

European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

8 May 1974

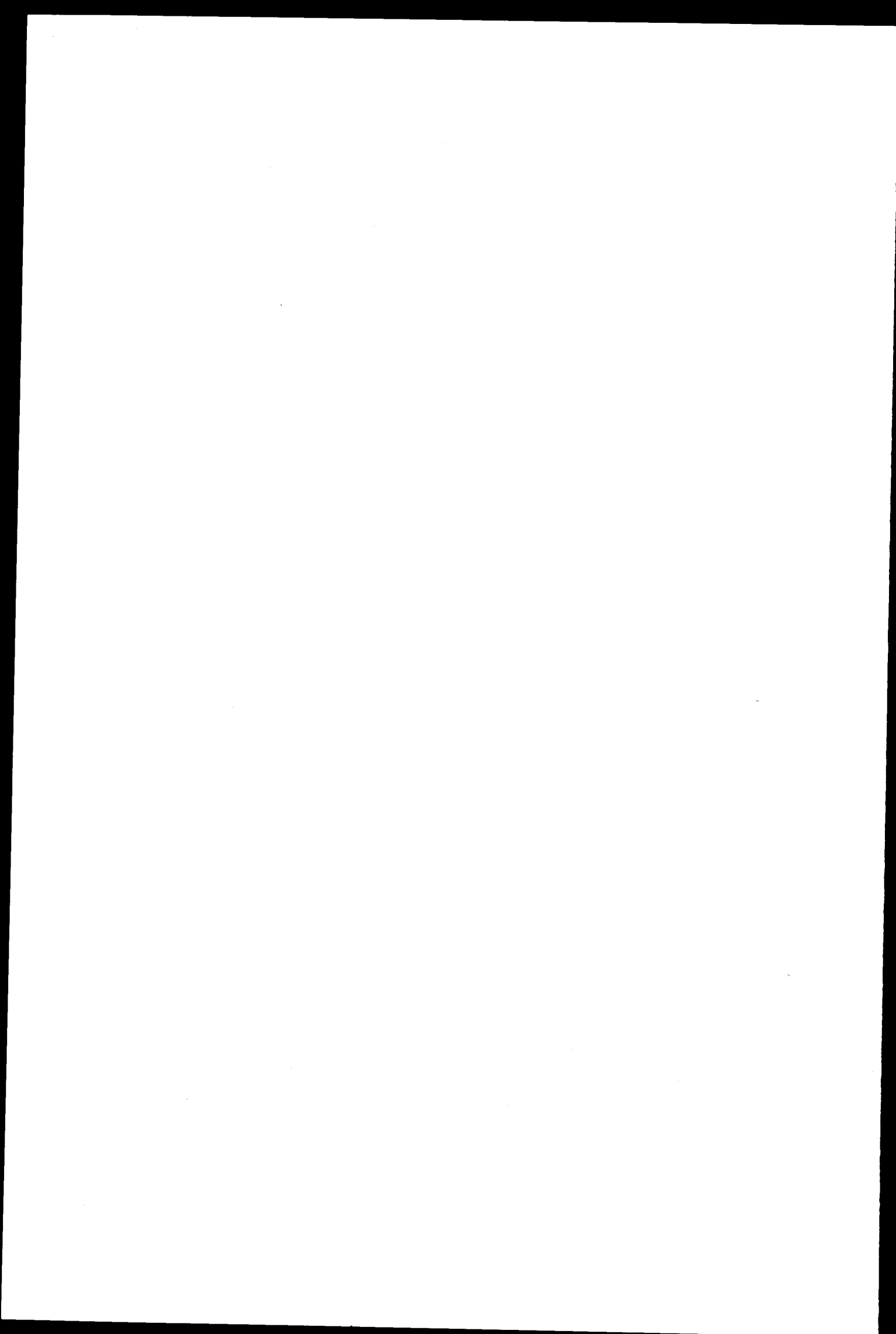
DOCUMENT 73/74

Report

on the Seventh General Report from the Commission of the European
Communities on the activities of the Communities in 1973 (Doc. 368/73)

Rapporteur : Mr A. ROSSI

PE 36.700/fin.



