

Annex

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## European Communities

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## Debates of the European Parliament

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1973-1974 Session

Report of Proceedings

from 18 to 20 September 1973

European Centre, Luxembourg

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## NOTE TO READER

Appearing at the same time as the English edition are editions in the five other official languages of the Communities: Danish, German, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken : (DK) for Danish, (D) for German, (F) for French, (I) for Italian and (NL) for Dutch.

The original texts of these interventions appear in the edition published in the language spoken.

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## IN THE CHAIR : MR BERKHOUWER

*President*

*(The sitting was opened at 3 p.m.)*

**President.** — The sitting is open.

### 1. Resumption of session

**President.** — I declare resumed the session of the European Parliament adjourned on 6 July 1973.

### 2. Apologies for absence

**President.** — Apologies for absence have been received from Mr Frehsee, Mr Laudrin, Mr Jarrot, Mr Rivierez and Mr Malfatti, who regret their inability to attend this part-session.

### 3. Tribute to Jean Fohrmann

**President.** — It is my sad duty to inform you of the death of one of our former colleagues. Jean Fohrmann, who for many years laboured with us for the construction of Europe, has passed away after a short illness.

He was born almost seventy years ago in Dudelange, in the heart of the mining district. Journalist, mayor of his native town and member of the Luxembourg Parliament, he became a member of his country's delegation to the Common Assembly, of which he was subsequently elected Vice-President.

He was a member of the Common Assembly from September 1952 to March 1958 and the European Parliament from 5 March 1958 to 15 July 1965. During the whole of this period Jean

Fohrmann took an active part in the work of our Assembly, in the capacity of first Vice-President.

He left us in 1965 to join the High Authority of the ECSC and held that post until the merger of the executives.

On behalf of all of you I have expressed my sympathy to Jean Fohrman's family, and I do so again today vis-a-vis the Socialist Group, of which he was a member.

I ask the House to observe one minute's silence in memory of our colleague.

### 4. Verification of credentials

**President.** — At its meetings of 10 and 11 July and 11 and 12 September 1973 the Bureau verified the credentials of Mr Scholten, Mr Dunne, Mr Gibbons and Mr Lenihan.

Pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau has made sure that these appointments comply with the provisions of the Treaties.

It therefore asks the House to ratify these appointments.

Are there any objections?

The appointments are ratified.

### 5. Appointment of Vice-Presidents

**President.** — I have received from the Christian-Democratic Group the nomination of Mr McDonald, to replace Sir Anthony Esmonde as Sixth Vice-President of the European Parliament.



**President**

I have also received a proposal from the chairmen of the political groups for the appointment of Mr Cousté, as Fourth Vice-President.

Are there any objections?

These appointments are approved.

**6. Appointments to the Court of Justice**

**President.** — The President of the Council of the European Communities has informed me that the representatives of the governments of the Member States have decided to confirm Mr Joseph Mertens de Wilmars, Mr Cearbhall ODálaigh and Mr Pierre Pescatore in their office as judges at the Court of Justice for a further period of six years, with effect from 7 October 1973.

The representatives of the governments of the Member States have also appointed Mr Gerhard Reischl Advocate-General for a period of six years with effect from 7 October 1973, to replace Mr Karl Römer. May I congratulate Mr Reischl, a former colleague of ours in the European Parliament, on behalf of the House.

**7. Documents received**

**President.** — Since the session was adjourned I have received the following documents:

(a) from the Council of the European Communities:

- the draft amendatory and supplementary budget No 2 of the European Communities for the financial year 1973, established by the Council (Doc. 143/73).

This document has been referred to the Committee on Budgets;

- the draft amendatory and supplementary budget No 4 of the European Communities for the financial year 1973, established by the Council (Doc. 151/73).

This document has been referred to the Committee on Budgets as the committee responsible and to the Committee on Agriculture for its opinion;

(b) from the Council of the European Communities, requests for an opinion on:

- the proposal from the Commission of the European Communities to the Council for a transfer of funds from one chapter to another within Section III - Commission - of the budget of the European Communities for the financial year 1973 (Doc. 138/73).

This document has been referred to the Committee on Budgets;

- the proposals from the Commission of the European Communities to the Council for

I. a regulation amending Council Regulation (EEC) No 859/72 of 25 April 1972 on the treatment to be accorded to certain fruit and vegetables originating in the Associated African States and Madagascar or in the Overseas Countries and Territories

II. a regulation amending Council Regulation (EEC) No 860/72 of 25 April 1972 on the treatment to be accorded to certain fruit and vegetables originating in the United Republic of Tanzania, the Republic of Uganda or the Republic of Kenya

(Doc. 140/73).

This document has been referred to the Committee on Development and Co-operation as the committee responsible and to the Committee on Agriculture for its opinion;

- the proposal from the Commission of the European Communities to the Council for a regulation on the tariff treatment applicable to agricultural products contained in travellers' personal luggage (Doc. 141/73).

This document has been referred to the Committee on Agriculture;

- the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 2721/72 relating to the supply as food aid of skimmed-milk powder (Doc. 142/73).

This document has been referred to the Committee on Development and Co-operation;

- the proposal from the Commission of the European Communities to the Council for a sixth directive on the harmonization of the legislation of Member States concerning turnover taxes — Common system of value added tax; uniform basis of assessment (Doc. 144/73 and corr.).

This document has been referred to the Committee on Budgets as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion:

## President

- I. a regulation on the conclusion of an agreement in the form of an exchange of letters amending Article 5 of Annex 1 to the Agreement establishing an Association between the European Economic Community and the Kingdom of Morocco;
- II. a regulation on the conclusion of an agreement in the form of an exchange of letters amending Article 5 of Annex 1 to the Agreement establishing an Association between the European Economic Community and the Tunisian Republic.

(Doc. 145/73).

This document has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion;

- the proposals from the Commission of the European Communities to the Council for
  - I. a regulation on imports of olive oil from Morocco.
  - II. a regulation on imports of olive oil from Tunisia.

(Doc. 146/73).

This document has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion;

- the report from the Commission of the European Communities to the Council on the adjustment of short-term monetary support arrangements and the conditions for the progressive pooling of reserves.

(Doc. 147/73).

This document has been referred to the Committee on Economic and Monetary Affairs;

- the proposal from the Commission of the European Communities to the Council for a regulation concerning the importation into the Community of certain agricultural products originating in Turkey

(Doc. 149/73).

This document has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions;

- the proposals from the Commission of the European Communities to the Council for

I. a decision on the creation of a Committee for Regional Policy;

II. a financial regulation to special provisions to be applied to the European Regional Development Fund;

III. a regulation establishing a Regional Development Fund.

(Doc. 152/73).

This document has been referred to the Committee on Regional Policy and Transport as the committee responsible and to the Committee on Budgets, the Committee on Agriculture, the Committee on Economic and Monetary Affairs and the Committee on Social Affairs and Employment for their opinions;

- the proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the autonomous duty in the Common Customs Tariff on almonds of subheading 08.05 A II (Doc. 160/73).

This document has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion;

- (c) from the Commission of the European Communities:

- the Second Report on competition policy — Annex to the Sixth General Report of the Commission on the activities of the European Communities in 1972

(Doc. 148/73).

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Energy, Research and Technology, the Committee on Regional Policy and Transport and the Committee on Social Affairs and Employment for their opinions;

- (d) from the Committees, the following reports:

- Report by Mr Augusto Premoli on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive concerning the harmonization of the laws of the Member States with regard to

**President**

coffee and tea extracts and their substitutes, including chicory and blends based on these extracts

(Doc. 139/73).

- Report by Sir Anthony Esmonde on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive on the approximation of Member States' legislations on aerosols (Doc. 150/73).
- Report by Mr Léon Jozeau-Marigné on behalf of the Legal Affairs Committee on an amendment to Rule 7 (1) and (5) of the Rules of Procedure of the European Parliament, concerning the election of the President and Vice-Presidents of the Parliament, and an amendment to Rule 41 (5), concerning elections for the Bureaus of the committees; and on a corresponding amendment to Rule 35 (6), concerning the voting procedure in the case of appointments (Doc. 153/73).
- Report by Mr Charles Héger on behalf of the Legal Affairs Committee on the amended proposal from the Commission of the European Communities to the Council for a third directive on the coordination of safeguards which, for the protection of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, in connection with mergers between sociétés anonymes (Doc. 154/73).
- Report by Mr Heinrich Aigner on behalf of the Committee on Budgets on the draft amendatory and supplementary budget No 2 of the European Communities for the financial year 1973, established by the Council (Doc. 155/73).
- Report by Mr Heinrich Aigner on behalf of the Committee on Budgets on the draft amendatory and supplementary budget No 3 of the European Communities for the financial year 1973, established by the Council (Doc. 156/73).
- Report by Mr James Scott-Hopkins on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive amending and supple-

menting certain Directives following the enlargement of the Community

(Doc. 157/73).

- Report by Mr Heinrich Aigner on behalf of the Committee on Budgets on the draft amendatory and supplementary budget No 4 of the European Communities for the financial year 1973, established by the Council (Doc. 158/73).
- Report by Mr Jan Baas on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation concerning the importation into the Community of certain agricultural products originating in Turkey (Doc. 159/73).
- Report by Mr Knud Thomsen on behalf of the Committee on External Economic Relations on the Agreement concluded between the European Economic Community and the Kingdom of Norway (Doc. 161/73).
- Report by Mr Maurice Dewulf on behalf of the Committee on Development and Cooperation on the proposals from the Commission of the European Communities to the Council for
  - I. a regulation amending Council Regulation (EEC) No 859/72 of 25 April 1972 on the treatment to be accorded to certain fruit and vegetables originating in the Associated African States and Madagascar or in the Overseas Countries and Territories;
  - II. a regulation amending Council Regulation (EEC) No 860/72 of 25 April 1972 on the treatment to be accorded to certain fruit and vegetables originating in the United Republic of Tanzania, the Republic of Uganda or the Republic of Kenya (Doc. 162/73).
- Report by Mr Horst Seefeld on behalf of the Committee on Development and Cooperation on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 2721/72 relating to the supply as food aid of skimmed-milk powder (Doc. 163/73).

**President****8. Reference of two reports back to committee**

**President.** — The two reports by Mr Reischl concerning a directive on a harmonized excise duty on wine (Doc. 157/72) and a directive on a system of excise taxes to be applied to mixed beverages (Doc. 158/72), which were submitted by the Committee on Budgets on 12 October 1972, have, at the request of the Committee on Budgets, been referred for re-examination of the Commission's proposals to the Committee on Budgets as the committee responsible and to the Committee on Agriculture for its opinion.

**9. Reference of a petition to committee**

**President.** — On a proposal from the Legal Affairs Committee dated 13 September 1973 the petition filed by Mr Falcone and others concerning a proposal for an international statute on the rights of immigrants, which was entered as No 1/73 on the register, has been referred to the Committee on Social Affairs and Employment as the committee responsible and to the Legal Affairs Committee for its opinion.

**10. Requests from the Council for an opinion on proposals for the transfer of credits**

**President.** — By letter of 5 July 1973 the Committee on Budgets requested that a procedure be laid down for dealing with requests by the Council for an opinion on proposals for the transfer of credits, which are in future to be made under the terms of the Financial Regulation and a 'gentlemen's agreement' between the institutions.

The Committee on Budgets proposes that it be allowed to deliver its opinion directly to the Council where it has no serious objections to such a transfer or where the amount involved is relatively small. On the other hand, it would report to Parliament where it was unable to approve the transfer or where a larger amount was involved.

At its meeting of 12 and 13 September 1973 the enlarged Bureau considered these proposals and found them acceptable, on the understanding that the Committee on Budgets would inform the President of Parliament whenever it thought it unnecessary to make a report and that the President would inform the Council accordingly.

Are there any objections to this procedure?

The procedure is agreed.

**11. Transfer of credits concerning the Audit Board**

**President.** — By letter of 5 July 1973 the Committee on Budgets informed me that it did not consider it necessary to report on the Council's proposal for a transfer of credits in respect of Section II 'Council of the European Communities' budget for the 1973 financial year, Annex II 'Audit Board', (Doc. 61/73) since this transfer was of administrative importance only.

I informed the Council of this decision by letter of 10 August 1973.

**12. Establishment of the draft general budget of the European Communities for 1974**

**President.** — I would inform the House that the Council is to establish the draft general budget of the European Communities for the 1974 financial year on 21 September 1973.

In accordance with the procedure laid down in the resolution of 22 April 1970, an exchange of views will first be held between the President-in-Office of the Council, Members of the Council wishing to attend and a delegation from Parliament, to enable Parliament to make known its initial impression of the general import of the preliminary draft budget of the European Communities for 1974. The Commission will also take part in this exchange of views, which will be held on 21 September 1973 at 9 a.m.

**13. Report of proceedings of plenary sittings in Luxembourg**

**President.** — During the April part-session I informed the House that, in order to comply with Parliament's expressed desire to have a full report of proceedings available in Luxembourg also, our staff were working on the necessary technical adjustments and hoped to be able to carry out this task at the present part-session.

I am pleased to be able to inform you that we shall be conducting an initial experiment, starting from today, which we hope will enable us to perfect our equipment and working methods.

The report of proceedings will be produced entirely by means of our own editorial and printing facilities, since no parliamentary stenographers or outside printers are available. As the report will be transcribed from tape-recordings, it is important that each speaker—whether Representative or Member of the Council or Commission—should begin to speak only

**President**

after pressing the button at the base of the microphone and checking that the red light which shows that it is connected up to the tape-recording equipment has actually come on.

Since we are attempting to publish the provisional report of proceedings within forty-eight hours in the circumstances I have described, speakers will not have the opportunity of reading through and correcting their speeches for the 'rainbow' edition. They will, however, naturally be able to make any corrections required on the provisional edition itself, and these will be incorporated in the final edition in each of the official languages.

I ought to point out that introduction of this new procedure in Luxembourg means a considerable increase in work for a large part of the staff, particularly the editors, secretaries and printing department, which will make overtime—and even nightwork—unavoidable.

On behalf of the House I would like to thank the staff for all their efforts, thanks to which we shall have a report of our proceedings, and to assure them that everything will be done to limit the extra demands upon them.

**14. Decision on urgent procedure**

**President.** — I propose that Parliament deal by urgent procedure with reports not submitted within the time-limits laid down in the rules of 11 May 1967.

Are there any objections?

The adoption of urgent procedure is agreed.

**15. Allocation of speaking time**

**President.** — In accordance with the usual practice and pursuant to Rule 31 of the Rules of Procedure, I propose that speaking time for all items on the agenda be allocated as follows:

- 15 minutes for the rapporteur and one speaker for each political group;
- 10 minutes for other speakers;
- 5 minutes for speakers on amendments.

Are there any objections?

That is agreed.

**16. Order of business**

**President.** — The next item is the order of business.

In accordance with the instructions given to me by Parliament in plenary sitting on 6 July 1973, I prepared a draft agenda which has been distributed; but in view of subsequent developments I propose that Parliament adopt the following order of business:

*This afternoon*

- Report by Mr Aigner on the amendatory and supplementary budget No 2 of the European Communities for 1973;
- Report by Mr Aigner on the amendatory and supplementary budget No 3 of the European Communities for 1973;
- Report by Mr Aigner on the amendatory and supplementary budget No 4 of the European Communities for 1973;
- Oral Question No 75/73, with debate, put by Mr Bertrand on behalf of the Political Affairs Committee to the Council on meetings of the Council and of the Foreign Ministers.

*Wednesday, 19 September 1973*

*until 10 a.m.*

Meetings of political groups

*10 a.m. and 3 p.m.*

- Question Time
- Statement by Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities, on action taken by the Commission on the texts adopted by Parliament
- Oral Question No 91/73, with debate, put by Mr Vals on behalf of the Socialist Group to the Commission on the statements made by the French Minister of Agriculture
- Oral Question No 78/73, with debate, put by Mr Scott-Hopkins on behalf of the European Conservative Group to the Commission on supplies of soya beans and other proteins for animal feeds
- Report by Mr Premoli on the harmonization of legislation on coffee and tea extracts and their substitutes
- Report by Sir Anthony Esmonde on the approximation of legislation on aerosols
- Report by Mr James Hill on common rules for international transport
- Report by Mr Jozeau-Marigné on amendments to the Rules of Procedure

**President**

- Report by Mr Scott-Hopkins on a directive amending and supplementing certain directives following the enlargement of the Community.

*Thursday, 20 September 1973*

*until 10 a.m.*

- Meetings of political groups

*10 a.m.*

- Vote on the 3 draft amendatory and supplementary budgets and on the motions for resolutions contained in the reports by Mr Aigner on
  - amendatory and supplementary budget No 2
  - amendatory and supplementary budget No 3
  - amendatory and supplementary budget No 4
- Report by Mr Dewulf on a regulation concerning fruit and vegetables originating in the AASM or OCT, and in Tanzania, Uganda or Kenya
- Report by Mr Seefeld on the supply as food aid of skimmed-milk powder
- Report by Mr Baas on agricultural products originating in Turkey
- Report by Mr de la Malène on temporary and partial suspension of the autonomous duty in the Common Customs Tariff on almonds.

Are there any objections?

I call Mr Pounder.

**Mr Pounder.** — Mr President, I am sorry to rise on a point of order at this particular juncture on the agenda, but while in the Rules of Procedure of Parliament the timetable is absolutely clear on the budget itself—namely a debate on a Tuesday and then a vote some 40 hours later—I can't find in our Rules of Procedure anything relating to the question of supplementary budgets and to the fact that we have a debate today and then nearly 40 hours or so later a vote on the debate. Obviously one would like to see the debate and vote in juxtaposition one after the other. But perhaps, Sir, you could give me your guidance on where I can find this point in the rule book.

**President.** — I refer Mr Pounder to Rule 23A (10) of the Rules of Procedure, which stipulates that 'the procedure laid down in Rules 23 and

23A shall also apply to draft supplementary budgets'. In other words, the latter are to be dealt with in the same way as the original draft budgets. I therefore consider—and I trust Mr Pounder will agree—that the House should follow the same procedure.

Does anyone else wish to speak?

I call Mr Spénale.

**Mr Spénale.** — (F) Mr President, at this stage in the procedure—as in the case of the main budget—the House must be informed of the time-limit for tabling amendments to the draft supplementary budget. This is the main reason for the period stipulated between the general debate and the vote on these drafts.

**President.** — Thank you, Mr Spénale, for your word of explanation. I take advantage of your statement to inform the House at this point that amendments may be tabled until 12 noon tomorrow.

Does anyone else wish to speak?

The agenda is adopted.

#### *17. Statements on Chile and the Soviet Union*

**President.** — At the beginning of this sitting, I wish, as President, to express my concern at the recent events in Chile, particularly at a time when we as a Parliament are preparing to enter into relations with the South American Parliament.

I also think it my duty as President to point out, before the Conference on Security and Cooperation in Europe reconvenes in Geneva, that the restrictions placed on civil liberties in the Soviet Union can seriously endanger these attempts at reducing tension.

**Mr Radoux.** — (F) May I have the floor, Mr President?

**President.** — I call Mr Radoux, who has asked to speak on my statement concerning the recent events in Chile and the Conference on Security and Cooperation in Europe.

**Mr Radoux.** — (F) Mr President, you said just now that I was going to comment on your statement about Chile and the Security Conference. This is not quite correct. I am in fact going to mention your statement on Chile, but I also wish to speak about the position of intellectuals in the Soviet Union.

**Radoux**

I shall be very brief, because otherwise we are going to become involved in an argument. I asked the Political Affairs Committee for two separate statements to be made—one on events in Chile and one on the position of intellectuals in the Soviet Union—and this was in fact done.

What I wanted to say, Mr President, and I think I can speak for my colleagues in the Socialist Group in this, was that the statements are rather short and the Socialist Group would have preferred the terms to be much more forceful in both cases.

*(Applause from the Socialist benches.)*

**President.** — I thank Mr Radoux for his statement.

I call Mr Ansart.

**Mr Ansart.** — *(F)* Mr President, we are all very shocked and disturbed by the coup d'état against the legal and democratically-elected government of Chile, and by the death of President Allende, fighting for his ideals of justice, democracy and liberty. Until the end, Salvador Allende stood up for the policy on which he was elected president. We are appalled by the news from Chile, of which very little has come through, but it does reveal that for several days now a terrible massacre has been going on, in defiance of the most elementary laws of humanity.

I am taking advantage of this opportunity to tell Parliament of our views and our determination to do something to stop this massacre as quickly as possible. This slaughter, and the putsch by soldiers and fascists against their constitutionally-elected government and their own laws, must be condemned. The democratic people of Chile must know that the world is behind them and ready to support them in their fight against this savage repression.

I have been purposely brief, Mr President, and I have spoken with the gravity such a situation demands. I do not wish to usurp your right to express your opinion on all matters, but I should like to say what I think. The Sakarov affair, this confrontation of ideas, has nothing to do with the military coup d'état in Chile. We must not class together the fascists in Chile and a country which sacrificed 20 million people in the fight against fascism. If the Parliament did that, it would look as though it was making apologies to the soldiers in Chile.

That is why, Mr President, my colleagues and I are resolutely agreed to condemn what is happening in Chile, and we hope that the Parliament will do so too. But we are against the second point you mentioned, because it cannot

be said that the present confrontation of ideas in the Soviet Union has in any way changed that country's policy towards an international détente.  
*(Applause from the extreme left.)*

**President.** — I shall give the floor briefly to Mr Fellermaier and Mr Lückner, after which the discussion of my statement will be closed.

I call Mr Fellermaier.

**Mr Fellermaier.** — *(D)* Mr President, ladies and gentlemen, it would certainly have been more appropriate if the President of this House, in spite of the full agenda with which we have to deal, had gone into more detail over the events in Chile, but also—I would add—over what is taking place in the Soviet Union. Our Communist colleague condemns Chile in his own particular jargon but at the same time will not see that there is a parallel between Chile and the Soviet Union, in that human rights have been infringed in both countries. The Rights of Man are embodied in the Charter of the United Nations, which this European Parliament has endorsed, and we would be less than credible if we chose in this case to apply two different standards. For this reason, ladies and gentlemen, I find the wording chosen by the previous speaker outrageous; he said that the statement of the President of the European Parliament sounded just as though we were offering the colonels in Chile an apology. Anyone who claims to have heard this in the statement made by the President of this House either was not listening or is deliberately reading something into the statement which is certainly not the majority view of the House!

*(Applause)*

If we look at the events in Chile we are not merely struck by them but deeply shocked. It is disconcerting that a President who came to office through legal elections should be prevented by a military coup from carrying out his duties. Democracy has been brought to its knees by military power. This is what we must now raise our voices against. Parliamentary democracy in Chile must be restored as soon as possible. This is of vital importance—all the more so in view of the fact that, as the President has pointed out, this European Parliament is endeavouring to establish relations with the Latin-American Parliament.

But now, ladies and gentlemen, let us turn to what is taking place at this moment in the Soviet Union. It is not a question of whether we are interfering in the internal affairs of a State, it is also not a foreign policy question but more one of human rights pure and simple to which this House subscribes. This now needs

**Fellermaier**

to be stated even more clearly in another way, after the contribution of the previous speaker, than the President had done before him. I think, however, that it is our clear duty, if necessary, to call for a motion of censure. We owe this to the European public.

(Applause)

**President.** — I call Mr Lückner.

**Mr Lückner.** — (D) Mr President, when I heard our Communist colleague speak, I asked for the floor; for I have the impression that what for many in this House, at least for the moment, needed to be said was adequately said by Mr Radoux. I am wondering at this moment, Mr Chairman—or possibly it has escaped my ears—whether we are now, with your approval, engaged in a debate on your statement or not. I did not hear that the House decided to hold a debate on your statement and, since I consider myself here to be one of the Members of the past and of the present, I should not like to have a debate held. I should merely like to endorse what Mr Radoux had to say on the matter. We had a meeting with you, occasioned by the exchange which took place in the Bureau of the Parliament last week in the Hague, and we agreed that the party groups in this House would supply a text for today which would provide a basis for your statement. We have done this and responsibility for the statement thus reverts to you. Everyone who shared in the responsibility for the preparation of both statements knows that you only used a small part of the text jointly prepared by the groups in your statement. There may be many in this House who would reproach you for not using the whole text of the two statements, but I must concede that the decision rests with you to use from the text prepared by the groups whatever seems appropriate to you at the time, as President of this House. I am not calling the prerogatives of the President of the European Parliament into question. It is another question whether the House agrees with that but still wants a debate. I cannot, at the moment, see any reason for this, also taking our agenda into account. I should like to express my agreement with my colleague Mr Fellermaier: it must be clear to anyone who listened to your statement, as brief as it was, that you condemned equally in the name of this House the regrettable political events in Chile and the regrettable events in Moscow. I am in full agreement with Mr Fellermaier on this. Indeed, last summer, we had a discussion here on a similar subject, and I was very gratified a few days later to receive a letter from Amnesty International expressly thanking me for this debate. I take it others received similar letters.

What Mr Fellermaier said here is certainly valid. This has always been the attitude of this House. Higher than the sovereign rights of individual States—without any wish to interfere in their internal affairs—is the duty and the exalted commitment of any democratic institution, especially this Parliament, to raise its voice, whenever basic rights need to be defended, because these basic rights rank higher than any claim to sovereignty. No one can say that such support for basic human rights is interference in a country's internal affairs. I think that this would still be so—it could not be otherwise—if it were not spelled out clearly in the Charter of the United Nations.

Mr President, in your statement you also mention the special authority of this Parliament which prompts you to give voice, albeit extremely briefly but no doubt in fundamental agreement with this House, to your fears that the regrettable events in the Soviet Union may have repercussions on the Conference on Security and Cooperation in Europe. I do not think we can be emphatic enough in our endorsement of this, for if we wish to achieve a détente which will also favour the free exchange of people, opinions and ideas we must naturally be prepared at home at least to make a positive start, and not to do exactly the opposite.

As far as Chile is concerned, Mr Chairman, you will understand that, as the representative of the Bureau and Parliament who in July began and continued talks in Bogota with the representative of the Latin-American Parliament during the course of which I reached a certain understanding with the representative of the Latin-American Parliament—the President of the Chilean Senate was himself present at this meeting in Bogota and took an active part in the discussions—I particularly regret these events in Chile and condemn them not only because of what has just been said but also because they stand to jeopardise the contacts which we have for some time been fostering so hopefully and so fruitfully with the representative of the Latin-American Parliament.

You also pointed this out. I am not disagreeing with your statement. But I can only express sympathy for what Mr Radoux had to say. You might have done better to use somewhat more of the text prepared by the groups in your statement. But this is the prerogative of Parliament which I would not like to call into question.

(Applause)

**President.** — I call Lord Gladwyn.

**Lord Gladwyn.** — Mr Chairman, I gather that the position is that you have prepared this draft



**Lord Gladwyn**

on the basis of various drafts submitted to you and that therefore it is a kind of compromise to which we of the Liberal Group at least do agree with some reservations. There are only two points which I don't know if my colleagues would agree to. When it speaks of the death of a large number of citizens in that country, it may be so; but as far as I know, there is no definite proof, owing to the censorship imposed in Chile, as to the number of people who have in fact been killed. You might therefore say that it is a considerable number, or a number, but a large number is not certain at all, in spite of what our Communists may say. The second point is that I suppose that at the end you say in French 'demands the establishment of a democratic system'. Of course, we would all like it to happen, but we cannot demand it in this Parliament. In the English translation it says 'urging' and I should have thought therefore that if it was going to be 'urging' it should be 'souhaite' or something like that rather than 'demande'.

Now, just on the general points, Mr President. Of course I need hardly say on behalf of my group that I associate myself entirely with what Mr Fellermaier and Mr Lückner have said, in contra-distinction to what the representative of the Communist party has said. Of course, in this Parliament we stand for free societies, and we stand for genuine democracy and human rights. Anything which in our view obviously militates against those great ideals for which we stand should be condemned, rightly condemned, in unmeasured terms by this Parliament. The use of military force to overturn a government has not only happened in Chile in recent years; it has happened elsewhere. It is true that elsewhere it was not perhaps a democratically elected government, but a government which was at least tending towards genuine democracy that was ruthlessly overturned by the use of military force. So if we condemn one, we presumably have to condemn the other.

I also think that this tendency on the part of the Soviet Union to repress intellectuals and to do what Sakharov and Solzhenitsyn say they are doing is obviously tending in the same direction and is in the same spirit which induced the occupation of Czechoslovakia in 1968. That is all I have to say, and I therefore hope—unless my colleagues prefer otherwise—to omit the words 'a large number', because it is not proved. Then I think that we can all agree, with perhaps one or two exceptions, to the draft which you have submitted to us.

**President.** — I call Mr Kirk on a point of order.

**Mr Kirk.** — I must admit that I am in some bafflement here. There is no draft before Par-

liament, as far as I know. You have made a statement which many members have agreed to and enlarged upon. I agree with it. My group agrees with it wholeheartedly, and with what Mr Fellermaier and Mr Lückner have said. We are not called upon as far as I know to vote upon anything or draft anything at all.

**President.** — I call Miss Flesch on a point of order.

**Miss Flesch.** — (F) Mr President, I think that some confusion has arisen as to the nature of the statement you have made. To avoid any confusion, I should like to say that my group approves this statement.

We could perhaps have wished, as other speakers have indicated, for it to cover only one of these two subjects. It is your prerogative, as President, to make whatever statement you wish.

However, I wanted to say, on behalf of the Liberal and Allies Group, that we support your statement.

**President.** — I call Mr Dich, who will be the last speaker on this item.

**Mr Dich.** — (DK) I had not in fact intended to take part in this discussion but Mr Lückner said something which made me feel it was necessary, because in my view Mr Ansart was not speaking on behalf of the group of which I am a member. At least he was not speaking on my behalf, because I consider that the persecution of opponents in the Soviet Union is just as regrettable—and regrettable is a very, very mild, far too mild word—as what has happened in Chile. I therefore consider that there is good reason for Parliament to deplore both actions.

**President.** — I note what Mr Dich has said.

I shall conclude this matter by pointing out that my statement represented the synthesis of opinions reached between the political groups.

One last word. On 10 December of this year we shall be celebrating the 25th anniversary of the Declaration of Human Rights adopted within the framework of the United Nations Organization. On that occasion much will no doubt be said on this matter, but I thought it our duty to emphasize at this juncture that the Universal Declaration of Human Rights, which applies to both Chile and the Soviet Union, is no dead letter for the European Parliament.

**18. Draft Amendatory and Supplementary Budgets Nos 2 and 3 of the European Communities for 1973**

**President.** — The next item is a debate on the report drawn up by Mr Aigner, on behalf of the Committee on Budgets, on Draft Amendatory and Supplementary Budgets Nos 2 and 3 of the European Communities for the 1973 financial year.

I call the President-in-Office of the Council to introduce the draft budgets.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Mr President, Ladies and Gentlemen, in accordance with the budgetary procedure, three draft supplementary budgets have to be submitted to the European Parliament, namely European Community budgets Nos 2, 3 and 4 for the financial year 1973. I realize that it is very unusual to discuss three draft supplementary budgets at the same time and I would like to express my gratitude to the European Parliament for the contribution it has made in implementing this procedure and the cooperation which characterize the relationship between our two institutions.

I would like to recall the reasons which prompted the Council to make use of the supplementary budget procedure three times in the last few months—a procedure which, as you know, is laid down in Art. 1 of the Financial Regulations concerning the General Budget of the European Communities. I would first like to draw your attention to the fact that the three preliminary draft supplementary budgets, which are the basis for the establishment of these drafts, were submitted to the European Parliament by the Council in accordance with the procedure adopted after joint discussions between the European Parliament and the Council as to cooperation between these two institutions in the context of the budget procedure.

The first two drafts which I want to discuss initially, that is drafts Nos 2 and 3, were drawn up by the Council at its meeting in Luxembourg on 26 June, 1973.

You will undoubtedly remember that the general budget of the European Communities for 1973 was finally approved in December last year without taking into consideration the effects of Norway's non-accession. In the draft rectifying and supplementary budget No 2, the general budget of the European Communities for 1973 is adjusted to the actual membership of the Communities. The draft also contains certain amendments which are intended to put most of the institutions in a position to meet extra

expenses incurred by new factors which have arisen since the final approval of the general budget for 1973.

I would in particular like to draw your attention to the fact that the Council has approved the section in the preliminary draft rectifying and supplementary budget No 2 which concerns the European Parliament. The Council has also also given its agreement to a proposal from the Audit Board on the establishment of four further items in Category A and two amended items. The Council also decided in the section of the draft concerning the Commission, to include a number of new budget items and to set aside appropriations for these or show them as token entries. The Council has also agreed to the transfer of 40 m.u.a. from Chapter 98 to Title 8 (EAGGF - Guidance Section). Finally, the Council approved the amendments put forward by the Court of Justice in the Budget Estimates for that institution for 1973.

With regard to rectifying budget No 3, you will remember from the establishment of the general budget of the Communities for Financial Year 1973 that when it was not possible for the Council to agree in time to the Research Programme of the Communities as a whole, under Chapter 33 which concerns Research and Investment Expenditure the Council only included that portion of the appropriations which was necessary for the implementation of the programme already agreed to, but over and above this included under Chapter 98 only a provisional limited amount (Reserve Appropriations for this purpose).

In consequence of the programme Decisions reached on 5 February, 14 May and 18 June 1973, on 25 June the Council approved a transfer of appropriations of about 26 m.u.a. from Chapter 98 to Chapter 33 in the context of draft rectifying budget No 3, which is now being submitted to Parliament.

This draft rectifying budget, which represents the budgetary aspect of the programme Decision I have just referred to, corresponds in its main features to the provisional draft budget which the Commission has presented, apart from some reductions in posts necessitated by the programme Decisions. The draft constitutes, in the opinion of the Council, a reasonable basis for Euratom's activities in the first year, for the implementation of the new research programme covering several years.

I now come to draft rectifying and supplementary budget No 4 of the European Communities for 1973, which was approved by the Council on 3 August 1973 and transmitted to the European Parliament on 5 August.

**Nørgaard**

The supplementary appropriations in this budget amount to 871,336,150 u.a. and break down as 864,336,000 u.a. under the EAGGF Guarantee Section and 7,000,150 u.a. for the lump-sum refund to the Member States of costs incurred in collecting own resources.

I would like to call Parliament's attention to the fact that under provisional draft budget No 4, in addition to the supplementary appropriations under the EAGGF Guarantee Section, the Commission proposed supplementary appropriations to the European Social Fund to the amount of 120,000,000 u.a. In agreement with the Commission the Council has decided to defer discussion of this point until its meeting on 21 September 1973. The Council has not had sufficient time at its disposal for a thorough examination of the supplementary appropriations which were applied for on behalf of the European Social Fund. The Council...

**President.** — Mr Fellermaier is signalling to me that there is again something wrong with the interpreting equipment.

I call Mr Gerlach.

**Mr Gerlach.** — (D) Mr President, I should like to propose at this point that the possibility should be examined of holding tomorrow's sitting—are you also not hearing me properly?—in the old meeting hall, because the acoustics are simply impossible here. It is torture in here!

**President.** — As the interpreting equipment is not working properly, I propose that we suspend the sitting for five minutes.

Ladies and gentlemen, we can already continue as I am informed that the fault has been corrected and that the interpreting system is working again.

I call Mr Gerlach.

**Mr Gerlach.** — (D) Mr President, I think we have all been able to hear each other, but I should like to repeat my suggestion that we continue the sitting in the old meeting hall in the other building tomorrow, not only because the acoustics are unbearable here, not only because the new earphones I was promised—and I have this in writing—have not been given to me, but also because the atmosphere in here is unbearable. You yourself, Mr President, have had to wipe perspiration from your forehead, but have not done anything about it; we are all having to do the same.

**President.** — I can well understand Mr Gerlach's annoyance at these technical difficulties. How-

ever, I fear that moving to the other chamber would only make matters worse.

I put to the vote Mr Gerlach's procedural motion that the part-session be held in the old chamber.

The motion is not adopted.

I again call Mr Nørgaard.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Mr President, ladies and gentlemen, I will go on where I left off—I had come to supplementary budget No 4. The supplementary appropriations originally applied for by the Commission for the EAGGF's Guarantee Section amounted to 879,290,000 u.a...

**President.** — There still seems to be something wrong with the French interpreting equipment. I think a suspension is inevitable.

I call Mr Christensen.

**Mr Christensen.** — Mr President, I must raise a point of order here—and I shall do it in English—because it seems to me that somebody owes us an explanation. Is this interruption due to the fact that Parliament has still not discovered the presence of Danish as an official language? Is this another interpretation problem or is it purely technical? I just want to know for sure.

**President.** — This is a purely technical incident. Danish is an official language like all the others.

The sitting is suspended.

*(The sitting was suspended at 4.45 p.m. and resumed at 4.50 p.m.)*

**President.** — The sitting is resumed.

Ladies and gentlemen, we are at present the guests of the Luxembourg Government, who have equipped this building with an interpreting system which has just encountered some running-in difficulties. However, I am sure we shall soon be able to work under normal conditions.

I call Mr Fellermaier on a point of order.

**Mr Fellermaier.** — (D) Mr President, we cannot just put up with these deficiencies in the technical installations. I should like to request on behalf of my group that you, Mr President, call upon the Bureau tomorrow morning to take the necessary steps to ensure that this Parliament gets the working conditions which it owes to itself and to its public image.

**President.** — I note Mr Fellermaier's proposal and I can assure him that my own opinion of the temperature in this building was sufficient for me already to have taken certain steps on my own initiative. However, I am glad to accept his proposal. The Bureau will accordingly endeavour to meet at 9.15 tomorrow morning, so that it will have until the plenary sitting begins at 10 o'clock.

I shall call Mr Nørgaard once again. He has already been extremely helpful in informing me that, if the recording equipment for Danish should break down again, he would be prepared to speak in English, in the hope that the English equipment is working properly.

I call Mr Nørgaard.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Mr President, ladies and gentlemen, I shall continue once again with draft budget No 4.

The supplementary appropriations which the Commission originally requested for EAGGF's Guarantee Section amounted to 879,290,000 u.a., but owing to some savings and reductions proposed by the Commission during the discussions in the Council, as well as a saving amounting to 5,664,000 u.a. which was achieved by an appropriation transfer to Title EAGGF, the proposed supplementary appropriations to EAGGF's Guarantee Section now amount to 864,336,000 u.a. The appropriation transfer has been submitted to the European Parliament in supplementary budget No 4 and without any special prior introduction.

Owing to the very urgent nature of the matter the Council was not in a position to hear Parliament concerning this proposal for an appropriation transfer.

The important reasons behind this draft budget have been put forward in a working document drawn up by the Commission and approved by the Council. The document appears as an annex to the argument attached to the draft budget. These reasons stem from two sets of factors, of which the first is of permanent and the second of exceptional character.

The permanent factors are intimately connected with the schedule for the establishment of the budget. It should be remembered that the appropriations which now appear in the budget for 1973 are based on estimates dating right back to May/June, 1972. However, hypothesis as to production and consumption at that time could only be of a very provisional nature, since the actual production which concerns the budgetary year is not known until the autumn months and as

regards certain products, not until the budgetary year itself. However, experience has shown that actual production fluctuates widely and in the same way the quotations are subject to wide fluctuations.

The other permanent factor concerns agricultural prices. When establishing the appropriations no one knows what the agricultural prices will be and the estimates are made on the basis of the existing price levels. At the same time, the budget does not contain more detailed information as to any possible revisions. The Council established the prices at 1 May 1973, which involved additional expenditure for the current financial year of 100-250 m.u.a.

Where the exceptional factors are concerned, these are partly the results of expansion and partly of the monetary situation.

Knowledge of the financial outcome of the expansion was limited when the budget was being prepared. The most important measure, financially speaking, concerns the compensatory sum allowed by Member States on exports to one of the new Member States when the price level there is lower than the Community level, as established in the Treaty of Accession, up to 1 January 1978.

This compensatory amount was finally fixed by the Council in January 1973 and involved expenditure for this financial year which is estimated at 260 m.u.a. instead of the figure of 220 m.u.a. originally estimated. Moreover production trends in the new Member States and the effect of the different Council decisions in the dairy sector also give grounds for a revision of expenditure in the new Member States to whom no compensatory payment is due.

With reference to the monetary situation, the Council incorporated in Regulation No 2746/72 of December 1972 the compensatory sums given and received by Member States in community financing.

The floating of the pound and in particular the lira made it necessary to replace a 'token' appropriation by a sum of 130 m.u.a., representing expenditure of this nature in trade within the Community, apart from duty.

I would like to repeat that the Council, as I said, has been paying particular attention to the opportunities for economies in the appropriations in the budget in order to mitigate the effects of the supplementary appropriations.

Before I finish, Mr President, I would like to convey the Council's thanks to the European Parliament for having agreed to give its opinion on these draft supplementary budgets during

**Nørgaard**

this session, which will enable the Council to discuss the European Parliament's opinion, if any amendments should be suggested, and to approve the budget finally on 21 September. This will enable the Commission to have the necessary sums at its disposal at the right time in order to administer the common agricultural policy and for the research appropriations.

I am at your disposal to answer questions which you may wish to put to me on these three draft supplementary budgets for 1973.

(Applause)

**IN THE CHAIR: MR COUSTÉ***Vice-President*

**President.** — I thank the President-in-Office of the Council for his introductory statement and call Mr Aigner, who has asked to present his report on Supplementary Budgets Nos 2 and 3.

**Mr Aigner.** — (D) Mr President, I intended to make the same suggestion myself as rapporteur, in other words that I should present the two supplementary budgets Nos 2 and 3 here straightaway since they contain few points for discussion, at least in substance. But since we have all formed our opinions and as long as there are no differences between the various instances we ought really to be able to dispose of the two drafts very quickly. It is a different matter where supplementary budget No 4 is concerned, for here we are dealing with an overall sum—if I also count the amendments—of around one thousand million units of account, and I really find it regrettable, Mr President, that with a sum of this order we should be talking under such atmospheric conditions. I think we all owe the Council an apology. We welcome this dialogue—which we after all demanded—and we can indeed only exercise our budgetary powers in a dialogue with the Council; but then, of course, we also require other conditions. I wanted to get that over with before going any further, Mr President. May I now express my heartfelt thanks to the President of the Council. He has anticipated my report to this House by presenting the details from the point of view of the Council. We have no differences of opinion; I therefore do not need to repeat what has already been said here on the subject of supplementary budget No 2. But I should at least like to add two short comments in connection with what the President of the Council said.

First of all a remark on the subject of the additional appropriations requested in the Com-

mission draft for the EAGGF, Guarantee Section. This remark is intended for the Council as well as the Commission. It is in fact incomprehensible. And the debate on this point will become even more vehement when we come to discuss supplementary budget No 4. It is incomprehensible that the Commission in supplementary budget No 2 requests a reduction in the appropriation for grain—a considerable reduction of 15.5 million units of account—but two months later requests a fourfold increase in this appropriation—two months later! The conclusion Mr President can only be that the machinery as a whole needs to be overhauled, not only in the preparation of forward estimates—and we all know how difficult estimates are and what factors are involved (harvests, trade, terms of payment, monetary questions etc.). We know how difficult that is. But even so it is incomprehensible when within two months there is a complete reversal of the estimate situation.

My second observation is that, in my opinion, the most incisive factor was the creation of forty posts for additional local officials from 1 July in the course of the reorganization of the establishment plan. We have often noted in the budget debates that employment of local officials increases. When I then see that the reason, of which we are well aware, is that the departments of the Commission are dispersed among seven different buildings and that difficulties naturally arise in working procedure and in the coordination of work which just have to be solved by the recruitment of additional staff, I can only draw the conclusion that the Commission and Council must simply seek solutions, i.e. that the procedure of work must be better organized and that the steps necessary for this must be taken.

Mr President. On the subject of supplementary budget No 2, may I refer the House to my written report and request adoption of the resolution as I have proposed it. I now come straightaway to supplementary budget No 3 of the European Communities. I can again limit myself to a few remarks, since the President of the Council—for which I am grateful—has presented the details in a very thorough manner in this case too. May I remind the House that in the debate on the budget for 1973 we succeeded in getting a modification proposed by this Parliament incorporated in the budget. We were very grateful to the Council for accepting this initiative, namely to appropriate additional resources in the order of 85.5 million u.a. to the 1973 budget, because we thought that, even if the Commission and the Council had not yet agreed on a common research programme, the resources should at least convincingly be made available. Now, in this supplementary estimate we are

**Aigner**

discussing the distribution of these resources. You have no doubt noted the Council decisions of 5 February, 14 May and 18 June of this year. The Council has agreed on a common research programme, and now the aggregate of these extra funds has to be distributed among the individual sectors of activity.

Mr President, it is understandable if the Committee on Research and Technology of this House declares that this programme which has now been presented and on which the Commission and Council of Ministers have agreed cannot of course be a source of great elation to this Parliament. It is a shameful programme: not even 85.5 million units of account but a mere 75.5 million is to provide the basis for the common research programme of an entire continent. I think we understand the opinions expressed by all the Committees of this Parliament involved, Mr President. We therefore request that the Council, when envisaging activities here, include them to a greater extent in the list of Article 235 of the Treaty, in order, by dint of a progressive interpretation of the Treaty, to launch new common ventures for Europe and our entire continent. I deplore the fact that not even the full appropriation of 85.5 million u.a. was utilized. This is why we have a reduction of about 10 million u.a.

