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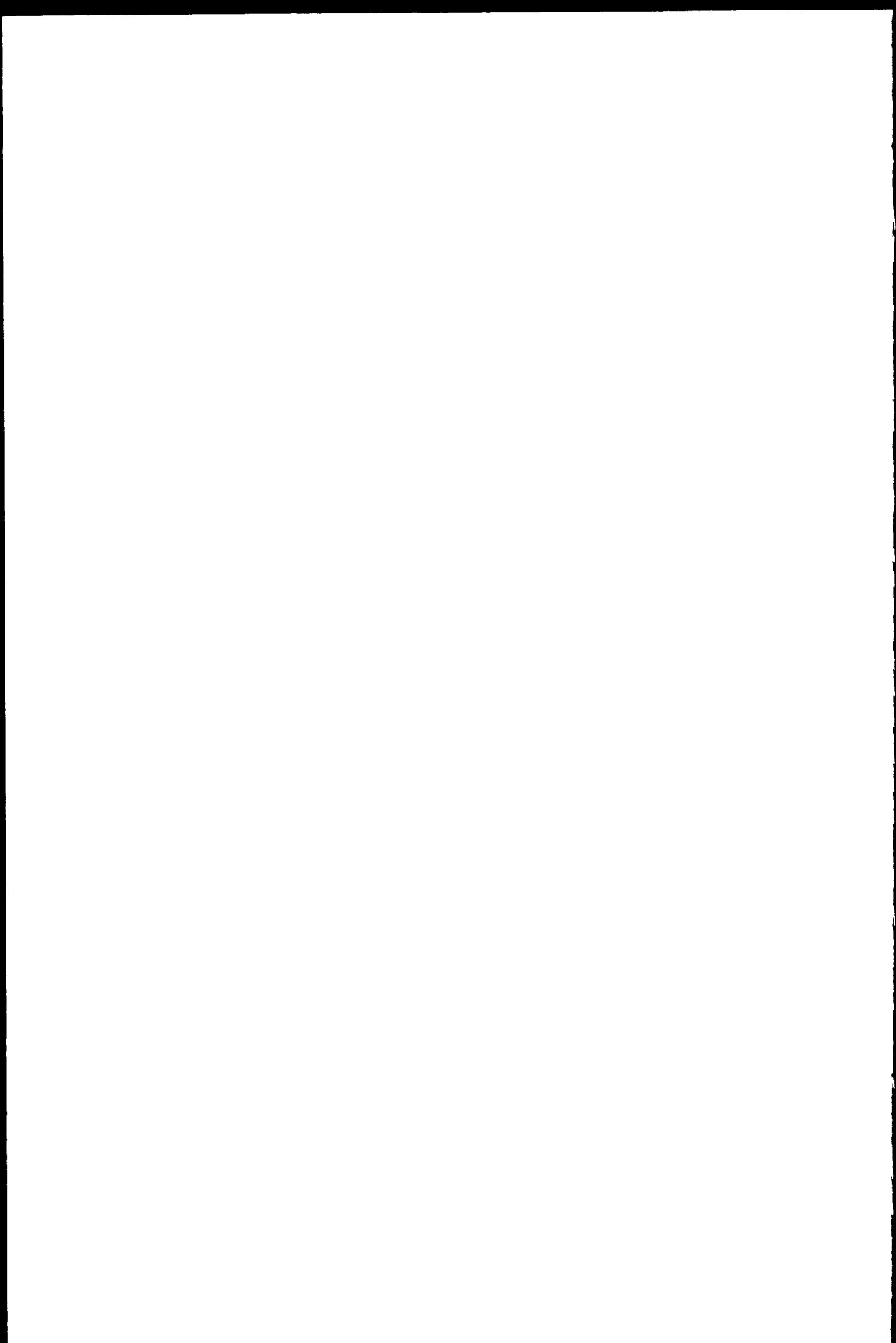
Report

to the Consultative Assembly of the Council of Europe

On the activities of the European Parliament from
1 May 1967 to 30 April 1968

Rapporteur : Mr. Wilhelm Dröscher

* This translation must not be treated as an official text. Readers are reminded that the official texts exist only in the Dutch, French, German and Italian languages.



CONSULTATIVE ASSEMBLY
OF THE
COUNCIL OF EUROPE

4 July 1968

Doc. 100

REPORT

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of the Council of Europe
on the activities of the European Parliament
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(Rapporteur: Mr. Wilhelm DRÖSCHER)*

The report to the Consultative Assembly of the Council of Europe on the activities of the European Parliament from 1 May 1967 to 30 April 1968 is available in a separate French edition. It is also published by the Secretariat of the European Parliament (19a, rue Beaumont, Luxembourg) in German, Italian and Dutch.

In accordance with Article 52 of the Rules of Procedure, the Committee of Presidents, on 14 March 1968, appointed Mr. Wilhelm Dröscher as Rapporteur to prepare the annual report to the Consultative Assembly of the Council of Europe on the activities of the European Parliament.

On 4 July 1968, the Committee of Presidents unanimously approved Mr. Dröscher's draft report for transmission to the European Parliament.

Present :

Bureau of the European Parliament :

Mr. Poher, President ;
MM. Terrenoire, Furler, Wohlfart, Berkhouwer, Dehousse and Bersani, Vice-Presidents.

ASSEMBLÉE CONSULTATIVE
DU
CONSEIL DE L'EUROPE

4 juillet 1968

Doc. 100

RAPPORT

*à l'Assemblée Consultative
du Conseil de l'Europe
sur l'activité du Parlement Européen
du 1^{er} mai 1967 au 30 avril 1968
(Rapporteur: M. Wilhelm DRÖSCHER)*

Le rapport à l'Assemblée Consultative du Conseil de l'Europe sur les activités du Parlement Européen du 1^{er} mai 1967 au 30 avril 1968 a été publié séparément sous la forme d'une brochure unilingue en français. En outre, les services du Parlement Européen (19a, rue Beaumont, Luxembourg) en ont publié des éditions en allemand, en italien et en néerlandais.

Chairmen of Committees :

Mr. Dröscher (Rapporteur) ; MM. Spinale Sabatini (for Mr. Boscary-Monsservin), Müller, Kriedemann, Deringer, Raedts (for Mr. Bousch), Posthumus, Schuijt and Carcassonne (for Mr. Thorn).

Chairmen of Political Groups :

Mr. Van Hulst, Acting Chairman of the Christian Democrat Group ; Mr. Burger, Acting Chairman of the Socialist Group ; Mr. Jozeau-Marigne, for the Liberal and Allied Group ; Mr. Bousquet, for the European Democratic Union.

The report was approved by the European Parliament at its sitting on 5 July 1968 and transmitted to the President of the Consultative Assembly by the President of the European Parliament. It is to be discussed at the Joint Meeting of the members of the European Parliament and the members of the Consultative Assembly to be held on 27 and 28 September 1968.

CONTENTS

	<i>Page</i>
<i>Introduction</i>	2
<i>Chapter I</i>	
<i>Political questions :</i>	
1. Relations of the Communities with third countries and international organisations ..	4
2. Results of the Rome Conference	4
3. Applications for membership by the United Kingdom and other European countries ..	5
4. Resolutions on the situation in Greece, the Middle East and Cyprus	5
5. The non-proliferation of nuclear weapons.	7
<i>Chapter II</i>	
<i>External economic relations and associations :</i>	
1. The results of the Kennedy Round	7
2. 2nd United Nations Conference on Trade and Development	8
3. Trade relations with state-trading countries	10
4. Association with Greece and Turkey	10
5. Association with the African States and Madagascar	12
<i>Chapter III</i>	
<i>Supervision of the activities of the Communities :</i>	
1. 15th General Report on the activities of ECSC	13
2. 10th General Report on the activities of Euratom	13
3. 10th General Report on the activities of EEC	14
4. 1st General Report of the single Commission	14

Chapter IV

The continued development of the Community in the economic and social fields :

1. Towards economic union	14
2. Common agricultural policy	17
3. Energy, research and atomic problems ...	21
4. Common transport policy	23
5. Social policy and health protection	25

Chapter V

Financial and budgetary questions :

1. Budget of the European Parliament	27
2. Financial and budgetary questions concerning ECSC	27
3. Budget of the Communities — rationalisation of departments	28

Chapter VI

Legal questions :

1. Application of Community law	29
2. Legal protection of individuals	29
3. Reference of texts to the European Parliament	30
4. Revision of the Rules of Procedure of the European Parliament	31

Introduction

1. This report on the activities of the European Parliament is shorter than reports to the Consultative Assembly of the Council of Europe in previous years. That does not imply, however, that the activities of the European Parliament between 1 May 1967 and 30 April 1968 have decreased by comparison with earlier years. On the contrary, the European Parliament to which, in accordance with the EEC Treaty, most of the Commission's proposals must be referred before the Council reaches a decision, was consulted increasingly often during that period.

2. As a result of the expansion of the Community's legislative activity, references to Parliament increased in number as follows :

Period	References to Parliament ¹
1 May 1965 - 30 April 1966	47
1 May 1966 - 30 April 1967	52
1 May 1967 - 30 April 1968	78

It will be seen that the number of matters on which the European Parliament was consulted rose by 50 per cent in the course of a single year.

3. The direct consequence of this development was an increase, although in a lesser proportion, in the number of *reports* presented to the Parliament by its committees and discussed in plenary sitting.

Period	Number of reports presented
1 May 1965 - 30 April 1966	79
1 May 1966 - 30 April 1967	105
1 May 1967 - 30 April 1968	108

It seems none the less impossible in practice even to summarise adequately in a report such as this the contents of the committee reports and the debates on them. This was attempted in certain cases in Parliament's report for last year. In most cases, however, only the *result of Parliament's deliberations*, that is to say the substance of the *resolutions* adopted, was given. The same will be done again throughout this report, but with still greater concision.

4. Since this report, like its predecessors, deals exclusively with the outcome of debates at *plenary sittings*, it should be mentioned that the twelve committees of the European Parliament held a total of 222 meetings from 1 May 1967 - 30 April 1968, as follows :

	Number of meetings
Political Affairs Committee	22
Economic Affairs Committee	20
Committee for Finance and Budgets ..	19
Committee on Agriculture	37
Committee on Social Affairs and Health Protection	24
Committee on External Trade Relations	20
Legal Affairs Committee	12
Committee on Energy, Research and Atomic Problems	18
Transport Committee	13
Committee for the Association with Greece	13
Committee for the Association with Turkey	9
Committee on Relations with African States and Madagascar	15

5. Mention should also be made of another aspect of the work of the European Parliament which is of primary importance for the exercise of its supervisory powers, namely the *written questions* put by members to the Commission and the Council of the European Communities. The number of such questions has greatly increased in the last three years and, as is shown by the following statistics, by almost 100 per cent in the course of the past year :

Period	Number of written questions
1 May 1965 - 30 April 1966	145
1 May 1966 - 30 April 1967	188
1 May 1967 - 30 April 1968	367

6. In the year under review the European Parliament made regular use for the first time of the means of supervision afforded by the *oral questions* that may be put to the Council and Commission of European Communities.

The number of oral questions increased from one only at the 1965-66 session to five at the 1966-67 session and eighteen at the 1967-68 session. From 12 March-24 April 1968 five other oral questions were tabled, that is to say as many as in the whole of 1966-67.

1. These figures do not include the presentation of the general reports of the Executives or the progress reports of the EEC-Greece and EEC-Turkey Association Councils.

This report will deal with the oral questions tabled at plenary sittings between 1 May 1965 and 30 April 1968 when dealing with the subjects with which they were concerned.