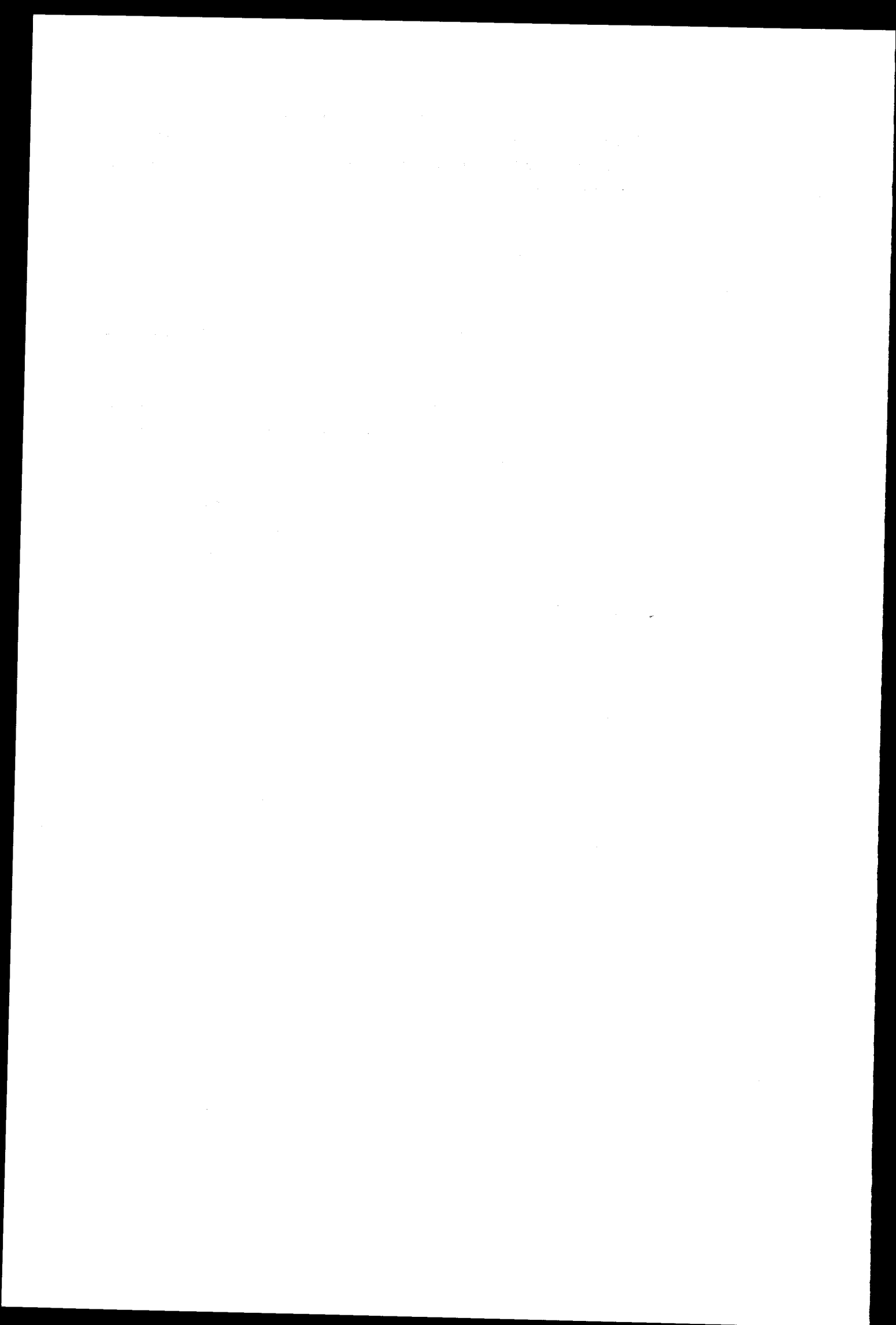
At its sitting of 14 February 1974 the European Parliament adopted a resolution on the procedure for the consideration of the Seventh General Report from the Commission of the European Communities on the activities of the Communities in 1973 (Doc. 368/73).

At the sitting of 13 March 1974, Mr André ROSSI was appointed general rapporteur.

Pursuant to the Parliament's resolution, the present general report takes the form of a motion for a resolution which was submitted for approval to the Political Affairs Committee at its meeting of 30 April 1974.

The Political Affairs Committee, in the presence of the draftsmen of the opinions of the other parliamentary committees, adopted the general report unanimously.