Mr President, one final remark. We all no doubt welcome the fact that a start has been made with this Community programme: but we regret that it has been given this basis with such meagre possibilities. I would ask you to adopt this resolution which I have moved on behalf of the Committee on Budgets.

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission of the European Communities.** — (F) Mr President, after the two speeches presenting the supplementary budgets, I shall be very brief and merely reply to Mr Aigner's comments in his excellent report, without going into detail on the presentation, which the President of the Council of Ministers dealt with very comprehensively.

In regard to supplementary budget No 2, Mr President, I should like first to reply to the general remark by the rapporteur on the accuracy of the estimates by the Commission when the preliminary drafts are submitted. Obviously we agree with this remark and this procedure which is the basis of the financial year. I need not remind the Assembly, however, of the difficulty of submitting exact estimates in preliminary drafts which are prepared more

than six months before the start of a financial year and implemented six months later, in other words one year after the figures have been drawn up. Where agricultural estimates are concerned, this is clearly of particular significance. Our agricultural expenditure represents a very large proportion of the Community budgetary expenditure, and this explains why the variations which occur may seem considerable.

In this case, Mr Aigner remarked that a considerable variation had occurred in the Commission's proposals in the space of two months. I naturally sought an explanation for this variation and I can tell Mr Aigner that it is based on two factors. First, we proposed that the appropriation for the section of the EAGGF dealing with refunds should be reduced, to counterbalance our simultaneous request for an increase in the food aid appropriation. As you know, this request was rejected by the Council, so this argument does not apply.

As for the increases in our estimates in the space of two months, they result from variations on the agricultural market which were known at that time, and more particularly from the deterioration in the monetary situation in countries with floating currencies, with a corresponding increase in expenditure by the 'guarantee' section of the EAGGF.

The other remarks relating to supplementary budget No 2 are specific and fairly detailed. Firstly I can assure the rapporteur that the additional local agents we proposed to employ have not yet been recruited; we are waiting for final agreement from the Parliament and the Council. As regards the manner in which the increases in travel and subsistence expenses for experts were proposed, in fact it was intended to do this by a letter of amendment (as Mr Aigner rightly says in his explanatory statement), which would have been an acceptable procedure as the 1973 budget had not yet been adopted by Parliament at that time. As the procedure was already in progress, the letter of amendment could be submitted. In the time that it took the Council to discuss the letter Parliament had finished discussing the 1973 budget. As the budget was then adopted, the letter of amendment was no longer acceptable and we had to resort to the supplementary budget procedure.

Let us go on to supplementary budget No 3, Mr President, and having thanked Mr Aigner again, as principal rapporteur, and also Mr Hourcade for the opinion from the Committee on Energy, Research and Technology, may I first of all make a general comment. Naturally we are

**Cheysson**

all in complete agreement on the fact that the budget must be comprehensive. It is absurd for us to have to put appropriations in a provisional chapter, Chapter 98, when we know in advance how they are to be allocated. It is a ridiculous way to draw up a budget, and in the case of the research programme, as the rapporteur is well aware, it was only done because the programme had not yet been adopted by the governments. Of course, now that we at last have a pluri-annual programme—and I endorse the rapporteur's remarks on this—it will not be repeated, and all appropriations relating to the research programme will be entered in Chapter 33. The rapporteur, speaking on behalf of the Committee on Energy, expressed regret that the sum of approximately 10 million u.a. remaining in Chapter 98 (not all the appropriations having been transferred to Chapter 33) was not retained by the Council. Needless to say the Council is in complete agreement with this remark, as it too regrets the fact that the research programme is part of the whole programme, and that it is so unambitious.

To comment finally, Mr President, on a specific point; the rapporteur have reservations about incorporating OST activities in the JRC programme. We thought this was the best arrangement in view of the connection with the nuclear sector. But I can assure the Assembly that we do not intend to do this as a matter of course, but only when Article 235 has to be applied, which, as we know, the Parliament considers advantageous since it stipulates that the Parliament must be consulted in advance.

This brings me to the end of the few comments I wished to make on behalf of the Commission. May I thank Mr Aigner once again for his report, and ask the Assembly to regard his recommendations in a favourable light.

**President.** — Thank you, Mr Cheysson, for putting the Commission's view so clearly.

Does anyone else wish to speak?

I would remind the House that the vote is deferred until Thursday to allow for the tabling of amendments.

#### *19. Draft Amendatory and Supplementary Budget No 4 of the European Communities for 1973*

**President.** — The next item is a debate on the report drawn up by Mr Aigner, on behalf of the Committee on Budgets, on Draft Supplementary Budget No 4 of the European Communities for 1973 (Doc. 158/73).

I call Mr Aigner, who has asked to present his report.

**Mr Aigner.** — (D) Mr President, ladies and gentlemen, Supplementary Budget No 4 this year is one of the most surprising and most extensive with which we have had to deal. We have never had a supplementary budget as high as approximately one thousand million units of account. I would say that it is the first time that a supplementary budget has triggered off a veritable shock wave, not only in the Member States and in the Member Governments but also in public opinion. And although I am very grateful to the President of the Council for going into detail on the causes, I should have preferred it if he had presented matters in a more political light for there is no doubt that the political debate was triggered off by this supplementary budget. May I repeat the figures. We are talking—and I am taking into account a certain reduction which has been introduced through the preliminary draft of the Commission—in terms of 871,356,050 u.a.

Mr President, may I remind the House that a further sum of 120 million units of accounts, earmarked in the preliminary draft of the Commission, being the appropriation to the Social Fund, was not stopped by the Council but postponed on the grounds that a decision on social policy activities could not yet be taken. You know that the Social Affairs Committee of this House has proposed a modification designed to reinstate this amount of 120 million u.a., so that we shall be back with the original estimate of around one thousand million u.a.

Mr President, the Council has justifiably referred to the various factors which have contributed to the size of this supplementary budget. The Council, in the same way as the Commission, and we ourselves in the various Committees distinguish between causes inherent in the system on the one hand and particular events, particular factors peculiar to this budget year of 1973 on the other hand. We had extensive discussions with the Commission in the various Committees, including the Committee on Budgets, and I would point out here that we are very grateful to the competent Commissioner, Mr Cheysson, for subscribing fully to our political argument, namely, that it will be impossible after 1 January 1975, when the Community will be financed from its own resources, even to present supplementary budgets of this order for debate. This means that sources of error inherent in the system which have led to this supplementary budget must be eliminated by next year at the latest, or at least influenced in such a way that they will not lead to supplementary demands of this order again. The first argument



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is that the budget estimates are simply too remote from actual expenditure incurred. This argument is correct. But I would point out here that we would obtain realistic estimates more quickly and the budget would no longer reveal these errors of forward estimating, if the time limits were observed in the various basic products alone.

A second argument is that in drawing up the budget, agricultural prices are not yet known. Now I believe that faster decision-making by the Commission and Council of Ministers, i.e. early decisions on agricultural price-fixing, is necessary for these to be incorporated in the budget estimates at draft stage. A procedure must also be developed within the Commission which enables the Commission, even if these decisions are taken at the last minute, to include them immediately in the preliminary estimates. There must then be the possibility of making corrections at the final stage before the estimates go out so that we are in a position to deliberate and make our assessment realistically on the point concerned.

Now to the special circumstances! The President in office of the Council has also briefly touched upon them. They are, no doubt, the financial consequences of the enlargement of the Community. We shall thus no longer have this source of error next year—one which, according to the Commission estimates, nevertheless led to an underestimate of approximately 216 million u.a. Then we have the uncertain monetary situation which the Commission—and I am pleased to note the Council too—includes among the unique or special circumstances of this year. I hope—and we would indeed all welcome it—if the floating of the pound and the lira which has, after all, led to this additional expenditure in intra-Community trade, if at least these sources of error could be eliminated in 1974, although there is not much hope of this if the difficulties on the monetary front are taken into account. But I am glad that they are included among the factors which will no longer be with us next year.

One source of error—I deliberately define it as a source of error—is the so-called Russian deal, the sale of 200,000 tons of Community butter to the Soviet Union. The Commission has included an amazing additional amount for this item of 300 million u.a., which it was not yet possible to invoice at the time the estimates were adopted.

Mr President, I shall return to this in a moment. I should like, in this connection, to thank the rapporteur from the Committee on Agriculture, Miss Lulling—I don't know if she is in the Chamber—for her contribution to a very

interesting discussion, from which all those involved, I think including the members of the Commission, and the high-ranking officials who were present, went the wiser. We were able to settle a number of questions and much information was exchanged on both sides. I also think that the proposals contained in my report and in that of the Agriculture Committee are of a kind which will limit the sources of error to such an extent that we shall never again have supplementary budgets of this order. I should like to mention a few more points proposed by the Agriculture Committee: better price links between products. This House has discussed this question often enough for me not to need to go into it again. But I believe that the Council and the Commission should finally work out a programme which will establish new price links between the individual agricultural products. It is also questionable and it was something new for many of our colleagues that in individual regions almost the entire output of certain agricultural products went to the intervention agencies.

Ladies and gentlemen, intervention systems are not intended to impede the normal marketing of agricultural products; they are intended as a market safeguard only in cases of emergency, not as a regular practice. Thus—we have discussed various ways to do this—measures must be taken in this area too. It was also said, and rightly so, that in individual Member States, especially in connection with direct subsidies—I am thinking in particular of olive oil, hard wheat and tobacco—the administrative structures must simply be extended wherever they are inadequate to present clear and prompt proposals and demands. The Community in the long term cannot afford these inadequate structures.

I was very grateful to Mr Jozeau and also to Mr Lardinois for pointing out that, more than anything, we need a better system of information, not only within the Community but also covering the results of harvests in third countries. I have a critical observation to make at this point. If knowledge had been available on markets in third countries, this butter deal with the Soviet Union would certainly have taken place at a different price. In this case we erroneously believed that we were in a buyer's market, whereas in reality, in the butter section, the trend is distinctly towards a seller's market, not a buyer's market. There is hardly any need for further discussion on the fact that we urgently need progress towards economic and monetary union if the agricultural policy, as far advanced as it may be, is not to prove a failure.

And now a final word on this butter deal. The Commission said rightly—these are arguments



## Aigner

which we must analyse objectively—that we have hundreds of thousands of tons of butter in storage, we have surplus production in the milk sector and we are facing new surpluses in the forthcoming harvesting year. Cold storage capacity is limited, and it was enticing to receive a purchase offer of 200,000 tons with the prospect of fast disposal, since a promise was given that this large quantity of butter would be removed promptly. The individual Member States were consulted and gave their views on the deal.

This all sounds very logical. But if we look more closely and more deeply into the matter, we have to conclude—or at least your Committee on Budgets has reached the conclusion with an overwhelming majority, I think even unanimously—that this House cannot be recommended to take any responsibility for the conclusion of this deal. The Agriculture Committee, as far as I know, also adopted a resolution on these lines unanimously or with one abstention. These are the reasons why the Committees of this Parliament arrived at their assessment of this deal with such an impressive majority. To begin with, one thing is certain: the deal was concluded too hurriedly and on the basis of too little information on the market situation. This criticism at all events needs to be made. And I would say one thing straight away: if the Commission, as was its duty had provided Parliament with adequate information—Parliament has competence in budgetary matters just as much as the Council—Parliament would have been involved in the opinion-forming process and could have made its contribution at the proper time. If Parliament had been consulted it would certainly have meant a thorough-going debate, and the quality of information would have been better not only from an economic but also from a political point of view and the opinion-forming process would have been complete. There was too little information, both in the Council and in the Commission on this deal.

Let me make a second point. And here I am presenting the opinion of both Committees but not only the view of the Committee on Budgets or the Agricultural Committee. Two threshold values are used in the export of agricultural products. In the case of butter it is the intervention price and the restitution price for the export of agricultural products. The intervention price for butter is 1,760 u.a. per ton. The restitution price is 1,200 u.a. per ton. This means the price of the sale to Soviet Russia should have been set at a minimum of 560 u.a. per ton. Let me repeat these figures: intervention price, 1,760 u.a. per ton, restitution price, 1,200 u.a. per ton. The selling price should, therefore, have been 560 u.a. per ton. The effective price for the sale,

however was 300 u.a. per ton, i.e. a bonus of 260 u.a. per ton; with total shipments at 200,000 tons the full hand-out from the Community to the Soviet State on this Russian butter deal was, therefore, 250 million u.a.

Ladies and gentlemen. I am putting this before you in such detail because at the same time I want to justify this amendment, namely, the reduction of the supplementary budget by 52 million u.a. We would not be faced with this critical situation in this Assembly if matters had been dealt with through the normal credit system, or, if you prefer, restitution or export system. But an excess payment of this magnitude, completely bypassing the consultation machinery of Parliament simply cannot be accepted by this House unless it wishes to abandon its legal status and political standing. There is a third point. Ladies and gentlemen, this deal was concluded through the intermediary of a private firm, which is said to-day to be financing a Communist party within the Community with millions acquired through this deal. If this is true, ladies and gentlemen, if it is a fact that the opponents and enemies of this Community are being financed with Community funds, we might as well all go home. These things—unpleasant though they may be—must be said and faced up to. Nothing like this must be allowed to happen again. If a Communist official, no less, pockets millions in profits through inadequate information on a sale contract, then both the Council and the Commission deserve criticism. One final argument — I shall soon have finished, Mr. President. Ladies and gentlemen, Mr Lardinois had stated in the Committees that the surplus position in all agricultural products may be completely different in a few years to what it is today, and that tomorrow there may be buyers on the butter market—I am not only speaking of the developing countries but also of the United States of America. Ladies and gentlemen, you must put yourselves in the negotiating position of the Commission. If tomorrow a developing country, such as India, approaches the Community with a view to purchasing butter, do you think that we could ask a higher price from this country than from an industrial nation which ploughs most of its funds into arms and defence expenditure? Do you think that we could ask a higher price from India than from Soviet Russia? That is quite out of the question. Would you ask a higher price from the United States of America which has sacrificed so much for the security of this continent, a higher price than from a state which cannot really be said to be providing security for the alliance position of this state. I, therefore, think that—and this really brings me to my conclusion, Mr President—this 300 million units of account, this sale cannot be

**Aigner**

underwritten by this Parliament and I therefore propose not only in my own name, but also in the name of the Committees involved that we reduce the supplementary budget by 52 million u.a.

Mr President, one last thing: the amendment concerning the 120 million u.a. will no doubt be presented by a representative of the Committee on Social Affairs and Employment itself. It is not my place as rapporteur of the Committee on Budgets to speak on this subject.

(Applause)

**President.** — Thank you, Mr Aigner.

I have eight more speakers listed. Mr Berkhouwer has already referred to the allocation of speaking time, and I would be most grateful if speakers would comply with it. After this sitting there is to be a joint meeting of the Committees on Agriculture and External Economic Relations, which will be attended by the President-in-Office of the Council, to discuss application of the Luns procedure in the case of the Lebanon.

I therefore appeal to your sense of discipline and to the spirit of friendship which prevails among us to ensure that this debate ends at a reasonable hour for all concerned.

I call Mr Spénale.

**Mr Spénale.** — (F) Mr President, I am speaking on behalf of the Socialist Group. The group has studied Supplementary Budget No 4 very carefully. It has followed the remarks by Mr Aigner, the rapporteur for the Committee on Budgets, whom I should like to compliment on his excellent work.

I should perhaps have preferred Mr Aigner's report to be supplemented by the report from the Committee on Social Affairs and Public Health in regard to the second amendment to Draft Budget No 4. As I did not speak earlier, I shall therefore discuss the two questions raised by this draft budget. Please excuse me for speaking before the rapporteur of the Committee on Social Affairs.

I heard the remarks made earlier on Supplementary Draft Budgets Nos 2 and 3, which are being repeated now in respect of the budgetary estimates. I must say that we are well aware of the difficulties of drawing up budgetary estimates in certain fields, in particular the common agricultural policy, since ultimately the level of expenditure and levies is not determined by the decisions we take, but by the trends of world prices and by our decisions on the fixing of agricultural prices within the Community,

some of which are decided prior to the budgetary estimates.

We realize also that the enlargement of the Community has brought added uncertainty to the budgetary estimates, and that finally the development of monetary parities between the different Community countries, which accounts for a considerable portion of the extra appropriations we have been asked for, was unforeseeable. We acknowledge all these facts to the Commission.

But, having said this, we insist that this state of affairs cannot go on, and there is one very good reason why not: from 1 January 1975 onwards, during the budgetary procedure, we shall be discussing an added value tax rate which is the only variable item in the Community's income. In fact, the decision of 21 April 1970 states (in Article 4(1)): 'From 1 January 1975 the budget of the Communities shall... be financed entirely'—and I stress this word—'from the Communities' own resources. In other words, when we have decided, during the budgetary procedure, on the VAT rate applicable for the following year, it will be practically impossible to go back on the decision. And in fact, how can Member States know the proportion of VAT due to them if we draw up supplementary budgets in the course of the year which can be financed only by changing the VAT rate during the financial year.

Therefore: (1) we allow that there are extenuating circumstances; (2) we point out that this will no longer be possible in the very near future; (3) something must therefore be done to improve the situation. In committee we were told that a better system must be found for providing estimates, perhaps by talking with others who have better systems than ours. Well, all right, we agree. You then say that more recent figures will have to be produced on the progress of an agricultural year and letters of amendment will have to be submitted. We are quite amenable to this procedure; it was applied last year. This year we have just received, in the course of the budgetary procedure, a letter of amendment, and, fully aware of your difficulties, the Committee on Budgets is prepared to accept these proposals for amendments up to the last minute. You can count on our cooperation in this.

But perhaps we should also consider how to draw up the budgetary estimates for the forthcoming financial year.

In view of the uncertain state of the market, and consequently of the estimates, clearly calculations must be based not on the prices for past or present years, but on a sort of forecast

## Spénale

of prices in the coming year. A margin of error will thus be avoided.

Possibly we shall also have to allow a supplementary margin of 5 to 10 %. In fact, since the unexpended balance from previous years will be the only funds available to meet unforeseen expenses, this will probably be essential for good budgetary administration.

I wanted to draw your attention to these points, which are important because we do not want to repeat past mistakes.

Two main problems have arisen in connection with this supplementary budget, which was calculated at almost 1,000 million in the Commission's proposals and reduced to 871 million in the Council's proposals.

The first point of contention, on which the Committee on Budgets submitted an amendment, was the 52 million in respect of butter exported to the Soviet Union.

I shall not go into this transaction in detail, because our rapporteur from the Committee on Budgets has already done so very convincingly and fully. I simply want to say that this is another case in which we must consider the future.

What has happened here is most unsatisfactory from the point of view of relations between the institutions. We can tolerate it if the common agricultural policy, by the application of its normal rules, gives rise to unforeseen expenditure merely through the effect of our regulations. It is in order to avoid this that I am asking for more accurate estimates. But it is absolutely intolerable that during a budgetary year, a special derogating decision should be taken, which is not based on the normal regulations for agricultural administration, involving an additional expense of 52 million u.a., that this decision should remain confidential, that the European Parliament, the budgetary authority, should not be informed, and that three months later it should be presented with a supplementary budget of 52 million.

In fact, a debate is in progress on the budgetary powers of the European Parliament, and my British colleagues, who bring with them to this Parliament an old and honourable tradition of parliamentary democracy, have often said to me that it is not the powers of an institution which are important, but its influence. I do not wish to start a discussion on this, although personally I think that power and influence go together; you cannot have one without the other.

But this is not the time to start discussing that. I merely want to say to our colleagues that,

whether we answered yes or no, it would not make any difference, because we do not have any powers; secondly, influence does not come into it, since we are debating when the transaction has already been carried out, and lastly, whatever we do the Commission will enter the 52 millions that we cancelled. This procedure is not made more tolerable by the fact that we are at a stage where our powers are still consultative; it will certainly be even less so before very long, but even now it is not tolerable.

In the situation which will exist after 1975, how can a transaction like this be carried out? Are you going to propose an increase of VAT in the Communities, to make a gift of 52 million, on imports of butter at prices lower than those offered to the Third World, to a commercial concern which is at the same time a state authority? This is absolutely impossible, and the Socialist Group unanimously supports the amendment tabled by Mr Aigner, on behalf of the Committee on Budgets, proposing that these 52 million u.a. be cancelled.

The second point relates to social policy and the entry of 120 million u.a. under this heading. Our colleague Miss Lulling will explain this point in more detail later. Recently, when the supplementary draft budget was submitted by the Commission, the latter explained very convincingly in two pages why this sum was needed. Then, after the draft had been submitted to the Council, we read in the explanatory statement by the Council that it had, with the 'agreement of the Commission' cancelled this entry and the question would be discussed again on 21 September. Mr Cheyssson explained that the procedures used in the Member States, the way in which the documents were submitted, the criteria, etc. varied considerably, and that some reorganization might be necessary; this would be considered on 21 September, with the Council.

What strikes me in this matter is the way the Commission and the Council seem to contradict themselves. One day, the Commission proposes a sum of 120 million, the next day it agrees to cancel this entry; as for the Council, almost all the Member States, if not all, have submitted documents and asked for appropriations, then the Council, consisting of delegations from the Member States, refuses to include the appropriations requested by its members as members of the Community. There is something paradoxical in all this which leads me to think there must be differences of opinion between the departments responsible for social policy and those responsible for budgetary policy, and as additional appropriations to the order of 800 million u.a. are needed for the common agricultural policy, it seems to have been decided that social policy must wait.

**Spénale**

The Socialist Group, which recently held a congress in Bonn attended by the eight socialist parties represented in the European Parliament, declared unanimously that joint policies would have to be evolved, that Europe must be more than just an agricultural policy and a customs union; attention must be paid to social policy, or the idea of a united Europe would be meaningless. In these circumstances the Socialist Party and the Socialist Group show a keen interest in the appropriations for social policy. There is a risk that the cancellation of these appropriations will have repercussions in the future, since it is more or less agreed that in the years to come the budget will be built up on the basis of the appropriations already voted in 1973, and if this basis is small, it will be impossible, even with fairly rapid progress, to evolve a social policy worthy of the Communities. For all these reasons, and for other reasons which Miss Lulling will explain later, the Socialist Group would like to see these 12 million u.a. re-included.

In saying this we are acting in the same spirit as the Committee on Budgets, and it is not a spirit of opposition to the other institutions. If we simply regard the first amendment as an expression of Parliament's objection to the action of the Commission and the Council, this is far from being the case here. We believe that if, on the 21 September, those concerned with social policy and those concerned with finance in the Commission and the Council succeed in reaching agreement, as we hope they will, a budgetary appropriation should be available to them in order that they can implement their decisions as quickly as possible. We do not, therefore, wish to oppose this entry; in fact, we are very anxious to see this 120 million included, and, above all, used. We want the Commission and the Council, if they decide after all on 21 September that further measures should be undertaken immediately in the social field, to be able to implement them without having to change their position again without consulting us, or to come to us later with a new supplementary budget, which could not be concluded within the requisite time.

On this basis, and subject to the comments I have just made the Socialist Group will vote in favour of the re-inclusion of 120 million u.a. for social policy.

(Applause)

**President.** — I call Mr Pounder on behalf of the European Conservative Group.

**Mr Pounder.** — Mr President, on behalf of the European Conservative Group, and also on my own account, may I express gratitude to Mr

Aigner for all his reports, excellent as always. His expertise in the field of Community finances is well known to members of this Parliament, and his views are rightly respected. May I say on behalf of the European Conservative Group that we are in absolute agreement with the sentiments expressed in the report on Supplementary Budget No 4. We agree with his strictures and criticisms, and we will be supporting him, therefore, when voting time comes on Thursday.

Mr President, it is a matter of very considerable gravity to suggest the reduction of a financial appropriation as in this case, because the appropriation is being reduced not in the interests of economy, not in the interests of postponing an item of expenditure to another day or year as the budget is already very substantial, but as an expression of disgust at action taken and—in the view of Mr Aigner, as I understand it—improperly taken. This, therefore is the nub of the argument with which we are concerned in our discussion here tonight.

I am bound to say, Mr President, that the point which gave me very considerable surprise as a newcomer to this Parliament, and therefore a newcomer to the finances of the Community, was the sheer enormity of a fourth supplementary budget. I appreciate that, of course, there have been exceptional circumstances prevailing in recent months and that there has been a staggering increase in world primary product prices. That is all very well. But the point that is really underscored for me is that, when we talk about the finances of this Community and of its institutions, we are talking in terms of almost astronomic sums

As an accountant working for an international manufacturing organization some years ago, one of my jobs was the preparation of budgets, and I am bound to say that this fourth supplementary budget really does offend the principles of budgeting on which one as a student was brought up and trained. One of the main criteria was that one was meant to anticipate future developments and trends during the period to be covered by the budget. Now, I don't care how good one is as a budget preparer, the fact remains that circumstances may occur where one is blown off course and one has to revise one's estimates. But to revise them to the tune of virtually one billion units of account is by any standards some revision.

I would leave the matter at that, Sir, but in my view certainly—and I think it is also the view of my group—it surely is a serious indictment of any agricultural price support system that it is possible for vast surpluses of any given com-

**Pounder**

modity to accumulate. Yet this is precisely what has happened with the famous butter stocks. They grew and they grew and they grew until they assumed mountainous proportions. And while that, Sir, is by any standards a serious matter, nevertheless—and Mr Aigner rightly highlighted this point—the manner of the disposal of the butter to the Soviet Union at the absurdly low sale prices is deserving of the most severe criticism. I was particularly interested by Mr Aigner's reference early in his speech to the effect of the butter mountain on public opinion in his country, because it absolutely underscored the public horror which was manifest in my own. The feelings appear to have been widespread throughout the Community.

I am not surprised that there should have been adverse public reaction on a fairly substantial scale because there would appear to be no other single incident in Community affairs which has generated so much anger as the sale of a substantial quantity of butter to Russia at a price which bore little resemblance to market value. I think everybody in the Community and its institutions is concerned with the public image of the Community as a whole, and it is right that this should be a matter of real importance to everyone associated with the Community. I would have thought, however, that the butter fiasco had dissipated a great deal of public good will. But what I find profoundly disturbing—and it is virtually implicit in Mr Aigner's report and in his speech introducing the debate—is that there is absolutely no guarantee that there is not going to be another butter mountain in the foreseeable future which will probably be disposed of at a charitable price while the unfortunate taxpayers of the Community have to foot the bill of the true cost—a cost which will obviously run into many millions of units of account.

As public representatives we Parliamentarians are the custodians of the taxpayers' money. That is true in our national parliaments, and it is true in this parliament. It is right that we should be properly sensitive to spending and wastage. Yet no-one outside the magic circle of the Commission was consulted over the butter sale. Never, never again, should a bureaucratic decision involving the spending of millions of units of account of public money be taken without proper parliamentary consultation.

Therefore, in conclusion, the European and Conservative Group will support Mr Aigner's proposals. We do regret—indeed deplore—that expenditure decisions were taken without consulting Parliament, and we will accordingly certainly support his recommendation for a reduction of appropriations by 52 million units of account.

**IN THE CHAIR: MR BURGBACHER***Vice-President*

**President.** — I call Mr Marras.

**Mr Marras.** — (I) Our debate on draft amendatory and supplementary budget No 4 of the European Community for 1973 has, both today in the Chamber and at the committee meetings, come to revolve around one specific topic, namely, the butter affair. This Assembly has shown a notable degree of agreement on a measure which, under the pretext of wishing to reaffirm the power of the European Parliament, is beginning to be exploited—and on this point I am sure that Mr Aigner will allow me to make a contribution.

The butter problem is the unfortunate price we have had to pay for an agricultural policy based on market intervention. The European Communists, before they ever came to this Parliament, denounced the shortcomings of the agricultural policy in their respective parliaments, and they have continued to do so in this Assembly.

We would not have arrived at this situation and we would not find ourselves now in these circumstances if the Community agricultural policy had been built in the past on the foundation of a better balance between the needs of intervention in regard to structure, on the one hand, and market intervention on the other. It is the lack of this balance that has led to the present lamentable consequences.

Now—if the rapporteur would permit me to say so—you have brought this entire butter affair upon yourselves with the approval of your governments. It is you yourselves that are being harassed by this affair and it is up to you to find a way out of it: the whole question does not concern us.

We are concerned however, my dear rapporteur, with the numerous arguments and, if I may be permitted to say so, even insinuations entirely irrelevant to the merits of the question, which you have tried to introduce into this debate in your speeches. Quite frankly, I was rather surprised—inasmuch as it something new in this Parliament—to hear a vice-chairman of the committee, Mr Aigner—who has been so balanced on so many other occasions and so much to the point in dealing with the merits of specific questions—support his arguments by insinuations such as the one that the butter affair may have been used to finance the election campaign of a Communist Party sitting in this Assembly.

These things are not said, my dear rapporteur, unless one is in a position to prove them. State-

**Marras**

ments of this kind are, in my opinion, such as to lower the tone of our Assembly and deprive it of the dignity which it should have; I believe that such statements should also be better supported by documentary evidence, and this omission is rather surprising.

My dear rapporteur, the Communists have had a struggle in their own national parliaments in order to take part in the European Parliament. They could equally well not have come to this Assembly at all but have continued the fight from outside. They have, however, come to this Assembly, but not as bitter enemies of the Community: far from it indeed! If you had read the documents of the last convention of this party and, more recently, the report given by our comrade and colleague Marchais to the Central Committee of the French Communist Party last week, you would realise that the Communists are not the worst enemies of the European Community. They have recognized the objective nature of the changes which are taking place and they intend to make their contribution to them from inside, unless you choose to regard as hostility to the Community the condemnation which we have made from our own experience throughout all these years of the manner in which this Community has been constructed and of the very meagre influence which the workers have on it. We do not want merely to make propaganda.

A Socialist colleague recalled a short while ago the Congress of the Socialist Parties in the Community on the problems of a social Europe. In this document we find a recognition of the limitations of this experiment.

We are being asked for 1,000 million for the common agricultural policy, for that very same EAGGF which is being used to maintain in Europe a certain agricultural structure whose limitations we are all united in condemning, while the European Social Fund is denied 120 million, even though, as you know well, for all the heaps of documents that are piling up in regard to a new social policy, this Fund is the one concrete instrument at the disposal of the Community today.

If the Communists are enemies of the Community because they point out the shortcomings, because they point out an alternative path, because they fight for certain classes, I think that in a decision of such a very delicate and difficult nature the majority of this Assembly could very well follow them.

These, Mr President, are the very general thoughts which I wished to put briefly before you.

With regard to the document under consideration, we will obviously vote in favour of an increase of 120 million for the Social Fund; with regard, however, to the 52 million for butter, we are definitely not inclined to support an amendment of this kind, all the more so in view of the manner in which the rapporteur has exploited this debate, possibly with the intention of making political capital of it.

**President.** — I call Miss Lulling on behalf of the Socialist Group.

**Miss Lulling.** — (F) Mr President, as the conclusions from the opinion of the Committee on Agriculture have been adopted in their entirety by the Committee on Budgets, to whom I am most grateful and whose rapporteur, Mr Aigner, and chairman, Mr Spénale, I wish to congratulate, and as these same conclusions appear in the resolution which we have to vote on soon, I do not intend to intervene as the rapporteur for the Committee on Agriculture. Moreover, I believe that our conclusions are clear and precise and I consider that any other explanation on behalf of the Committee on Agriculture would certainly be superfluous. Of course, I reserve the right to intervene during the discussion on the resolution in the event of this being felt to be necessary.

Mr President, concerning the European Social Fund, an amendment tabled by the Committee on Social Affairs and Employment and by the Committee on Budgets proposes a rise of 120 million u.a. in the credit allocated to the European Social Fund for expenditure under Article 5 of the Council's decision of 1 February 1971. The Commission's request for a supplementary budget, which appeared in the preliminary draft budget and which was supported by the committees most directly involved in our Parliament, arises mainly from the fact that the programmes submitted by the intermediary of the governments themselves are far in excess of the estimates included in the draft budget for 1973. In order to understand the situation of the European Social Fund I believe that it is indispensable to remember that the products to be financed are not promoted by the Commission. Whether they are promoted by private or public bodies, even by the governments themselves, a request for intervention has to be submitted to the Commission, which is charged with the management of the fund, through the intermediary of the governments which are obliged to forward the request to the Commission.

Moreover, the intervention by the Fund is exactly the same as the credits allocated by the public authorities in the countries concerned, i.e. 50 %

## Lulling

maximum. This mechanism, which I must mention because of its importance, is based moreover on the decision of the Council of Ministers itself, after very extensive discussions, and also let us say in passing, is notably different from the initial proposals of the Commission. But this mechanism was installed by the governments themselves to guarantee that the products submitted to the Commission would be serious, given that the states or the national public authorities would assume half of the expenditure and would therefore have to show this in their own national budgets. I do not think that they would include in their budgets anything which was not serious and useful. At the same time this is what allowed the Commission to manage the Fund with relatively small budgetary strength, although at the present time the resources are notoriously insufficient — but that is a subject for another debate. Intervention by the public authorities in conveying the requests to the European Social Fund should therefore give the Commission a guarantee of their usefulness and seriousness. Faced with a great rush of projects, submitted on the basis of criteria agreed by the Council, by this same Council composed of the governments which submitted the projects, the Commission finds itself facing a choice which I would describe as difficult and delicate.

Either—and this is generally what it has tried to do in establishing its preliminary draft budget—it aligns its budgetary requests more or less on the projects which have been recognized as reasonable by the governments themselves, on the basis of priorities unanimously recognized by the Committee of the Social Fund in which representatives of these same governments have a seat. In this case, without achieving complete automatic working such as we are familiar with in the case of the EAGGF, the Commission is certain that it is managing the Community's resources with the maximum guarantee of obtaining a very large measure of approbation from all the interested parties. Or the governments which submit projects for which they themselves have to accept 50% of the financial responsibility, refuse to allocate the necessary credits for the same projects when they assume their Community vote. In this way they oblige the Commission to make a selection of requests according to priorities which, and I would stress this point, go beyond the criteria agreed to in the decisions of the Council, taken after consulting the European Parliament.

I would also draw your attention to the problems of procedure which must be mentioned in this connection because the governments in particular are very jealous of their powers in this respect. The promoters of projects, when

they prepare their project and submit their requests are not able to foresee what supplementary criteria or priorities may be applied due to the insufficiency of the budget at the moment, therefore they find themselves in a position of total uncertainty with regard to the decisions about the financing of the Community portion of products. In such conditions there is a very great risk that, faced with this uncertainty, they will only submit programmes which are certain to receive 100% subsidies if they are refused by the Commission. This ultimately means that the task of encouraging new initiatives within the framework of the Social Fund would be deprived of anything but strictly formal meaning.

What I am attempting to describe is all the more serious as the structure and problems of employment policy vary in each of the Member States. Each state introduces the type of project which suits its own requirements. If this is the case, the chance of the priorities decided by the Commission due to the lack of necessary budgetary funds corresponding to the particular problems of each Member State takes on more the character of a lottery than rational estimates. If one is lucky one will win in the lottery of priorities, to which the Commission has had to have recourse due to the lack of sufficient credit. If one is not lucky, the only remaining possibility is to finance projects independently—which is certainly not what we expected of the new European Social Fund, which is not there to finance what governments can finance, but which should be used to finance measures, at Community level, required to settle certain problems resulting either from the functioning or the requirements of the Common Market. Moreover, I would say in a situation of this sort, it is clear that the Commission is faced with very great political difficulties. I would not like to see it faced with a choice between projects whose character and justification are very different even if one could adjudge them to be of equal qualitative value. Moreover in the event of excessive imbalance between expenditure recognized as legitimate and budgetary allocations, there would be a grave risk of seeing once again Community level bargaining between governments about the forwarding of projects, with all the risks such bargaining implies, and God knows how much this Parliament has always been opposed to the bargaining policy practiced by the Social Fund before its reform. The renewed Social Fund would, if this came to pass, run the risk of disappointing the basic hopes which the Parliament and a very large proportion of public opinion, particularly the workers, have placed in this first major Community instrument for a policy of full and better employment.



## Lulling

I would even go so far as to say, Mr President, that a negative attitude on the part of the governments towards the supplementary budget, and—as it is already being prepared—the 1974 budget would be a poor testimony to the seriousness of their own decision at the Paris Summit Conference in October 1972. These same governments stressed the connection between social policy and the realization of economic and Monetary Union, so it is—is it not—ultimately the whole European construction which would be indirectly called into question by a decision which seems to be neither purely budgetary nor incidental?

**President.** — I would remind all speakers that speaking time is limited to ten minutes.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Mr President, may I first of all say that I regret the way things have suddenly developed in this House. I gather that my Committee on Agriculture is now having an extraordinary meeting which started at half-past six and, as I am incapable of dividing myself in half and being at that meeting as I am speaking here on the floor of the House, I do regret the fact that, whilst the plenary sitting takes place here, there should be important committees meeting outside.

Turning to the present debate, it has taken rather a strange course, Mr President, in not following along the one line. There has not been as much emphasis as I had expected on the purely agricultural aspects of these supplementary estimates. It is really quite extraordinary, standing here now in September, remembering what I said not all that long ago in March when we were debating the question of the price review, the price determinations, which were going to be made for the 1973/74 season, although they were slightly late. Then one had the feeling that regardless of the way this House voted, we were going to be over-indulging ourselves in this coming year.

What one has got to look at is two aspects, I think, mainly, when dealing with these supplementary estimates from the agricultural point of view. First of all, why are they there? What has caused them? And then secondly, do the Council and the Commission use the correct methods to arrive at their forward estimates and indeed to perform their day-to-day work? Now very briefly, Mr President, with regard to the first aspect, are the price levels right and is it because of the levels of price that we have these large supplementary estimates to deal with? I feel the first point that must be made is this: it is not entirely because of the accession

of the new three countries that we have this extra 871 million units of account. It is not because of their accession or indeed the fact that basically the Commission itself miscalculated as to what would be the effect purely of the accession of the three countries. No, it is not that in my view.

If one looks at the reasons why and where particular estimates have gone wrong, one will see that the milk sector for instance is 630 million units of account over the top, of which about half concerned the sale of butter to the U.S.S.R. Another very large amount of over 200 million units of account together with another 175 million units of account was for compensatory payments. This means that, even if you exclude the disastrous Russian sale, in the 1972/73 year, which we are dealing with here, the level of prices was too high. The level of prices at this moment of time still must be too high if they are causing surpluses.

Now, one knows indeed that farmers themselves at this moment are facing a difficult time in many places. Many farmers in many sectors are finding that their costs are increasing hugely and that their margins of profit, if they exist, are being very drastically squeezed. So one asks oneself then, is it because price levels are too high or unrealistic in every country or in every sector? The answer must be no. There are quite definite fields where one can see that these levels are too high and that they have created surpluses which the Commission and the Community itself have no idea how to deal with. I am not going to go into the question of the Russian butter, Mr President. It has been covered by every other speaker who has spoken, apart from Miss Lulling. In point of fact, that was a disastrous deal: it cost the consumer money, the taxpayer from the taxpayer's pocket, and at the same time it cost the Commission money in having to store it, keep it and then sell it at these disastrous prices. And I am not going to enter into the question of the competence or not of the Commission to have behaved in the way it did. That is something which our experts, Mr Aigner and others, have perfectly competently covered.

But I come back to the basic fact there must be an imbalance somewhere, if this agricultural policy of ours is creating surpluses. Unfortunately, Mr President, this is not the time at which we can or should discuss what should be done to change this common agricultural policy of ours, to avoid creating these surpluses which then mean that we have to have supplementary budgets. This comes later, I hope, in October or November when Commissioner Lardinois will come before us with his proposals for adaptation



**Scott-Hopkins**

of the common agricultural policy. But nevertheless it is very germane to what we are dealing with. Because it is in the field of cereals, it is in the field of milk policy, that the consumer is not getting the benefit of what is happening and where the farmer in many cases is finding his own margins of profit are being squeezed even though prices are high. So something must be wrong.

In the cereal field one knows full well that there is a surplus of soft wheat and, if everybody would eat soft wheat and use it as fodder to an increasing extent, perhaps this might be better. But the point is that there is a surplus, and at the same time we are importing fodder grains into the Community. This must be wrong. On the one hand you are importing and on the other paying money for storage and for export credits, for rebates for the export and storage of soft wheat. This must be complete lunacy. It is not the housewife who benefits in any respect at all as far as that is concerned.

The other aspect very briefly that I wish to mention before I sit down, Mr President, concerns the methods of working which the Commission adopts at the moment. It seems to me—and I have been worried about this for some time—that there is a gap between the policy-making part of the Commission and that part of the Commission which does the costing of what these various proposals and policy shifts and changes mean in real terms. I believe it is absolutely vital that these two parts of the Commission, the policy-making side and the costing side, should be working absolutely hand in glove all the time. Of course, this means an adequate and up-to-date statistical service, not dividing it between Luxembourg and Brussels. It means up-to-date and accurate information flowing in from the national states and governments all the time and, on demand, from the Commission. It does not at the moment, and this is our fault and it is up to us and our national governments to put this right. If we can do these things, if we can get accurate information flowing into the Commission at the right time, then I do believe that it is essential for every policy move or change to be costed so that the Commission and the Council are aware exactly what the various costs of proposals are.

With regard to the question of estimating for the forward years, I would go along with what has been said by Mr Aigner, the rapporteur. This surely must be tightened up to a much greater extent than at the moment and brought forward nearer to the time when it has to be presented. In brief, Mr President, it is a regrettable thing that we have an 871,000,000 supplementary estimate on the EAGGF. I regret

this, although there are bright sides to it. We have dealt with all these matters in the past, but we shall never get it right unless the basic causes of the problem, the policies, are changed. That is why I accept and support the proposals put forward by Mr Aigner.

**President.** — I call Mr Bertrand on behalf of the Committee on Social Affairs and Employment.

**Mr Bertrand.** — (NL) Mr President, our colleague Mr Marras has just been trying to convince us that the Communist parties are not opposed to the Community and that, on the contrary, they are filled with gratitude at the present time as their mother country, the Soviet Union, is able to avail itself of capitalist butter at low prices thanks to the Community.

I employ his style since I believe that it is a good thing to underline every now and again how generous the European Community is when circumstances permit.

Whether butter will be available to Russian housewives in the future at such low prices will naturally depend on harvests and the height of the butter mountain in the Community (I don't know whether the opportunity will present itself again), but in any case we rejoice at the present opening between the East and the West resulting from the butter problem.

Having made this statement, Mr President, I would like to say a few words to underline the fact that the Christian Democratic Group is in agreement with the reasons raised by Miss Lulling with regard to the proposed amendment submitted on behalf of the Committee on Social Affairs and Employment and the Committee on Budgets, to the effect that 120 million u.a. should be inscribed as supplementary credit in order to ensure the normal working of the renewed Social Fund. Indeed the reasons she gave were the very ones which lie behind our complete support of the Commission's attitude on this matter. I should like to add that we submitted an amendment at the beginning of this year, or rather last year, when we were discussing the 1973 budget, proposing that the 110 million provided for under Article 501 should be increased by 30 million since we already felt then that the credits would be inadequate for the tasks which would face the renewed Social Fund on the basis of the criteria established by the Council. Both the Commission and the Council refused to accept the increase of 30 million at that time. But they did promise that if the credit was inadequate it could be supplemented by the

**Bertrand**

Council. And now we see that the Commission has submitted to the Council a proposal on a supplementary credit of 120 million in order to entertain the requests submitted by the various Member States and to allow the fund to function normally.

We now ascertain that at the time when it was due to take a decision on the matter the Council seemed to be inadequately informed about the requests submitted, about the way in which the renewed Social Fund should function, and we can also understand in that case Mr Hillery, as Vice-President of the Commission responsible for social policy, did not at the time wish to run the risk of the Council rejecting the request of 120 million for the Social Fund. The decision would then have been taken by the Council and psychologically it is always difficult for an institution which has once taken a decision under pressure from another institution to reconsider this decision. Therefore the Council postponed the solution to this problem. It stated that we must examine the matter more closely and on 21 September the Council will reconsider the problem.

Well, we wish to make things easy for the Council. Therefore we intend to support the proposed amendment and approve it as a Christian Democratic Group although we know that it does not properly belong to today's deliberations in view of the fact that we have not been officially asked for our opinion. But we would like to inform the Council that the Parliament and the Christian Democratic Group are unanimously of the opinion that the Social Fund must be able to function normally.

I would like to avail myself of this opportunity to underline the important suggestion referred to briefly by Miss Lulling. If the Council does not sanction the 120 million and the Commission is thus obliged to operate the fund with the credits allocated as at present, then we must point out to the Council that it will be sacrificing its powers and that in the coming months the Commission will have to apply a process of selection with regard to the Social Fund and will thus be faced with weighty political decisions when it has to decide what proportion of the social fund can be allocated to the various sectors in any one year. We believe that this conflicts with the spirit of the Paris Summit Conference and we regret that at the very first opportunity governments should still betray a conservative attitude in the social field, which is less evident in other fields. For these reasons the Christian-Democratic Group will vote for the proposed amendment and it hopes that on 21 September the Council will approve the implementation of the request for 1973 on the

basis of the criteria by virtue of which the requests were made.

