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Report

to the Consultative Assembly of the Council of Europe

I

Minimal conditions to be satisfied to ensure the success
of European co-operation in the field of monetary policy

II

Activities of the European Parliament
from 1 May 1968 to 30 April 1969

Rapporteur: Mr. N. Hougardy

* 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.

On 8 May 1969 the Committee of Presidents, in accordance with Article 52 of the Rules of Procedure, appointed Mr. Norbert Hougardy as Rapporteur to prepare the annual report on the activities of the European Parliament from 1 May 1968 to 30 April 1969 to be submitted to the Consultative Assembly of the Council of Europe.

In agreement with the Bureau of the Consultative Assembly of the Council of Europe, the following subject was chosen for discussion at the meeting of members of the Consultative Assembly and of the European Parliament : "Minimal conditions to be satisfied to ensure the success of European co-operation in the field of monetary policy".

At its meeting of 2 July 1969 the Committee of Presidents approved the full text of the draft report drawn up by Mr. Hougardy for submission to the Parliament.

Present :

Bureau of the European Parliament : Mr. Scelba, *Président* ; MM. Berkhouwer, Furler, Corona, Rossi, De Gryse, Wohlfart, *Vice-Presidents*.

Chairmen of Committees : Mrs. Elsner, MM. Spenale, Boscary-Monsservin, Müller, Kriedemann (for Mr. de la Malène), Posthumus, Glinne.

Chairmen of Political Groups : Mr. Illerhaus, *Chairman of the Christian Democrat Group* ; Mr. Vals, *Chairman of the Socialist Group* ; Mr. Triboulet, *Chairman of the European Democratic Union Group* ; Mr. Houdet, *Acting Chairman of the Liberals and Allies Group* ; Mr. Merchiers (for Mr. Hougardy, *Rapporteur*).

The report was approved by the European Parliament at its sitting of 4 July 1969 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 of the Consultative Assembly to be held on 3 and 4 October 1969.

CONSULTATIVE ASSEMBLY
OF THE
COUNCIL OF EUROPE

11 July 1969

Doc. 85

REPORT

*to the Consultative Assembly
of the Council of Europe on the
activities of the European Parliament*

from 1 May 1968 to 30 April 1969

(Rapporteur: Mr. HOUGARDY)

The report to the Consultative Assembly of the Council of Europe on the activities of the European Parliament from 1 May 1968 to 30 April 1969 is available in a separate French edition. It is also published by the Secretariat of the European Parliament (19 a, rue Beaumont, Luxembourg) in German, Italian and Dutch.

In accordance with Article 52 of the Rules of Procedure, the Committee of Presidents on 8 May 1969, appointed Mr. Norbert Hougardy to prepare the annual report to the Consultative Assembly of the Council of Europe on the activities of the European Parliament from 1 May 1968 to 30 April 1969.

By agreement with the Bureau of the Consultative Assembly of the Council of Europe, the subject chosen for debate at the meeting of members of the Consultative Assembly and the European Parliament was: "Minimum conditions for the success of European monetary co-operation".

On 2 July 1969 the Committee of Presidents approved Mr. Hougardy's draft report.

ASSEMBLÉE CONSULTATIVE
DU
CONSEIL DE L'EUROPE

11 juillet 1969

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RAPPORT

*à l'Assemblée Consultative
du Conseil de l'Europe
sur l'Activité du Parlement Européen*

du 1^{er} mai 1968 au 30 avril 1969

(Rapporteur: M. HOUGARDY)

Le rapport à l'Assemblée Consultative du Conseil de l'Europe sur les activités du Parlement Européen du 1^{er} mai 1968 au 30 avril 1969 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.

Present :

Bureau of the European Parliament :

Mr. Scelba, President ;
MM. Berkhouwer, Furler, Corona; Rossi,
de Gryse, Wohlfahrt, Vice-Presidents.

Chairmen of committees :

Mrs. Elsner, MM. Spenale, Boscary-Monsservin, Müller, Kriedemann (for Mr. de la Malène), Posthumus, Glinne.

Chairmen of political groups :

Mr. Illerhaus, Chairman of the Christian Democrat Group ; Mr. Vals, Chairman of the Socialist Group ; Mr. Triboulet, Chairman of the European Democratic Union Group ; Mr. Hou-

det, Acting Chairman of the Liberal and Allied Group and Mr. Merchiers, substituting for Mr. Hougardy, Rapporteur.

The report was approved by the European Parliament at its sitting on 4 July 1969 and transmitted by its President to the President of the Consultative Assembly of the Council of Europe. It is to be discussed at the joint meeting of the members of the European Parliament and of the Consultative Assembly to be held on 3 and 4 October 1969.

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PART ONE

**Minimum conditions for the success of
European monetary co-operation****Introduction**

1. Of the events of the late sixties, the increasingly thorny problems encountered in the operation of the international monetary system are among those with the gravest implications. Not only have they shaken confidence in the Western world's whole economic and monetary system: to an even greater degree they have cast renewed doubt on the system of political relations. For by their very nature these problems have political causes and effects.

Financial and economic policy measures of a radical kind will undoubtedly be needed to hold the crisis in check. But to end it, action in these fields alone will not be enough. A return to normal is not possible unless the political origins of the crisis are understood and the necessary political conclusions drawn.

The causes are political, not only in the sense that the difficulties appear to flow from the application of faulty or mistaken monetary or economic policies by the governments concerned, but also, and principally, because these difficulties arise from the absence of suitable structures. The monetary geography of the Western world no longer reflects its political geography. Each of last year's crises was due to the weakness of the two main reserve currencies, the dollar and the pound. However, the main cause of the dollar's weakness is the world role which the United States feels obliged to play and the excessive burden this places on the American budget; as for the weakness of the pound sterling, it is due principally to the new place of Great Britain in world politics. Britain's political function is no longer commensurate with her monetary role; the structure of the sterling area, which is the monetary basis of sterling's world role, no longer corresponds to political and economic reality.

2. Both these lines of crisis lead us to Europe. Easing the excessive burden borne by both the United States and Great Britain in world politics raises the question — more directly

in the case of Great Britain — of Europe's readiness and ability. In both cases, Europeans have at their disposal the means of producing change — for the worse or for the better.

The first step by the Community towards the consolidation of world trade and the transformation of its structures has been achieved by means of the Kennedy Round. By contrast, Western Europe's role in monetary and foreign policy is insignificant; moreover, its influence is far more often negative than positive, for Europe is a source of disturbances and of anxiety. To implement a policy aimed at the creation of a monetary union in support of a separate reserve currency¹, and in connection with this, to establish a unified foreign policy — without which, monetary union is an illusion — is what is needed now. Both could indeed bring about an improvement in the balance between the world's political, commercial and monetary geography.

We are all becoming more and more clearly aware of the need to achieve this aim, and there is a growing tendency to see a solution to the world's monetary problems in the setting-up of a "European monetary area" or a "European reserve currency". But such schemes can certainly not be carried through immediately. To begin with, it will be necessary to establish intermediate objectives and work towards minimum conditions. Yet these cannot themselves be achieved unless they are considered as the by-product of a course of action whose primary aim is to overcome short-term economic obstacles; nor can they be reached in a round-about way. Whether the objective is a monetary area, a monetary reserve or a European monetary union, *none of these can be attained in isolation*. To reach this goal, or even to approach it, *monetary measures are not enough*. But it is essential that the goal should condition the political action taken in Western Europe at all its intermediate stages.

The Community's situation and problems

3. To the needs dictated by conditions outside the Community must be added those arising

1. A wish expressed by the European Parliament in its resolution of 14 March 1968, para. 16, and by the Commission in the Hougardy Report, Document 210/67.

from within. Europe, and more especially the Community, which is its nucleus and is now preparing to assume a political role, are currently passing through the most critical period of their existence. Having attained the customs union and the common agricultural market, the Economic Community is feeling the need for an infinitely higher degree of political unification than in its first ten years. But at the same time the world political situation is obliging member states to take on ever greater responsibilities in foreign policy. Hence the disharmony which exists between these states and between their policies, as revealed in a particularly harsh light by the monetary crisis through which Western Europe is presently passing ¹.

A mere customs union and a common agricultural organisation which is confined to the marketing of produce will not survive long unless the political and economic conditions governing production in the six countries are harmonised and the market is developed to the point of economic union.

This has long been generally acknowledged as a correct appraisal of the situation and a fair account of the causes underlying the Community's present difficulties. These difficulties stem on the one hand from differences revealed by the increasing economic interpenetration of the six states and on the other from the lack of co-ordination between their economic policies. The Common Market does not possess the joint machinery it needs for overall management.

1. The political character of monetary problems is even more immediately evident inside the Community than in the international monetary system in general. For this reason, I have attached prime importance to the political problems which arise and the *political* tasks to be performed in connection with them. Such problems and tasks are of course also implicit in the choice of technically appropriate forms and means of monetary co-operation; but the elaboration of these is a matter for specialist committees rather than for discussion between two parliamentary assemblies. I have therefore not only sought to ascertain what measures member states and the Community should take to overcome the crisis; it seems to me just as necessary, if not more urgent still, to inquire into the political conditions under which such measures might be implemented, the obstacles to their application and the price to be paid for taking, or omitting to take them. In short, it has seemed worthwhile to give thought both to the means whereby monetary co-operation might be achieved and to *the way* towards those means. That is the essence of our political task.

4. The countries of the Community, taken together, thus occupy a special position in the world. It is surely because of the high degree of economic interpenetration in the world that all countries are nowadays affected by the economic crises which flare up in the major states. (This vulnerability, by the way, is not something purely negative; the risk of contagion is the most powerful factor for strengthening international solidarity and the best ally of countries threatened by a crisis.)

But interpenetration between the states of the Community is incomparably more advanced than that between them and the majority of outside countries or between outside countries themselves.

Furthermore, the Community constitution restricts the sovereign power of member states to overcome their economic difficulties as they see fit.

Their closer economic interdependence and limited scope for political action and reaction pose special problems for the Community's member states, while at the same time determining the tasks facing them.

5. The economic interdependence of the Six is a direct result of the level of trade between them. In 1967, 44 % of the foreign trade of the states of the Community was with their Common Market partners. For some of the states, Community trade amounted to more than half the total foreign trade: 56 % of the imports and 63 % of the exports of the Belgium-Luxembourg customs union, and 55 % of Netherlands imports and exports was accounted for by other states in the Community. Since in these two cases foreign trade represents 30 % and 40 % of the gross national product, up to 25 % of the whole national product goes into inter-Community trade.

This interpenetration of markets means that member states of the Community are more influenced by the economic situations of their Common Market partners; and this is becoming increasingly so. Different *developments* in the economic situation, prices and incomes of member states have effects — in proportion to the scale of such developments — on the economic fortunes of all: commercial outlets are reduced, or exports stimulated, for example.

Likewise, different ways of *handling* economic developments in the states of the Community affect national economic policies. The effectiveness of the measures which a country takes to deal with an economic situation — such as credit restrictions intended to curb expansion — may be completely cancelled out by another state's policy aimed at encouraging growth ¹.

6. Thus the ways in which governments can act in economic and monetary policy matters are increasingly modified. Economic trends are no longer a purely "domestic" problem: the six economies are caught up in a general current, and although this can still, up to a point, be nationally directed, protection on a national scale is no longer possible. Every government must expect to see its own economy influenced by its partners' policies, but it can exert no direct influence on them. It cannot now even protect itself against possible unfavourable repercussions, except by placing restrictions on international trade, in other words by applying a policy contrary to the rules agreed by the member states of the Community, or by introducing a flexible system of exchange rates, the effects of which would also run counter to the aims of the Community treaties ².

The freedom of action of the institutions responsible for economic policy is thus limited in two ways. *National governments* continue to bear responsibility for the overall development of the economy. But they can no longer act

1. To take only one example, the economic expansion in Italy and France in 1963-64 gave a powerful impetus to exports, especially those of the Federal Republic, and these in their turn affected economic activity in Italy and France and helped to cause an inflationary trend in those countries. There was a contrary movement following the success in 1964-65 of the efforts of stabilisation made in Italy and France, which also had a stabilising effect in the Federal Republic. In 1967 it was that country's turn to suffer a recession, whose repercussions were felt by her partners in proportion to the scale of the West German economy.

2. It is interesting to note the repeated assertions of eminent economists that *flexible exchange rates* are a "panacea" which would enable states to pursue "independent economic policies". Yet this system would introduce into trade relations an element of uncertainty which would be bound to have repercussions on the volume of trade between states. *Internally*, balance of payments would be achieved by flexible exchange rates, but in some cases this would inevitably be at the cost of a slowing-down of growth and increased unemployment.

independently in all sectors; their freedom is restricted by Community machinery.

As for the freedom of action of the *Community institutions*, this in turn is limited by the powers still wielded by national governments. In certain important economic sectors these institutions have no power at all, or their power is only accessory.

No political body bears direct and full responsibility for the entire economic and political weight of the Common Market for no such body exists. Thus the six economies are striving to achieve a *single* market without conforming to a *single* overall authority. There is no suitable governing machinery to regulate the working of the market as a whole. Attempts to establish a common medium-term economic policy have so far been pursued only on a voluntary basis. Yet automatic control of markets is even less likely in the Community, in view of its great variety of production and marketing conditions, than in national economies.

7. The monetary difficulties of the year under review have clearly shown the possible consequences of such a situation:

(i) One effect of these monetary problems is to distort the pattern of competition in the agricultural market. What Community remedies might be applied is not yet known. But in any case they will be complex and difficult to find; and the danger of the disintegration of certain important Community sectors and of a resurgence of nationalism can no longer be ignored ¹.

1. Because of the exchange pressure on the French franc, it is as present possible to buy cereals cheaply in France and sell them at a profit, particularly to the intervention agencies in the Federal Republic of Germany. The special decision to allow the Netherlands, the French Republic and the Federal Republic of Germany to refuse to buy foreign-produced cereals is subject to a time limit, and in any case there is an easy way of getting round it — simply by selling imported cereals to the millers and offering home-produced ones to the intervention agencies.

