Prime Minister of Belgium, was to submit a comprehensive report to the Heads of Government before the end of 1975 on the basis of these two reports and consultations with the Governments and the general public.

'Europe, concluded President Ortoli, is one generation old. We have not been slow to criticise the timidity and the failures of that first generation. But will our generation do any better? What really strikes me in Europe today is the lack of nerve, the lack of vision. I have two further years in office now and I can assure you I intend to fight hard for the triumph of great ideas.'

President Ortoli's speech was very well received and the applause of the House continued for several minutes. The first debate on the Commission's report began the following day and, for reasons of convenience, was coupled with the debate on the results of the Paris Summit meeting, on which Mr Lucien Radoux (Be, S) reported. Consequently several different threads were handled simultaneously, the unifying factor being the bearing of points raised on the Community's future.

Mr Radoux recalled that Parliament had already complied with the Summit injunction on direct elections. He referred to the draft convention drawn up by Mr Schelto Patijn (Du, S) and adopted by Parliament in January. Parliament's report on European Union would be submitted before the end of June. Mr Radoux reminded the House that the ultimate aims of European Union had been set out in some detail as long ago as 1953 by the then ad hoc Assembly (later to become the European Parliament). He stressed that Parliament wished to be involved in every stage up until a draft constitution for a European Union was deposed.

Mr Garret FitzGerald, President of the Council, then brought Parliament up to date on what had happened since the Paris Summit and discussed his aims for the Council during Ireland's term of office in the Chair. Negotiations with the

African Caribbean and Pacific had been successfully concluded and a mandate agreed for the Gatt negotiations which opened in Geneva on 11 February. Mr FitzGerald then turned to the Paris Summit decision to cut down on the abuses of the unanimity rule. The Chair was now dividing all points for discussion into three categories: those not requiring a formal decision, those requiring a formal decision calling for unanimity and those requiring a formal decision without unanimity. Prior to Council meetings the Chair was endeavouring to pinpoint third category items. At the meeting the Chair would indicate the decision to be taken. Any delegation in disagreement on an item concerning which it has not claimed unanimity could then ask for a vote by simple or qualified majority, whichever was appropriate. Looking ahead, it was his aim to see the preparatory meeting of the producer-consumer conference was successfully organised and he hoped preparations for the main conference would be well advanced by the end of his term in office.

He looked for progress towards a Euro-Arab dialogue and hoped that the Summit to be held in Dublin on 10 and 11 March would be successful. He hoped the discussions with the United Kingdom about its continued membership would be brought to a successful conclusion and 'that by the time our term in office comes to an end the people of the United Kingdom will have taken a favourable decision on continued membership'.

Mr FitzGerald hoped that the regional policy would have come fully into effect by the end of June and that the funds set aside for the purpose would be beginning to flow. He trusted that the Mediterranean policy negotiations would be successfully concluded by that time 'and that we shall be beginning to make progress with a consideration of the parliamentary proposals with regard to direct elections.' More generally, he said, his aim was to strengthen ties between Council and the other institutions, particularly Parliament. 'I hope to be available to Parliament and its committees as fully as necessary during the six months, so that the dialogue that should exist between Council and Parliament will be as fully effective and free as possible.'.

Mr FitzGerald then added a few remarks 'in an individual capacity'. 'I should like to welcome the address which was given yesterday by President Ortoli and to echo what he said earlier this year shortly after the renewal of his mandate. The President of the Commission has a great advantage over the President of the Council. He is not hampered by the constrictions of representing nine countries with separate identities and views. He has 12 other Commissioners to contend with, but seems well able to knock them into shape and extract from them a

common view much more vital, realistic and compelling than anything which the President of the Council can easily produce because of the constraints imposed upon him. It is of great value to the Community that President Ortoli has felt it possible to speak in these terms, realistically and strongly, in hope for the future, pointing out the defects of our present arrangements and how much needs to be done to make real progress towards the goals we share.

When the Community was founded it was done with great vision, imagination and statemanship, but I am not sure that those who founded it could have had a full appreciation of the immensity of the task they were tackling. Perhaps during the first quarter-century we have all underestimated the magniture of the task. There is no precedent for what we are trying to do. At times we talk, act and think as if there were precedents. We are inclined, unconsciously, to model ourselves upon other federations in other countries which have been successful. But these are other federations which have been built up from the ground, as distinct from multinational empires imposed from above. Those which have been built up from the ground have been basically monocultural federations whose members shared a common culture and in most cases a common language. What we are trying to build is immensely more complex, and we have at times been unrealistic and Utopian in thinking that we can build that federation easily when there are nine such different countries to be brought together.

In the past, some of our ideas have been naive or simplistic. We are beginning to realize that, and this is the moment to reassess the situation, the moment to reflect on whether all the policies we are pursuing are necessary or adapted to the aims which we seek to achieve. As an example of that, in the last couple of years the Community – the Commission in particular – has come to feel that one can go too far in seeking to harmonize every detail of legal, commercial and other matters in Community countries. Perhaps we have sought to achieve too much in that area and not enough in other areas. This is a good moment to reflect on that. The real way forward lies through direct elections. We shall not get a major impetus for the the future until we have direct elections and until Parliament has more power. These two will go together. A directly elected Parliament will seek power, and when it does it must have more power or the peoples of Europe will not be bothered to vote for it. If we get a directly elected Parliament with more power we shall have a new impetus for the years ahead. This will lead us forward to a goal, on the details of which we are none of us clear. We know the direction in which we want to go. We know that we must go much faster in the future if our political system is to keep with the decision-making needs of the modern world, thus maintaining control over our

own destinies and giving Europe again the independence and mastery of its own destiny which it has lost in past years because of the inadequacy of the scale on which it is organized and the types of decision that have had to be taken.

We know where we have to go; we know that we must go faster. We know not where we shall arrive. I hope that many of us will survive until the end of the century and that when we look back we shall be surprised to see where we have got to. It may not be quite where we expected to get. It may be further in some respects and less far in others. But we all know that the Europe which enters the twenty-first century will be very different in shape and in the way it is organized and takes its decisions from the Europe which existed in the middle of the twentieth century before the Great Community came to be founded'. There was loud applause for Dr FitzGerald. Mr Giovanni Giraudo (It, CD) Christian Democrat spokesman and Chairman of the Political Affairs Committee was particularly appreciative of the great speeches' by President FitzGerald and by President Ortoli. Mr Giraudo praised the realism of the Commission's programme. It did not hide the problems but showed how they could be overcome.

Politically, Mr Giraudo said the will of the Governments would this year be put to the test, the test as to whether they wanted the Community to be or not to be. No Member State had much real influence today and yet Europe, instead of reducing the sovereignty of any, enhanced the sovereignty of all.

Turning to the Commission's programme he said its implementation called for an overall strategy and the exercise of an overall policy. This, he found to be lacking. Mr Giraudo was one of several speakers expressing doubts about the new European Council. 'It all depends on what this European Council is and what it does. Will it make Europe even more inert or will it give the Community's institutions a real decision-taking capability?'

Mr Schelto Patijn (Du, S) Socialist spokesman, said his Group accepted the broad outlines of the Commission's programme. He quoted President Ortoli as saying that because of the lack of any political resolve in Europe over the last two years the Commission intended to take on a political role itself. ('Its proposals will have to be more definite and be more than a minimum tailored to meet the needs of the final compromise'). Mr Patijn trusted he would find this expressed in practical terms in the Commission's programme.

Lord Gladwyn (Br, L), Liberal spokesman, thought the Paris Summit had been 'a watershed in the development of our Community'. He asked 'what may we now legitimately expect by way of greater European unity during the remainder of this year or next?' He thought the European Council would become something rather more like a European Government in the sense of a real decision-making centre than the existing Council of Ministers had ever been. Lord Gladwyn was, however, very much concerned about the practical aspects of the new arrangements.

Mr Peter Kirk (Br, EC), European Conservative spokesman, was also concerned as to how the new Community arrangements would work. The new European Council, he said, must in some way fit into the general pattern of Community institutions. 'It has been left very vague to us as to how precisely this can be done'. Mr Kirk concluded 'If someone will tell me and the House precisely what is going on, we shall all feel ourselves very much reassured'.

Mr Michael Yeats (Ir, EPD), spokesman for the European Progressive Democrats, took a similar view. 'One can but look with suspicion on the concept of such Summit conferences they remain outside the institutional framework and thereby weaken the Community institutions.' He said 'It is entirely unacceptable that vital decisions affecting all nine countries of the Community should be taken in a manner which appears to prevent the democratic voice of Parliament from being effectively heard.' Mr Yeats added: 'We have learned over the years that in times of economic progress, cooperation is easy but that in times of stress all this changes. All of us – we are equally to blame – begin to think once again on national lines. We think of our own people and, indeed, of our own electorates first. Some of us find it easy to forget that we are all joint members of a European Community. Yet, however difficult it may be in times of crisis, co-operation is more necessary than ever. We can undoubtedly solve the grave economic and social problems facing us, but we shall never do so if we attempt to attain economic recovery on an individual basis. Now more than ever before we must, in a practical, urgent and effective way, reassert our common allegiance to the European ideal.'

Mr Gustave Ansart (Fr, CA), Communist spokesman, welcomed the frankness of President Ortoli's statement. 'Now we are starting to call a spade a spade' he said. But while agreeing with the Commission's analysis, his Group did not agree with the remedies proposed; the Commission was, he said, very discreet as to the cause of the situation and as to who was responsible: the multinational companies which dominated the Community for profit only and not to balance

production to area or ensure economic and social progress kept pace with each other. This was the Community's weak point: it had no social policy. Mr Ansart siad there were more than five million unemployed in the Community. 'Our aim is the Europe of the working man' he said.

Mr Hans-August Lücker (Ge, CD), Christian Democrat Chairman, said that President Ortoli's statement had met with much understanding in his Group. He took up Mr Ortoli's reference to new proposals for economic and monetary union. He reminded him that in 1968 Parliament and Commission had expressed their conviction that Europe must expand from sideline policies into the mainstream of general politics. Economic and Monetary Union was designed to serve this purpose. What was the Commission's attitude now?

Mrs Leonilde Iotti (It, CA) said she had greatly appreciated President Ortoli's speech and the poised and serious way in which he had described the state of the Community. But the only point her Group felt able to approve was the Community's present policy towards the third world, particularly the African, Caribbean and Pacific countries. Mrs Iotti deplored the lack of any Community policy towards the Arab countries and argued that Europe must have 'articulate and polyvalent' relations with the world at large. This was the only way to guarantee Europe's independence and ensure normal relations with the United States.