**President.** — I call Mr Héger.

**Mr Héger.** — (F) Mr President, allow me to make a couple of very brief points.

There is no doubt that the exportation of butter has aroused very little sympathy and has been received very unfavourably by public opinion, especially by consumers, a fact which is easy to understand.

But truth is sacred. The Committee on Agriculture certainly went into the problem in great detail in the presence of Mr Spénale and Mr Aigner.

Even if this exportation was deplorable we have been told by commissioner Lardinois what was, in his opinion, the legal justification for the Commission's authority to decide on certain activities, even if these activities were perhaps unfortunate.

But the Committee on Agriculture did not say that it approved the amendment rejecting the requested supplementary appropriation.

Mr President, I have made so bold as to take the floor for this very simple observation because, as Chairman of the Committee on Agriculture, I believe the demands of objectivity imposed on me this clarification of the situation.  
(Applause)

**President.** — I call Mr Aigner on behalf of the Christian-Democratic Group.

**Mr Aigner.** — (D) Mr President, I am glad that my group has not only approved the overall budget—while also criticizing it as I have indicated in my capacity as rapporteur—but has also judged the question of the social budget in the same way as spokesmen from other Groups have done. I would point out for myself that in actual fact I only made one objection in the Committee on Budgets. In fact, I doubt whether there is enough time left for 120 million u.a. to be spent, even if the programme concerned was approved without delay by the Council of Ministers. It would be a bad thing—I say that now as a budget expert—if an additional appropriation of 120 million were approved and not a penny of this 120 million were actually used. We need to hear the views of both the Commission and the Council of Ministers on this. In principle, there was never any doubt that we are in favour of this 120 million appropriation, thus making it clear that this Parliament expects increased activity in the social field.

**Aigner**

I am glad that I have also had the opportunity of stating my views on the brief intervention of our Communist colleague. The criticism which we have expressed, e.g. for this Russian deal, does not in any way mean that we are calling the Community's agricultural policy into question. On the contrary. I would say—and I would like to leave public opinion outside to be the judge of this—that if a state such as a Communist one, possessing large expanses of agricultural land, having a system which employs as many people and which has a much larger agricultural labour force than the Community, if a state with such a system is forced to buy from the wicked Capitalist system, a system in which, comparatively speaking, only a fraction of the labour force is in employment but where the volume of production is several times larger, then I will leave you to judge which policy is better, which economic system—though system is hardly the word—is better. I think that the mere fact that the Soviet State—in the ideology it represents—is forced to buy surplus products from the European Community supplies the correct verdict on this case.

I am shocked at the language used—I must really say this—by our Communist colleague when he declared that this deal had been concluded by the governments and they should carry the consequences. 'We have nothing to do with it'—these are the very words which I heard in the translation. May I point out that this deal was arranged by a Community body, by the Commission with backing from the Council of Ministers. The Council of Ministers is also a Community body. We are also a Community body and have a consultative function in this triangular relationship. And you sit here and say that this has nothing to do with us. I think a veil has been drawn aside here and I am glad when veils are drawn aside, because I have always been for a clear political debate. When, for example, you say that it is monstrous of me to demand a supplementary budget of 800 million for the agricultural sector and 120 million reduction in the social policy sector, excuse me, you are simply misinformed. Admittedly, you have not been here for very long, but you should at least make yourself familiar with the basic facts. We have a fully integrated market in the agricultural sector but not in the social sector. Community activities in this field are only just beginning. I wish that Soviet Russia had only approximately a fraction of the resources which our Member States and the Community spend in the social sector for social policy and agricultural policy activities, then things might look different over there. I understand of course that butter fats cannot be produced or milked from guns and rockets. That is clearly the criterion

in our argument. Let me say one last thing. I was accused of making an irresponsible statement when I said that funds from this deal went to finance Communist parties. We certainly can't put concrete proof before you. But if you were really well informed—ask high-ranking officials of the Commission, ask parliamentarians in this House, not necessarily people from my group, how things look—then you would know that this information is of such a high degree of probability that we must do all we can to prevent Communist parties from being financed from Community funds. I know from what you have said today that you do not have all the information. I say this without any ill-will.

**President.** — I call Mr Spénale, Chairman of the Committee on Budgets.

**Mr Spénale.** — (F) Mr President, my intervention will be very brief and is in reply to the speech by Mr Héger.

I am grateful to him for having explained that at the meeting of the Committee on Agriculture at which this problem was debated and which I had the honour to be present, the amendment to suppress 52 million from Supplementary Budget No 4 for the butter sale transaction had not been approved. It could perhaps be thought that in this way the Committee had refused this amendment. But it would be nearer the truth to say that as the amendment was not submitted to the Committee it could not vote on it.

However, even if the discussion which took place in the Committee on Agriculture does not allow us to infer that the Committee made a decision, it did however tend towards very vigorous criticism of the butter sale transaction and expressed the same objections as those set down by the rapporteur of the Commission on Budgets.

Please excuse me Mr Héger, but I believe that this short explanation, which in no way contradicts what you said, was necessary so that it is clear that the Committee on Agriculture made absolutely no decision about the 52 million: it neither accepted nor refused them: it did not even consider the question!

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission of the European Communities.** — (F) Mr President, the long discussion which has just taken place on Supplementary Budget No 4 has gone far beyond the limits of this budget and raised a certain number of fundamental questions on which I would ask you to allow me to give the Commission's view. One topic of great importance was

**Cheysson**

raised by the rapporteur, and then by the chairman of the Committee on Budgets, i.e. the difficulty which we will have from 1975 in adopting supplementary budgets.

This is indeed a delicate matter and we should not delude ourselves that by some miracle or other we shall, from 1975, be able to compile in the month of May or June of any one year reliable estimates for the next 18 months.

I would like to dwell for a moment on the difficulties presented by these estimates by repeating, to some extent, what the chairman, Mr Spénale, said himself. In the sphere of agriculture there is first and foremost the problem of the volume of production. As far as I know weather conditions have never been reliable enough for us to be able to help to make anything like precise estimates of production even within a 5% margin, as I heard now. There are, as has been said, monetary problems. It would have taken a very shrewd person to foresee in May 1972 the monetary developments which took place in 1973 with its cycle of re-evaluations and evaluations. Finally, the most important point is the problem of prices. Agricultural prices are only fixed, as you know very well, just before the beginning of the season, i.e. almost 8 months after the time when the preliminary draft budget is prepared. Furthermore, we do not only establish agricultural prices, there are also the world prices levels. I know that it is good taste at the moment to make the common agricultural policy a scapegoat for everything. But I would like us to remember the impact of the common agricultural policy on the steadiness of prices in Europe in contrast with what has been happening in the outside world. Besides, as Mr Lardinois knows much better than I do, in two weeks, I repeat two weeks, the price of soft wheat rose by 65% on the Chicago market, whilst during the same time cereal prices in Europe remained stable and remained stable at a level very near that of the preceding year since we had accepted a very slight rise in prices. So as everyone has been saying so much about consumers I would like now to note that we have guaranteed quite significant steadiness of prices to the consumer. Look at the average price rises in the United States during the month of August and that should provide quite a good illustration of what I mean. But this, Mr President, has an immediate impact on the expenditure of the EAGGF which, evidently, must compensate in one way or another by the established channels for the difference between world prices and domestic prices when there is trade with outside countries. So I do not see how we can make precise estimates as long as the world is in its present unstable condition.

Now you will tell me that things are the same for national governments. This is true but one major difference between our budgets is that agricultural expenditure represents something like 70% of our budget or more—we hope that it will drop to 60%—whilst in national budgets agriculture seldom accounts for more than 5 to 7%. So very large price and production fluctuations have a considerable relative effect on our budget which is absolutely incommensurable with analogous effects on national budgets and I fear that we shall have to expect more supplementary budgets on this in the future. How will we do it? This is a point of procedure, a fundamental point of very great importance on which I would like, Mr President, to consult Mr Spénale as chairman, and via him the Committee on Budgets. It is in fact a problem and to which we must bend our minds, remembering our experience at national level, since, after all, there are also variations in national budgetary expenditure although the revenue conditions are fixed at the beginning of the year.

Having made this digression, Mr President, on what is, however, a very important point, allow me to recall two parts of the preliminary draft which the Commission presented to the Council and which referred respectively to the 'guarantee' section of the EAGGF and the Social Fund. On the EAGGF 'guarantee' section, the Council, at all levels, asked us to try to make economies and it was noted, as the President-in-Office of the Council of Ministers has reminded us, that it was thus possible to reduce slightly the amount that we are requesting from you in the supplementary budget. I also note that the assessment of this amount has not been contested by any of the members of this Parliament, in any of the committees, or in this Assembly itself. It appears to me to be an important point. We are therefore obliged, unfortunately, to request the sum of 864 million u.a. We are obliged to request it with some urgency in order not to have funding problems for the payment of sums which are due under our measures. I shall return to this point later.

With regard to the 'guarantee' section of the EAGGF, the Parliament's debate and the debates in the committees preceding that, hardly touched on anything but the butter transaction, which the Parliament wishes to include in the supplementary budget of the 'guarantee' section of the EAGGF, because it considers that it has some criticism to make on this transaction.

First and foremost, we have been asked whether the transaction justified in itself. Did it represent the best possible way of managing the funds for which the Commission is responsible? With your permission, Mr President, I shall ask the Vice-

# Cheysson

President of the Commission to reply on this technical aspect and demonstrate to you that, bearing in mind what the market is like, since however simple calculations may be, an eye must be kept on the market, this transaction was the least expensive possibility.

We have also been criticized for having carried out an irregular transaction. This is evidently a point, Mr President, on which I am very sensitive and I have endeavoured to find out very precisely under what conditions this transaction was made in order to be able to provide the Parliament with the necessary explanations. Having made this enquiry, Mr President, I am able to affirm, solely on my own responsibility, that the transaction was a regular one. It was regular with regard to the customary procedures. Indeed, during the first butter crisis in 1969, the Council took specific measures and instructed the Commission to take any appropriate measure to dispose of the butter in public reserves if it could not be disposed of during any milk year under normal conditions.

The Council explained that the Commission could only act in this way after having gained the opinion of the Management Committee for milk and milk products. This was the situation in which the butter transaction was set up and I am sorry that Mr Pounder, who declared just now that the Commission alone had made a decision, is not able to hear that, the governments were consulted, and none of the nine governments opposed the transaction when it was explained in detail, with supporting figures. The Commission thus acted within the terms of reference given to it by the Council in 1969.

With regard to the regularity of the transaction, we have been asked how we could commit ourselves to a transaction without the necessary credit? Mr President, this accusation, which would be very serious, is happily unjustified. At the time of the Commission's decision the available credits in the 'guarantee' section were sufficient to cover the transaction because the Commission had only consented at that time to advances of 887 million u.a. on the 'guarantee' section, whilst the total credits amounted to 2,770 million. Now regarding procedure—and since there is some doubt about regularity I am obliged to talk about the procedure, Mr President—one should remember that the 'guarantee' section is a financial unit and budgetary control of a transaction only requires assessment of overall availability of credits necessary. These credits were available in the 'guarantee' section! Of course transfers had to be made between sections and items and under Articles 107 and 108 of the Financial Regulations these transfers had to

be requested *ad posteriori*. Therefore Mr President the transaction is regular.

The third comment I would like to make about these 52 million is that, if you would permit me, Mr President, to say this in all humility, the Parliament's proposal or rather the proposal of certain of its committees, to deduct the 52 million from the supplementary budget for the EAGGF 'guarantee' section comes as a surprise to us. What would be the effect of this recommendation if it were accepted by the Parliament? Would it be to restore the 52 million? Certainly not. The transaction has been completed, and, I recall once again, it was been effected regularly. Therefore the 52 million have been spent and spent legitimately. Therefore what you propose, and I would ask you to give your most serious attention to this point, is to subtract 52 million from the 'guarantee' section of the EAGGF although none of you have contested the amount of the supplementary budget which we are requesting for the EAGGF 'guarantee' section. Now let us suppose, as a matter of complete conjecture, that this proposal were carried out. Where are we going to find the 52 million? Not in the automatic transactions of the 'guarantee' section of the EAGGF; we cannot find them there since we are already committed to mechanical processes and the amounts are due. Where will we find them, gentlemen? Are we going to take them from food aid? Which of the members of the Commission would agree to that? For myself, I would never agree to it and nor would Mr Lardinois. So you must be aware in proposing this deduction of 52 million, that it is in fact impossible.

You will go on to say that this is the result of the inadequate budgetary powers of the Parliament. Excuse me, Mr President, for taking this analysis a little further; I don't believe this, since if you will allow me to say so, I shall be giving the reasoning which I have given to you today to the Council of Ministers the day after tomorrow when I tell it that, come what may, it cannot cut down the proposal which we have presented for the supplementary budget of 52 million. It is not a question of budgetary powers, it is a question of administrative machinery, it is a question of the implementation of this machinery making certain expenditure obligatory. Incidentally this is the reason why you all realize that, when we come to talking about budgetary powers, it will be in connection with decisions to create new policies and to create new mechanisms and not in connection with the automatic application of these mechanisms. In the present case I must say that, with all the respect I have for this House, we are faced with an application which is obligatory for the Parliament and for the Council.

**Cheysson**

Mr President, the Social Fund, as you know is causing the Commission grave concern. One of the speakers, I think it was Mr Spénale declared, that Europe would be 'social' or would not be 'social'. Mr Spénale, I might say this is entirely the opinion of the Commission and we hope that the social policy of Europe will be more clearly defined and established as soon as possible. In the draft preliminary supplementary budget No 4, the Commission had proposed a credit of 120 million u.a. for the Social Fund. The Commission has sustained this proposal in its entirety and I am surprised that certain speakers have seen fit to declare that we had abandoned this position. We have by no means abandoned it; it will be taken up again in exactly the same form when we appear on Friday before the Budgetary Council. What has happened, and Mr Vetrone has explained this very well, is that when, two months ago, we appeared before the Council, it appeared that certain aspects of our proposals ought to be explained more carefully. Now we could not put off the rest of the preliminary draft of the supplementary budget since our treasury system demands that the 'guarantee' section of the EAGGF should be adopted immediately. This is why the two parts of the draft supplementary budget were split up, but the Commission has by no means revoked its proposal. I do not believe moreover, although it is not my place to say this, that the Council has taken up any position at all on the 120 million proposed by the Commission. The mechanisms are complicated. Miss Lulling described them perfectly to you just now and I would not like to stretch the patience of the House. You will understand that this policy is too important and too basic for the Communities for us to want to force the Council's hand although extra explanations were necessary on certain points. But because a decision has been adjourned for more careful consideration and so that it will have a better chance of being passed, it does not mean that it has been abandoned prematurely. There is no question of this, Mr President, and the position taken up by this House, will draw the attention of the Council of Ministers to the interest which all its members have in social policy, is certainly a great comfort to us.

IN THE CHAIR: MR COUSTÉ

*Vice-President*

**President.** — Thank you, Mr Cheysson.

I call Mr Lardinois.

**Mr Lardinois, Member of the Commission of the Communities.** — (NL) Mr President, first of all

I would explain my presence here. I believe that this is the first time that the Commissioner responsible for agriculture has been present along with his colleague responsible for the budget when the Parliament has discussed a budgetary matter. However, in connection with the political implications which this debate may have, I have insisted on being present during the whole debate. My colleague, Mr Cheysson furthermore, has asked me to reply to certain observations by members involving very technical matters. I shall be glad to do this but not before having thanked him especially for the, in my opinion, convincing way in which he replied to the essence of the criticism. I would now like to take a close look at some details of the observations made by some of the members. First of all an answer to a number of comments made by the rapporteur Mr Aigner. May I start by saying that I fully agree with him that the common agricultural policy is surely due for a shake-up.

In fact a reform has been requested and the policy is susceptible of improvement. It was for this reason that the Commission announced in Spring that it would bring out proposals this Autumn. I hope that this discussion here, especially with reference to the butter surplus and what happened to it, will also contribute to this process of maturation. I hope that the Parliament will understand certain proposals from the Commission not all of which will be popular with farmers, and I hope that it will give the Commission its support. If this debate could contribute to this aim, I should be very pleased.

With reference to the sale of butter to Russia Mr Aigner observed that if the Commission had been fully aware of the conditions in Russia this transaction would never have taken place.

I must deny this as it is certainly not true. The bad harvests in Russia and the purchase of grain by Russia, etc., have been going on for more than a year. And nothing has happened since the time referred to and the present which would occasion us or the Member States to say that we made a mistake. That is absolutely untrue. Otherwise one is suggesting that it was simply a matter of chance that 7 Member States voted in favour and 2 abstained when we held our formal consultations on the matter.

Secondly, Mr Aigner says that the selling price should have been 560 u.a. and not 30. I cannot understand how Mr Aigner has come to this conclusion since the refunds for butter are changed according to the destination, the period, etc. To give one example: at the moment the refunds granted for trade with the United States, Canada and Mexico are 400 u.a. lower

**Lardinois**

than those for trade with other parts of the world. This is laid down in the market organization. And finally we also have the extra obligation, due partly to the accession of the new Member States to be extra careful with the marketing of butter on free markets throughout the world, out of regard for the interests of New Zealand, Australia and other exporters which were put in a tight spot by the accession of the new Members States. None of these exporters has made any objection to what we have done for the Russians although they would have made very great objections if we had done the same for other countries, at least outside the ambit of food aid, even for countries such as India, Japan, etc. These measures have not caused any significant difficulties in external relationships. I must, therefore, reject this argument which Mr Aigner uses in order to subtract the 2 million u.a.

And now the question of profits which may have been made by the Communist parties. May I inform Mr Aigner and the Parliament in general that there was of course a lot of trouble on this point between the negotiators especially with those who for one reason or another were not concerned in the transaction itself. Those who were not concerned were naturally able to make all kinds of conjectures. Even if a certain profit was made by certain parties then I would like to say that Russia can give support to certain parties if and when it so desires, and that it certainly does not need any trade intermediary for this. And I can tell you that the Russian State had to change its contract with the negotiators three times since we rejected it three times.

I would like to say that, generally speaking, I fully understand the difficulties connected with this matter with which the Parliament has to contend. In this connection the Parliament is also a good medium for the anxiety which this matter has caused in various European countries; certainly in most countries of the Community which are traditionally importers of foodstuffs, much more than in those countries which are traditionally exporters. And that is also logical. I can understand a British member calling this deal 'disgusting'. He has never experienced a genuine surplus of food at national level with the result that the producer has simply had to accept that the value of the food had dropped to zero or often less than zero. Those of us however who have experienced the enormous difficulties at national level which export countries have to contend with when there are surpluses on the world markets will not I believe go as far as to use such strong terms.

We must fully realize that we in Western Europe are now in a community of nine countries which

can cover approximately 90% of its own food requirements. In the case of many products coverage is more than 100% and for others naturally much less than 90%. This is basically a quite different situation than such a country as Great Britain for example has ever known on its own. The British have never had surpluses but now in this enlarged community it could well come to pass in the future, even if agricultural policy is improved, that we shall experience difficulties in one year or another with one product or another when the return value of the product drops to zero or minus zero. May I remind you of what we were obliged to do in 1969 when we did not sell the butter but stored it in cooling houses for 2 years. It was impossible to restore it to freshness. In the end the butter could only be used as fodder. Would you perhaps have preferred us not have chosen the present alternative but perhaps to have slipped into a situation where we would once again have had to sell the butter as fodder? I would ask you to have sympathy with the difficulties which may arise from the guarantees which we give. We give guarantees to agriculture because we also give guarantees to all other social groups even if they no longer participate in the production process. In agriculture things proceed in a different way and ultimately we have to bear the consequences in a different way. We shall try to remove the difficulties of the first five years of the common agricultural policy by improving the policy as far as possible but we shall never be able to improve it 100%.

Secondly we must remember—and in this connection I would gladly agree with what my colleague Mr Cheysson said—that surpluses may have a zero value but may also have a value far above the normal market value. I would like to repeat Mr Cheysson's words. Despite all the problems we have had with the common agricultural policy can you name one example of an area of the world with 250 million inhabitants which has had, relatively speaking, less problems with food supplies in the last year and with agriculture than we have? Look at the industrialized countries: Russia, America or Japan or the developing countries: Africa, India or China.

We do indeed have major problems in our Community, we have difficulties, you have had to put up with quite a lot today, but relatively speaking West Europe leads the world as far as food supplies and agricultural stability are concerned. That is also a point worth making!

**President.** — I call Mr Nørgaard.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Thank you, Mr President. I will try to be brief in order



**Nørgaard**

not to expose the Danish relay system to another breakdown.

I have listened very closely to the interesting viewpoints which have been put forward by the parliamentarians in this House today. Without giving away any great secrets, perhaps I may be permitted to tell you that a number of the viewpoints I have listened to here today are exactly the same, almost identical with the views expressed by ministers in the Council, as regards the very large sum by which the Agricultural Fund has risen. But the Council has, of course, felt itself under an obligation of responsibility, and that was why we decided that this money should be paid in the supplementary budget. We have naturally had the same interest as Parliament here today in analysing the causes of the size of the supplementary budget and we are naturally just as interested as the parliamentarians in finding more reliable methods of budgeting so that we can avoid a repetition of this sharp increase.

As far as the Social Fund is concerned, I can fully confirm the statements made by Mr Cheysson, to the effect that there is no question—I repeat, no question—of the Council's having refused to appropriate the 120 m. u.a. The only thing that has happened is that the matter has been deferred to the 21st and that we shall be taking a decision—that is the day after tomorrow or the day after that—that we shall be discussing this matter again. But some of the governments did not feel that there was adequate time to discuss this at home and that is why it was deferred.

There is no doubt at all that the viewpoints which have been put forward by this Parliament in this House today, will be passed on by me when on 21 September I, as President, try to get a decision on the 120 m.u.a. I think that it will have considerable weight when I report that everyone who has spoken in this Parliament on the Social Fund, regardless of party groupings, regardless of nationality, has supported the 120 m. I hope that this means that the governments will also be in a position to adopt a positive attitude. But, of course, I cannot, as President, promise any results today. I can only say that I share the hope that we will come to a positive conclusion.

(Applause)

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, ladies and gentlemen, I should like to thank all the speakers for a discussion which was indeed interesting and for the many points which were highlighted

in the discussion. Forgive me if I now address my reply first and foremost to the Commission and the Council since this is where the arraignment of forces was most clearly in evidence.

Mr President, there is no doubt about one thing: the criticism we have voiced with the proposal for a 52 million reduction is not intended by the rapporteur, by the group or by the committees involved as an attack on the common agricultural policy. Exactly the contrary is the case for we know that the common agricultural policy is indispensable not only to European integration but for safeguarding the supply of food to this continent. But precisely because we hold this opinion, almost unanimously, positive criticism must be made in cases where faulty developments are in evidence; and we must even run the risk of starting a limited conflict—if I may call it that—within the bodies of the Community.

I must state quite clearly, Mr Lardinois and Mr Jozeau, we have thoroughly discussed all that you have said here in the committees and have reached unanimous or almost unanimous conclusions. Mr Spénale, I might slip in a correction to my view that a vote had been taken in the agricultural committee. I was wrongly informed on that point: a vote was not taken; the discussion had in fact been conducted in the same way as here in plenary session. I must therefore apologize for having made this assumption. I was simply misinformed.

But none of us, Mr President, took the attitude, in spite of this unanimity or near unanimity, that the Commission had entered into a deal which it could in any way justify. Of course, and I have stated this in my report, there were arguments—they have been repeated here today—which help us to understand how this deal came about. But I should like to reply to this: if today—and I am addressing both the Commissioners—if today now at this moment you had to renegotiate this deal I would wager any odds that you would not do it again. And the argument, gentlemen from the Commission, to which all the Member States have contributed is a majority argument but not an argument to refute all arguments. Even the majority can be wrong, especially if insufficiently informed.

I now come to the formal side. Mr Cheysson, a few weeks ago you involved this Parliament in the matter of a transfer of funds for the purchase of a copying machine for 2,000 u.a. Now, when a sum of 300 million, 10% of the budget, is involved you do not even inform this Parliament. And even if I did not listen to the arguments in the matter, this fact would alone suffice to bring about that limited conflict, if we did not wish to lose our credibility ourselves. But



**Aigner**

this extent of information was perhaps only acquired after the event—I do not know.

Mr Lardinois, you have just stated that you offered this deal even to New Zealand, and New Zealand had no objection to it. If I am correctly informed, New Zealand is not even in a position to supply its full quota, as laid down in the negotiations with the United Kingdom. If therefore New Zealand is not interested, this confirms our opinion that Soviet Russia had to be the buyer. Do you think that they would have purchased 200,000 tons of butter if they had not needed it! But if no other competitor is interested—and the main competing supplier is New Zealand—if New Zealand itself says: 'no, we are not in the least interested!' either because the deal is not good enough or because they cannot supply, this does not constitute an argument for this contract but in fact a counter-argument. We should simply have had better information on the real situation of the market.

Mr Cheysson, you were quite right in putting your question. If you reduce the budget by 52 million u.a., this will have its repercussions. The money has been spent. I would not want the Council of Ministers to sidestep this reduction proposal on a technicality. The Council must accept this reduction or another procedure will be initiated. If the reduction is made—I spoke deliberately of a limited conflict—this House and the committees involved will certainly be ready to look for a way out of this dilemma. But if now we did not accept this reduction proposal this Parliament would be endorsing, against its own position and against arguments which have not been refuted, a deal with the arrangement of which, contrary to the Treaty and contrary to Community rules it was not associated. And this is why I think that this Parliament cannot do otherwise than accept this reduction proposal if it wishes to remain credible. How we resolve this conflict is the second step, and I think that we shall be glad to give our cooperation to this.

**President.** — I would remind the House that the vote will take place on Thursday, which will allow for the tabling of amendments and proposed modifications to the draft amendatory and supplementary budget. The time-limit for amendments and proposed modifications is noon tomorrow.

*20. Statement by the President of the Council of the European Communities on the improvement of the Council's working methods*

**President.** — I call Mr Nørgaard, President-in-Office of the Council, who wishes to make a

statement on the improvement of the Council's working methods.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Mr President, ladies and gentlemen, as you will know, in accordance with the Heads of States and Governments Declaration 21 October 1972, the Council is going to take practical steps in order to improve the decision-making process of the Council and concurrence in the Community's work. During the previous parliamentary part-session I called attention to the fact that the Council was in the process of studying these questions and I reserved the right to return to this matter after the Council meeting on 23 and 24 July.

I am now able to inform you that, at this meeting, the Council approved a number of measures concerning the organization and preparation of the Council's meetings. One of the most important points in this decision is that the preparation of the Council's meetings in COREPER will be concluded in good time, so that Member States have a week available for the final preparation of the points included on the Agenda for the Council meeting. This is intended to enable Member States to dispose of the time they need to prepare their positions at Council meetings and, where appropriate, to discuss the more important questions with Members of Parliament, according to the arrangements made in the individual countries, with their committees and other interested parties.

The other points agreed on concerned the actual holding of Council meetings and it is my hope that the more effective form of meeting which was decided on here will help to reduce the number of night meetings of the Council and speed up the number of decisions taken.

Many of the problems which were discussed in connection with the Council's decision-making process were not agreed to at the Council meeting on 23 and 24 July but were referred to further discussion in the Permanent Representatives Committee. These proposals will be submitted to the Council for agreement on 15 and 16 October.

As I said at the previous session in this House, it is regrettable that the Council has not been able to observe the time limits laid down in the Summit Declaration for the improvement of the Council's decision-making process. However, I am firmly convinced that the extra time taken by the Council to reach the required decisions has been well employed and has contributed to ensuring that the decisions which the Council has taken or is going to take will effectively

**Nørgaard**

improve the Council's working processes and harmonization in the work of the Community.

**President.** — I thank the President of the Council for his statement.

**Mr Radoux.** — (F) May we not speak on this?

**President.** — No, there is no provision for Members to speak in connection with this statement.

*21. Oral Question No 75/73 with debate:  
Meetings of the Council and of the Foreign  
Ministers of the Member States*

**President.** — The next item is Oral Question No 75/73 with debate by Mr Bertrand, on behalf of the Political Affairs Committee, to the Council of the European Communities.

The question is worded as follows:

*Subject: Meetings of the Council and of the Foreign Ministers of the Member States*

The Political Affairs Committee asks the Council why its members decided to meet, as the Foreign Ministers of the Member States, on the morning of 23 July 1973 in Copenhagen, and, as the Council of the Communities, in Brussels on the afternoon of the same day.

Does the Council not regard this procedure as seriously detrimental to the coherence of Community action and that of the Member States as part of the Community and as an additional source of confusion and dissatisfaction to public opinion?

I would remind the House that pursuant to Rule 47(3) of the Rules of Procedure the questioner is allowed twenty minutes to speak to the question, and that after the institution concerned has answered Members may speak for not more than ten minutes and only once. Finally the questioner may, at his request, briefly comment on the answer given.

I call Mr Bertrand.

**Mr Bertrand.** — (NL) Mr President, I believe that it is not necessary to repeat the question as it has been handed over in writing to the President-in-Office of the Council but I would like to say to him how I came to ask the Political Affairs Committee to agree to my putting this question on its behalf.

On 11 July last the press in my country published a report that the nine Ministers of Foreign Affairs would have to hold two meetings on Monday 23 July, one within the framework of inter-Governmental consultation on cooperation on foreign policy and one on the same day as the Council of the European Communities. The

Ministers had decided to meet in the morning in Copenhagen as Foreign Ministers and in the afternoon in Brussels as the Community Council. That fact was published by my country's press on 11 July. By chance I spoke on the same evening to a meeting of a number of social leaders on the problem of social progress in the Community and after my speech there was as usual a discussion. One of the people present stood up (that evening) and addressed me as follows: 'Mr Deputy, Member of the European Parliament, can you perhaps tell me what the reason is for the nonsense which appeared today in the 'Gazet' about the double meeting of the Ministers of Foreign Affairs next 23 July. Is it true, Mr Deputy, that they are going to meet in the morning in Copenhagen and then are going to fly from Copenhagen to Brussels to meet in the afternoon in Brussels. Do these gentlemen have so much time to lose that they can afford to do such things. Usually the Ministers of Foreign Affairs give the impression that they have no time to spare as international problems are so grave. Do these people not shrink, Mr Deputy, from the fatigue involved in making such unnecessary journeys. And thirdly, Mr Deputy, are they not ashamed to be wasting the taxpayers' money in such a fruitless manner? I have made a small calculation, Mr Deputy. If these Ministers with their suite of officials have to fly from their capitals to Copenhagen and then in the afternoon from Copenhagen to Brussels, and then in the evening from Brussels back to their capitals it would probably cost—only calculated roughly—3 million Belgian francs. Now, there are in our Community millions of families whose income is lower than 100 thousand francs a year. Thirty Community families could have lived well for a year on those 3 million francs.'

That was the question put to me by the 'man in the street' in a small province in one of the nine countries of the Community. I was unable to answer his question. But I did promise him that I would request the President-in-Office of the Council to explain why such fantastic things are done and I promised the man that I would send him the answer of the President-in-Office of the Council. Mr Nørgaard, may I be so bold as to ask you, and through you your fellow Foreign Ministers that, in future, that they should keep both feet on the ground. It is embarrassing for us to have to answer that there is an agreement governing the venues of meetings with the result that one meeting of the Council has to take place in Brussels and another in Luxembourg and that in the case of inter-Governmental consultation the meeting has to take place in the capital of the country which is responsible at that time for the Presidency of the Council. Please ask your colleagues wheth-

**Bertrand**

er they can avoid having two meetings on one and the same day so that the indignation of the people is not aroused by such illogical happenings as that of 23 July.

That was the event which caused me to ask this question and I hope that you will be in a position to give an answer which I can pass on to these people who still have faith in the European Community but could possibly lose it if such illogicalities are forced upon them frequently.

As I have the floor I should like to make a further observation about the communication on the improvement of the work of the Council. I am unable to conceal my disillusionment about the futile decisions which have been made so far to improve the work of the Council. If that is all that nine Ministers can achieve during a Council meeting then I have to tell you that any hope of improvement might as well be forgotten. For a start the Council must abolish the rule of unanimous voting and must take decisions by a qualified majority whenever the point at issue is not a fundamental one. Why not start by deciding that the national cabinets of the nine countries should meet on the same day in order to give you free time at the beginning of the week. Start by improving the organization of the way your permanent representatives work when they are consulted in advance by the Commission. Under the 1970 agreement Governments are, after all informed several months previously about the Council's proposals.

I must confess, Mr Nørgaard, that we are disillusioned about what you as President-in-Office of the Council have said to us today about the improvement of the work of the Council, which was to have represented an increase in efficiency, in the spirit of the Paris Summit Conference of last October. In this respect we had expected something different and hope that in October you will at least be in a position to take effective measures in order to catch up with the backlog which has arisen in dealing with the hundreds of proposals which the Commission has made on the matter. These proposals are collecting dust and the backlog is blocking the normal functioning of our Community in all kinds of ways. We also hope that the new proposals which are due in accordance with the decision of the Paris Summit Conference can be dealt with in good time. It is not enough to just simply discuss the venue of the meeting and to say that this meeting should be fully prepared a week beforehand.

I thought I should express my own personal views on this matter. I could not let this occasion pass without expressing my disappointment about this unsatisfactory communication.

**President.** — I call Mr Nørgaard.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Mr President, I am slightly confused as to whether I should answer the question which has been put or whether we are about to begin a debate on working procedure in the Council. I had understood that I was to submit a report, which I did, on the improvements which we have made provisionally in the Council and that this might perhaps later be debated, and that I am now to answer Mr Bertrand's question on the meeting of Foreign Ministers in Copenhagen and their meeting in Brussels. And I will do the latter. If the President then decides that we are to have a debate on working procedure in the Council, I am quite ready. But Mr Bertrand has already answered his own question and in my opinion excellently, by calling attention to the fact that there are different regulations. There are regulations as to how the Council's meetings are to be held and how the Ministers of Member States are to meet. The regulations say that the Council's meetings shall take place in Brussels and in some months of the year in Luxembourg.

With regard to the meetings of Foreign Ministers, which do not fall within the sphere of competence of the Council, these are usually held in the country whose representative is in the chair at the meeting, in accordance with the provisions of the Foreign Ministers' report of 27 October 1970, to the Heads of State or Government of the Member States. So in this case it was held in Denmark, because a Dane was in the chair at the meeting, and it is, therefore, in accordance with these regulations that the meeting between Foreign Ministers of Member States on 23 July 1973 was held in Copenhagen, while the Council met in Brussels. I might add that it was an unfortunate coincidence that it took place on the same day and I am fully in agreement with Mr Bertrand that this should not happen again in the future.

**President.** — I call Mr Radoux on behalf of the Socialist Group.

**Mr Radoux.** — (F) Mr President, unlike Mr Bertrand, I am not speaking on behalf of the Political Affairs Committee and although, certainly, the Socialist Group shares his views about the social questions he mentioned, I do not wish to use those arguments since, in accordance with parliamentary deontology, I respect the powers of the three institutions in question: the Council, the Commission and Parliament.

This discussion is exclusively concerned with the Council and Parliament. I omitted to thank

**Radoux**

the President of the Council a little while ago for his reply concerning the Social Fund. He was careful to say that he could not commit himself; and in fact, he cannot, being President of the Council. Even so, he was very sympathetic, and I am sure that the vast majority of the members of this Parliament are with him when he tells us that an effort will be made to resolve the question at the end of October. I therefore thank you for your statement, Mr President-in-Office of the Council, speaking as I feel I may on behalf of the members of my group. You have filled us with hope; may these hopes not be dashed at the next meeting.

As regards meetings of the Ministers of Foreign Affairs and the Council of Ministers, Parliament could say, if it insisted on rigidly adhering to protocol, as do the Council and the Committee of Ministers of Foreign Affairs, that the President-in-Office of the Council had no right to reply to the question posed by our colleague, Mr Bertrand. For, strictly speaking, it was not the President of the Council but rather the Danish Minister of Foreign Affairs, who should have answered our question. None the less, we thank the Minister for his statement and we should like to add that the European Parliament is always ready to adopt a flexible attitude wherever this will make things easier.

Nor do we think that one should always respect set forms when proof of goodwill is required. You did say, however, that that particular day was an especially inconvenient one—we would like to believe this. Mr Bertrand has made a similar statement and we hope, as you yourself said, that this will not happen again. We appreciate your understanding in this matter.

What I am really trying to say is this: when the Ministers of Foreign Affairs expressly meet in his capital, it is out of courtesy for the Chairman of the Committee of the Ministers of Foreign Affairs, or when they meet expressly and invariably in that capital, it is in order to respect the forms I mentioned a moment ago. But this respect for forms goes against the policy which the Ministers of Foreign Affairs claim to pursue. What going to Copenhagen actually signified was an absolute respect for the sovereignty of national States and not a desire to bring the Ministers of Foreign Affairs and their policies closer together.

In the choice of one capital rather than another, public opinion looks askance at recognizing the pre-eminence of the Chairman of the Committee of Ministers of Foreign Affairs in office instead of making things as easy as possible, as Mr Bertrand said. For, after all, the Presidents of the Council of Ministers and the Chairman of the Committee of Ministers of Foreign Affairs are

one and the same person; the members are also the same. This being so, people who do not know the particular advantages of meeting in such and such a place, do not understand very well, and no one in this Assembly can blame them, why the same people meet the same day at two different places.

My reason for saying this, Mr President, is that no one in this Parliament can fail to be aware that the Political Affairs Committee was supposed to have been heard immediately by the Minister of Foreign Affairs, Chairman of the Committee in question that this meeting was to take place tomorrow and that it is still because of a formality that the meeting will not be taking place tomorrow. I make it a habit to try to avoid stirring up trouble but everyone knows why the meeting will not be taking place tomorrow and has been postponed, instead, to October; it was for the same reason that meetings were held the same day in Brussels and Copenhagen!

As it is getting late, Mr President, and for the reasons I have already mentioned, I do not want to take up any more of Parliament's time. I simply wish to associate myself with Mr Bertrand's strictures and to thank the Danish Minister of External Trade for being good enough to reply to us today when we could well have insisted on the Danish Minister of Foreign Affairs coming to Luxembourg.

**President.** — I call Sir Tufton Beamish on behalf of the European Conservative Group.

**Sir Tufton Beamish.** — Mr President, the European Conservative Group fully supports the general complaint put forward by Mr Bertrand on behalf of the Political Affairs Committee. I must say, speaking for myself, that I do not go along with Mr Radoux, who seemed to me to be very complacent about the situation. He said that he was filled with hope by something that Mr Nørgaard had said. I must say, quite frankly, that I was filled with gloom by what he said, although I recognise—like Mr Radoux does, of course—that Mr Nørgaard is bound by the rules and that his attitude is an entirely proper one. I'm not making any personal criticism of him at all.

What I would like to do is to take yet another chance of making a brief intervention arising out of Mr Bertrand's question and parallel to it.

As I see it, the situation is this: the foreign ministers of the nine Community countries regularly meet under the Davignon procedure to discuss the Community's attitude to the foreign policies of the Community—to the Helsinki conference, to peace in the Middle East, to relations with China or America, and so on. They meet regularly.

**Sir Tufton Beamish**

We have to rely on the press very largely as Members of Parliament to try to find out what they have been talking about, unless we are lucky enough to belong to the Political Affairs Committee, in which case we are told a few things, most of which—if not all—have already appeared in the press in any case. The procedure is not working well, and I think that is a view shared by the great majority of members of this Parliament.

We members of the Political Affairs Committee received a telegram asking us to hold ourselves in readiness to go to Copenhagen and meet Mr Andersen to hear what had gone on at the last meeting of the foreign ministers, and we were told that we would receive another telegram either cancelling or confirming the meeting. But nothing else came at all, although many of us had cancelled engagements in order to hold ourselves in readiness. Then, when we came here, we understood that Mr Andersen, the chairman of the committee of foreign ministers, was going to talk to us tomorrow under item 129 and report on political cooperation. But he hasn't come. My guess is just as good as Mr Radoux's. I too know perfectly well why he hasn't come, and it doesn't give me any satisfaction at all. I very much hope that I am right in believing that he will in fact come to our meeting in Strasbourg. I hope that is so.

This was what moved me to suggest to the Political Affairs Committee that the President-in-office of the Committee of Foreign Ministers should come to Parliament to answer questions on foreign affairs, make himself available when we are debating foreign affairs and take part in our debates in plenary sitting. I am very pleased indeed that this suggestion, which seems to me a perfectly straightforward one, is now being considered by the political groups. I hope and believe that they will come out firmly in favour of it, because if Parliament cannot influence or debate the foreign policy of the Community in plenary sitting, then it isn't a parliament at all. It's not the sort of parliament I want to be in.

We have this ridiculous problem of what hat the President-in-office of the Council of Ministers is wearing. Mr Nørgaard is luckier in this respect than Mr Van Elkslande was—he had two hats, and we knew very well when he came here that he was wearing the hat of the President-in-Office of the Council of Ministers and that he had another hat which he hadn't brought with him. Now we have a different situation. The President-in-Office of the Council of Ministers is Mr Nørgaard, and Mr Andersen is the President of the Committee of Foreign Ministers. So we've got two men, each with a hat. But the second man, Mr Andersen—for whom I have the greatest respect—doesn't come

here at all, although we may see him once a year in a plenary sitting, and under the Davignon procedure he should meet the Political Affairs Committee four times a year.

Now it is very well known, Mr President, that the foreign policy of the Community is developing rapidly, and on quite satisfactory lines. The summit meeting anticipated this when in the communiqué it made perfectly clear that Europe had to face up to a growing role in the world. At the same time, it was made clear that Parliament's powers should be increased and that relations between Parliament and the other institutions should be improved. But we haven't seen any of these things. We still have this situation in which the pretence has to be maintained that when the foreign ministers of the nine Community countries meet this has nothing to do with the Council of Ministers at all. They know nothing about it and can't answer questions about it. We will have proof of this when my question is answered tomorrow, and we have had it previously at other question times.

Nor does the Commission know what the foreign ministers are doing. Sir Christopher Soames was recently asked to leave a meeting of the foreign ministers when they were discussing relations with America. I remember reading about this in the press. I would guess, though he hasn't mentioned it to me, that he felt pretty angry about it, because you can't separate trade relations with America completely from foreign policy, as every child knows perfectly well. The European Conservative Group therefore considers that this is a thoroughly unsatisfactory situation with an element of farce in it. It has gone on for too long and radical changes are needed.

(Applause)

**President.** — I call Lord Gladwyn on behalf of the Liberal and Allies Group.

**Lord Gladwyn.** — Mr President, I can only say on behalf of my group that I fully associate myself with what my friend and colleague, Sir Tufton Beamish, has just said. The present situation is really almost verging on the absurd, if I may say so, and absurdity is not a thing which one ought to cultivate in a serious organization like the European Economic Community.

I have only one question to ask the minister—perhaps he won't be able to reply, but I hope he will be able to make a reply in some respect. Are we to take it that this sharp and obviously totally illogical distinction between the deliberations of the same council on economic and social matters on the one hand, with certain important exceptions, and foreign policy on the other, is in

**Lord Gladwyn**

the Minister's opinion the best way of giving effect to the decision of last October to establish a European union—necessarily a full political union—by 1980, in other words, in only seven year's time?

**President.** — I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, I am sorry that the President of the Council's statements concerning the Council's working methods are being made at a time when this important issue is being discussed here. I feel bound to tell you that our group was highly dissatisfied not only with the fact that the Council did not take its decisions before 30 June, but also with the fact that on 23 and 24 July the Council issued a communiqué concerning the decisions which had in fact been taken which so amazed us that our group felt obliged to comment on this lack of decisiveness by tabling a motion for a resolution which we hoped Parliament would deal with by urgent procedure. We wished to have the opportunity to communicate our feelings in the matter to the Council and perhaps also to those ministers who attended the Paris Summit Conference.

I have the impression that it might be a little difficult to hold this debate now, without any warning. I personally am prepared for it but I fear that other Members of Parliament are not.

Mr President, could we still not try to hold this debate with the President-in-Office of the Council by means of a motion for a resolution, in order that we should clearly understand what it is all about and that we as a Parliament should be able to state clearly our wishes and our requests in the matter. Do you think this would be possible? It is unsatisfactory that we should have to listen to a number of Council statements without being able to respond adequately.

**President.** — In answer to Mr Broeks, I must point out that pursuant to Rule 47 of the Rules of Procedure, which is quite explicit, such a procedure can be followed only in the case of a question put to the Commission. At the end of the debate on such a question, a political group or at least five Representatives may submit a motion for a resolution to the President, with a request for an immediate vote. Mr Broeks would be right if the question had been addressed to the Commission, but here the question has been put to the Council.