To these problems there are few solutions; and practically none are at all satisfactory. Bilateral negotiations such as those taking place between the two states principally concerned offer no prospect of lasting solutions, and are in keeping neither with the spirit nor with the aims of the Community. To compensate for fluctuations in the fixed exchange rates for cereals transactions would simply be to shift the problem elsewhere — in this case, to the foreign exchange market; to introduce controls designed to prevent arbi-

(ii) The uneven development of the Community's two most powerful economies has sparked off a serious monetary crisis whose effects have been felt even in the sphere of foreign policy.

To this must be added the effects of an imbalance which is rooted in the very constitution of the Community, the application of which has done nothing to correct it. Only goods, services, capital and persons are exempt from restrictions on movement between countries; the other elements of general economic processes are not yet covered by Community policy, or only to a minute degree. This is true of capital finance (there is still no common capital market) and production (there is still no common policy on industry, on employment or even on farm production or structures). Furthermore, the burdens and social charges borne by companies have not yet been brought into line¹.

The Treaty of Rome envisages the integration of money markets only as a secondary matter, which is why the minimum of co-operation which should come about through meetings between the Finance Ministers is so hard

trage operations would hardly accord with Community principles. The third possibility, the only effective one — if applied — would have the most damaging consequences for the Community; it would involve a levy at internal frontiers to compensate for differences in exchange rates. In practice this would mean the end of the common agricultural market.

Yet the social, and later the political, consequences of altering exchange parities would be more serious still. The Community's agricultural prices, being expressed in a common currency (the unit of account) would move upwards or downwards whenever a member state altered the exchange parity. Farming incomes would rise or fall accordingly, in inverse proportion to the prices of foodstuffs. Prices would drop in a country which revalued its currency, and trade would be just as much affected as farm incomes. Falling incomes would have to be compensated in accordance with prevailing social conditions, either at Community or at national level. The member states would probably agree to the payment of such compensation at national level, and another step would be taken towards the disintegration of the Common Market.

1. It is therefore not by chance that public opinion in Europe is concerned with two questions. First there is the "technological gap" so much discussed in recent years, which covers all the problems arising in a number of key technological sectors and the backwardness of European industry in them. Central to any discussion of this problem is what I am tempted to call the "financial gap": the limited ability of national money markets to supply the capital needed for large-scale technological projects, whether in aeronautics or the nuclear or computer industry.

to accomplish and yields so few productive results.

8. Today, however, debate is centred not on this more distant objective but on the repercussions of inadequate collaboration between the member states on matters of monetary policy inside the Community. The effects are felt in the first place by *political leaders*: the Community institutions, governments and political forces such as social and economic organisations have to face the consequences of the creation of a Common Market, which urgently call for new decisions involving either the extension of the Community to the economic and financial policy of member states or a growing risk of retrogression, with the Common Market once again split up into national markets. The *leaders of the economy* are also affected: their major problem is the need to protect the proceeds of exports from fluctuations in exchange rates. As long as exchange rates in the Community can be revised in isolation, and as long as they can fluctuate in relation to each other within certain margins, no businessman can be wholly safe against loss. Under the rules of the International Monetary Fund, the authorities intervene only when the daily rate moves more than 0.75 % above or below the American dollar. In theory, with this overall flexibility-margin of 1.5 % relative to the dollar, transfers and retransfers can produce a 3 % difference. It is of course possible to shield international transactions against these swings, but to insure them against exchange fluctuations costs money, and the changes in premiums affect competitiveness.

9. Apart from the difficulties facing business circles, their reaction to them — which the defence of their own interests warrants — creates a serious monetary problem. In present circumstances, exporters and bankers are forced to act in self-defence when the repatriation of trade proceeds appears to be threatened, e.g. when there seems reason to fear an alteration in exchange rates within the Community to the detriment of the exporting country. As has been seen quite recently, attempts are made to insure against this risk by not repatriating the proceeds of exports to countries with stable currencies. The inevitable effect of this process is to make

exchange rates even more unstable, since the national balance-of-payments deficit is increased and the currency in danger is weakened still further. Appeals to national solidarity and patriotism will not change this. With the social and economic situation as it is, no businessman is going to be held back by an ethical principle where the competitiveness of his business, and thus his very livelihood, is at stake.

The Community's present economic and monetary system no longer offers any guarantee that individual or national efforts will pay, whether in terms of price stability or economic growth. Even when a state's own policy succeeds, the battle is not necessarily won. The failure of a partner's economic, social or even foreign policy may weigh more heavily and exert a greater influence on the Community's economic development. On the other hand, this development cannot be changed either by the Community's institutions or by the country's own leaders. If it is true that a *single* market means a *single* price system, that uniform prices mean a uniform currency and that a *single* currency means a *single* monetary policy¹, then Europe's proper course of action is clearly marked: *the monetary and financial discrepancies that still exist in the Community must be removed.*

The material conditions needed to remedy the Community's monetary shortcomings

10. If the situation is seen in this light, a number of conclusions suggest themselves. First, consolidation of the Common Market requires close economic co-operation, together with supervision to ensure that the agreements entered into are observed. Further, consideration should be given to adoption within the Community of *fixed parities* (such as that which already exists between the Luxembourg franc and the Belgian franc); these would be introduced gradually, in the form of successive reductions in the margins at present allowed.

1. See article, "The Euro-Dollar and the Internationalisation of United States Monetary Policy" by the American economist C. P. Kindleberger, in *Quarterly Review* II 1969 of the Banca Nazionale del Lavoro, Rome.

The Commission and the European Parliament have laid particular stress on this point¹.

The Common Market can only develop satisfactorily if transactions can be effected free of monetary risks, if the threat of falling incomes as a result of revised exchange rates can be removed and speculation can be discouraged.

But what is meant by "fixed parity"? What it boils down to is that the relative value of the Deutsche Mark must be identical to that of the lira, the guilder and the franc, i.e. the value of national currencies relative to those of outside countries must remain the same. But this also means that increased efficiency in one part of the Community will benefit the Community as a whole and that reduced efficiency will have a damaging effect throughout the Community. In other words, the normal situation that exists inside a single economy must be created: effect must be given to a form of Community solidarity that will provide for financial equalisation measures between highly-developed and less-developed regions of the Community similar to those which now exist at national level.

Such "financial equalisation", made possible by currency parity, could and should be further facilitated by special machinery carefully designed for the purpose².

This account of the conditions that would have to be met simply to guarantee exchange parity is sufficient to show that *there can be no such parity unless the member states undertake to harmonise their economic policies to a large degree.*

11. In the Community this situation was attacked and the remedies stated at a very early stage. We have sufficient proof of this in the considerable preparatory work done by the Community institutions in an attempt to solve the problems. Special committees were set up to follow and analyse economic developments

1. See the Commission's Memorandum to the Council (the "Barre Memorandum") dated 12 February 1969 and the last resolution adopted on this subject by the European Parliament on 28 February 1969.

2. The Community's present institutions, such as the European Investment Bank, the Agricultural Fund, the Social Fund etc. — which could be expanded — and the Community budget, would have additional functions to perform.

both in general and with particular reference to monetary policy¹.

These institutions fill an important gap in the treaty. They supply interested member states with data on what is happening in member countries; these are essential for planning purposes in each state of the Community. But the institutions in question are at present simply "look-out posts" and consultative committees, not political organs. Their action is limited to the furnishing of economic and financial data, assessments and proposals: they have no means by which they themselves *as institutions* can intervene with authority in economic developments.

12. The Commission and the European Parliament therefore took initiatives at a very early stage to make good the omissions in the Community treaties and prevent these omissions from harming the development of the Community².

1. Besides the body provided for in the treaty for co-ordination in monetary matters (the Monetary Committee), the Council has created the following other committees:

- (i) in 1962, a short-term economic policy committee to give opinions on the development of short-term economic policy in the Communities;
- (ii) in 1964, a committee of governors of central banks and a committee on budget policy.

The governors of the central banks consult together on policy principles and guidelines for the central banks. The budget policy committee — which consists of national civil servants responsible for drawing up budgets and of representatives of the Commission — compares the main lines of national budgetary policies and examines their repercussions on the economic system of the Six. In addition to these committees there is a committee on medium-term economic policy whose task is to study problems of monetary policy.

Furthermore, the Finance Ministers of members states have held regular meetings, though of an unofficial character, since 1959. A formal basis for international monetary co-operation has also existed since 1964 in the monetary committee.

2. *EEC Commission*: "Memorandum on the Community's programme of action during the second phase" — 1962; "Initiative 1964".

European Parliament: Report by Mr. Van Campen on the co-ordination of monetary policies within EEC (Document 17/62); Report by Mr. Bousch on the co-ordination of budgetary and financial policies (Document 19/62); Report by Mr. Vals on monetary and financial co-operation in the European Economic Community (Document 103-63); Report by Mr. Dichgans on the future monetary activities of the Community and the setting-up of a European monetary union (Document 138/66); Report by Mr. Hougardy on the economic situation on the Community in 1967 and prospects for

The Commission's conclusions on this debate within the Community are set out in its latest memorandum to the Council on the co-ordination of economic policies and monetary co-operation inside the Community. This memorandum, better known as the "Barre Memorandum", contains a twofold proposal for simultaneously achieving better co-ordination of economic policy measures taken inside the Community and instituting a concerted monetary policy. The Commission's argument is based on three principles¹.

"— In order to counter divergent tendencies in the economies of the Six, which could pose a threat to the very existence of the Community, steps are needed to ensure convergent trends in national guidelines for medium-term economic policy.

— Such convergence is possible only if short-term economic policies are harmonised with each other in accordance with these guidelines.

— To prevent imbalances from growing and to correct the effects of inadequate development, machinery for monetary co-operation must be set up."

"The executive would welcome special machinery to ensure that in case of need a state could count on short-term monetary support from the other member states and, where appropriate, on medium-term financial help."

"Each participating country would receive short-term monetary support from the other participants on request. Consultation inside the appropriate Community institutions would take place only *after* this machinery had been employed. In the event of disagreement on the measures to be taken in the borrowing country, the period of that country's indebtedness should not, in the opinion of the executive, exceed three months.

On the other hand, certain conditions would be attached to medium-term help given subsequent to a short-term support action."

1968 (Document 210/67), with particular reference to Chapter VI; Report and supplementary report by Mr. Riedel on the economic situation of the Community in 1968 and prospects for 1969 (Documents 229/68, 30/69).

1. Supplementary report by Mr. Riedel of 5 May 1969 (Document 30/69), paragraphs 3 and 11.

13. The European Parliament supported this idea in broad outline, though with some reservations on the proposed priorities, especially the machinery for the control of economic and monetary policy measures. It took the view that an automatic system of monetary help would throw the various measures out of balance. The experience of recent years in international monetary aid showed how difficult it was to force a country which had sought credit under pressure of circumstances to repay the loan in the given time limits. The Economic Affairs Committee feared that the high degree of coercion the Commission intended to exert by distinguishing between short-term and medium-term aid would not be enough to persuade countries to apply, within the given time limits, the economic measures suggested by the Community to restore equilibrium. In particular, it should not be forgotten that the question of loan repayments or extension of credit was neither a purely legal nor an exclusively monetary matter: it could also lead to widespread political difficulties.

The committee therefore requested the Commission to add to its proposal, in such a way that member states would be required from the beginning to obviate the risks of economic and monetary crises as far as possible through a concerted economic policy. Whatever happened, joint consideration of measures to be taken in times of crisis would be made easier if discussions could be conducted in the framework of an economic policy which there was an obligation to pursue. The committee rightly emphasised the discrepancy between the appeal to the principle of national sovereignty in connection with the co-ordination of economic policies and the claim to provide automatic guarantees for this policy by Community lending machinery.

Clearly, a procedure whereby only losses were borne jointly would be politically unacceptable. Community arrangements cannot relate to expenditure alone. Proposals of this kind will appeal only to those whom they enable to exercise equal influence on measures to stimulate and to curb expansion and also to affect a partner's policy on public expenditure. As things are at present, this would be feasible only with compulsory co-ordination of economic policies.

The repercussions of a common economic and monetary policy on freedom to act at national level and on the democratic system

14. If the future of the Community is to be conditioned by a common economic policy, fixed parities and support measures in times of crisis, it must be realised that these are minimum conditions which imply the need to satisfy a further set of minimum conditions if the efficacy of the initial ones is to be guaranteed.

These additional conditions call for some explanation. They are of two kinds:

1. Technical and political measures for the harmonisation of economic and monetary policies call for similar measures to enable other tasks to be accomplished.

2. They modify the political status quo in the Community and the member states and thereby the freedom of action and chances of success of political forces, starting with governments.

Besides these, there is a whole series of requirements which it would be essential to meet if monetary, economic, technical and political needs were to be satisfied. Their essential elements are:

— the creation of a common capital market;

— the co-ordination and harmonisation of social charges and taxation;

— the harmonisation of member states' policies on monetary reserves;

— the setting-up of machinery, or the adaptation of existing bodies, for European financial equalisation. This would be automatic in so far as the free movement of capital is to be established but there would be guidance through Community funds (the Agricultural Fund, the Social Fund etc.), Community budget and institutions for the steering of monetary policies (such as the European Investment Bank) able to act in appropriate ways to channel capital towards structurally weak regions;

— common guidelines for the supply of capital in the Communities via the central banks, in accordance with jointly agreed medium-term objectives;

— a uniform attitude on the part of member states towards the rest of the world, with common voting in international monetary institutions.

Greater solidarity should also be sought between the major industrial nations who form the "Group of Ten". This presupposes increased solidarity between the International Monetary Fund's European Members though this should extend as far as possible outside the Community.

The first signs of such solidarity have appeared in connection with the creation of a system of special drawing rights in the IMF. In the years to come it will be important to arrive at a European consensus on other necessary reforms in the international monetary system, so as to provide the Community and other European states with a firm joint basis for negotiation.

But before these further minimum measures become necessary, the first set of minimum measures must have been implemented — *politically*. And this Assembly knows better than any other Community organisation or institution that this is the crux of the problem. I shall confine myself to pointing out some of the more apparent problems which either affect the implementation of a concerted economic policy and the application of fixed monetary parities or are the result of them.

15. To date, the main demand that has been made on governments has been to define *common economic objectives*. Even assuming this is possible, the same degree of attention has not yet been given to the question what really has to be done in order to *attain these objectives*. For the roots of present monetary problems do not lie in monetary and economic developments. Until May 1968 France's currency was among the most stable and French currency reserves among the largest in Western Europe.