President Ortoli had referred, said Mrs Iotti, to getting the Community and its institutions out of the isolation they were in within the Member States. President Ortoli had spoken of 'a policy for the men and women of Europe'. To achieve this, the Member States' economic structures would have to be overhauled so as to dovetail with each other and, within European companies, workers would have to participate in management. And Europe's Parliament would have to be directly elected. She disagreed with Mr Ansart on this point and viewed with concern the doubts about 1978 as the date for Europe's first general election that Mr Radoux and Mr Kirk ('I think 1978 is perhaps a little bit optimistic') had expressed. Meanwhile, said Mrs Iotti, her Group viewed the Community's future with grave concern.

Mr Valerio De Sanctis (It, Ind), who had the highest praise for President Ortoli's analysis of the Community, said the main problem was to ascertain where the pivotal point of the Community's political will was to be found. This he took to be the underlying sense of the President's address. In this situation he saw Parliament's role as that of mediator pointing the way to solving problems.

Mr Mario Scelba (It, CD), on the other hand, thought that Parliament, which was always calling for more powers, could make better use of those it had already, especially at a time when the powerlessness of the Member States did nothing but underline the importance of acting together. He thought direct elections to Parliament would create a tremendous upheaval in the Member States 'but they will give credibility to our faith in Europe's future'. He concluded by expressing his full and cordial approval for President Ortoli's statement.

Mr Kristen Helveg Petersen (Da, L) too was concerned as to how practical results could be achieved, especially regarding European Union; current nationalist trends would not make the obstacles easy to remove. Mr Petersen made basically the same point as Mr de Sanctis: the Community had to crystallise the will of Europe's peoples.

Sir Brandon Rhys Williams (Br, EC) one of Parliament's leading spokesmen on monetary affairs, welcomed the limited steps in strengthening the European Fund for Monetary Cooperation I am glad too to hear the first indication of a Commission plan for a European Export Bank'. He hoped that one of its functions would be 'strengthening the futures market'. Sir Brandon argued that 'we need to look again at the constitution of the European Investment Bank. This excellent body is doing very good work but is too limited in its scope.' The Community needed a counterpart to the International Monetary Fund to deal with the current account and a counterpart to the World Bank to deal with capital account. Sir Brandon then turned to the electorate: 'We want all our citizens to feel as individuals that they have a stake in a larger society which transcends our old national frontiers'.

Mr Eric Blumenfeld (Ge, CD) agreed. But the Community could never become the Europe of the people as long as 'We politicians so often prefer to be mayors of provincial cities, chairmen of local councils and as long as we give preference, for a number of reasons, to our national parliaments over the European mandate. Nor will the efforts of Commission or Council or colleagues here be enough. This appeal, which we make to other institutions, can equally well be directed at ourselves'. Mr Blumenfeld too praised President Ortoli's 'first class analysis'. He did not think, however, that the Commission's statement or the work that it did would bring into being a European decision-taking centre, in other words, the European Government of the future.

Mr John Brewis (Br, EC) concentrated on company law and human rights. On company law he stressed that his Group supported employee participation but

employee control. As regards human rights, his Group believed the Treaty of Rome should be amended 'to include specific provision for the protection of the fundamental rights of the citizens of the Community'. Mr Brewis added 'We welcome the policy in the Commission's annual report the more so because it is in line with the policy which we as a political Group have expressed in our manifesto'.

Mr Tom Normanton (Br, EC) was concerned about the glaring lack of an industrial policy in the Commission's programme although he had found President Ortoli's speech very encouraging on this point.

Mr Hugh Dykes (Br, EC) shared with his colleagues a concern about the exact implications of the new Community arrangements. He stressed that setting a notional target date of 1978 did not mean Parliament could now relax or rely too much on the goodwill of the other Community institutions. Parliament, he concluded, should not reduce its vigilance.

Mrs Peggy Fenner (Br, EC) spoke up for the European housewife and commended the Commission 'on the programme for the protection of consumer interests over this next year'.

Mr Charles McDonald (Ir, CD) referred to President Ortoli's opening words 'The Commission has no intention of painting a rosy picture of Europe today, but refuses to be unduly pessimistic'. Mr McDonald said it was only right to list areas where progress had been made. 'We European Parliamentarians have a duty to recount this progress in every corner of the Community'. He added he had every confidence in the Commission which had made Parliamentarians' task much easier in this respect. He also particularly welcomed 'a breath of fresh air introduced into the Eruopean Parliament by the President of the Council, Dr FitzGerald'. Now, he believed 'the feeling is abroad in the House that the Council is not just a hazy, remote overlord to be knocked. Through the tireless energy of Mr FitzGerald, there has emerged a body with which we can cooperate, which we can support and with which we can have a useful dialogue'. Turning to the Commission's report he said: 'With this kind of document, a place in which to find so much concise information, we can now go beyond the defensive, at all times encourage our people and thus provide the leadership needed in the Community to give people the will to work together to achieve those aims for which the Community was set up'.

Summing up for Parliement, Mr Radoux said he had been glad to note that the majority of Members not only went along with President Ortoli's analysis of the

Community situation but congratulated him on the action the Commission was taking and on the revival of Europe he had announced. The term 'revival' had been over-used but this time its use was apt. He concluded by congratulating President Ortoli once again.

Speaking in reply, President Ortoli began by saying one could only welcome the presence of Dr FitzGerald, President of the Council, to the debate on the Commission's General Report. This showed that relations between Commission and Council were moving towards a new basis. For this he was grateful. In presenting his report, he said, his first duty was to be honest. 'Europe needs to be told the truth'.

One fine day did not mean the arrival of Spring and hopeful signs at this moment did not sweep all problems and difficulties away. He thanked Mr Radoux and Mr Lücker for their support for what he had said, even though Mr Lücker had raised a number of questions. He thanked Mr Yeats but did not share his doubts: 'I think our institutions are good; let us make them work as they are'. He thanked Mr Giraudo for endorsing his 'comprehensive policy' and said how much he appreciated the reactions of Mr Blumenfeld, Mr Petersen and Mr Dykes. Mr Ansart had observed that Europe was not an extra-terrestrial reality. 'How right he is it is the realities of the world we live in that make Europe necessary'. This was why he had set out a programme, why he had spoken of aims. In reply to Mr Kirk (who had said 'I hope President Ortoli will understand me when I say that one of the most engaging things about him is his persistent pessimism') Mr Ortoli said that he had not been pessimistic. He had tried to make a diagnosis but the main emphasis of his speech had been on action. He had set out a programme with aims suited, in the opinion of his colleagues and himself, to the state of Europe today, to its problems and the ambitions it must have. He did not think it pessimistic to say clearly and without tears that Europe was in a state of dependence on others. Mr de Sanctis had said 'independence' was a term to beware of, he could only reply this was true of many terms and independence was too important for him not to say he hoped Europe would go after it. On the contrary he asked if Mr Kirk was pessimistic in view of his doubts about how the European Council was to work.

President Ortoli then spoke of the part the Commission had played in the Summit meeting, in the farm price agreement, in the new arrangements with the African, Pacific and Caribbean countries. Replying to Mr Lücker he said 'We have presented an overall problem without losing our view of the whole'. In reply to Mrs Iotti, Mr Brewis and Mr Normanton who had spoken, from

different standpoints, on industrial policy, President Ortoli said 'Europe must have advanced technology industries and a policy to match'. Europe's competition policy had to be a reality and the principle of participation in industry had to be developed.

Closing his speech, Mr Ortoli said the dialogue, even conducted between Council, Commission and Parliament, needed to acquire a new dimension. As several speakers, including Sir Brandon Rhys Williams, Mr Petersen and Mrs Fenner had stressed, Europe must turn to face the general public. 'We must show theme men and women of Europe than when we talk of building Europe it is them and their problems we have in mind'. In this he looked to Parliament not only for its agreement but for its support.

The debate closed to Parliament's sustained applause.

The political situation in Portugal

Mr Hans-August Lücker, Christian Democrat Chairman, Mr Georges Spénale, Socialist Chairman, Mr Jean Durieux, Liberal Chairman, Mr Peter Kirk, European Conservative Chairman and Mr Christian de la Malène, European Progressive Democrat Chairman, on behalf of their groups, addressed the following question to the Commission:

'The Commission is aware of the recent alarming events in Portugal, in particular the incidents at the Congress of the Democratic and Social Centre Party – a party officially recognised by the Portuguese Government – which were so violent that the Congress had to be brought to a premature conclusion.

- 1. Does the Commission share the misgivings of Mr Soares, the Portuguese foreign minister, who fears that such outrages could lead to another dictatorship, or even civil war?
- 2. What steps has the Commission taken, or does it intend taking, to express its concern to the Portuguese Government, which has on several occasions declared its intention of joining the European Communities?'

Speaking to the question, Mr Alfred Bertrand (Be, CD) said the main point of concern was whether the elections pending would be free, whether there would be a secret ballot, whether all parties would be able to speak freely and whether there were any guarantee as to the personal safety of candidates standing for election.

Sir Christopher Soames, Vice-President of the Commission, replied that the question had been tabled at a particularly opportune moment as he had just returned from talks with Portuguese leaders in Lisbon. All the political parties in Portugal condemned the events referred to. 'The Portuguese Prime Minister said he was determined to see that such incidents were not repeated'. Sir Christopher told the House that the Portuguese Government's aim was to press ahead with improvements in its existing arrangements with the Community 'and not to raise wider institutional questions at this stage'. His visit to Portugal as well as being an emphatic gesture of goodwill had been concerned with preparatory work on negotiations to this end. He hoped these would begin within two or three months.

'The question exercising the minds of most Members at the moment — it was the main theme of Mr Bertrand's speech — is whether Portugal will succeed in her declared object of establishing a pluralistic democracy. The elections for a constituent assembly have now been fixed for 12 April, and every person to whom I spoke in Lisbon expressed the firmest commitment to holding the elections on time and in free conditions. I got that reaction from every side — from the different political parties and also from the Armed Forces Movement. We should be aware that there is a great sensitivity in Portugal about comments from outside, and that, well-meaning though such comments may be, they do not always have the results that their authors would wish them to have. I would not like to say anything, therefore, which might make things harder. For this reason, I do not want to say more today than to express my conviction that all of us wish the Portuguese people well as they reach at last for democracy.'

Economic affairs

Vice-President Wilhelm Haferkamp's statement on the economic situation

Vice-President Wilhelm Haferkamp began his address to Parliament by saying the economic situation was anything but perfect. 1974, which had been called 'Oil Year Number One' had seen the highest unemployment, the greatest inflation and the greatest balance of payments deficits. On the other hand, the worst fears generated by the oil crisis had not been proved justified. This was not to underestimate the problems facing us. They were difficult enough. But the economic and political structures of the Western World had shown more resilience and adaptability than one had supposed. There was cause for concern but not for losing heart in the oil years ahead.

Turning to 1974's economic goals, the results achieved, he said, had been unsatisfactory. Economic growth had been around 2 per cent compared with 5.5 per cent in 1973 (varying from a nil growth in the United Kingdom to 4 per cent in France and Belgium). This slack growth rate had hit jobs: there were 3,700,000 people out of work in the Community, representing some 3.5 per cent of the labour force. This was, sadly, an absolute record. 'I'm sure you would agree with me this situation will be quite unacceptable if it goes on for any length of time'. He added that many more people were on short time.