I call Mr Blumenfeld on behalf of the Christian-Democratic Group.

**Mr Blumenfeld.** — (D) Mr President, on behalf of the Christian-Democratic Group, I can fully

endorse the remarks of the previous speakers. I should merely like to contribute two further ideas. We can all understand very well that the President of the Council of Ministers, Mr Nørgaard, is in a highly unenviable position. He has to accept and he does so with good humour and sympathy what the Members of this Parliament say to him, and thus to the Council of Ministers on the subject of the shift of position which he has just accomplished in his reply.

You all know why he had to make this shift of position. I think we must single out one point, Mr President. Irrespective of the provisions governing the procedure of the Council of Ministers in the Treaties which certain Member governments ride roughshod over often enough we have to note that the Council of Ministers prefers in certain matters to meet and deliberate outside the Community institutions. And it is precisely this which we regard as behaviour less than European and not in conformity with the Community spirit.

The agenda for the meeting on 23 July in Copenhagen, to which my colleagues Mr Radoux and Sir Tufton Beamish have referred, no doubt included political questions, foreign policy questions, which were closely bound up with economic, monetary and social policy questions which now have to be debated by the Council, the Commission and all political bodies in Europe in preparation for the talks between the United States and Europe.

It is incomprehensible and indefensible—and I repeat this in the name of my group—for the Council of Ministers as a whole to fail to oppose the endeavours of one Member government to arrange it so that matters do not develop within the political interpretation and construction which we desire.

I am thinking, Mr President, of the example of the Council of Ministers, which was cited by Mr Radoux as first speaker in today's debate, namely that the political Affairs Committee, which according to the Davignon procedure has a right to be heard and to be informed, should be told to charter an aircraft and fly to Copenhagen, a beautiful city in which a parliamentarian can have a pleasant stay especially in summer, the official residence of the President-in-Office of the Council, in order to be informed. This example in fact flies in the face of any Community and institutional solution which we might have in mind.

If we then propose, and we insist and shall continue to insist on this, that the Council of Ministers should keep the committees, in this case the Political Affairs Committee of the Euro-

**Blumenfeld**

pean Parliament, informed of the meeting place of the Parliament and we then receive a refusal because the meeting place is Luxembourg and not Strasbourg, I can only say that this is simply incomprehensible. Legally, the Parliament also meets in Luxembourg and, when it meets there Luxembourg is the place at which the Council of Ministers has to give an account of itself to the Members of the Parliament. And that is the point Mr President, which we would like to emphasize to your colleagues in the Council of Ministers, for we shall no longer allow ourselves to be fobbed off with the answer that it is inconvenient to one or more Member governments that meetings should also be held in Luxembourg or Brussels and that this should be where the committees are to be informed.

**President.** — I call Mr Giraudo, Chairman of the Political Affairs Committee.

**Mr Giraudo.** — (I) First of all, I should like to thank the President-in-Office of the Council for the patience and kindness with which he has followed this debate, which has been not only a very lively one but also very promising in the light of the objectives to be obtained in 1975.

Since some formal matters have been spoken of, I should like to recall here, Mr President, that it is not Parliament but the Foreign Ministers who established, in the Davignon report, the colloquies between the Foreign Ministers and the Political Affairs Committee. These colloquies are provided for twice a year because up to now the Foreign Ministers hold two meetings per year. In July, Mr President, at our meeting in Strasbourg it was agreed that these colloquies should be increased to four because of the four ordinary annual meetings of the Foreign Ministers.

Now, Mr President, where should the meeting place be for these colloquies between the Foreign Ministers and the Political Affairs Committee? We have been saying that they should be held in the capital city where the Foreign Ministers are meeting, and this in order to have a direct colloquy, to have the most recent information and to be most immediately in touch. What other meeting place could be considered? Since the Davignon report speaks of the Political Affairs Committee this, like the other committees, normally meets in Brussels. This then should also be the meeting place for these colloquies. While we are on this question, when it is proposed today that we should meet in Strasbourg in October, that is to say an entire month away from the meeting of the Foreign Ministers, it is quite clear, Mr President, that if we do so, we will be depriving these meetings of any value

or effectiveness, all the more so since the Political Affairs Committee will be debating very vital topics at that time such as negotiations with the United States of America on the occasion of President Nixon's visit.

We should get to know these things from the Council and not merely from the newspapers, if the Europe striven for by the Council as an organ of the Community, the Europe which the Foreign Ministers are striving towards through the Davignon procedure, the Europe which Parliament is striving towards is to be the same Europe, a Europe with its own clear defined identity.

That is why I am so glad that we have had such a lively and open debate this evening. It is true that this European identity has often been proclaimed, but we wish to build it up here through these open and fair debates which should, however, aim at concrete results.

Very soon now we shall be discussing in this Assembly the budgetary powers of the European Parliament, and the Council should know that on this subject we will do our utmost to see that this European identity becomes a democratic identity; otherwise it is futile to pursue certain dreams and delude those people who will later be asking the questions to which Mr Bertrand has referred. I feel that this evening the European Parliament has shown a remarkable sensitivity and a great seriousness of purpose and I hope this climate will be a favourable one for coming to an agreement on those proposals which the Heads of State or Government at the Paris Summit entrusted to the Community institutions. Parliament is fully aware of the importance of the mission which it has been called upon to assume.

**President.** — In conclusion, I call Mr Nørgaard.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Thank you, Mr President. Lord Gladwyn put a direct question to me which I really think was the gist of what has been debated here for the last hour or so. Lord Gladwyn asked if this illogical distinction, as he called it, between the Council on the one hand and the Conference of Foreign Ministers on the other hand was one which I thought would give the best effect to the decisions taken at the meeting of Heads of State or Government in Paris. On this point I would like to say that this is a distinction which exists legally at present and is, therefore, the basis on which I, as President of the Council must act. But it is also the basis on which, for instance, the whole Danish population voted for joining the Community. It is, therefore, very important for us to specify that what stands in the EEC



**Nørgaard**

Treaty is something of importance by which we are bound and, therefore, we observe the formal regulations as laid down.

Nor must we forget that, on the basis of these formal regulations in the EEC Treaty, the Danish population in a referendum relinquished its sovereignty in a number of very concrete matters.

We are well aware that it is also practical to cooperate on foreign policy, but the nine countries which are members of the Community have not yet succeeded in formulating either their European identity, as it is called, or a common foreign policy which could thereafter bind the various populations in the individual countries. The Summit Meeting in Paris decided that an attempt should be made to do this, if it were possible. Our attitude to this—and I think we shall all have to take this as our basis—is that while this attempt is being made, it is practical to retain this distinction and certainly of benefit to the realization of the decisions made at the Summit Meeting.

I can, therefore, answer Lord Gladwyn's question in the affirmative and give it as my private opinion—this is not something which has been discussed in the Council, but I am quite willing to speak as a Danish minister who has been much concerned with this problem during the period of the referendum—that we find this distinction particularly practical until we have managed to produce definite principles as to our common foreign policy and until we have decided on integration in this sphere—which we have not yet done. It is not established in the EEC Treaty.

I believe that there is a chance that in the dialogues which are now going to take place four times a year instead of two, it may be possible to come closer together and perhaps to arrive at fruitful solutions which would then have to be formalized if agreement can be reached.

We are, therefore, obliged to build on the foundations which exist in formal and legal terms. I also think that it is this which will give the greatest opportunity of achieving popular support, because one cannot get popular support unless one has really clear and concrete stipulations as to where one is to yield some of one's decision-making powers to a super-national body. I would venture to assert that we would not have won the referendum in Denmark if it had been based simply on the fact that we should, broadly speaking, surrender our sovereignty to general political cooperation. But with the EEC Treaty as the completely sound and solid foundation, we received the broad support of the population and I think this is something

which can be done when we achieve a more precise conception of the sort of cooperation we want in the sphere of foreign policy. So I think that the distinction should be maintained until then.

(Applause)

**President.** — I call Mr Lückner on a point of order.

**Mr Lückner.** — (D) Mr President, I listened to the concluding statement of the President-in-Office of the Council with very great interest. I can only speak for myself at this moment; but I think that I know the mood in the groups of the House, i.e. what has been said here today especially in my group. We should really now begin a debate. To what I have just heard, Mr President, I can only quote Françoise Sagan and say—'Bonjour Tristesse'. We shall be kept busy not only by the reply to Mr Bertrand's question, but also by the fact that the meeting between the Council of Foreign Ministers and the Political Affairs Committee of this House, here in Luxembourg was cancelled by telegram today.

The President of the Council has rendered Parliament some service in that over and above what he had to say officially as President of the Council, he also afforded a little insight into the view which he presented here today. I had this evening thought, when I heard the President of the Council speak formally here for the first time—I have not known Mr Nørgaard personally for long enough—that he would indeed execute that shift of position; we already knew the reply to Mr Bertrand's question, Mr President of the Council, before you gave it.

We know that it was a juridical and formal reply. Your final sentence gave me some comfort when you said that things could not continue this way. Lord Gladwyn then asked: if you thought that this was the best way of giving effect to the Summit Conference decision of last October to establish a European union by 1980.

Mr President of the Council, I should like to put it to you that what you did as Foreign Minister in Copenhagen and on the afternoon of the same day in Brussels seems to me to be indicative that we are not on the right road. This Parliament, however, will not follow you along the wrong road! I should like to make this clear here and I regret once more that we cannot debate this reply. But perhaps tomorrow there will be an opportunity to continue the debate in some other connection.

(Applause)



**President.** — Mr Lücker, I must apply the rules.

The procedure for this question has been followed scrupulously and the debate is now closed.

*22. Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Wednesday 19 September 1973, with the following agenda:

*10 a.m. and 3 p.m.*

— Question Time

— Statement by Mr Scarascia Mugnozza on action taken by the Commission on the texts adopted by Parliament

— Oral Question No 91/73, with debate, by Mr Vals on the statements made by the French Minister of Agriculture

— Oral Question No 78/73, with debate, by Mr Scott-Hopkins on supplies of soya beans

— Report by Mr Premoli on coffee and tea extracts and their substitutes

— Report by Sir Anthony Esmonde on aerosols

— Report by Mr James Hill on international transport

— Report by Mr Jozeau-Marigné on amendments to the Rules of Procedure

— Report by Mr Scott-Hopkins on certain directives following the enlargement of the Community.

The sitting is closed.

*(The sitting was closed at 8.40 p.m.)*

## SITTING OF WEDNESDAY, 19 SEPTEMBER 1973

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# IN THE CHAIR: MR BERKHOUWER

*President*

*(The sitting was opened at 10 a.m.)*

**President.** — The sitting is open.

## 1. Approval of minutes

**President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

## 2. Statement by the President

**President.** — At its meeting of 9.15 this morning, the Bureau decided to remedy as soon as possible certain problems in connection with the technical equipment in this chamber, and to set up for this purpose a working party led by Mr Gerlach.

The working party is to begin immediately.

## 3. Statement by the President on Commission press conferences in Brussels

**President.** — I should also like to make the following statement. We have been informed that

today at 11.30 a.m. Mr Haferkamp is to introduce at a press conference in Brussels his report on the economic situation in the Community; my most recent information is that Mr Dahrendorf too is to hold a press conference in Brussels this afternoon. The Bureau of Parliament learned this news with some dismay, and has asked me to come to an understanding with the Commission at a meeting which I am to attend today with the Presidents of the Commission and of the Council. We strongly deplore the fact that when there are questions of such importance for our Parliament on today's agenda, a number of journalists who are interested in these questions have been prevented by this sequence of events from being with us and are remaining in Brussels instead. That was the statement I wished to make.

I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr President, I believe this House is grateful to you for the information which you have just given us. I think the House would be even more grateful if the President of the Commission would comment immediately here in the House, in the spirit of the dialogue between the Commission and Parliament, on the very unusual procedure.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission of the European Communities.** — You told me that you wanted to talk to the President of the Coun-

**Ortoli**

cil later on about your intentions. All I can say to you is that I for my part regret that any decision taken by the Commission could jeopardize the satisfactory conduct of business. In this particular instance we are dealing with a press matter, as I understand it, and your concern, depending on whether Parliament is sitting in Luxembourg or Strasbourg, is to avoid statements from the Commission which prevent journalists from being present at your sittings. I take note of the problem which you have raised. We shall study it—and I stress this for Mr Fellermaier's benefit—fully and frankly, since our sole concern is to work in harmony with you.

(Applause)

**President.** — Perhaps I can close this matter by saying that in Parliament's view declarations of this kind should not be made first to the press, but in Parliament. That is also in the spirit of the arrangement which Mr Scarascia Mugnozza has on several occasions assured us will be observed.

(Applause)

#### 4. Document received

**President.** — I have received a report drawn up by Mr de la Malène on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the autonomous duty in the Common Customs Tariff on almonds of sub-heading 02.05 A II (Doc. 164/73).

#### 5. Question Time

**President.** — The next item is Question Time.

First, we shall call the questions to the Council of the European Communities.

I call Oral Question No. 79/73 by Sir Douglas Dodds-Parker on relations between the People's Republic of China and the Community.

Will the Council make a statement on the development of relations between the People's Republic of China and the Community?

I call Mr Nørgaard to answer the question.

**Mr Nørgaard, President-in-Office of the Council of the European Communities.** — (DK) Thank you, Mr President. I can tell you quite briefly that the Community bodies have not so far encountered new circumstances which could give rise to any talk about a development in

relations between the Community and the People's Republic of China. Should there be an official communication from the Chinese authorities with regard to the establishment of relations between China and the Community, the Council will be keenly interested.

**President.** — I call Sir Douglas Dodds-Parker to put a supplementary question.

**Sir Douglas Dodds-Parker.** — Mr President, in view of the friendly interest in the Community and proposals to unite Europe which, as I found a year ago, the present authorities in China are showing, can I ask the President of the Council of Ministers what action has been taken following my suggestion in January that there should be an exchange of Members of this Parliament with the Assembly in China? And surely it is for us as much as for the Chinese authorities to take the initiative in such ways as this.

**Mr Nørgaard.** — (DK) It is outside the Council's area of responsibility to take the initiative for such talks, but I can tell you that a number of Members of the Council have established contact, as Ministers, with the Chinese authorities, and the latter have approached a number of Council members. But as long as the Chinese themselves have not made up their minds what decision to take, and they have not done so, it is my impression that they are constantly examining what possibilities they wish to take advantage of—until such time the Community cannot make a move.

**President.** — I call Oral Question No. 80/73 by Sir Tufton Beamish on the need for a political secretariat.

What further consideration has been given to the urgent need to set up a political secretariat; will the Council now announce its terms of reference, composition and location?

I call Mr Nørgaard to answer the question.

**Mr Nørgaard.** — (DK) I can announce that the question presented by Sir Tufton Beamish does not fall within the area of responsibility of the Council. However, as was mentioned yesterday, the President of the Foreign Ministers' Conference will inform Parliament in the course of the next part-session—and as far as I know this will run between 16 and 19 October—of the decision reached by the Foreign Ministers on the arrangements for political cooperation.

**President.** — I call Sir Tufton Beamish to put a supplementary question.

**Sir Tufton Beamish.** — Mr President, after that inevitably unsatisfactory but predictable answer, will the President-in-Office assure Parliament that he will convey to the Council of Ministers the great dissatisfaction expressed in the debate yesterday evening on Mr Bertrand's oral question, that in spite of the high-sounding promises made after the Summit Conference there are no regular opportunities at primary sittings to debate the Communities' foreign relations or questions of closer political cooperation. Is he aware that this is a situation which most Members regard as absolutely intolerable and one which must be changed?

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) Of course I shall pass on the information I have received to my colleagues in the Council, and I shall also make it clear that I have understood that there is considerable dissatisfaction in this House with the way things stand. But I must insist that we have an obligation to follow the rules as they stand, and the situation is such that it is outside the Council's area of responsibility to deal with subjects of this sort.

**President.** — I call Mr Radoux.

**Mr Radoux.** — (F) The President-in-Office of the Council replied to us yesterday in place of the chairman of the Foreign Affairs Committee. For this reason, with regard to Sir Tufton Beamish's question, I would ask if he does not think that the creation of a political secretariat under the conditions which have always been envisaged might rather be prejudicial to the present procedure, which, while it is not satisfactory, does at least exist.

**Mr Nørgaard.** — (DK) I can only say that the method adopted by the Foreign Ministers when they carry out their deliberations in accordance with the Davignon procedure is a method they must decide on themselves, and for the time being they have mutually decided that national officials in the highest grades will take on the work of the secretariat necessary for them to hold their meetings. I cannot really see that whether a secretariat is established or not this could have any bearing on what Parliament is dissatisfied with. I doubt that this will lead to any change in relations which may satisfy Parliament. It is merely a question of the best possible means whereby the Foreign Ministers can hold discussions and this will continue to be in their own forum even if they have a secretariat.

**President.** — I call Oral Question No. 82/73 by Mr Noè on the European Committee on Research and Development.

1. Is it intended to follow up the Commission's proposal to establish a European Committee on Research and Development?
2. Is the Council of the opinion that a modern facility for preparing decisions in the field of science and technology policy is essential to avoid misuse of funds destined for this purpose?

I call Mr Nørgaard to answer the question.

**Mr Nørgaard.** — (DK) In this communication of 14 June 1972 on 'Objectives and instruments of a common policy for scientific research and technological development' the Commission informed the Council that it intended to establish a permanent advisory body—the European Committee for Research and Development. This committee would consist of representatives of the various sectors of research and development, who would be connected both with research establishments and universities and with industry. The task of the committee would be to supply the Commission with the necessary data for the formulation of its proposals for the establishment of a community policy in this area. Since the Council was of the opinion that the establishment of such a body fell exclusively within the Commission's area of responsibility, it decided to set up this committee. The committee, which has twenty-one members, personally appointed for a three-year period, held its first meeting on 4 April 1973. However, the Commission found it desirable that both the Commission in formulating proposals for action in the area of research and development and the Council in formulating its decisions in these sectors should be able, in addition, to draw on the advice of a committee consisting of national experts and officials, responsible for the drafting and implementation of research and development policy in their respective countries. With this objective the Commission, in the draft programme of action for scientific and technical policy which it has just submitted to the Council in accordance with the declaration of the Summit in October 1972, has suggested that the Council should set up another permanent advisory body consisting of experts and senior officials. This body is known as the Committee for Scientific and Technical Research and its task is to supply the Commission and the Council with opinions on current problems in the research and development sector.

In accordance with the declaration of the Summit the Council must pronounce on this draft programme before 1 January 1974. However, I can already assure the honourable Member that the Council is aware that it is important and even necessary to take all suitable steps to

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ensure the best possible utilization of the means available for research and development.

**Mr Noè.** — (I) Mr President, I would like to thank the President-in-Office of the Council for his answer, which shows that certain measures are already being taken and that good intentions are not lacking. But I would suggest that a committee of experts (I have the names of its members here: they are all eminent people), while undoubtedly being of help, cannot replace what in my opinion is still missing, that is detailed preparatory work by a small group of persons, who—and this is the essential point—can devote all their time to a subject, work as a team and who, representing various disciplines, can thus produce inter-disciplinary work. On such a basis, what is being done at present can well yield dividends; without it, however, we will, in my humble opinion, be working in a manner which is not equal to the complexity of the problems we are confronting.

**President.** — Mr Noè did not put a supplementary question but outlined his personal position.

I would remind speakers that according to the Rules of Procedure they may only put brief supplementary questions.

I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) I can only say that this work and preparations for it fall within the Commission's area of responsibility, and I assume that it is taking the necessary steps and has paid close attention to what has been said here.

**President.** — I call Mr Giraud.

**Mr Giraud.** — (F) I should like to ask the President-in-Office if he thinks that the proliferation of these consultative committees really promotes the solution of the problems?

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) My experts tell me that we are still waiting at the Council for proposals from the Commission. There is still time to deal with these proposals and naturally I hope that such committees of experts will contribute to progress in the matter.

**President.** — I call Oral Question No. 86/73 by Mr Cousté on relations between the EEC and Comecon.

Subsequent to recent contradictory statements by prominent European figures, the Council is re-

quested to clarify the true state of relations between the European Economic Community and Comecon.

I call Mr Nørgaard to answer the question.

**Mr Nørgaard.** — (DK) Apparently in Helsinki in July the Soviet authorities intended to inform the Danish Foreign Minister that the Comecon countries had agreed to seek contact with the EEC via the secretary general of their organization.

However, this did not occur on that occasion.

In the course of discussions which took place in Moscow at the end of July between Luxembourg's Foreign Minister, Mr Thorn, and Mr Kosygin and Mr Gromyko, the question was raised by the Soviet leaders.

On 27 August 1973 I met the General Secretary of Comecon, Mr Fadeyev in Copenhagen on his initiative. At the meeting, which was of an unofficial nature, Mr Fadeyev suggested that Comecon and the EEC should establish relations with the general objective of facilitating cooperation. He asserted that in so far as there could be agreement in principle on this it would be desirable for the two parties to appoint delegations at a suitably high level with the task of discussing the framework and subjects of possible future talks in this area.

I told the Secretary General that the Council would look into this proposal and that I would subsequently inform him of the Council's reaction.

**President.** — I call Mr Cousté to put a supplementary question.

**Mr Cousté.** — (F) Mr President, a clear reply has just been given to us from the President-in-Office of the Council to the effect that a request had been made by the Secretary-General of Comecon for relations to be established and even for delegations to be set up. I am aware of the intention of the Council to study the request in greater depth but should like to express to Parliament the grave concern to which this initiative gives rise amongst us, the parliamentarians. One wonders indeed what is at the base of the strategy being pursued. One wonders indeed if really the leading role played by the Soviet Union in this initiative is not likely to deprive the other Member States of Comecon of their freedom of action and freedom to establish bilateral relations between the Community and themselves as had been pointed out very pertinently by Sir Christopher Soames in a reply given here on 4 April last. I therefore raise this question before any

**Cousté**

negotiations have begun and any delegations have been created, and I ask the Council to keep us up to date in detail, in connection with other questions, on the progress of these negotiations, since negotiations seem to have been started.

**President.** — Before calling the President-in-Office of the Council, I should once more like to insist that speakers observe the Rules of Procedure and limit themselves to putting brief supplementary questions.

I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) I can announce that the matter will be dealt with at the Council meeting on 20 and 21 September, that is to say, tomorrow or the day after tomorrow, and the intention is to give a reply to the Secretary General of Comecon after this has been discussed in the Council. I suspect that it will then be a case of examining the possible subjects for such talks, as the Secretary General wished. For our part we shall of course announce which body will carry out these talks if we decide to hold them. I drew Mr Fadeyev's attention to the fact that we have a structure in the EEC whereby virtually all the subjects he hoped would be discussed fall within the Commission's area of responsibility, but it is well known that Comecon does not have a similar structure—Comecon has no Commission—and so Mr Fadeyev intimated that the delegation appointed by Comecon would probably consist of national ministers from the various countries which are members of Comecon.

I should also like to point out in answer to the question on the Soviet attitude or dominance in Comecon that I was informed that Mr Fadeyev was authorized by all the member states of Comecon to make this informal approach.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Will the Minister tell the House what, in his view, are the advantages to the Community of these negotiations and goings-on?

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) There are no negotiations going on at present and so it is too early to make a statement about the advantages which may emerge. We first have to decide, in the course of deliberations tomorrow and the day after, the manner in which discussions should be carried out, and only when this has been settled and the putative talks have begun, can we begin to judge the advantages and disadvantages.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) I should like to ask the President-in-Office of the Council whether any negotiations with Comecon will always proceed on the basis that in regard to national law there is a great difference in quality between Comecon and the European Community, in which it is possible to operate on a supra-national basis, whereas in Comecon the opposite is the case.

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) It is clear, as I said before, that there is this difference in structure, and this may of course have some bearing on the way these discussions could take place.

**President.** — I call Sir Tufton Beamish.

**Sir Tufton Beamish.** — Will Mr Nørgaard be kind enough to give Parliament an assurance that there will be no departure from the Community's present position, which is that it enters into bilateral trade arrangements with individual members of Comecon without consulting Parliament, and secondly will he say what he meant when he said his talks with Mr Fadeyev were unofficial, because I do not understand what that word means in that context.

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) They were unofficial in that Mr Fadeyev was only talking to me, and I am not authorized by the Council to negotiate with Mr Fadeyev. Mr Fadeyev therefore held a personal conversation with a Danish Minister, who happened at the time to be a President of the Council. Only after the Council has discussed the matter will we be able to give an official answer, so until that time it is unofficial. It is also clear that Parliament will be notified and that the rules will be followed for the talks that is if there is a question of genuine negotiations, which is impossible to say as yet.

**President.** — I call Mr Jahn.

**Mr Jahn.** — (D) Mr President, in its discussions or negotiations with Comecon will the Council ensure that at no time the way to political union is endangered, as hinted at in Pravda on 13 September when it wrote in a comment on the Conference of Foreign Ministers of the EEC countries in Copenhagen, that the Copenhagen agreements on a declaration concerning the nature of Europe were the first step in the plans to form such a bloc, which have been in



**Jahn**

existence for a long time? Such a path, according to Pravda, if it is really to be taken, i.e. the path to political union, will not assist the European détente which is becoming increasingly a necessary reality, and would not comply with the aims of the European Safety Conference.

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) I understood that it was exclusively a question of exploratory talks to prepare the way for possible negotiations concerning commerce and the economy but not political questions.

**President.** — I call Lord Gladwyn.

**Lord Gladwyn.** — Would the Minister confirm that, if there are to be any negotiations, however the Comecon delegation is composed—whether of Foreign Ministers or whether of a Secretary General or in any other way—it will only, in fact, negotiate on our side with the Commission and with nobody else?

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) I cannot say anything about that at the present time since the Council has not decided at what level and by whom the EEC will be represented in the talks. I would say that it is most probably going to be the Commission but as the Council has not yet held its meeting and as we do not yet know what the nature of talks at an official level will be, I cannot give any answer today.

**President.** — I call Mr Schuijt.

**Mr Schuijt.** — (NL) Mr President, my question has already been put by Sir Tufton Beamish so there is no need for me to repeat it.

**President.** — I call Mr Cousté.

**Mr Cousté.** — (F) What I should like to know is whether, even if bilateral relations are established between the two institutions of which we have just noted the difference in structure and orientation, there will also and concurrently be a concern for the development of bilateral relations between the Community and each of the Eastern Bloc countries belonging to Comecon.

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) I am not sure that I fully understood the question; I heard two voices at

once in my headphones. But I can announce that there is a question of exploratory talks if a decision is taken. There is no more to it than that. And the pattern which exists at the moment will of course not be changed by the fact that such talks are held.

I can also say that—and it must be made quite clear—if the individual Comecon countries still wish to enter into trade negotiations individually without authorizing a body, it is obviously not the Community's task to change this situation in the Eastern Bloc. So we shall not put pressure on the Eastern countries to hand over trade negotiations to Comecon. That is and remains the Eastern countries' own affair.

(Applause)

**President.** — I call Oral Question No. 95/73 by Mr Laban on the Council meeting in Tokyo.

Can the Council give the reasons for its decision to hold an official meeting in Tokyo on 11 September 1973, as a result of which the number of meeting places of European Community bodies is further increased?

I call Mr Nørgaard to answer the question.

**Mr Nørgaard.** — (DK) At its meeting in July 1973 the Council decided to reserve the possibility of holding an extraordinary meeting in Tokyo the day before the GATT conference. Such a meeting proved to be necessary for the Council to be able to establish the Community's position before the conference, and the meeting in fact took place in Tokyo on 12 September. Possible extraordinary meetings have just as little bearing as in earlier cases on the agreement reached by the representatives of the governments of the Member States on 8 April 1965 on the seat of certain Community institutions and services.

**President.** — I call Mr Laban to put a supplementary question.

**Mr Laban.** — (NL) Why could we not as usual have made do with an informal meeting of the Ministers of the separate Member State, before the opening of the GATT Ministers' Conference, thus avoiding the transfer of staff and equipment from one place to another?

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) In my opinion it was not an informal meeting of ministers since a decision had to be reached on the Community's attitude to the Tokyo declaration. No conclusion was reached in Brussels or at the preparatory committee meeting in Geneva. A number of out-

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standing questions remained to be dealt with at a further meeting in order to attain a common European position, and a Council meeting is necessary to reach such a decision and therefore I convened a Council meeting with the full agreement of all Member States.

**President.** — I call Mr Van der Hek.

**Mr Van der Hek.** — (NL) Mr President, why was it necessary that the Tokyo conference for the opening of GATT negotiations be attended not only by the Commission, which was given the mandate for this round of negotiations on 26 June 1973 by the Council pursuant to Article 113 of the EEC Treaty, but also by the Ministers of the individual Member States?

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) I should like to repeat that the fact is that we held a Council meeting to complete the Council deliberations on the joint attitude of the EEC countries to the GATT negotiations. This position was not finally worked out when we went to Tokyo and therefore we had to hold a Council meeting, which incidentally lasted three days. We had three separate meetings in three days during which we finally established a formula and, of course, as always, the Commission took part. So it was not a meeting between ministers, it was a Council meeting.

**President.** — I call Mr Fellermaier to put a last supplementary question to the Council.

**Mr Fellermaier.** — (D) I should like to ask the President of the Council whether he would agree with me in my view that at these meetings in Tokyo the Commission and Council have made a joint contribution towards achieving maximum success in negotiation in the interests of further liberalization of world trade.

**President.** — I call Mr Nørgaard.

**Mr Nørgaard.** — (DK) In my opinion the result reached in Tokyo serves to stress how right it was to have held a Council meeting, that is a meeting in which the Commission took part, because I find that the result reached in an amicable agreement between all the groups, including the USA, the developing countries and Japan, was especially satisfactory from a Community viewpoint. Therefore it served a practical purpose to have held this meeting in Tokyo.

**President.** — We shall now begin the questions to the Commission of the European Communities.

Following a request from the Commission of the European Communities, the following oral questions shall be taken together:

— Oral Question No. 70/73 by Mr Schmidt on transport costs incurred for part-sessions of the European Parliament in Strasbourg

Does the Commission consider that the cost of transporting the secretariat of the European Parliament from Luxembourg to Strasbourg for part-sessions, which requires approximately one million units of account in Parliament's budget each year, is really necessary?

— Oral Question No. 71/73 by Mr Müller on other expenditure incurred by holding part-sessions of the European Parliament in Strasbourg

Is the Commission aware that this figure covers neither the cost of duplicating office facilities in Strasbourg and Luxembourg, of the necessary telephone and telex lines, and of wear and tear on equipment, nor the loss of expensive working time taken up in travel and the inevitable reduction in the efficiency of staff due to these frequent and tedious journeys?

— Oral Question No. 72/73 by Mr Fellermaier on the review of the Decision of 8 April 1965 on the provisional location of certain institutions and departments of the Community

Does the Commission think that, following the accession of the United Kingdom, Ireland and Denmark to the Community, the time has now come to consider the desirability of reviewing the Decision of 8 April 1965 by government representatives of the Member States on the provisional location of certain Community institutions and departments; and does the Commission feel that the decision taken on that occasion to have three provisional seats for the Community institutions meets the requirements of the present situation following the enlargement of the Communities on 1 January 1973?

— Oral Question No. 73/73 by Mr Lautenschlager on the concentration of the Community institutions at a single centre

Does the Commission recognize the vital need to concentrate the Community institutions at a single centre not only in the interests of greater efficiency but also to enhance the Communities' political impact?

— Oral Question No. 74/73 by Mr Seefeld on proposals for concentrating the institutions of the European Communities at a single centre

Does the Commission intend to submit proposals for concentrating the institutions of the European Communities at a single centre, and has it considered whether it might be expedient to create a 'European district'?

— Oral Question No. 81/73 by Lord Reay on the location of the Commission and Parliament

Does the Commission not agree that the location of the Commission and Parliament in cities 400

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km. apart is as unsatisfactory for the Commission as it is for Parliament, and if so, what does it propose to do about it?

- Oral Question No. 83/73 by Mr Behrendt on the annual report by the Commission on the location of Community bodies

Is the Commission prepared in future to submit also to the European Parliament the annual report on the situation concerning the location of Community bodies and departments and on the possibility of taking new steps to give effect to this provision, account being taken to ensure the proper functioning of the Communities, which it presents to the governments of the Member States pursuant to Article 10(2) of the Decision of 8 April 1965<sup>1</sup> by the representatives of the governments of the Member States on the provisional location of certain bodies and services of the Communities, and to inform it in retrospect of the last three annual reports?

Although the Commission will give a general answer to these questions, the author of each question will be entitled to put a supplementary question afterwards.

I call Mr Ortoli to answer these questions.

**Mr Ortoli, President of the Commission of the European Communities.** — (F) Mr President, gentlemen, the questions raised by the honourable Members do not fall within the competence of the Commission or even the Council. A decision of the Member States on 8 April 1965 laid down the provisional seat of the institutions. The Commission is nevertheless not indifferent to this problem, which has obvious repercussions, certain of which have been raised by the honourable members in the oral questions which we shall now consider. I should like to say in this connection to Mr Schmidt and Mr Müller that the financial incidence of the dispersion of the seats of institutions is very difficult to quantify in exact figures. On the one hand, this would have to be based on assumptions which may vary greatly in character; on the other hand each of our institutions is in a different position with regard to the dispersion of its centres of work. To return to the basic question, the Commission for its part had proposed that the desirability should be examined of ultimately establishing a single working centre for all the organs and the institutions of the Community which are involved in its political processes. This suggestion has not been taken up but we can still do no more than hope that the conditions may be present for a decision on these lines to be taken as swiftly as possible. For when we discussed this matter, we have to bear in mind the present situation. This transitional nature was reaffirmed in 1965. No

doubt you will answer that what was justifiable in 1965 is no longer so in 1973 and there is nothing which compels us to prolong this provisional state. I shall reply to Mr Fellermaier who indirectly asked this question, by saying that enlargement alone is not sufficient to change the nature of the problem. We might indeed wonder whether the Community has taken on its final configuration and internal equilibrium and whether, whatever impatience may be felt on the matter of the seats of operation, and from a certain point of view, their legal status, it is not appropriate, before any final decision is taken on the localization of the institutions, to define the future European union towards which we are progressing, which I hope and believe will be done at the next summit conference.

I should like to make a second comment, which commits nobody but myself, which I have a duty to make since I am absolutely certain—and here I return to Mr Lautenschlager's question—that it is not true that there are nothing but disadvantages in the present situation. Alongside the technical disadvantages, which are physically objectionable to us, there is a problem to which we cannot be insensitive: the fact that we have a Europe which continues to debate with itself on the range of absolute centralization. Your Parliament itself has felt this, since from time to time its committees decide to meet at a venue which is not Strasbourg or Brussels or Luxembourg. I raise these questions without attempting to offer a reply. But I note that history and political geography do not supply an unequivocal lesson. Certainly we ought to have centralization, and we should think about it. But, for myself, I do not rule out from the outset the sites which are reasonably diversified while recognizing that the problem of liaison between the Council, Parliament and the Commission is of special significance. I would say again to Mr Seefeld and Lord Reay that the Commission has already drawn attention to this situation several times, especially, and I have pointed out in what terms, at the summit conference in Paris. The Commission hopes that, once the future of European union has been clarified, the localization of the institutions which will be those of the European union can be fixed finally and satisfactorily and, if need be, the Commission will make proposals for this when the time comes. The Commission can assure the honourable Members that it will spare no efforts to ensure the success of any solution which could improve the efficient functioning of the institutions. In this connection, since this document may usefully contribute to keeping Parliament informed, it will suggest to the governments of the Member States

<sup>1</sup> OJ No 152, 13 July 1973, p. 18.

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that the annual report mentioned by Mr Behrendt in his question should be passed on for information. Because of the fact that the recipients of this report are the Member States, this is the only procedure open to the Commission, but it will apply it gladly.

**President.** — I call Mr Schmidt to put a supplementary question.

**Mr Schmidt.** — (D) Is it disputed, Mr President, that, even when you say that it is very difficult to assess the facts, the financial expenditure is considerable which is caused by this travelling around Europe, which somewhat recalls the time of Charlemagne who rode from one palace to another?

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) I do not think that the expenditure is negligible and I should like to say to you that there is nevertheless one thing which strikes me about Europe. We all speak about building Europe, we are nine states, we need as I said earlier—and I am deeply aware of this because I am made to feel it very deeply in my job—that a certain presence of Europe should be better understood. One of the things that concerns me is that too often there is insufficient awareness of Europe, for many reasons which have been expressed in this Parliament or which the Commission has pointed out, but also—and this is an extremely important point—because perhaps we are not sufficiently present, in every way, in our countries to explain what Europe is and to promote a feeling of what Europe can be. I know that this is slightly different from the question posed by you, which was directly concerned with the functioning of the institutions, and I realize that it does cost money but, in my reply, I wanted to point out that there was also a need to popularize the concept of Europe to which we should be sensitive.

**President.** — I call Mr Müller to put a supplementary question.

**Mr Müller.** — (D) Mr President Ortoli, you have explained, and Mr Schmidt has already asked about this, that it was difficult to state the level of these expenses. I should like to ask you whether you consider that the figures given by President Berkhouver are correct, who has estimated the extra cost resulting from the changing place of work at 82 million Belgian francs for 1973 alone, and are you not of the opinion that in the short or long term it will

be possible to obtain more precise estimates from you on the expenditure connected with this problem?

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) I shall reply simply that the President of Parliament, in that capacity, with a budget which is that of Parliament, has made an estimate which I have no reason myself to contest and which I have not taken the trouble to check, as the honourable Member will not doubt understand.

**President.** — I call Mr Fellermaier to put a supplementary question.

**Mr Fellermaier.** — (D) May I ask the President of the European Commission, even if I am prepared to accept that it is very difficult to alter a formal agreement such as that of 1965 which has been made the basis of a resolution by governments, whether he agrees with me in the view—taking into account the de-centralization which he and I both want—that the institutions of the community concerned must help themselves out of the difficulty by provisional measures in order to improve their working ability on their own responsibility, until the agreement of 1965 is amended?

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Mr President, I should like to reply again that this provisional framework exists, that it has been defined outside the Commission and outside the Council and that it results, as everybody knows, from an agreement between Member States. I am giving away no secrets in saying that very real problems are raised by the questions which have been brought up here, and we have had occasion to learn the extent of these problems, for example, here in Luxembourg not long ago when the site of certain organs of the Community was discussed, and I should like to say to Mr Fellermaier that the only reply I can offer is that I fervently hope that we can reach lasting solutions and that I think these lasting solutions will emerge as we define the future development of our community and that for our part we shall do all in our power to progress as speedily as possible towards this kind of solution.

**President.** — No, Mr Fellermaier, you have only one question.

**Mr Fellermaier.** — (D) No, Mr President, I have myself one question, but other questions have been submitted and as a member of the House

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I also have the right to other questions and because I am not satisfied with this answer, I should like to put an additional question; that is why I wish to speak.

**President.** — Yes, but you must come back to that later, if the question has not been answered by then. Mr Lautenschlager, too—one short question please.

**Mr Lautenschlager.** — (D) Mr President, I should like to ask the President of the Commission whether the Commission considers it a good argument if, by turning the question round, it cleverly reproaches Parliament when it is obliged for reasons for which it is not responsible, to meet at places other than Strasbourg, Brussels and Luxembourg.

Does the Commission also share my view that the Bureau has given a good example to the other institutions in its decision not to allow meetings of committees outside the three provisional places without cogent reasons?

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Two very brief replies, Mr President.

First of all I made no reproach to Parliament of what it was doing.

Secondly this matter has been settled in the clearest manner by an agreement between Member States which fixes the provisional seat of the institutions. I cannot do anything about it. This agreement exists, and until somebody proves to me the contrary I consider that agreements have to be implemented.

**President.** — I call Mr Seefeld to put a supplementary question.

**Mr Seefeld.** — (D) A short question, Mr President. In the second part of my question, that is Question No. 74/73, I asked whether the Commission had considered the expediency of planning a 'European district'. I was referring to statements by the great European Jean Monnet in the 50's and to a resolution of this Parliament of 15 January 1960. I have not had an answer to this today.

I therefore ask you: whether you have considered this, or have you in the meantime recognized the expediency of this or not?

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Mr President, as far as the Commission of which I have the honour to be

President is concerned, I shall reply that it has not studied the hypothesis of a European district and I think I know that, as far as previous Commissions are concerned since 1950 up to now, this subject has not been studied in detail. This does not mean that the problem might not be investigated where appropriate.

**President.** — I call Lord Reay to put a supplementary question.

**Lord Reay.** — Mr President, while I think we all recognize that a decision on the permanent seat of the Community's institutions is a matter for the governments of the Member States, nevertheless the governments of the Member States are not going to ignore the views of the institutions themselves. May I therefore ask the Commission whether in the last resort it would be willing to support the idea that it should itself move from Brussels rather than that the present situation should endure, or are we to take it from the rather cautious words of the President of the Commission that it would be likely to argue that that was impracticable? Secondly, if I may, Mr President, I should like to ask what the Commission would think of the idea that Parliament should hold its plenary sessions in Luxembourg for the time being with the exception of the constituent part-sessions which would continue to be held in Strasbourg, an arrangement which would have the advantages of halving the distance between the Commission and the Parliament and of uniting the Parliament with its staff, advantages which I should have thought the President of the Commission was able to appreciate.

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Mr President, my reply was perhaps cautious but at least I think that it was clear. I said to you that I thought that this matter could not be settled in any other way than by defining completely what our status would be in the future. I think I have said it very clearly. Secondly, I have also said that, as far as we were concerned, we wished that a solution could be reached although I have expressed certain reservations for reasons which are reasons of substance on the idea of absolute centralization. Thirdly, I would say to you frankly that I do not think this is the right time to sustain the idea that the Commission should move from Brussels and, to be quite honest, I do not think that the Commission will propose this of its own accord in the weeks to come. Fourthly and finally, with regard to the problem of Parliament, which as I pointed out was laid down by a framework in which the Commission

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had no part, there are certain disadvantages, it is true, and we are aware of them as well. As far as I am concerned it is not my intention to pronounce how the sessions of Parliament should be distributed. I know a certain rule. It exists and I think that everyone should observe it. I am also aware of a certain number of needs, and I have pointed out to you that, as far as I was concerned, I was quite prepared for the Commission to indicate, when we achieve further progress in the definition, in the next eighteen months or two years, of what European union may be, its feelings on what, in this very complex matter, where the site of the working centres should be. I do not think that I can go any further in this today.

**President.** — I call Mr Bro.

**Mr Bro.** — (DK) I share the opinion that the seat of the Community's institutions presents very great difficulties and I hope that this can be changed. But I should like to ask the Commission whether it would not be possible, until the situation could be changed, to exert an influence on the removal companies—usually national or nationally influenced removal companies—which we are tremendously dependent upon. The current distribution of the institutions presents very great difficulties which have not found a particularly practical solution. I should therefore like to ask the Commission whether something could not be done to influence them towards establishing faster, easier and cheaper connections between the towns in which the institutions are situated.

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) This is a point which has concerned the Commission and also I think Parliament, for we are both together in this matter. Progress has been made and we are quite prepared to go ahead and to continue to use our influence with the public transport companies in order to secure an improvement in the situation, which moreover raises a wider problem, namely the situation in transport across Europe, in order to provide better conditions for European integration (if you will allow me to add this detail).

**President.** — I call Miss Lulling.

**Miss Lulling.** — (F) Do you not think, Mr Commissioner, that it would be more appropriate to consider the big budget items such as those which we discussed yesterday—for example, the 3,800 million for the agricultural policy or the

300 million units of account for butter sent to Russia—than to invoke certain operational expenses which make it possible to avoid disastrous centralization and to make the presence of Europe felt in more than one city, and call into question decisions which especially concern the smallest Member States of the Community.

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Excuse me, but this is an assessment which I would avoid making; I am here to reply to questions which have been posed by people who think they can do so legitimately. I give the replies which I think I have to give, but that does not prevent us from concerning ourselves with the budget as a whole. I think that, according to the rules of the game, it is up to the Members of Parliament to ask questions and to the Commission to attempt to reply to them, but I cannot pass any judgement on this point.

(Applause)

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr President Ortoli, would you agree that under Article 216 of the Treaty of Rome the Member States have undertaken to determine the seat of the institutions, and that in the spirit and content of the Treaty the Commission is required to be the guardian of the Treaty and that in this spirit it must really take greater action with respect to the Member States in order to bring about this decision in accordance with Article 216.

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) I agree with what you say. A seat needs to be fixed and I have replied that, as far as we are concerned, during the relatively short period between now and the time when Europe will progress a stage further and when we shall see more clearly what institutions we have and what our development is to be, we shall make the proposals which we think need to be made.