The application of a concerted economic and monetary policy depends not only on the *willingness* of national governments in this field but even more on their *ability* — whether they are in a position to impose such a policy on the forces which direct their internal political life and on their own internal economic and social forces. But this raises fresh problems.

A country's economic and social forces and its political representation (its parties and parliament) have no part in the determination of common economic objectives. These are imposed on them from without.

Success in this would be a new *threat to democracy in the Community*, and I hope such a threat will be opposed. Yet such opposition would impede progress towards the goals envisaged.

To illustrate the intractability and the size of this problem, one — admittedly essential — point will suffice. The harmonisation and co-ordination of economic and monetary policies requires the harmonisation and co-ordination of budgetary policies too. It was because it recognised this need that the Council was quick to set up a special committee. But ultimately the budget is the expression of the goals of a state's policies at home and abroad. Co-ordination, or even simply harmonisation, of budgetary policies is possible only to the extent that the aims of those policies can also be harmonised.

Now this is not a question of logic or of regulations sanctioned by a treaty: it is a question of power.

It is very doubtful whether, in the event of a dispute, a government would take account of decisions reached at international level rather than of the choice expressed, and the pressures brought to bear, by political forces at home. Yet parliaments, parties and trade unions do not base their actions mainly on "objective" criteria: we must start with the principle that in a competitive society criteria are just as contradictory as interests. However, *such interests will be regarded as "national" as long as nation states form the framework and the foundation of politics*; and as long as there is no possibility of considering them in the context of the Community, for want of communication at that level between public opinion in the different member states or even between the various parties, trade unions or professional organisations, the principal criterion by which a government will reach a decision is the effect of that decision in the struggle for power among the political forces inside the country. To reject the claims of national, political or social groups can cost a government its chances of re-election.

And re-election is one of the essential postulates of any government. It is a condition (if not a guarantee) of continued action along the lines of arrangements entered into with partner countries and against the political forces of the opposition. When a government changes it is by no means certain that the new government will pursue the economic aims agreed to by the old one, especially if it was hostile to them when in opposition. Arrangements between states are not as binding as international law treaties or Community decisions.

It would be a gross over-simplification to blame the politicians for choosing this criterion. On the contrary, for a policy to be democratic the primary essential is a consensus of public opinion. If a political idea, however excellent, is to succeed, its sponsor must obtain approval for it from a majority of people in the same organisation or the same state.

This being so, if economic objectives jointly agreed to with partner countries are not to be abandoned when elections approach, if social anxiety is not to be translated into policy and if the political forces in member states are not to turn against the Community idea, we must at last embark upon democratisation as a new minimum measure, enlisting the co-operation of political groups and economic and social organisations in defining the Community's economic and monetary objectives. *To establish such a programme, it is essential that there be a primary obligation to consult the European Parliament, and, where appropriate, the Economic and Social Committee too.*

In addition, action must be taken to give the Parliament a firmer political foundation: a European infrastructure, in fact. To this end, the organisation of European political parties in the near future must be regarded as one of the essential conditions and therefore as one of the most important tasks for the Community's future. Governments, for their part, could exert useful pressure in this field:

— by insisting on *European lists of candidates* as a condition for the holding of European general elections by direct suffrage;

— by following the example of the Commission (which deals only with European organisations of professional and economic associations) and inviting a representative of

each European party and social organisation to attend discussions aimed at the harmonisation of medium-term economic objectives.

16. Monetary and financial policy are essential instruments in any country's foreign policy. Expenditure on defence, international loans, development aid and the like are among the means a country employs in the protection of its interests abroad. Now the policies pursued by the states of the Community in these three fields are still strictly national ones. Any wish they might have to submit to Community obligations in this regard comes up against a kind of sound barrier, which cannot be broken through until foreign policies are also brought into line.

Harmonisation of foreign and defence policies once again raises the problems, mentioned earlier, of public opinion at home and the pressure of political forces in a country. It is no exaggeration to say that any progress achieved towards a common economic and monetary policy depends on the progress made in establishing a common foreign policy and on the possibilities which exist in this regard.

17. Of all the problems, this is the thorniest. The possibilities open to governments to apply a common foreign policy are limited. There is no doubt that if economic and monetary policies can be harmonised, a possibility will then be opened up which the Kennedy Round negotiations, for example, clearly revealed not long ago — the possibility and the necessity of increased awareness of common interests in foreign policy. But more than all that, more than the highly technical problems of economic and monetary policy, the decisions that have to be taken in foreign policy depend on public opinion. I can only refer to what my predecessor, Mr. Dröscher, said last year on this subject:

“The existence of a ‘political unit’ or state does not follow primarily from common administration or organisation, but in democracies it is these which constitute the means necessary to the common shaping of opinion and will. It is only when a complete, common political opinion can be formed that a uniform policy is possible. It must be able to rely on an organised majority.”

No solution which fails to meet this basic requirement can be satisfactory. But attempts must be made to arrive at solutions nevertheless, and the need to make every effort to that end must be expressly recognised. No illusions should be entertained, however, about their scope. Intergovernmental co-operation in economic and monetary policy will be a step forward for the Community, but not a big one. The effect of success will be to aggravate the Community's constitutional crisis. The foreign and internal policies of member states will necessarily become more and more inextricably interwoven. Approval for a state's foreign policy and external economic policy will cost increasingly dear internally, and political support at home will mean concessions in policies abroad.

Close co-operation in the field of economic and monetary policy is bound to have such a result ; and for this reason its effect will inevitably be limited. And in spite of the important restrictions it places on the freedom of action of states, its scope is still too narrow. It is easier to apply the brake to others when they set off on a course that does not suit you than to make them follow in your own tracks. Co-operation pure and simple does not necessarily generate common political momentum.

The political threshold of the Community process

18. The EEC was, and is, necessary, but politically it is an attempt to evade the issue. The intention was to by-pass the political problems on which, to judge by the experience of the early fifties, agreement was impossible, and adopt instead a policy of "partial" solidarity. It was hoped that this might eventually lead to political agreement. The same speculation lies behind the attempt to organise only economic and monetary policies in common. Of course this imposes constraints, but it is nonetheless a fresh attempt to sidestep the issue. The results of eleven years of EEC leave little room for optimism : the states of the Community are politically more divided now, especially in matters of foreign policy, than at any time since the end of the second world

war. Take the conflict in the Middle East ; the attitude towards the Greek regime since the coup d'état, or towards the Non-Proliferation Treaty ; or views on the Atlantic Military Alliance, on the eastern frontier of Germany, or the northern frontier of the Community (i.e. on Great Britain), on the Vietnam war in particular or on the United States in general : on all these questions there are profound differences of opinion.

No doubt the policy of purely economic integration creates and intensifies the need for a common policy. But it comes close to the nerve centres of national politics, and every decision which the member states can no longer avoid takes them further along this path. For the need of a common policy is not the same thing as the policy itself, any more than the aggravation of an illness implies its cure. Until there is a minimum of agreement on the general policy aims of the Community's member states, any success achieved in economic integration will inevitably go hand in hand with an exacerbation of the political crisis through which Western Europe is passing, though the aim of political unity will not automatically be brought closer.

Success in Community policy can therefore be judged only in relation to how much nearer the decisions taken bring us to the goal of a common policy in vital sectors of state and society, that is to say the extent to which they reveal the existence of a common political will and clear a path for it. The harmonisation of economic and monetary policies will not bring this goal within our grasp. It will create new "technical constraints" whose logical outcome is political unification ; but it will not be realised that such constraints cannot be properly dealt with except by applying a common policy. We must bow to the facts : the advance towards political unity, and thus towards an independent destiny for Europe, cannot be begun until economic and monetary policy are conceived, understood and desired as the instruments of a common overall policy.

Everything which urgently demands *political* unity therefore has a claim to priority. Economic and monetary policy aims must be studied in relation to the general policy aims of the Community, for otherwise what seeks to

develop into European policy — supposing we ever get so far — will in fact be nothing more than a monstrous tangle of extremely laborious compromises between the interests of different groups. The agricultural market should serve as a warning. That is why the general aims of Western European policy must at last be defined. Governments must force themselves — or be forced — to settle their political differences directly and in public, and not go on defying the laws of equilibrium in order to escape them. The time for costly subterfuge is past.

*The enlargement of the Communities :
monetary aspects*

19. The above analyses and proposals largely relate to the Community as it exists, to the tasks confronting it and to its later development. The accession of new Members does not entail any change in the nature of these tasks. The objectives set remain essentially the same *in their nature* ; machinery must be set in motion by which the economic and monetary policies of the member states may be harmonised and the binding nature of joint decisions may become increasingly clear. As for the *political* tasks, the effect of enlargement would be rather to define them even more precisely : what is necessary is to guarantee or impose *inside* states, i.e. at internal political level, the mandatory nature of jointly determined objectives. This problem is already difficult for member states to resolve and is attended by a whole series of consequences for them, accustomed as they are to the problem of Community discipline — even if sometimes negatively, in that they refuse to accept it. New member states would be confronted with a task twice as onerous.

20. The case of Great Britain, the principal candidate for membership, has features that are so distinctive that I should like to examine them briefly. The questions raised by her application are linked to her special monetary role and her long-standing balance-of-payments difficulties. Is she capable of correcting her balance-of-payments deficit in the near future ? What would be the financial consequences of membership, for Britain herself and for the states of the

Community ? What effects would such membership have on common monetary policy ?

The British balance of payments has been continuously in deficit for a long time, and the situation is getting worse. In 1963 the net deficit amounted to £ 3,800 million ; at the end of 1968, the figure was £ 6,000 million. The prospects of correcting the deficit appear to depend in the last resort on two factors : an improvement in the competitiveness of British industry and a reduction in the heavy spending in connection with foreign policy and defence. Membership of the Community might provide a positive stimulus in the industrial sector. As for the second cause — economic aid to Commonwealth countries and the cost of keeping troops in the Federal Republic and East of Suez — the British Government has decided that this too is to be removed. The decision to withdraw British troops from East Asia has now been taken.

However, this withdrawal could have harmful repercussions which cannot be ignored. There is a danger that the loosening of ties with the Commonwealth might jeopardise Great Britain's overseas financial interests. Their importance is clear from the fact that net receipts from British overseas investments have equalled the government's net overseas spending on foreign policy and defence. One effect of looser ties with the Commonwealth might be to encourage the trend away from the pound as a reserve currency¹.

Between now and 1971 Britain will have to repay 2,700 million dollars to the International Monetary Fund. It is estimated that membership of the Community would cost Britain between 420 and 600 million dollars in additional foreign exchange commitments.

In these circumstances Great Britain is faced with the following alternatives. Either she tries, as in the past, to manage with international loans (of course, this solution also requires the assistance of EEC member states, who are important creditors) ; or the EEC countries agree to meet some of the commitments provided for in Article 108 of the Treaty of Rome. I am inclined to think they will do so only on con-

1. Two countries (Burma and Malaysia) have converted their sterling currency reserves into dollars in recent years.

dition that they benefit progressively from the advantages enjoyed by Great Britain as a monetary reserve country.

Here, too, the problem ultimately comes down to a political decision, which must be taken before the start of negotiations on Great Britain's accession to the Community. If the aim is to "Europeanise" the role played by sterling as a reserve currency, British membership could prove advantageous from the point of view of monetary policy as well, despite the high cost involved. If this happened, the Community might be better placed to assume a place of importance even as a monetary area, which follows from the essential part it plays in international trade. There is no need to insist on the results in foreign policy of the "Europeanisation" of sterling as a reserve currency. The obstacle to the creation of the necessary conditions in foreign policy will be no less great than in monetary policy. Nevertheless, I believe it is of the greatest political importance that in this field we should come to grips with our objectives and their consequences.

Conclusions

The political necessities and minimum material conditions for economic and monetary co-operation

21. From the *political* point of view, these observations suggest the following *conclusions* :

Monetary co-operation depends on co-operation in economic policy — which must gradually become mandatory.

Economic co-operation can only become mandatory in so far as jointly defined aims are gradually incorporated in a common overall policy.

As long as the foreign policies of member states continue to differ in important ways on a number of essential points, the prospect of a common, or even simply harmonised, economic and monetary policy remains limited.

As long as the political organisations of the peoples of the Community are denied all chance of helping to shape decisions and determine economic and monetary objectives, common objectives are unlikely to be realised.

22. In my opinion these conclusions indicate the following tasks :

1. A common monetary policy can only be arrived at in stages. These stages must be closely linked with the progress towards economic union. The essential minimum condition for successful monetary co-operation is *real co-ordination of the medium-term economic policy objectives* of member states and of their *day-to-day economic policies*.

2. Mandatory co-ordination must be gradually strengthened by :

(a) the setting-up of monetary machinery to provide short-term and longer-term aid to states who find themselves in economic difficulties in relation to other countries; the conditions for application of this machinery must be such that the obligation to co-ordinate is increased ;

(b) the establishment of new machinery, or the adaptation of existing machinery, for financial equalisation on a European scale¹.

3. Common guidelines should be sought for the supply of capital in accordance with the major medium-term objectives jointly agreed. It will then be possible to do away with official variations in exchange rates.

4. A common monetary policy requires a uniform attitude on the part of member states to the rest of the world, especially in international monetary institutions. An approach common to all European states should be sought.

5. Financial equalisation in its various forms will be acceptable to donor countries only in so far as it is accompanied by the first steps towards common guidelines for overall policy and the necessary procedures are established to that end. But these two conditions can be met only to the extent that a politically conscious *community public opinion* can be formed and made aware of the drawbacks of lack of co-ordination in national economic policies and of the dangers to democracy if co-ordination is confined to the state level.

To this end the European Parliament and, if required, the Economic and Social Com-

1. Cf. page 9, para. 14.

mittee of the Community afford suitable facilities for co-ordination and supervision, and the success of their work depends on the constitution of political and social organisation at a community level.

PART TWO

Activities of the European Parliament from 1 May 1968 to 30 April 1969

Introduction

23. In describing the work of the European Parliament over the period 1 May 1968 to 30 April 1969 this report adheres to the method employed in earlier reports, that of indicating the political content, the main outline or the purport of resolutions adopted by the Parliament in plenary session following debate on reports prepared by its committees.