Another disturbing record was that for price increases: the average price rise in the Community in 1974 was 12.5 per cent (varying from 6 per cent in Germany to 19 per cent in Italy). Such inflationary trends simply had to be brought under control or they would sooner or later undermine our whole economic, social and political system.

The adverse effect of the oil crisis on Member States balances-of-trade had hardly been surprising. But it had not been as bad as was feared. The Community's deficit was 16,000 million dollars and not 20,000 million dollars as forecast, (varying from unexpected surpluses in Germany and Holland to deficits in Denmark, France, Ireland, Italy and the United Kingdom amounting to 27,000 million dollars).

As a consequence the big operation of 1974 had been recycling oil earnings and by and large the problems had been mastered by world finance markets demonstrating how flexible they could be. But this did not mean this problem had been solved once and for all.

Mr Haferkamp referred here to proposals made by the Commission in January 1974 on mobilising gold reserves. These had led to Community loans and the Zeist Agreement on practice regarding gold in central banks. In 1974 too the Community had for the first time resorted to medium-term standby arrangements. The credit extended to Italy under these arrangements had eased its serious balance-of-payments problem. Similarly the most recent Washington Conference had made major progress on recycling in a much better atmosphere than that prevailing in the February conference.

But recycling could not conceal the fact that higher oil bills could only be paid for by greater exports of goods and services. The consequences would be a profound change in our society and would call for great efforts and sacrifices from our peoples. The answer, suggested Mr Haferkamp, was to produce better-quality goods and more sophisticated goods. But making resources available to boost exports and investment would only be possible if consumption were curtailed. Consumption must now grow at a slower rate than the gross national product and this, he said, was bound to cause friction. 'We must tell our peoples that the times of ever greater prosperity are gone for good'. In this situation political leaders must ensure that the burden of adjustment is fairly shared and that it is not borne unilaterally by the lower income groups. They must promote closer cooperation between labour and management. 'It will not work without a common conviction and a common approace' he said. This meant participation. Mr Haferkamp then referred to Parliament's work on the company law bill which the Commission is currently revising in the light of Parliament's amendments.

'What we need is stamina, strong nerves and the guts to tell the public the truth about our difficult situation' he said. Member States with deficits must make it their main aim to beat inflation and redress their balances-of-payments. Those with a surplus should pursue a careful policy of selective investment and structural re-adjustment. Excessive pay increases were certainly not what the present situation called for. Of course, unemployment demanded great attention but in the short term — and here we should be under no illusion — no return to a normal employment situation was possible.

Looking ahead, Mr Haferkamp said a 2 per cent growth in the Community could be considered a success (varying from negative growth in Italy to 3 per cent in France). Unemployment was likely to remain at between 3 and 3.5 per cent although it was to be hoped there would be some improvement towards the end of the year. A lot would depend on wage trends. Prices would continue to rise but the rate of increase was expected to slacken with interest rates and raw material prices falling; current production capacity slack was another factor here.

The Community's terms of trade should improve, with demand for imports falling but the world situation was very uncertain, particularly in the United States. One positive factor was the narrowing gap between the Member States, he added. 'We are in a difficult economic situation and it is going to last some time. But we should not get defeatist and we should not panic. We have already dealt successfully with even greater challenges'.

The only answer, said Mr Haferkamp, was to work together, to coordinate and consult both as a Community and with the world. The Community shared a

responsibility here for keeping free trade and scotching protectionism. 'This is not the time for great ambitions. We must simply develop and make good use of what we have. The Monetary Cooperation Fund must gradually grow into a European Central Bank'.

Mr Haferkamp's statement was applauded.

European Monetary Cooperation Fund

Speaking for the Committee on Economic and Monetary Affairs, Mr Erwin Lange (Ge, S) asked the House to approve the Commission's proposal to the Council to set up a European Monetary Cooperation Fund. The motion he tabled called on the Council to take a decision without delay. It stressed the independence of the Fund as a Community body but argued that even in its new form 'the Fund as such will be an insufficient instrument of Community monetary policy unless economic policy is implemented on a Community basis and the responsibilities of the Community institutions for this economic policy are strengthened'.

In the debate on this motion, Lord Reay made the point that 'this fund is still a fund without a fund. This need not be so. It is the EMCF that would be the obvious instrument to manage the currency reserves of the Member States once these were to any degree pooled an EMCF in a situation of pooled reserves would be the beginning of a Community central bank system'. The motion, he said, had the European Conservatives' full support.

Spokesmen for the Christian Democrat, Socialist, Liberal and European Progressive Groups also endorsed the motion. Vice-President Wilhelm Haferkamp replied to the debate, agreeing with Lord Reay about the importance of pooling reserves and had indeed submitted proposals to the Council to this effect. But no decision had followed. He thought the absence of the Council during the debate was unfortunate. The resolution was agreed to.

United Nations vote on Charter of Economic Rights

Several Socialist Members put down an oral question for debate with both Commission and Council on the failure of the Community to adopt a common position at the United Nations vote on the Charter of Economic Rights and Duties of States. The Group of European Progressive Democrats also put down a question on the UN Charter but limited theirs to asking what had happened and what attitude the Community had taken. Mr Ernest Glinne (Be, S) spoke to the question and Dr Garret FitzGerald, President of the Council and Sir Christopher Soames, Vice-President of the Commission, replied.

Dr FitzGerald said that 'the Member States of the Community and the Community itself have from the outset supported the initiative taken by the Mexican President at the third UNCTAD conference in proposing that a Charter of Economic Rights and Duties of States should be drawn up. They participated actively and constructively in the negotiations towards a text which would have the agreement of all the members of the United Nations and would thus be of major importance. However, in the course of the 29th session of the United Nations General Assembly the delegations representing the Community and the Member States realised that generally acceptable solutions were still lacking on a number of important problems and that it would be impossible to conclude the negotiations in the time which the General Assembly had allowed itself; they therefore adopted a common position which involved: preparing a draft Resolution recommending that the General Assembly's final decision be deferred until 1975 to allow the negotiations to be continued until a generally acceptable text had been worked out; and stating that if the text as drafted by the Group of 77 were put to the vote, the delegations of the nine Member States would have to make it clear that their Governments could not support it.

The Group of 77 did not support the Nine's suggestion that the final decision be deferred. In accordance with the aforementioned common position, the delegations of the Member States therefore could not support the whole of the text which was put to the 29th session of the General Assembly. The difference in the way votes were cast pointed out by the Honourable Members does not indicate fundamental disagreement between the Governments of the Member States on the principle of the Charter.

Sir Christopher Soames said the fact no Community position was arrived at in the vote on the UN Charter 'was not due either to lack of effort on the part of the Commission or, for that matter, to lack of efforts at coordination among the Member States. But the Commission's aim had been a consensus on a world basis. Over two years' work had gone into shaping a charter and, given time, the Commission felt a consensus would have been possible. Consequently all nine Member States proposed to continue the relevant negotiations into 1975. The proposal was rejected and the vote taken on a text which was, in respect of a

large part of it, by no means agreed. 'In that vote five of our Member States together with the United States made up the six states that voted against and the other four of the Member States were among the ten that abstained, and 120 states voted in favour.'

Lord Reay (Br), European Conservative spokesman, said 'this Charter is not without value ... what it is not, and never was, is a charter which seriously sought to obtain, or which could in present circumstances obtain, the assent of the industrialised countries'.

Dr FitzGerald said 'It is better sometimes to disagree in certain issues. We are certainly more likely to achieve long-term solidarity by being practical rather than by making a fetish of unity to such an extent that we impede practical progress towards unity by shaking the individual allegiance of Member States.'

Mr Glinne, in reply, said he thought it would have been more conducive to the continuing success of the dialogue at the UN for all Member States to have abstained, instead of some voting against, especially as the text was not legally binding.

Social affairs

1. Statement by Dr Patrick Hillery, Vice-President of the Commission

Reviewing the social situation in 1974, Dr Hillery said 'there is no need for me to remind you that 1974 was a difficult year for the Community, particularly in social matters'. He outlined the problems encountered and described the measures taken to deal with them, particularly through the Community's Social Action Programme. He reminded the House of the Paris Summit commitment to the implementation of this programme. Despite the difficulties therefore, Dr Hillery pointed out 'from a Community point of view I believe one can say that 1974 was a very successful year in the social field. By the end of the year the Council had agreed on seven of the nine proposals the Commission had submitted to it'. Dr Hillery then gave details of Council decisions. He thanked Parliament for 'excellent cooperation in a very constructive and fruitful manner' and went on to describe the action the Commission would be proposing in 1975. 'The new emphasis by the Summit on social policy will encourage the Commission to elaborate during this year the majority of the action proposals in the Social Action Programme and still outstanding, with the aim of

implementing the complete programme before the end of 1976. The most important of the remaining actions cover such topics as the extension of social protection: 'dynamization of social benefits'; employment problems of special groups of workers, especially young school leavers and elderly persons; the social integration of the handicapped; the questions of distribution of incomes and wealth — both of which are greatly affected by the present strong increase in prices; public health; housing; and implementing proposals from the general programmes dealing with migrant workers, women at work and health and safety at work. The gradual realisation of the Social Action Programme, as it began in the past year and as it will continue this year, opens the road to the attainment of a comprehensive social policy at Community level and to greater Community solidarity amongst the Member States'. Dr Hillery's statement was applauded.

2. Return of migrant workers to Italy

Mr Feruccio Pisoni (It, CD), Mr Luigi Girardin (It, CD), Mr Giosue Ligios (It, CD), Mr Vincenzo Vernaschi (It, CD) and Mr Luigi Rosati (It, CD) put down the following question for debate with the Commission:

Several thousand Italian workers employed in the Community, mainly in Germany, have lost their jobs as a result of the economic crisis and are now obliged to return to Italy. Unemployment has in fact now reached an extremely high level even in countries where there was none in the past such as Germany, where it is estimated that the number of unemployed will soon reach the million mark. Of these, most are foreigners, many of them Italians. In addition thousands of other migrant workers are returning from Switzerland, including 25 thousand seasonal workers whose contracts of employemnt will not be renewed in 1975. All these workers returning to Italy, who are forced to make a new start but who do not even qualify for unemployment and social security benefits will further aggravate the already serious unemployment situation in Italy.

The European Community must intervene on their behalf to remedy an often critical situation. What measures does the Commission propose to adopt in order to:

- (i) combat the recession by guaranteeing as far as possible the employment of at least Community citizens?
- (ii) prevent such a large number of migrant workers being forced to return to Italy?
- (iii) guarantee a minimum subsistence income to those who are obliged to return?