**President.** — I call Mr Bourges.

**Mr Bourges.** — (F) Mr President, I do not think we should hide the fact that the question of the seats of the Communities, of the institutions of the Community, poses a real problem, even if only from the point of view of enlargement, since the provisional decisions which have been adopted preceded enlargement. I should like to

**Bourges**

say how well I understand and how well I appreciate that Parliament is concerned with this problem and, at the time when these questions are being asked and this debate is being held, can thus give voice to its concern. But I should also like to stress that these questions have not dealt with all aspects and all factors of the problem. And I appreciate that President Ortoli, for his part, has pointed out that there are not only practical or material aspects but also political aspects. Mr President, I must draw attention to the need to observe the Treaties and the rules, and I would like to ask President Ortoli whether the Commission, as concerned as it is that the Treaties and rules should be observed, really thinks that the problem should be dealt with as a whole and not in a fragmentary manner, concerning only the activities of the Parliament, for it would seem to me to be extremely dangerous to allow an easy-going attitude to develop with regard to the problem of the institutions and their seats. This is the assurance that I would like to receive from President Ortoli.

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Mr President, this is an assurance that I should like to be able to give, but, as I have already pointed out, it is not even the Council but a conference of Member States which, in this particular instance, took all the decisions. It is the Council which would take the final decision on the location of the seats, but I cannot give an assurance, speaking for others, on what these decisions will be. What I have said, on the other hand, on my own thoughts and on the ideas of the Commission, has been sufficiently clear as has also pointed out.

**President.** — I call Mr Wieldraaijer.

**Mr Wieldraaijer.** — (NL) I should like to ask the following, Mr President. How can the Commission fulfil its commitments as guardian of the Treaty and of the Staff Regulations of officials, in which it says that officials must be able to perform their tasks under such conditions as to ensure a smooth functioning of the services?

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Replying for the Commission, I would say that I think the smooth functioning of the services is at the present time assured.

**President.** — I call Mrs Nielsen.

**Mrs Nielsen.** — (DK) Mr President, the citizens of the Community often feel very confused when they hear about the organization, situation and activities of the Community institutions. In any case, this is true of the citizens in my country which is one of the new Member States. Does the Commission agree that this confusion would be considerably reduced if the Community bodies had a common seat?

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) I shall return to the reply which I have already given. I think that it is highly desirable, and the Commission will do all in its power to this end, that we should once and for all settle the problem of the seat of the Community. I have raised—and I may have been wrong in doing so—another solution, in which personally I implicitly believe as I have experienced it in a number of circumstances: it is that of reasonable decentralisation.

If in consequence you ask me whether I am in favour of a permanent fixed seat with entirely reasonable centralisation, making it possible to deal with the real problems arising from the point of view of the conduct of the Community's affairs, I would reply without the slightest hesitation: yes. If you ask me: should there be absolute concentration? For reasons related to my own experience and to what I see around me I would reply, without stating a definite conviction, that I have my doubts, for I am sensitive to the problems of European presence and we are all aware of them, I think, at different times in our countries or in the exercise of our offices.

(Applause)

**President.** — I call Mr Scelba to put a final question. The list of speakers has already been closed; I can only allow you to put a short question.

**Mr Scelba.** — (I) Mr President, we know that the governments of the Member States have not been in a position up to now to be able to put the provisions of the Treaty with regard to the seats of the Community into effect. Under these circumstances, Parliament, acting on its own initiative, made its own arrangements for its work and decided that the longer part-sessions would be held in Strasbourg and the shorter ones in Luxembourg. The question I wish to ask is whether, in the present circumstances, Parliament can, if it wishes, acting on its own authority, decide to make other arrangements for its work and fix most of its meetings, for example, for Luxembourg rather than Strasbourg. On this matter I am not looking for an

Scelba

answer from the President of the Commission, because the answer rests with Parliament.

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (*F*) Mr President, I have said what I thought of the juridical conditions in which we find ourselves and of the political and technical perspectives which open up before us. I would not like to reply more fully to a question which, if I understand correctly, has not been put to me.

**President.** — I call Oral Question No. 84/73 by Mr Spénale on the budgetary implications of butter exports to the USSR.

A special refund of 1,500 u.a. per ton was paid on the 200,000 tons of butter exported by the Community to the USSR. This implies a charge of approximately 300 million u.a. on the Guarantee Section of the EAGGF.

What budgetary resources and what procedure were used to cover, or will be used to regularize this transaction, given that Parliament, as budgetary authority, was not consulted?

I call Mr Lardinois to answer the question.

**Mr Lardinois, member of the Commission of the European Communities.** — (*NL*) Mr President, yesterday evening we discussed in great detail the problem raised here by Mr Spénale concerning the financial background and consequences of exportation of butter to the Soviet Union. I should therefore like to repeat briefly a few of the answers given yesterday by my colleague Mr Cheysson, albeit in somewhat different words. To begin with in 1968 the Community was faced with a particularly difficult situation as regards butter surpluses. As a consequence of this, the Council gave extensive powers to the Commission, enabling the latter to take action when such situations arose. This is why the present arrangements were made with regard to the Commission and the Management Committee. Secondly—and my colleague Mr Cheysson mentioned this too—the butter stocks situation was so alarming in March 1973 that we felt quite justifiably that we must intervene as soon as possible. This we thought we could do by our proposals to the Council and further by making use of an additional opportunity. Even in retrospect, all I can say is that the situation was such that this solution, which was chosen in the interests of budgetary policy, was the best alternative. I do admit however—and I said so yesterday as well—that this whole affair was anything but pleasant. The decision was taken in April and at that time there was no reason to assume that the credits of the Guarantee Section of the EAGGF would be

exceeded as a result of this trade. As regards the last question, the Commission is very well aware of the political consequences of this sale. It understands the European Parliament's concern on this point and is prepared to seek an improvement in the procedure for consulting Parliament in future for further difficult cases with serious financial implications. In the Commission's opinion, the problem can best be dealt with in the discussions currently underway with the Commission concerning the strengthening of the powers of the European Parliament. I repeat, I agree with the Commission that it should be possible in such cases to consult Parliament first provided this can be done in such a way that it causes no inconvenient repercussions on the market and that the necessary secrecy can be guaranteed in respect of certain measures on the market.

**President.** — I call Mr Spénale to put a supplementary question.

**Mr Spénale.** — (*F*) I should like to thank Mr Lardinois for his reply which takes a step in the direction we wanted. I must say that, when I hear him plead a case, I once more deplore the revocation of the Edict of Nantes in my country. I should merely like to ask Mr Lardinois the following question: is the Commission aware of the exchange of letters between Parliament and the Council of 11 November 1969, 20 March 1970, 22 July 1970 and, lastly, the letter of 31 October 1972 to the President-in-office of the Council at that time which declared that when decisions on important financial consequences were taken a procedure should be applied prior to the decision which involved Parliament? I should also like to know why this procedure was not applied, for a Council decision of 1968 authorizing action of one kind or another cannot be applied in violation of the agreements of 1970 on the budgetary powers and the consultation prerogatives of the European Parliament.

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (*NL*) I understand that this matter to which you refer, Mr Spénale, bears no relation to the implementation of measures on the agricultural market, since this affair is governed by our market regulations, which give a very exact definition of powers, exceptions, procedure for consulting with the Council etc., with which this Parliament too is familiar. First we must discriminate between a new policy in any field, even agriculture, and the normal implementation of market regulations as they are adopted. What I said in the beginning must



**Lardinois**

however also answer your question since even this normal implementation can have political consequences, as we have already seen, and therefore, even if only in the interests of good relations between Parliament and the Commission, a procedure for consultation must be worked out, possibly on the basis of some kind of "gentlemen's agreement". In my opinion and also in the Commission's opinion, this can best be discussed without touching upon Parliament's powers as set out within the framework of the strengthening of the budgetary powers of the European Parliament.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — With respect, Mr President, would the Commissioner answer the question on the order paper? Where did the money come from, was it *ultra vires*, and how was the transaction done? And finally could he tell the House whether or not he envisages a similar situation of a surplus arising at the end of this year which will have to be disposed of in some way or other, given the present levels of prices for milk throughout the Community?

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) With regard to the last point, I can tell you that we can be a little more optimistic about the position for the beginning of next year or even for next year in general than we had thought half a year ago. For this period we anticipate a not inconsiderable reduction of the butter stocks, compared with the situation confronting us in the first half of this year. As regards the second point, I should like to point out that by selling butter to the Soviet Union we did in fact clear up the stock which had built up in 1972 in the old Community of Six, plus a quantity of butter which had been imported in addition from third countries, particularly the United Kingdom, just before the latter joined the Community, which was in fact making export more difficult for the countries concerned. I feel that I need say no more in reply to this question, as it would only involve a complete repetition of what was already said yesterday.

**President.** — I call Mr Baas.

**Mr Baas.** — (NL) Mr President, may I ask the Commissioner whether the stand he has now taken does not represent a considerable deviation from the stand taken hitherto by the Commission? Mr Lardinois' predecessor always refused to discuss these aspects within the context of the discussion of the budget in Parliament.

May I assume that the Commission's standpoint has in fact altered considerably in answering this question? In my opinion this is important.

**President.** — I call Mr Lardinois

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) I too think this is important.

**President.** — I call Oral Question No. 85/73 by Mr Brewis on the cereal harvest in 1972 and 1973.

What is the Commission's estimate of the tonnage of the cereal harvest in the Community this year, how does it compare with last year, and what is the percentage increase in price likely to be payable by consumers?

I call Mr Lardinois to answer the question.

**Mr Lardinois.** — (NL) Mr President, Mr Brewis has put several questions concerning this year's cereal harvest. My answer is as follows. The total cereal harvest for this year for the whole Community of Nine is estimated to be approximately the same as last year. For all types of cereals this comes to about 105 million metric tons. There is of course a certain difference between the different varieties of cereals. For instance, last year's wheat harvest in the Community of Nine totalled approximately 41 million tons; this year it will be half a million or 1 million tons below that figure. The maize harvest, on the other hand, which has yet to be harvested, is expected to be a couple of million tons more than last year. The rice harvest, too, is expected to exceed last year's figure. But the total figure for all cereals will still be about the same as last year, approximately 105 million tons. It is not yet possible to give the estimated percentage increase in the price to consumers for the entire year, especially since the world market is such a complicated one. It depends on a number of factors which would be impossible to predict. However, we do expect for the rest of the harvest year i.e. until 1 July 1974 that the world price will be considerably higher than last year.

This could be about the current level which means that the price for cereals for animal fodder has almost doubled and the price of wheat almost trebled. In the Community, at least in the countries which apply fully the EEC system and have not been affected by actual devaluation, the cereal price of the most important cereals has risen by not more than 2%. In the Community countries which apply the system fully, the most important cereals at the moment are wheat, maize and barley; where these countries have not been affected

**Lardinois**

by devaluation, prices are only some 2% higher than last year. If we can keep things that way, I think I would be justified in saying that, even in this exceptional situation which has affected the whole world, resulting in serious grain shortages, the EEC system has withstood the severest test yet and acquitted itself remarkably well of its difficult task.

**President.** — I call Mr Brewis to put a supplementary question.

**Mr Brewis.** — Mr President, may I thank the Commissioner for that very interesting reply. Although cereal prices have weakened somewhat in the last week or so, does he not think that certainly in the countries which have just joined the Community high cereal prices are going to have a serious effect on livestock production, and has the Commissioner any positive proposals to see that farmers maintain livestock production through the winter, so that there is no shortage of livestock products in the spring?

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) I can assure Mr Brewis that we are of course following the situation very closely also in the new Member States, and in Italy where special circumstances have subjected the cereal market to considerable fluctuation. However, I am very much under the impression that the sharp increase in cereal prices in Great Britain was in general absorbed by the producers and by the not inconsiderable increase—generally speaking—in the price of such agricultural products as eggs, poultry, pork and milk. The increase in the price of milk last year was obviously not so great as for the other products which I have mentioned, but for producers in Great Britain, it was still considerable, relatively speaking and quite a lot more than in the old Community and I feel that gives us a bit of scope. Exactly how much will be involved and whether or not certain consequences can be expected this winter for production is impossible for me to say; for it also depends on the question of whether the continuing evolution of prices for protein-rich products will follow the current trend.

**President.** — I call Mr Vetrone.

**Mr Vetrone.** — (I) What are the views of Commissioner Lardinois on the question of whether the monetary factor of the dollar crisis or the political factor of the United States' policy of détente towards the Soviet Union played the greater part in bringing about the present chaos on the world grain market?

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) It is obvious that the unstable monetary situation was an important factor in this last period of price increase for a number of raw materials both inside and outside agriculture, especially during the last half year. But as regards agriculture, and basic agricultural products, cereals in particular, and products such as soya beans, etc., it is the shortage resulting from a number of very poor harvests in large parts of the world which in my opinion still plays the most important role. For where there were no such shortages, for instance in the dairy sector, we have not been faced with such a situation. Thus I maintain in general that this shortage was indeed caused by last year's poor harvest, which was a step backwards compared with previous years, in spite of an annual increase in population of 75 million and in spite of the improvement in diet in most parts of the world.

**President.** — Ladies and gentlemen, in order to do justice to Question Time as far as possible, and to allow all political points of view to be heard, I have allowed Question Time to exceed its allotted time.

I must now close this item on the agenda.

Questions which have not been answered for lack of time shall be answered in writing unless the author of the question states that he wishes an oral reply and requests postponement of the question until the following Question Time.

I must observe the Rules of Procedure at this point.

## 6. Change in agenda

**President.** — I call Mr Van der Hek.

**Mr Van der Hek.** — (NL) Mr President, you wish to declare Question Time closed, but may I remind you that my question No. 87/73 was first submitted as a written question? Because of the time factor, I asked you to make it an oral question. If you declare question time closed, the authorization which you gave me earlier to submit it as an oral question makes no sense and with this I cannot agree.

**President.** — Although I share your view, I am obliged to close Question Time. It is not my fault that the discussions have been so long; on the contrary, I have tried to be as flexible as possible.

I call Lord O'Hagan on a point of order.

**Lord O'Hagan.** — Mr President, I am only rising because I feel that Question Time is very valuable and it is a great pity that those of us who rely on the Secretariat and others to help us make these questions topical and useful should find that, because too many supplementaries and too long answers are sometimes permitted, our work goes in vain. Could I ask you, Mr President, to be more ruthless both with those who are answering the questions and also Members who are putting them, so that we can have more questions in the Question Time?

**President.** — If I were stricter, I would be criticized for that, too, Lord O'Hagan!

I call Mr Radoux on a point of order.

**Mr Radoux.** — (F) I think we all appreciate the manner in which you conduct the discussions at Question Time, but I also think that we all feel that Question Time is extremely important for the Council, the Commission and Parliament alike. This is why I would like to ask you to consider extending Question Time in order to avoid being compelled to do what you are now doing, namely, to leave some questions without replies. This is extremely unpleasant for the members of this House.

**President.** — If everyone agrees, we shall try quickly to deal with the unanswered questions.

If Parliament thinks it essential to continue Question Time I shall not oppose it, especially since I have received no request for a debate at the end of Question Time.

I see that Mr Broeks and Sir Tufton Beamish are indicating that they agree with this proposal.

I shall therefore not be too strict in observing the Rules of Procedure, but shall apply them in a flexible way.

I call Sir Tufton Beamish.

**Sir Tufton Beamish.** — I just wanted to make one suggestion. I was one of the lucky ones because my question was second, and it was answered by the President-in-Office, so of course I have no complaints. It is always bad luck on Members when their questions are not reached, but I do think that Question Time has been improving as the months go by, as I think most of us will agree. There is just one suggestion I should like to make, which is that when a reply is a long one, such as the reply by Mr Lardinois to Mr Brewis's question, which was inevitably long and very informative, might we perhaps adopt the procedure whereby the Com-

missioner would rise and say, 'In view of the length of my reply, I will with permission make a statement after questions.' This is a practice used, I think, in several national parliaments represented here, and it would save a great deal of time.

#### 7. Question Time (cont.)

**President.** — As I have just proposed, and the Assembly seems to agree, we shall now continue with Question Time.

I call Oral Question No. 87/73 by Mr Van der Hek to the Commission of the European Communities on the application of the system of generalized preferences to East-European countries.

Does the Commission share the Council's opinion that, in principle, any requests from other East European countries to benefit, like Romania, from the EEC offer made under the system of generalized preferences for developing countries should receive a favourable reply?

I call Mr Scarascia Mugnozza to answer the question.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I would like to reply to the question by Mr Van der Hek by recalling that the President of the Council, replying on 3 July to the question by Sir Tufton Beamish, did not say that we ought to give a favourable reply to every request from Eastern European countries who wanted to be able to benefit from the system of generalized preferences.

What the President of the Council did say on that occasion was that every individual case should be examined on its merits, if and when such a request were presented, and that he hoped that the Council would consider favourably every request submitted to it.

I may say at this point that the Commission is in absolute agreement with the Council of Ministers on this matter.

**President.** — I call Mr Van der Hek to put a supplementary question.

**Mr Van der Hek.** — (NL) Mr President, one short supplementary question: since the system of generalized preferences is intended exclusively for developing countries, I should like to ask the Commission to give me the names of the developing countries in Eastern Europe.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) Mr President, I should like to state that by the resolution of 22 February at the second UNCTAD Conference, the countries which give generalized preferences agreed to accord generalized preferences to the benefiting countries without any discrimination and with no regard to political and economic systems.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — On a point of order, Mr President. You did not consult the House as to whether we should continue with Question Time. You were, I am sure, perfectly aware that we are breaking and bending the Rules of Procedure which were laid down by this House earlier this year. I have every sympathy with those who have not had their questions answered—it happens to me time after time in my own national Parliament—but unless this House decides, Mr President, that it will extend Question Time by an hour, or whatever, in the Rules of Procedure then in my view we have no right to do this. You are perfectly entitled, Mr President, to run over the hour by a few minutes—this invariably happens in every national parliament and happens here—but I do suggest, Mr President, that what we are doing now is absolutely out of order.

**President.** — I call Mr Fellermaier on a point of order.

**Mr Fellermaier.** — (D) Mr President, I think that even without a formal agreement, and to this extent I am in conflict with Mr Scott-Hopkins, the House was agreed, in view of the political importance of these matters, to allow an extension, because for practical reasons during question time we had to listen to long comments by the President of the Commission regarding the seat of the institutions, and we wanted to hear these, and I believe that if a President is flexible at this point we should be grateful to him and should not bind him to the rules of procedure as Mr Scott-Hopkins wishes.

**President.** — A few moments ago, Parliament was in favour of my proposal to continue with Question Time.

I made this proposal following the intervention by Mr Radoux, supported by Mr Broeks.

I would be grateful if Mr Broeks would confirm that we did decide to continue with Question Time.

**Mr Broeks.** — (NL) Yes, Mr President, I have the impression that what you say and what Mr

Scott-Hopkins says is right. We did in fact decide that Question Time should last one hour, or sixty minutes, but I feel that Parliament has the right to change its own agenda and that if you wish to extend Question Time beyond these sixty minutes—which in this case would be much appreciated by everyone—you need only submit this proposal to the Parliament; if it is accepted, the agenda is changed. You have just made this proposal, it has been accepted and one of the Commissioners has already begun to answer. And now Mr Scott-Hopkins is raising objections. This seems unfair.

**President.** — I call Mr Radoux.

**Mr Radoux.** — (F) I take this opportunity, Mr President, of saying that I entirely share the sentiments of the Members who say that you are right, and we must congratulate you on your attitude. But apart from this, I find it fairly paradoxical that members now cause us to waste precious minutes by calling into question the felicitous decision which you took.

Does the Vice-President of the Commission share my opinion that it is in the interest of the European Communities to encourage economic and commercial relations with all the countries of the Eastern Bloc and, as a result, that the most appropriate means should be sought in each individual case to meet, whenever possible, the requests which these countries may make of the Commission?

**President.** — I call Mr Scarascia Mugnozza to answer Mr Radoux' question, after which we shall hear Mr Laban's short question.

**Mr Scarascia Mugnozza.** — (I) I have already said that I agree with you.

**President.** — I call Mr Laban.

**Mr Laban.** — (NL) Mr President, I should like to ask the Commissioner to tell Parliament which developing countries are situated in Eastern Europe.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) Mr President, I have already given my reply: a list of developing countries belonging to one side or the other does not exist and I have already said that a decision was made in the UNCTAD assembly not to take politics into account, since it should be possible to respond to applications from individual countries in accordance with individual requirements.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr Vice-President of the Commission, may I ask another question in order to hear a satisfactory answer from you: which countries in Eastern Europe have been included in the UNCTAD list by UNCTAD itself?

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) Mr President, there exists a body of agreements with respect to 77 countries (in actual fact there are 100), but no list exists of countries which may or may not be granted preferences. When a country, regardless of its political affiliations, asks to benefit from generalized preferences, its request will be examined by the Community and on the basis of this examination the Community will take the appropriate decisions.

**President.** — I call Mr James Hill on a point of order.

**Mr James Hill.** — Mr President, I hate to interrupt this, but surely if you are going to extend Question Time in this manner—and apparently it has had the acceptance of the House—this should have been put to a vote. I am particularly concerned, because I was extremely interested to hear the reply to Lord O'Hagan's question on professional qualifications; if we are saying there is one rule for one type of question and one rule for another, then this is very irregular. I think that in future, Mr President, there should be a vote on any extension of Question Time and that we should be able to include other questions with the vital question.

**President.** — Ladies and gentlemen, I think Mr James Hill is making the same mistake as Mr Scott-Hopkins. Parliament has decided to continue with Question Time in such a way that all questions can be answered. So Mr James Hill too will be able to speak. Let us not waste more valuable time on points of order.

I shall now call the questions by Mr Springorum, Lord O'Hagan and Mr Yeats, in that order. I hope that we shall be able to finish these questions before twelve o'clock.

I therefore call Oral Question No. 88/73 by Mr Springorum to the Commission of the European Communities on information on computer programmes.

Why has the Commission based proposals for two Council decisions

— on a research and training programme of the European Atomic Energy Community in the field of information on computer programmes

— on a directive to the Commission on the negotiation of an agreement to set up a European information centre for computer programmes (COM (73) 985 final)

on Article 7 and Article 101 of the Euratom Treaty instead of Article 235 of the EEC Treaty, given that neither proposal is even remotely paranuclear in character?

I call Mr Scarascia Mugnozza to answer the question.

**Mr Scarascia Mugnozza.** — (I) Mr President, a link was established between the Council's two draft decisions regarding the research programme and in particular an extension of the already existing research programme in the information sector. On 14 May 1973, in fact, the Council established a long-term programme of research and training pursuant to Article 7 of the Treaty establishing the European Atomic Energy Community, Annex 5 of which constitutes a research programme for the Joint Centre. The objective of a 'programme of activities', intended to meet the needs of the Community, is in fact of interest to all scientific, technical and technological sectors of industry, both nuclear and non-nuclear. Well now, the programme of research and training—which is the subject of this question—envisages an extension of the Joint Centre's programme of research in such a way as to allow the Community's participation in COST project No. 12, and thus the establishment of a European Information Centre on computer programmes.

The application of Article 7 thus follows from the Council's decision of 14 May 1973, while Article 101 of the Treaty establishing the European Atomic Energy Community was quoted because the Community must subsequently open negotiations with third countries with a view to reaching agreement on COST project 12.

**President.** — I call Mr Springorum to put a short supplementary question.

**Mr Springorum.** — (D) As under Article 101, only the Commission can act when it is competent under the Treaty, the question arises: is the Commission also prepared in future to interpret these treaties as broadly and extensively in other areas, for example, energy policy, environmental policy, the European company policy, or is it worried that in the application of Article 235, which should basically have been applied here, this proposal by the Commission will be rejected by the Council?

**President.** — I call Mr Scarascia Mugnozza to give a short answer.

**Mr Scarascia Mugnozza.** — (I) Mr President, I believe I already answered Mr Springorum's question a few days ago in the Committee on Public Health and the Environment. We have no misgivings about referring to Article 235, although where the Commission is able to refer to other applicable Articles of the Treaty, it does prefer to do so.

**President.** — I call Mr Burgbacher to put a very short question.

**Mr Burgbacher.** — (D) There is no parliamentary control for the acts under Article 235. Is the Commission also prepared, in the necessary amendment of the Treaty for the budgetary powers of Parliament, to propose that application of Article 235 also requires the assent of Parliament?

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) The Commission has already declared that where the application of Article 235 is concerned it will always wish to consult the European Parliament.

**President.** — I call Oral Question No. 89/73 by Lord O'Hagan to the Commission of the European Communities on the harmonization of professional qualifications.

Which professional qualifications does the Commission intend to harmonize?

I call Mr Scarascia Mugnozza to answer the question.

**Mr Scarascia Mugnozza.** — (I) The Commission considers the harmonization of diplomas and other professional titles not as an end in itself, but rather as a means to achieve the free movement of workers, and in no way as one of the conditions prejudicial to the attainment of freedom of establishment and of the freedom to provide services as a self-employed person. In addition to this, the reduction of discrepancies between standards of training and the reciprocal recognition of diplomas constitute one of the most important objectives of a common policy on professional training.

As far as the measures designed to accomplish these objectives are concerned, the Commission is aware of the specific problems which apply both to salaried positions and to self-employed persons. Not one of the relevant occupations has been overlooked in applying the provisions of the Treaty. The Commission's most recent initiative in this sector is the decision to hold a public hearing from 22 to 26 October 1973, to which representatives of all bodies directly

or indirectly interested in medical training will be invited; in this way it will be possible to receive new contributions and to speed up the Council's work on the adoption of new proposals for directives on the medical profession.

**President.** — Since you suggested earlier that I should be more ruthless, I would ask you to keep your question extremely short.

**Lord O'Hagan.** — Mr President, may I thank the Vice-President of the Commission for that long answer which contained a useful piece of information at the end, may I ask him what guarantees he can give to the House that when these harmonization plans are being thought out, the people of the Member States will not find at the end of the day that their rights to choose the type of medicine that they prefer have been bulldozed away, and can he tell us whether this system of public hearings for medical qualifications will be followed when dealing with other professional qualifications, so that the people of the Member States can be assured that the Commission is not going to remove the type of services that they particularly like from the various types of professional people who work in the Member States?

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) Of course, Mr President, we are at the beginning of a new experiment, but I can guarantee that the discussion of problems which might be of interest to people of a particular group, but living in different countries, will have to take place together with the professional bodies and thus with those most closely concerned, quite apart from government bodies. In this sense I can therefore guarantee that, as far as the recognition of individual diplomas is concerned, everything possible will be done to ensure that everybody is able to benefit from the same laws and from the same conditions.

**President.** — I call Oral Question No. 92/73 by Mr Yeats to the Commission of the European Communities on food supplies and needs inside the EEC.

Has the Commission any plans for ensuring that the so-called food surplus in Europe is made available to meet the dietary deficiencies that exist amongst such sections of the population as:

- social welfare recipients,
- migrant workers,
- those who are members of particularly large families,
- the aged?

I call Mr Lardinois to answer the question.

**Mr Lardinois.** — (NL) Mr President, programmes such as those referred to by Mr Yeats are already being implemented in the Community in a number of sectors, specifically butter and a number of vegetables and fruit varieties and processed fruit products.

All I can tell him is that we are currently investigating the possibility of increasing such programmes within the framework of improving agricultural policy.

**President.** — Mr Yeats, do you wish to put a supplementary question?

**Mr Yeats.** — Mr President, my question will have to be fairly short because the answer itself was certainly short and extremely uninformative. I would ask the Commissioner to have regard to the fact that on the one hand we have these so-called surpluses of food piling up and on the other hand we have people who would certainly like to eat these surpluses but who cannot afford to do so, and I would ask the Commission, when considering its new proposals for the CAP, to take some really decisive step to ensure that food supplies will in the future be channelled towards those who are most in need, particularly those listed in my question. I have a feeling that if the Commission would occasionally forget about the economics of the market place and think on social lines, we might get along better with these so-called surpluses.

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) Mr President, I should like to point out that those who are most in need live mainly in underdeveloped regions, which is where it is intended to increase considerably food aid programmes in the future. In fact you will find this in the 1974 budget. Moreover, we must expect exceptional administrative difficulties in this connection and realise that if such programmes are to be increased within the Community the costs can in certain cases be truly prohibitive.

**President.** — I call Sir Brandon Rhys Williams.

**Sir Brandon Rhys Williams.** — Mr President, I should like to ask the Commissioner whether he is aware that the issue of food coupons in the United States as a form of social aid has had very dubious success. Would he not agree that the right way to help people in large families or on pensions, or people who have to work for very low wages, is to establish a better and more harmonized social security system instead of rather gimmicky ways of distributing

temporary food surpluses. I should also like to ask the Commissioner, if the object of our social policy is to assist people particularly on low wages, whether this does not in fact coincide with the purpose of the whole common agricultural policy and would not the purposes of the common agricultural policy also be served if a system of minimum income guarantee were brought in for all workers on low wages, including farm workers on low wages, whom the common agricultural policy is designed to help?

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) Mr President I agree fully with the drift of this question, or at least with the first part. I believe that social security systems in the Community are much more developed than in the United States of America, for instance. This is why I feel that direct food aid within the community should be limited to exceptional cases and that we should not try to set up some sort of social security arrangement, or whatever you want to call it, with these food surpluses.

Secondly, I agree that we should devote our efforts to working out comparable systems of minimum income in the different Member States and I hope that the first to benefit from this will be the farmers, some of whom still remain beneath a decent minimum income level.

**President.** — I call Mr John Hill.

**Mr John Hill.** — Mr President, insofar as it is desirable to encourage the consumption of surplus food within the Community, is it not therefore desirable to do anything we can to keep down the prices paid by the consumer, and is it not therefore to be considered whether it is really sensible to apply the Value Added Tax to food?

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) In my opinion, Mr President, the application of VAT to food is a system which can be defended for if it is not done in a VAT system it means that we are in fact asking for a subsidy through the VAT system. I am not always against this, but I feel that the Community should develop in such a way that social security and the minimum income are such that everyone can afford the necessities of life. Thank you.

**President.** — I thank Mr Lardinois for his answer to the final question.

**President**

Oral Question No. 94/73 by Mr Radoux to the Commission of the European Communities on the transition to the second stage of economic and monetary union has been withdrawn.

Oral Question No. 90/73 by McDonald on Irish measures to encourage beef production and Oral Question No. 93/73 by Mr Durieux on the opening of public contracts will be placed on the list for Question Time at the October part-session in Strasbourg.

Does anyone else wish to speak?

Question Time is closed.

**IN THE CHAIR: MR BÈRSANI****Vice-president**

**8. Statement by the Commission on action taken on the texts adopted by the European Parliament**

**President.** — The next item is the statement by the Commission of the European Communities on action taken by the Commission on the texts adopted by Parliament.

I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, ladies and gentlemen, as I have said at the July part-session, the Commission intends to accord to the views and opinions of the European Parliament, an even greater importance than it has in the past, and has therefore charged me to inform the Assembly regularly of definite taken on particular views expressed by the Assembly.

After the July part-session the Commission carried out a review of all the opinions voted by the Parliament and took the following decisions in order to comply as far as possible with the wishes of Parliament expressed in its votes.

On 31 July 1973 the Commission forwarded to Parliament a report on the implementation of directives concerning agricultural structure reform, Parliament having requested such a report in its resolution on the directive extending the time limit for implementing the agricultural structure reform.

At the June and July part-session Parliament expressed opinions on directives concerning the type-approval of motorcycles, fertilizers and cosmetics.

The Commission carefully examined Parliament's observations and decided to put most of them into effect by submitting, pursuant to Article 149(2) of the Treaty, proposals for modifications which will be forwarded to the Council and to Parliament before the end of the month.

Some of the requests formulated by Parliament in its resolution on the proposal from the Commission to the Council concerning a Community environmental action programme are already included in the programme approved by the Council on 19 July last. This applies particularly to requests concerning:

- pollutants;
- establishing a method for the setting of quality standards;
- submission of proposals for harmonization in respect of certain products;
- introduction of Community measures for the treatment and storage of radioactive wastes;
- protection of migratory birds;
- improvement of the working environment;
- publication of an easily intelligible digest of communications from the Commission;
- compilation of a school text-book for basic instruction.

Other requests of Parliament are amply reflected in the programme. Regarding the principal pollutants of water and the atmosphere the Commission has recognized the need for Community control of polluting agents. Before the end of the year the Commission will present definite proposals for the programme of work of the European Foundation to Improve Living and Working Conditions. Permanent contacts exist with research institutions in third countries. It is such contacts, side by side with joint action by Member States within international organizations, that will make it possible to bring in effective measures for the preservation or restoration of the oxygen balance.

The introduction of an environmental seal of quality for durable products is at present under study and will also be the subject of research envisaged in Point 13 of the Community multi-annual programme.

Some of Parliament's requests, notably those concerning participation of the Assembly, with observer status, in negotiations and discussions at the level of international organizations, give rise to specific problems which need to be solved in a wider context than that of environmental policy.



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And finally, I must add that at the Council meeting of 19 July last, despite the efforts of the Commission which took part in the relevant discussions, it has not proved possible to obtain approval for the Commission's proposal that the agreement reached by representatives of Member States assembled at the seat of the Council on notification of proposed environmental legislation to the Commission should become a decision of the Council.

This agreement on notification remains therefore for the present a 'gentlemen's agreement': the appropriate legal arrangements will be reviewed in a year's time in the light of experience.

In its resolution on the recommendations of the EEC-Turkey Joint Committee, Parliament requested a number of social security measures for the benefit of migrant workers of Turkish nationality. The problem is now being carefully examined by the Commission which hopes to be able to submit to the Council definite proposals in this matter at the beginning of November. These will include provision for accumulation of periods of work qualifying for pensions in Member States, for medical care for the workers and their families resident in the Community, for allocation of family allowances to families resident in the Community, and for transfer of retirement pensions to Turkey.

The trade provisions of the Supplementary Protocol concluded with Turkey are embodied in regulations which the Council should approve in September. Bearing in mind the time required for implementation procedures, the Commission believes the regulations can come into force on 1 November.

As regards Parliament's resolution on economic and monetary union and measures relating to the second phase of the establishment of the union, the Commission hopes to submit to the Council before the end of the year a series of definite measures, and notably: a directive intended to promote economic stability and expansion and full employment; improvements in procedures for the coordination and application of budgetary instruments; establishment of a Community Institute for economic research and analysis.

In addition, in its report of 27 June 1973 on the pooling of reserves, the Commission put forward a series of definite proposals, particularly as regards:

- the pooling of reserves;
- improved arrangements for the allocation of appropriations within the Community.

At the July part-session Mr Thomson answered most of the questions arising from the debate and from the resolution on the Community's regional problems. The following remarks are therefore made solely with the purpose of summing up the information already provided by him.

Regarding the time-limits set by the summit conference of October 1972, it should be emphasized that, following the resolution just mentioned, the Commission on 25 July 1973 adopted three projects relating to:

- a proposal for a Council regulation concerning the establishment of a European regional development fund;
- a proposal for a financial regulation concerning specific provisions applicable to the European regional development fund;
- a draft Council decision creating a Committee for Regional Policy.

These proposed acts should come into force on 1 January 1974.

The Commission is also of the opinion that it would be contrary to the very concept of regional policy to apply to the Regional Development Fund the principle of 'equal compensation'. The Commission, in this connection, wishes to draw attention to Article 5 of the Regulation establishing the fund which provides that the fund's assistance shall be decided by the Commission with reference to the relative severity of economic imbalance of the region in which the investment is made.

The Commission shares the view that effective use of financial resources can be made and controlled through development programmes. In the Commission's opinion the concept of regional programmes is fundamental, and Article 6 of the Regulation provides that 'investments may benefit from the fund's assistance only if they form part of a regional development programme'. In the absence of such a programme and until 31 December 1975, investments eligible for the fund's assistance must meet 'specific regional objectives'.

The Commission is fully aware of the interrelation between sectoral policies and regional policy, as evidenced by the provision that the fund's assistance shall be decided with reference to, among other considerations, 'the consistency of the investment with the Community's programme or objectives, particularly those adopted as part of sectoral policies'.

The Commission shares Parliament's opinion that regional development should take account

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of the human factor and has diligently taken note of Parliament's interest in, and commitment to education and vocational training.

Concerning the recommendation on extending Community activities, the Commission envisages the possibility of devoting part of the fund's resources 'to promote or carry out studies closely related to the operations of the fund or to regional development in the Community'.

The Commission fully endorses the statement regarding regions which have reached the stage of saturation and provides that the Committee for Regional Policy shall in particular study disincentive measures in regions of heavy concentration.

The Commission is, of course, in favour of reciprocal cooperation between development regions extending across intra-Community frontiers, and, wherever possible, between such regions and regions situated in third countries bordering the Community.

The tasks which in Parliament's opinion should be entrusted to Community institutions assisted by the Committee for Regional Development correspond to a large extent to those listed in the draft decision on the creation of a Committee for Regional Development.

The Commission considers that this committee's task should be concerned in particular with:

(a) examination of the impact of developments within the Community, and particularly of economic and monetary union, upon imbalances between regions, precisely in the light of the effect of regional equilibrium on the progress of economic and monetary union;

(b) identification of the principles of regional economic development and of relationships of interdependence or causality existing between the phenomena observed. These principles are likely to emerge in particular from a continuous study of the aims, means, methods and experiences in the field of regional policy;

(c) planning of Community regional development so as to avoid dissipation of resources and ineffective measures. In this connection it should be stressed that the committee shall study not only specific regional development aims and programmes of Member States, but also the operational coordination of Community measures with those of Member States in order to facilitate the implementation of specific programmes or attainment of specific objectives.

(d) examination of national and Community laws and regulations with a view to proposing amendments likely to promote regional development. It should be noted that a continuous study

of the national and Community programmes, financial resources and systems of aid which are regional in their purpose or incidence, should, logically, make it possible to improve particular provisions relating to regional development.

The Commission examined carefully the resolution on a regulation concerning the contribution of the EAGGF Guidance Section.

Its proposals concerning the improvement of financial control will include specific provisions for a stricter control of the EAGGF. The Commission believes it will be able to submit these proposals during the current year.

Finally, the Commission examined carefully this Assembly's resolution on strengthening the budgetary powers of the European Parliament. Before taking up a position on this matter, the Commission awaits the opinion which Parliament will express at its extraordinary part-session in October. The Commission is aware that this House attaches the utmost importance to this question.

**President.** — I thank Mr Scarascia Mugnozza for his statement to Parliament on action taken by the Commission on the texts adopted by Parliament at previous sessions and the present one.

I must stress that Parliament attaches great importance to this form of cooperation, which has proved extremely useful.

I call Mr Fellermaier on a point of order.

I would remind Members that according to the Rules of procedure, speeches on the content of the statement are not permitted.

**Mr Fellermaier.** — (D) Mr President, ladies and gentlemen. This confirms to the Commission that this form of collaboration with Parliament is excellent. I would only ask the President of the Commission to consider whether, on the same day that your Vice-President makes this statement, it would be possible to submit this to the House in printed form since, in the simultaneous interpretation, it is very difficult to keep up with the commendable pace of our former colleague Scarascia Mugnozza to which we are accustomed to from his political passion as a former member of this Parliament and which we also admire. I would therefore like to suggest that the Commission should consider whether, at the beginning of such a statement, this could be distributed in printed form.

**President.** — I call Mr Broeks.

**Mr Broeks.** — (NL) I should like to speak on a point of order, Mr President. As Mr Fellermaier already asked, I should appreciate it if the Commission could inform the relevant committees of our Parliament which of these committees' and of Parliament's proposals have been adopted. Mr Scarascia Mugnozza has told us that in the matter of cosmetics, for instance, a number of proposals were adopted, but Parliament would like to know exactly which proposals.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) I am not sure that it would be a good thing if texts of statements to be read at the various sittings were to be distributed in advance: it might detract somewhat from the interest of the audience. I think that the text can be published immediately afterwards, if not otherwise, then in the report of proceedings. On the other hand, regarding Mr Broeks's question, of course we are interested in these debates also being held within the committees. As I have mentioned, some committees have already discussed these topics. But I feel that the procedure for further action by the Parliament on this statement should be decided by Parliament itself. Perhaps, once the statement has been made in the House, then if the committees have not been notified in the meantime, a discussion could be arranged in each of the committees so as to enable all those delegates who have a special interest to make more extensive comments and add explanations which cannot be made in the House, where debate on these statements are not permitted.

**President.** — I think we may take note of that declaration by Mr Scarascia Mugnozza.

However, I should like to emphasize what Mr Fellermaier has said, namely that at the end of a statement by the Vice-President of the Commission the written text should be distributed. Personally, I believe that this would add to the clarity of these statements, which are followed with great interest.

As regards statements of a more specific nature, it seems to me that since everyone is in agreement, the President and the Commission could arrive at a suitable procedure.

*9. Oral Question No. 91/73 with debate:  
statements made by the French Minister  
of Agriculture*

**President.** — The next item is Oral Question No. 91/73 with debate by Mr Vals to the Commis-

sion of the European Communities on behalf of the Socialist Group.

The text of the question is as follows:

Subject: Statements made by the French Minister of Agriculture.

Recently the French Minister of Agriculture has criticized members of the Commission of the European Communities for taking both too much and too little account of national interests.

Furthermore, the French Minister of Agriculture has taken the unusual course of commenting on the attitude of the government of another Member State of the European Communities to further European integration.

We therefore ask:

1. What steps has the Commission so far taken to refute these allegations?
2. Is the Commission of the opinion that such criticisms are calculated to promote the creation of economic and monetary union and the further development of the Community towards a European union?

**President.** — I would remind the House that pursuant to Rule 47(3) of the Rules of Procedure the questioner is allowed twenty minutes to speak to the question, and that after the institution concerned has answered Members may speak for not more than ten minutes and only once. Finally the questioner may, at his request, briefly comment on the answer given.

I call Mr Broeks, deputizing for Mr Vals, to speak to the question.

**Mr Broeks.** — (NL) Mr President, esteemed colleagues, August is usually a quiet month with little political activity. Nonetheless the French Minister of Agriculture, Mr Chirac, succeeded in causing a stir at that time. It happened during an interview given to the new publication *Le Point* of 13 August. Of course we were aware at the time of the approach of the elections which are now being held. It is because of these elections that Mr Vals is not present and we may not be wrong in assuming that Mr Chirac was already suffering from election fever when he gave the now notorious interview. One could react in the same way as the English spokesman who simply shrugged his shoulders somewhat indifferently on hearing about it. According to the *Financial Times*, President Pompidou called Mr Chirac a bulldozer, but you all know that a bulldozer must be driven by someone. In his interview, Mr Chirac managed to convey the impression that Mr Pompidou was in full agreement with his policy and for that reason alone it is interesting to take a closer

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look at his statements. What did Mr Chirac say? To begin with, that if he had not protested —*'si je ne m'étais pas fâché'*—the Commission's proposals concerning sugar production would have had catastrophic consequences. For, he claimed, with every expert anticipating an acute sugar shortage, the Commission had proposed that European production should simply be reduced by 800,000 tons and 1,400,000 tons imported from the Commonwealth countries. And it would, of course, be France who would suffer. Mr Chirac maintained, *'cette politique mathusienne est scandaleuse.'* He further accused Commissioner Cheysson of not defending national interests. He claimed that Mr Cheysson had in the meantime realized the error of his ways but that at the time he had allowed himself to be talked round by Sir Christopher Soames, who defended the interests of the sugar industry, by buyers of sugar from the Commonwealth and by Mr Lardinois. And while he was on the election warpath, he also expressed his concern at the distance which Germany tended to put between itself and Europe. At first he had thought that this was a matter of personal aloofness on the part of Mr Ertl, the German Minister of Agriculture, but when he was in Bonn together with Mr Pompidou he found that it was in fact Brandt Government policy. When it was suggested during the interview that Mr Pompidou was possibly not entirely happy with the statements already made by Mr Chirac in Brussels, he stated expressly that during a three-hour discussion with Mr Pompidou the latter had expressed no such thing. On the contrary, he was alleged to be in full agreement with Mr Chirac's Brussels tactics. The three Commissioners accused by Mr Chirac responded personally. Mr Cheysson said that the proposal referred to by Mr Chirac had never been made; what had been proposed was that if there should be sugar surpluses within the next few years, we should undertake to reduce European production and to buy from sugar producers in the Third World. It is hard to believe that Mr Chirac in Brussels did not himself understand that the proposal would only come up for discussion some years later if there were not a sugar shortage but a sugar surplus. And even if he had not understood this, his advisers would surely have drawn his attention to it. Commissioner Sir Christopher Soames took Mr Chirac to task in *The Times*. He said that Mr Chirac had been so very offensive because he felt isolated. He said too that Mr Chirac might come to understand that the relative balance between internal and external interests was now very different from what it had been in the Community of Six. All three gentlemen recalled their oath taken as members of the Commission, to serve the interests of the Community, and

not national interests. Three Commission members expressed their views on this unwarranted attack on the part of Mr Chirac, but we should like to know, as can be seen clearly from Mr Vals' written question, what the Commission as such thinks about it. Even if we share the opinion of the spokesman for the British Government and simply shrug off the whole affair as far as Mr Chirac is concerned, it is still necessary to speak clearly, especially since Mr Chirac maintained that President Pompidou approved of the policy of his Minister of Agriculture. With regard to Mr Chirac's other statements concerning Germany, there was also every reason for the Commission, and maybe also the Council, to make a statement. Unfortunately we can expect no statement from the Council now, even if the President-in-Office of the Council is present. We are not asking that any particular standpoint be taken vis-à-vis Mr Chirac, particularly in view of the fact that the French elections will be over in a few days. But we should like some comment on the question of whether Germany is in fact moving away from Europe. The fact that it is the French that claim this, which reminds me more or less of the thief who shouts 'Stop thief!' should not prevent the Commission from taking a clear stand. It is true that the German Minister Mr Scheel has already reacted in a worthy fashion to this accusation in an interview published in *Le Monde* of 25 August. He stated that Germany was still just as involved in Europe as his Government had always been. But he also said that the European objectives so clearly defined at the Paris summit conference in October 1972 would not be achieved if every country in Europe said: *'L'Europe, c'est moi.'* It is a good thing that this statement was made in French, since we can now be sure that the French Government has understood it as clearly as we have. On the occasion of Dutch colleague Mr Den Uyl's visit to Bonn, Chancellor Brandt also confirmed once again his country's involvement in Europe and the Dutch Foreign Minister Mr Van der Stoep is known to have said that no truth was to be found in the French accusations. On that occasion, too, it became clear that even if Mr Pompidou and Mr Chirac were convinced when they visited Bonn that, as Mr Chirac claimed, Germany was moving away from Europe, no mention was made of this by either gentlemen in Bonn.