CHAPTER I

Political questions

7. During the period covered by the report, Parliament several times discussed important questions of external policy, among which the chief were the relations of the Community with third countries, the applications for membership by the United Kingdom and other European countries, the situation in Greece and in the Middle East and problems relating to the draft Treaty on the Non-proliferation of Nuclear Weapons.

1. Relation of the Communities with third countries and international organisations

8. On the basis of a report by the Political Affairs Committee¹, Parliament discussed at its May 1967 Session the basic problems arising in connection with the Communities' external relations. The resolution² adopted on the subject stated among other things that the attraction exercised by the Communities resulted from and depended upon their cohesion and their dynamism, so it was above all necessary to protect and develop those two aspects. It expressed its confidence in the contribution that the Communities could make to a détente in Europe and, in general, to the solution of the continent's unresolved problems.

9. With regard to the part played by the Communities in the world, Parliament stated

1. Dehousse Report on the relations of the Communities with third countries and international organisations (47/67).

2. Resolution of 10 May 1967, *Official Gazette* No. 103, page 2045/67.

its conviction that only equality of the partners in all fields would put the Atlantic Alliance on a firm and lasting footing. It also expressed the hope that the GATT negotiations would bring about a general lowering of customs duties in a spirit of reciprocity and thus contribute to the expansion of world trade. Parliament also called for a common commercial policy to be defined before the end of the transition period, as provided in the EEC Treaty. Lastly, faced with the dramatic problems of development in the world, it advocated the formulation of a Community policy to enable the Communities to make a contribution commensurate with their means.

2. Results of the Rome Conference

10. At its June 1967 Session Parliament adopted a resolution¹ expressing satisfaction at the results of the Conference of Heads of State or Government of the Community countries which had taken place in Rome on 29 and 30 May 1967, especially with regard to :

(a) the decision finally to implement the Treaty of 8 April 1965 on the merger of the Community Executives ;

(b) the decision to set in motion the procedure prescribed in the Treaties for the consideration of the applications for membership by Great Britain, Ireland and Denmark (cf. point 3 of this chapter) ;

(c) the will to strengthen, if only gradually, the political links already existing between the member states of the Communities ;

(d) the intention to take up again the proposal to set up a European university at Florence.

In that resolution, Parliament also recommended that periodical meetings of Ministers of Foreign Affairs be held in order to seek common approaches and to engage in effective action at political level, in particular in the international sphere.

1. Resolution of 21 June 1967, *Official Gazette* No. 156, page 21/67.

3. Applications for membership by the United Kingdom and other European countries

11. On 10 May 1967 Parliament adopted a resolution¹ on the intention expressed by the Government of the United Kingdom to apply for membership of the three Communities. The intention was noted with satisfaction and the hope expressed that the negotiations would proceed in an atmosphere of frankness and mutual understanding. Parliament also stated its conviction that for the United Kingdom to accede to the European Communities in full acceptance of the Treaties of Paris and Rome would help to strengthen the Communities and to bring them subsequently nearer to the political union of European peoples. At the sitting of 11 May, the President was able to tell Parliament that he had received a letter from the Ambassador of the United Kingdom to the European Communities enclosing for his information a copy of a letter from the United Kingdom Prime Minister, Mr. Harold Wilson, to the President of the Council of EEC, applying for his country's admission to the European Communities.

12. In the debate at the joint meeting of the European Parliament and the Consultative Assembly of the Council of Europe in September 1967, the British application for membership together with the applications lodged in the meantime by Denmark, Norway and Ireland, and a letter received from the Swedish Government, were thoroughly discussed.

13. On the occasion of the customary exchange of views between the European Parliament, the Council and the Commission of the European Communities which took place at the November-December Session, the spokesmen of the Christian Democrat group, the Socialist group and the Liberals and related parties expressly called for the speedy opening of negotiations with the countries concerned.

14. As a result of the decisions taken by the Council of the European Communities on 19 December 1967, Parliament adopted, at the

1. Resolution of 10 May 1967, *Official Gazette* No. 103, page 2049/67.

January 1968 Session, a resolution¹ depicting that the attitude taken by one member government, against the unanimous opinion of the Commission, had made it impossible to open negotiations which could have established the existence or absence of the conditions required for the acceptance or refusal of the applications for membership or for an agreement on other forms of participation in the European Communities, especially as none of the member states had raised any objection in principle to the enlargement of the Communities. It urged the Council and the Commission, since it had been decided to keep the applications for membership on the agenda, to persevere in their efforts to smooth out the disagreement between the member governments. It also invited those governments to take advantage of the readiness of Great Britain, Ireland, Denmark and Norway to establish Community relations with the Six in order to found European communities of new types, with powers in technical, scientific, military and political matters, so as to facilitate, in due course, the formation of the United States of Europe. Lastly, Parliament recommended that by virtue of the undertaking given at the meeting in Rome on 29 and 30 May 1967, the Heads of State or Government of the Community countries should meet again to compose their differences of opinion and put into practice the Community policy whose aims are laid down in the Treaties of Paris and Rome.

4. Resolutions on the situation in Greece, the Middle East and Cyprus

15. On a motion by the Political Affairs Committee and the Committee for the Association with Greece, the European Parliament adopted at its May 1967 Session a resolution² on the EEC-Greece Association expressing its deep concern at the events which had led to the suspension of normal democratic and parliamentary life in Greece, and proclaiming its full sympathy with the Greek people and all those who had suffered and were suffering in defence of the ideals of freedom and democracy.

1. Resolution of 23 January 1968, *Official Gazette* No. C 10/9 of 14 February 1968.

2. Resolution of 11 May 1967, *Official Gazette* No. 103, page 2058/67.

It was Parliament's view that the Treaty of Association could scarcely operate until such time as a Greek parliamentary delegation could sit once again in the Joint Parliamentary Committee¹.

Parliament thus called for a swift return in Greece to normal democratic and parliamentary life and, in particular, for the immediate restoration of the normal personal guarantees afforded political prisoners. At the same time, declaring its solidarity with the Consultative Assembly of the Council of Europe, it emphasised the need to respect the terms of the European Convention on Human Rights and Fundamental Freedoms of which Greece is a signatory.

16. At the June 1967 Session, the Political Committee presented to the Parliament a report² and a motion for a resolution which led to the adoption of a resolution³ on the situation in the Middle East, expressing concern at the gravity of the crisis there which, it was convinced, seriously affected the security and development of Europe and its political responsibility vis-à-vis its partners.

The resolution first recalled that the State of Israel had been set up as a result of United Nations action supported by all the great powers and that, consequently, the right of that state to exist was unchallengeable.

Parliament expressed its conviction that the problems in dispute, namely :

- the recognition of the State of Israel ;
 - the demarcation and security of the frontiers of all the states concerned ;
 - free access to the Holy Places for persons of all religious faiths ;
 - the guarantee of free navigation in the Gulf of Akaba and through the Suez Canal ;
 - the refugee question ;
- could only be solved by a global peace treaty.

17. Consequently, Parliament called urgently for the opening of negotiations with a

view to the conclusion of a peace treaty between Israel and the Arab States, and expressed its readiness to endeavour to induce the Community to practise with respect to those regions a trade policy and a refugee aid policy which would make more harmonious relations possible between the countries of the Middle East and reduce the disparities in their economic development.

In that connection, Parliament deplored that the Europe of the Communities had so far not succeeded in working out a common policy leaving no doubt of its desire to establish peace in the Middle East. It therefore invited member governments to convene a meeting of Ministers of Foreign Affairs as soon as possible, in accordance with the decision taken in Rome by the Conference of Heads of State or Government, so that the Europe of the Communities could be represented as such at the negotiations.

Lastly, Parliament recalled its resolution of 25 March 1965 and called emphatically for the speeding up of negotiations for the conclusion of an association agreement between Israel and the Community.

18. Parliament also adopted a resolution¹ on the situation in *Cyprus* inviting the Council and Commission of the Communities to do all in their power to safeguard peace in that part of Europe, and requested its President to convey to the authorities of the states concerned the hope of the parliamentary organ of the Communities that, in the interest of peace and of Europe, a humane solution, precluding any recourse to violence, be found within the framework of international agreements.

At the sitting of 22 January 1968, the President of the European Parliament said that this resolution had met with considerable response, as was shown by the replies he had received from the President of Cyprus, the Prime Minister of Turkey and the Prime Minister of Greece. He noted that the European Parliament had thus been able to help, if only modestly, to point the way towards mutual

1. Cf. Chapter II, point 3, below.

2. Burger Report on the situation in the Middle East, Doc. 90/67.

3. Resolution of 22 June 1967, *Official Gazette* No. 156, page 24/67.

1. Resolution of 28 November 1967, *Official Gazette* No. 307 of 18 December 1967, page 10.

understanding and negotiation for two countries associated with the European Community.

5. Non-proliferation of nuclear weapons

19. During the period under review the problems that the Treaty on the Non-proliferation of Nuclear Weapons raises for the European Community were once again the subject of oral questions put to the Commission of the European Communities and followed by debates.

Thus, at the sitting of 18 October 1967, the Political Affairs Committee asked the Executive (Oral Question No. 8/76) what, in its opinion, were the repercussions to be expected from the Treaty which had been tabled in draft form by the United States of America and the Soviet Union.

The Commission stated in reply that consultations with the American authorities and contacts with the member states of the Community on the subject were still in progress and, moreover, the clauses of the Treaty had not yet been agreed in detail. The Commission representative emphasised, however, that the various drafts of Article 3, concerning security checks, were so worded that they did not ensure the full application of the Treaty of Rome, and thus raised a definite problem of discrimination¹.

20. At the sitting of 12 March 1968, the Political Committee put a second oral question on this matter (No. 16/67) to the Commission of the European Community asking whether and to what extent the new draft Treaty deposited at Geneva on 18 January 1968 by the United States and the Soviet Union had regard to the needs of the Community for its functioning and development.

In his reply, the Commission representative said that the new draft was such as to make it possible legally to conclude an agreement between Euratom and the International Atomic Energy Agency at Vienna. However,

1. Cf. European Parliament, Debates XI/67, No. 95, pages 56 et seq.

it was not possible to say from the present text exactly what the nature of that agreement would be¹.

CHAPTER II

External economic relations and associations

1. Results of the Kennedy Round

21. During the period under review, the European Parliament expressed an opinion on several occasions on problems of trade and tariff policy. In particular, it examined the results of the multilateral tariff negotiations in the framework of GATT (Kennedy Round). At the June Session the External Trade Relations Committee presented to the plenary Parliament its fourth interim report on the subject². In the resolution³ adopted after the debate, Parliament expressed satisfaction at the cautious and responsible manner in which the EEC Commission had conducted the negotiations. It noted with satisfaction that by its various decisions the Council of Ministers had brought about the conditions for fruitful participation by the Community in the Geneva negotiations. In addition, Parliament stressed the political importance of the fact that these difficult negotiations had been conducted by the Community as such and saw in this a proof of its capacity to act.

22. At the sitting of 29 November 1967 the External Trade Relations Committee put to the EEC Commission an oral question (13/67), followed by a debate, on the results of the Kennedy Round and the economic significance of the undertakings given by EEC. At the close of the debate the European Parliament adopted a resolution⁴ deploring that as a result of the

1. Cf. European Parliament, Debates, *Official Gazette* No. 101 (Appendix), March 1968, pages 18 et seq.

2. Report by Mr. Kriedemann on the progress made in the negotiations under Article 28 bis of GATT (Kennedy Round) which ended in Geneva on 15 May 1967 (Doc. 61/67).