Speaking to the question, Mr Pisoni said it was estimated that between 150,000 and 180,000 migrant workers would return to Italy and pointed out that the number of unemployed in the Community rose from 2,762,945 in 1973 to 3,793,725 in 1974, an increase of 1,030,680. He then described the whole problem of foreign workers.

In reply, Dr Hillery, Vice-President of the Commission, reminded the House of an EC regulation 16 (12) of 1968 requiring Member States to give job priority to Community nationals. The Standing Committee on Employement and the Technical Committee on Free Movement were among the bodies following up the operation of this regulation. Turning to migrants, he said the number of Italian workers in Germany fell from 450,000 in September 1973 to 370.000 in September 1974, at which date 14,200 Italians were registered as unemployed, a number which rose to 26,000 by the end of that month. 'The implications of these figures are that a considerable number of Italians are returning to Italy, and this situation properly gives some cause for concern'. The Commission, he said, was looking into how unemployed migrants could be kept in touch with job opportunities arising elsewhere in the Community. He reminded Member States that EC nationals had the same priority as local workers for retraining and that the resources of the Social Fund could be used for this purpose. Under Regulation No 1408 of 1971, he added, a migrant returning to Italy would get unemployment benefit at the rate applicable in the Member State in which he became unemployed. This would apply for three months after which rules of Italy would apply. The Commission was looking into income support for unemployed workers needing retraining. Dr Hillery's statement was followed by a debate in which feelings ran high. Mr Michael Yeats (Ir, EPD) European Progressive Democrat spokesman, for example, said 'the Community has an absolute duty to look after these migrants....but I do not think that Dr Hillery would disagree if I suggest that what he has told us today does not offer a great deal of hope for the migrants of the Community. Much more requires to be done'. Similar concern was expressed by Mr Augusto Premoli (It, L) Liberal spokesman, Mr Libero Della Briotta, Socialist spokesman and Mr Luigi Marras (It, CA) Communist spokesman.

Mr Hans Edgar Jahn (Ge, CD) made the point that all unemployed persons in Germany received benefits for a period of twelve months. Mr Giovanni Bersani (It, CD) said the debate represented an assumption of responsibility by the European Parliament. The problem would not go away unless Community arrangements were made to deal with it. Mr Luigi Girardin (It, CD) and Mr Michael Yeats on the other hand, expressed concern about emigration itself. To Mr Girardin it was an indictment of our civilisation and to Mr Yeats every act of emigration was a personal tragedy.

As regards the situation in Germany Mr Walter Behrendt (Ge, S) was at pains to point out there was no discrimination against foreign workers. Although more foreign workers were unemployed in November and December, the statistics for January showed a reverse trend.

Replying to the debate, Dr Hillery said that 'at the present stage in the development of the Community, the Community social security systems are not sufficiently coordinated, nor is there a developed Community system which would make it possible to do what Parliament wants done on behalf of unemployed people, whether they are migrant or native workers'. He then reviewed the whole job situation and outlined measures to protect employment that the Standing Committee on Employment had discussed the previous day.

Mr Pisoni thanked Dr Hillery for his reply and asked him to press Member States to see that all Community nationals enjoy the same benefits through the Social Fund

3. Greater safety in coal mines

On behalf of the Socialist Group, Mrs Elisabeth Orth (Ge, S) put down the following question for debate with the Commission:

'The recent mine disaster in Lievin near Lille has again tragically focussed attention on the problem of modernising numerous coal mines in the Community. The mining companies often keep investment down to the minimum. The result is that miners have to work in the pits under unsuitable conditions similar to those prevailing at the beginning of the century. This at a time when coal is becoming an increasingly important source of Community energy and the number of miners is being raised. The Socialist Group puts the following questions to the Commission:

- 1. What is the role of the Mines Health and Safety Commission in the Lievin district, and what measures has it taken in respect of the mine concerned?
- 2. What steps does the Commission intend to take in order to standardize the accident prevention and safety regulations in all mines in the European Community, taking as its model mines considered to have the highest standards?
- 3. What type of legal acts will the Commission draw up to this end in order to prevent the national bureaucratic machines responsible for supervising safety measures from treating any more recommendations simply as pious wishes?'

Speaking to the question Mrs Orth said that coal production was expected to rise from 1,300 million tons in 1972 to at least 2,400 million tons in 1985 as part of the Community's response to the energy crisis. There would be more miners and, hence and very unfortunately a greater risk of accidents.

In reply, Dr Hillery said 'In my capacity as President of the Mines Safety and Health Commission, I am particularly conscious of what the Lievin disaster meant in that it fell to see that whatever financial assistance could be given on a

Community basis to the widows and orphans concerned was made available as quickly as possible. For me, what is important now is to make sure that every possible lesson which can help prevent such things happening again is learnt form this disaster. Dealing with the specific points raised by the question, I wish to make it clear that in any Member State supervision of the working conditions in mining is the responsibility of the national mines administration. The aim of the Mines Safety and Health Commission is to improve health and safety conditions. To this end, it makes recommendations and proposals to the governments of the Member States en bloc, not to a particular single government. He then explained the operating methods of the Committee and drew the attention of the House to the condition of the Lievin mine. It was far from obsolete and had the most modern equipment.

Mr Michel Cointat (Fr, EPD), European Progressive Democrat spokesman, said the risk incurred by miners must be matched by an appropriate assumption of responsibility by those running the mines. 'When a man's life is involved, no compromise is possible'.

Mr Marcel Lemoine (Fr, CA), Communist spokesman, made a similar point: that the main danger incurred by miners was not so much the mine but the men and the policy who they work for and who, for reasons of profitability, do not do all they can to protect miners from sickness, mutilation and death.

Mr Jean Durieux (Fr, L), Liberal spokesman, thought safety regulations in the mines should be on a par with those in the nuclear sector and, in Community terms, the Commission should propose directives rather than recommendations on safety in the mines.

4. Unemployment among young people

Mr Kristian Albertsen (Da, S), Mr Jan Broeksz (Du, S), Mr Georges Carpentier (Fr, S), Mr Libero Della Briotta (It, S), Mr Willy Dondelinger (Lux, S), Mr Ernest Glinne (Be, S) and Mr Liam Kavanagh (Ir, S) put down the following question for debate with the Commission:

- '(i) Can the Commission provide information as to how many young people (minors) are unemployed in the Community?
- (ii) In particular, is it aware that a large number of young people do not find employment or begin an apprenticeship immediately after leaving school and that an increasing number of graduates fail to find employment?

- (iii) Does the Commission know how many young people fall within these categories?
- (iv) Are the Community statistics on unemployment among young people complete?
- (v) Do these statistics include the people mentioned in question (ii)?
- (vi) How do the figures for unemployment among young males and females compare?
- (vii) To what extent is unemployment a problem among the young foreigners living in the Member States, who are mainly the children of migrant workers?
- (viii) What measures does the Commission envisage to assist unemployed young people?
- (ix) Has the Commission considered, in this context, projects for offering individual assistance to young people, to enable them to find work or apprenticeships at a later date?
- (x) Does the Commission envisage using Article 4 of the Social Fund as a means of achieving these aims?

Speaking to the questions both Mr Adams, Socialist spokesman and Mr Kurt Härzschel (Ge, CD) Christian Democrat spokesman both expressed concern about the special vulnerability of young people. In reply Dr Hillery said unemployment among the under twenty-fives was higher in 1974 than in 1973. This increase was greater than that in total unemployment. The percentages were: Belgium 55, France 41, Germany 210, Ireland 125, Italy 12, Netherlands 61 and United Kingdom 13. Figures for unemployed graduates were only available from Germany (70 per cent increase), Belgium (195 per cent increase) and Netherlands (one per cent increase). The Statistical Office of the European Communities made a survey of the labour force every three years, the next one being due for publication this spring. There were no details as to graduates or foreign workers. Figures available showed higher unemployment among women than men under 25 in Belgium. France and Italy and more unemployed men than women in Italy, the Netherlands and the United Kingdom. The percentages were (men and women) Belgium 35 and 65, Germany 46 and 4, France 36 and 64, Italy 60 and 40, Netherlands 67 and 33, United Kingdom 71 and 29. Only Germany provided data on foreign workers and these showed foreign workers and young workers were more adversely affected so that the young foreigners were at a double disadvantage. The Commission was considering what measures were appropriate to assist the unemployed young through Article 5 of the Social Fund; this was confined however to retraining. The Commission did not envisage using Article 4 to achieve these aims because of the danger of spreading the Fund's resources too thinly.

Dr Hillery stated:

The basic problem is that during a recession employers are unwilling to provide an adequate number of training places for apprentices in their factories. Young people with a good basic education are unable to complete their training for a particular trade or skill. Society suffers later from the shortage of skilled workers and craftsmen. Member States have responded to this problem in a number of ways. For example, some pay a grant to the employer for each apprentice offered a training place in the firm. Some permit apprentices to spend the first part of their apprenticeship in a government vocational training centre; the second part is then spent in an employer's factory in the normal way. The Commission is engaged in trying to assess whether there is a serious shortage of training places for apprentices in the Community and whether the measures taken by the Member States are adequate to meet the problem now and in the future. The brief for these studies will include an examination of measures to recommend to Member States should there be major shortcomings which can be met on a Community basis.'

Mr Willy Dondelinger (Lu, S) expressed concern about the political consequences of unemployment. Mr Norbert Hougardy (Be, L) about the lack of really detailed statistics and Lady Elles (Br, EC) thought it unfortunate that no representative of the Council had seen fit to attend the debate. 'We have a moral as well as a social responsibility to youth. The increase in the number of unemployed youth is an indictment of our society' concluded Lady Elles.

Energy

1. 'Energy for Europe: Research and Development'

As rapporteur for the Committee on Energy, Research and Technology, Mr Marcel Vandewiele (Be, CD) reported to the House on the Commission's communication to the Council on 'Energy for Europe: Research and Development'. Mr Vandewiele said it was unlikely the energy shortage would be solved by 1985; for one thing, plans for nuclear generating were not on the scale needed. The Commission should try and foster public confidence in the safety of nuclear power stations, he felt. The public should also be made to realise the need to save energy. Subject to these various points Mr Vandewiele asked the House to approve the Commission's communication; (which is incidentally, based on the Commission's action programme of 1973 which Council adopted on 14 January 1974). The resolution was agreed to.

2. Motion on energy policy

As rapporteur for the Committee on Energy, Research and Technology, Mr Gerd Springorum (Ge, CD) tabled a motion expressing dismay at the results of the Council meeting on energy on 20 and 21 January. Parliament, read the motion, had been pressing for a common policy on energy for years and had always welcomed the Commission's determined efforts to promote this policy. Parliament noted with deep concern that some Member States seemed to have lost the will to achieve a common policy, thus weakening considerably their own advocation of European Union. The resolution read (Parliament) 'Considers that, unless the Council acts on the decisions taken on energy policy by the Conferences of Heads of State or Government held in Copenhagen on 14 and 15 December 1973 and in Paris on 9 and 10 December 1974, or on those taken in the meantime within the framework of subsequent international initiatives, Parliament may feel obliged to suspend its cooperation in the field of energy policy within the framework of the consultation procedure. Declares before the peoples of the Member States, from whom its mandate derives, that the governments of certain Member States and the Council are unwilling to do what is essential to guarantee the future of the Community and that of the Member States.' The resolution was agreed to.