The following were present: Lord Gladwyn, vice-chairman and acting chairman; Mr Radoux, vice-chairman; Mr Rossi, general rapporteur; Mr Achenbach, Mr Ariosto, Mr Behrendt, Mr Bertrand, Mr Colin, Mr Corterier, Mr Dalsager, Mr Fellermaier, Mr Jahn, Mr Kirk, Mr Luecker, Mr Normanton, Mr Patijn, Mr Petersen, Mr Scott-Hopkins and Mr Van den Sanden.



MOTION FOR A RESOLUTION

on the Seventh General Report from the Commission of the European Communities on the activities of the Communities in 1973

The European Parliament,

- having regard to the Commission's Seventh General Report on the activities of the Communities in 1973 (Doc. 368/73), its programme for 1974 and its declaration on the state of the Community¹;
- having regard to the report submitted by Mr A Rossi pursuant to its resolution² of 14 February 1974 (Doc. 73/74),
- conscious of its responsibilities as the Assembly of the representatives of the peoples of the Member States joined in the Community;

A. STATE OF THE COMMUNITY

1. Recalls the importance of the Community's achievement and the positive results attained in the field of economic and social integration which have enabled the Community to assert itself as a force for progress.
2. Notes that the serious difficulties suffered by the Community in 1973 had been precipitated by very considerable changes in the world economic and monetary system; but considers that its deeper roots are to be sought in an excessively technical approach in the process of European construction, in the attendant weakening of the political role of the Community's institutions, and in the absence of correlation between progress towards economic union and political union;
3. Deprecates the progressive deterioration of the Community's decision-making machinery, characterized by the simultaneous weakening of the Commission's power of initiative and the growing paralysis of the Council - and finds that this deterioration is leading both to abandonment of the search for the Community's higher interests and to sterile conflicts based on national interests;
4. Deplores the fact that, despite the importance of the commitments then entered into, the Summit Conferences of 1972 and 1973 have not so far contributed to genuine progress of the Community and is disturbed by the possible repercussions of this proof of impotence upon public opinion in the Member States, particularly in regard to long-term commitments, such as the achievement of European union, which are of decisive significance for the Community's future;
5. Emphasizes the paramount role that should be played in the building of a united Europe by the representative institution of its peoples, and the consequent urgent need for real strengthening of its activities and powers;

¹ see COM (74) 150 final of 31.1.1974

² OJ No. C23 of 8.3.1974, p. 63

6. Is profoundly convinced that only closer political integration will enable the Community to assert and fully assume its identity on the international scene within the framework of its traditional alliances and of the western world to which it belongs;
7. Solemnly asserts that both the lessons of the 15 years of the Community's existence and the new exigencies of the present international situation clearly demonstrate that for each and all of the nine Member States there is no alternative to the path of European integration, and that a united Europe is still essential for the preservation of an exceptional centre of progress and culture, for world equilibrium and for the safeguarding of peace;

B. ACTIVITIES OF THE COMMUNITY IN 1973

8. Appreciates the efforts made by the Commission, in the particularly difficult conditions of 1973, to submit proposals needed for the progress of Community action, but finds that the latter had been seriously impeded by the malfunctioning and paralysis of Community machinery and particularly of that of the Council as well as by two external factors (the monetary crisis and the energy crisis);

I. Economic organization of the Community

Economic and monetary union

9. Calls attention to the considerable progress achieved in the area of competition policy and asks the Commission to be kept regularly informed of the current progress of the implementation of the regulation on the control of the concentration of undertakings, once it comes into effect;
10. Regrets that, contrary to the high hopes raised by the Paris Summit Conference of October 1972, the Community had in fact regressed during 1973 as far as economic and monetary union is concerned;
11. Finds that this state of affairs is primarily attributable to the attitude of the Council, but considers that it is up to the Commission to submit, when it sees fit, detailed and practical proposals for overcoming the difficulties which have been encountered;
12. Invites the Commission to submit without delay detailed proposals for conferring upon the Community real powers of decision in the economic and monetary sphere;