3. Resolution of 21 June 1967, *Official Gazette* of the European Communities No. 156, page 19/67.

4. Resolution of 29 November 1967, *Official Gazette* No. 307 of 18 December 1967, page 14.

merger of the executives it had not so far been possible for the single Commission to proceed to a final study of the results of the Kennedy Round, so that Parliament had not yet received a detailed report on the question. It was hoped that the final report would also take account of the problems which had not been satisfactorily solved during the negotiations. Finally, Parliament urged that, in common with the political and economic forces of the world trading countries, the European Communities would make every effort to oppose effectively any attempt to revert to national protectionism.

23. At the January 1968 Session, the External Trade Relations Committee presented its final report on the results of the Kennedy negotiations and the conclusions to be drawn from them¹. The resolution adopted following the debates noted with satisfaction that negotiations conducted within the framework of GATT had been completed at the appointed date with gratifying results. It was, moreover, an indication for the future that the new methods proposed by the Community had replaced the traditional style of tariff negotiations.

With regard to the material results of the negotiations, Parliament welcomed the fact that a marked reduction in customs tariffs had been achieved for a large part of world trade in industrial products and that henceforth the sectors of industrial production which raised tariff or trade problems peculiar to all industrial states, or to certain among them, had become at the same time considerably less numerous and more readily perceptible. It pointed out, however, that obstacles to trade other than tariff barriers had become correspondingly greater and regretted that the efforts made to reduce them had not met with greater success. On the other hand, Parliament welcomed the fact that the tariff reductions agreed upon had eased trade relations between EEC and EFTA.

Whilst stressing its awareness that the Kennedy Round had not fully satisfied the needs or wishes of the developing countries, Parliament noted, however, that special advan-

1. Doc. 176/67: Mr. Kriedemann's report on the results of the Kennedy negotiations and the conclusions to be drawn from them.

tages had been granted them, in particular with regard to giving immediate effect to tariff reductions and to the decisions on food aid.

24. With regard to world trade in agricultural commodities, Parliament regretted that similar results had not been achieved and, in particular, that the EEC proposal to open negotiations on the amount of aid given to agriculture by certain member states of GATT had not been approved. It also regretted that the EEC proposals concerning the conclusion of world agreements on certain agricultural commodities had not been accepted, but hoped that the Community and, in particular, the Commission, would continue its efforts in that direction.

At the same time Parliament emphasised that the effects of tariff reductions would not be apparent until several years later and hoped, consequently, that the time-limits fixed for giving effect to them would be reduced. It also hoped that within a reasonable time United States legislation would bring about the conditions necessary for the agreements to be concluded in the chemical sector ("American selling price") to take full effect. Lastly it expressed the hope that no Member of GATT would adopt measures likely to detract from the results secured by the Kennedy negotiations.

2. 2nd United Nations Conference on Trade and Development

25. At the January 1968 Session Parliament considered a report¹ prepared by the External Trade Relations Committee on the occasion of the 2nd Session of the United Nations Conference on Trade and Development (UNCTAD).

In its resolution² Parliament expressed the opinion that the 2nd Session of the World Conference on Trade and Development, to be held in New Delhi from February to March 1968, would contribute effectively towards the solution of the trade problems of developing countries and hoped that it would lead to firm agreements productive of tangible results.

1. Doc. 177/67: Pedini Report on the preparation of the 2nd Session of the United Nations Conference on Trade and Development.

2. Resolution of 24 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 26.

Parliament felt that it was indispensable for the Europe of the Six to be represented at that session as a single unit and hoped that for the sectors in which the Community already enjoyed sole competence (tariff policy, agricultural policy, treaties of association and Community trade) the Commission would be made the common spokesman for the six member states. It also recommended that for the other sectors in which the Community was interested the member states should work out a common policy. It hoped that emphasis would be placed at the Conference on what had been achieved so far by the Community in favour of economically backward countries, with particular regard to the following :

— association with the African countries and Madagascar ;

— common external tariff reductions resulting from the Kennedy Round ;

— food aid undertakings ;

— the substantial trade deficit of the Community as the chief world importer of commodities from the developing countries.

26. In addition, Parliament asked that the action of the Community and its member states at the New Delhi Conference should be directed towards the following :

— the maintenance of the present customs policy vis-à-vis the associated African States and Madagascar with regard to tropical products, until it was possible to extend tariff preferences to all developing countries, whilst guaranteeing the associated states at least equivalent advantages ;

— compliance with the requests of developing countries for the immediate application of the tariff reductions agreed upon in the Kennedy negotiations in favour of their exports ;

— provision for a reduction in consumer taxes on certain tropical products, or at least as a first step the maintenance of revenue from these taxes at its present level wherever, by increasing the selling price, they constitute an obstacle to consumption ;

— more extensive support to all action to promote the marketing of produce from developing countries :

(a) in the commodities sector :

the encouragement of the conclusion of separate international agreements for typical tropical products with a view to market organisation ;

the adoption of measures to eliminate short-term fluctuations in the prices of products which, in industrialised countries, meet with competition from synthetic products, whilst at the same time seeking to reduce production costs by increasing productivity ;

wider access to the markets of industrialised countries for agricultural products similar to or competing with those of developing countries, in particular sugar, oils and vegetable fats, by the conclusion of world agreements laying down common regulations for the exporting and importing countries and granting special advantages to developing countries ;

(b) in the semi-finished and finished products sector :

consideration jointly with other industrialised countries and subject to the institution of effective safeguards to granting all developing countries tariff preferences which would be neither discriminatory nor dependent on reciprocity and would take account of the unequal development of the countries of the third world ;

(c) in connection with the regional integration of developing countries :

the fullest possible support to all steps to encourage co-operation between developing countries and to promote their regional integration ;

in particular, appropriate technical assistance to ensure that advantage is taken of Community experience in the field of regional integration to further the *economic* progress of the third world ;

(d) in the food aid sector :

the conclusion of an agreement to give tangible effect to the world food aid programme resulting from the Kennedy Round, making sure that such action will help to further development projects in the beneficiary countries ;

the extension of food aid beyond the terms of the agreement signed within the framework of the Rome agreement on cereals of Au-

gust 1967 to other products, in particular albumen of animal origin.

With regard to the financing of development, Parliament asked for :

— increased funds for action by the developed countries to combat under-development and the reinforcement of machinery for the collection, administration and allocation of financial aid ;

— the introduction of financial measures to attenuate the effects of sudden changes in commodity prices on the balance of payments of developing countries ;

— the reconstitution and augmentation of the funds of the International Development Association ;

— the setting up of an international guarantee system for investments in developing countries.

3. Trade relations with state-trading countries

27. At the March 1968 Session, the External Trade Relations Committee presented to Parliament a report on trade relations between the Community and the state-trading countries of Eastern Europe¹, a subject on which a report had already been presented and a resolution adopted in 1965².

In its new resolution³ Parliament states its conviction that a common commercial policy towards Eastern Europe would make an important contribution to the improvement of economic and political relations between Eastern and Western Europe and the consolidation of the Community itself. In addition, the resolution stressed the importance of trade between East and West for a swifter development of the economies of the countries of Eastern Europe and a reduction of the existing disparity between them and Western Europe, an important prerequisite for achieving the major aim of establishing equilibrium and co-operation between the two halves of Europe.

1. Doc. 209/67 : Mr. Hahn's report on the problems of trade relations between the Community and the state-trading countries of Eastern Europe.

2. Resolution of 10 May 1965, *Official Gazette* No. 96 of 2 June 1965, page 1645.

3. Resolution of 11 March 1968, *Official Gazette* No. C 37 of 28 March 1968, page 7.

28. In the light of these considerations, Parliament regretted that the proposals presented by the Commission on 3 March 1964 with a view to arriving sooner at a common commercial policy vis-à-vis state-trading countries had still not been accepted by the Council and that, despite the Council's declaration of intent of 11 May 1966, no marked progress had been made towards the co-ordination of credit insurance policies. Parliament also asked the Commission to draw up new proposals in the matter of commercial policy vis-à-vis state-trading countries and recommended that member states practise, with respect to the countries of Eastern Europe, a concerted credit policy based preferably on the joint fixing of credit ceilings.

With regard to the policy pursued by the countries of Eastern Europe, Parliament welcomed the tendency in certain of them to change over from a system of bilateral trade to a multilateral system and thus bring themselves progressively closer to world trade conditions. It also hoped that the Eastern European countries would be able to introduce a system of multilateral payments and make their currencies convertible. Lastly, it looked forward to their establishing without delay the relations with the Community necessary for the promotion of trade.

29. At the same session Parliament gave its opinion on a proposal by the Commission for a regulation introducing a special import system for certain products from non-member countries¹.

4. Association with Greece and Turkey

30. Following an oral question (No. 4/67) put to the EEC Commission on the association between EEC and Greece, the European Parliament adopted at its May 1967 Session a resolution² in which it noted that the association agreement between the European Community and Greece providing for that country's acces-

1. Doc. 209/67 : Hahn Report on the proposal of the Commission of the European Communities to the Council for a regulation introducing a special import system for certain products from third countries.

2. Resolution of 11 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2058.

sion to the Community at a later date could be applied in its different phases only if democratic structures and political and trade union freedoms were restored in Greece. Parliament considered that since Greece no longer had an electoral system, all possibility of the functioning of the EEC-Greece Joint Parliamentary Committee, an institution which was essential to the proper implementation of the Athens Treaty, had been removed. Consequently, it felt that the effect of the Agreement of Association had, to all intents and purposes, been suspended until a Greek parliamentary delegation could sit once more in the Joint Parliamentary Committee.

31. At the sitting of 28 November 1967, the Committee for Association with Greece presented to the Council of the European Communities an oral question (No. 9/67) asking what repercussions the political situation in Greece had for the functioning and development of that country's association with the Community.

In his reply the representative of the Council said that since the events of April 1967 the Council had followed most attentively the development of the political situation in Greece. Doubtless the association agreement concluded between the Community and Greece remained in force, but it would be wise to postpone for the time being the continuation of discussions on certain future developments of the association and in particular on certain specific questions connected with the harmonisation of agricultural policies and negotiations regarding the possible renewal of the Financial Protocol which had expired on 31 October 1967¹.

32. On several occasions during the period under review, the European Parliament discussed problems concerning the association between EEC and *Turkey*, in particular in its resolution on the recommendations of the EEC-Turkey Joint Parliamentary Committee in regard to the 2nd annual report on the association². In that resolution Parliament approved and endorsed the recommendations adopted on 13 September

1967 by the EEC-Turkey Joint Parliamentary Committee and expressed satisfaction at the smooth functioning and normal development of the association between the European Economic Community and Turkey. Parliament was particularly appreciative of efforts made to increase Turkish exports to the Community by broadening the range of products exported in accordance with Article 6 of the Provisional Protocol to the Agreement of Association (see below). Parliament also recommended that closer contacts be established between the Community and the Turkish authorities to further the co-ordination of the second Turkish five-year economic development plan with the medium-term economic policy of the Community and to overcome speedily any difficulties with regard to the rapprochement of economic policies provided for in Article 4 of the Ankara Agreement. Lastly, Parliament requested the Commission to take steps to promote the solution of the problems of training Turkish workers, both in Turkey and in the Community countries, and to conclude its investigation of the possibility of offering workers from countries associated with the Community and anxious to join it priority on the Community labour market over workers from third countries.

33. On the basis of a report presented by the Committee for the Association with Turkey¹, Parliament adopted at its January 1968 Session a resolution² in which it supported the measures taken in application of the decision taken by the EEC-Turkey Association in order to facilitate the export of a certain number of Turkish products to the Community. Parliament hoped, moreover, that with regard to products for which Turkey had requested the application of Article 6 of the Provisional Protocol but on which no agreement had yet been reached in the Association Council, negotiations would be pursued and a solution acceptable to both sides found as soon as possible.