But if Germany were adopting such an attitude towards Europe, both the Commission and the Council would know about it and it is therefore only right that we should ask the Commission to tell us about it. Even the Council might possibly be persuaded to give its views. The affair is after all important enough.

**President.** — I call Mr Ortoli.

**Mr Ortoli, Président of the Commission of the European Communities.** — (F) Ministers, like common citizens, have a right to their own opinion. In particular they are perfectly free, like others, such as the Members who are here, to disagree with the Commission's proposals. These are the rules of the game and even if we dislike them at times they are sound and we shall play the game that way and continue to play it that way.

On the other hand with regard to the taking to task of members of the Commission who have been reproached for giving too much or too little weight to national interests I would like to say two things calmly and unemotionally, Mr President, which are the same points which I recalled publicly on behalf of the Commission and via its spokesman in the month of July when it seemed that some of our colleagues might be implicated.

First of all I recall the text of the second paragraph of Article 10 of the Treaty establishing a Single Council and a Single Commission: the members of the Commission shall, in the general interest of the Communities, be completely independent in the performance of their duties. In the performance of these duties they shall neither seek nor take instructions from any government or from any other body. They shall refrain from any action incompatible with their duties. Each member State undertakes to respect this principle and not to seek to influence the members of the Commission in the performance of their tasks.

As I said just now this principle was recalled publicly by the Commission just before the summer. You know that the Commission is absolutely committed to this obligation, which represents its charter, perhaps more than to any other never failed to fulfil it. It expects that everyone should respect this principle and all the discipline that it imposes.

Secondly, I would like to recall that the Commission is a corporate body and that its decisions are taken on the responsibility of all its members. The Commission has always been careful to respect this principle too and it would be to misjudge the legal nature and the actual exercising of its terms of reference too to single out individuals on the occasion of the decisions which it takes. We may make mistakes, but the debates we have are held by us as a body and their conclusion is binding on all of us both *de jure* and *de facto*.

By way of conclusion and the second part of the question put by Mr Vals I would say that if

the debates, which may be hard but at the same time normal and inevitable, contribute to the progress of Europe, any polemics are useless. We should not be looking for a naive unanimity; this matter is too important and the stakes are too high for us to allow ourselves not to be clear and outspoken. But nevertheless our long march towards European union will be all the quicker if we all pull together and our difficulties which arise from day to day and the confrontations which are inevitable are born of a clearcut difference of opinions, and a desire for progress and not of mutual distrust.

(Applause)

**President.** — Thank you, Mr Ortoli.

I call Mr Fellermaier on behalf of the Socialist Group.

**Mr Fellermaier.** — (D) Mr President, ladies and gentlemen, the last remarks of Mr Ortoli make it clear that he sees the developing Europe faced with the need to have intense public debates from which ministers, of whatever government, certainly cannot be excluded. In this case, however, it was particularly painful for a German politician—if you would allow me to say so—to hear such comments from the mouth of a French minister in view of the close collaboration under the Franco-German treaty which has proved itself over a decade. It is not so much a question of what Mr Chirac said in August. It is a question of the nature and spirit which could be detected when, in a rather unfortunate interview, he placed a Member State and Members of the Commission at the same time in the same dock in order to demonstrate to them that the work being done for Europe was either too little or was a sham, and my government was even reproached with developing away from Europe.

I therefore think that it would be also good for the minutes of this House to include something which I would like to quote, with the permission of the President, from an official announcement of the French Embassy in Bonn dated 22 June: it reads: 'President Pompidou and Federal Chancellor Brandt declared their belief in economic and monetary union and the common agricultural policy.' The communiqué from the French Embassy goes on: 'As regards the common agricultural policy, the Federal Chancellor stated that the three principles on which it is based, uniform prices, shared information, and financial solidarity, formed a conclusive achievement of the community'.

I would be grateful to you President Ortoli if you could confirm this statement in full here, since this would remove any doubts about the

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attitude of a Member State on a basic question of the European Community, namely adherence to the Common Agricultural Market.

**President.** — I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, I have listened with great interest to what Mr Ortoli has said and, as you will understand, agree with much of it, particularly the last part. As far as the first part of his statement is concerned I cannot agree with him, though. Everyone of us has the right to express his opinion. But it was not just the man in the street who was being interviewed, it was Mr Chirac and he was speaking not at an election meeting but was being interviewed as his country's Minister of Agriculture, who actually announces that he has discussed the matter with the head of his Government who he claims, agrees with him in every respect. This is not quite the same as a statement made by just anybody. Moreover, it is claimed that the Commission made an entirely different proposal from the one that it was later found to have made. I feel that if one of the Ministers who attended the Brussels conference starts making misleading statements about Commission proposals, and if he does so clearly in his capacity as Minister, there is every reason for the Commission to answer in order to establish clearly what happened and what did not happen, and not simply to say that everyone is entitled to express his opinion. Had Mr Chirac made these statements at an election meeting, I would have been much inclined to adopt the same attitude as the spokesman for the British Government and simply shrug the whole thing off. But this is not so easy when Mr Chirac speaks as a Minister and then actually maintains that Mr Pompidou is in full agreement with him. I feel that in such a case the Commission's answer should be somewhat clearer. And if a Member State was moving away from Europe, surely this would have been clear to the Commission too, in the past year, in which case it would not be a bad thing if the Commission were to make clear that this statement of Mr Chirac's is also incorrect. But may be this could be done now following the question put by Mr Fellermaier. That would already bring us a step further.

**President.** — I call Mr Ortoli.

**Mr Ortoli.** — (F) Mr President, I would not like there to be any doubt about my reply. Firstly I shall say quite simply to Mr Fellermaier and to Mr Broeks that I did not consider it my place to reply on behalf of the German Government on the opinions and intentions of the German Government. As far as I am con-

cerned I do not believe that every time an opinion is expressed we should set ourselves up as judges and say a certain person is wrong or he is right. In this particular case I can say for the Commission and I did say it in the clearest possible way in the last part of my reply, that I myself consider that we are all tackling the same task. I would add that in the work which I do it is perfectly clear to me that if we have partners who may sometimes be of a different opinion the common aim is and remains Europe and I have no doubts about this and in particular no doubts about the German Government. I would therefore reply in good conscience: let us leave aside polemics, we have before us an aim which I would repeat is a common aim; let us discuss frankly, that is the way the game is played, but let us discuss in order to advance. That is the position which I wish to take.

But do not believe that every time governments discuss between themselves and one of them says, 'I think that that party thinks that...' or another says, 'I think that this party thinks that...', I should set myself up as a censor and say, 'Careful! He thinks that that party thinks that! I think that he doesn't think that! etc.'. You will understand that this is the kind of game at which it seems to me all the less desirable to indulge in since, to speak plainly, I believe that the health of the Community depends on the termination of this kind of controversy. I will tell you that I believe for my part that the most important thing is that we should clarify once again, plainly and frankly, our ideas and our convictions, and that we should do this without emotion, perhaps rather bluntly, but always constantly, not accusing but rather desiring progress. This, I believe, is the virtue which we must cultivate and it is also the path of success. Seen in this light my attitude is therefore not ambiguous and I do not wish to start saying, 'The Danish Government is perfect, I am a bit worried about the British Government, I believe that the French should act rather differently'; that is not my style: My style is to try to encourage the building of Europe. And that is also our mission. That is also my initial reply to Mr Broeks and Mr Fellermaier. In any case the German Government has established its points of view, it has explained its policy, and once again, in those matters which concern us, we continue to have full confidence in all the governments in our work, especially the German Government, and we maintain the conviction that it is Europe that we are striving for.

My second observation is that my first sentence has probably been misinterpreted. I said that ministers, like other people, have a right to their own opinions, and that they may express

**Ortoli**

them: this does not mean that I approve of everything which might be said, because I drew a line immediately, Mr Broeks. The line which I drew admits that it is acceptable for someone to say: we believe that the Commission has made proposals which are open to criticism in respect of sugar. I believe that these are the rules of the game and I accept them. Perhaps you as a Parliament will say—as you have in any event often said—that the spirit or the formulation of the Commission's proposals is inadequate, misguided or imprecise. These again are the rules of the game but there is a very well-defined limit drawn by respect for the independence of the Commission. This principle must be respected within the Commission. I can assure you that it is and this is at all events my task and my mission. And I abide by this, Mr Broeks. The principle must be respected outside the Commission, and this freedom which everyone has to express his opinion must not be allowed to engender doubt or suspicion about the way in which the Commission carries out its work. I said just now that we could make mistakes but I do not accept that anyone should conceive that we do things which do not conform with the obligation to maintain independence and respect for corporate decisions which I recalled was our most sacred obligation.

In this respect I do not believe that I have been obscure either now or in the month of July when—and this is something which the Press emphasized and welcomed—the Commission recalled in what conditions it had to function. Mr Broeks, I do not like to repeat myself; I believe that it is perfectly clear, and it has been said very straightforwardly that this Commission believes itself to be independent and intends to remain independent. It works towards this end and it is a corporate responsibility and the President's responsibility. There is therefore no gap between us. As for the replies, they have been given in the most straightforward way possible in the declaration issued spontaneously at the end of a Commission meeting by the Commission's spokesman speaking officially on behalf of the Commission. Perhaps the terms of the declaration were rather restrained but they were very straightforward. And I do not believe that restraint is necessarily a very great sin when attitudes are quite clear, which they were on this occasion. As for what my colleagues said later, spontaneously, at that moment in the middle of August when as you have reminded us these declarations were made, they were inspired by the position of the Commission, recalling the Commission's declaration and what is in fact the truth, i.e. that we the Commissioners are all in the same boat and work together. I will tell you that we do not always

agree within the Commission with the proposals which are made but I have encouraged respect for a rule which is perhaps not perfectly democratic but which is for me a good thing from the point of view of corporate consistency and that is that, once a decision has been made, we should respect it. Once a body has expressed its opinion none of its members who were opposed to it should say that; 'The body has made a decision but I think it was wrong', since the position of the body would be weakened and the initiative of the Commission would then become curtailed.

This is what we have done and you will have observed that for the last eight months, at the end of debates which have often gone on late into the night with a large measure of opposition between ourselves—well-founded controversy, not based on national interests—we have always been able to establish positions which were those of the Commission and the result has been that each of the commissioners, who always speaks not on his own behalf but on behalf of the Commission, was speaking for all the other commissioners on decisions which had been taken.

As for the sugar affair, I do not really understand the question which you put to me. The Commission made proposals. These proposals are now before the Council. Each minister has the right to find them either good or bad. He has every right to express his opinion within the Council and if necessary outside the Council if he wishes and to say that he believes it would be better to do this or that. You know that we have not changed our policy. The Council is still debating the matter. It will be doing so again tomorrow unless I am mistaken. For our part we believe that there must be common policy, we shall try to define its elements along with the members of the Council and we shall endeavour to create the best possible policy. I think I can tell you that we believe that there are many good things in what the Commission has said and proposed. After all it would not have said or proposed such things if it was of the contrary opinion. I do not wish to start making such remarks as, 'He should not have said that when he left the Council' or, 'We shall change our position tomorrow'. On the contrary, I wish to maintain my equanimity and I shall say with all the authority vested in our role as a body responsible for making proposals, it does what it believes it has to do and which, in its dealings with the Council, does everything possible to create unanimity and encourage harmony so that the decision taken should be a genuine European decision.

*(Applause)*



### 10. Change in agenda

**President.** — I call Mr Armengaud, who has asked to speak on the agenda.

**Mr Armengaud.** — (F) Mr President, may I request on behalf of my colleague, Mr Jozeau-Marigné, a slight amendment to the agenda. For personal reasons, Mr Jozeau-Marigné has to fulfil commitments for a part of the afternoon and would like his report to be made the first item on the Agenda. The report will only take a few minutes and I believe that Mr Scott-Hopkins, who was due to intervene before this report, agrees to this switch. Therefore I would be grateful if you could accept it.

**President.** — I have received a request from Mr Armengaud, speaking on behalf of the rapporteur Mr Jozeau-Marigné, that we open this afternoon's sitting with the report by Mr Jozeau-Marigné on the amendment of the Rules of Procedure of the European Parliament.

Are there any objections?

That is agreed.

The proceedings will now be suspended.

*(The sitting was suspended at 12.50 p.m. and resumed at 3.05 p.m.)*

### IN THE CHAIR: MR BEHRENDT

#### Vice-President

**President.** — The sitting is resumed.

### 11. Amendment of Rule 7, Rule 41 and Rule 35 of the Rules of Procedure of the European Parliament

**President.** — The next item is a debate on the report drawn up by Mr Jozeau-Marigné on behalf of the Legal Affairs Committee on an amendment to Rule 7 (1) and (5) of the Rules of Procedure of the European Parliament, concerning the election of the President and Vice-Presidents of the Parliament and an amendment to Rule 41 (5), concerning elections for the Bureaus of the committees; and on a corresponding amendment to Rule 35 (6) concerning the voting procedure in the case of appointments (Doc. 153/73).

I call Mr Jozeau-Marigné, who has asked to present his report.

**Mr Jozeau-Marigné, rapporteur.** — (F) Mr President, ladies and gentlemen, the Legal Affairs

Committee has appointed me rapporteur to present to your Parliament an amendment of the text of the Rules of Procedure which at present govern our deliberations. This amendment has been made, I repeat, at the request of Parliament's Bureau itself. The debate took place in our committee and ended in a unanimous vote on the part of all the groups represented.

Let me explain the amendment. Rule 7 of our Rules of Procedure makes express provision for the President and Vice-Presidents to be elected by a secret ballot and four tellers are then chosen by lot to count the votes cast. In fact, as we have seen, there is very often no secret ballot when the number of candidates corresponds precisely to the number of positions to be filled. The wish of the Bureau and consequently the wish of our committee has been to find a way of aligning our Rules of Procedure with this practice. The device used is simple. We have confirmed the principle of secret ballot, but we have stated in a new paragraph to be incorporated in the new Rule 7 that at each election if the number of candidates does not exceed the number of position to be filled, the Assembly may decide that voting should take place other than by secret ballot. I believe that this is a wise decision; we have agreed to it and have brought the other rules of the Rules of Procedure into line with this principle.

However, the committee wishes to go further on two points: first of all it believed that a provision should be made establishing the order of precedence of the Vice-Presidents in the Rules of Procedure. And we have made provision in the new rule to the effect that this order of precedence should be established according to the order in which their names are read out to the House by the President of the sitting; this will of course mean that all the groups will have to agree on the order in which the names are read out before the voting is opened.

The second innovation proposed by your committee was to enable the committees to proceed in the same way in electing their Bureaus. In fact, as you know, very often we do not take a secret ballot in the committees, although individual persons are to be appointed, because the groups have come to an agreement beforehand on a certain number of names. Thus, the formula which is proposed to you and which, I repeat, has been adopted unanimously by your Legal Affairs Committee is that, if the number of nominations corresponds to the number of seats to be filled, it should be possible for the Committees to proceed in the same way.

That, Mr President, ladies and gentlemen, is a very simple resumé of the provisions which I



**Jozeau-Marigné**

have the honour to submit to you in writing on behalf of the Legal Affairs Committee.

**President.** — I call Lord O'Hagan, and would ask him to be brief.

**Lord O'Hagan.** — Mr President, I shall certainly be brief. I should like to thank Mr Jozeau-Marigné for his exposition. I am afraid I missed some of it, but I read his report beforehand, and there is one reason why I am unable to agree with what is being proposed in this report. During what I heard of Mr Jozeau-Marigné's speech, there was no mention of anybody who was not in a political group. If we agree to what is being proposed is this report, discrimination will continue and increase inside this Parliament against Members sent here by their national parliaments but who do not belong to one of the official groups.

I am not so concerned with the election of the President and Vice-Presidents, because this is not a matter on which I feel I can say anything sensible, although I am sure that there are many Independents in this Parliament who would be suitable Presidents or Vice-Presidents. I am more interested in the committee structure, and I believe that the committee structure of this Parliament is one of its strongest points. I think it is something at which the Communities may well look with pride, if it is developed properly, and I am therefore sad to see that the situation which exists at present is going to be extended.

It is impossible for an Independent to be a rapporteur of a committee. It is impossible for him to be a Vice-President, and it is impossible for him to be President. I therefore think that I cannot let this occasion pass without reiterating the fact that many of the people who might like to work hard within the committee structure are prohibited from doing so to the fullest extent, and that what is proposed in this report would perpetuate this state of affairs. Therefore, I suggest that this report be referred back to the committee immediately, that they take this into account and that they come back to Parliament when they have more consideration for the rights of the independent Members here.

**President.** — Does anyone else wish to speak?

I call Mr Jozeau-Marigné.

**Mr Jozeau-Marigné, rapporteur.** — (F) I do in fact feel I have to reply because I believe that if we refer the matter back to committee, we shall not, ladies and gentlemen, be able to add anything new. And I would like to say to my honourable colleague that he has no cause for anxiety because the comment that he made now

has no bearing at all on the report being considered.

What is the report about? It is not a question of appointing a rapporteur for a given text. That problem is not touched on by the present report. This report concerns solely, in the first place, the President and Vice-Presidents of the Parliament. If the number of nominations exceeds the number of seats to be filled—and a person not belonging to one of the official political groups may, for example, always present himself as a candidate so that the number of candidates exceeds the number of seats—we still maintain fully the right of the principle of secret ballot as a matter of principle and in conformity with the desires underlying my colleague's suggestion).

In cases where all groups, including the non-attached Members and only when they are in agreement, Parliament may—and this is another new precaution—take the decision not to proceed to a secret ballot for a certain election. But if it wishes, on the same day, to vote publicly by show of hand to elect a President, it may equally well decide that a secret vote will be taken for a Vice-President. That is therefore very simple and hurts nobody. And if my honourable colleague has a particular problem, I would be prepared to discuss this matter with him privately to demonstrate to him that his anxiety is without foundation.

The second point was the unanimous vote by the committee. As far as the Bureaus of committees are concerned, we apply the same rule, if there are three seats to be filled and three candidates; it may be decided to vote by a show of hands, but if anybody who is on the committee thinks that this is unsatisfactory and does not wish to see the procedure applied, he may simply employ the device offered which consists of proposing himself as a candidate, and the new provisions can no longer take effect.

Therefore, Mr President, ladies and gentlemen, every provision has been made and every precaution taken by the committee, unanimously, to comply with the most practical wishes and to protect all the Members of this Parliament whether they are attached to a particular group or not.

**President.** — I call Lord O'Hagan.

**Lord O'Hagan.** — Mr President, I only want to say this. I am grateful for the explanation. I understand no independent Member has ever been President or Vice-President of this Parliament or chairman or vice-chairman of a committee. It is that situation that I wish to deplore,

**Lord O'Hagan**

but having listened to Mr Jozeau-Marigné's lucid exposition I will now withdraw my attempt to refer this back to the committee.

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

*12. Oral Question No 78/73 with debate: supplies of soya beans and other proteins for animal feeds*

**President.** — The next item is Oral Question No 78/73 with debate by Mr Scott-Hopkins to the Commission of the European Communities.

The text of the question is as follows:

Subject: Supplies of soya beans and other proteins for animal feeds.

In view of the situation which has arisen over supplies of soya beans in the Community and its implications for other sources of protein for animal feeding stuffs, will the Commission state what action it proposes to take?

I would remind the House that pursuant to Rule 47(3) of the Rules of Procedure the questioner is allowed twenty minutes to speak to the question, and that after the institution concerned has answered Members may speak for not more than ten minutes and only once. Finally the questioner may, at his request, briefly comment on the answer given.

I call Mr Scott-Hopkins to speak to the question.

**Mr Scott-Hopkins.** — Mr President, the House will realize that this question was put down some time ago when the situation concerning soya beans and other proteins which are used in animal feeds throughout the world, in particular in the Community, was very different from now, and now, of course, the position is that there are no embargoes on the export of soya beans, indeed there are no embargoes at the moment at all on export from the major American and Latin-American countries.

Mr President, it was in my mind to ask your permission to withdraw this particular oral question, but it seemed to me that there two matters of principle which are important which one should briefly discuss in this debate and there are one or two questions which need answering following what has happened over these summer months. The House will know

that during the summer a grave situation arose in Europe, not only in my country but in the whole of the Community, whereby suddenly we were deprived of one of our sources of protein, soya beans by the embargo placed upon that commodity being exported by the United States. Unhappily this coincided, Mr President, with a grave shortage of fishmeal from Peru, which has also been one of the main sources of supply for Europe over the year, because of the lack of anchovies in the seas off the Peruvian coast. The position at the end of spring this year was that, while consumption of protein, particularly soya beans, was mounting in this country by something like 2.3 million metric tons per annum, at the same time, taking all the sources of supply into account, there was a deficit of supply of about 2.6 million metric tons of soya beans well.

This is the position that arose and the net result was that there was a growing shortage throughout the world of these commodities which are absolutely essential ingredients in livestock feeding stuffs throughout the Community, and so therefore a grave situation arose. The United States put on an embargo on 27 June this year. This was slightly modified on 2 July—I will not go over the whole history of exactly what happened on the date. Suffice it to say that on 5 July licensing arrangements were introduced by the United States to control the exports of 41 categories of agricultural commodities including edible oils, animal fat and livestock protein feeds. And this licensing arrangement was due to end on 15 September for the soya bean and on the 15 October for cake and meal. At the same time, of course, our Canadian friends across the Atlantic, because of the drain that was imposed upon their sources of supply of soya bean, also imposed a complete embargo. The net result of this on the livestock industry throughout the Community was not catastrophic, but very grave indeed.

These sources of supply in July were cut, and there was not a readily available alternative source. Such alternative sources as there were, maize for instance, increased catastrophically in price. The price increases were of a minimum of 50 per cent in a very few weeks and the result of that was that the whole price level of compound feeds has absolutely shot up over the months of June, July and August over and above the increase which the farming communities, particularly those of the livestock sector, had to suffer for other sources of other cereals being brought into short supply. So the first result of this American breaking off of exports, the Peruvian situation and the Canadian position as well, was a catastrophic rise in the price of alternative protein coming into the Community.

<sup>1</sup> OJ C 83, 11 October 1973.

**Scott-Hopkins**

The second and, I think, the more serious point here, which is why I have asked to continue this debate, Mr President, is that without any advance notice contracts which were in existence with the United States and Canada were in point of fact broken as of that moment; and this means that forward contracts which had been entered into six, seven, eight months previously for the delivery of these particular products were unilaterally broken. Now I am no lawyer and I do not wish to discuss the legal aspects of this as other colleagues would like to bring those up, but what this does bring into question is the sanctity of formal contracts from now onwards. Our traders are in the position of wondering what is going to happen and what could happen to the contracts they are making, not only in soya beans or Peruvian fish-meal or Canadian this or that, but any other contract which they are making in the agricultural sector—will these be honoured? As you know, Mr President, and as the House will realize, the whole of the compound feeding industry today depends on its advance contracts in order to secure its supplies over a period of time in order to assure the continuity of supplies to the farmer. So the events of this summer have raised doubts as to whether this system of forward contracting can be continued to be relied upon, or whether governments—no matter which one, the United States or any other government—can by unilateral action just break this down.

Now Commissioner Lardinois went over to America, I think in July of this year and, speaking for myself and I hope for the House as well, I am very grateful for the work that he must have done over there in talking to the Americans and, indeed, I hope that he will be able to enlighten the House as to what the American view is of their actions and how they propose to remedy the damage that they have caused in this matter of principle. I am sure that his action in going there and his talks have indeed eased the situation. I did not think this would happen so soon and I am delighted. I think the point which must be emphasized is that when one country breaks off its contracts, there is a snowballing effect everywhere.

Of course the final point is the possible danger that developing countries, who after all are the main sources of raw material supplies, may be tempted to emulate the United States in breaking contracts for all kinds of other commodities which are essential to our economy here in the West and particularly in the Community. Europe is not self-sufficient and never will be. We shall be facing shortages of this or that vital commodity in the future, particularly in the agricultural sector. Now I know this particular crisis

came upon us at a very unfortunate moment. Climatic conditions and everything else combined to produce a 25% increase in the crops in the United States and this has enabled the States to lift the restriction; but the shortage could occur again. What one wants to be sure of, is that the Commission realizes of the gravity of the situation that could indeed arise again and that it was put into operation or is thinking of formulating contingency plans. We cannot afford to have our protein supply jeopardized. A short-fall of 2.6 million metric tons may not seem very much, but it is in fact a very large amount.

So I would ask Commissioner Lardinois what thought has been given to alternative sources of supply, what thought is being given by the Commission for a contingency plan for increasing the supply of these proteins, or alternative proteins here within the Community. Is the Commissioner thinking of asking Parliament and the Council to bring in incentives to the growing of those crops which can replace the soya bean, since soya beans can be grown in only a few regions of the Community? Are contingency plans being made to fill this gap of 2.6 million tons? Can we expect in three or four months' time plans to help to bridge this gap and to avoid the very difficult and grave situation which occurred in the months of July and August? Can we have that assurance, Mr President? Thank you.

**President.** — I call Mr Lardinois to answer Mr Scott-Hopkins' question on behalf of the Commission.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, may I begin by saying that I am particularly pleased that Mr Scott-Hopkins should have asked this question in spite of the fact that the situation on the world market still varies considerably and is a good deal better than when Mr Scott-Hopkins first submitted this question.

I feel we cannot simply pass over this incident and proceed to deal with the remaining items on the agenda. This would be unwise and I think it would be a good thing to have already at this stage an initial exchange of views on this question.

I do not need to relate to you the background of this case. Mr Scott-Hopkins has already done so admirably and I have nothing to add. I feel, as he does, that the breaking of international trade agreements, which is what the American Government did—possibly in a moment of panic, to which it was obviously subject—is in itself extremely hard to accept.

**Lardinols**

I also believe that if we want to make any progress towards gradual expansion of trade, even the trade in agricultural products, agreements must be concluded at international level which give us the assurance that this can no longer happen.

Mr Scott-Hopkins referred to the talks which I had in America concerning this question in the middle of July—the peak of the market crisis. I said then, and I think I was expressing the feelings of the Community as a whole, that the breaking of long-term contracts in our system of free trade and private enterprise, on which export and import are based both in the United States and in the Community, and even the possibility of breaking such trade contracts can and will do far more harm than a Kennedy Round, a Dillon Round and a Nixon Round all together can do to strengthen, expand and improve trade. The fact that such things can happen in international trade will automatically cause the big trading firms to take out insurance to cover possible losses and even, secondly, to give preference to a position on a domestic market where this cannot happen.

In other words, the trade automatically creates, as a result of distrust, such a big trade barrier that it brings to nought all the advantages of international agreements such as the GATT, which has operated so successfully for the last fifteen years.

I was able to illustrate this very clearly using the example of soya beans. In these international trade negotiations, the Americans have always asked us (a) not to grow any soya beans ourselves, (b) not to levy any charges, customs duties or anything else on these products or the import of these products and (c) to always make sure of a fully open market for the purchase of these products in North America. We complied in every respect, and we therefore feel entitled to the same access to these sources as American stock breeders and American consumers. With the concessions we have made, we cannot possibly accept second place on this market. Until now we have been by far the biggest buyer of this product in America, with 50% of American exports being bought by the EEC. In view of all these circumstances, we rightly feel that we should be given at least the same preference as the American consumer. If we do not receive this, and if it is not laid down by international agreement, I see no other alternative but for Europe to strive for almost complete self-sufficiency, as we did for cereals.

As far as soya beans are concerned, the Community can obviously never be 100% self-sufficient, but it can in my opinion produce all the

proteins it needs. If this were one of our long-term policy aims, alternative sources of protein could in time be found by the concerted efforts of European agriculture and the chemical industry, but this would be expensive and would only be possible in my opinion if the consumer too is prepared to pay a permanently higher price than that which we have paid so far or until last year for the sources of protein supplied mainly by North and South America. But—and I agree with Mr Scott-Hopkins on this point—there comes a time in this unpredictable world of ours when we must choose between security and a higher price, in which case the former might well turn the scales. I hope, however, that this is not the case. I hope that there will be no need for Europe to choose this alternative and I must say that the way in which the situation has developed in the United States since the middle of July has given me greater confidence in the reliability of North America as a trading partner, even as far as these products are concerned. The American economy is in a far from enviable position at the moment. As far as soya beans and other proteins, in fact all cereals, are concerned, the American economy is at the mercy of a distinctly unstable world market, which makes for considerable tension in the United States, both as regards politics and the consumer on the one hand and the entire agricultural economy on the other. The situation currently faced by North America and in particular the United States as a result of these higher world prices and as a result of the fact that they are now subjecting a domestic market to these world prices, is not an easy one. To give you an example, one of the results has been that in one month, the month of August, the prices of all agricultural products in the United States, from cotton to poultry, rose by 20%. In one month. This in turn was a considerable blow to meat and milk production, which means that this price increase is not a short-term affair for them, but will have long-term effects. On the other hand, however, this has restored some of the confidence which we lost in the United States as a result of the soya bean affair. In retrospect it is also very clear that the government of the United States acted in a moment of panic, being unable at the time to gauge the situation correctly. When it took these measures in June, there was no shortage in the United States on the basis of the current price levels. Innumerable factors, however, were overlooked. For instance, the Americans overlooked the fact that if the price of a product increases, consumption automatically decreases. This is an economic law which was not taken into account. Another point which was not taken into account was the fact that in a situation like the one prevailing in June, specu-

**Lardinois**

lation automatically takes over a certain raw materials market, but such speculation can never be expected to last and if this increase is only the result of speculation, one must sooner or later return to the true, normal market. When I was in the States, this realization was just beginning to dawn as the Americans realized just how much harm they had done themselves, not only as regards their world-wide trade negotiations which had just begun in Tokyo, but also as regards their fundamental philosophy of keeping international trade as far as possible in private enterprise. And those who pulled through in the end in the United States were those who had always opposed a technical measure such as the one announced by President Nixon in June. In this connection, I should like to express my admiration for the courage and daring displayed above all by the American Minister of Agriculture. Seen in comparison with the criticism he was subjected to, not least by consumer interest in the United States, our butter critics can only be described as tame. What can the Commission do to ensure that such a situation does not arise again? The Council has invited the Commission to indicate ways of increasing protein production in Europe at its meeting in mid-July, before the summer recess. I believe that on this point we can and must do more than we have done hitherto. I believe that this factor must assume greater importance than before in our agricultural policy. So far we have done nothing of any significance in the matter of soya beans. I believe that we should also start thinking in terms of reserve stocks, and that this should also be laid down in the international agreement which I mentioned earlier. Finally, we should learn from this experience and remember that the best solution in such a situation is not to panic. The fact that the Community did not panic, even in the face of such a serious threat, is very much to our credit. It helped us tremendously and enhanced appreciably our international status in this exceptionally sensitive and difficult field. Mr President, if we bear this in mind and remember that we are in fact only dependent on these imports for our pig and poultry breeding, but not for our milk and beef production, unlike nearly every other country in the world, I believe that we shall be able to find ways and means which will not impose too great a burden on our consumers and will not require unacceptable sacrifices from our common agricultural fund, but which will give us that feeling of security which I mentioned before in this connection.

**President.** — I thank Mr Lardinois for that detailed answer to the question by Mr Scott-Hopkins.

I now call Mr Lemoine, whom I would ask not to exceed his speaking time.

**Mr Lemoine.** — (F) After the question and then the intervention by Mr Scott-Hopkins, and by Mr Lardinois, I feel I would like to intervene briefly in this debate. The matter I have to refer to is a considerable problem, the effects of which on the Community are manifold and concern a large number of farmers in our respective countries. I shall not go into the history of the problem; however it is useful to recall from the start that the price of soya rose from 65 francs per quintal at the beginning of 1972 dramatically to 200 francs and then 300 francs in May and June 1973, thus increasing by more than 400%. Then came the decision to apply the embargo, then the reduction in exports, taken by the American Government and that has not been without consequence for cattle breeders and feed producers, in the form of difficulties in obtaining protein, with the results which one can conceive for consumers following on the disturbance caused in the meat, egg and poultry markets. Our farmers who consume a million tons of soya per year, or 70% of all the soya bean cake produced in France, found themselves in a crisis situation. It was the same for pig breeders. The situation was as bad in all the countries of the Community. These measures do indeed constitute intolerable pressure by the American Government on the eve of the Nixon Round and they illustrate perfectly the state of dependence in which the European Community finds itself, especially concerning protein-rich supplies of animal feeds. It appears that in view of the American demands the commission has not been repaid in this field for its goodwill. In this crisis, it has been clear to everyone that Europe's dependence on a single supplier seriously jeopardizes French and European animal production and the position of millions of breeders. The scarcity thus created on the essential agricultural raw material market shows how important it is to make the necessary provisions as urgently as possible in order to make Europe less dependent in the future for its supplies.

Today it seems to us essential to act and to act quickly in order to cut down the disorder on world markets by drawing up international agreements for major products, not only for soya. And these agreements should not only cover the organization of trade movements, but also endeavour to find ways of attenuating the effects of years of high production and periods of low harvest. It is also essential to develop cooperation between the European States, between all the States of the Common Market of course, but also with those States which are not yet members, and also with the Socialist

**Lemoine**

States. In this way, we would have a vast field of action and expansion for the organization of trade, the constitution of reserve stocks to regulate the market and the development of products which Europe needs. This effort to establish cooperation with all countries should be realized without prejudice to the negotiation of long-term agreements with the United States for the supply of animal feeds. We believe that it is also important to promote the implementation of a plan of technical and financial aid for the development of protein-rich plants. The cultivation of soya is possible and should be extended in France, and this also applies in the other countries of the Community, and effective assistance should be provided for this. The same is true of the cultivation of other plants, such as the field bean. You know that the production of 2 kilograms of field beans obviates the importation of one kilogram of soya cake, providing the same effective energy as 2 kilograms of barley. We should also doubtlessly assist the development and commercialization of soya production in the developing countries especially in Africa, to which it would seem that so far we have not paid as much attention as we might have done. But the independence of our countries in the matter of foodstuffs also implies a different agricultural policy and our Parliament should consider this; it should be a policy to support family agriculture, to develop agricultural cooperation in all its forms, and to fix agricultural prices with reference to production costs. Ladies and gentlemen, these were the considerations which I wish to contribute to this debate hoping that our contribution on this problem will be heard elsewhere in the world.

(Applause)

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) Mr President, I have little to add to my first statement. I have already answered most of what Mr Lemoine asks here. I feel that we should certainly increase our sources of protein within the Community and put ourselves in a position of greater independence by means of larger stocks and international agreements. We should remember that the soya bean prices which at one time soared within half a year to five times their level on the world market, reaching their peak during the week which I spent in America, in the meantime dropped to one-third of that peak. Thus we can consider the problems somewhat more calmly, but we must continue to do so, making our proposals and acting accordingly when the time is right. This is an experience which we must not forget so quickly.

**President.** — I call Mr Vetrone.

**Mr Vetrone.** — (I) Mr Lardinois has told us that the Council of Ministers has asked the Commission to study the possibility of finding within the Community new sources of proteins, and that until now most attention has been paid in the Community to rape. But we have not been told whether the Commission intends to take concrete steps in connection with the Council's invitation.

I should like to see this study—and I hope that it is already proceeding, extended on these lines. There are many indications that American businessmen are looking within the Community for areas in which soya can be cultivated. I should also like to ask Mr Lardinois how he interprets the initiative of the United States and the Soviet Union, taken in the context of the policy of détente, to build on Soviet territory the largest urea-producing plant in the world.

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) Mr President, the Council has requested the Commission to make proposals aimed at increasing the production of protein-rich plants in the Community. It did not order the Commission, which was the term used in the translation, to do so—do not think the Commission allows itself to be ordered about by the Council—but it amicably requested the Commission to do so. The Commission fulfilled this request and is currently investigating possibilities in this field, as a result of which, I hope, we shall be able to make a number of suitable proposals during the month of October. Maybe these proposals can be combined with the proposals which we intend to make to improve the common agricultural policy.

As far as the second point is concerned, I believe that there are certain areas in the Community where this could be attempted successfully with the current varieties of soya beans; I am thinking in particular of certain regions in Italy and in southern France. But even so, and this is a generous estimate, we could only meet about 10% of our current requirements. We should not expect to find a solution to this problem, but it might at least help to reduce the tension and the difficulties if we were to decide on such a measure. It is a generally known fact that the Soviet Union intends to produce more urea and build new factories to this end. Urea can be used for many purposes, among other things as a base material for numerous chemical products, but it can also be used directly in roughage as a source of protein for cattle. It is already being used in this way on a small scale in the Com-

**Lardinois**

munity; so this too would be helpful, but only for cattle. It is obvious that the Soviet Union intends to make more use of urea, and considering its circumstances, this is one of the most positive measures it has taken to increase its beef and possibly even milk production.

**President.** — I call Mr Giraud.

**Mr Giraud.** — (F) Mr President, you may be astonished to see me take the floor on an agricultural problem which is not generally familiar to me. But I would like to take advantage of this discussion to thank Commissioner Lardinois for his words on panic and the lessons which we could draw from it, since in following this discussion, I wondered at times whether one could not substitute for the word 'soys' the word 'oil', and whether the position of the Community in the matter of power was not somewhat similar to its position regarding soya. And that is why I am most gratified to hear what he has told us about the emergency measures to avoid panic, which proves that there is no agricultural problem, no industrial problem and no energy problem, but that the Community should study ways in which it can confront such a crisis in any field in the future since although the facts may be different, the solutions will be the same.

**Mr Lardinois, Member of the Commission of the European Communities.** — I welcome Mr Giraud's statement.

**President.** — Does anyone else wish to speak? I have no motion for a resolution on this debate. The debate on Oral Question No. 78/73 is closed.

### 13. Directive on coffee and tea extracts and blends based on these extracts

**President.** — The next item is a debate on the report drawn up by Mr Premoli on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive concerning the harmonization of the laws of the Member States with regard to coffee and tea extracts and their substitutes, including chicory and blends based on these extracts (Doc. 139/73).

I call Mr Premoli, who has asked to present his report.

**Mr Premoli, rapporteur.** — (I) Mr President, honourable colleagues, I am going to speak about the conclusions to which we have come con-

cerning the Commission's proposal for a directive on the approximation of the laws of Member States with regard to coffee and tea extracts and their substitutes. The Commission's proposal centres above all on one problem, we should call it the principal problem of this matter, that is the degree of extraction, which is the quantity of unroasted coffee used for the manufacture of one kilogramme of extract. The Commission's proposal for a directive lays down in Article 7 (b) and then in Chapter 1 of the Annex, that two types of product may be sold under the same designation of 'soluble coffee'. The first is soluble coffee corresponding to the traditional product which has been available so far; the second product, also bearing the designation of soluble coffee, would bear the added legend, in characters of the same colour and not less than four millimetres in size, 'manufactured from less than 2.3 kg of unroasted coffee per kg of extract'.

In its proposal for a directive the EEC Commission justifies this duality of a product which shall continue to be called 'soluble coffee' by saying, in effect: 'The taste of coffee depends on the variety and origin of the unroasted coffee used, on the degree of extraction, the degree of roasting, the manufacturing technique and the characteristics of the water used in the process'. But the Commission recognizes the degree of extraction as the most important of these factors and therefore has considered providing for its compulsory indication on the label.

Nevertheless, the Commission encountered two difficulties in this connection. The first concerns the degree of extraction, which, given the great variety of coffees and blends, is subject to variations, and hence possible decreases, which would oblige manufacturers to change their labelling continually to correspond to the true state of the product. In view of the difficulties involved in continual changes of the wording on the label, the Commission in its proposal for a directive has rejected this solution and has confined itself to providing for two types of coffee extract. It takes as the dividing line the quantity of 2.3 kg of unroasted coffee, no wording being required when the quantity is higher than this, while for smaller quantities the wording already quoted, that is 'manufactured from less than 2.3 kg of unroasted coffee per kg of extract' is to be used. The Committee on Public Health and the Environment, which has instructed me to comment on this in my capacity of rapporteur, came to the unanimous conclusion that basically the Commission's position is unfortunate. I should like to review briefly for you the reasoning which lies behind this difference of opinion. The Commission maintains that regulation of the degree of ex-



**Premoli**

traction is not motivated by public health considerations that could result in a prohibition of sale. We put forward other, equally valid, reasons justifying such a regulation, for example the need to safeguard the consumer by providing him with a product of known quality and origin. In other words, it is not enough for a product to be harmless: the Committee on Public Health and the Environment wishes the product to have the particular characteristics which are demanded in the market in which it is sold. Let us suppose that certain tonic effects are expected of the product above a certain concentration: if these tonic effects are diminished there is no doubt that this diluted coffee will not be harmful, but it is equally certain that it will have lost its particular capacity as a health product, that it will have lost certain definite characteristics, for which a particular degree of extraction is needed. In its report the Commission states that the degree of extraction does not constitute a criterion of quality. We object to this that the contrary is also not proven. On the other hand, the Commission admits implicitly that the degree of extraction is a criterion of quality, in that it accepts the critical quantity of 2.3 kg of unroasted coffee, below which it requires additional wording on the label. Were not this critical figure fixed so clearly by the Commission itself, then, obviously, this reasoning would be demolished, but by implicitly admitting that this is a criterion, the Commission stresses precisely that, among the various characteristics of different coffees, the degree of extraction is undoubtedly and by a long way the most important. In addition the proposal for a directive lays down that the additional information 'coffee extract manufactured from less than 2.3 kg etc.' should be printed in characters of the same colour as the wording on the label and not less than four millimetres in size. We believe that this is naïve, to say the least, because both typographically and from the point of view of advertising, the important thing is the relative size of the characters. If I were to print the main wording in block capitals, the wording in 4 mm characters would vanish: the problem is therefore that of the relative size of the words 'soluble coffee' and the wording regarding the degree of extraction. Such additional wording, say in characters of four or five millimetres, under the main wording in block letter would disappear completely, especially as an identical colour would make it even less visible.

What, then, were the basic motives of our remarks,—which nevertheless we would not describe as critical, for this is a positive contribution we should like to make to the directive under consideration—what moved us to adopt

this position? Our comments are dictated by our concern to protect both the consumer and the manufacturer. The consumer—because, as I have just said, he would have difficulty in reading an inscription of such microscopic size. When someone buys a tin, he is not going to read all the print on the label, including that in tiny letters. In addition to the difficulty of reading, there also arises a disappointment and indeed a deception, because, with a considerable price difference between the traditional soluble coffee and what—shall call the diluted one, the consumer will be induced to buy the diluted coffee and will find it of inferior quality. Let me add, since I have mentioned deception, as well as disappointment, that inevitably dilution of coffee results in a change of its colour and hence it is practically a certainty that this type of soluble coffee, let us call it of the 'B series', will contain a whole range of colouring matter, despite the well-known prohibition (noted in Chapter 1 of the Annex) on products containing such admixtures. Therefore, the manufacturer, at the risk of coming into conflict with the law, will be induced to add these colorants. We would thus be, in effect, repeating what was in our opinion, and I believe also in the opinion of the Committee on Public Health itself, the mistake made when the EEC Commission put forward a proposal on the harmonization of legislation on the labelling of mineral waters with a low mineral content, as a result of which the consumer now drinks water which is mineral only in name.

Such are the dangers to the consumer. But to tell the truth, there are also dangers to the producer, in that the inferior product would undermine the position of the better one: for, inevitably, the lower price is bound to boost sales of the 'B series' products, at least for a time. Secondly, there is the question of commercial integrity, in so far as the marketing of this product of a quality that is mediocre, or at any rate not guaranteed, would harm the standing of manufacturers. Their status would be upset or at least compromised.

What, then, are our conclusions? We feel that the product sold under the designation of 'soluble coffee' should only be the traditional product, that is to say that for which 2.3 kg of unroasted coffee is used to obtain one kilogramme of soluble coffee. Below this limit, the manufactured product, can, in our view, legitimately be included among beverages containing one or more extracts for which the directive provides, but which do not meet the provisions of Chapters 1 to 5 of the Annex. We have, consequently, proposed an additional Chapter 6, to include the other products, which, though not containing harmful or prohibited substances, nevertheless possess different characteristics.