The Community budget

13. Regrets that owing to the essentially descriptive nature of the General Report it is not possible to discern in the financial and budgetary areas a more coherent overall policy, although with the progress of common policies the size of Community budgets is constantly growing;
14. Is disappointed by the serious shortcomings of the Commission's amended proposals for strengthening the Parliament's budgetary powers, since they take no account of some essential points embodied in the resolution of 5 October 1973 concerning notably Parliament's power of co-decision in regard of acts which have important financial implications;
15. Stresses the Commission's share in the responsibility for the delay in the submission of its proposals in the matter, and declares that it cannot acquiesce in further postponements of commitments undertaken by the Commission and the Council for 1 January 1975;
16. Regrets that it had not been possible to make in time decisions concerning tax harmonization and particularly the definition of a uniform basis of value-added-tax assessment, so as to enable the system of the Communities' own resources to be implemented from 1.1.1975 and urges the speedy adoption of these decisions in order to minimize the duration of any transitional system which will have to be introduced.
17. Appreciates the Commission's efforts to reorganize the administrative structure of financial control, but considers that real control of own resources and Community expenditure requires a thoroughgoing transformation of the character and spirit of the relationship between the Commission and the Member States as they have so far developed;
18. Recalls that the draft general budget which is laid before it every year is but a reflection of an overall policy and its attendant individual actions which have been adopted before the drafting of the budget text - and consequently regrets that the formulation of this policy and the main acts into which it is translated have not always been the subject of a satisfactory dialogue between Parliament on the one side and the Commission and Council on the other;

The functioning of the Common Market and the Customs Union

19. Is of the opinion that although progress has been made in 1973 in the banking and insurance sectors, Community institutions should give greater consideration to the implementation of the right of establishment, because of the considerable delays which have accumulated in this matter;

20. Considers it intolerable that no liberal profession is yet able to enjoy the freedom to supply services and calls for the implementation of the provisions of Article 57 of the EEC Treaty which envisages the possibility of the Council, acting by a qualified majority, issuing directives for the mutual recognition of diplomas;
21. Asks the Council to adopt as soon as possible the proposals for directives on the harmonization of national legislations on company law;
22. Shares the Commission's anxiety about the compartmentalization of the public contract supply market and recommends that it should apply Article 235 of the EEC Treaty with the aim of liberalization of the greatest possible number of areas in the semi-public sector;

Common Agricultural Policy

23. Notes that international monetary upheavals continued to impede the unity of the common agricultural market in 1973, but considers that the efforts to bring about economic and monetary union will enable the machinery of the common agricultural policy to be re-established;
24. Underlines with satisfaction that in the face of progressive world inflation, the common agricultural policy exercised a moderating role and constituted a factor of relative stability in regard to food prices throughout the Community, including the three new Member States, which benefit from compensatory amounts under the terms of their accession;
25. Believes that a better balance should be sought between the prices of animal and plant products - and requests the Council to complete its procedure on the directive introducing a special system of aids for hill farming and farming in certain less favoured areas;
26. Considers that, while certain adjustments may be appropriate in the light of changes in the world situation and while commitments towards third countries must be respected, the basic principles of the common agricultural policy should be maintained;

Regional Policy

27. Endorses the Commission's statement that there can be no progress towards economic and monetary union unless intra-Community regional imbalances are corrected, and deplores the fact that the Council, despite solemn commitments entered into by the Heads of State or Government, has not yet reached the agreement which would enable the European Regional Development Fund to be established;

28. Believes that the Commission should, as a matter of priority, bring about effective co-ordination of the regional policies of the Member States and invites the Commission to formulate and put into effect an overall regional development policy on a European scale;

Energy Policy

29. Points to the modesty of the Commission's proposals on energy policy and to the need for measures genuinely appropriate to world developments in this sector;
30. Regrets that, despite the discussions at the Copenhagen Conference of Heads of State and of Government, the Commission has not been able to convince the Council and the Member States of the vital importance of and urgent necessity for a common energy policy;
31. Invites the Commission and Council, therefore, to promote as soon as possible the measures necessary to provide the Community with integrated or co-ordinated energy sources totally independent of the outside;

Research and Technological Policy

32. Notes that the adoption of the multi-year research programme opens up new perspectives for Community progress in this area;
33. Welcomes the formulation of the guiding principles of a programme of action in scientific and technological policy, but repeats its request that these proposals find expression in a second, more detailed and more comprehensive, programme of action;

Transport Policy

34. Was pleased to note that the Commission submitted on 24 October 1973, in the form of a memorandum to the Council, a general outline of a common transport policy and approves the initiatives taken in 1973 in this sector;
35. Invites all the Community Institutions to make efforts to ensure that re-activation of the transport policy begins from 1975 to produce results in terms of free movement and justice in the Community's transport sector;