1. Cf. European Parliament, Debates 1/68, No. 96, 1967-1968 Session, pages 62/64.

2. Resolution of 27 November 1967, *Official Gazette* No. 307 of 18 December 1967, page 5.

1. Doc. 180/87 : Mr. Wohlfart's report on the application of Article 6 of the Provisional Protocol to the Ankara Agreement.

2. Resolution of 24 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 20.

5. Association with the African States and Madagascar

34. On a number of occasions during the year under review, the European Parliament discussed problems connected with the association between the Community and the eighteen African States and Madagascar. At the June 1967 Session it expressed an opinion on the draft regulations of the EEC Commission :

— Regulation on the system applicable to rice and broken rice from the Associated African States and Madagascar and the Overseas Countries and Territories ¹ ;

— Regulation on the system applicable to sugar from the AASM and the OCT ² for the 1967-68 marketing season ;

— Regulation on arrangements for processed cereal and rice products from the AASM and the OCT ³.

In these resolutions Parliament asked, with regard to the regulation on rice, for more preference to the Associated Overseas Countries and Territories and, with regard to processed cereal and rice products, for the lifting of Community levies on imports of tapioca. Parliament also felt that the aim of such regulations should be to develop trade between associated states and member states.

On 29 November 1967, Parliament took the same question up again ⁴. In its resolution ⁵, it stated that the relationship which had been established in the Community agricultural regulations between prices on the world market for maize and barley and those paid by the Community for manioc and tapioca imported from the Associated African States and Madagascar or the Overseas Countries and Territories was in fact prejudicial to the trade relations with those

countries and consequently contrary to the spirit of Articles 1 and 11 of the Yaoundé Convention.

At its October Session, the European Parliament adopted a motion for a resolution concerning the regulation on the system applicable to processed fruit and vegetable products with added sugar from the AASM and the OCT ¹.

35. In a report presented at the January 1968 Session ², the Committee on Relations with the African States and Madagascar informed Parliament of the results of the fourth meeting of the Parliamentary Conference of the Association, held at Strasbourg from 4 - 7 December 1967. In the resolution ³ adopted after the debate on the report, Parliament welcomed the positive results of parliamentary collaboration between EEC and the Associated African States and Madagascar, whilst hoping that more lively political discussion would develop within the framework of the association between Europeans and Africans. Moreover, Parliament endorsed the conclusions of the reports of MM. Armengaud and Troclet, which the Parliamentary Conference had adopted in its resolutions of 5 and 7 December 1967 ⁴. It drew particular attention to the fact that in those two resolutions the Parliamentary Conference :

— recommended that in view of the time-limit set to the Yaoundé Convention the Community, its member states and the associated states prepare the renewal of the association without delay in order that negotiations could begin on the prescribed date and be completed in time ;

— expressed the hope that the Association partners would concert their efforts to solve the difficulties deriving from the fluctuation of prices for tropical products and requested that the problem of the creation of " stabilisation funds for tropical products of the Association " be examined ;

1. Resolution of 22 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 45.

2. Resolution of 22 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 55.

3. Resolution of 22 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 56.

4. Doc. 154/67 : Carboni Report on the Commission's proposal to the Council for a regulation rescinding Regulation No. 361/67/CEE on the system applicable to processed cereal and rice products from the AASM and the OCT.

5. Resolution of 29 November 1967, *Official Gazette* No. 307 of 18 December 1967, page 17.

1. Resolution of 19 October 1967, *Official Gazette* No. 268 of 6 November 1967, page 24.

2. Doc. 178/67 : Aigner Report on the results of the fourth meeting of the Parliamentary Conference of the Association.

3. Resolution of 22 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 5.

4. Cf. *Official Gazette* No. 316 of 28 December 1967, pages 6 and 9.

— recommended lastly that the associated states pursue their efforts to co-ordinate their production, that they give priority to promoting trade in their products with the Community and that they reduce production costs as far as possible.

36. At the March 1968 Session, the Committee on Relations with African States and Madagascar presented a report¹ on the implementation of the provisions of Article 11 of the Yaoundé Convention, with regard to the sugar produced by the AASM. Referring to its opinion of 22 June 1967, Parliament deplored in its resolution² the delay in taking into consideration the interests of the associated states with regard to sugar and asked the Council to ensure without delay the application to sugar of Article 11 of the Yaoundé Convention.

CHAPTER III

Supervision of the activities of the Communities

1. 15th general report on the activities of ECSC

37. At its sitting of 20 June 1967, the European Parliament debated a report on the 15th and last general report of the High Authority of ECSC³. In a speech on that occasion, the President of the European Parliament paid tribute to the High Authority for its work in the cause of European unification since the setting up of ECSC.

38. The resolution⁴ adopted after the debate emphasised the political burden falling on the Community at a time when its industries had to face difficulties threatening the prosper-

1. Doc. 7/68 : Mr. Carcassonne's report on the provisions of Article 11 of the Yaoundé Convention with regard to sugar produced by the AASM.

2. Resolution of 14 March 1968, *Official Gazette* No. C 27 of 28 March 1968, page 26.

3. Doc. 66/67 : Miss Lulling's report on the 15th general report of the High Authority of ECSC.

4. Resolution of 20 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 13.

ity of certain areas and the well-being of their people.

Conscious that certain provisions of the Paris Treaty were no longer in line with the current situation, Parliament noted that the High Authority did not itself have the power or the means to surmount the structural crisis in the steel industry or the difficulties in the mines. At the same time it stressed the need, when merging the executives and, later, the Communities, to respect the spirit of the Treaty of Paris and the characteristic features, the powers and the financial autonomy of ECSC.

2. 10th general report on the activities of Euratom

39. At its October 1967 Session, Parliament discussed a report concerning the 10th and last general report on the activities of Euratom¹. In the resolution² adopted it stressed that it regarded the 10th general report as a transition document before the Euratom Commission handed over its powers to the Commission of the European Communities. It regretted that the Commission had not included in its last general report a comprehensive review of the political activity of the Community in the last ten years.

40. Parliament asked the Commission of the European Communities to ensure that the merger of the executives would actively further the working out, as was highly desirable, of a common energy policy based on the principles laid down in the Protocol of Agreement of 21 April 1964. It looked to the Commission to prepare measures permitting the smooth integration of nuclear energy into the energy market. It also felt that a common industrial policy was essential for co-ordinating schemes to build nuclear power stations, facilitating the amalgamation of enterprises and, above all, founding joint enterprises. Moreover, Parliament expressed itself in favour of setting up as soon as possible a joint European isotope separation plant in order to

1. Doc. 130/67 : Springorum Report on the 10th general report of the Euratom Commission on the activity of the Community.

2. Resolution of 18 October 1967, *Official Gazette* No. 268 of 6 November 1967, page 17.

make the Community less dependent on imports for its fuel supplies.

Lastly, Parliament thanked the Euratom Commission for its achievements in the past years, despite all difficulties and crises.

3. 10th general report on the activities of EEC

41. The 10th and last general report of the EEC Commission on the activities of the Community was the subject of a report¹ to Parliament at the November - December Session 1967.

The resolution adopted² noted that the Community had made very considerable progress during the preceding year and thanked the EEC Commission for its work, which was intimately bound up with the history of European unification. It invited the Commission of the European Communities to continue the EEC Commission's work in the same spirit, to exploit the advantages of the merger, both from the political and the administrative point of view and to fulfil to the utmost its political function.

42. Parliament described the decisions concerning the earlier achievement of the customs union, the financing of the agricultural policy and common agricultural prices, the harmonisation of turnover taxes and medium-term economic policy as important steps on the road towards economic union. It urged the Council and the Commission of the European Communities to do their utmost to eliminate rapidly the fiscal and technical obstacles which still stood in the way of the free movement of goods, the freedom of establishment and the freedom to supply services, the free movement of capital and the amalgamation of European firms to promote the establishment of companies of a European type, to guarantee effective competition throughout the whole of the Community and to ensure that the advantages of a common market were fully enjoyed by consumers.

With regard to the common agricultural policy the resolution drew particular attention to

1. Doc. 137/67 : Merchiers Report on the 10th general report of the Commission of the European Economic Community.

2. Resolution of 30 November 1967, *Official Gazette* No. 307 of 18 December 1967, page 21.

the need to improve structures. It also pointed to the delay in the integration of certain important sectors of the economy, with regard in particular to energy policy, transport policy, trade policy and social policy.

43. In conclusion, Parliament noted that Europe could not at present exercise any decisive influence on trends in world policy and emphasised that political unification was, for the peoples of Europe, the only way in which they could play in the contemporary world a part in keeping with their history and ability. Consequently, Parliament called upon the governments to establish efficient political co-operation in the sectors not covered by the Treaties with the ultimate objective of a Europe united in practice and capable of paying its political part to the full.

4. 1st general report of the single Commission

44. The Commission of the European Communities submitted its 1st general report on the activities of the three Communities in 1967 to the European Parliament at the March 1968 Session¹. At that same session, Parliament appointed Mr. Lückner as General Rapporteur and adopted a resolution² laying down the procedure for examining the report. On the basis of that resolution, the enlarged Bureau decided to place the discussion of the 1st general report on the agenda for the July 1968 Session.

CHAPTER IV

The continued development of the Community in the economic and social fields

1. Towards economic union

45. After the important decisions of the EEC Council concerning the free movement of goods as of 1 July 1968, and the introduction of a common system of turnover taxes, Parlia-

1. Doc. 1/1968.

2. Resolution of 12 March 1968, *Official Gazette* No. C 27 of 28 March 1968, page 5.

ment considered other important questions arising in connection with the achievement of economic union.

46. At the May 1967 Session, a resolution was adopted¹ asking the EEC Council to take the necessary steps under the Treaty to ensure more balanced economic development as between the various regions of the Community. In that resolution Parliament observed that at only a few weeks' distance from the achievement of a common agricultural market and less than fifteen months before the complete abolition of all customs protection affecting trade in industrial products between the member states, the Community had taken no action despite the terms of Article 2 of the Treaty and the studies carried out by the EEC Commission, to strengthen systematically the economy and infrastructure of the peripheral or backward regions of the Common Market countries. Parliament stressed that the harmonious development of the European Community might soon be compromised if the Council of Ministers did not ask the Commission to submit without delay concrete proposals for the well-balanced regional planning of the Europe of the Six. Parliament felt that the Commission should above all study means of financing the modernisation of the economic infrastructures of such peripheral or declining regions and establishing their lines of communication with the other parts of the Community.

47. The formalities exacted by member states in their mutual trade relations were the subject of a report² and a resolution³, in which Parliament expressed its opinion on a proposal by the EEC Commission with a view to the decision in the matter to be taken by the Council.

In its resolution, Parliament emphasised that Community trade could be seriously affected by the existence or aggravation of arbitrary administrative formalities and that at the stage

1. Resolution of 11 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2059.

2. Doc. 70/67 : Breyne Report (prepared on behalf of the Economic Affairs Committee) on the EEC Commission's proposal to the Council concerning a decision as to the formalities required by member states in their trade relations.

3. Resolution of 19 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 10.

reached in bringing about the Common Market it was essential to ensure that goods could move freely and briskly. Parliament accordingly requested the Commission to report to it, as soon as possible after effect had been given to the Council's decision, on the steps taken by member states to remove existing obstacles. In Parliament's view, the terms of that decision should not be waived except at the request of a member state in the face of an exceptional and unforeseeable situation, and then only for specific products and for a limited time.

48. At the sitting of 17 October 1967, Mr. Rossi put an oral question (No. 7/67) to the Commission of the European Communities concerning the introduction of a European Statute for business representatives¹.