During the period covered by this report, Parliament met for a total of 35 days in

	Number of meetings
Political Affairs Committee	18
Economic Affairs Committee	20
Committee for Finance and Budgets ..	34
Committee on Agriculture *	40
Committee on Social Affairs and Health Protection **	26
Committee on External Trade Relations.	31
Legal Affairs Committee	13
Committee on Energy, Research and Atomic Problems	19
Transport Committee ***	13
Committee for the Association with Greece	14
Committee for the Association with Turkey	8
Committee on relations with African States and Madagascar	14
	247

* Plus 6 meetings of working parties.
 ** Plus 2 meetings of working parties.
 *** Plus 1 study mission.

plenary sittings (28 days in Strasbourg and 7 in Luxembourg), as against 33 days in plenary sittings (29 in Strasbourg and 4 in Luxembourg) in the preceding reference period¹.

24. During the same period, the 12 parliamentary committees held 247 meetings (as against 222 in the preceding reference period), as follows :

25. References by the executives to Parliament were again far more numerous this year than last :

Period	Number of references
1 May 1966 - 30 April 1967	52
1 May 1967 - 30 April 1968	78
1 May 1968 - 30 April 1969	104

26. Similarly, there was a marked increase in the number of reports presented to Parliament by committees and discussed in plenary sittings :

Period	Number of reports
1 May 1966 - 30 April 1967	105
1 May 1967 - 30 April 1968	108
1 May 1968 - 30 April 1969	124

27. As for written questions put by members of Parliament to the Commission and Council of the European Communities, the table below shows that their number remained fairly constant at a high level :

Period	Number of written questions
1 May 1966 - 30 April 1967	188
1 May 1967 - 30 April 1968	367
1 May 1968 - 30 April 1969	359

28. Oral questions were as numerous as in the preceding session. Eighteen questions were

1. The Bundestag met for 72 days in 1966, and 60 days in 1967 ; the French National Assembly met for 91 days in 1968. It is worth noting for comparative purposes that sittings of the European Parliament generally last longer than those in national parliaments.

put by members of parliament, one of these was withdrawn; 16 were included in the orders of the day for the sittings during the period in question.

This report covers oral questions discussed at plenary sittings.

CHAPTER I

Political questions

29. Important political events on the international and Community levels during the period under review were the subject of wide-ranging debates in Parliament.

— In the wider international sphere, Parliament took a stand on the draft Treaty on the Non-Proliferation of Nuclear Weapons. It examined the international monetary situation. Following the events of August 1968 in Czechoslovakia, it stressed the international political consequences of developments in that country and of its occupation.

— In the sphere of Community affairs, Parliament expressed its views on the internal development and enlargement of the Communities, the steps taken to protect the French economy in June 1968, the problems of Euratom and Community policy towards the countries of the Mediterranean basin.

1. *The non-proliferation of nuclear weapons*

30. At its sitting on 14 May Parliament embarked on a wide-ranging debate on the draft Treaty on the Non-Proliferation of Nuclear Weapons¹. On the basis of a report from the Political Affairs Committee² Parliament adopted unanimously — though without the European Democratic Union, which abstained from voting — a resolution³ in favour of the conclus-

1. European Parliament, Debates, *Official Gazette of the European Communities* No. 103 (Annex), May 1968, pp. 34 et seq.

2. Doc. 40/68: Scelba Report on the draft Treaty on the Non-Proliferation of Nuclear Weapons.

3. Resolution of 14 May 1968, *Official Gazette* No. C 55 of 5 June 1968, p. 100.

ion of a treaty to prevent the proliferation of nuclear weapons. Parliament hoped that the states sponsoring the Treaty would help to facilitate the participation of all the others by providing for equality of treatment between nuclear and non-nuclear states. It appealed to the nuclear powers to come to an agreement on the general suspension of nuclear tests and the production of new weapons and the gradual destruction of existing stockpiles. It felt that these measures should be followed by agreements to limit conventional arms, so that recourse to war as a means of solving conflicts between states would be made impossible. It hoped that the Treaty would secure to all states the right to unlimited supplies of raw materials and special nuclear materials intended for peaceful purposes. It noted that the suggestions made by the institutions of the European Communities for the protection of Euratom had been retained in part in the final version of the draft Treaty.

2. *The international monetary situation*

31. In the international monetary field, 1968 was a year of successive crises involving the American dollar, the pound sterling and the French franc in turn. As a result, the Economic Affairs Committee of the European Parliament put to the Commission of the Communities an oral question (No. 7/1968), which was followed by a debate, on international monetary policy. It asked in particular what steps the Commission had taken or intended to take so that a common monetary policy might be implemented or at least a common attitude adopted to monetary problems. When this question was discussed in the plenary Assembly on 2 October 1968¹, the Rapporteur, Mr. Dichgans, asked, inter alia, whether it would not be possible to supplement the system of special drawing rights by a similar system inside the Community and perhaps set up a European federal reserve bank. In reply, Mr. Barre, Vice-President of the Commission, stressed the need for a European monetary power, i.e. a political authority, before monetary unity could be created or a

1. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 135 et seq.

monetary policy for the Community's reserves defined.

32. At its November 1968 Session, Parliament put to the Commission another question (No. 15/68), in the name of the four political groups, which was followed by a debate, on the monetary situation¹. It asked in particular in what way the Commission had examined the critical turn of events in recent weeks, whether it had acted promptly to make recommendations to governments on the steps to be taken and what conclusions it thought could be drawn from the crisis, so that proposals could be made for a common economic and monetary policy for the member states. Mr. Barre, replying, explained that the Commission had done its utmost to foster co-ordination of monetary policies. The critical state of the international monetary systems was now generally acknowledged, but a special effort on the part of each country involved was needed to reform it. The Commission had first of all to consolidate its own economy and strengthen its internal cohesion if it was to make the major contribution to the reform of the international monetary system that was expected of it².

3. *The political consequences of the events in Czechoslovakia*

33. On 1 October 1968³ Parliament turned its attention to the political consequences of the events in Czechoslovakia. On the basis of a report by the Political Affairs Committee⁴, it adopted a resolution⁵ expressing abhorrence at the occupation of Czechoslovakia by Soviet, East German, Polish, Hungarian and Bulgarian

1. Oral question No. 15/68 with debate, submitted by Mr. Illerhaus on behalf of the Christian Democrat Group, Mr. Vals on behalf of the Socialist Group, Mr. Berkhouwer on behalf of the Liberal and Allied Group, and Mr. Terrenoire on behalf of the European Democratic Union.

2. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 87 et seq.

3. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 37 et seq.

4. Doc. 113/68: Scelba Report on the political consequences of the events in Czechoslovakia.

5. Resolution of 1 October 1968, *Official Gazette* No. C 108 of 19 October 1968, p. 21.

troops. It reaffirmed its conviction that the union of the states of Europe could be achieved only on the basis of the principles of freedom and democracy which had given birth to the European Communities. It expressed its admiration for the exemplary unity and dignity shown by the Czechoslovak people in the face of their cruel ordeal. It added its voice to the many appeals for withdrawal of the occupying forces and recognition of the political sovereignty of Czechoslovakia. It made a new and urgent appeal to the governments of the member states to overcome the obstacles which hampered the strengthening of the Communities and the unification and the security of Europe.

4. *The political development and broadening of the Communities*

34. On the occasion of the 15th Joint Meeting of members of the Consultative Assembly of the Council of Europe and the European Parliament in September 1968 Mr. Dröscher, member of the European Parliament, introduced a general debate on "The political conditions for the full development and broadening of the Communities"¹. Mr. Maxwell presented a report on behalf of the Consultative Assembly on the problems and prospects facing scientific research and technical development as factors of political unity in Europe. There followed a wide-ranging debate on these two subjects.

35. On the occasion of the customary exchange of views between Parliament and the Council and Commission of the European Communities, the various speakers took as their common theme "Prospects for the Communities after 1 July 1968"; the question of the broadening of the Community was also discussed².

36. At its sitting on 15 May 1968³ Parliament focused its attention on the *problems of drafting a treaty merging the European Com-*

1. Exposé by Mr. Dröscher on the political conditions for the full development and broadening of the Communities.

2. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 15 et seq.

3. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 130 et seq.

unities. On the basis of a report from its Political Affairs Committee ¹, and in conclusion to the debate, Parliament adopted by a large majority a resolution ² expressing its wish that the process of merging the three Communities would mark a fresh advance in the development of the Community and a new step forward towards the political goals of the Paris and Rome Treaties. It noted that the Commission had already started work on the formulation of proposals to be submitted to the Council for examination, and recalled its (Parliament's) powers in regard to the objectives of the treaties in force. In particular it affirmed its unquestionable right to be consulted by the Council on the draft merger Treaty in accordance with Article 236 of the EEC Treaty and Article 204 of the EAEC Treaty. Its active and continuous participation in the merger process was a political necessity, because of the importance of the political and institutional problems raised. It invited the Commission to report regularly on its work to the appropriate parliamentary committees, and instructed these committees, as exponents of the desire of the European peoples for unity, to keep it informed of progress achieved.

37. On a motion tabled by Mr. Dehousse, Rapporteur of the Legal Affairs Committee ³, Parliament adopted at its session on 27 January 1969 a resolution on *the legal and political significance of Article 8 (5) (6) and (7) of the EEC Treaty* ⁴. As for the legal significance of paragraph 7, Parliament stated that all the provisions of the Treaty and its annexes should come into force, and all necessary measures should be taken for the setting-up of the Common Market at the end of the transitional period.

In so far as the rules contained in the Treaty and its annexes were directly applicable, they were to come into force automatically at the end of the transitional period without the

1. Doc. 206/67 : Dehousse Report on problems of the drafting of the treaties merging the European Communities.

2. Resolution of 15 May 1968, *Official Gazette* No. C 55 of 5 June 1968, p. 15.

3. Doc. 185/68 : Dehousse Report on the legal and political significance of Article 8 (5), (6) and (7) of the EEC Treaty.

4. Resolution of 22 January 1969, *Official Gazette* No. C 17 of 12 February 1969, p. 11.

Council or member states having to take any special measures for their enforcement. If Community or national legislation failed to meet the obligation to give a precise content to a treaty rule which, while being directly applicable in itself, called for further measures to define and amplify it, then the rules were nevertheless to take effect at the end of the transitional period. Where the Treaty required the elaboration of common policies and the adoption of rules and measure to this end by the Community or national legislation, the time limit was set in Article 8 (7), and failure to observe it constituted a violation of the Treaties.

38. As for the political aspect, Parliament found that the transitional period provided for in Article 8 (7) was to come to an end on 31 December 1969. It invited the Commission to submit to it at the earliest opportunity the list it had requested in October 1968 of obligations which, under the Treaty, the Community and its member states were to have fulfilled by the end of the transitional period. Parliament instructed its own committees to examine within their own terms of reference how the said article was applied, on the basis of the interpretation given by the Legal Affairs Committee, and to forward their opinions to that committee which would report on the matter. Finally, it called attention to the possibilities, both legal and political, open to it under Article 175 of the EEC Treaty.

39. During the sitting on 3 July 1968 an oral question (No. 10/68) with debate, put to the Commission of the European Communities on behalf of the European Democratic Union group, was discussed by Parliament. It concerned the statements attributed by the press to one of the Vice-Presidents of the Commission. In the course of the discussion, the spokesman of the group, the President of the European Communities and the Vice-President, Mr. Mansholt, were asked to define their views of the role of the Commission and each of its members ¹.

40. On 22 January 1969 Mr. Triboulet (EDU group) put an oral question (No. 16/68), which was followed by a debate, to the Com-

1. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 158 et seq.

mission of the European Communities on the publicity given to the Commission's new farming plan. In reply the President of the Commission explained the procedure adopted, which he took to be normal in a system of public politics and parliamentary democracy¹.

41. At its March Session² Parliament discussed a report³ on a motion for a resolution tabled by Mr. Deringer and others on the *election of members of Parliament by direct universal suffrage*. In the resolution adopted following this debate⁴ Parliament recalled that it had already presented, on 17 May 1960, a draft convention providing for elections by direct universal suffrage in pursuance of Article 138 (3) of the Treaty setting up EEC. The Council had as yet taken no decision on the draft, and had abandoned the study of it six years earlier. Parliament instructed its President to ask the Council that it should take immediate action, as required by the Treaty, on the draft and to draw its attention to the provisions of Article 175 (1) and (2).

5. Measures for the protection of the French economy

At its July 1968 Session⁵ Parliament discussed the measures taken by the French Government in the matter of external trade following the events of May and June. Two oral questions had been put to the Commission of the European Communities; No. 8/68, with debate, put by Mr. Illerhaus on behalf of the Christian Democrat Group and Mr. Metzger on behalf of the Socialist Group, on the restrictive measures and the measures to

stimulate exports introduced by the French Government, and No. 9/68, without debate, put by Mr. Pleven on behalf of the Liberal and Allied Group, on the same subject. The questions concerned the Commission's opinion on the nature of the measures in question, put into effect by the French Government on 1 July 1968, and on the procedure employed to that end, having regard to the provisions of the Community Treaties. Following the debate on Question No. 8/68, Parliament unanimously adopted a resolution¹ on the measures taken to protect the French economy. It stated, as a fundamental principle of the Community, that member states should continue to act together and to give mutual assistance when difficulties arose. It recommended that in the circumstances everything should be done to protect the French economy from serious disturbances which would inevitably have dangerous repercussions for everyone. It requested, however, that the procedures set out in the Community Treaties should be observed, that a detailed study should be made to ensure that the conditions for the introduction of special measures were fulfilled, that the measures taken should be limited to what was absolutely essential and that they should not remain in force longer than was needed.

6. Problems relating to the European Atomic Energy Community

43. Parliament turned its attention on several occasions to the situation and possible future of the European Atomic Energy Community. At its November 1968 Session², it discussed the report drawn up on behalf of the Committee for Finance and Budgets on the political, budgetary and financial aspects of research and investment in Euratom³. It adopted a resolution⁴ noting that the Council

1. European Parliament, Debates, *Official Gazette* No. 110 (Annex), January 1969, pp. 36 et seq.

2. European Parliament, Debates, *Official Gazette* No. 113 (Annex), March 1969, p. 43.

3. Doc. 214/68: Dehousse Report on the motion for a resolution (Doc. 50/68), tabled by MM. Deringer, Dehousse, Merchiers, Scelba, Armengaud, Boertien, Burger, Dittrich, Bech, Lautenschlager, Rossi and Westerterp, on the election of members of the European Parliament by direct universal suffrage.