Agriculture

1. Statement on the Council's farm price agreement

Mr Petrus Lardinois, Commissioner responsible for agriculture, told the House about the Council's meeting of the previous week at which an overall increase in Community farm prices of 10.2 per cent had been agreed. The new prices would come into force on 3 March for milk and beef, 1 July for cereals and at the beginning of the new price year for other products. There had been a decrease in the monetary compensatory amounts but there had no been no change in the basic balance between animal and vegetable products. Mr Lardinois described the agreement as approximating closely to what the majority of Members in Parliament had pressed for. The effect of the measures in the United Kingdom would be to give an increase of 12 per cent in prices which would in turn increase the cost of living by one or one and a half per cent at most. Mr Lardinois concluded by telling the House that the Commission's total appraisal or stock-taking af the Common Agricultural Policy would be submitted to Parliament within two weeks.

2. EAGGF (Guidance Section) appropriations

As rapporteur for the Committee on Agriculture, Mr Albert Liogier (Fr, EPD) asked the House to approve the Commission proposal on EAGGF appropriations for 1974. But he deplored the time taken by the Commission to decide on requests for aid submitted. A resolution to this effect was agreed to.

3. A sheep meat regulation

On behalf of the European Conservative Group, Mr James Scott-Hopkins has put down the following question for debate with the Commission:

'What progress is being made in drafting a Community sheep meat Regulation and when does the Commission expect to submit the draft text to the Council of the European Communities?'

Mr Petrus Lardinois replied that regulations for potatoes and sheep meat were in preparation. The Commission's task would now be easier because of the new arrangements applicable to hill farming. On the other hand, the uncertainty surrounding the biggest sheep meat consumer and the biggest sheep meat producer made it difficult for the Commission to produce proposals at this stage.

4. Rice market

As rapporteur for the Committee on Agriculture, Mr Nicola Cipolla (It, CA) reported to the House on the Commission's proposal to amend Regulation 359/67 on the common organisation of the market on rice. The proposal is designed to improve the management of the market by making a technical change in the rules governing export licences. Mr Cipolla considered the changes envisaged were significant and argued that Parliament could not really give an opinion until proposals were submitted showing how the whole new machinery was to operate. This view said Mr Roger Houdet (Fr, L) Committee Chairman, was not quite the view of the committee as a whole. The committee simply wanted the whole question of trading arrangements with third countries to be reviewed. It also asked the Commission for details of the new arrangements so that it could make an overall assessment. A resolution approving the Commission's proposals was agreed to.

5. Eggs and poultry markets

As rapporteur for the Committee on Agriculture, Mr Ralph Howell (Br, EC) welcomed the Commission's proposals, the purpose of which is to consolidate into codified texts the basic regulations and subsequent amendments on the common organisation of the market in eggs and the common organisation of the market in poultry meat. A resolution approving the Commission's proposals was agreed to.

6. Common organisation of the pigmeat market

As rapporteur for the Committee on Agriculture, Mr Cornelis Laban (Du, S) asked the House to approve the Commission's proposals, the purpose of which is to codify existing texts. A resolution approving the Commission's proposals was agreed to.

Regional policy and transport

1 Channel tunnel

There was a great deal of sympathy on all sides of the House when Mr James Hill (Br, EC) raised the question of the Channel Tunnel in an oral question he had put down for debate with the Commission. His question read as follows:

'The Commission is asked, in view of the decision of the United Kingdom government to withdraw from participation in the Channel Tunnel project:

- 1. Whether they would agree that the construction of such a tunnel would be for the benefit of the Community as a whole?
- 2. Whether they will give urgent consideration to the possibility of discussions taking place with a view to continue the project with financial support or guarantees from Community sources?

Speaking to the question Mr Hill said that no really valid argument had been raised against the project and the counter-arguments that supported it were as valid as ever. He referred, in particular, to the savings that would accrue to the British Government from the Channel Tunnel. These would include the heavy expenditure on motorways and by-passes that would have to take the heavy traffic that the Channel Tunnel and high-speed rail link were supposed to carry.

Taking a British issue right into the European forum, he asked why the project hed been cancelled before the Cairncross report had been submitted and before a revised rail plan had been put forward. The decision, he said, had been taken at haste and the British Government could now repent it at leisure.

In reply Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, explained the limitations under which the Commission was working in dealing with this matter. There was a procedure for consultations which consisted of a two-way flow of information between Member States and the Community about infrastructure projects. The French and British governments had told the Commission about the tunnel project in November 1973 and details had, of course, been sent on to all Member States. Mr Scarascia Mugnozza ,then reminded the House of the statement by the British Minister responsible, Mr Anthony Crossland, and then explained the conditions under which the Commission could participate in this project. It had to be demonstrated that the project was in the Community interest and there had to be an assurance that there would be no discrimination as to who was to benefit. The Community advantage of this project had still not been defined.

Taking the second part of the question, Mr Scarascia Mugnozza went into some detail about the costs involved. The tunnel would cost 2,030 m u.a. and access 1,200 m u.a. or a total of 3,600 m being 720 million each year. As a comparison, he said that the total amounts lent by the European Investment Bank in 1973 amounted to 860 m u.a. About one-eighth of this amount was used for transport projects. This showed the immense gap between what the Community could normally finance and the cost of the Channel Tunnel project. One had to ask whether such a big loan was justified or even possible in the present state of the capital market. He appreciated the considerable interest on linking seven Member States with two Member States and he thought that the expected profitability of the tunnel of from 14.5–17 per cent on capital was satisfactory. He pointed out, however, that until such time as a request was addressed to the Commission it could do nothing. The British government had not approached the Commission even for an opinion.

The spokesman who followed, including Mr Willem Scholten of the Christian Democrat Group and Mr Horst Seefeld of the Socialist Group spoke along similar lines emphasising the tremendous Community interest in the project and regretting that the British Government had backed out at the eleventh hour. Mr Seefeld discussed the whole 100 years of hesitation over this project and then Sir Douglas Dodds-Parker added his voice to those asking for support for a

resolution tabled. Speaking for the European Progressive Democrats, Mr Cousté said he wished to endorse it too. He added that he hoped that this was only a temporary holdup. Speaking for the Communist and Allies Group, on the other hand, Mr Lemoine said he thought that the Channel Tunnel project was designed to help the monopolies rather than the people of Europe. He pointed out that people in the Calais region were not happy about the project and he did not think that the people in the local area in the United Kingdom were happy about it either. He said that his Group would abstain on the vote.

Speaking for the Liberal and Allies Group, Mr Pierre Bourdellès expressed the hope that the British Government's decision was not irreversible. He pointed out that the Channel Tunnel would link the British motorway system with the French A21 Calais—Dijon motorway which would cross the Brussels—Paris motorway and Cambrai. He said that the planning of the Calais region had been geared to the Channel link. He asked whether there was any hope of a new project materialising by June, that is before the British referendum. Adding a word on behalf of the French Socialists, Mr Giraud said the European Parliament could not be indifferent to a matter of this kind.

Replying to the debate, Mr Carlo Scarascia Mugnozza noted how committed the European Parliament was on this issue. The basic problem was that rising costs had not been coupled with any increase in the guarantee. Who then was to provide the extra guarantee? The United Kingdom was unwilling to do so. On another issue he said that the British Government had undertaken to maintain the part of the tunnel already built so that when work recommenced it would not have to be from zero. The Commission was already studying how a project put forward by two Member States could be transformed into a European Community project. He emphasised that it had not done so yet. It was hard to think in terms of a guarantee if there was any uncertainty about the Community interest in the project. Then again there was the actual cash problem. Even if cash could be raised should it be devoted to this project or, for example, to creating jobs to alleviate the social situation. These were real worries, he said. In conclusion, he said he had no doubt as to the Community interest in the project. The Commission had already begun its contacts. The resolution was agreed to.

2. Motion on regional policy

Mr Christian de la Malène (Fr), Mr Michael Yeats (Ir), Mr Pierre-Bernard Cousté (Fr), Mr Michael Cointat (Fr), Mr François Duval (Fr), Mr Gabriel Kaspereit (Fr),

Mr Hervé Laudrin (Fr), Mr Albert Liogier (Fr), Mr Thomas Nolan (Ir) and Mr Alain Terrenoire (Fr) tabled the following motion on regional policy:

'The European Parliament

- having regard to the decision taken on 10 December 1974 at the Paris Summit Conference to set up a Regional Fund with 300 million units of account in payment appropriations for the financial year 1975, with effect from 1 January 1975,
- considering that a fund of 300 million units of account for the financial year 1975 constitutes a minimum for implementation of a credible Community regional policy,
- noting with alarm the Council's inability to implement this decision,
- Notes that the absence of such a decision constitutes a failure to fulfill the solemn decision taken on 10 December 1974 at the Conference of Heads of Government in Paris:
- 2. Requests that the Regional Fund be set up without delay in accordance with the undertakings given.'

The resolution was agreed to.

Public health and the environment

1. Ban on marketing dangerous substances

As rapporteur for the Committee on Public Health and the Environment, Mr Karl-Heinz Walkhoff (Ge, S) welcomed a Commission proposal for a Council directive to approximate the laws of the Member States restricting the marketing and use of certain dangerous substances and preparations. However, he moved a number of amendments to the Commission proposal. The resolution was agreed to.

2. Saving migratory birds

Mr Hans Edgar Jahn (Ge, CD) reported to the House for the Committee on Public Health and the Environment on Petition No 8/74 'save the migratory birds'. Mr Jahn made the point that bird destruction will leave man more vulnerable to insects and that blanket chemical pest control is a danger to human health and the environment. He urged the Commission to give bird protection

greater priority. He moved a detailed motion approving the petition and summing up the measures needed to give birds and animals adequate protection.

Speaking in reply, Commissioner Guido Brunner said that of the 408 species of wild birds living in the Community, 221 were diminishing every year and 58 were in danger of extinction. Only 125 species were on the increase. He told the House that if Member States did not subscribe to the international conventions on the protection of birds within two years, the Commission would put forward its own people on the approximation of wild life protection laws.

The resolution was agreed to.

External relations

1. The Community's relations with state-trading countries and COMECON

As rapporteur for the Committee on External Economic Relations, Mr Egon Klepsch (Ge, CD) reported to the House on the Community's relations with the East European state-trading countries and COMECON. He said that EC trade with these countries had increased by over forty per cent in 1973, a swift increase over the years 1967–1972 for example. Main EC exports were semi-manufactures. The main problems besetting EC–COMECON trade were the chronic lack of currency reserves in these countries, their balance of payments deficits and the failure of their products to match either EC quality or EC demand. Mr Klepsch reminded the House that sole authority to negotiate trade agreements had been vested in the Community since 1 January 1973. But progress to a common commercial policy had been piecemeal and slow.