Community Law

36. Urges the Commission whenever the need arises to base its proposals to the Council on the legal basis of Article 235 of the Treaty establishing the EEC, as it had been advised to do by the Paris Summit Conference of October 1972;
37. Stresses the urgent need for Community regulations for the protection of basic citizens' rights in regard of the use of certain electronic information systems (data banks);

38. Expects the Commission to intensify, if possible in close co-operation with the Court of Justice of the European Communities, its information activities on Community law;

II. THE COMMUNITY IN THE SERVICE OF MAN

Social Policy

39. Approves the priorities laid down by the Commission in its social action programme and welcomes the measures undertaken by the Commission in respect of handicapped workers and migrant workers;
40. Regrets that the Community is not equipped, especially in the framework of the new European Social Fund, with administrative and financial resources adequate to ensure a real contribution to the improvement of the living and working conditions of the peoples of the Community;
41. Deplores the fact that differences of opinion within the Council have prevented the holding in 1973 of the tripartite conference envisaged by the Paris Summit;

Public Health and Environmental Policy

42. Stresses the basic need for a common policy on public health and the environment in order to preserve the human dimensions of Community action and to provide the population with an appropriate quality of life;
43. Hopes that the timetable for implementing the environmental programme will be adhered to and stresses the need for quick implementation of the first programme on consumer protection and information, by giving priority to action in such areas as consumer credit, labelling and complaints;
44. Regrets the lack of progress made towards the free movement of pharmaceutical products within the Community;

The Policy on Information and Youth

45. Requests the Commission to provide it with exact details of the use of the information material at its disposal and to report to it on the activities of its information offices in the Community, particularly in the new Member States, as well as in third countries;
46. Urges the Commission to intensify its information activities among young people with a view to giving them a clearer idea of the Community's problems and enabling them to come into contact with each other across frontiers;

III. THE COMMUNITY IN THE WORLD

47. Recalls the increased responsibilities of the Community in the world and the fact that it plays a part in a vast system of relations with third countries and international organizations;¹

Political Co-operation

48. Expresses satisfaction with the statement on the European Identity published at the Copenhagen Summit Conference on 14 and 15 December 1973, but believes that a genuine European Identity calls for the Community to speak with one voice in its external relations;
49. Calls for a real strengthening of political co-operation which, depending as it does on the Community and its Institutions, enables Europe as a community to assert its economic and intellectual ability and potential in the world;
50. Considers that the problems of European defence mentioned in the statement on the European Identity should be studied at Community level;
51. Sees the confirmation by the Copenhagen Summit Conference of the Council declaration of 6 November 1973 on the Middle-East problem, as a constructive contribution by the Community to the establishment of a fair and lasting peace in the Middle-East;
52. Welcomes the fact that the Member States succeeded in reconciling their points of view at the Conference on Security and Cooperation in Europe;
53. Invites the Commission, the Council and the governments of the Member States to make every effort to initiate a constructive dialogue between the Community and the United States of America;

External Economic Relations

54. Endorses the Commission's attempts to have the Community recognized as such at international level and hopes that the Community clause in Member States' bilateral agreements will be systematically developed;
55. Notes that the common commercial policy became legally operative on 1 January 1973 and insists that agreements covering external economic relations which still come under the competence of the Member States should be included in the Community framework;
56. Notes with satisfaction that agreements concluded between the Community and other EFTA countries made possible the creation of a free-trade area for industrial products and services in 1973;

¹ A list of agreements concluded by the Community is annexed.

57. Endorses the Commission's attempts to implement an overall Mediterranean policy and invites the Council to give the Commission further powers towards that end;
58. Expresses satisfaction with the agreement concluded with Cyprus and now looks forward to the conclusion of an agreement with the Maghreb countries;
59. Recommends implementation of the action referred to in the Association Agreement between the Community and Turkey;
60. Points out that only a free and democratic Greece will be able to benefit from the advantages provided for in the Association Agreement with the Community;
61. Regrets that the Community has been unable to take part in the negotiations on the new international sugar agreement, and hopes that in the future it will be able to subscribe to any further international agreements on basic products; welcomes also the fact that the Commission takes an active part in the current negotiations on Article XXIV (6) of GATT;