**Premoli**

As regards the designation, we do not wish to label these products, which for convenience I am calling of the 'B series' by a name that would have a disparaging effect: they could be called 'coffee-based beverages', this being a designation that commercially would be clearly distinguishable from that used for soluble coffee. This would safeguard both the consumer and the producer.

The President has just reminded me that I have only a minute left and I want to use it to tell you that on all the remaining articles we are substantially in agreement with the EEC Commission's directive, apart from some minor adjustments of a marginal nature. The Committee on Public Health and the Environment asked at one point whether the label should bear the words 'with traces of residues' rather than 'containing residues of', when traces of decaffeinating solvents are present in decaffeinated products. It was later decided not to change the Commission's decision that the words 'with traces' should not be used when these traces are not in any way harmful, because otherwise the consumer would only become needlessly alarmed. We wish, however, to insist with the Commission that it would be expedient to study methods of strict control of the ingredients which determine the quality of the product.

**President.** — I thank the rapporteur.

I call Mr James Hill.

**Mr James Hill.** — Mr President, this will be a fairly short intervention. I am sure the Committee on Public Health and the Environment worked ably on this document. Consumer protection of course is a very favourite topic with the politician at the moment. In fact, in the United Kingdom we have set up our own Ministry of Consumer Protection and at the moment a great deal of legislation is going through for this very purpose.

The thing that worries me here in the European Parliament, where I feel we are dealing with overall policy, is that sometimes we tend to think that we should harmonize every particular facet and item of every Member State. I am particularly concerned that we are harmonizing and have already harmonized, amongst other things; textile names, gas volume meters, the calibration of tanks and vessels, cosmetic products. Aerosols are next on the agenda, and we are now beginning to go into what the constituent actually eats and drinks. I feel that Parliament should dwell on far bigger issues. Harmonization at this level is really bureaucratic nonsense.

The wording in some of the articles, as am sure the rapporteur must know, is such that very few persons who can read this document will be in any way enlightened by, for example, paragraph 2 (b) of Chapter 1 of Annex I, which says, "coffee extract paste" and "liquid coffee extract" mean coffee-extracts the dry-matter content of which does not exceed 96% by weight and is equal to or exceeds 12% if these products are sold for consumption, or 7% if they are sold as a raw material for industry.

These products may contain edible sugars in a proportion less than or equal to 8% by weight'.

Now I am sure the rapporteur knows every twist and turn of that statement but I am certain that we as politicians do not really wish to drop to this level with our legislation. We are giving unnecessary ammunition to the critics of the European Parliament throughout the Member States. There have been rumours in the United Kingdom that we are going to want a European loaf. Certain people have been talking about doing away with the good British sausage and having a European sausage. There have been rumours that it will no longer be malt vinegar on our fish and chips but some diabolical French wine vinegar and so it goes on. One of the standing jokes of the Community is that we are legislating for the size of hot water bottle tops. We have had this controversy over ice-cream and I really feel that we are dropping down to a very low standard of parliamentary life when we as busy politicians in our own governments, as well as having to serve the Community, put a committee of the calibre of the Committee on Public Health and the Environment to the indignity of having to present a document of which fifty per cent must be unintelligible to Members. I really do feel that it should be left to the ministries of the various countries to devise their own consumer protection, of which they will be perfectly capable, so that we can apply our minds to subjects which we would consider as being of greater importance.

**President.** — I call Lord St. Oswald on behalf of the European Conservative Group.

**Lord St. Oswald.** — Mr President, honourable Members, business is running very late and I have already been preceded by one of my colleagues. I agree with what he said but I have one or two things only to say and I shall take up the minimum of the House's time. It is, as my honourable friend has said, easy to exercise this self-denial on an issue which is not going to affect the lives of 250 million citizens of our Community very profoundly.

**Lord St. Oswald**

It is clear that Mr Premoli and his colleagues on the committee have spent a great deal of time and given a great deal of thought and trouble to the detailed recommendations which have just been produced. We owe them our gratitude for that, but it seems to me that we could well defer to their judgement in this matter. I shall do no more than make a brief comment or two in agreement with their findings.

One piece of information which has been brought to my knowledge by studying these documents and accompanying papers is that ninety per cent of the so-called coffee consumed in my own country is not coffee at all in the pure sense. It is a compound of coffee and coffee extract, or a compound of coffee and the ground root of the endive, i.e. ground chicory, and while I appreciate as much as anyone chicory as an element in a salad, I do not appreciate it as an element in coffee. Speaking personally, I might refer to myself in the modern jargon as being 'coffee-dependent'. There comes a certain time of the day or night when I need coffee very badly indeed. And if others are prepared to drink coffee substitute, that must be their individual concern.

All that an administration can do, I think, whether at a national or at a Community level, all that it can be justified in doing, is to inform the partaker exactly what he or she is drinking. An administration also has a right, I think to protect against harmful ingredients such as colouring matters. This is what the proposals set out do in the name of uniformity or harmonization. Although with my honourable friend, I find that uniformity as an end in itself arouses no enthusiasm in my breast, I am convinced that it is right that all citizens of our Community should be equally well informed and protected where necessary. It does not appear that tea is adulterated to the same degree as coffee, but for all I know, it may be equally vulnerable, and so it is justifiably included here. I therefore have no alteration of any kind, moral or technical, to suggest to the documents lying before us, and I wish them well in their purpose.

**President.** — I call Mr Scarascia Mugnozza to inform Parliament of the Commission's position on the amendments adopted by the parliamentary committee.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, first of all I should like to thank the rapporteur and all those who have taken part in the debate. Before I come to the topic itself, I should like to dwell for a moment on the speeches made just now by two members

of Parliament in which, if I understood them correctly, they had certain criticisms to make of the wisdom of the European Community's issuing regulations on the harmonization of some commercial products. Now, it is clear that the European Community does not wish to impose any regimentation on the lives of its citizens and force them all to live in the same way. It is equally true, however, that the technical and commercial demands made by the Community are such that it is necessary in principle to set certain standards to be complied with, unless we want to have disharmony within the one Community resulting not only in loss to the consumer but in unfair competition. I feel that these are the factors to be borne in mind when we are considering what action should be taken by the European Community. Without going on from here to say that the Community should pronounce on the minutiae of every problem, I think we can be agreed in saying that the Community should lay down general guidelines in such a way that Member States, in their turn, can issue regulations along the same lines which will prevent distortions in competition or losses to the consumer. I should like therefore if we could all agree on a middle-of-the-road position enabling us to recognize, on the one hand, that there are demands to be met but to be aware, on the other hand, of the need to avoid excessive refinements which could make the regulations difficult to apply and unpopular with the citizens for whose benefit they were issued. To come to the actual subject of the debate which has been so ably dealt with by Senator Premoli, I should like to say that I find myself in a rather difficult situation. He has made such a thorough study of the various possible solutions that I, not being an expert on the matter and not having gone into the problem in any great depth, am at a loss as to how to reply to him. I should like to say straight away, however, that when the Commission submitted this proposal for a directive, it had to decide between two extreme positions. One was the very liberal position of permitting complete liberty to reduce the quantity of green unroasted coffee used to make one kilogram of extract to whatever minimum technological progress would allow. It is quite clear that this could have caused serious difficulties. The other would have been the draconian position of imposing a complete prohibition on the fabrication of coffee extract of the kind described just now, or at least not allowing such a product to use the designation 'coffee extract'. Now, the Commission feels that it has taken the middle road and offered a very fair compromise by allowing the manufacturer to produce and the customer to buy a product obtained by any degree of extraction but at the same time insisting that it shall be compulsory

**Scarascia Mugnozza**

for the labelling to indicate whether the customary minimum quantity of green unroasted coffee per kilogram of extract, which is 2.3 kg., has been used or not. Now the committee feels that its approach would make for greater consumer protection than the Commission's approach. I should like to point out, however, that the Commission consulted all the consumer's associations before arriving at its decision and that as a result of these consultations and after lengthy consideration of the pros and cons, the consumers' associations accepted the Commission's approach as the more prudent one and the one least likely to harm the consumer. These associations, as I have already said, have weighed up thoroughly all the reasons advanced by the coffee industry for a different solution, such as, for instance, the need to maintain a high quality, and have rejected them all as irrelevant and even misleading. In fact, the argument that the quality of a coffee extract depends solely on the degree of extraction cannot be sustained; there are too many other factors involved. Indeed, by fixing a limit to the permissible degree of extraction, one would be giving the customer only the illusion of protection, since the manufacturer could then pass off inferior goods on him as high-quality goods under the cloak of complying with the prescribed minimum degree of extraction.

I must point out again, Mr Premoli, the delicate nature of the entire question raised by your proposal, both from the point of view of competition, since in at least three countries of the Community, Britain, Ireland and Denmark, coffee extract obtained by a degree of extraction of only 1.9% is being sold, and also from the point of view of the lawfulness, or otherwise, of prohibiting the use of a designation to a product which seems to qualify fully and precisely for that designation. There are some aspects of the matter therefore which leave us rather perplexed. It is quite clear that Parliament is free to come to any decision it wishes. It was my duty to make all the points I have made, and it will be obvious to all that I should be very pleased if the proposal decided on by the Commission were to be approved exactly as it is worded. I thank you once again, Mr President, and I await Parliament's decision.

**President.** — I call Mr Premoli.

**Mr Premoli, rapporteur.** — (I) Mr President, I thank Mr Scarascia Mugnozza for his speech in defence of the text of the directive. Nevertheless, the arguments advanced by him I do not find convincing: principally because in the countries where an extract obtained from less than 2.3 kg of green unroasted coffee would be

sold, the consumer would be misled in practice or he would consume a coffee extract product forbidden by the directive itself, precisely because you cannot get such a low degree of extraction by the processes detailed there. The actual text of the explanation statement to the directives makes this clear and therefore, if the truth must be told, we would be going outside the sphere of legality and fair play.

Furthermore, it is our purpose to defend the consumer, and he is protected only if he is offered a specific product produced in conditions acceptable to modern technology and with all the guarantees proposed by the directive. I ask therefore for a further reading of the text, because, no matter what may be said, in this case we are departing from the extraction procedures permitted by the directive itself. It should be added that, if this goes through, and you must remember that we have already gone outside what is permissible in the matter of extraction methods, if this goes through the consumer in the Community will no longer have a guarantee that is valid for all consumers. Let us remember that the dividing line of 2.3 kg. is not just a figure thrown out at random by some inventive mind; the figure is set at 2.3, not at 2.4. or 2.5. or 1.9, simply because the product obtained below this figure produces different effects; it is, in fact, a different product. If we do not bear this in mind the consumer will be deceived, he will be buying a product without the pharmaceutical and restorative qualities we have been speaking of.

The explanatory statements to the directive says that the consumers were consulted but it skips lightly over the role given to the manufacturers. I do not hold any brief for the coffee manufacturers, but if a coffee manufacturer wishes to put into circulation a better and dearer product, which would also cost himself more to produce since 2.3 kg. of green unroasted coffee would be needed to make 1 kg of instant coffee, then surely in this case the manufacturer should be the first to be given credit for honesty in regard to the quality of his product.

Furthermore, I do not think that we should gloss over this matter of the labelling in characters of 4 mm. high, which none of us reads in any case. Have you ever read or have any of us ever read, for instance, all the things listed in small print on a railway ticket or an air ticket? We will be selling the masses a product, the label on which will never be read carefully through by the consumer who will thus know nothing of the characteristic features of the product. And in this case they are the all-important features of the product. This raises the possibility mentioned by one of the earlier

**Premoli**

speakers of the consumer sitting down to a cup of coffee and drinking instead something which has a coffee base but has none of the characteristic qualities of instant coffee.

Therefore I recommend that the resolution from the Committee on Public Health and the Environment should be accepted rather than the Commission's interpretation of the directive. Because I can assure you that the Committee on Public Health and the Environment really got to grips with this directive, of which even I myself can see the limitations, and worked on it seriously and conscientiously. I ask therefore that the problem should be reconsidered.

**President.** — I have the impression that there are some ambiguities in this proposal for a directive.

However, I am confident that the Commission will examine the European Parliament's proposals again very closely, and will take them into account in producing its final document.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

#### 14. Directive on aerosols

**President.** — The next item is a debate on the report drawn up by Sir Anthony Esmonde on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive on the approximation of Member States' legislations on aerosols (Doc. 150/73).

I call Mr Jahn, deputizing for Sir Anthony Esmonde, who has asked to present the report.

**Mr Jahn, deputy rapporteur.** — (D) Mr President, ladies and gentlemen. In deputizing for our departed colleague, Sir Anthony Esmonde, I should like to present to you the Commission's proposal to the Council for a directive on harmonizing the laws of Member States on aerosols.

In this Parliament, ladies and gentlemen, we have to be interested in many things and one is forced to have a short-term knowledge of subjects because of the many obligations of one's colleagues, and this is the case with me today.

In order to emphasize the importance of these aerosols, I should like to point out that in the

economic area of the Community there are more than 800 million aerosols. This wide spread distribution of a packing material makes it essential for the European Parliament to concern itself with this article from many points of view.

First, from the point of view of safety, it must be remarked that the proposed alternative solution is not adequate in the interests of a standard safety regulation.

Secondly, the Commission proposal, as you see in article 8, largely ignores the interests of consumer protection. As the rapporteur on the environmental programme of our Community, I am of course particularly concerned to draw your attention to the dangers of increasing contamination of the environment by this product.

I should like to ask Parliament, in accepting this report, to request the Commission at the same time to place appropriate research contracts in order at least to eliminate for the sake of the environment, if not to achieve re-usability of the containers and all this packing material.

In the name of the Committee on Public Health and the Environment, I ask Parliament to approve this proposal for a directive.

**President.** — I call Mr Scarascia Mugnozza to comment on the committee's proposals.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I should like to thank the rapporteur, Mr Jahn, who has taken Sir Anthony Esmonde's place; I think I have nothing further to add to what he has said. I should like merely to emphasize the Commission's interest in this whole matter, more especially however in the question of some aerosols which have covers of glass, or other recognized materials, to be found within the European Community. If you will permit me, I will speak again when Mr Walkhoff moves his amendment, on which the Commission has some reservations to make.

**President.** — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the proposal for a directive then the motion for a resolution.

On Article 10 I have Amendment No. 1, tabled by Mr Walkhoff and worded as follows:

#### 'Article 10

This Article should be worded as follows:

"1. When a Member State establishes that an aerosol, although satisfying the requirements of this Directive, is likely to jeopardize human safety, it may provisionally prohibit the sale, mar-

<sup>1</sup> OJ C 83, 11 October 1973.

**President**

keting, or use of this aerosol on its territory. It shall notify the other Member States and the Commission immediately of the measures it has taken and its reasons for taking them.

2. If no separate measures have been decided either by the Commission or by the Council, the Member State in question may continue to apply the measures already taken until such time as a decision has been taken under the procedure laid down in Article 7."

I call Mr Walkhoff to move his amendment.

**Mr Walkhoff.** — (D) Mr President, ladies and gentlemen. Article 10 of the proposal for a directive provides that a Member State which finds that an aerosol represents a risk for the safety of persons must first submit an application in order to be able to ban the sale, the commercialization and the use of this aerosol in its area. Only if the committee provided for in Article 7 has acted and, where applicable, after a further 30 days the Commission of the Council has not decided anything, can the Member State withdraw from sale, on the basis of its own decision, aerosols which represent a danger for the consumer.

If we are acting in the interests of the consumer and attach value to the health of the consumer, it should not be our intention to prevent a Member State from taking the necessary measures immediately when danger threatens. In the present Article 10, in my opinion, we do not help the consumer, rather do we make him the object of red tape which he does not really understand. This article is almost comparable with a regulation that demands that the fire service must first obtain the permission of the Mayor in order to extinguish a fire.

Mr President, ladies and gentlemen. I therefore recommend that the draft directive should be amended in accordance with my proposal.

**President.** — I call Mr James Hill.

**Mr James Hill.** — I think it is most important that this amendment should at least get an airing, particularly the safety factor. This possibly is the reason why the British Aerosol Manufacturers Association has written to ask me to inform the European Parliament that a British company has recently introduced a novel plastic aerosol container—which no doubt the Commission will test—which performs at least as well as metal and in some respects may be safer. The Association therefore feels that plastic aerosols which do not splinter on bursting, and meet all the requirements of metal containers, can be controlled by this Directive. I know it is too late to make any changes to this particular amendment, but I do think that these few words

could be considered at a later date by the Commission.

**President.** — I call Mr Scarascia Mugnozza to state the Commission's position.

**Mr Scarascia Mugnozza.** — (I) Mr President, I have asked for permission to speak on this amendment because I wanted to point out that if the Commission proposed that the matter be referred to the Consultative Committee, it did not do so in the interests of bureaucracy or to create further difficulties or, to borrow the honourable Member's own example, because it wished the mayor's permission to be obtained before the firemen could go about quenching the fire. It did so solely because it is vital that we take a Community approach to the problem, and we can take a Community approach only to the extent that we are certain that the Consultative Committee will apply the same yardstick to the claims and appeals of all comers. Secondly, it could happen that some firms, by applying certain pressures, could have certain products banned with resultant grave loss to rival firms; this is the sort of thing that could happen unless you have the safeguard of a Consultative Committee kept fully informed with the problems. Therefore, I should like you to point out to the members of Parliament, Mr President, that it is the Commission's wish that Article 10 should not be amended.

**President.** — What is the rapporteur's position?

**Mr Jahn, deputy rapporteur.** — (D) Mr President, ladies and gentlemen, following a discussion with the chairman of the Committee on Public Health and the Environment we have come to the conclusion that we should agree to this proposed amendment although we have not dealt with it.

I would, however, add the remark that we are suggesting to the Commission that it should discuss with the committee the question which you have just raised, Mr President, so that we can reach agreement and avoid a hold-up. In any case, as rapporteur, I should like to agree to the amendment on behalf of my committee.

**President.** — I put Amendment No 1 to the vote.  
Amendment No 1 is adopted.

I put Article 10 so amended to the vote.

Article 10 so amended is adopted.

We shall now consider the motion for a resolution itself.

**President**

I have no amendments or speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**15 Directive on common rules for international transport**

**President.** — The next item is a debate on the report drawn up by Mr James Hill on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a directive amending the first Council Directive on the establishment of certain common rules for international transport (carriage of goods for hire or reward) (Doc. 127/73).

I call Mr James Hill, who has asked to present his report.

**Mr James Hill, rapporteur.** — I suppose that honourable Members may think it unusual for the chairman of a committee to be presenting a report, and indeed I believe it is unusual. However, this report deals with a subject in which I have some interest, and it is perhaps a good idea for a chairman occasionally to act as a rapporteur in order to be reminded of the burdens which fall upon the shoulders of the rapporteurs of the various committees.

In brief, the Commission's proposal calls for a further liberalization of the carriage of goods in small lorries across national frontiers and in transit through Members States. It also frees from restriction the carriage of goods on own account. The proposal would seem to be a significant, if limited, step in the direction of bringing to certain types of road-users some benefit of membership of the Community.

Before setting out briefly the background of the proposal, I should explain to Members not familiar with the subject that, by a series of treaties and agreements between the six original Member States, a system of quotas for the carriage of goods for hire and reward by road across frontiers was established before the Treaty of Rome was signed in 1957. These arrangements were originally designed to regulate competition in road transport and also in some measure to protect the railways.

The first Council directive on the matter was made in July 1962 and related entirely to traffic for hire or reward. The main points contained in the directive were:

1. The carriage of goods on both sides of frontiers, up to a distance of 25 km as the crow flies, was exempted from any transport quota or authorization system;
2. The carriage of certain kinds of goods, e.g. mail and luggage being carried to and from airports, was similarly exempted from the need for quotas or authorizations;
3. Quota restrictions only were removed from certain types of carriage into the frontier zone of an adjacent Member State, mainly in the case of specialized goods. This included the carriage of goods in vehicles whose total laden weight did not exceed 6 tons. Authorization however was still required.

This first directive was considered by Parliament, but it was amended in December 1972 by a second Council directive, No 72/426, which was covered by the Treaty of Accession. For this reason I have set out the amendments made by the second directive in paragraph 5 of the explanatory statement to my report.

The effect of the amendments was to prepare for the accession of the new Member States by eliminating from calculations of distance from frontiers any distance travelled by sea from one Member State to another. Also, carriage of goods was liberalized up to a distance of 25 km from the port at which the vehicles were loaded. To give an example: since 1 January there have been no restrictions on the carriage for hire or reward of a load of strawberries from an area within 25 km as the crow flies from Southampton by sea to Le Havre and thence to an area within 25 km as the crow flies from Le Havre.

In the proposal which is the subject of my report the first amendment proposed by the Commission is that authorization should now be abolished for the carriage of goods in small vehicles, thus leaving them completely free of restrictions. At the same time, the upper limit of such vehicles is to be 3,5 tons maximum carrying capacity, which in fact corresponds to 6 tons total laden weight.

The second amendment proposed is that exemption from quota and authorization restrictions for the types of carriages set out in Annex I of the first directive should be extended to transport on own account as well as transport for hire and reward. This is done by changing the title of the first directive and amending Article 1. Thus carriage of goods on own account within the 25 km frontier zone is freed of all restrictions, and there is also freedom to carry the other classes of goods, such as mail and airport luggage, set out in Annex I to the first directive in 1962.

<sup>1</sup> OJ C 83, 11 October 1973.

**James Hill**

At this point I would draw the attention of the House to paragraph 6 of the explanatory statement in my report. The committee considered that when the new amending directive had been adopted the entire directive should be re-issued in a form as intelligible as possible to the layman.

I have explained the Commission's proposals briefly—as I have also done in paragraphs 1 to 4 of the explanatory statement in my report. In the explanatory memorandum to its proposals, the Commission states that intervention by public authorities must only take place in order to avoid disturbances on the transport market and to safeguard the public interest. It believes that the prime objective must be to remove all unjustified obstacles to and restrictions on the free movement of goods, which frequently arise solely out of the very existence of national frontiers. I think the House will agree that these are highly laudable objectives.

Three advantages would follow from removing restrictions on carriage by small vehicles. First, time-wasting formalities would be abolished. Second, the carriage of goods in small vehicles such as minibuses, and in vehicles also carrying passengers, would be free of quota restrictions and authorizations. Thirdly, goods transport users would have as free a choice as possible.

The second measure proposed by the Commission will be—as was the proposal for the agreement with third countries on bus transport, on which Mr Van der Gun reported on behalf of my committee in June—of direct help to bus tours which cross national frontiers.

Turning to the liberalization proposed for the carriage of goods on own account between Member States, the Commission sets out two objectives:

1. To encourage in this respect the economic integration of frontier regions. The House will recall that the Commission's regional policy proposals specifically referred to the need to assist areas and regions traversed by a frontier. The most obvious example for a British Member is the border between Ulster and the Irish Republic, and our continental colleagues would cite the border areas where several states' frontiers converge.
2. To allow carriage on own account to play its crucial role in the development of market supply, product distribution in the internal stages of industrial production, and so on. Here the Commission is using the transport policy to assist its industrial policy in a way which several Member States have already recognized in bilateral agreements.

Mr President, this report does illustrate an important side of the Commission's work. This consists in supporting such policies as regional transport and industry policies by limited measures, each in itself fairly minor, but together forming a body of useful legislation. The present proposal is designed to remove restrictions, cut out ~~red-tape~~ and frontier delays, and simplify and speed up the marketing of products and the transport of goods within industries. This is just the sort of measure which will help to convince the sceptics in the three new Member States that membership of the Community does not consist entirely of high prices and harmonization.

I believe that the Commission's proposals will be of real assistance to those concerned, particularly because it introduces greater flexibility in marketing, takes account of the realities of developing trade between Member States, and should make a contribution also to the attainment of the objectives of the Community's vital regional policy programme.

**President.** — I call Mr Mursch.

**Mr Mursch.** — (D) Mr President, I do not wish in any way to argue with the motion for a resolution but I should like to draw the attention of the Commission to one aspect which has not been discussed here but which, in my opinion, is closely related to the amending directive.

The rapporteur has already explained that in place of the regulation on the six ton total weight, there is now to be a regulation which provides for a maximum permissible carrying capacity of 3.5 tons.

The transport group of the European Communities Council of Ministers is at present very intensively concerned with the personal qualities required for admission to the profession of a road haulage operator. Personal qualities are reliability, financial solvency and technical aptitude.

The Commission has suggested here in this discussion that these personal qualities required for admission to the profession should only be demanded when using vehicles with a carrying capacity of more than 3 tons. In the Member States however there are very different views about this limit i.e. three tons. On the German side for example the opinion has been expressed that the limit should be left at 750 kg. The determining factor for this is, in the first place, that of traffic safety.

Therefore the question of these three tons is still very much in doubt.



**Mursch**

The main point of my question is this: Does the Commission see any vital connection between the regulation on the period of a licence and the rules for admission to the profession of road haulage operator or not? There is no doubt, Mr President, that a connection does exist. The question is whether it is so vital that it may possibly exert a prejudicial effect through the adoption of our resolution. I should therefore be extremely grateful if the Commission would give its views on this.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (1) I wish to thank Mr Hill very particularly for the detailed explanation he has given us of the problem. Indeed, I can add very little to what he has said, except to assure him that it is in the Commission's own interest to see to it that all future difficulties in intra-Community traffic between the various countries of the Community are avoided, and in fact, the Commission has plans to avoid such difficulties. This is one of the problems we are studying at the moment, it is one item on the Commission's programme and it is even, I would say, the basis of the transport policy programme which I intend to submit to the European Parliament towards the end of October, the preliminary documents having already been submitted to Parliament and to the Council. It must be our whole-hearted endeavour and our guiding consideration to see to it that not only goods but also citizens themselves can have free access in traffic and in their trade ventures. Therefore I am very glad that Mr Hill has expressed himself in favour of the adoption of this resolution, which has a long history and is now being brought to a conclusion. In reply to the points made by Mr Hill referring to paragraph 5, where it says that the first directive was adopted without consultation with the European Parliament, I should simply like to say, Mr President, that this was a case of Community acts, for which the opinion of the European Parliament was not required; with regard to the request made in paragraph 6, I should like to inform you straight away that the directive is to be published again in its entirety and will be presented so as to be accessible to the public, as Mr Hill has requested. With regard to the last speech, I should merely like to say by way of reply that we are at present discussing in our working group on transport some problems of this kind that have arisen. I realize that there appears to be a discrepancy between the 3 tons being called for at present and the 3.5 tons called for in this directive. I can assure you, however, that in the next few days we shall be studying this problem in order to see to

it that what is decided in this directive and future decisions are along the same lines, while also bringing this directive into line with future decisions on driving licences.

**President.** — Thank you, Mr Scarascia Mugnozza.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**IN THE CHAIR: MR DALSAGER****Vice-President**

**16. Directive amending and supplementing certain Directives following the enlargement of the Community**

**President.** — The next item is a debate on the report drawn up by Mr Scott-Hopkins on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive amending and supplementing certain Directives following the enlargement of the Community (Doc. 157/73).

I call Mr Scott-Hopkins, who has asked to present his report.

**Mr Scott-Hopkins, rapporteur.** — Mr President, this report is virtually a technical one, following on from the proposal from the Commission, but there is of course one amendment which requires comment. I will not weary the House with going over the whole of the background of this. Suffice it to make four points, Mr President. The first one is this: on the accession of the new Member States the Permanent Committee on the Structure of Agriculture, the Permanent Committee on Agricultural Statistics and the Permanent Veterinary Committee were obviously enlarged.

What has happened is that the Commission has not been in a position to put before the Council and this House proposals for rectifying the voting figures in these committees until now and Members will notice in the report that we deplore the fact that there has been this delay since 1 January. It could have meant, but I don't think it has in point of fact, great difficulty in the committees that I have mentioned, as far as their voting was concerned since the voting is on the same terms as that in the Council. That

<sup>1</sup> OJ C 83, 11 October 1973.



**Scott-Hopkins**

is the first point I wish to make to the House. There has been an unacceptable delay.

The second point I wish to make is this: I wonder whether the Commission has really done its homework and included every directive that needs amending in its proposal. In Article 1 are a great many, and many directives are being amended. It is just possible—and because this is quite a technical matter—that the Commission has overlooked and omitted one or two. I would therefore like an assurance from the Commissioner who will be replying that they really have been very carefully through this and that there will be no further need for amendments. That is the second point.

The third point I wish to make on this particular subject is that there is another part of the recommendation from the Commission and that concerns the statistics. The Commission is in fact dividing up the Community into new regions for statistical purposes. There has been quite inevitably a delay in deciding on regional frontiers for the purposes of obtaining statistical data, which has meant that the information coming from the regions obviously has not been available until now, and this has caused problems as far as the Commission is concerned. We are the sufferers from this because inadequate information has been available up until now.

Now, the final point before I sit down, Mr President: the House will see that your Committee on Agriculture has recommended that there should be an amendment to the text to bring it into line with what has happened. Norway has unfortunately not acceded to the Community, which necessitates in our view—and I hope the Commission will agree with this—an amendment to the effect that the votes required are reduced from 43 to 41. Unless the words as amended in Article 8 of the Decision of the Council of the European Communities on 1 January 1973 embodying certain changes to the Acts of Accession of the new Member States of the European Communities are included, it is our view that the new directive will be incomplete because Norway has not acceded to the Community. I hope, Mr President, that this point will not cause controversy. I do not think it will. I hope that the Commission will be able to accept the amendment which is being put before the House now. I quite understand the reason why Commissioner Lardinois is not here and I am

delighted to see that Commissioner Scarascia Mugnozza is going to be replying to this very short debate. I think the matter is non-controversial since it is basically technical, and I hope the House will approve. I beg to move.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I wish to apologize on behalf of my colleague, Mr Lardinois, who has been obliged to leave, and to tell you that before leaving he asked me to reply to Mr Scott-Hopkins to the effect that he agrees with all the conclusions reached by the Committee on Agriculture on this matter and that he accepts the amendment to the text of the preamble. With regard to the other points raised, I believe, from what Mr Lardinois told me, that everything should be in order; that is to say, the various directives have been submitted and there should be no further difficulties on that score.

**President.** — Does anyone else wish to speak? I put the motion for a resolution to the vote. The resolution is adopted.<sup>1</sup>

#### 17. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Thursday, 20 September 1973, with the following agenda:

10 a.m.

- Vote on the motions for resolutions contained in the reports by Mr Aigner on amendatory and supplementary budgets Nos 2, 3 and 4;
- Report by Mr Dewulf on vegetables and fruit originating in the AAS or OCT, and in Tanzania, Uganda and Kenya;
- Report by Mr Seefeld on the supply as food aid of skimmed-milk powder;
- Report by Mr Baas on agricultural products originating in Turkey;
- Report by Mr de la Malène on customs duty on almonds.

The Committee on External Economic Relations has asked for a vote without debate.

The sitting is closed.

(The sitting was closed at 5.10 p.m.)

<sup>1</sup> OJ C 83, 11 October 1973.

## SITTING OF THURSDAY, 20 SEPTEMBER 1973

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**IN THE CHAIR: MR BERKHOUWER**

*President*

(The sitting was opened at 10 a.m.)

**President.** — The sitting is open.

**1. Statement by the President on Question Time**

**President.** — Before we approve the minutes of proceedings of yesterday's sitting, I should like to make a statement on the procedure followed yesterday in respect of Question Time, which according to our Rules of Procedure may not exceed 60 minutes. At the end of the statutory 60 minutes, when I was going to close Question Time, a large number of Members protested against the consequences of closing it, which were that either a written answer or an oral answer at a future part-session would have to be given. I then realized that an extension of Question Time was desired and that the Assembly was unanimously in favour of such an extension. Afterwards, there were objections to this decision. At the moment when Question Time was extended, I saw that the Assembly was unanimously in favour of an extension. According to our normal practice, such unanimity allows us to deviate from the Rules of Procedure. To avoid misunderstandings in future, I propose that we agree that Question

Time may only exceed 60 minutes if one or more Members submit a formal request for an extension and this request is unanimously approved by Parliament.

I call Mr Behrendt.

**Mr Behrendt.** — (D) Mr President, I have no objection to your proposal. The only thing is that we should have to make a formal amendment to our Rules of Procedure, so as to legitimize this particular procedure. The alternative is to break off Question Time after 60 minutes, as stipulated in the Rules of Procedure.

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — (D) Mr President, in this connection I should like to suggest that anyone presiding over a sitting during Question Time should take every possible care to ensure that only questions are in fact put. It is not permissible for some Members to indulge in comments during Question Time. I should be very grateful if the true purpose of Question Time could be properly maintained.

**President.** — I agree entirely with Mr Seefeld. I shall do everything in my power to ensure that this is done, and I understand that most Members of our Parliament are satisfied with the way Question Time has been conducted.

I call Sir Tufton Beamish.

**Sir Tufton Beamish.** — I should like to thank you, Mr President, very much indeed for giving such careful thought to this question which Mr Scott-Hopkins raised with you, and I should like to support what Mr Behrendt has said. If, in fact, the rules are to be changed, then surely the Rules of Procedure must be amended accordingly so there can be no doubt whatsoever about this question. I should like to support that very strongly indeed and I should also like, if I may, to remind you of something that I said yesterday, with which I think you concurred, which was that, in the event, of the reply to a question being a very long one, the President-in-Office or the Council of Ministers of the Commissioner concerned could ask the permission of Parliament to make a statement after questions; he would then, of course, be subject to questioning in the normal way.

**President.** — I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, I have no objection at all to your proposal. On the contrary, I believe it would be sensible to do as you suggest. But I should like to know one thing. It is about changing Parliament's agenda. Every parliament has the right to amend its agenda by simple majority. You said that the decision had to be generally approved. That means that if one man says that he does not agree, this Parliament no longer has the right to alter its agenda. I should therefore like to know on what grounds you state that the decision needs to be generally approved. If there are no grounds, I should like to propose that you proceed in the normal way and amend the agenda on a simple majority.

**President.** — I merely thought that in making such changes—that is, in extending Question Time, which is not a simple change in the agenda but can have further consequences—I was sure to be acting in complete safety. But I shall now propose to you, in accordance with a request which has been made to me, that we include the extension of Question Time and the decision between unanimity and a simple majority among the matters to be dealt with by Mr Kirk's working group, or Mr Schuijt's working group as it is now known. I think that in doing so I would be acting in accordance with what Mr Behrendt and Mr Seefeld have just said.

I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, I am beginning to feel that this working group has become something of a packhorse. It seems such a simple question. The Legal Affairs Committee has already suggested that this point should be re-

ferred directly to that committee. It will then perhaps be possible to settle this question before the next plenary part-session in Strasbourg.

**President.** — Mr Broeks, I think it is better that we reconsider together with either the chairmen of the political groups or with the Bureau how this matter can best be decided. The working party has already made a suggestion to me in this connection.

I call Mr Kirk.

**Mr Kirk.** — Yes, just perhaps to put Mr Broeks's mind at rest, we have adopted a procedure in this working group of taking what we might call small procedural things fast and sending them on; we have sent several ideas already to the Bureau. In fact we did discuss at our last meeting the whole business of Question Time, just looking at it after 6 months' experience to see how it was going. Mr Lautenschlager, the rapporteur, is not here at the moment, but I know that at our next meeting on Tuesday he is going to put forward certain proposals which may help to get over the problem in which we found ourselves yesterday, and those will be forwarded, I hope, to the Bureau by the end of the month.

**President.** — We shall act in accordance with the suggestions which I have received.

## 2. Approval of minutes

**President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

## 3. Presentation of petition

**President.** — I have received from Mr Laleur, Mr Feidt, Mr Borodkine, Mr Falcone, Miss Schöner and 19 other officials and other servants of the European Parliament a petition condemning the seizure of power by the armed forces in Chile.

Pursuant to Rule 48 of the Rules of Procedure, this petition has been entered in the registrar as No. 2/73 and referred to the Political Affairs Committee.

## 4. Membership of committees

**President.** — I have received from the political groups the following requests for appointments:

**President**

(a) from the Group of Progressive European Democrats:

- Mr Lenihan to the Political Affairs Committee, to replace Mr McElgunn;
- Mr Yeats to the Legal Affairs Committee, to replace Mr McElgunn;
- Mr Gibbons to the Committee on Agriculture, to replace Mr Hilliard;
- Mr Gibbons to the Committee on Public Health and the Environment, to replace Mr McElgunn;
- Mr Lenihan to the Committee on Energy, Research and Atomic Problems, to replace Mr Hilliard;
- Mr Lenihan to the Committee on External Economic Relations, to replace Mr Hilliard.

(b) from the Christian-Democratic Group:

- Mr McDonald to the Political Affairs Committee, to replace Sir Anthony Esmonde;
- Mr Creed to the Committee on Agriculture, to replace Mr McDonald;
- Mr Dunne to the Committee on External Economic Relations and to the Delegation to the Joint Committee of the Association with Greece.

Are there any objections?

These appointments are ratified.

I have received from Mr Taverne a request that he be appointed to the Committee on Regional Policy and Transport.

Are there any objections?

This appointment is ratified.

I call Mr Radoux.

**Mr Radoux.** — (F) Mr President, on such an occasion as this, when requests are submitted by a group, is it acceptable that no member of that group is present in plenary sitting?

**President.** — As you can see, Mr Radoux, the members of the group to which you refer are entering the chamber. You will therefore agree with me that the matter is closed.

IN THE CHAIR: MR BEHRENDT

*Vice-President*

5. *Draft Amendatory and Supplementary Budgets Nos. 2, 3 and 4 of the Communities for 1973 (vote)*

**President.** — The next item is the vote on Draft Amendatory and Supplementary Budgets Nos. 2, 3 and 4 of the Communities for 1973, and on the motions for resolutions on these budgets contained in the reports drawn up by Mr Aigner on behalf of the Committee on Budgets. (Doc. 155/73, 156/73 and 158/73).

I would remind Members that the general debate on these draft budgets was held during the plenary sitting of Tuesday, 18 September 1973.

On Draft Amendatory and Supplementary Budgets Nos. 2 and 3 I have no proposed modifications.

I propose to take the vote immediately.

I shall then put to the vote the motions for resolutions on Amendatory and Supplementary Budgets Nos. 2 and 3, when any Member who wishes to speak will be able to do so.

I call Draft Amendatory and Supplementary Budget No. 2.

Does anyone wish to speak?

I put this item to the vote.

I note that Amendatory and Supplementary Budget No. 2 is deemed to be finally adopted in accordance with the provisions of the Treaties.

I call the motion for a resolution on Amendatory and Supplementary Budget No. 2, contained in report No. 155/73.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

I now call Draft Amendatory and Supplementary Budget No. 3.

Does anyone wish to speak?

I put this item to the vote.

I note that Amendatory and Supplementary Budget No. 3 is deemed to be finally adopted in accordance with the provisions of the Treaties.

<sup>1</sup> OJ C 83, 11 October 1973.

**President**

I call the motion for a resolution on Amendatory and Supplementary Budget No. 3 contained in report No. 156/73.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**President.** — I call Draft Amendatory and Supplementary Budget No. 4.

On this draft budget I have two proposed modifications, both of which concern Section III 'Commission.'

Consequently, pursuant to Article 23A of the Rules of Procedure, and in order to simplify the vote, I propose that we proceed as follows:

- a separate vote on the proposed modifications concerning Section III 'Commission;'
- a vote on the other titles at the same time as the vote on the section as a whole.

Under normal circumstances, I would first have to put to the vote the section on revenue. However, the proposed modifications, if adopted, would affect revenue.

For this reason the vote on the section on revenue is postponed until after the vote on the proposed modifications.

On Title 5 'European Social Fund' I have proposed modification No. 1 tabled by the Committee on Budgets and worded as follows:

### SECTION III - COMMISSION

#### (A) Expenditure

Title 5 - European Social Fund

Chapter 51 - Art. 51a 'Expenditure under Article 5 of the Council decision of 1 February 1971 on the reform of the European Social Fund'

Increase appropriations by 120 m u.a.

Title 2 - Chapter 29, Article 290, Lump sum repayment to Member States of costs incurred in collecting own resources.

Increase appropriations by 1,096,908 u.a.

#### (B) Revenue

Title 1 - Own resources

Increase revenue by 10,969,061 u.a.

Title 5 - Contributions

Increase contributions by 110,127,827 u.a.

### EXPLANATORY STATEMENT

In its preliminary draft supplementary and rectifying budget No. 4, the Commission of the

European Communities had stated that an increase was indispensable because the requests for aid received from Member States in respect of operations to be financed by appropriations under Chapter 51 (expenditure under Article 5 of the Council decision on the reform of the European Social Fund) had proved much higher than the estimates made when the 1973 budget was established. The Commission of the European Communities proposed an increase of 120 m u.a.

This increase would allow only part of the requests from Member States for the financial year 1973 to be met.

Budgets regard the reasons advanced by the Commission for its request to increase the appropriations to be well founded (delay in Member States notifying their requirements; difficulty in allowing for the enlargement of the Communities when drawing up estimates in 1972; underestimation of requirements), and consider the proposed increase of 120 m.u.a. to be completely justified.

If the budget for the Social Fund were not increased, this would mean that:

- the Member States would be contradicting themselves because, on the one hand, each of them would have submitted applications for substantial aid from the Social Fund, whereas, on the other hand, each of them would be refusing to enter in the budget supplementary appropriations necessary to meet their own needs;
- the attitude of the Member States would be in flagrant contradiction to the declarations made and undertakings given by the Heads of State or Government at the Summit Conferences in the Hague and Paris 'to draw up a programme of action providing for concrete measures and the corresponding resources particularly in the framework of the Social Fund.'

I call Miss Lulling to speak to this proposed modification.

**Miss Lulling.** — (F) Mr President, the good reasons of the Committee on Social Affairs and Employment and the Committee on Budgets for proposing an additional credit of 120 million u.a. for the European Social Fund were amply expounded here yesterday both in writing and orally. In the reply it gave to us during the debate on Tuesday, the Commission itself, and I am grateful to it, also declared that it thought this appropriation absolutely unnecessary.

I should therefore merely like to recall briefly that to avoid increasing the budget for the

<sup>1</sup> OJ C 83, 11 October 1973.

**Lulling**

European Social Fund would mean first of all that the member States were in contradiction with themselves: each one presents demands for extensive disbursements from the European Social Fund and, if these amounts did not have the assent of the Council, the governments would themselves refuse to appropriate to the budget the supplementary credits necessary to meet their own demands.

To avoid increasing credit for the European Social Fund would then mean that the attitude of the member States was in flagrant contradiction to the declarations made and commitments made by the Heads of State or government at the Hague and Paris summit conferences with regard to the implementation of a European social programme providing for concrete measures and the corresponding resources especially within the framework of the European Social Fund.

I therefore hope that Parliament will adopt the proposed modification submitted by the Committee on Social Affairs and Employment and by the Committee on Budgets, and I express my thanks in anticipation.

**President.** — What is the rapporteur's position?

**Mr Aigner, rapporteur.** — (D) Mr President, the Committee on Budgets has voted on these proposed modifications and has approved them.

**President.** — Does anyone else wish to speak?

I put proposed modification No. 1 to the vote.

Proposed modification No. 1 is adopted.

On Title 6, Chapter 62 'Milk and milk products' I have proposed modification No. 2 tabled by Mr Aigner on behalf of the Committee on Budgets and worded as follows:

### SECTION III - COMMISSION

#### (A) *Expenditure*

Title 6 - Chapter 62 'Milk and milk products'  
Article 621 'Intervention in respect of milk and milk products'

Reduce appropriations by 52 m u.a.

Title 2 - Chapter 29, Article 290, Lump sum repayment to Member States of costs incurred in collecting own resources.

Reduce appropriations by 475,327 u.a.

#### (B) *Revenue*

Title 5 - Contributions

Article 550

Reduce contributions by 47,722,058 u.a.

Title 1 - Own resources

Reduce revenue by 4,753,269 u.a.

### EXPLANATORY STATEMENT

This 52 m.u.a. should be deducted from the 483,636,000 u.a. shown under Item 6214 for the storage of butter and procedures for the reduction of surplus butter fat.

Where the refunds paid by way of exception in connection with the marketing of surplus stocks exceed the sum that would normally arise from the provisions relating to the granting of refunds and where the appropriations shown in the budget are insufficient to cover such exceptional refunds, Parliament, in its capacity of budgetary authority, should be consulted on such measures.

On the basis of the data supplied by the Commission, the Committee on Budgets has found that part of the appropriations entered in the supplementary budget arise from the payment of excessive refunds on the sale of butter to the USSR. The excess in question amounts to 52 m.u.a.

The Committee on Budgets therefore proposes that the appropriations shown under item 6214 should be reduced by this amount in order to underline the fact that while respecting the powers vested in the Commission of the European Communities for administration of the common agricultural policy, it cannot accept that Parliament should be confronted with an accomplished fact through a decision that necessitates the entry of additional expenditure and revenue in a supplementary budget. Parliament should be consulted in advance on decisions of this nature.