Mr Klepsch considered that the means provided for under Rome Treaty Article 113, such as most-favoured nation treatment, quotas, liberalisation and general trade arrangements should be adapted to new developments. Export credits, where there is a gentlemen's agreement on minimum interest rates and minimum duration of credits, were of crucial importance. In the motion summing up these various points, Mr Klepsch urged Council and Commission to draw up a common commercial policy without delay.

As drafstman for the Political Affairs Committee, Mr Hans Edgar Jahn (Ge, CD) expressed cautious optimism about the stabilisation of peaceful EC-COMECON relations and considered cooperation as an important factor in security.

Spokesmen for the Christian Democrat, Socialist, Liberal, European Conservative and European Progressive Democrat Groups all came out in support of the motion.

In reply, Sir Christopher Soames, Vice-President of the Commission, spoke first of the Conference on Security and Cooperation in Europe. There had been substantial progress in defining the Community's policies here. Sir Christopher then distinguished, in the broader field of East-West relations, between cooperation agreements and commercial agreements proper. The development of cooperation agreements was a welcome step and he reminded the House that, under a Council agreement of July 1974, these were the subject of consultations between Member States. Turning to credit policy, he said this was part of commercial policy and as such came under Article 113. At the same time, bilateral trade agreements between Member States and Eastern European countries had expired. The Commission had proposed and the Council had agreed that a document be drawn up indicating the kind of agreement the Community would find acceptable to succeed earlier arrangements. This was sent to the countries concerned in November.

Concessions made, Sir Christopher stressed, would have to be matched by counter-benefits of equal value. Meanwhile, to keep trade flowing and growing, the state-trading countries continued to enjoy most-favoured-nation treatment and a new legal basis for a Community trading region with these countries had been established. Until negotiations about trade were under way a system of quotas, based on those applicable in 1974, would apply. A final decision on the 1975 quotas would be taken in March.

Sir Christopher then reviewed the Community's relation with the Council for Mutual Economic Aid (usually though mistakenly called COMECON) and concluded: 'We shall make progress in our relations with East European States and COMECON only by demonstrating the reality of our common policies towards them, and that is what we intend to do'.

The resolution was agreed to.

2. Recommendations of EC-Turkey Joint Parliamentary Committee

As rapporteur for the Committee on External Economic Relations, Mr Egon Klepsch (Ge, CD) asked the House to approve the recommendations of the

EC-Turkey Joint Parliamentary Committee adopted in Istanbul-Tarabya on 11 October 1974. The four recommendations were (a) that political consultation be improved and that everything possible be done to alleviate the suffering of the two Communities in Cyprus (b) Turkey's request for generalised preferences be reconsidered (c) Turkish workers in EC be given job training and language lessons and steps taken to ensure they are less affected by market fluctuations (d) standing arrangements should be made for Joint Committee members to put questions to the Association Council. He moved a motion to this effect.

Speaking for the Committee on Social Affairs and Employment, Mr Georges Carpentier (Fr, S) said that the new draft regulation on social security measures for Turkish workers and their families in the EC was a great step forward. There are some 700,000 Turkish workers in the EC, including 605,000 in Germany, 32,000 in Holland and some 30,000 in France. Mr Carpentier noted that the Social Fund is now able to grant aid for job training and language lessons and he urged Commission and Council to do their utmost to remove any financial and practical obstacles to the full use of the fund.

3. Agreements with Tunisia and Morocco

As rapporteur for the Committee on External Economic Relations, Mr Gabriel Kaspereit asked the House to approve Commission recommendations on agreements extending to existing association agreements between the Community and the Tunisian Republic and the Kingdom of Morocco. A resolution to this effect was agreed to.

4. Classification of cheeses

As rapporteur for the Committee on External Economic Relations, Mr Jan Baas (Du, L) asked the House to approve a Commission proposal to amend the Common Customs Tariff regarding the exchange rate applicable to the tariff classification of certain cheeses. The difficulty, he said, is that the price of some cheeses imported from third countries is considerably lower than the price of like products made in the EC.

A resolution to this effect was agreed to.

Development and Cooperation

1. EEC-AASM Parliamentary Conference

Deputising for Mr Renato Sandri (It, CA), rapporteur for the Committee on Development and Cooperation, Mr Pierre Deschamps moved a motion on the results of the Eleventh Annual Meeting of the Parliamentary Conference of the EEC-AASM Association. This endorsed the conclusion reached by the Conference and set out in its resolution. This resolution was agreed to.

2. Food aid to UNRWA

As rapporteur for the Committee on Development and Cooperation, Mr Horst Seefeld (Ge, S) reported to the House on the Commission's proposal to amend an existing regulation on the supply of sugar to UNRWA (United Nations Relief and Works Agency for Palestine Refugees in the Near East) as food aid pursuant to an agreement signed with UNRWA on 18 December 1972. The effect of the amendment is to allow sugar to be purchased on the world market if it is not available in the Community. A resolution to this effect was agreed to.

3. Food aid to Somalia

As rapporteur for the Committee on Development and Cooperation, Mr Horst Seefeld (Ge, S) reported on the Commission's proposal for a regulation laying down general rules for the supply of skimmed milk powder as food aid to Somalia. A reserve stock of 2,000 metric tons is envisaged from which Somalia can be supplied as need arises. A resolution approving the Commission's proposal was agreed to.

Legal affairs

1. Automatic data processing

As rapporteur for the Legal Affairs Committee, Lord Mansfield (Br, EC) presented an interim report to the House on the protection of the rights of the individual in the face of developing technical progress in the field of automatic data processing. Lord Mansfield's report reviewed the whole question of data

banks, not only analysing the problems but describing how they could be solved in a generally acceptable way. He proposed that a special committee of Members of the Parliament 'should be established without delay and provided with an adequate secretariat of appropriate seniority to deal with the complex detailed technical studies involved.' Lord Mansfield's report stated 'The European Parliament has consistently sought to defend the rights of the individual Community citizen. The possible dangers of misuse of advanced methods of mechanisation and computer technology when applied to the collection, storage, collation and distribution of personal information are clearly seen to exist; the opportunity to make a positive contribution to the Community's legislative processes should be accepted willingly'.

A resolution approving the proposal to set up a committee and defining its terms of reference was agreed to.

2. No amnesty for war criminals

There was general support for the resolution tabled by Mr Franco Concas (It, S) further to the earlier resolution of Mr Marcel Lemoine (Fr, CA) and Mr Amendola (It, CA). The resolution condemned any move to obtain a general amnesty for war criminals and urged that all obstacles hampering the detection and bringing to trial of war criminals be removed as soon as possible. Mr Pierre Giraud (Fr), spokesman for the Socialist Group, said 'we have no right to forget'. He welcomed the recent decision by the Bundestag to accept a Franco-German protocol on this subject. Mr Pierre-Bernard Cousté (Fr, EPD), spokesman for the European Progressive Democrats, also pledged his support for the resolution. Mr Marcel Lemoine, spokesman for the Communist and Allies Group, said 'do not let us profane the memory of millions of innocent victims'. He referred to the Thirtieth Anniversary of Liberation which was now approaching and he reminded the House of what was written in the memorial at Buchenwald. 'No one and nothing will be forgotten'. Speaking for the Christian Democrat Group, Mr Egon Klepsch pledged his Group's support and Mr Norbert Hougardy, on behalf of the Liberal and Allies, also endorsed the resolution. The resolution was then put to the vote and agreed to.

Co-insurance

As rapporteur for the Legal Affairs Committee, Mr John Brewis (Br, EC) reported to the House on the Commission's proposal for a directive on co-insurance. He accepted that this is a compromise between regulations in some

Member States and freedom of action in the others. He welcomed the proposal as a first step towards liberalising the co-insurance business but regretted that it could not go further. He moved a number of amendments. a resolution embodying these amendments and calling on the Commission to make further proposals to ensure freedom of services in insurance throughout the Community was then agreed to after some detailed discussion as to the actual wording of Parliament's opinion.

Cultural affairs

1. Home study courses

There was some concern about home study courses in the Member States and particularly about certain abuses. Mrs Hanna Walz (Ge, CD) submitted a resolution calling on the Commission to prepare a directive within six months on the subject of home study courses. There was a general support for Mrs Hanna Walz's resolution, from Mr Willem Schuijt (Du) on behalf of the Christian Democrat Group and Mr Cornelis Laban (Du) on behalf of the Socialist Group. Mr Laban made the point that those teaching in correspondence courses should have the same qualifications as those required for teaching elsewhere. Mr Carlo Meintz (Lu), the Liberal spokesman, commented rather sardonically that in some correspondence schools he understood that the cash collection service was the most efficient part of the business. He asked: 'Has the EC any right to intervene?' He said that Treaty Articles 57 and 117 provided an adequate basis.

Lady Elles who spoke on behalf of the European Conservative Group said she appreciated the importance of drawing the attention of the House and the Commission to home study courses. She felt that many of the irregularities referred to would have been covered by national legislations and she wished to point out that some home study courses now being run did do a useful job. She referred to the local authorities running them in the United Kingdom and she spoke of the Council for the Accreditation of Correspondence Colleges that had been established in the United Kingdom at the request of the correspondence schools themselves. Harmonisation, said Lady Elles, ought to mean copying the best that was available in the Member States, and draw attention to the work of the Open University in the United Kingdom.

In reply, Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, said he had been very interested in what he described as a stimulating debate. He tackled first the legal framework within which the Community might operate here and suggested that consumer defence was really the only possibility. The Commission was interested in advertising and contract law and he wished to emphasise that he shared the concern expressed by Mrs Walz especially as there were two and a half million students at present engaged in taking these courses. He agreed to the request to present a directive but asked whether the time allowed for doing so could be extended to twelve months. He felt that six months would not be enough. Mrs Walz readily agreed to this and the resolution, when put to the vote, was agreed to without opposition.

Budgetary affairs

1. Tax exemption for small parcels

As rapporteur for the Committee on Budgets, Mr Harry Notenboom (Du, CD) welcomed a Commission proposal for Council directives exempting small consignments of a non-commercial nature from taxes (a) in the case of goods imported from third countries and (b) in the case of goods sent by a private person in a third country to a private person living in the customs territory of the Community. The proposal concerns tobacco, alcoholic beverages, perfumes, coffee and tea brought in by travellers. Mr Notenboom asked that the allowance proposed for coffee, tea and tobacco be increased. Resolutions approving each of the Commission proposals subject to certain amendments were agreed to.

Question Time

Ouestions to the Council

1. Cyprus by Mr Ludwig Fellermaier (Ge, S)

'What political contribution has the Council of the European Communities made so far towards settling the Cyprus question, and what steps does it intend to take in view of the mounting tension on the island?'