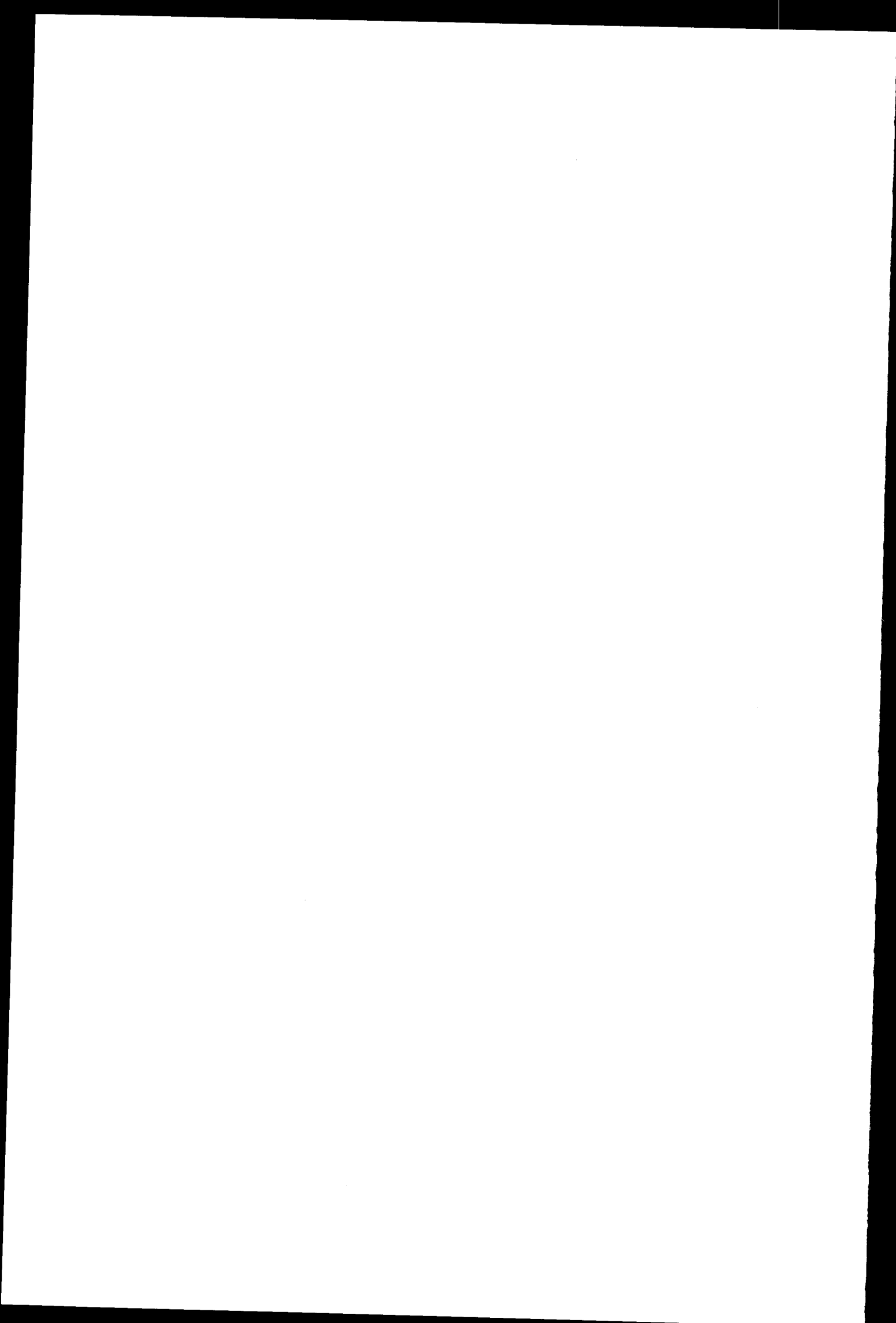
Development Co-operation and Aid

62. Invites the Council and Commission to use every possible means to bring the new Association Agreement with certain African and Commonwealth countries into force on 1 February 1975 and to speed up the formulation of an overall Community policy on development co-operation;
63. Requests the Commission to submit proposals for special aid to the least-developed countries along the lines of the recommendations made at the 3rd UNCTAD Conference;
64. Considers that the Community generalized preference system adopted for 1974 should be improved in order to guarantee receiving countries greater benefits than those obtained under the system applied by the Six and the three new Member States in 1973;
65. Expresses satisfaction with the food aid granted by the Community to the Sahel countries and Ethiopia and hopes that it will be increased and granted more promptly in view of the acute famine which is still prevalent there and in adjoining regions;
66. Believes that the definition of the European Identity calls for the existence of a true partnership with the developing countries and therefore invites the Commission to
 - harmonize and co-ordinate the development aid policy of the Member States;