4. Resolution of 12 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 12.

5. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 88 et seq.

1. Resolution of 3 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 35-36.

2. European Parliament, Debates, *Official Gazette* No. 108 (Appendix), November 1968, pp. 60 et seq.

3. Doc. 166/68: Leemans Report on the political, budgetary and financial aspects of research and investment in EAEC.

4. Resolution of 27 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 7-8.

of the Communities had not submitted on 31 October 1968 the draft research and investment budget for the financial year 1969, or forwarded the long-term draft research and investment programme. It expressed deep disquiet that the budget discussions in the Council should have prevented the research and investment budget from being drawn up within the time laid down and the long-term programme from being implemented in due course. It felt that any substitution of ad hoc budgetary measures would be dangerously irrational in view of the urgent tasks facing the research policy and would represent an unworthy solution on a European scale. In its grave concern about this matter, Parliament drew the attention of the Council to the serious effects such delay might have on future European research work. It feared for the future of Community research work at Ispra, Geel, Karlsruhe and Petten and pointed out the danger that the staff might lose confidence. It earnestly appealed to the Council's European spirit not to sacrifice the great prospects of a European research policy to national budgetary considerations.

44. On 13 December 1968 Parliament met in extraordinary session¹ for an emergency debate on a motion for a resolution² on the current problems of Euratom. The resolution³ adopted by Parliament at the close of the debate recalled its numerous pronouncements on Euratom, in particular its resolutions of 24 January and 27 November 1968. It further reaffirmed that if Euratom was to be autonomous in the nuclear sector, its Community activities had to be maintained in the spirit of a new European take-off in all branches of technology. It emphasised that a European

1. European Parliament, Debates, *Official Gazette* No. 109 (Annex), December 1968, pp. 4 et seq.

2. Doc. 178/68: Motion for a resolution tabled by Mr. Scelba, Chairman of the Political Affairs Committee, Mr. Spénale, Chairman of the Committee for Finance and Budgets, Mr. Scarascia-Mugnozza, Chairman of the Committee for Energy, Research and Atomic Problems, Mr. Illerhaus, Chairman of the Christian Democrat Group, Mr. Vals, Chairman of the Socialist Group and Mr. Pleven, Chairman of the Liberal and Allied Group, on the current problems of EAEC.

3. Resolution of 13 December 1968, *Official Gazette* No. C 138 of 21 December 1968, pp. 3-4.

Community that failed to produce a common policy in the fields of nuclear and scientific research and technological progress — member states being clearly unable individually to achieve the requisite rate of progress in these fields — would mean that free Europe was irrevocably doomed to permanent economic and political inferiority in regard to the rest of the world. It affirmed that, pending the establishment of a common long-term research and investments programme, the future of the Communities in the sphere of research must not be jeopardised and that Euratom must not therefore be stripped of its inheritance of qualified staff and technical installations; for the same reason it felt that security of employment for the staff of the Joint Research Centre was essential both to the normal achievement of the required conditions and to the quality of staff engaged in the future. In the realisation that the work of Euratom must be adapted to technical and scientific objectives, Parliament urged the Commission to formulate proposals to that effect and noted with pleasure the Council's decision of 10 December to ask the Policy Group on Scientific and Technical Research to resume its work. It considered that the Council should take fully into account the fact that its decision regarding the programme would express its willingness to pursue a Community nuclear policy and its determination to develop a Community research policy in advanced as well as in traditional areas of technology. Lastly, it reminded the various institutions of their responsibilities in solving the present crisis which threatened the very existence of Euratom.

45. At its sitting on 23 January 1969¹, Parliament held a combined debate on two reports on the future of EAEC. On the basis of a report by the Legal Affairs Committee² on petition No. 1/68 expressing anxiety about present trends in European policy, it began by discussing the latest developments in Euro-

1. European Parliament, Debates, *Official Gazette* No. 110 (Annex), January 1969, pp. 71 et seq.

2. Doc. 198/68: Scelba Report on petition No. 1/68, from MM. Falcone, Schmutzer and more than 4,000 other officials of the European Communities, expressing anxiety about present trends in European policy.

pean integration. In the resolution¹ adopted at the end of the debate, Parliament recalled its own previous resolutions on the situation of Euratom and said it shared the grave concern of staff of the European Communities about the present trend of European policy.

A report² drawn up on behalf of the Committee for Finance and Budgets on the current problems of Euratom, as stemming principally from the absence of a research and investment budget for 1969, was then discussed, and a resolution³ adopted, in which Parliament expressed its disquiet that the Council had decided in favour of supplementary programmes without at the same time laying down a real programme of joint research. It pointed out the manifestly inadequate share given to constructive research policy in the overall budget of the Community and urged that the Community should, as it had done in very large measure in other fields, assume the necessary financial responsibility for research, on which depended the future place of free Europe in the world.

It stressed that all these difficulties were undermining the confidence of public opinion and the staff in the future of Europe and throwing doubt on the ability of member states to overcome even minor financial difficulties in this field. It urged the Council to decide before 1 July 1969 — as it had undertaken to do — on the establishment of a common long-term programme, which should constitute the essence of a Community research policy and lead to the establishment of a valid Community budget.

On 4 March the Council established a draft research and investment budget. When this draft came up for discussion before the European Parliament on 14 March, the latter declined to approve it and pressed the Council to present a new draft budget entirely in ac-

1. Resolution of 23 January 1969, *Official Gazette* No. C 17 of 12 February 1969, p. 14.

2. Doc. 200/68: Leemans Report on the current problems of EAEC, arising principally from the absence of a research and investment budget for the financial year 1969.

3. Resolution of 23 January 1969, *Official Gazette* No. C 17 of 12 February 1969, pp. 15-16.

cordance with the Commission's preliminary draft¹.

7. Community policy towards the countries of the Mediterranean basin

46. Parliament showed acute concern about political and military developments in the Middle East and the dangers to peace which they represented.

At its sitting on 21 February 1969, on the basis of an interim report² by the Committee on External Trade Relations on a motion for a resolution tabled on behalf of the Socialist Group, Parliament adopted a resolution³ on Community policy towards the countries of the Mediterranean basin.

It took the view that any new action by the Community in respect of those states must form part of a common trade and association policy which took their just interests into account. It therefore invited the Commission and the Council to proceed with the preparation of association agreements with Tunisia and Morocco concurrently with work on the agreements with Israel, so that all these agreements could be concluded and take effect simultaneously.

CHAPTER II

External economic relations and Associations

1. Commitments undertaken by EEC in the matter of food aid as part of the Kennedy Round

47. During the May 1968 Session⁴ the Committee on External Trade Relations present-

1. See Chapter V, Financial and Budgetary Questions, Point 3: Budgets of the Communities.

2. Doc. 221/68: Westerterp Report on the motion for a resolution tabled by MM. Metzger, Vals, Wohlfart, Vredeling and Dehousse on behalf of the Socialist Group (Doc. 202/68), on Community policy towards the countries of the Mediterranean basin.

3. Resolution of 21 February 1969, *Official Gazette* No. C 29 of 6 March 1969, p. 7.

4. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 103 et seq.

ed to Parliament a report¹ on the fulfilment of food aid commitments entered into by EEC as part of the Kennedy Round. Following the debate, Parliament adopted a resolution² deploring the fact that it had not been formally consulted on the problems raised by fulfilment of these commitments. It noted that implementation of the Food Aid Convention would for the first time provide the Community as such with the opportunity of supplying food aid in the form of cereals, and stressed that it was important that the Community nature of this aid should also be evident in the way it was given. It emphasised the need for EEC and outside states parties to the Convention to co-operate closely with other international organisations, especially with FAO and the World Food Programme. It considered that the experience acquired by the Commission of the European Communities in aid to developing countries, particularly to the Associated African States and to Madagascar, could be put to advantage.

48. On 24 January 1969, on the basis of a report³ drawn up on behalf of the Committee on External Trade Relations, Parliament discussed a proposal by the Commission of the European Communities for a regulation on the procurement of cereals food aid⁴. Parliament adopted a resolution⁵ expressing its opinion on the proposed regulation. It regretted that the Community had not yet been able to fulfil the commitment it had entered into as part of the general arrangement on cereals of 1967 and that aid would in fact be given largely by the member states and not by the Community as such. It recalled its constant insistence on the principle that the material fulfilment of these commitments was

1. Document 31/68 * : Vredeling Report on fulfilment of food aid commitments entered into by EEC as part of the Kennedy Round.

2. Resolution of 15 May 1968, *Official Gazette* No. C 55 of 5 June 1968, pp. 13-14.

3. Doc. 199/68 : Vredeling Report on the proposal by the Commission of the European Communities to the Council for a regulation amending Regulation No. 120/67/CEE on the procurement of cereals for food aid, the criteria for such procurement and the problems of implementation of such aid and its destination.

4. European Parliament, Debates, *Official Gazette* No. 110 (Annex), January 1969, pp. 94 et seq.

5. Resolution of 24 January 1969, *Official Gazette* No. C 17 of 12 February 1969, pp. 20-21.

a matter for the Community, and considered that as from their second year of validity, i.e. from 1 July 1969, they should be met in full in accordance with the procedures laid down in the Treaty, i.e. on a proposal from the Commission, after consultation with Parliament, by virtue of a regulation issued by the Council and through Community channels. It felt that, in view of the problem of distribution of food aid, it was important for the Community to define a development strategy in respect of countries receiving aid, with particular regard to the encouragement of their agriculture.

49. At the same sitting, on the basis of a report¹ by its Committee for Finance and Budgets, Parliament passed a resolution² rendering an opinion on the Commission's proposal for a regulation on the financing by EAGGF of the expenses incurred in implementing the Food Aid Convention. Parliament expressed concern about the multiplicity of systems for apportionment of Community expenditure, and called for simplification of existing arrangements, notably when the financial arrangements for the common agricultural policy came up for review. It reaffirmed the pressing need to replace contributions from member states by Community funds as laid down in Article 201 of the EEC Treaty. It thought that the cost of carriage to final destination should also be borne by the Community budget in certain cases.

2. 2nd Session of the United Nations Conference on Trade and Development

50. During its July 1968 Session Parliament discussed the results of the 2nd Session of the United Nations Conference on Trade and Development (UNCTAD)³, on the basis of a report by the Committee on External Trade

1. Doc. 192/68 : Leemans Report on the proposal by the Commission of the European Communities to the Council for a regulation on the financing by EAGGF of expenses incurred in implementing the Food Aid Convention.

2. Resolution of 24 January 1969, *Official Gazette* No. C 17 of 12 February 1969, pp. 22-23.

3. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 175 et seq.

Relations¹. Parliament passed a resolution² expressing regret at the lack of substantial results achieved at the 2nd Session of the Conference. Though the work done at New Delhi had been on a more concrete level than that of the preceding Conference at Geneva, the results had nonetheless been disappointing. However, Parliament viewed as a positive achievement the fact that unanimous agreement had been reached on the principle of a system of general, non-reciprocal preference for manufactured and semi-manufactured goods from developing countries. It did not regard application of this principle as incompatible with the customs policy for tropical produce currently followed by EEC towards the Associated African States and Madagascar. Parliament asked the Commission and the Council to examine each individual case of processed agricultural produce which could be included in the general preferential system envisaged and any other commercial facilities which could be extended to developing countries. It endorsed the recommendations of the Conference on raw materials, according to which every effort should be made in the case of the main raw materials to arrive at world agreements which would guarantee market stability at remunerative levels. It regretted that the World Sugar Conference had not yet managed to overcome the differences of opinion on a world agreement and deplored the refusal of certain member states of the Conference to accept the Community as a party to the negotiations or the Commission as spokesman for the Community, despite the existence inside the Community of a common policy on sugar.

51. Parliament stressed its agreement with the spirit and objectives of the statement issued by the New Delhi Conference on the world food problem to the effect that continued efforts should be made to combat famine and malnutrition. It confirmed the need to extend the scope of food aid, as a temporary measure, beyond the Convention signed as part of the general agreement on cereals, to cover other

products also, though without endangering the development of agricultural production in the receiving countries. While noting with regret that the Europe of the Six had once again been unable to act as an entity and that the Commission of the Communities had not been made its sole spokesman, Parliament observed a certain unity of views among the member states of the Conference. It hoped that rapid progress would be made towards defining a Community policy on trade with developing countries. It formally called for more effective co-operation between the countries of the Western world which would make it possible to define common standpoints on the improvement of the trading situation of the developing countries. It expressed its conviction that effective world action to develop the less fortunate countries required the progressive institution of new forms of international economic and legal assistance, and that Europe had a duty to make its own essential contribution to their realisation.

3. International Sugar Agreement of 1968

52. At its sitting on 28 November 1968¹, Parliament put to the Commission of the European Communities an oral question (No. 14/68), followed by a debate from its Committee on External Trade Relations on the International Sugar Agreement of 1968. Parliament asked the Commission why the Community had not participated in the conclusion of the Agreement, signed in Geneva on 24 October 1968, and how the Community might still become a party to it. After hearing the Commission's reply Parliament adopted a resolution² expressing its wish that the Commission and the Council should investigate every possibility of acceding to the Agreement. It likewise requested the Commission and the Council to insist, when the problem of the international sugar market was again examined in UNCTAD institutions, on the need to improve the organisation of the International Sugar Agreement, with the particular object of making effective control possible over the expansion of world sugar production and

1. Doc. 86/68 : Pedini Report, presented by Mr. Westerp, on the results on the 2nd Session of the United Nations Conference on Trade and Development.

2. Resolution of 4 July 1968, *Official Gazette* No C 72 of 19 July 1968, pp. 51-52.

1. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 133 et seq.

2. Resolution of 28 November 1968, *Official Gazette* No. 135 of 14 December 1968, p. 18.

of providing a structural balance between the agreement and the demand for sugar on the international market.