Dr Garret FitzGerald, President of the Council, replied: 'The Council as such has taken no decision on this matter.'

2. Humanitarian aid for Kurdish refugees by Mr Schelto Patijn (Du, S)

'Is the Council prepared to follow the Netherlands Government's example and grant humanitarian aid to the Kurdish people?'

Dr Garret FitzGerald replied: 'The Community has, in the past, always been attentive to all requests for humanitarian aid submitted to it. As far as the Honourable Member's question regarding humanitarian aid for Kurdish refugees is concerned, it should be noted that the Commission, which is responsible for submitting proposals to the Council, has not so far proposed any such aid.'

Questions to the Commission

1. Rising administrative costs in the customs services by Mr Eric Blumenfeld (Ge, CD)

'Is the Commission aware that the rising administrative costs and increasingly complicated paperwork handled by the Community's customs services as a result of EEC regulations are placing a growing burden, not only on customs officials but also on importers and consumers? This is hardly calculated to enhance the Community's popularity. What action does the Commission intend to take to remedy the situation?'

Commissioner Finn Gundelach replied that it was a matter of principle to do away with the unnecessary part of the very cumbersome administrative set-up in the customs union. The cost of the customs administration was something over 7.5 per cent of the value of goods trade. Lowering this from 7.5 to 7.4 would mean a saving of 130 millions units of account. Mr Gundelach said 'I have considered it to be one of my major tasks to bring about a progressive but quick simplification of the scope of customs proceedings and administration'. A new Commission proposal to this effect was being submitted to Council the following week.

2. Cross-border cooperation by Mr Michael Herbert (Ir, EPD)

'As the Irish Government has been endeavouring to promote cross-border cooperation along the Irish border with the U.K. Government, has either Government made any approaches or inquiries to the Commission on the possibilities of availing of Community funds to finance consultations, studies or surveys?'

Mr François-Xavier Ortoli, President of the Commission, replied that no recent request of this kind had been submitted. But of course there was a programme whereby the Commission consulted the Member States. They were informed of what the Commission was doing and were able to ask any questions they wished.

3. Completion of the Rhine-Rhône-Mediterranean link by Mr Pierre-Bernard Cousté (Fr, EPD)

'The linking of the North Sea to the Mediterranean by a wide canal is not an exclusively French enterprise, in view of the loan made available for this purpose by the European Investment Bank. I would therefore ask the Commission if it intends to take any action in regard to the completion of this link, and if so on what basis.'

Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, replied that a plan had been submitted for consultations as to the broad outlines but the Commission had not been apprised of its contents in detail. The plan was being considered by the French Government and normal consultations with Member States would follow as soon as these details were to hand, this to enable Member States to assess the Community emphasis of the plan in question.

4. Information on the takeover of the Marine-Firminy iron and steel and nuclear group by Mr Norbert Hougardy (Be, L)

'Does the Commission consider that the decision taken pursuant to Article 65 of the ECSC Treaty, with a view to restricting the acquisition of share capital and thereby preventing the takeover of Marine-Firminy by another French company, has been complied with?'

Commissioner Albert Borschette replied that to the Commission's knowledge the decision had been complied with and most of the companies concerned had gone beyond the bounds laid down in the Commission's decision of 5 April under Paris Treaty Article 66.

5. Destruction of foodstuffs in the Community by Mr Kurt Härzscehl (Ge, CD)

'Is it true that, as reported in the press, considerable quantities of food were destroyed or used for other purposes in the Community in 1974? If this is the case, what quantities were involved, what financial resources were used for this purpose, and what action does the Commission intend to take to prevent a repitition of this situation in 1975?'

Vice-President Patrick Hillery replied there were no Community provisions allowing for the destruction of food products. The articles referred to fruit and vegetables withdrawn from the market. The normal practice with products withdrawn from the market was to distribute them free of charge to charitable

organisations or foundations, to distribute them free of charge, fresh or processed to schools, to use them for animal feed when fresh or after processing, or to use them for non-feed purposes and, for some products, to process them into alcohol. Small quantities became unfit for processing or consumption before they could be disposed of in any of these ways but these quantities represented no more than 1 per cent of the total production offered for sale.

6. Discharge of polluting effluents by Mr Luigi Noè (It, CD)

'Does the Commission not think that the time has come to intensify studies and action within the Community with a view, where the geological characteristics of the subsoil so allow, to generalising the practice of discharging polluting effluents from specific industries into deep wells, as is being done increasingly frequently in other countries?'

Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, replied that the Commission was in full agreement with Mr Noè and studies were in progress. He would simply stress that the geological nature of the locality had to be taken into account when these wells were bored so as to ensure the water underground did not become contaminated.

7. Trade deficit between Britain and the other Member States by Mr James Scott-Hopkins (Br, EC)

'It has been suggested that the deficit in trade in 1973 and 1974 between Britain on the one hand and the eight other Member States on the other, is caused by Britain having become a Member of the Community. Does the Commission consider that this point of view is justified?'

Commissioner Finn Gundelach replied: 'The overall trade balance of the United Kingdom has worsened in the last three years. This overall deterioration of the United Kingdom's external position is also reflected in the United Kingdom's trade balance with her Community partners, but less so than with the rest of the world.

In 1972 the deficit in the United Kingdom's trade with the eight other members of the EEC accounted for 42 % of the total deficit of her trade balance, but in 1974 only about 32 % of the total deficit could be ascribed to trade with the other members of the EEC.

This is due to the fact that in the first two years of membership the rate of growth in United Kingdom's exports to the EEC was considerably higher than the rate of growth in her exports to the rest of the world, whereas the rate of growth in imports from the EEC was only slightly higher than the growth in imports from the rest of the world.

Taking an average of the two years, the yearly growth of exports to the EEC was 38 °/o, in contrast to a 27 °/o rise in exports to the rest of the world. The corresponding figures for the growth in imports were 48 °/o from the EEC and 44 °/o from the rest of the world.

The facts do not indicate that the deterioration in the balance of payments is due to to membership of the EEC. For years the United Kingdom has moved towards a closer relationship with the EEC countries for obvious geographic and economic reasons which are not likely to change. That process has, naturally, been accelerated in the first two years of membership, as my figures, in particular on export increases, indicated.

It may be useful to recall the following principal factors involved. The first year of United Kingdom membership was one of unprecedented rapid growth in demand and output. In these circumstances one would normally expect a deterioration in the trade balance, both in relation to other EEC Members and to the rest of the world.

In 1974 the miners' strike and the three-day working week prevented domestic output from satisfying domestic demand, so that once more exports were dampened, and imports were imperative to keep the economy going. That is particularly true of steel and chemicals.

As prices of many foodstuffs were lower in the Community than on world markets, the United Kingdom importers switched increasingly to cheaper European sources of supply. The size of this switch is around 500 million pounds in relation to the original six members of the Community. Given the size of the switch and the magnitude of the price differentials, the United Kingdom's total food bill would clearly have been higher if the United Kingdom had not been a Member of the EEC. To make the point quite clear, had the United Kingdom not been able to take advantage of the Common Agricultural Policy, her overall trade deficit in the last two years would, indeed, have been even higher.

Last, but not least, the increasing deficit in trade with the EEC reflects the higher cost of imports of refined oil products, in particular from the Netherlands and Belgium. Had the United Kingdom not been a member of the EEC, she would still have imported a considerable part of her required oil products from the Continent. The trade statistics and the factors I have mentioned influencing the United Kingdom's trade balance thus demonstrate that the deterioration in the trade balance is by no means due to the United Kingdom's membership of the EEC.'

Mr James Scott-Hopkins (Br, EC) said: 'I am grateful to the Commissioner. Will he confirm that the basic purpose of the Treaty, which is to increase trade between Member States, has to a large extent been fulfilled and that it has been greatly to the advantage of the United Kingdom to have become a member of the EEC?

Will the Commissioner say a little more about the saving which has accrued to the British housewife in foodstuffs, which represents an increase of 500 million pounds in the deficit? Will the Commissioner give figures showing how the saving has been achieved? Will the Commissioner say what has been the trade deficit with the Commonwealth during this period?

Mr Gundelach replied: 'The figures clearly demonstrate that the basic purpose of the Treaty, which is freer trade, has worked, though not always to perfection, to the benefit of the United Kingdom economy.

I should not like to give a figure for the savings which have accrued to United Kingdom housewives but, as I said, they are considerable. In some basic foodstuffs the price on world markets in the period under review has been several hundred percent higher than in the Community — less so recently than previously, but the savings have not been inconsiderable.

In answer to the question on the development of trade between the United Kingdom and the Commonwealth countries, with your permission, Mr President, I should like to quote a reliable source. According to what Mr Shore said earlier this week in the House of Commons, the United Kingdom's food trade deficit with the Commonwealth was 32 million pounds in 1972 and 637 million pounds in 1973 and 580 million pounds in 1974. If we are speaking about a rise in exports to the Commonwealth countries, we find that exports to Commonwealth countries rose in value by 12 per cent in 1973 and, on the figures for the first eleven months, by about 30 per cent in 1974. The average for the increase

of exports to the Community for the two years is 38 per cent, and the average of 12 per cent and 30 per cent comes to between 20 per cent and 22 per cent for exports to the Commonwealth.'

Mr Hugh Dykes (Br, EC) said: 'I thank the Commissioner most sincerely for that comprehensive and reassuring reply. As last year about 32 per cent of trade was in respect of United Kingdom exports to the Community and United Kingdom imports from Community countries, does not the Commissioner's answer indicate that a lot of artificial anxiety has been generated about the mythology of the trade deficit with our trading partners? Will he say why he thinks this artificial anxiety has been created in certain quarters?'

Mr Gundelach replied: 'If there is general anxiety concerning the United Kingdom's overall balance of payments deficit, that is a real anxiety. The figures show that anxiety about developments with the other members of the EEC should be less serious than the anxiety about the United Kingdom's relationship with the rest of the world and that the anxiety is consequently artificial. Why that anxiety has been expressed is a matter of internal politics on which I would not wish to pronounce.'

Sir Brandon Rhys Williams (Br, EC) asked: 'Does it not stand to reason that as British industry learns to adapt itself to take advantage of membership of the larger market, the trading balance will move towards equilibrium?'

Mr Gundelach replied: 'Yes, I certainly think so. As I said, because of the geographic proximity of continental Europe to the United Kingdom and because of the economic and dynamic forces of European markets, even before membership there was a marked and natural development of trade between the United Kingdom and the rest of the EEC countries. In particular there was a drive towards an increase in British industrial exports to what is the normal part of the home market — the big, solid home market without which no modern industry can compete in other parts of the world.