- encourage exports from the developing countries;
- assist their regional integration programmes;
- take greater account of their debt problems;

C. FUTURE OF THE COMMUNITY

67. Urges a new effort in Community action calculated to consolidate the very considerable results already achieved which make it possible to attain, despite the present difficulties, practical progress towards the economic and political integration of democratic Europe.
68. Solemnly appeals to the parliaments of the Member States to join with the European Parliament in its attempts to induce national governments to make a new Community effort powerful enough to guarantee continuation of the integration process and attainment of a genuine European Union by 1980;
69. Proposes that the new effort should cover three main fields of action:
- democratization and effectiveness of the Community: by increasing the powers of the European Parliament and by a decision that it be elected by direct universal suffrage; by the Commission and Council reverting to the tasks assigned to them by the Treaties;
 - strengthening of economic and monetary union: by reverting to a Community monetary discipline and effective co-ordination of national economic policies to cope jointly with the serious problems of inflation;
 - assertion of European solidarity and identity: by strengthening the political co-operation which enables Europe as a community to speak with a single voice in economic as well as political matters and in large international circles;
70. Instructs its President to forward this resolution to the Council and Commission of the European Communities;
71. Invites its President also to forward this resolution to the national parliaments and to propose that they organize simultaneous debates to draw the attention of public opinion and of the governments to the gravity of the problems.



Agreements concluded by the CommunityASSOCIATION AGREEMENTS

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
GREECE	1.11.1962	indefinite	Article 238	Protocol in course of negotiation	Association Agreement establishing customs union with aim of accession. Since April 1967 confined to current administration
TURKEY	1.12.1964	indefinite	Article 238	Additional Protocol of 30.6.73 in course of ratification. Under Interim Agreement, prior entry into force of the Protocol's trade provisions on 1.1.74	Association Agreement establishing customs union with aim of accession.
CYPRUS	1.6.1973	4 years (30.6.1977)	Article 238	Entry into force of Protocol on 1.6.1973	Association Agreement with the aim of the gradual introduction, during the second stage, beginning 1.7.1977, of a customs union over a period of, theoretically, 5 years
MALTA	1.4.1971	5 years (31.3.1976)	Article 238	There is no adjusting protocol	Association Agreement with the aim of the gradual introduction, during the second stage beginning 1.4.1976, of

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
					a customs union over a period of, theoretically, 5 years. Extension of the agreement (to agricultural products and cooperation) now being prepared.
MOROCCO	1.9.1969	Expiry date 1.9.1974	Article 238	Adjusting protocol signed 2.3.1973 and ratified 28.12.1973	Association Agreement
TUNISIA	1.9.1969	Expiry date 1.9.1974	Article 238	Adjusting protocol signed 26.2.1973, still to be ratified by Tunisia	Association Agreement
Associated African States and Madagascar	31.1.1971	4 years (1.1.1975)	Article 238	Article 109 of the Act of Accession provides that arrangements resulting from the association 'shall not apply in relations between the new Member States and the States associated with the Community' until 31.1.1975 (Art.115)	Convention of Association
United Republic of Tanzania Republic of Uganda Republic of Kenya	ditto	ditto	ditto	ditto	Association Agreement

TRADE AGREEMENTS WITH EUROPEAN COUNTRIES

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
SWITZERLAND	1.1.1973	indefinite	Article 113	Agreement applies to the enlarged EEC	Preferential trade agreement establishing a free-trade area
SWEDEN	1.1.1973	indefinite	Article 113	Agreement applies to the enlarged EEC	Preferential trade agreement establishing a free-trade area
AUSTRIA	1.1.1973	indefinite	Article 113	Agreement applies to the enlarged EEC	Preferential trade agreement establishing a free-trade area. (An Interim Agreement between Austria and the EEC came into force on 1.10.72 but has been replaced by the Final Agreement on 1.1.73)
ICELAND	1.4.1973	indefinite	Article 113	Agreement applies to the enlarged EEC	Preferential trade agreement establishing a free-trade area
NORWAY	1.7.1973	indefinite	Article 113	Agreement applies to the enlarged EEC	Preferential trade agreement establishing a free-trade area
FINLAND	1.1.1974	indefinite	Article 113	Agreement applies to the enlarged EEC	Preferential trade agreement establishing a free-trade area