I call Mr Aigner to speak to this proposed modification.

**Mr Aigner, rapporteur.** — (D) Mr President, I have already discussed at some length this proposed modification, or proposed reduction in appropriations, which was adopted unanimously by the Committee on Budgets. I happen to know that the political groups have also discussed and approved this proposal. The Committee on Agriculture also considered it, and not a single voice was raised against it, although no formal vote was taken.

The proposed modification arises from the following complaint: A deal was concluded with the Soviet Union involving the sale of butter in excess of the normal refund limits. We arrive at this difference of 52 million u.a. by taking the intervention price as a standard and adding the refund value to the purchase value on the other side; we come to an excess of 260 u.a. per metric ton, and since 200,000 tons of butter were sold, this gives 52 million u.a. Mr Presi-

**Aigner**

dent, our criticism is not directed against a particular commissioner or even against the agricultural policy, but against a system under which Parliament is not even informed in advance in a case involving a sum of 300 million u.a., although it must have been known that a supplementary budget would become necessary. I said that already during the first reading. It is intolerable that this Parliament should be consulted on the purchase of a copying machine costing 2,000 u.a., as happened a few weeks ago, without even being informed in the present case, which involves 300 million u.a.

It is my belief that Parliament must, through this proposed modification, demonstrate its opposition to this type of decision-making procedure and to this lack of balance between the Community institutions.

I therefore ask that the proposed modification be adopted.

**President.** — I call Mr Scarascia Mugnozza to state the Commission's position.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, just a few words to emphasize what has already been said by my colleagues Mr Cheysson and Mr Lardinois. There are four points that I should like to touch on very briefly.

In the first place I should like to stress the fact that the operation in question was legally valid and correctly carried out from the administrative point of view. The second point is that if this operation had not been carried out, the supplementary budget would have been much higher. I should like to add further that in future, as my colleagues have already said, the Commission, when faced with similar operations, is prepared to examine every possibility for keeping the European Parliament informed, and finally I wish to point out that measures are already being taken by the Commission to influence the market so as to avoid structural surpluses of raw materials making it necessary to sell them off, as happened in this case.

Having felt bound in conscience to make these points, Mr President, I should now like to ask the European Parliament to reject the amendment proposed by the rapporteur and to approve of the inclusion of the 52 million units of account.

**President.** — I call Mr Aigner.

**Mr Aigner, rapporteur.** — (D) Mr President, I rise to speak yet again because I cannot allow to pass without comment the suggestion that the

supplementary budget would have been even greater if this deal had not been concluded. I have studied the Commission's documents at very great length, and can say that, even if I go by the storage costs quoted by the Commission, the supplementary budget would have been not greater, but substantially smaller. I must therefore reject the statement made a moment ago, although I quite understand that the Commission should feel itself bound to defend this deal.

**President.** — I call Mr Baas on behalf of the Liberal and Allies Group.

**Mr Baas.** — (NL) Mr President, contrary to what the Member who submitted this proposal has stated, the Liberal and Allies Group did wish to give reasons for the way it voted. I have the impression that there has been a certain lack of communication here between the various parties, and that Mr Aigner and both committees have pronounced themselves unanimously in favour of this proposal by Mr Aigner. I should like to ask Mr Aigner—after the statement made yesterday in response to the oral question by Mr Spénale, the Commission's answer in which it stated that it was willing in future to inform Parliament at an earlier stage and the supplementary question which I then put to Mr Lardinois—whether this really was a fundamental deviation in policy regarding the provision of information to Parliament. Mr Lardinois confirmed this. I think we should then consider the material side of the question, whether it can be assumed that a parliament provides the funds required by its policy. And when you, Mr Aigner, say that, if the transaction had not been made, the whole business would have cost less, that is a statement which you are not qualified to make, because you do not know that. You do not know whether it would have cost less if those 200,000 tons had remained in cold storage. If you add up the cost of keeping the butter in cold storage and bear in mind, more the fact that the quality of cold storage butter rapidly diminishes and has indeed greatly diminished, you cannot say in this Parliament that it would have cost less if the transaction had not been made. The reasons given by the European Commission were weak; I wanted to make that clear. We know there are 400,000 tons of butter in cold storage, we also know that the stocks are growing at this very moment and we know furthermore that we shall probably have once again to contend at the end of this year with structural butter surpluses.

Mr President, if the Member tabling this amendment had given a little more attention to the fundamental causes of these structural surpluses



**Baas**

and had levelled his criticism at the Council, which at the European Commission's proposal refused four months ago to take extra measures to reduce the structural surpluses by lowering the intervention price and by giving the consumer the benefit of a certain quantity of the butter in another way, that would have been a different matter. I find the motion tabled by Mr Aigner and others more of a political assessment of the situation and less in keeping with our responsibility as regards the budget. We can of course refuse, but then a supplementary budget will shortly be laid before us, for the transaction has after all taken place—the money has to be paid. For these reasons the majority of the Liberal and Allies Group has decided—although a few members may possibly vote for this proposal—that we are not prepared to support the proposal because, particularly in the explanatory statement, arguments are used which do not correspond to the facts. I am thinking in particular of the statement that the refund in question exceeds the amount normally provided. Disposing of stocks is a necessity in many sectors where there is truly no question of intervention prices or refund possibilities. Furthermore, it is stated in the second item of the recital that the costs would have been higher if a different solution had been adopted, but no such solution was available. Mr Lardinois said that himself three months ago in Parliament. And the final item of the recital claims that our powers have not been respected. Mr Aigner, the Committee on Budgets could have asked the European Commission at a much earlier stage what it intended doing with the surpluses...

**President.** — Mr Baas, you have exceeded your speaking time.

**Mr Baas.** — (NL) ... Yes, I shall conclude, Mr President. We know that we have to work with the structural surpluses. For that reason, the great majority of my Group will not be able to vote for Mr Aigner's proposal.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — Mr President, ladies and gentlemen, my colleague Mr Baas has virtually reopened the debate just as the matter was about to be put to the vote.

Some of the observations that Mr Baas has just made *vis-à-vis* the rapporteur cannot, in my view, be allowed to go unanswered. It is absolutely clear that the European Parliament's Committee on Agriculture and, at a moment of importance for the European Parliament, all

political groups, including Mr Baas's group, have declined responsibility for this scandalous butter transaction, not because this does anything to alter the false structures of the milk and fats market, but merely because it puts off the problem once more for a few months. We are really impatient to see just when the Commission will finally present the European public with proposals for ensuring that such emergency transactions will not have to be repeated every time the warehouses become full to overflowing.

I must ask our honourable colleague Mr Baas—and here I support the rapporteur—whether we should virtually assume responsibility for these expenditures after the event by approving them now when the Commission showed no sign of appreciating that in such matters Parliament must be consulted. There was time enough then to consult Parliament. The Commission knows perfectly well how to get in touch with Parliament when it needs it. On this occasion, it must be made clear that the important thing is not so much the precise number of units of account, as this House's political statement of intent that it is not prepared to pursue, with Council and Commission, a transaction after the event when we know that the butter mountain has merely been postponed for a few months. If one now asked the Commission how many hundred thousand tons of frozen butter are in storage at present, and how much will be in storage at 31 December this year, one would also have to ask the supplementary question, what is to happen to these surpluses on 1 January. Is there to be yet another such deplorable deal which cannot be justified to the European tax-payer?

For this reason the view which Mr Aigner has taken on behalf of the Committee on Budgets should be fully and totally supported.

**President.** — I call Mr Aigner.

**Mr Aigner, rapporteur.** — (D) Mr President, ladies and gentlemen, may I comment briefly again on what Mr Baas has said? Mr Baas, none of the committees concerned has found it easy. We argued and talked for days, but you should know one thing: if you now approve this deal after the event, by rejecting this motion for a reduction, you will be endorsing both politically and commercially a deal which neither of the institutions concerned, and you only need to examine the speech by Mr Lardinois yesterday, i.e. neither the Council nor the Commission, would conclude at the present time. If the question came up again, this deal would not go through. I do not need to repeat here certain statements made by the competent Members of the Commission in the committees. You would

**Aigner**

therefore be accepting the political responsibility for a deal which would now not take place.

On the situation with respect to agricultural policy I would say the following. I had to smile slightly yesterday when I heard the statements by Mr Lardinois about the butter and milk situation. This deal was concluded under the opinion that it was vitally necessary. They were literally fascinated with the idea that 200,000 tons of butter could be removed from the Community at a stroke. Now the Commission is telling us, a few weeks later, that the situation is completely different, the worries have diminished, we would easily be able to sell the butter on the market even with a surplus. You know, for example, that New Zealand cannot fill the quotas agreed with Great Britain. The situation has therefore completely changed, as the Commission itself admits, from the situation by which this butter deal was justified.

Those are the facts, and the political position is that this butter deal was concluded without even informing us. Mr Baas, we were of course happy to hear the Commission's statement that in future it would involve Parliament in good time in this decision-making process. But, Mr Baas, this promise, and this was explained in detail yesterday by Mr Spénale, in an obligatory promise which has been in force since 1971 and it has been broken here. I therefore believe that this Parliament cannot take responsibility after the event for a deal which today would not even have gone through.

**President.** — Gentlemen, there are two more speakers on the list. I have the impression that the matter has already been thoroughly discussed. If anyone asks to speak he may of course do so, but I would remind you that we are only here to vote this morning.

I call Mr Dich.

**Mr Dich.** — (DK) Mr President, I should just like to explain my position on this proposed modification in a couple of sentences. I might be tempted to vote for the proposal, as on the concrete points I fundamentally share the views put forward by Mr Aigner in his appraisal of the way the Commission has handled this matter.

All the same, I cannot vote in favour, since to do so would be to accept the possibility of actually managing the agricultural procedures of the European Communities—procedures which I consider old-fashioned, reactionary and self-contradictory and in any case quite unmanageable. This means that situations like the one we have been in will continue to arise. I must therefore abstain on this matter.

**President.** — I call Mr Radoux.

**Mr Radoux.** — (F) Mr President, I would justify acceptance of the proposal made by Mr Aigner merely from the point of view of the relations between our institutions. I know that some of our colleagues have pointed out that there could be difficulties from the budgetary point of view if we accepted this amendment. The reply is clear; it is the Council which has the last word where budgets are concerned. Consequently there are no grounds for discussion.

Second remark: I think that our vote should be unanimous. Why? Because the Commissioner himself, Mr Lardinois, yesterday gave the reply which Parliament should have given. Indeed Mr Lardinois said that a formula should be devised for the consultation of Parliament in similar cases. Consequently Parliament is called upon today to approve the modification proposed by Mr Aigner in order to show that it is aware of its responsibilities and of the respect for its prerogatives.

(Applause)

**President.** — Does anyone else wish to speak?

I put proposed modification No. 2 to the vote.

Proposed modification No. 2 is adopted.

We have thus finished considering the proposed modifications to Section III—'Commission.'

I shall now put to the vote the expenditure of Section III, taking into account the modifications resulting from the adoption of the proposed modifications.

Does anyone wish to speak?

I put to the vote the expenditure of Section III, so modified.

The expenditure of Section III so modified is adopted.

We shall now take the deferred vote on the revenue of Section 3.

Does anyone wish to speak?

I put to the vote the revenue of Section III, taking into account the modifications resulting from the adoption of the proposed modifications.

The revenue so modified is adopted.

I now put to the vote, as a whole, Draft Amendment and Supplementary Budget No. 4 in the form resulting from the preceding votes.

Amendatory and Supplementary Budget No. 4, as a whole, is adopted.

**President**

As a result of the modifications made to amendatory and supplementary budget No. 4, the total figure for revenue and expenditure of the general budget of the Communities for the 1973 financial year has been changed and now amounts to 5,157,704,112 u.a.

Pursuant to Rule 23A (9) of the Rules of Procedure, the draft budget thus modified will be annexed to the minutes of today's proceedings and forwarded without delay to the Council of the European Communities.

We shall now take the vote on the motion for a resolution on Amendatory and Supplementary Budget No. 4 contained in report No. 158/73.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

*6. Tabling of a motion for a resolution  
and decision on urgent procedure —  
reference to committee*

**President.** — I have received from Mr Broeks, on behalf of the Socialist Group, a motion for a resolution on the measures taken by the Council to improve its decision-making procedures (Doc. 163/73).

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure.

I call Mr Broeks to explain the need for urgent procedure.

**Mr Broeks.** — (NL) Mr President, it is clear that, whatever one's thoughts may have been about the results of the Paris summit conference of last October, the conference did in fact give a new impetus to the Community. Many important decisions announced on that occasion will have to be taken by the institutions of the Community.

One thing was certain, however: little would come of all the work entrusted by the Summit Conference to the Community institutions—whether in the field of economic and monetary policy, regional policy, social policy, industrial policy, scientific policy or technology or environmental protection, energy or any other sphere—if there was no improvement in the decision-making procedure of the institution which has to take practically all the decisions, that is to say the Council.

At the time of the Summit Conference, two hundred proposals from the Commission were waiting to be dealt with at the Council. It was clear that the Summit Conference was acquainted with this fact. For that reason it was highly gratifying that paragraph 15 of the final communiqué, concerning the strengthening of the institutions, stated that the Council would take practical measures before 30 June 1973 to improve its decision-making procedures and the cohesion of Community action.

We were therefore justified in expecting this to happen before 30 June. However, nothing had yet been heard from the Council on 30 June and a few weeks later, at the Council meeting of 23 and 24 July, six measures were taken which had more to do with the procedure of Council meetings than with its decision-making processes. This is highly regrettable, especially as the Council's decision-making processes have not, alas, improved in the meantime. If anything they have got worse, except perhaps where the GATT question is concerned.

The President-in-Office of the Council has in the meantime told us about the decisions that were taken. It was very kind of him, though we had already received a communiqué on the subject. He announced that the Council was proceeding further with its studies. But if the Council's decision-making remains as it now is, very little will come of those studies. And we, Mr President, who were also instructed by the summit conference to prepare the question of our own powers for consideration, we have the right to state that we are very disturbed at the fact that no reasonable measures have been taken by the Council to improve its decision-making process. This is the first plenary part-session of Parliament since the date fixed by the Summit Conference, i.e. 30 June, and I believe it to be highly desirable that Parliament should now make it abundantly clear to the Council that it is disturbed. Perhaps it can suggest to the Council a number of measures, such as those which I proposed, to improve its decision-making process. Mr President, I should greatly appreciate it if this Parliament, pursuant to Rule 14 of the Rules of Procedure, would declare the present motion for a resolution to be a matter of urgency and start discussing it now.

**President.** — I call Mr Yeats on the urgent procedure.

**Mr Yeats.** — Mr President, on behalf of my group I should like to oppose the inclusion of this motion on this morning's agenda. I do so not for merely technical reasons, but because

<sup>1</sup> OJ C 83, 11 October 1973.

**Yeats**

we feel that it is entirely wrong to use the urgent procedure in this manner. This is not an urgent matter in the sense which, I think, this rule intends. It is a matter which, for example, could perfectly well have been tabled and sent to the appropriate committee—the Political Affairs Committee, I suppose—perhaps a month or two ago. It is clearly a very important matter and it is a matter that we should debate, but I think that we should debate it in the ordinary way on the basis of a report from the appropriate committee. I think that it is entirely unsatisfactory to suggest that it should be brought in like this and debated without due consideration on the last morning of the session, when many Members are not even present, and no good can come of it.

**President.** — I call Mr Lückner on the urgent procedure.

**Mr Lückner.** — (D) Mr President, I have listened to Mr Yeats's remarks with great interest and must admit that under normal circumstances I should probably adopt the same attitude, for as a member of the Political Affairs Committee I am well aware that this committee is preparing a report on this question. But this week we had an opportunity of hearing the President of the Council on the subject, and I am surely not far wrong in supposing that the motion for a resolution which Mr Broekszy has asked the House to deal with by urgent procedure is his political reaction to the President's communication. I agree with him that this has created a new situation.

I must inform our honoured colleague Mr Broekszy that we in the group had no opportunity of discussing his motion, but I believe I am an adequate judge of the attitude and atmosphere in my group. The spirit and content of this motion correspond to what my colleague Mr Bertrand said on the subject a few days ago in the House and also to what I took the liberty of conveying to the President-in-Office of the Council late in the evening—on Tuesday evening, I think.

I am sure that the majority of Members were indeed somewhat shocked, even irritated, by the statement by the President of the Council. On the question of adopting urgent procedure, I think I must say that I welcome the motion because it represents this House's immediate political reaction to the President's statement, which has surely disappointed us all. I am therefore prepared to depart from the normal procedure and advocate the adoption of urgent procedure.

**President.** — I now consult Parliament on the adoption of urgent procedure.

The adoption of urgent procedure is agreed.

I propose that we immediately consider this motion for a resolution.

I call Sir Tufton Beamish.

**Sir Tufton Beamish.** — On a point of order, Mr President. I just wanted to tell you that the European Conservative Group voted against the urgent procedure simply because we do not know the terms of the motion. It really does seem unreasonable that we should be expected to debate a motion which has not been circulated to any of us; we did not know what we were to vote on and therefore voted against the urgent procedure. It really is most unsatisfactory. None of us has received the motion.

**President.** — Parliament has decided to adopt the urgent procedure, and pursuant to the Rules of Procedure I must immediately call the motion for a resolution.

I call Mr Broekszy to speak to the motion.

**Mr Broekszy.** — (NL) Mr President, I am sorry, as are most of the other members of this Parliament, that this notion has been put before Parliament at such a late date. I should have preferred it otherwise. And perhaps the motion would have been superfluous if the President-in-office of the Council had been able to conclude his statements with a clearer account of what the Council was going to do. But I believe that everyone in this Chamber who has heard the statements made by the Council's President-in-Office has been filled with concern about what will be happening in the Council in the coming months. And it is most urgent that the Council should adopt another decision-making procedure for otherwise progress in the Community will certainly be impeded even more than is the case at present. When I asked for the urgent procedure to be adopted, I pointed out that at the time when the Summit Conference was asking the Council to take measures 200 Commission decisions were still waiting to be dealt with. Our President recently stated in public that the number has now grown to 400. I do not need to tell you what that means! It means that we can deliver any number of opinions, discuss any number of matters in our committees, which will duly pass on their findings, and that the Commission can state whether it agrees with them or not. But whether it adopts those suggestions or not, or whatever its decision may be, everything will be placed on the pile, the enormous pile of proposals at the

**Broeksz**

Council and they will receive no further attention. Not for nothing did the summit conference decide that, when the powers of the institutions were strengthened, there was a great need to improve the Council's decision-making procedure. And it is very disappointing that, of all the dates specified in the summit conference's final communiqué, the very first date, 30 June, has not been met by the Council. On 30 June the Council had not taken any decision. The Council subsequently met in July and a number of measures were taken. That I will not deny. I will not deny that reports have to be ready on time if they are going to be dealt with in the Council. I find it self-evident that the Ministers for Foreign Affairs and other Ministers should be able to attend the sittings. And naturally it is preferable if the meetings can start on time. I fully understand that, when meetings are arranged, it is desirable that they should start on time and I must say that where this is concerned there have recently been improvements in this Parliament. Naturally the agenda for meetings must, if possible, be clearly made known and the number of people attending the meeting must be limited. There must also be short intervals when advisers change places.

Mr President, those were the decisions which the Council has taken! If it was not so tragic and if we did not know that the entire decision-making procedure of the Community was held up because the decision-making procedure of the Council had got bogged down, we could smile about the decisions. But at this particular moment we cannot be content with those decisions. It is an urgent necessity that the Council's decision-making procedure be improved. The recurring difficulty facing the Council seems to be that national interests are allowed to take precedence over Community interests. I told you yesterday that Minister Scheel from Germany has stated that as long as States declare, 'L'Europe, c'est moi', there will never be a reasonable decision-making procedure in the Council.

Mr President, I do not think that we have the right to say that the Council must in future do this or that, but I do think that we have the right, as we are so closely concerned with the matter, to make a number of proposals, a number of suggestions, to the Council and to say, 'could you not consider proceeding in this or that way when making your decisions?'

The text of the motion for a resolution is not so complicated. I believe, therefore, that the members of the European Conservative Group, who are now sufficiently acquainted with the state of affairs in the Community, will be able to subscribe to what is stated there. We express our dissatisfaction with the first set of practical

measures taken by the Council to improve its decision-making process.

I hardly need to tell any member of this Parliament that, thanks to the six decisions taken, procedure at the Council meetings will perhaps be a little better but that this cannot improve the decision-making procedure.

We then request the Council in the motion for a resolution to indicate a date by which it will have taken effective measures. We are perhaps thereby encroaching a little on the rights of the summit conference, which stated that the date should be 30 June. But that date has not been met. It is, therefore, highly desirable that the Council should now tell us all, that is to say the Commission and Parliament, when it will come to its final decisions.

And we then make a number of suggestions. No more than suggestions.

- (a) the Council should transfer certain powers to the Commission so that the former need no longer take decisions on secondary matters. The Commission could do that.
- (b) certain Member States should abstain more often from voting when there is already a large majority in the Council for a given point of view. I think, Mr President, that this could be an important contribution. I can appreciate that decisions are taken by the Ministers for Foreign Affairs, the representatives of our countries, that may be harmful or not favourable for one country or another. But that will always be the case. It would hardly be possible for decisions to be taken on every occasion which all the countries considered to be to their advantage. Decisions are, of course, taken that do benefit all Member States, but not all decisions are of that kind. It is, therefore, highly desirable that one should be more or less tolerant and not say, 'my national interests must take precedence over the Council's decision-making'. If seven or eight, or let us say the largest possible majority of Ministers of Foreign Affairs or their deputies are agreed on a given issue, then the odd country out must, in Heaven's name, say, 'all right, I'll go along with you'.

I am convinced that if the 400 proposals were laid side by side each country would find things that were harmful to it but also an awful lot of things that were important to it. I need hardly mention regional policy and social policy and such matters.

Mr President, if the Council would consider dealing with its decisions in this manner, we should make enormous progress.

**Broeks**

Suggestion (c) proposes that meetings of the Council and the political consultations of the Ministers of Foreign Affairs of the Community should be held at the same time and in the same place. Yesterday in this assembly there was an excellent reaction to the decidedly—how shall I put it in a friendly way?—the decidedly inadequate answers given by the Council's President-in-Office. So I need add nothing more on this point at the present time.

Suggestion (d) concerns the guarantee that all meetings of ministers that deal with issues of Community interest should, in future, take place within the framework of institutional machinery provided for by the Treaty. This point is added since it has happened more than once that the Finance Ministers of the Six and later of the Nine have convened outside the Community framework. The reasons for doing so have never been clear. Written questions have been submitted on this question but a reasonable and sound argument for this procedure on the part of the Ministers of Finance has never been given us, and I think it necessary that this point too should receive further consideration.

Mr President, we accordingly request you to forward this resolution to the Council, the Commission of the European Communities and the governments of the Member States. I think it exceedingly important that the participants at the summit conference, the Heads of State and Government, should know that Parliament is annoyed, as they should be as well. Everyone who participated in the Paris Summit Conference should be annoyed at the fact that, having clearly asked for a decision to be taken before 30 June, no decision has, in fact, been taken. The Heads of State and Government ought to know that it is not only they who are dissatisfied at the failure of the Council to function for the umpteenth time, but that Parliament is also dissatisfied and, indeed, highly disturbed. *(Applause)*

**President.** — I call Mr Lückner on behalf of the Christian-Democratic Group.

**Mr Lückner.** — *(D)* Mr President, after what my colleague Mr Broeks has just said, I can be very brief.

My friends and I voted for adopting urgent procedure, and we shall also vote for the motion.

Only two observations. Firstly, I hope that the content of this motion and a few other things besides will be included in the report of the Political Affairs Committee on the same subject, which we shall be discussing in the near future.

Secondly, I attach great importance today to the fact that the statement by the President-in-Office of the Council appears to indicate that the Council has not yet made any final decisions in this matter. It was, after all, a first report of an informative nature, and in my view it is a good thing that the will of this House should be made public today. The House apparently still has at least the opportunity of exerting a certain influence upon the Council's final decision, and I should be very pleased to see this happen, for that is in fact the justification for the urgent procedure adopted today.

I want to express the hope that the majority of this House votes for the motion.

**President.** — I call Mr Kirk on behalf of the European Conservative Group.

**Mr Kirk.** — Mr President, although my group voted against the urgent procedure for reasons partly revealed by Sir Tufton Beamish and for reasons which I shall go into in a minute, I would not like Mr Broeks or anybody else to be under any illusion that we disapprove of the substance of this document. Far from it. The real reason for our reluctance was partly that we felt that those of us who had seen the text—and not all of us had—had not had time to study it. We also felt that there were possibilities of amendment here, and I can well remember an occasion when the Christian-Democratic Group and my group put down a motion and Mr Radoux for the Socialist Group said he had 7 different amendments, 3 of substance and 4 of form, and that we could not possibly discuss it that morning.

We should now like to move amendments to this document. I am not sure what the position is. It is very difficult to move amendments at such short notice. We were not informed at the beginning of this morning's sitting that this motion was to be tabled. I do not want to oppose this in any way. If there is a vote we shall of course vote in favour, because we believe in the principle of it.

However, if I might make a suggestion, since we know that this problem has been with us for a long time and will, I fear, be with us for a very long time in the future, it might be better to refer this motion in its entirety to the Political Affairs Committee, where it could be discussed more slowly, and we might possibly come up with some even better suggestions than those which Mr Broeks has quite rightly put forward. If Mr Broeks would consider doing that, I can assure him that we will give the fullest possible support to anything that comes out within the Political Affairs Committee. But I do think it

**Kirk**

is a matter that ought to go to committee. If it is not going to go to committee, then I must submit to you, Mr President, that we must have the right to move amendments to this document.

**President.** — I call Mr Yeats on behalf of the Group of Progressive European Democrats.

**Mr Yeats.** — Mr President, our group opposed the tabling of this motion by urgent procedure but Parliament has decided to take it, and we are now therefore debating it. I would like to assure Mr Broeks that as far as our group is concerned we completely share his dissatisfaction with the proceedings and the methods of proceedings of the Council. It is quite clear that there is a great source of dissatisfaction there, the present system is slow, unsatisfactory, inefficient and ought to be improved.

With regard to the details of this motion, we find no objection whatever to paragraphs 1 and 2, with which we are in entire agreement. Paragraph 3, however, is a totally different matter. It raises a variety of issues of fundamental importance. In certain respects it makes proposals which would change the entire balance of powers between the various institutions of the Communities: indeed several of the proposals in it are not even mentioned in the considerations at the head of the motion and procedurally, therefore, it seems very unsatisfactory.

Rather than engage in a long and complicated process of amendment, which would be very difficult at this time, I would suggest that if Mr Broeks would be so good as to withdraw paragraph 3 we could probably all agree unanimously on paragraphs 1 and 2. If Mr Broeks does not wish to do this then obviously we shall have to have time to consider amendments and I would suggest, Mr President, that you should in any event put this motion to the vote paragraph by paragraph because, certainly as far as our group is concerned, we are in entire agreement with paragraphs 1 and 2, but with regard to paragraph 3 we would have very considerable reservations and a great deal of discussion would be necessary.

**President.** — I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, I have listened with great interest to what my colleagues have been saying. I wanted to repeat that I too regret the fact that this resolution had to be submitted to Parliament at such a late date. When Mr Kirk says that his group has hardly had a chance to make any amendments, he is completely right.

There is also the fact that we, the Socialist Group, are not under the impression that we have a monopoly of wisdom. We will gladly join with the other groups to consider other possible solutions for improving the Council's decision-making procedure.

The question has been asked whether it would be possible to refer the motion to the Political Affairs Committee. There is no objection to that provided one condition is met: we must have adopted a resolution before the next meeting of the Council. I would, therefore, propose that the present motion be referred to the Political Affairs Committee with the proviso that that committee delivers an opinion at its next meeting and that a vote can be taken on this motion at the special plenary sitting we shall be holding on 4 October this year. We shall then, I think, be ready before the Council holds its meeting. I have already seen that the chairman of the Political Affairs Committee wishes to take the floor, Mr President. If we could get an assurance from the Political Affairs Committee that it will deal with this resolution as a matter of urgency, I think that would be an excellent solution at this moment.

**President.** — I call Mr Giraud, chairman of the Political Affairs Committee.

**Mr Giraud.** — (I) Mr President, I merely wish to assure Mr Broeks and my other colleagues that the Political Affairs Committee will consider this motion for a resolution at its next meeting on 27 September. There will be time therefore to study this motion for a resolution and the groups will be able to submit any amendments they think opportune, so that this document can be debated and adopted at the part-session of 4-5 October next.

**President.** — After that intervention by the chairman of the Political Affairs Committee, I think, we can close the debate and refer the motion for a resolution to the Political Affairs Committee, it being understood that it will be debated at the next part-session, on 4 and 5 October in Luxembourg.

Are there any objections?

That is agreed.

*7. Regulation on certain fruit and vegetables originating in the AASM and OCT — regulation on certain fruit and vegetables originating in Tanzania, Uganda and Kenya.*

**President.** — The next item is a debate on the report drawn up by Mr Dewulf on behalf of

**President**

the Committee on Development and Cooperation on the proposals from the Commission of the European Communities to the Council for

- I. a regulation amending Council Regulation (EEC) No 859/72 on the treatment to be accorded to certain fruit and vegetables originating in the Associated African States and Madagascar or in the Overseas Countries and Territories,
- II. a regulation amending Council Regulation (EEC) No 860/72 on the treatment to be accorded to certain fruit and vegetables originating in the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya.

(Doc. 162/73).

I call Mr Armengaud, deputizing for Mr Dewulf, who has asked to present the report.

**Mr Armengaud, deputy rapporteur.** — (F) Mr President, ladies and gentlemen, I should like briefly, on behalf of the Committee on Development and Cooperation, to present the report drawn up by our friend and colleague Mr Dewulf.

We are dealing with two extremely simple questions, two identical proposals concerning the rules for the import of fruits and vegetables from the Associated African States and Madagascar, on the one hand and from the East African countries on the other hand. The system proposed moreover merely confirms the provisional decision taken last March by the Council on a proposal from the Commission for an improvement in the conditions provided in Rules 859 and 860 voted by Parliament in April 1972.

These rules limited duty-free entry into the Community of fruit and vegetables from the countries in question to certain periods in the year. This decision had drawn forth protests from the associated countries concerned in the matter, for they considered that, in accordance with the agreements concluded between the Commission and these countries, it should be possible to import these fruits and vegetables free of customs duties all the year round.

The competent organs of the Association had had the problem referred to them, and the Parliamentary Committee of the Association had supported the request of the Associated States that the agreements or rules of April 1972 should be reconsidered. Thus the Commission of the European Communities referred the whole question to a good offices mission under the direction of Mr Rey. This mission proposed two solutions: either the application to each product for a given period, which would vary according to

the product, of customs duties, and non-importation under franchise, the period considered being much shorter than that laid down in April 1972; or the restoration of the previous system of duty-free entry the whole year round, with a safeguard clause in the event of serious disturbance of the European market.

The Commission of the European Communities opted in favour of the first formula. This is the one which is now proposed to you in the form of a Regulation submitted to the European Parliament as Doc. 140/73.

The Committee on Development and Cooperation for its part has noted that there was no cause to dramatize this matter since imports to the Community of these vegetables and fresh fruits are very low in relation to the internal consumption of the Community, as is noted in Commission's answer to Written Question No 430/72 by Mr Vredeling, published in the Official Journal of the European Communities on 13 September last. Under these conditions, it has accepted the proposed regulation presented to us.

I would therefore ask Parliament, in its turn, to approve it so that this problem, which is not exactly a very thorny one but which nevertheless was deserving of our attention, can be settled.

**President.** — Thank you, Mr Armengaud, for deputizing for the rapporteur.

I call Sir Douglas Dodds-Parker.

**Sir Douglas Dodds-Parker.** — Mr President, having listened only to a part of what Mr Armengaud said to the House, and having been with him on the particular committee which is empowered to consider these matters, I should like to say that we support what he said, but that it is rather difficult when these amendments are brought up at the last moment and we do not have time to study them either individually or in committee. However, I hope that we can consider this point in future discussions of the committee.

**President.** — In every Parliament there will always be times when amendments are suddenly tabled, and everyone must decide for himself. Each Member of this House has the right to table amendments, and these may be submitted shortly before the matter is debated, so that no one is in a position to discuss them in advance. I would ask you to bear that in mind.

I call Sir Tufton Beamish.



**Sir Tufton Beamish.** — Mr President, I only wanted to say very briefly in connection with paragraph 2, to which an amendment has been tabled by Mr Duval, that it is not, of course, only the French overseas territories which feel considerable concern about the exports of fruit and vegetables. There is attached to the Treaty of Accession between the United Kingdom and the European Community a Joint Declaration of Intent which covers the economic problems of Ceylon, India, Malaysia, Pakistan, Singapore and now also of Bangladesh, and I would just like to record for the future that we do take this Joint Declaration of Intent as being something of the very greatest importance and that Sir Douglas Dodds-Parker and I will be asking questions arising out of it at our next plenary part-session.

**President.** — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

On the preamble and paragraph 1, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2 I have Amendment No 1 tabled by Mr Duval on behalf of the Group of Progressive European Democrats and worded as follows:

‘Paragraph 2

Insert a second subparagraph worded as follows: “Recognizes, however, the advisability of finding for Community products originating in the French departments overseas an equitable solution in accordance with the aims of the Treaty and one calculated to protect a delicate regional economy;”.

I call Mr Duval to move his amendment.

**Mr Duval.** — (F) Mr President, ladies and gentlemen, I should like to point out to start with that it is not my intention to detract in any way from the conclusions presented by our rapporteur.

On the contrary, I wish to testify to my own interests and my comprehension of the European Community which, in its praiseworthy concern to encourage the farmers of the AASM to diversify their crops and especially their market gardening crops, offer them an easy outlet for their products in the Community. From this point of view, the extension of the tariff exemption may indeed constitute an advantage and fulfil for our African partners the commitments that the Community has made to them.

I say that this may constitute an advantage, for in reality I am not altogether convinced of the real effect of such tariff advantages on the final receipts of the producer or on the wages of the African agricultural workers. I even fear that such measures primarily benefit intermediaries at all levels, who clutter the passageways of trade, or even powerful international corporations which derive extra profits from this business.

I have taken the liberty to intervene on this point because, in the constituency which I represent, which is a French department in the tropical zone, I have noted with increasing anxiety a stagnation in prices of produce from the tropics, whilst those of produce from the temperate regions are rising.

Having made this reservation, I hope that the system offered by the Community to our African friends will be an appreciable aid to them and will contribute to the very necessary development of their economy.

But I should like to take this opportunity to draw your attention, ladies and gentlemen, to the special nature of the economy of the French Overseas Departments. These remote regions of the Community have conditions of pay and social charges similar to those ruling in the Community as a whole. These departments are also producers of out-of-season vegetables, mainly aubergines. This market gardening product constitutes one of the important agricultural resources of this tropical region in the European Community. All the more so since, as you know, the traditional agricultural products, sugar cane and bananas, are in decline. Over the past few years the producers have made great efforts to develop this crop, which found a normal outlet on the markets of the Community precisely in the out-of-season period between November and May. These efforts made it possible for example last year to produce more than 2,000 tons of vegetables, including 1,500 tons of aubergines, which were sold on the market of the European Community. For the year in progress the forecasts are in the order of 3,000 tons of aubergines which, as you will understand, gives new hope to our regions which are so often victims of atmospheric and climatic disturbances. Since we operate in the same out-of-season market as our African partners our producers in the overseas departments, subject as they are to Community conditions of pay and social charges, nevertheless continue to hope for a favourable development in their situation, precisely because of the customs protection which was given to all the agricultural products of the Community covered by Community rules.

**President.** — Would you please draw your remarks to a close.

**Mr Duval.** — (F) Please allow me a few more seconds to finish what I want to say. Thus I note, let me say in passing, that customs protection comes into force in the first days of summer with the start of production by the farmers of continental Europe, as if what would be justified up to May for the farmers of the European tropical zone could not be after that date, where the farmers of the Continent come into the picture. This aspect of the problem, which the Commission proposal raises for our overseas departments, had moreover been presented to the Commission last June in the form of a written question. The question asked what equitable solution the Commission propose to adopt for the French West Indies in order to restore equilibrium for the producers of the overseas departments. A solution reached which, whilst in conformity with the objectives of the Treaty, could also safeguard the advantages envisaged for our AASM partners, but without which the equilibrium of the regional economy of the French West Indies, the only tropical zone of the Community, would be irrevocably damaged.

This is the very modest aim of the amendment which I have the honour to submit, ladies and gentlemen, to your attention and your kind understanding.

(Applause)

**President.** — What is the rapporteur's position?

**Mr Armengaud, deputy rapporteur.** — (F) Mr President, I am in a rather embarrassing position; the text of this amendment has just this minute been placed in front of me. As I have not yet read it, I am unable to make any comment.

**President.** — I propose, Mr Armengaud, that Sir Douglas Dodds-Parker should speak first. You will then have time to read the amendment.

I call Sir Douglas Dodds-Parker.

**Sir Douglas Dodds-Parker.** — Thank you Mr President. I have every sympathy with Mr Armengaud. Very briefly, there were two points in this amendment—which in principle I support—which I hope we shall be able to discuss in greater detail in the committee, in due course. The first point is what is meant by Community products: I assume, products which are produced, as Mr Duval implied, in the tropical areas of the Community and also in the non-tropical, let us say Mediterranean areas, such as the south of France and in Italy, and sugar,

of course, which is produced throughout the Community. The second point is this: Mr Duval spoke of French overseas territories and he spoke at one time of African territories which are now independent and also of those still dependent territories Guadeloupe, Martinique, and, I suppose, Réunion, which are in fact Departments of France; the United Kingdom too, despite all its efforts, still has 22 such dependent territories, right down to Pitcairn Island, which has 71 inhabitants. These are the sort of small points which I think we can usefully discuss in our committee in due course. In the meantime, I think in principle I would like to support Mr Duval in what he says.

**President.** — This matter does not go to committee; we take the vote now. You may discuss it afterwards if you like, the decision must be taken now because the amendment has been moved.

I call Mr Armengaud.

**Mr Armengaud, deputy rapporteur.** — (F) Mr President, I should like to make one or two remarks before giving my opinion which, under the circumstances, should be that of the committee.

Mr Duval has raised a very general problem: that of the advantages which the intermediaries may find in the extension of the period allotted for the duty-free entry of the products concerned. This is a problem which we cannot resolve today; it is the whole problem of intermediaries within the Community on which I have expressed my own personal opinion more than once.

In this instance we are dealing with the question of facilitating the duty-free entry into the Community over much longer periods of certain products which are not produced in Europe during those periods, certain of these products being tropical products. I think that, in this instance, the report prepared by our colleague Mr Dewulf responds to a considerable degree to the preoccupations expressed both by Sir Douglas Dodds-Parker and by Mr Duval.

Having said that, the amendment moved by Mr Duval does not raise any difficulties. It does not contain very much of practical value, but it gives satisfaction to the population of the countries he is concerned with. Consequently I shall not oppose it. I merely think, like Sir Douglas Dodds-Parker, that the wording could have been a little more precise, for indeed it is not only concerned with Community produce, that of certain French Departments, but with tropical produce in general, that of countries some of which are associated with the Community,

**Armengaud**

whilst others are eligible for association and may enter into an association tomorrow.

It seems to me that in accepting Mr Duval's amendment, although it is not sufficiently general, I can turn to the Commission and say: there is a problem for tropical produce; your regulation of 3 August last provides a provisional solution, but take into account in future proposals what both Sir Douglas Dodds-Parker and Mr Duval have said.

I think that in this way everyone will be satisfied and I therefore accept Mr Duval's amendment. This paragraph can be added to the resolution on which you will be asked to vote.

**President.** — I call Mr Scarascia Mugnozza to state the Commission's position.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I wish to thank Mr Armengaud and I must say in reply that I have nothing further to add to what he has already said in his capacity as rapporteur.

With regard to the amendment moved by Mr Duval, I should like to say that the Commission considers it pointless, since the regulations in force refer to a set of measures of a temporary nature applicable for brief periods only. Thus they are not intended to refer to the situation as a whole. However, I do not raise any objections to the amendment being voted on and I shall take note of the recommendations made by Mr Armengaud when the matter is raised in the Commission.

**President.** — Does anyone else wish to speak?

I put Amendment No. 1, by Mr Duval, to the vote.

Amendment No. 1 is adopted.

I put paragraph 2 so amended to the vote.

Paragraph 2 so amended is adopted.

On paragraphs 3 and 4 I have no amendments or speakers listed.

Does anyone else wish to speak?

I put these texts to the vote.

Paragraphs 3 and 4 are adopted.

I put to the vote the motion for a resolution as a whole, as amended by Amendment No. 1. Amendment No. 1, is adopted.<sup>1</sup>

## 8. Regulation on the supply as food aid of skimmed-milk powder

**President.** — Before calling the report by Mr Seefeld, I should like to read out a letter from the Head of the Government of the Republic of Mali:

Dear Mr President,

I would like to inform you that by letter of 8 June 1973 I received from the EEC-AASM Association Council the European Parliament's resolution on emergency measures to alleviate the consequences of the drought in Africa.

The recommendations of this resolution, once put into effect, will be an important contribution to the countries affected by drought and to their governments in their struggle against the terrible consequences of this tragedy.

The people and the Government of Mali join me in expressing our profound gratitude to you and to the institution of which you are President.'

The next item is a debate on the report drawn up by Mr Seefeld on behalf of the Committee on Development and Cooperation on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 2721/72 relating to the supply as food aid of skimmed-milk powder (Doc. 163/73).

I call Mr Seefeld, who has asked to present his report.

**Mr Seefeld, rapporteur.** — (D) Mr President, ladies and gentlemen, I should like to make just a few remarks on the written report which I submitted to you on behalf of the Committee on Development and Cooperation. This report does not signify any change in our fundamental attitude on the delivery of skimmed-milk powder by way of food aid.

Honourable colleagues, what we are submitting to you today is merely a more precise formulation of the aid we are giving—or rather, a speeding up of this aid.

The proposal for a regulation relates to negotiations that have been conducted between the International Red Cross and the Commission of the European Communities. By means of this agreement, the Community has declared itself prepared, during the course of the measures that have to be taken to render immediate and rapid assistance, to give additional support in that we, as the Commission of the European Com-

<sup>1</sup> OJ C 83, 11 October 1973.

**Seefeld**

munities—to use the terms of the agreement—agree to take over the costs of transporting powdered milk by air. I may say that, so far as the resources required for this purpose are concerned, there is no substantial change in the situation as it has been hitherto. The only new feature of this proposal, therefore, is that according to this agreement between the Community and the International Red Cross we shall now contribute to the financing of the air transport only and not of distribution on the spot. In other words, we have to help quickly, for often in the past there have apparently been difficulties in solving the question of paying transport costs.

We accordingly ask you to vote your support in order that in future, when help has to be given, it shall be clear that we take upon ourselves the financing of transport by air. This will ensure that help is given promptly and efficiently. Our adoption of this decision is in the interests of those who need our help, as I proposed to you in my written report on behalf of the Committee on Development and Cooperation.

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**9. Regulation on certain agricultural products originating in Turkey.**

**President.** — The next item is a debate on the report drawn up by Mr Baas on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation concerning the importation into the Community of certain agricultural products originating in Turkey (Doc. 159/73).

I call Mr Baas, who has asked to present his report.

**Mr Baas, rapporteur.** — (NL) Mr President, speaking on behalf of the Committee on External Economic Relations, I think I can be extremely brief. We are gratified that this proposal for a regulation has been submitted for our opinion. We fully appreciate the doubts held by the Committee on Agriculture. We do indeed make it easier for agricultural products to be exported from Turkey, but I think the Committee on Agriculture was right when it stated that only

a relatively small amount of money was involved.

On the other hand, I should like to make it clear on behalf of the Committee on External Economic Relations that the principle of increasing the volume of agricultural imports from Turkey on the Community market is for the committee an extremely important matter of principle. I would therefore advise Parliament to adopt the resolution contained in this report.

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**10. Regulation on the Common Customs Tariff for almonds**

**President.** — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr de la Malène on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the autonomous duty in the Common Customs Tariff on almonds of sub-heading 08.05 A II (Doc. 164/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**11. Date and place of next sittings.**

**President.** — There are no other items on the agenda.

The enlarged Bureau proposes that our next sittings be held at Luxembourg on 4 and 5 October 1973.

Are there any objections?

That is agreed.

Because of the shortage of time before the next part-sessions, I would ask Parliament to authorize its President to draw up a draft agenda.

Are there any objections?

That is agreed.

<sup>1</sup> OJ C 83, 11 October 1973.

<sup>1</sup> OJ C 83, 11 October 1973.

12. *Approval of minutes.*

**President.** — Rule 17(2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting which were written during the debates. Are there any comments?

The minutes of proceedings are approved.

13. *Adjournment of session.*

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting was closed at 11.45 a.m.)*