The existence of this market — and it is becoming freer and freer, and the exporters and industrialists are becoming more and more accustomed to operating in this market — would tend to accelerate the increase of exports which we have already seen over the last two years and, therefore, a movement towards a more healthy trade balance between the Community and the United Kingdom. This can help the United Kingdom to finance its deficit to the rest of the world, which, due to imports of raw materials, will never disappear.'

There was some laughter when Mr Peter Kirk (Br, EC) asked: 'Would the Commissioner be good enough to send his answers to Mr Peter Shore, because he obviously has not heard them before?'

Mr Gundelach replied: 'I am sure Mr Shore will learn about this.'

Lord O'Hagan then asked: 'Would the Commissioner accept that the Commission as a whole has an obligation to explain to the people of Member States the real consequences of membership of the Community?

Would he accept my congratulations and those of this House for having started on the demolition of this myth, and will he give an undertaking that he and his colleagues will continue to demolish this myth?

For example, if the Commissioner or some of his colleagues were to receive an invitation to give evidence on this matter to the House of Lords Scrutiny Committee to make sure that the British Parliament was well informed, would that opportunity be taken, as well as others, to come and explain the truth of this position to the British people?'

Mr Gundelach replied: 'I believe it is the duty and obligation of this Commission and its individual members in appropriate for in all the Member States to explain the development of the Community and put the facts as we see them as objectively as possible to the peoples of Europe and to the peoples of individual Member States. We shall continue to do so wherever the appropriate occasion occurs to do this, as it does in this House.'

8. Cost of animal feedingstuffs in Northern Ireland by Mr Peter Kirk (Br, EC)

'What steps are the Commission proposing to take to alleviate the difficulties to pig and poultry producers in Northern Ireland where imported Community wheat and barley are currently costing eight pounds per ton more than at west coast ports in Britain?'

Vice-President Carlo Scarascia Mugnozza replied that the difference of price alluded to did not exist. The Commission's information was that cereals from the Continent were consigned under identical conditions to those sent from the West Coast of Britain. It was, however, true that merchants buying on the national market would undoubtedly pay a different price from those buying direct from the Continent because of the addition of monetary compensatory

amounts. 'Our view is that business people should buy where conditions of supply are best.' he said.

Mr Peter Kirk said he was absolutely astonished by the Commission's answer because 'there is clear evidence from the feed manufacturers' associations in Great Britain that there is a discrepancy of 8 pounds per ton between feed grains at Liverpool and feed grains at Belfast. This is clearly a matter that we must go into further. I shall, therefore, table an oral question with debate.'

9. Proposed extension of Norwegian territorial waters by Mr John Brewis (Br, EC)

'The Commission is asked what attitude it has adopted to Norway's expressed intention to extend her territorial waters.'

Sir Christopher Soames, Vice-President of the Commission, replied: 'Norway has declared its intention of extending its fishing limits of 50 mines as regards its northern coast. Norway has stressed that this will be done by negotiation and not unilaterally. However, the Norwegians are, for understandable reasons, not likely to want to begin any discussion on this subject until after the next session of the Conference on the Law of the Sea to be held in Geneva in March. The attitude of the Commission towards such a proposal will, of course, equally be affected by the results of this conference.'

10. Re-negotiations between the U.K. and the remainder of the Community by Mr Russell Johnston (Br, L)

'The Commission is asked whether they will list those major questions not resolved in the so-called re-negotiations between the U.K. and the remainder of the Community and set out the areas of disagreement?'

Mr François-Xavier Ortoli, President of the Commission, trusted that Mr Johnston would understand that current discussions within the Community had not yet reached a point at which he could answer the question.

11. Cyprus by Mr Frankie Hansen (Lu, S)

'What effect is the Cyprus crisis having on the application of the Association Agreement between the Republic of Cyprus and the EEC?'

Sir Christopher Soames, Vice-President of the Commission, replied: 'Ever since the events of last year in Cyprus, the Community has watched the situation closely, and it has frequently reaffirmed the importance it attaches to its Association Agreement with the Republic of Cyprus and to the spirit which inspired it. But the dire difficulties which the island is now facing have inevitably affected the extent to which Cyprus can benefit fully from the agreement.

I take the question of trade first. The Community has kept its commitments and opened its tariff quotas for 1975 for Cyprus sherry and early potatoes. I am afraid that we do not yet have available the statistical data for the whole of 1974, but the figures for the first nine months show that trade between the Community and Cyprus, despite the crisis in the island, was running at about 90 per cent of the 1973 total. On the institutional side, the meeting of the Association Council scheduled for 22 July last year had to be postponed and it has not yet proved possible to fix a date for the next meeting.

Finally, there is the question of aid. The present tragic situation has clearly called for a special effort by the Community. We have already sent substantial food supplies, and we are asking the Council of Ministers to approve a further 5,000 tonnes of cereal and 300 tonnes of butter oil.'

12. Cost of sugar imports subsidy scheme by Mr Cornelis Laban (Du, S)

'How big a quantity of sugar has been imported under the sugar imports subsidy scheme so far, and was it done at costs within the expected limits as mentioned in the comments to the original draft report?'

Vice-President Carlo Scarascia Mugnozza replied that in October 1974 a first purchase of 200,000 tons of sugar had been authorised at an average subsidy of 387 units of account per ton. The subsidies had been higher than anticipated because of a change in world prices. In 1975 the Council had decided to import a further 200,000 tons. The relevant subsidy had been 231 units of account per ton giving a total cost for the whole operation to date of 82 million units of account.

Commission statement on action taken on Parliament's advice

Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, referred to five matters concerning which the Commission had amended proposals in the light of debates held in the European Parliament. He referred first to the proposals on the service regulations for the staff of the European Communities; 14 of the amendments put forward by the European Parliament had been accepted by the Commission and only 3 rejected. The ones rejected by the Commission concerned the number of hours permitted overtime, the question of travel expenses for Community staff and Article 30 of new regulations. Turning next to the financial regulation, he said that the Commission had accepted the amendments put forward in the report on this subject by Miss Colette Flesch. Referring next to the report by Mr René Pêtre (Be, CD) on oil taxes, the Commission had changed its proposal along the lines called for by Parliament. The fourth report he referred to was that to by Mr Marcel Brégégère (Fr, S) concerning yeasts where most of the amendments put forward by Parliament had been accepted. Finally, he referred to the report by Mr Willi Müller (Ge, S) on gas cylinders where the Commission proposals had been amended as requested by Parliament. Mr Scarascia Mugnozza thought that the work of Parliament and the Commission on these points gave cause for satisfaction.

References

Subject	European Parliament document	Commission document	Date of debate
Channel Tunnel Project	479/74	_	17/2
Amnesty for war criminals	379/74	200/74	17/2
Home study courses	416/74	_	17/2
Return of migrant workers to Italy	445/74	_	18/2
Improvement of safety conditions in coal mines	478/74	_	18/2
Unemployment among young people	477/74	_	18/2
Co-insurance	432/74	121/74	18/2
European Monetary Cooperation Fund	489/74	428/74	18/2
EC relations with state-trading countries and Comecon	425/74	_	18/2
Recommendations of EC-Turkey Joint Parliamentary Committee	448/74	335/74	18/2
Classification of cheeses	440/74	409/74	18/2
EC's relations with Tunisia and Morocco	497/74	-	18/2
Establishment of concertation procedure .	483/74	431/74	19/2
Results of Paris Summit Conference	436/74	_	19/2
Policital situation in Portugal	490/74	_	19/2
UN vote on Charter of Economic Rights and Duties of States	443/74 444/74 476/74	-	20/2
'Energy for Europe: Research and Development'	447/74	314/74	20/2
Community energy policy	488/74		20/2

EAGGF appropriations	373/74/rev	.317/74	20/2
A sheep meat regulation	446/74	_	20/2
Common organisation of rice market	493/74	390/74	20/2
Parliamentary Conference of EEC-AASM Association	498/74	_	20/2

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

Notes

Appointment of new Members

The Parliament informed the House that the German Bundestag had appointed Mr Walter Suck to replace Mr Helmut Kater. On behalf of Parliament, the President congratulated Mr Bourges on his recent appointment as Minister of Defence in the Government of the French Republic. He also congratulated Mr de la Malène who replaced Mr Bourges as Chairman of the European Progressive Democrat Group. The President congratulated Mr Norgaard and Mr Dalsager, former Vice-Presidents of the European Parliament, on their appointment as members of the Danish Government.

Welcome to Mr Rey

The President welcomed the former President of the Commission of the European Communities, Mr Rey.

Summing up

At its sittings of 17, 18, 19, 20 and 21 February Members put down 3 questions for debate with the Council and 20 questions for debate with the Commission. At Question Time 2 were addressed to the Council and 12 to the Commission. 23 reports were considered and the European Parliament delivered 25 Opinions.

Lomé Agreement

Under the 'Luns Procedure' whereby Parliament is given details of Community agreements with third countries between their being initialled and finally signed, Dr Garret FitzGerald, President of the Council, answered questions in camera put by the European Parliament committees concerned with the new convention with 46 African, Caribbean and Pacific countries.

Presidential elections on 11 March

During the course of Parliament's week in Strasbourg, three names were put forward for Parliament's presidential elections to be held on 11 March. They are Mr Alfred Bertrand, candidate of the Christian Democrat Group, Mr Georges Spénale, candidate of the Socialist Group and Mr Michael Yeats, candidate of the Group of European Progressive Democrats

DRAFT JOINT DECLARATION BY THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COMMISSION

THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COMMISSION,

Whereas from 1 January 1975, the Budget of the Communities will be financed entirely from the Communities' own resources;

Whereas in order to implement this system the Parliament will be given increased budgetary powers;

Whereas the increase in the budgetary powers of the European Parliament must be accompanied by an effective participation by the latter in the procedure for preparing important decisions which give rise to expenditure charged to the budget of the Communities,

HAVE AGREED AS FOLLOWS:

- 1. A conciliation procedure between the European Parliament and the Council with the active assistance of the Commission shall be instituted.
- 2. This procedure may be followed for Community acts of general application which have appreciable financial implications, and of which the adoption is not required by virtue of acts already in existence.
- 3. When submitting its proposal the Commission shall indicate whether the act in question is, in its opinion, capable of being the subject of the conciliation procedure. The European Parliament, when giving its Opinion, and the Council may request that this procedure be initiated.
- 4. The procedure shall be initiated if the criteria laid down in paragraph 2 are met and if the Council intends to depart from the Opinion adopted by the European Parliament.
- 5. The conciliation shall take place in a 'Conciliation Committee' consisting of the Council and representatives of the European Parliament. The Commission shall participate in the work of the Conciliation Committee.

6. The aim of the procedure shall be to seek an agreement between the European Parliament and the Council.

The procedure should normally take place during a period not exceeding three months, unless the act in question has to be adopted before a specific date or if the matter is urgent, in which case the Council may fix an appropriate time-limit.

7. When the positions of the two institutions are sufficiently close, the European Parliament may give a new Opinion, after which the Council shall take definitive action

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