49. On the basis of a report from the Economic Affairs Committee², Parliament approved³ at its October 1967 Session a proposal for a directive on the introduction of freedom of establishment and freedom to supply services for self-employed persons engaged in prospecting and drilling for oil and natural gas (class 13 C.I.I.).

50. The problems of freedom of establishment and freedom to supply services in the field of film distribution were the subject of a report by the Legal Affairs Committee⁴ and a resolution⁵ adopted at the last session of 1967 in which Parliament recommended that the Commission submit to the Council without delay a proposal designed to accord cinema producers freedom of establishment. The resolution also stated that in order to do away completely with

1. Cf. European Parliament, Debate XI/67 No. 95, 1967-68 Session, page 18.

2. Doc. 119/67 : Apel Report on the EEC Commission's proposal to the Council for a directive on the introduction of freedom to supply services for self-employed persons engaged in prospecting and drilling for oil and natural gas.

3. Resolution of 16.10.1967. *Official Gazette* No. 268 of 6.11.1967, page 3.

4. Doc. 141/67 : Carcassonne Report on the EEC Commission's proposal to the Council for a directive on the introduction of freedom of establishment for self-employed persons engaged in film distribution.

5. Resolution of 1 December 1967, *Official Gazette* No. 307 of 18 December 1967, page 27.

factors likely to distort conditions of establishment, it would be necessary not only to ban all aid of a discriminatory nature given by member states but also to establish a community policy in regard to such aid.

51. At the same session on the basis of a report by the Economic Affairs Committee and after consulting the Transport Committee¹, Parliament approved the proposal of the Commission extending the time-limit for the non-application to transport of the rules governing competition. In its resolution², Parliament regretted that a further extension of the time-limit should have been found necessary because the Council had still not adopted the Commission's proposal for a regulation making the rules governing competition applicable to transport by rail, road and inland waterway.

52. At the March 1968 Session, Parliament's Economic Affairs Committee presented a report³ on the co-ordination of laws and regulations governing direct insurance, other than life assurance, and the abolition of restrictions on freedom of establishment in that sphere.

The resolution adopted by Parliament⁴ approved the principle that the co-ordinating directive should be applicable to all insurance firms and not only to those wishing to extend their activities outside their own country. Parliament approved the two proposals but suggested a series of amendments concerned chiefly with the amount of capital which insurance firms were required to have. Parliament also asked that in the interests of harmonious development the time-limits laid down for the transition regulations applicable to insurance should be extended.

1. Doc. 156/67 : De Winter Report on the proposal by the Commission of the European Communities to the Council for a regulation extending the time-limit for the non-application of Regulation No. 17 of the Council to transport by rail, by road and inland waterway.

2. Resolution of 1 December 1967, *Official Gazette* No. 307 of 18 December 1967, page 29.

3. Doc. 204/67 : Deringer Report on the proposal for a first directive to co-ordinate laws and regulations governing access to the activity of direct insurance, other than life assurance, and on the Commission's proposal for a directive to abolish restrictions on freedom of establishment for firms engaged in direct insurance other than life assurance.

4. Resolution of 13 March 1968, *Official Gazette* No. C 27 of 28 March 1968, page 15.

53. Following the annual statement of the Commission of the European Communities on the economic situation of the Community and the prospects for the current year, Parliament approved at its March 1968 Session a report on the subject by the Economic Affairs Committee¹. Its resolution² pointed out that unemployment was being partially overcome in certain member states but was still at a relatively high level in others. In Parliament's opinion, the considerable slowing down of economic growth in 1967 revealed that the public authorities were still not able to be sufficiently selective in stimulating or checking short-term trends. It asked that the Community institutions should pursue their efforts to harmonise the use of the instruments of short-term trade policy and that, with this in mind, member states should practise an employment policy on a larger scale than hitherto. It also stressed the need for a dynamic economic development policy to stimulate investments productive of new jobs.

In addition Parliament asked the Commission to submit proposals for the wider circulation of credit, the integration of stocks and shares markets and the removal of technical obstacles to the movement of capital.

54. With regard to international economic relations, Parliament welcomed all measures to improve the situation on the part of the governments of the United States and the United Kingdom, whilst emphasising that current monetary developments were threatening to lead world trade and the international flow of capital into a spiral of restrictions and counter-restrictions.

In Parliament's view the Community, in order to ward off this danger, should both practise a policy of balanced expansion and give new impetus to international trade by making a constructive contribution to the restoration of international monetary equilibrium and pursuing a liberal trade policy in order, among other things, to encourage European firms to invest in the United States.

1. Doc. 210/67 : Hougardy Report on the economic situation of the Community in 1967 and the prospects for 1968.

2. Resolution of 14 March 1968, *Official Gazette* No. C 27 of 28 March 1968, page 27.

55. With regard to monetary policy, Parliament welcomed the decision taken in 1967 by the General Assembly of the International Monetary Fund to provide, if necessary, additional facilities for international payments independently of gold and reserve currencies. Parliament felt that the international monetary situation had brought out once again the need to do everything to bring about a European monetary union. It expressed the hope that the Commission of the European Communities would be instructed by the Council to draw up an action programme to that end.

2. Common agricultural policy

56. During the period covered by the report, the European Parliament devoted an important part of its efforts to investigating problems connected with the common agricultural policy. The Council of Ministers of the Communities consulted Parliament on a large number of proposals for regulations by the Commission concerning common market organisation and the prices of various agricultural products. Parliament also had before it proposals by the Commission for Community schemes to reform agricultural structures.

57. At the May 1967 Session, the Committee on Agriculture presented five reports in which it stated Parliament's opinion on the *general principles* of the regulations for market organisation at the single market stage and on the proposals for regulations on the common organisation of markets in the following sectors: *cereals, pigmeat, sugar, poultry meat and eggs*¹.

1. Docs. 43/67 and 52/67: Blondelle Reports on the general principles of the regulations governing market organisation at the single market stage.

Doc. 46/47: Dupont Report on the proposal for a regulation on the common organisation of the market in cereals.

Doc. 44/67: Richart's Report on the proposal for a regulation on the common organisation of the market in pigmeat.

Doc. 42/67: Klinker Report on the proposal for a regulation on the common organisation of the market in sugar.

Doc. 45/67: Estève Report on the proposals for regulations on the common organisation of the markets in poultry meat and eggs.

In its resolution on the general principles of the regulations on the organisation of markets at the single market stage¹, Parliament pointed to the need to fix prices which would be in line with the aim of providing satisfactory guidance for production. It was recalled that the cereals prices for 1967-68 had been fixed in 1964 and, in view of developments in the meantime, the EEC Commission was asked to present proposals for prices to come into force on 1 August 1968.

Parliament emphasised that the aim of securing a standard of living for persons employed in agriculture equal to that enjoyed by those employed in other sectors of the economy is far from being realised in most cases. With regard to the overall development of the common agricultural policy, Parliament stressed that the Community was ahead of the time-table fixed in the Treaty of Rome but drew attention to the imbalances which resulted from the absence of a Community market organisation for certain agricultural products and from the delay in introducing a social policy and a policy on the structure of agriculture. It also felt that the absence of any co-ordination in such fields as aid, credit, taxation, investment and transport was the root cause of a distortion of competition which would hit agricultural holdings all the harder once the free movement of goods became a reality.

58. In its opinion on the Commission's proposal to the Council for a regulation on the common organisation of the market in cereals², Parliament stressed the extreme importance of the establishment of a common market in cereals on 1 July 1967. It felt that it was indispensable in all circumstances to assure cereal producers of prices taking account of economic trends at both Community and international level. Growers should be guaranteed markets for their crops at prices as close as possible to the target prices fixed for the various types of cereals so as to prevent the intervention price from becoming the effective ruling price.

1. Resolution of 11 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2061.

2. Resolution of 11 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2063.

Parliament also asked that steps be taken on the basis of feed value to revise the ratio established between the price of wheat and prices of feed grains in order to achieve a better balance on the Community cereals market as a whole. Parliament felt that, in addition to the denaturing of wheat, refunds also constituted an important means of ensuring the equilibrium of the Common Market in cereals; these should be set at a level corresponding to the disparity between world market prices and the EEC selling prices. Lastly, Parliament recommended that a target price and an intervention price should also be fixed for oats.

59. In its opinion on the common organisation of the market in pigmeat¹, Parliament asked not only that the Council, when adopting the implementing rules, should do so in accordance with the voting procedure prescribed in Article 43 (2) of the EEC Treaty, as had been proposed by the Commission, but that the procedure laid down in that article should be applied in its entirety, that is to say that the European Parliament should also be consulted.

In its opinions on the proposals for regulations on the common organisation of the markets in *sugar*², *poultry meat*, *eggs*³ and *rice*⁴, Parliament asked for the same procedure to be applied.

60. At the June 1967 Session, Parliament considered a report by the Committee on Agriculture⁵ on the proposal for a regulation to fix a basic price and standard quality for slaughtered pigs. In its resolution⁶ Parliament approved the Commission's proposal fixing the basic price for slaughtered pigs at 73.5 u.a./100 kilos.

1. Resolution of 11 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2075.

2. Resolution of 11 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2092.

3. Resolution of 11 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2084.

4. Resolution of 22 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 32.

5. Doc. 88/67: Report by Mr. Richarts on the EEC Commission's proposal to the Council for a regulation to fix a basic price and standard quality for slaughtered pigs valid for the period from 1 July to 31 October 1967.

6. Resolution of 22 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 26.

At the sitting of 19 July 1967, Parliament considered a further proposal by the Commission for a regulation maintaining the basic price for slaughtered pigs at the above figure for the period 1 November 1967 to 31 October 1968. In its resolution on the subject¹ Parliament advocated that the basic price be increased from 73.5 u.a. to 76.5 u.a./100 kilos.

61. On the basis of a report by its Committee on Agriculture², Parliament also expressed an opinion at the 19 July 1967 Session on the following EEC Commission proposals:

— proposal for a regulation fixing cereal prices for the 1968-69 market year;

— proposal for a Council regulation on the fixing of target prices for husked rice for the 1968-69 market year;

— proposal for a resolution on the guide prices applicable to beef for the market years 1968-69 and 1969-70.

In its resolution³ Parliament drew attention once more to the fact that the prices of cereals for the 1967-68 market year had been fixed in 1964 and that it was therefore advisable in view of the rise in production costs and wages since that time to increase the prices for the 1968-69 market year.

With regard to cereal prices, Parliament asked:

— that the target price for wheat other than durum should be raised from 106.25 u.a. to 112 u.a. per ton, that the price for durum should be raised from 125 to 132 u.a. per ton and that the guaranteed minimum price to producers of durum be increased from 145 to 152 u.a. per ton;

— that the target prices for barley and rye be increased from 96 to 100.80 u.a. per ton and that for maize from 99 to 104 u.a. per ton;

— that the basic intervention prices be adjusted accordingly.

Parliament also asked that the target price for *husked rice* be raised from 190.20 to 195 u.a. per ton.

1. Resolution of 19 July 1967, *Official Gazette* No. 192 of 11 August 1967, page 6.

2. Doc. 113/67: Dupont Report on the EEC Commission's proposals to the Council on the fixing and review of the prices of certain agricultural products.

3. Resolution of 19 July 1967, *Official Gazette* No. 192 of 11 August 1967, page 5.

With regard to the guide prices for beef and veal for the 1968-69 and 1969-70 market years, Parliament asked that those the EEC Commission proposed to apply as from 1 April 1969 be applied from 1 April 1968. It drew attention to the fact that the situation of beef and veal producers could not be judged until the level of the intervention prices and the basic prices for those products were known, and consequently requested the Commission to submit a proposal on the subject as soon as possible.