4. Association with East African countries

53. At its sitting on 1 October 1968¹, on the basis of a report by its Committee on Relations with African States and Madagascar², Parliament discussed the Agreement signed on 26 July 1968 establishing an association between EEC and the United Republic of Tanzania the Republic of Uganda and the Republic of Kenya. In the resolution³ adopted at the end of the debate, Parliament recorded its pleasure at the signature of the Agreement, which strengthened existing ties between Europe and Africa, and underlined the open nature of the Community. It expressed its conviction that the Agreement would contribute to better understanding at regional African level and to growing integration of African economies. While approving the text of the Agreement and the provisions annexed to it, it reserved final judgment on the application of Article 28 of the Agreement, concerning the possible establishment of relations between the parliamentary delegates of the Contracting Parties following appropriate contacts with the parliamentary institutions concerned. Parliament hoped that the Agreement would take effect shortly and that all necessary arrangements would be made now so that on its expiry, on 31 May 1969, it could be renewed for a period to be fixed in the new Association Agreement with the African States and Madagascar.

54. During its March 1969 Session⁴ Parliament discussed a report⁵ drawn up on behalf of

1. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 94 et seq.

2. Doc. 136/68 *: Moro Report on the Agreement establishing an association between EEC and the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya, and annexed document (Doc. 117/68).

3. Resolution of 1 October 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 25-26.

4. European Parliament, Debates, *Official Gazette* No. 112 (Annex), March 1969, p. 5.

5. Doc. 226/68 *: Bersani Report on the visit by a delegation of the European Parliament from 17 to 20 January 1969 to the East African Community at Arusha.

the Committee on Relations with African States and Madagascar on the outcome of the visit paid from 17 to 20 January 1969 by a delegation of its members to the East African Community at Arusha. It passed a resolution¹ inviting the member states of EEC to act speedily in completing the ratification procedure for the Association Agreement of 26 July 1968 and requested the Council to begin negotiations on its renewal for a period to coincide with that fixed for the Association Agreement with the African States and Madagascar. Parliament hoped that it would be possible to create a joint body for interparliamentary contact to voice the aspirations of the peoples and discuss the main problems raised by relations between East Africa and the Community.

5. Association with Turkey

55. During its sitting on 2 July 1968², Parliament discussed a report by the Committee for the Association with Turkey³ on the recommendations adopted by the EEC-Turkey Joint Parliamentary Committee at the end of its 5th Session. It adopted a resolution⁴ on these recommendations. It approved and endorsed in principle the substance of the recommendations, and in particular supported the request from the Joint Committee to the Association Council for recognition of the right of interpellation by the members of the committee in the form of written questions to the Council. Parliament was pleased to note that the Association was working well and growing, and hoped that negotiations for it to pass from the preparatory to the transitional stage would start on the date laid down in the Ankara Agreement and would soon bear fruit. In particular it recommended that the Commission and Council of the Communities should pursue their endeavours to coordinate the economic policies of the Commu-

1. Resolution of 10 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 4.

2. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 62 et seq.

3. Doc. 87/68 : Brunhes Report on the recommendations adopted by the EEC-Turkey Joint Parliamentary Committee at the end of its 5th Session (Doc. 21/68).

4. Resolution of 2 July 1968, *Official Gazette* No. C 72 of 19 July 1968, p. 24.

nity and Turkey, speed up their work on a co-ordinated economic policy in the Community towards all the countries of the Mediterranean basin, increase their efforts to foster the growth and diversification of Turkey's exports, adopt a sympathetic approach to Turkey's needs in connection with industrialisation and equipment and to the problems raised by the emigration of her labour force and resume studies with a view to giving Turkish workers preference over workers from other outside states in the matter of access to the Community market.

56. At its November 1968 Session¹, Parliament examined a report from the Committee for the Association with Turkey² on the recommendations of the EEC-Turkey Joint Parliamentary Committee, concerning the 3rd annual report of the Association Council. It adopted a resolution³ approving and supporting the recommendations adopted by the Joint Committee on 24 September 1968 and noting with pleasure that the objectives of the Ankara Agreement had been largely realised during the first three years of the Association and that the requisite conditions for future progress had been created. In view of the political events in central Europe during the summer of 1968, Parliament emphasised the special political importance of the Association between EEC and Turkey, in addition to its importance in an economic context. It considered that the opening of negotiations on the passage from the first to the second stage of the Ankara Agreement was decisive for the further development of the Association, and hoped that in the drafting of an additional Protocol aimed at ensuring the continuance of the Association account would be taken of Turkey's economic and social requirements, i.e. that unduly sudden exposure of the Turkish economy to the economies of the Community would be avoided and that appropriate measures would be taken to shield its most sensitive areas. Parliament supported the idea

1. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 153 et seq.

2. Doc. 167/68 : Hahn Report on the recommendations of the EEC-Turkey Joint Parliamentary Committee regarding the 3rd annual report of the Association Council (Doc. 20/68).

3. Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 26-27.

of co-operation between the departments responsible for the Turkish development programme and the Community's medium-term economic policy. It proposed that the Community should take part in studies on the creation of industrial development zones in Turkey and invited the Association Council to open proceedings at the appropriate time with a view to renewal of the financial protocol which was to expire in 1969, so as to ensure the continuity of the Community's financial contribution. It considered that efforts should also be intensified on the Turkish side to improve the circumstances of industrial investments and eliminate any remaining obstacles, bearing in mind the important effects which the migration of Turkish workers had on the Turkish balance of payments. Parliament felt that there was a need for the Association Council to study what steps should be taken to provide a constructive long-term employment policy and a programme of vocational training for Turkish workers.

6. Association with the African States and Madagascar

57. Parliament turned its attention on several occasions to questions of the Associations between EEC and the African States and Madagascar. At its sitting on 2 July 1968¹ it examined a report, drawn up on behalf of its competent committee, on the state of financial and technical co-operation within this Association². Following the debate Parliament adopted a resolution³ noting that the committee responsible for managing the European Development Fund had followed the general lines for financial and technical co-operation jointly laid down by all the partners in the Association. It stressed the size of the Community's financial contribution to co-operation with the Associated States since the start of the Association. It considered that the machinery for financial and technical co-operation set up by the Yaoundé Convention had worked satisfactorily. Parliament noted

1. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 56 et seq.

2. Doc. 89/68 : Metzger Report on the state of financial and technical co-operation in the EEC-AASM Association.

3. Resolution of 2 July 1968, *Official Gazette* No. C 72 of 19 July 1968, p. 23.

with pleasure the efforts made by the Commission to ensure that aid supplied from the Fund was increasingly channelled towards a policy of regional development centred on particular growth areas and key sectors, such as agricultural production, and was allocated without regard to the frontiers between Associated States, so that inter-African solidarity and co-operation were strengthened. It urged the importance of training, especially for rural populations and the technical and professional training of managerial staff. It felt that the success of the economic and social projects financed by the Community depended on still more active participation on the part of the peoples of the receiving countries. Parliament appreciated the contribution of the European Investment Bank to the development of the states in question and hoped that it would enjoy more extensive facilities for the promotion of investment in the forthcoming period. Finally, Parliament affirmed its desire to see the Association continue with a new European Development Fund.

58. During its sitting on 2 October¹, on the basis of a report by the Committee for Relations with the African States and Madagascar², Parliament debated the renewal of the Yaoundé Convention. In the resulting resolution³ it expressed the hope that the Association would continue beyond the expiry of the Yaoundé Convention, on the same foundation and in the same spirit. It regretted that the communication from the Commission to the Council of Ministers on the problem of renewal of the Convention had not been followed up by concrete measures in the Council. It declared that the Association, for all its merits, could not be EEC's only response to the concerns of the developing countries, for its development philosophy called for action on a far broader basis towards all the countries of the third world, including the more favoured among them. It thought that the new Convention should have a life of seven years, to enable the Associated States to draw up longer-term

1. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 111 et seq.

2. Doc. 137/68 * : Thorn Report on the renewal of the Yaoundé Convention.

5. Resolution of 2 October 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 28-29.

development plans and avoid the inconvenience of fresh negotiations at too early a date. It considered that the Community should extend the scope of the importation arrangements for farm products similar to and competitive with European products, prolong the present system of duty-free importation of certain processed agricultural goods and extend it to other products if necessary, and do its utmost to remove the disparities between import arrangements in the member states for the products of the Associated States. Parliament felt that the new Association should not impede implementation of the system of general preferences envisaged by the New Delhi World Conference on Trade (UNCTAD) for manufactures and semi-manufactures from the various developing countries. It endorsed the proposal of the Commission of the Communities that aid should be granted in certain circumstances to offset the consequences of large falls — below the reference price — in the prices of particular products which were not covered by world agreements and which represented the bulk of the export revenues of one or more Associated States. It repeated its wish for an easing of the effects of consumer taxes levied in certain member states on the export proceeds of developing countries, including the AASM. It considered that the level of aid granted through the European Development Fund should be raised as far as possible — in view of the increased cost of projects, the growing populations of the Associated States and the increase in the gross national products of the member states — to reach an annual average of at least 200 million units of account. Parliament felt that the European Investment Bank should be given greater resources to promote further investment in the Associated States. Finally, it impressed on the Council the need to complete negotiations so that the necessary ratifications might take place in time to implement the new Convention on 1 June 1969.

59. At its March 1968 Session¹, Parliament debated a report² by its competent committee

1. European Parliament, Debates, *Official Gazette* No. 112 (Annex), March 1969, p. 9.

2. Doc. 228/68 * : Vals Report on the results of the 5th meeting of the Parliamentary Conference of the EEC-AASM Association.

on the results of the 5th meeting of the Parliamentary Conference of the EEC-AASM Association held in Tananarive from 10 to 15 July 1968. It adopted a resolution¹ expressing pleasure at the largely positive results of the Association's work over the last four years. It invited the Council and the Commission of the Communities to pay the greatest heed to the recommendations made by the Conference in its resolution of 15 January 1969 and repeated its wish that the Association should continue working in the same spirit towards the same goals. It hoped the Community would act in ways appropriate to present-day needs.

60. At its sitting on 18 June 1968², on the basis of reports received from its competent committee³, Parliament gave its approval⁴ to four proposals from the Commission regarding regulations on the system applied to various products originating in the AASM and the OCT.

At its sitting on 28 November 1968⁵, on the basis of a report from its competent committee⁶, Parliament likewise adopted a resolu-

1. Resolution of 10 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 5.

2. European Parliament, Debates, *Official Gazette* No. 104 (Annex), June 1968, pp. 8-10.

3. Doc. 62/68: Briot Report on the regulation on arrangements applicable to processed products based on fruit and vegetables originating in the Associated African States and Madagascar or in overseas states and territories.

Doc. 63/68: Briot Report on the regulation on arrangements applicable to sugar originating in the Associated African States and Madagascar or in overseas states and territories.

Doc. 64/68: Briot Report on the regulation on arrangements applicable to processed products based on cereals and rice originating in the Associated African States and Madagascar or in overseas states and territories.

Doc. 65/68: Briot Report on the regulation extending Regulation No. 404/67/CEE on arrangements applicable to rice and broken rice originating in the Associated African States and Madagascar or in overseas states and territories.

4. Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 4-6.

5. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, p. 153.

6. Doc. 165/68: Carcassonne Report on the regulation amending Regulation No. 800/68/CEE regarding the tariff description of starch products imported from the Associated African States and Madagascar or from overseas states and territories.

tion¹ in favour of a proposed regulation on starch products imported from the AASM or the OCT.

7. Association Agreement between EEC and Nigeria

61. At the sitting on 2 October 1968² an oral question without debate (12/68) put by Mr. Dehousse to the Commission of the European Communities, on the ratification of the projected Association Agreement between EEC and Nigeria came up. The questioner wished to know in particular whether, in view of the claims made on Biafra by the "Federal" Government of Nigeria, the Commission was not of the opinion that the procedure should be suspended and the Agreement left in abeyance, at least until further notice. Mr. Rochereau, a member of the Commission, replied that France and Luxembourg had not yet ratified the Agreement and that those member states who had done so had not yet lodged their instruments of ratification.

8. Regulations for the harmonisation of customs legislation

62. Before the deadline on 1 July 1968, Parliament examined a number of regulations on customs legislation proposed by the Commission. At its sitting on 17 May 1968³, on the basis of a report from its Committee on External Trade Relations⁴, it adopted a resolution⁵ in favour of

1. Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, p. 25.

2. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 108 et seq.

3. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 162 et seq.

4. Doc. 34/68: Bading Report on:
— a regulation regarding the customs value of goods;
— a directive on the harmonisation of laws and regulations relating to:

(a) customs controls on goods arriving in the customs territory of the Community,

(b) the system of provisional warehousing for such goods (Doc. 161/67);

— a directive on the harmonisation of laws and regulations relating to deferred payment of customs duties, taxes with equivalent effect and agricultural levies (Doc. 160/67);

— a directive on the harmonisation of laws and regulations relating to bonded warehousing arrangements (Doc. 159/67).

5. Resolution of 17 May 1968, *Official Gazette* No. C 55 of 5 June 1968, pp. 34-48.

a regulation and three directives on customs legislation, subject to certain proposed amendments.

During its June 1968 Session¹, Parliament likewise adopted a resolution expressing an opinion on two proposed directives for the harmonisation of the law governing inwards processing traffic and the system of free zones².

At the same session, on a proposal from its competent committee³ Parliament passed a resolution⁴ agreeing to a proposal from the Commission for a regulation defining the customs territory of the Community.

CHAPTER III

Supervision of the activities of the Communities

1st general report of the Commission of the Communities

63. At its sitting on 3 July 1968⁵ Parliament examined a report⁶, made on behalf of the drafting committee set up by the resolution of 12 March 1968, on the 1st general report of the Commission of the European Communities on the activities of the Communities in 1967. Following the debate, Parliament adopted the resolution tabled by its General Rapporteur⁷. It found that substantial progress had been achieved

ed in important areas of economic unification, as a result especially of the decisions to complete the customs union by 1 July 1968, to standardise turnover taxes and to establish the common agricultural market for a variety of agricultural products and the decision on the medium-term economic policy, and also of the effective way in which the Community had been represented in the Kennedy Round negotiations. However, it noted that the differences of views on the enlargement of the Communities had stood in the way of the advance of the Communities and threatened to be a stumbling block in the future too. It reaffirmed its conviction that the Communities must remain open to all democratic European states who subscribed to the treaties creating them and to the decisions taken to date by the Community institutions, another avowed goal of which decisions was the political unification of Europe. It urged the Commission and the Council to proceed resolutely with the internal development of the Community, despite these differences.