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
SPAIN	1.10.1970	Minimum of 6 years	Article 113	Protocol of 30.1.73 provides that the Agreement shall not apply to the three new Member States in 1973	Preferential trade agreement (free trade). The new agreement being negotiated envisages the establishment of a free-trade area
PORTUGAL	1.1.1973	indefinite	Article 113	Agreement applies to the enlarged EEC	Preferential trade agreement establishing a free-trade area
YUGOSLAVIA	1.9.1973	5 years	Article 113	Agreement applies to the enlarged EEC	Non-preferential trade agreement

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
ARAB REPUBLIC OF EGYPT	1.11.1973	1.11.1978	Article 113	Protocol signed simultaneously with the Agreement and both came into force together	Preferential trade agreement
LEBANON	1.7.1965 signed on 18.12.1972	annually renewable 5 years	Article 113 Article 113	Adjusting Protocol came into force on 1.7.1973 Adjusting Protocol will come into force together with the Agreement (signed 6.11.1973)	Trade and technical cooperation agreement Preferential trade agreement (not ratified by the Lebanon so far)
ISRAEL	1.10.1970	1.10.1975	Article 113	Protocol of 30.1.73 provides that the Agreement shall not apply to the three new Member States in 1973	Preferential trade agreement. The new agreement being negotiated envisages the establishment of a free-trade area

TRADE AGREEMENTS WITH ASIAN COUNTRIES

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
INDIA	1974	5 years renewable	Articles 113 and 114	Agreement negotiated with enlarged EEC	Trade Cooperation Agreement of 18.12.1973
INDIA	1.9.1969	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in certain handicrafts + Supplementary Agreement
INDIA	1.7.1968	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.73	Agreement on trade in handloom-woven silk and cotton fabrics
INDIA	1.1.1970	3 years	Article 113	Extended to 31.12.1973. New agreement, negotiated by the Nine, signed 17.12.1973	Agreement on trade in jute products
INDIA	1.8.1969	indefinite	Article 113	New agreement, negotiated by the Nine, signed 17.12.1973	Agreement on trade in coir products

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
INDIA	1.10.1970 expired 30.9.1973	3 years	Article 113	Note Verbale (March 1973) raising voluntary restraint ceilings	Agreement on trade in cotton textiles
PAKISTAN	1.9.1969	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in handicrafts
PAKISTAN	20.6.1970	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in handloom-woven silk and cotton fabrics
THAILAND	1.1.1973	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in handicrafts
THAILAND	1.1.1973	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in handloom-woven silk and cotton fabrics
PHILIPPINES	1.1.1973	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in handicrafts

COUNTRY	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS (Article of the Treaty of Rome)	APPLIES TO THE ENLARGED EEC IN VIRTUE OF	REMARKS
INDONESIA	1.1.1973	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in handicrafts
SRI LANKA (CEYLON)	1.1.1973	indefinite	Article 113	Annual autonomous quota was doubled by the Regulation of 28.12.1973	Agreement on trade in handicrafts
BANGLADESH ⁺	1.1.1973	1 year	Article 113	New agreement with the Nine in course of negotiation	Agreement on trade in jute products

+ Reactivation of the old agreement (with Pakistan) on trade in jute products for the last year of the three-year agreement.

TRADE AGREEMENTS WITH LATIN AMERICAN COUNTRIES

COUNTRY --- Date of signing	DATE OF ENTRY INTO FORCE	DURATION	LEGAL BASIS	APPLICATION TO ENLARGED EEC	REMARKS
ARGENTINE	1.1.1972	3 years	Article 113	Article 4 of the Act of Accession	Non-preferential trade agreement
URUGUAY 2.4.73	-	3 years	Article 113	Article 4 of the Act of Accession	Non-preferential trade agreement
BRAZIL 19.12.73	-	3 years	Article 113	Article 4 of the Act of Accession	Non-preferential trade agreement