62. At the same session, Parliament adopted the Commission's proposals for the following :

— a regulation fixing the standard quality for wheat other than durum, rye, barley, maize and durum wheat ;

— a regulation fixing the standard quality for which the target price for *husked rice* was fixed ;

— a regulation on the price measures to be adopted for olive oil for the 1967-68 market year and for oilseeds for the 1968-69 market year ;

— a regulation fixing sugar prices for the 1968-69 market year ¹.

63. At the July 1967 Session, Parliament also expressed an opinion on the EEC Commission's proposal to the Council for a regulation defining the *unit of account for the common agricultural policy* ². In its resolution ³, Parliament was of the opinion that work on the definition of the unit of account should be pursued with a view to meeting more satisfactorily certain objections which still existed in the monetary field, as well as in regard to integration policy and institutional aspects. Parliament accepted the proposal as it stood only in so far as it was merely transitional, that it remained in force only until 31 December 1969 and that Parliament would have an opportunity of expressing its opinion should several member states envis-

age altering the exchange rate of their currency simultaneously.

64. At the July Session, Parliament also considered a report ¹ on assistance from the *Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) (Fonds européen d'orientation et de garantie agricole)*.

In its resolution ² Parliament approved the EEC Commission's proposal as a transitional solution for 1968 to ensure the continued implementation of measures to improve agricultural structures.

The Commission's proposals for the *Community programmes* for the Guidance Section of the European Agricultural Guidance and Guarantee Fund were considered by the European Parliament at the January and March 1968 Sessions. The Committee on Agriculture presented an interim report to the Plenary Assembly on these programmes and they were referred to the Economic Affairs Committee, the Committee for Finance and Budgets and the Committee on Social Affairs and Health Protection for opinion.

In the resolution ³ adopted after the discussion of the report, Parliament welcomed the fact that the presentation of the Community programmes meant the furtherance of the common structure policy. It shared the view of the EEC Commission that the next stage of the Community programmes should be based on regional analyses of the social and economic situation in agriculture and on forecasts as to trends worked out in the light of the common prices and markets policy and also of the development of the economy in general. Parliament felt that it was essential to avoid these programmes having the effect of promoting isolated measures only instead of complex measures aimed at the overall improvement of agricultural structures. In its opinion, structural improvements should be directed in particular towards rationalising production and improving quality. Moreover, in order to place more emphasis on

1. Resolution of 19 July 1967, *Official Gazette* No. 192 of 11 August 1967, pages 5, 6, 7 and 8.

2. Doc. 115/67 : Mr. Westerterp's report on the EEC Commission's proposal to the Council for a regulation defining the unit of account for the common agricultural policy.

3. Resolution of 19 July 1967, *Official Gazette* No. 192 of 11 August 1967, page 12.

1. Doc. 112/67 : Mr. Bading's report on the EEC Commission's proposal to the Council for a regulation on assistance from the Guidance Section of the European Guidance and Guarantee Fund for the year 1968.

2. Resolution of 19 July 1967, *Official Gazette* No. 192 of 11 August 1967, page 11.

3. Resolution of 15 March 1968, *Official Gazette* No. C 27 of 28 March 1968, page 34.

priorities it was advisable to make the criteria stricter and consequently to list areas of main effort. Lastly, Parliament stressed the need to speed up the reform of the social Fund to coincide with the taking of the decision on the Community programmes and recommended that it should allow for the retraining in due course of agricultural workers and self-employed farmers affected by the structural reforms.

65. At the November-December 1967 Session and the January 1968 Session, Parliament considered a first and second report¹ on the EEC Commission's proposal to the Council, for a regulation on *agricultural producers' groups*. In its resolution² on that subject, Parliament endorsed the opinion of the Commission of the European Communities that it was advisable in future, within the framework of the common agricultural policy, to place greater emphasis on structure policy. The setting up of producers' groups was an important feature of that policy; the Commission ought, therefore, to help financially towards their development. With regard to the manner of that help, Parliament proposed that the EAGGF Guidance Section should refund, as of 1 January 1970, 25 % of assistance given by member states.

66. At the March 1968 Session, Parliament also discussed a report³ on the situation in the fishing industry in EEC member states and the basic principles for a common policy in that sector. In its resolution⁴ Parliament welcomed the fact that the EEC Commission had put forward its ideas on the principles that should underline a *common policy in the fisheries sector* for discussion before submitting draft regulations on the matter to the Council. Parliament endorsed the appeal of its Committee on Agriculture that all measures adopted to establish a common fisheries policy should aim, above all, at making

fisheries more competitive and improving quality. As soon as a common fisheries policy had been established, national promotion measures would need to be planned or re-planned so as not to have different effects on the terms of competition within the Community. The introduction of a common fisheries policy was essential because it was only on such a basis that the Community could co-operate effectively in the work of international organisations and ensure the protection of its own interests.

Parliament also pointed out that the Community's imports of fish and fish products were considerable and of special significance for important trade partners of the Community. A judicious solution of the problem of keeping a balance between the interests of the Community and those of other states engaging in fishing accordingly meant taking measures within the framework of the common trade policy to bring outside countries within the orbit of the intra-Community market stabilisation regulations. Besides, Parliament recalled, it was precisely in the fisheries sector that the Community, or certain Members thereof, had entered into important trade policy undertakings within the framework of GATT.

Lastly, Parliament approved the Commission's proposal to set up a joint consultative committee to advise the Commission on all the problems arising for employers and for workers in the fisheries sector.

67. At two extraordinary sessions held at Luxembourg in late February and late March 1968, Parliament discussed the difficult problems facing the Community in regard to the market in *milk and milk products*.

In February, Parliament considered the Commission's proposals for a regulation on the common organisation of the market in milk and milk products¹ and for additional rules to estab-

1. Docs. 147/67 and 170/67: Mr. Bading's report on the EEC Commission's proposal to the Council concerning a regulation on agricultural producers' groups and unions thereof.

2. Resolution of 25 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 61.

3. Doc. 174/67: Mr. Kriedemann's report on the basic principles for a common policy in the fisheries sector.

4. Resolution of 25 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 57.

1. Doc. 200/67: Mr. Dulin's report on the Commission's proposal for a regulation on the common organisation of the market in milk and milk products.

Docs. 201 and 202/67: Interim report and supplementary report by Mr. Dulin on the Commission's proposal for a regulation embodying supplementary rules for the common organisation of the market in milk and milk products with regard to products under section 04.01 of the common customs tariff classification.

lish such organisation. In its resolution¹ Parliament asked that an intervention price be fixed for powdered skimmed milk and certain cheeses as well as for butter. Parliament also proposed that excess milk and fats be used to feed calves and that arrangements be made to assist the stocking of milk fats in the form of oil or melted butter.

With regard to the supplementary rules for the common organisation of the market in milk and milk products sectors for products under 04.01 of the common customs tariff classification (fresh milk and cream with less than 6% fat content), Parliament was of the opinion² that the very marked differences existing between member states in the consumer milk market made certain transition measures necessary.

68. At its February Session Parliament expressed an opinion on the proposal for a regulation on the common organisation of the markets in *beef and veal*³.

69. At its sitting of 21-22 March 1968, Parliament discussed a memorandum and a proposal by the Commission on the medium-term establishment of *structural equilibrium on the milk market*. The report of the Committee on Agriculture⁴ was supplemented by the opinions of the Finance and Budgets Committee, the Economic Affairs Committee and the External Trade Relations Committee, all of which approved the measures proposed by the Commission of the European Communities in the main. In the resolution⁵ adopted after the debate, Parliament nevertheless gave an unfavourable opinion: it doubted, in particular, that the reduction of

the target price for milk fixed by the Council in its resolution of July 1966 would help to keep down milk production and feared that to lower the price envisaged might shake farmers' confidence in the common agricultural policy. A majority of Parliament also voted against the consolidation of the target price of milk for four years, as proposed by the Commission in a draft resolution for adoption by the Council.

Parliament felt that an improvement in the market in milk products was to be sought in :

- action to set a better value on milk ;
- a change in the milk/meat price ratio in favour of the latter.

In addition Parliament called for the application of the Community tax on fats decided upon in principle by the Council in December 1963. It recalled, however, the requirement formulated in its resolution of 18 June 1965 that specifically Community revenue should be accumulated in application of Article 210 of the EEC Treaty only if, at the same time, the budgetary powers of the European Parliament were strengthened to ensure adequate Parliamentary control over such revenue.

3. Energy, research and atomic problems

70. During the period under review, the Parliamentary Committee on Energy, Research and Atomic Problems put five oral questions to the Commission or the Council of the European Communities concerning the following : the setting up of a European youth office (Oral Question No. 5/67), the European University (Oral Question No. 15/67), the co-ordination of the research policy of the member states and the technological gap between Europe and the United States of America (Oral Questions No. 6/67 and No. 18/67 on the causes and repercussions of the suspension of the activity of the "Maréchal Working Party").

71. Following the debate on Oral Question No. 6 and in the light of an interim report from the competent committee¹ Parliament adopted

1. Resolution of 22 February 1968, *Official Gazette* No. C 18 of 9 March 1968, page 4.

2. Resolution of 22 February 1968, *Official Gazette* No. C 18 of 9 March 1968, page 21.

3. Doc. 199/67 : Mr. Richarts' report on the Commission's proposal to the Council for a regulation on the common organisation of the market in beef and veal.

4. Doc. 9/68 : Interim report by Mr. Brouwer on the memorandum and proposal of the Commission of the European Communities to the Council concerning the medium-term establishment of the structural equilibrium on the milk market.

5. Resolution of 22 March 1968, *Official Gazette* No. C 32 of 6 April 1968, page 4.

1. Doc. 146/67 : Mr. Bersani's report on the European scientific and technological research policy.

a resolution¹ on the European scientific and technological research policy expressing its concern that the technological gap between Europe, the United States and the other great technological powers was constantly tending to increase. This was a grave threat to Europe's independence and held serious dangers for its future economic and social structural development. It was important to move on from specific isolated projects to a systematic policy embracing basic research, applied research and development as part of a programme for the expansion of the European economy. Under that programme priority should be given to projects in the major technological growth sectors, among which particular mention should be made, in addition to those listed in the Council's Resolution of 31 October 1967, of the following :

- high energy physics,
- nuclear research,
- astronautics,
- aeronautics,
- electronic computers,
- molecular biology,
- non-nuclear sources of energy.

Parliament felt that in the preparation of the programme referred to, account should be taken of the concrete indications contained in the report prepared by the "Scientific and Technical Research Policy" Working Party of the Committee on Medium-term Economic Policy.

In its resolution, Parliament expressed its satisfaction at the first parliamentary talks organised by its Committee on Energy, Research and Atomic Problems with British experts in order to explore the possibilities of pooling the efforts of the European Communities and of Great Britain in research and the technological growth industries in the mutual conviction that the addition of British resources to those of the Community could make a basic contribution to the reduction of the technological gap. Parliament also recommended that, when formulating this policy, the existing links with international institutions should be exploited as fully as possible and that, in particular, use should be made of the forum offered by OECD.

1. Resolution of 27 November 1967, *Official Gazette* No. 307 of 18 December 1967, page 6.

72. On the basis of an interim report by its competent committee¹ Parliament expressed an opinion at the January 1968 Session on the development in the economic and social trends in the Community coalmining industry. In its resolution² Parliament appealed to the sense of European responsibility of the Council and the Commission urging that, in the period which separated the merger of the Treaties from that of the executives, they should take without delay new energy policy steps to ensure the co-ordination of national coal policies at Community level. Parliament feared that if the existing lack of co-ordination continued at Community level, the drop in European coal production might seriously upset the internal balance of the Common Market in energy. It also stressed the need to determine for the near and distant future the share of coal in European energy supplies.

73. At the same session, Parliament also considered a report on the current situation and future prospects of Euratom³, adopting after the debate a resolution⁴ noting that Euratom, thanks in particular to contracts of association, constituted an indispensable instrument for the collaboration that was so essential between Europe and the technologically advanced outside countries. It regretted the negative aspects of the Council's decision of 8 December 1967 abolishing the existing means of technological co-operation without really introducing any other forms of Community co-operation. Parliament felt that those of Euratom's activities which had not been affected by the decision had no chance of being pursued if the existing gap between Community research and the technological development programmes being carried out in national centres and private industry were to be widened artificially, hence the need to maintain as far as possible Euratom's means of indirect action — in particular contracts of association — and develop new instruments such as joint enterprises.

1. Doc. 183/67 : Mr. Leemans' report on the situation in the coalmining industry in the Community.

2. Resolution of 24 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 21.

3. Doc. 182/67 : Mr. Oele's report on behalf of the Committee for Energy Research and Atomic Problems on the present situation and future prospects of Euratom.

4. Resolution of 24 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 23.

Lastly, Parliament stressed that the structures and instruments chosen ought to make possible intensive co-operation with international institutions, governments, institutes and industries in third countries, particularly the democratic countries of Europe.

4. Common transport policy

74. With respect to the Community's common transport policy, the European Parliament discussed during the year under review the consultations held on proposals by the Commission in the matter; it also endeavoured — by means of oral questions and resolutions — to help to overcome the delays which had occurred in the implementation of the transport policy.

75. At the May 1967 Session, on the basis of a report from its Transport Committee¹, Parliament expressed an opinion on the Commission's proposal for a regulation on aids to transport enterprises. Subject to a number of amendments to the draft regulation, Parliament, in its resolution², approved the Commission's proposal. It stressed, however, the need to avoid excessive government subsidies, and felt that it was particularly important to investigate critically without delay aids which, being in the form of a fixed compensation for losses, were likely to encourage the uneconomic operation of transport services.

76. The problems of establishing a common harbour traffic policy were the subject of a debate at the session of 20 November 1967. On the basis of an interim report by the Transport Committee³, Parliament adopted a resolution⁴ stating that the formulation of a common harbour traffic policy should be based on the following considerations:

(a) European ports must be administered on a competitive basis. As a general rule, the

division of work as between ports or amalgamated firms should always be determined by competition and economic factors.

(b) Rates for internal carriage to and from ports should be thought of, more than it is at present the case, as competitive rates when, after the harmonisation of social provisions etc. within the framework of the common transport policy, the cost components will constitute a basis for competition capable of producing normal results from the economic point of view.

(c) Similarly, the rates charged by the ports themselves should be more competitive than at present.

(d) Port policy should not be entirely in the hands of private firms; in most ports, it is the concern of the public authorities (municipal, provincial or state). Such authorities should not cease to interest themselves in ports even if the current trend is to grant harbour authorities greater autonomy.

(e) The common harbour traffic policy should tend to make competition between ports an instrument of economic policy and, in particular, of the Community's external trade policy, which is to say that competition should favour the pursuit of essential economic aims, inter alia with regard to the policy of investments which the public authorities are in a position to influence.

(f) The progress towards the liberalisation of world trade as displayed in the Kennedy Round, the prospect of the opening up of Eastern Europe to the world market and the policy of development aid practised by EEC vis-à-vis under-developed countries overseas, will lead in the coming decades — at least this seems to be indicated by present trends — to an intensification of foreign trade and to its corollary: the enhanced importance of the seaports of the European Community.

(g) In order to meet the ever-growing needs of world trade, the seaports will have to make a great effort towards technical improvements, which will call for considerable investments. In many cases large sea-going vessels can be accommodated only by deepening the approach channels or building new docks capable of harbouring giant ships. The new ways of

1. Doc. 41/67: Richarts Report on the proposal for a regulation on aids to rail, road and inland water transport enterprises.

2. Resolution of 10 May 1967, *Official Gazette* No. 103 of 2 June 1967, page 2051.

3. Doc. 140/67: Seifriz Report on the common harbour traffic policy of EEC.

4. Resolution of 29 November 1967, *Official Gazette* No. 307 of 12 December 1967, page 12.

handling and transporting goods such as container methods, also call for considerable investments, even if the capital required per unit handled is less than in the case of "conventional" means of transport. It will be for the member states and the European authorities to support this equipment effort on the part of ports within the framework of the common port policy, in particular by providing each port with full information about what others are doing with regard to capital equipment.

(h) As part of the joint action to promote transport infrastructure, the common port policy will have to further, wherever it is possible and economically justifiable, the linking-up of all important European seaports to the European communications network and thus to their hinterland, by electric railways, motorways and by waterways open to ships of 1,350 tons.

(i) Within the framework of the Community's regional policy, particular attention should be paid to the equipping of ports in developing areas. Small- and medium-sized ports present, in that respect, a very special interest. Regional development schemes may assign to them a special function which could necessitate replanning their infrastructure.

77. The delays in the implementation of the common transport policy were the subject at the June 1967 Session of a resolution¹ embodying Parliament's reaction to the decision of the Council of Ministers to postpone until the end of the year the session which was to have taken place on 20 June 1967. Deploring that the Council's decision aggravated still further the delay in investigating transport problems, Parliament expressed the view that in preparation for the establishment of a free internal market as from 1 July 1968, it was particularly important to make progress without delay in the field of transport policy.

78. At the January 1968 Session, the Transport Committee put to the Council and the Commission two oral questions (Nos. 10/67 and 14/67) to be followed by a debate on the pro-

1. Resolution of 22 June 1967, *Official Gazette* No. 156 of 15 July 1967, page 25.

gress made towards a common transport policy. After the debate, Parliament adopted a resolution¹ noting that at their session of 13 and 14 December 1967, the Council of Ministers had shown their determination to put an end to the inaction which had been evident for years in regard to the common transport policy. Parliament anticipates that, in application of the decision taken at that session, the Council will take all the measures envisaged in accordance with the time-table laid down and hopes that meanwhile member states will not adopt at national level any measure which might compromise the pursuance of the common transport policy.

79. At the June 1968 Session, Parliament also considered a report² on the abolition of discrimination in transport rates and conditions³. In its opinion, Parliament proposed adding to the Commission's proposal for a regulation a provision to enable the Community to authorise differentiations in rates and conditions where discriminations are practised in a third country with regard to products being carried from or to a member state. It asked the Commission, however, in drawing up these decisions, to have regard to the need to promote trade between the Community and third countries and not to upset competition between member states.

80. Lastly, at its March Session 1968, Parliament expressed an opinion on the proposal for a regulation on action by member states with regard to the obligations inherent in the concept of public service in the rail, road and water transport sector⁴. In its resolution⁵ Parliament approved the Commission's proposal in principle but suggested a series of amendments to

1. Resolution of 23 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 8.

2. Doc. 179/67: Report by Mr. Bruhnes on the Commission's proposal to the Council for a regulation on the abolition of discrimination in transport rates and conditions.

3. Resolution of 24 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 11.

4. Doc. 203/67: Riedel Report on the Commission's proposal to the Council for a regulation on action by member states with regard to the obligations inherent in the concept of public service in the rail, road and water transport sector.

5. Resolution of 14 March 1968, *Official Gazette* No. C 27 of 28 March 1968, page 18.

the regulation. It also drew attention to the fact that it seemed necessary to investigate railway passenger concession rates in order to take account of the cost ratio between goods and passenger transport and also because the introduction of a common transport policy requires the harmonisation of tariffs.

81. At the sitting of 1 December 1967, Parliament expressed its views on the Commission's proposal to extend once again the time-limit set for the non-application of the Community rules of competition applicable to transport by rail, road and inland waterway ¹.

5. Social policy and health protection

82. With regard to social policy and health protection, Parliament expressed its views on the Commission's various proposals for regulations; it also studied the basic problems arising in the Community in the field of social policy.

At the October 1967 Session, Parliament considered a report by the Committee on Social Affairs and Health Protection ² on a regulation on the free movement of workers and a directive on the removal of restrictions on the movement and residence of workers.

In its resolution ³, Parliament approved the Commission's proposals subject to certain amendments to the wording of the regulation and the directive, but felt that to make the free movement of workers a reality it would be necessary to solve the following problems as soon as possible:

(a) the harmonisation of systems of vocational training and equivalences of diplomas, certificates and other qualifications;

(b) the adaptation of the sphere and means of action of the European Social Fund to make it an effective instrument for the Community employment policy;

(c) the intensification of action to facilitate the integration of migrant workers and their families into their new working and living environment;

(d) the establishment of rules to give effect to the right conferred by Article 48 of the EEC Treaty "to remain in the territory of a member state after having been employed in that state, subject to conditions which shall be embodied in regulations to be drawn up by the Commission".

83. The EEC Commission's report on social trends in the Community in 1966 and the communication concerning the guidelines for the Commission's work in the social affairs sector were considered by Parliament on 1 December 1967 in the light of two reports from Social Affairs Committee ¹.

In its resolution ² on the Commission's report, Parliament regretted that owing to insufficient action by the Council of Ministers and a lack of co-operation between member states in social policy and health protection 1966 had still not brought any real progress. It asked the Council of Ministers of Labour and Social Affairs, as it had already done in the past, to hold much more frequent meetings with a view to taking decisions on the basis of the numerous proposals submitted by the Commission of a nature to promote harmonisation, to make up the present leeway in the social sector and to ensure within the Community a social order and equilibrium in keeping with the progress achieved in the economic sphere.

Parliament stressed the importance of Community institutions making better use of the possibilities offered by the European Treaties by taking as the "essential objective of their efforts" as stated in the Preamble to the Treaty setting up EEC, "the constant improvement of the living and working conditions of their

1. Cf. first paragraph of this section.

2. Doc. 128/67: Pètre Report on the Commission's proposals to the Council for a regulation on the free movement of workers within the Community and for a directive on the removal of restrictions on the movement and residence of workers from member states and their families within the Community.

3. Resolution of 17 October 1967, *Official Gazette* No. 268 of 6 November 1967, page 9.

1. Doc. 139/67: Mr. Bergmann's report on the EEC Commission's report on social trends in the Community in 1966.

Doc. 138/67: Mr. Gerlach's report on the Commission's communication to the Council concerning guidelines for the Commission's work in the social affairs sector.

2. Resolution of 1 December 1967, *Official Gazette* No. 307 of 18 December 1967, page 24.

peoples", by means of the harmonisation prescribed in Article 117 of the Treaty.

In Parliament's opinion, the Commission could also exert a favourable influence on the social situation in member states by :

(a) adjusting the European Social Fund and its means of action to practical needs, and assigning new functions to it in accordance with Article 126 (b) of the Treaty setting up EEC.

(b) ensuring, in anticipation of its application on 1 July 1968, that the final regulation on the free movement of workers within the Community complies in every way with the legislative and administrative provisions applicable in the matter ;

(c) improving the regulation on the application of social security provisions to migrant workers and their families.

Parliament approved in particular the Commission's action in the field of vocational training and guidance and also invited it to prepare proposals designed to co-ordinate and stimulate the activity of member states in the spheres of subsidised housing, social services, family policy and public health.

84. With regard to the guidelines for the Commission's work in the social affairs sector, Parliament, in its resolution¹, particularly requested the Commission :

(a) to continue at European level with trade unions and employers the consultations which, in their current form, had proved their worth over a number of years ;

(b) to recommend and promote the ratification by member states of ILO agreements ;

(c) to extend the setting up of joint consultative committees which had proved their worth to new sectors of the economy by agreement with trade unions and employers ;

(d) to assemble, in accordance with Article 122 of the EEC Treaty, documentation concerning the evolution of the law on individual and collective labour contracts as well as a catalogue of wages and terms of employment.

1. Resolution of 1 December 1967, *Official Gazette* No. 307 of 18 December 1967, page 31.

85. At the January 1968 Session, on the basis of a report from its competent committee¹ Parliament expressed an opinion on the Commission's new proposal concerning social security for workers moving about within the Community. In its resolution² Parliament stressed that the drafts submitted for its consideration satisfied its hope already expressed on several occasions that the different special regulations promulgated since 1959 might be combined in a single text and that the opportunity might be taken at the same time to proceed to a general revision of the texts governing the rights of wage-earners and their families moving about within the Community. Parliament proposed a number of amendments, however, and requested the Commission to set up a consultative committee to assist the Administrative Committee in the functions assigned to it under the EEC Treaty.

86. Lastly, at the same session, Parliament considered a report³ on the draft recommendation concerning a Community definition of disablement. In its resolution⁴ Parliament endorsed the Commission's opinion that the premature failure of physical or mental faculties constituted a specific social risk which should be covered by disablement insurance. It approved the distinction between partial and total disablement and the reduction of the earning capacity by from two thirds to a half as a criterion for the state of disablement, since those criteria :

(a) had already proved satisfactory in three Community centres (Germany, France and the Netherlands) ;

(b) made possible the reintegration into the working population of a larger number of

1. Doc. 158/67 : Troclet Report on the Commission's proposal to the Council for a regulation on the application of social security provisions to wage-earners and their families moving about within the Community and a decision making Article 51 of the Treaty applicable to the French départements overseas.

2. Resolution of 25 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 30.

3. Doc. 152/67 : Merchiers Report on the Commission's draft recommendation concerning a Community definition of disablement conferring entitlement to benefit.

4. Resolution of 25 January 1968, *Official Gazette* No. C 10 of 14 February 1968, page 43.

workers with reduced earning capacity than had hitherto been the case ;

(c) made it possible, in consequence, to arrange for retraining early enough to give it a chance of success.

Parliament felt, however, that it was wrong to justify the distinction recommended between partial and total disablement by, among other factors, the difficult situation on the labour market, and was of the opinion that considerations of economic expediency should not be decisive for Community regulations on disablement insurance. It also attached significance to the fact that the recommendation was made without prejudice to more favourable national provisions.

CHAPTER V

Financial and budgetary questions

1. *The Budget of the European Parliament*

87. At its June 1967 Session, on the basis of a report by the Committee for Finance and Budgets¹ the European Parliament adopted estimates of receipts and expenditure for the financial year 1968 totalling 7,841,000 units of account².

88. In a resolution³ on its accounts for the financial year 1965, adopted at its October 1967 Session, Parliament closed its management account at 31 December 1965 at 5,870,492.72 units of account for expenditure incurred and 5,599,687.75 units of account for out-payments.

89. At its January 1968 Session, the European Parliament expressed an opinion⁴ on the

1. Doc. 74/67 : Mr. Battaglia's report on the estimated receipts and expenditure of the European Parliament for the financial year 1968.

2. Resolution of 19.6.1967, *Official Gazette* No. 156 of 15 July 1967, page 5.

3. Resolution of 16.10.1967, *Official Gazette* No. 268 of 6 November 1967, page 5.

4. Doc. 185/67 : Mr. Battaglia's report on the consultation of the Parliament by the Council of the European Communities on the section of the preliminary draft Budget of the Communities for 1968 concerning the European Parliament.

section of the preliminary draft Budget of the Communities for 1968 concerning the European Parliament. In its resolution¹ it reserved the right to present a supplementary budget if need be to make it possible to incorporate into the established staff of the Secretariat the interpreters who, for years, had worked regularly for Parliament. In addition, Parliament felt it necessary to confirm the draft Budget adopted on 19 June 1967 and was unable to accept the comments made by the Council arguing in favour of reductions which would affect the principle of budget estimates and compromise its proper application.

Parliament also stressed the need, because of events which could not be foreseen when the estimates for income and expenditure were adopted, to include under Head XVIII ("Expenditure not specially provided for") a sum of 9.5 million Belgian francs, being the amount required to organise three further sessions totalling five days. In view of the change in the appropriations under Head XVIII, Parliament fixed at 8,031,000 units of account the contributions of the European Communities towards the budget of the European Parliament for the financial year 1968 (instead of 7,841,100 units, the figure adopted on 19 June 1967).

2. *Financial and budgetary questions concerning ECSC*

90. At its June 1967 Session, Parliament examined a report² on the finances and budget of ECSC. In its resolution³ it noted with satisfaction the extension of the lending and borrowing policy of the High Authority and expressed, in particular, its appreciation of the better conditions for granting Community loans within the framework of genuine conversion programmes.

91. With regard to the financial year 1967-1968, Parliament took note of the 22,844,623

1. Resolution of 25.1.1968, *Official Gazette* No. C 10 of 14 February 1968, page 56.

2. Doc. 72/67 : Mr. Artzinger's report on financial and budgetary problems concerning ECSC raised on the occasion of the consideration of the appendices to the 15th general report on the activities of ECSC.

3. Resolution of 20.6.1967, *Official Gazette* No. 156, of 15.7.1967, page 15.

units of account estimated administrative expenditure of ECSC. It welcomed the fact that the High Authority, in the face of the current economic and social developments, and having regard to its greatly mounting charges, especially in the social sector as well as to the considerable decline in its liquid assets which could be used for its expenditure under the budget, had had regard to the average trend which emerged from the discussions of the four competent parliamentary committees on 11 April 1967, by fixing the levy rates for the financial year 1967-68 at 0.30 %.

92. On that occasion, Parliament stressed the political importance of ECSC's levy which, by providing the High Authority with its own resources, had done much to enable it to perform, among European institutions, a pilot function in the social sector. Lastly, Parliament decided to consider at a later date the general problems of financing European integration and more particularly of providing all the Community institutions with their own sources of revenue.

3. Budget of the Communities — Rationalisation of departments

93. At the session held at the end of November and beginning of December 1967, the Parliamentary Committee for Finance and Budgets submitted two oral questions. (Nos. 11/67 and 12/67) to the Commission of the Communities on the subject of the delay which had been caused by the preparation of the working Budget of the Communities and the rationalisation of the departments of the Commission. At that same session, the Council of the European Communities informed Parliament that it had not been able to prepare the draft working Budget of the Communities for the financial year 1968¹ before 31 October 1967. The delay there was due to the entry into force, on 1 July 1967, of the treaty setting up a single Council and a single commission for the European Communities, and the complexity of the resulting problems. The Council stated that it would endeavor

1. Cf. European Parliament, Debates, 1/68, No. 96, page 7.

to present the draft Budget to Parliament as soon as possible.

94. On the basis of an interim report from its Committee for Finance and Budgets¹, Parliament adopted at the January 1968 Session two resolutions² welcoming the fact that as soon as it had been set up, the Commission of the Communities had immediately begun to prepare a single statute combining the fundamental principles of the ECSC, EEC, and Euratom statutes, thus ensuring the continuity of the European Civil Service. Parliament adopted the Commission's proposal, subject to a number of amendments.

With regard to the rationalisation of the Commission's departments, Parliament expressed its understanding of the difficulties the Commission was encountering in order to complete the work reorganisation in the time allowed. It nevertheless felt that to be completed successfully this work should be carried out with due regard to the interests of the staff.

95. At its March 1968 Session, Parliament expressed an opinion on the draft Budget of the European Communities for the financial year 1968 which had been presented to it by the Council. In the report of the Committee for Finance and Budgets³ and in its resolution⁴ of 14 March 1968, Parliament noted with satisfaction that the draft Budget reflected the entry into force of the Merger Treaty and that the rationalisation of the Commission's departments had been rapidly achieved.

With regard to the different heads of the draft Budget, the European Parliament urged that the large amount of 2.045.130,000 units of account set down for EAGGF for the financial

1. Doc. 187/67 and Doc. 192/67 (supplementary report): Rossi Report on the proposal by the Commission of the European Communities to the Council for a regulation embodying the Statute of Service (staff regulations) of the officials of the European Communities, with arrangements for other Community servants, and also providing for special measures temporarily applicable to Commission officials.

2. Resolutions of 25.1.1968, *Official Gazette* No. C 10 of 14.2.68, pages 44 and 45.

3. Doc. 213/67: Leeman's report on the draft Budget of the European Communities for the financial year 1968.

4. Resolution of 14.3.1968, *Official Gazette* No. C 27 of 28.3.68, page 30.

year 1968, should be further explained and justified. It also drew attention to the considerable proportions already attained by the EAGGF "guarantee" appropriation and felt that the European Parliament, the Commission and the Council ought to realise more and more the financial responsibilities they were shouldering in regard to this expenditure. It noted, in addition, that the Communities' financial action in the social sector was still at a relatively modest level and urgently called upon the Commission and the Council to be more active in that field.

At the same sitting, the Committee for Finance and Budgets put to the Council an oral question (No. 17/67), to be followed by a debate, on the rationalisation of the departments and the staff structure of the Commission of the Communities.

96. At an extraordinary session in Luxembourg on 8 January 1968, Parliament also expressed an opinion on Euratom's draft research and investments Budget for 1968¹ and on a draft supplementary Budget of the European Communities for 1967². Parliament proposed including in Euratom's research and investments Budget an initial investment in respect of a research and investments programme extending over several years. The supplementary Budget for 1967 designed to meet important Council expenditure was adopted without amendment.

CHAPTER VI

Legal questions

1. Application of Community law

97. At the May 1967 Session, the Legal Affairs Committee presented to the European Parliament a report on the application of Community law by member states³. In the resolu-

1. Doc. 168/67: Battaglia Report and resolution of 8.1.1968, *Official Gazette* No. C 3 of 22.1.68, page 4.

2. Doc. 164/67: Spenale Report and resolution of 8.1.1968, *Official Gazette* No. C 3 of 22.1.68, page 6.

3. Doc. 38/67: Dehousse Report on the application of Community law by member states.

tion¹ adopted after the debate, Parliament recalled its resolution of 22 October 1965², in which it stressed the principle of the primacy of Community law over the domestic law of member states. It noted with satisfaction the attempts they had made to ensure the implementation of the Treaties and of measures introduced by the Community institutions; it pointed out, however, the existence of short-comings and weaknesses in the procedure followed by member states in seeking to apply Community rules.

98. Parliament felt that the introduction of measures in application of Community rules and the implementation of those among them which were not directly applicable, was by its very nature rather a matter for the executive than for the legislature. Accordingly, it suggested — in as much as the enforcement of Community rules does not offer national authorities a political choice and where national constitutional law permits — that wider use be made of the procedure consisting in delegating parliamentary powers to governments, without prejudice to the indispensable extension of its own supervisory functions.

Lastly, Parliament asked the European Executives to pursue and intensify their efforts to secure the widest possible circulation of information in all the relevant quarters about the special nature of the Communities and the problems arising out of their system of law.

2. Legal protection of individuals

99. In addition, on the basis of a report by the Legal Affairs Committee³, Parliament discussed at its May 1967 Session the problems of the legal protection of individuals in the European Communities.

Its resolution⁴ following that report stressed that confidence in the legality of the

1. Resolution of 10 May 1967, *Official Gazette* No. 103 of 2.6.67, page 2054.

2. *Official Gazette* No. 187 of 9.11.65, page 2923.

3. Doc. 39/67: Deringer Report on the legal protection of private persons in the European Communities.

4. Resolution of 10 May 1967, *Official Gazette* No. 103 of 2.6.1967, page 2055.