64. Parliament called for the achievement of economic union in the course of the next few years and considered that the following should be the Community's primary objectives :

- following the removal of customs barriers, to eliminate fiscal and administrative barriers and frontier controls ;
- to achieve complete freedom of establishment and freedom to supply services ;
- to create a European capital market ;
- to lay sound foundations for a common economic policy ;
- to define a common attitude to international monetary matters and create a monetary union ;
- to encourage co-operative ventures, in keeping with economic needs, and concentrations of European firms, while taking care to ensure effective competition ;
- to improve conditions for industrial development, in particular by instituting in law a European form of company ;
- to implement a Community-oriented regional policy ;
- to ensure that consumers derived full benefit from the achievement of the Common Market.

1. European Parliament, Debates, *Official Gazette* No. 104 (Annex), June 1968, pp. 15 et seq.

2. Doc. 68/68 : Bading Report on :
— a directive on the harmonisation of laws and regulations relating to arrangements for inwards processing traffic (Doc. 16/68) ;
— a directive on the harmonisation of laws and regulations relating to the system of free zones (Doc. 18/68).

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 12-25.

3. Doc. 83/68 : Kriedemann Report on the definition of the customs territory of the Community.

4. Resolution of 19 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 39-40.

5. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 103 et seq.

6. Doc. 58/68 * : Lückner Report on the 1st general report of the Commission of the European Communities on the activities of the Communities.

7. Resolution of 3 July 1968, *Official Gazette* No. C 72 of 29 July 1968, pp. 37-39.

65. Parliament expressed pleasure at the progress made in consolidating a European legal order and stressed the fundamental role of the Court of Justice of the European Communities in enforcing and interpreting Community law. It emphasised the need for more effective action in steering agricultural production along the right lines and called for co-ordination in policies relating to agricultural prices, structures, social matters and professional advancement. It welcomed the Council's decision to implement a work programme in transport policy, but stressed the need for other measures relating to capacity control and standardisation of the conditions of competition. Parliament urged the Council to end the present stagnation in the common energy policy. It regretted that no active progress had been made in working out a common policy on research and technology and called for a speedy positive decision on the future of Euratom. Parliament thought the Community should study the possibility of building an isotope separation plant to provide in the long term for its enriched uranium requirements.

66. In its resolution Parliament again noted that in spite of the Commission's efforts the arrears existing in the sphere of social policy had not yet been made good, and it looked to the Commission and the Council for progress, especially in vocational training, employment facilities, the readaptation of workers, the reorganisation of the European Social Fund, the harmonisation of social security arrangements, equal pay for men and women, safety at work and health protection. It called for the continued application of the social policy of ECSC in the readaptation of workers, industrial redeployment and the building of workers' housing.

Parliament expressed satisfaction at the adoption of Community measures on dumping practices and the harmonisation of customs legislation, but considered that the Council should expedite its work in defining the overall common policy on trade, including relations with state-trading countries. It was pleased that the Community had declared its willingness, by unilaterally speeding up application of the tariff reductions agreed on in GATT, to help the United States of America reduce its balance-of-payments deficit. However, it urged the executives to pro-

test vigorously against the protectionist tendencies apparent in the United States, though it also noted with satisfaction the presentation by the President to Congress of the Trade Expansion Act of 1968.

67. Parliament declared itself satisfied with the progress of the Association with Turkey and that with the African States and Madagascar. Nevertheless, it looked forward to more active policies in commercial, financial and social matters. Parliament approved the policy of the Community towards the present Greek Government and looked forward to a speedy return to democracy and a constitutional system in Greece, so that the Association with that country could go ahead. It was of the opinion that definition of an overall Community policy towards the countries of the Mediterranean basin was essential, and stressed the need for a successful conclusion, regardless of negotiations for membership, to the negotiations with the European states which had not applied for admission. As for the future organisation of relations with other African states, notably Nigeria and the countries of East Africa, Parliament recommended the conclusion of an outline agreement which could be supplemented by special protocols for each state concerned. It again stressed its special responsibility towards the developing countries by reason of its economic strength and the part it played in world trade, and called for co-ordinated Community action to promote more intensive modernisation of the economies of the developing countries, to harmonise their export possibilities and the factors affecting their trading relations and to continue and extend the food aid programme.

68. Finally, Parliament restated its belief that only by joining together in a federal economic and political entity, gradually if necessary, could the peoples of the Community assert themselves in peace, freedom, security, independence and prosperity, now and in the future. It was therefore vigorously opposed to any attempt to weaken the institutional structure of the Community, and urged the Commission in particular to be vigilant in safeguarding its powers and its independence. It recalled its earlier requests and proposals for a thorough constitutional reform of

the Community, with an increase in its own powers and provision for its election by direct universal suffrage.

CHAPTER IV

Activities of the Communities in the economic and social fields

1. Towards economic union

69. At its November 1968 Session, on the basis of a report by its Economic Affairs Committee¹, Parliament debated the draft second medium-term economic policy programme presented to the Council by the Commission of the European Communities². It adopted a resolution³ expressing its opinion on the draft programme. It pointed out that the second programme covered only the years 1965 to 1970, a period now almost completed, and hoped that the third programme would be presented early enough to be effective as a guide to the economy. It demanded that the next programme should contain a table setting out the financial requirements of the different Community funds over several years, so that member states might have a more detailed overall picture of their financial obligations.

70. As for the guidelines laid down, Parliament accepted the proposals for the creation of larger and more economic firms within the Community. It called for greater standardisation in the legislation on taxes and competition and in patents and licences and for the creation of a European form of company. It thought that the problem of proper workers' representation in firms should be solved as a matter of urgency.

1. Doc. 155/68 * : Mrs. Elsner's Report on the draft second medium-term economic policy programme presented to the Council by the Commission of the European Communities (Doc. 19/68).

2. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1969, pp. 82 et seq., and pp. 122 et seq.

3. Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 15 to 17.

It called special attention to proposals for improving agricultural structures and farming revenues. It asked that a welfare programme be drawn up for workers who were forced to leave their jobs and learn new skills and that new arrangements be drawn up for the European Social Fund. Turning to science and research, Parliament looked forward to seeing the Maréchal Working Party resume its activities and present a programme of co-operation. It approved the creation of European documentation centres. As for the mutual recognition of degrees and courses of study, it recommended that this matter be settled quickly. Noting that investors from outside states had derived greater benefit than those in the Community from the considerable resources available on the European capital market, Parliament believed there was a need to create a Community capital market while keeping a close watch on the development of foreign investments. It regretted that the Council had still not approved the third directive on the removal of obstacles to the free operation of the capital market.

71. Parliament recognised the need for concerted action on the part of governments, trade unions and employers in the field of incomes policy. It hoped that the third programme would contain more precise proposals for determining the role of productivity and the tax system applicable to married couples and for ensuring effective application of Article 119 of the Treaty instituting EEC. Parliament recalled that forecasts for periods of more than five years were essential to employment policy and vocational training and demanded co-ordination of the labour market in the six member states. It was of the opinion that the Commission should present outline proposals for a social security system. It thought it desirable that the accumulation of wealth should be promoted by enabling large sections of the population to share in company profits and in the building up of public assets.

72. At its sitting on 19 June¹ Parliament examined a report by its Economic Affairs

1. European Parliament, Debates, *Official Gazette* No. 104 (Annex), June 1968, pp. 44 et seq.

Committee¹ and expressed an opinion² on a proposed regulation on transit arrangements within the Community. It approved the general aims pursued by the Commission in simplifying these arrangements but suggested a longer transitional period to allow customs departments to adjust to the changes which the regulation would bring about in the location of customs clearance points for merchandise.

73. During its sitting on 2 July 1968³ Parliament resumed its study of the problems of the iron and steel industry in the Community, on which a report⁴ had been presented at the sitting on 15 May 1968. In a resolution⁵ adopted following the debate, Parliament expressed the opinion that the present difficulties of the iron and steel industry were not the result of over-capacity but of the prevailing price anarchy and the lack of concerted action on investment. It thought some general discipline in production was desirable as the first element of a Community industrial policy. It considered that it was up to the executive to implement a Community policy on iron and steel, the main aims being to prevent a leap-frogging progression of illicit subsidies borne by national exchequers, to avoid the creation of structural capacity surpluses and to see to it that the rationalisation of firms through increases in size went ahead smoothly in the context of regional and social policies.

74. Following the presentation by Mr. Metzger, on behalf of the Socialist Group, of a motion for a resolution⁶ on the strengthening of the position of the consumer in the Common Market, Parliament instructed its competent com-

1. Doc. 69/68: Illerhaus Report on the proposal from the Commission of the European Communities to the Council (Doc. 17/68) for a regulation on transit arrangements within the Community.

2. Resolution of 19 June 1968, *Official Gazette* No. C 66 of 2 July 1968, p. 35.

3. European Parliament, *Official Gazette* No. 105 (Annex), July 1968, p. 29.

4. Doc. 12/68: Oele Report on the problems of the iron and steel industry in the Community.

5. Resolution of 2 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 15-16.

6. Doc. 95/68.

mittee to draw up a report on the subject¹. During its January 1969 Session it adopted a resolution² inviting the Commission to study in greater depth the effects of the Common Market on the consumer and to make the results of its studies widely known. It asked the governments of member states to include consumers' representatives in lists of nominations for membership of the Economic and Social Committee, and thought it desirable that the Treaty on the merger of the Communities should expressly give consumers a place on that committee in keeping with their importance in economic life. It suggested that the Commission, in conjunction with consumer organisations, should intensify all forms of activity taken in the interests of consumers.

75. At its October Session³, on the basis of a report by its Economic Affairs Committee⁴, Parliament adopted a resolution on the proposed directive regarding the approximation of member states' legislation on cut glass⁵.

On the same day, on the basis of a report by its competent committee⁶, Parliament adopted a resolution expressing an opinion on the proposed directive on the approximation of member states' legislation on the dimensions of ships' tanks⁷.

During its January 1969 Session⁸, on the basis of a report by its Economic Affairs Com-

1. Doc. 189/68: Boersma Report on the motion for a resolution presented on behalf of the Socialist Group by Mr. Metzger regarding the strengthening on the consumer's position in the Common Market.

2. Resolution of 21 January 1969, *Official Gazette* No. C 17 of 12 February 1969, p. 4.

3. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, p. 160.

4. Doc. 118/68: De Winter Report on the proposal from the Commission of the European Communities to the Council for a directive on the approximation of member states' legislation on cut glass.

5. Resolution of 3 October 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 35-36.

6. Doc. 119/68: Apel Report on the proposal from the Commission of the European Communities to the Council for a directive on the approximation of member states' legislation on the dimensions of ships' tanks.

7. Resolution of 3 October 1968, *Official Gazette* No. C 108 of 19 October, p. 36.

8. European Parliament, Debates, *Official Gazette* No. 110 (Annex), January 1969, pp. 104 et seq.

mittee ¹, Parliament adopted a resolution expressing an opinion on a proposed directive on the approximation of member states' legislation on technical safety measures in the construction and operation of oil pipelines ².

76. Parliament was called upon on several occasions to give its opinion on directives relating to the achievement of freedom of establishment and freedom to supply services. For example, at its July 1968 Session ³, on the basis of a report from its Legal Affairs Committee ⁴, it adopted a resolution ⁵ expressing an opinion on the proposed directives for the mutual recognition of degrees, diplomas and other qualifications relating to the work of self-employed architects.

Likewise, on a proposal from its Legal Affairs Committee ⁶, Parliament passed a resolution expressing an opinion on a directive regarding press activities ⁷.

During its sitting on 22 January 1969 ⁸ Parliament adopted a resolution expressing an opinion on a directive relating to certain self-

1. Doc. 188/68 : Hougardy Report on the proposal from the Commission of the European Communities to the Council for a directive regarding the approximation of member states' legislation on technical safety measures in the construction and operation of oil pipelines.

2. Resolution of 24 January 1969, *Official Gazette* No. C 17 of 12 February 1969, pp. 25-28.

3. European Parliament, Debates, No. 105 (Annex), July 1968, p. 9.

4. Doc. 24/68 : Boertien Report on the proposals from the Commission to the Council (Doc. 65/67) for directives :

— regarding the achievement of freedom of establishment and freedom to supply services in respect of self-employed architects ;

— aimed at the mutual recognition of degrees, diplomas and other qualifications in connection with self-employed architects ;

— with the object of co-ordinating laws and regulations relating to self-employed architects.

5. Resolution of 1 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 3-9.

6. Doc. 53/68 : Dehousse Report on the proposal from the Commission of the European Economic Community to the Council (Doc. 59/64) for a directive setting out procedures for the achievement of freedom of establishment and freedom to supply services, in respect of press activities.

7. Resolution of 2 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 10-14.

8. European Parliament, Debates, *Official Gazette* No. 110 (Annex), January 1969, p. 68.

employed processing activities ¹, on the basis of a report by its Legal Affairs Committee ².

77. At its sitting on 14 May 1968 ³, Parliament considered an oral question (No. 3/68) with debate, put by the Legal Affairs Committee to the Council of the European Communities on the schemes for a European company, a European convention on patents and a European convention on trade marks. At the request of the President-in-office of the Council, Parliament postponed this question to a later session.

2. Common agricultural policy

78. Parliament was consulted during the period under review on a number of proposals from the Commission for regulations on the application of the common agricultural policy.

At its May 1968 Session ⁴, Parliament expressed an opinion on a proposal from the Commission for a directive on the freedom of farmers who are nationals of one member state and established in another member state to benefit from the various forms of aid ⁵.

Parliament also adopted resolutions on : proposed regulations for the common organisation of markets in oils and fats, cereals, pig meat, eggs, poultry, meat, rice and sugar ; a regulation on the importation of cereal feeding-stuffs into Italy ; a regulation on the milling products of bread grains ; a regulation on the com-

1. Resolution of 22 January 1969, *Official Gazette* No. C 17 of 12 February 1969, p. 12.

2. Doc. 173/68 : Boertien Report on the proposal from the Commission of the European Communities to the Council (Doc. 107/68) for a directive amending the Council Directive of 7 July 1964 on temporary measures relating to self-employed processing activities in ISIC groups 23-40 (industrial workers and craftsmen).

3. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 86 et seq.

4. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 144 et seq.

5. Doc. 23/68 : Bersani Report on the proposal of the Commission of the European Communities to the Council (Doc. 183/66) for a directive on the freedom of farmers who are nationals of one member state and established in another member state to benefit from the various forms of aid. Resolution of 15 May 1968, *Official Gazette* No. C 55 of 5 June 1968, pp. 15-16.

mon organisation of markets in fruit and vegetables ; two directives on health problems relating to intra-Community trade in fresh meat and bovine and porcine animals ; and a regulation on the common organisation of markets for certain products listed in Annex 2 to the Treaty ¹.

79. At its June 1968 Session ², on the basis of reports from its Committee on Agriculture, Parliament adopted a series of resolutions giving

1. European Parliament, Debates, *Official Gazette* No. 103 (Appendix), May 1968, pp. 149-161.

— Doc. 51/68 : Bading Report on the proposal of the Commission of the European Communities to the Council (Doc. 28/68) for a regulation amending Council Regulations Nos. 136/66/CEE, 120/67/CEE, 121/67/CEE, 122/67/CEE, 123/67/CEE, 359/67/CEE, and 1009/67/CEE on the common organisation of markets in the oils and fats, cereals, pigmeat, eggs, poultry meat, rice and sugar sectors.

— Doc. 35/68 : Carboni Report on the proposal from the Commission of the European Communities to the Council (Doc. 207/67) for a regulation amending Regulation No. 120/67/CEE on the common organisation of markets in the cereals sector, with particular regard to the adjustment of the pre-determined refund and the special measures for Italy.

— Doc. 36/68 : Carboni Report on the proposal from the Commission of the European Communities to the Council (Doc. 5/68) for a regulation on the financing by EAGGF of expenditure arising out of special measures taken by the Italian Republic in respect of the importation of cereal feedingstuffs.

— Doc. 32/68 : Briot Report on the proposal from the Commission of the European Communities to the Council (Doc. 75/67) for a regulation on the reorganisation of the market in products obtained from milled bread grains.

— Doc. 37/68 : Mauk Report on the proposal from the Commission of the European Communities to the Council (Doc. 172/67) for a regulation amending Article 11 (2) of Regulation No. 23 for the gradual establishment of a common organisation of markets in the fruit and vegetables sector.

— Doc. 27/68 : Miss Lulling's Report on the proposals of the Commission of the European Communities to the Council (Doc. 6/68) for :

— a directive amending the directive of 26 June 1964 regarding health problems in intra-Community trade in fresh meat ;

— a directive amending the directive of 26 June 1964 regarding problems of health control in intra-Community trade in bovine and porcine animals.

— Doc. 38/68 : Lefèbvre Report on the proposal from the Commission of the European Communities to the Council (Doc. 4/68) for a regulation on the common organisation of markets in certain products listed in Annex II to the Treaty.

Resolution of 16 May 1968, *Official Gazette* No. C 55 of 5 June 1968, pp. 17-33.

2. European Parliament, Debates, *Official Gazette* No. 104 (Annex), June 1968, pp. 10 et seq.

opinions on regulations proposed by the Commission laying down additional provisions on the financing of the common agricultural policy ¹, on the threshold price for sugar in 1968-69 ², providing for the common organisation of the market in certain products listed in Annex II to the Treaty ³, stipulating additional provisions on the financing of the common agricultural policy in the sugar sector ⁴, laying down a common organisation for markets in processed products based on fruit and vegetables ⁵ and in the cereals sector ⁶, fixing the basic price and standard

1. Doc. 61/68 : Vredeling Report on the proposal from the Commission of the European Communities to the Council (Doc. 22/68) for a regulation making additional arrangements for the financing of the common agricultural policy.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, p. 7.

2. Doc. 59/68 : Klinker Report on the proposal from the Commission of the European Communities to the Council (Doc. 46/68) for a regulation fixing special prices for sugar for the period from 1 July 1968 to 31 May 1969.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 7-8.

3. Doc. 66/68 : Lefèbvre Report on the proposal from the Commission of the European Communities to the Council (doc. 4/68) for a regulation on the common organisation of markets in certain products listed in Annex II to the Treaty.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 8-11.

4. Doc. 60/68 : Rossi Report, drawn up on behalf of the Committee for Finance and Budgets, on the proposal from the Commission of the European Communities to the Council (Doc. 41/68) for a regulation making additional arrangements for the financing of the common agricultural policy in the sugar sector.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 25-26. This resolution emphasises the budgetary and institutional aspects of the question, and is examined from this point of view in paragraph 66.

5. Doc. 67/68 : Mauk Report on the proposal from the Commission of the European Communities to the Council (Doc. 14/68) for a regulation on the common organisation of markets in processed products based on fruit and vegetables.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 26-27.

6. Doc. 77/68 : Bading Report on the proposal from the Commission of the European Communities to the Council (Doc. 70/68) for a regulation amending Council Regulation No. 120/67/CEE on the common organisation of markets in the cereals sector.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, p. 40.

quality for slaughtered pigs¹ and dealing with milk products².

80. During the July Session Parliament's Committee on Agriculture put an oral question (No. 11/68) with a debate to the Commission of the European Communities on the situation in the potato market³.

During the same session Parliament adopted a resolution on a proposed regulation relating to the manufacture and marketing of butter⁴.

On the basis of a report from its Committee for Finance and Budgets⁵, Parliament approved the proposed regulation on advance payments by EAGGF⁶.

On a proposal from its Committee on Agriculture⁷, Parliament approved the proposed regulation on the application of quality standards to fruit and vegetables⁸.

1. Doc. 75/68 : Richarts Report on the proposal from the Commission of the European Communities to the Council (Doc. 71/68) for a regulation fixing the basic price and standard quality for slaughtered pigs for the period 1 July to 31 October 1968.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 40-42.

2. Doc. 84/68 : Brouwer Report on the proposal from the Commission of the European Communities to the Council (Doc. 74/68) for a regulation fixing the target price for milk and intervention prices for butter, skimmed milk powder and Gran-Padano and Parmigiano Reggiano cheeses for the 1968-69 milk year.

Resolution of 18 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 44-45.

3. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 165-166.

4. Doc. 99/68 : Dulin Report on the proposal from the Commission of the European Communities to the Council (Doc. 80/68) for a regulation on the manufacture and marketing of butter.

Resolution of 4 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 62-66.

5. Doc. 101/68 : Westerterp Report on the proposal from the Commission of the European Communities to the Council (Doc. 79/68) for a regulation on advance payments from the Guarantee Section of EAGGF in respect of expenditure during the first six months of the 1967-68 accounting period.

6. Resolution of 5 July 1968, *Official Gazette* No. C 72 of 19 July 1968, p. 67.

7. Doc. 98/68 : Mauk Report on the proposal from the Commission of the European Communities to the Council (Doc. 90/68) for a regulation amending Regulation No. 158/66/CEE on the application of quality standards to fruit and vegetables marketed inside the Community.

8. Resolution of 5 July 1968, *Official Gazette* No. C 72 of 19 July 1968, p. 68.

81. During its sitting on 2 October¹, on a proposal from its Committee on Agriculture², Parliament passed a resolution expressing an opinion on directives relating to seeds and seedlings³.

On 3 October Parliament adopted resolutions rendering favourable opinions on regulations laying down special measures for Italy in the cereals sector⁴ and organising the markets in oils and fats⁵, and the rice market⁶.

82. On 24 October Parliament resumed a discussion, which had been adjourned on 2 October, on the Commission's proposals for the establishment of a common policy on fisheries⁷. On

1. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, p. 156.

2. Doc. 134/68 : Kriedemann Report on proposals from the Commission of the European Communities (Doc. 94/68) for directives :

1. on the marketing of oil and fibre plant seeds ;
2. on the common catalogue of varieties of agricultural plants ;

3. on the marketing of vegetable seed ;
4. amending the Council Directive of 14 June 1966 on the marketing of cereal seed ;

5. amending the Council Directive of 14 June 1966 on the marketing of beet seed ;

6. amending the Council Directive of 14 June 1966 on the marketing of seed potatoes ;

7. amending the Council Directive of 14 June 1966 on the marketing of forage seed.

3. Resolution of 2 October 1968, *Official Gazette* No. C 108 of 19 October, pp. 29-34.

4. Doc. 140/68 : Klinker Report on the proposal from the Commission of the European Communities to the Council (Doc. 126/68) for a regulation further amending Regulation No. 120/67/CEE on the common organisation of markets in the cereals sector, with particular reference to special measures in the case of Italy.

Resolution of 3 October 1968, *Official Gazette* No. C 108 of 19 October, pp. 45-46.

5. Doc. 141/68 : Richarts Report on the proposal from the Commission of the European Communities (Doc. 123/68) for a regulation amending Regulation No. 136/66/CEE on the establishment of a common organisation for markets in the oils and fats sector.

Resolution of 3 October 1968, *Official Gazette* No. 108 of 19 October 1968, p. 46.

6. Doc. 142/68 : Carboni Report on the proposal from the Commission of the European Communities to the Council (Doc. 128/68) for a regulation amending Regulation No. 359/67/CEE on the common organisation of the market in rice as regards the method of fixing the correction factor applicable to the refund.

Resolution of 3 October 1968, *Official Gazette* No. C 108 of 19 October 1968, p. 47.

7. European Parliament, Debates, *Official Gazette* No. 107 (Annex), October 1968, pp. 3-35, and *Official Gazette* No. 106 (Annex), September-October 1968, pp. 152-156.

the basis of a report from its Committee on Agriculture¹ it adopted several resolutions² rendering opinions on regulations to establish a common policy on the structure of the fishing industry and providing for the common organisation of the market in fishery products.

Parliament noted that there was only one year left in which to put these regulations into effect: this presented considerable problems in economic circles and national and Community administrations. It expected the Council to reach a decision rapidly in order to alleviate the difficulty.

Parliament further called the Commission's attention to the need to regulate relations between the Community and associated states in fishery problems. It also pointed out that measures to reorganise the industry had to be accompanied by social measures intended to safeguard for the future the general employment levels and the living standards in the regions affected.

On 25 October Parliament voted a resolution on a regulation fixing the basic price and standard quality for slaughtered pigs³ and a resolution expressing an opinion on a proposed regulation on olive oil prices⁴. On the basis of a report from its Committee on Agriculture, Par-

liament expressed an opinion on a regulation regarding assistance from the Guidance Section of EAGGF for 1969¹.

83. At its November 1968 Session² Parliament adopted several resolutions relating to agricultural policy; one on a regulation regarding the common organisation of the market in sugar³, another on a directive regarding additives in animal feedingstuffs⁴, in which it repeated its earlier opinion on the setting-up of a standing committee on such feedingstuffs and a third on a directive regarding forestry reproductive material⁵.

84. In the course of its sitting on 13 December 1968⁶, on a report from its Committee on Agriculture, Parliament rendered a favourable opinion on a proposed Council regulation regarding the price of butter applied by the Netherlands Intervention Agency⁷.

1. Doc. 133/68: Kriedemann Report on the proposals from the Commission of the European Communities (Doc. 78/68) for:

- a regulation establishing a common policy for the structure of the fishing industry;
- a regulation establishing a common organisation of the market in fishery products;
- a regulation suspending the common customs tariff duties applicable to certain fish under headings 03.01 and 03.02.

2. General opinion and opinion on each of the proposed regulations dated 24 October 1968, *Official Gazette* No. C 116 of 8 November 1968, pp. 3-20.

3. Doc. 148/68: Richarts Report on the proposal from the Commission of the European Communities to the Council (Doc. 145/68) for a regulation fixing the basic price and standard quality for slaughtered pigs for the period from 1 November 1968 to 31 October 1969.

Resolution of 25 October 1968, *Official Gazette* No. C 116 of 8 November 1968, pp. 21-22.

4. Doc. 149/68: Richarts Report on the proposal from the Commission of the European Communities to the Council (Doc. 146/68) for a regulation fixing the target prices, intervention price and threshold price for olive oil during the 1968-69 marketing year.

Resolution of 25 October 1968, *Official Gazette* No. C 116 of 8 November 1968, pp. 22-23.

1. Doc. 151/68: Vredeling Report on the proposal from the Commission of the European Communities to the Council (Doc. 147/68) for a regulation on assistance from the Guidance Section of EAGGF for 1969.

Resolution of 25 October 1968, *Official Gazette* No. C 116 of 8 November 1968, pp. 24-25.

2. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 131 et seq.

3. Doc. 161/68: Klinker Report on the proposal from the Commission of the European Communities to the Council (Doc. 154/68) for a regulation amending Regulation No. 1009/67/CEE on the common organisation of markets in the sugar sector.

Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, p. 18.

4. Doc. 164/68: Brouwer Report on the proposal from the Commission of EEC to the Council (Doc. 118/67) for a directive regarding additives to animal feedingstuffs.

Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 19-24.

5. Doc. 162/68: Briot Report on the proposal from the Commission of the European Communities to the Council (Doc. 153/68) for a directive amending marketing arrangements for forestry reproductive material.

Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 24-25.

6. European Parliament, Debates, *Official Gazette* No. 109 (Annex), December 1968, p. 29.

7. Doc. 177/68: Kriedemann Report on the proposal from the Commission of the European Communities to the Council (Doc. 176/68) for a regulation amending Regulation No. 886/68/CEE on the buying-in price for butter applied by the Netherlands Intervention Agency.

Resolution of 13 December 1968, *Official Gazette* No. C 158 of 21 December 1968, p. 5.

85. During its January 1969 Session¹, on a report from its Committee on Agriculture, Parliament approved several of the Commission's proposals on agricultural questions. It voted resolutions on a regulation regarding the common organisation of the market in sugar², a regulation concerning Article 20 (1) of Regulation No. 17/64/CEE on EAGGF³ and a regulation on the application of quality standards for fruit and vegetables⁴.

86. At its session on 20-21 February 1969⁵, on the basis of a report by its Committee on Agriculture⁶, Parliament discussed regulations fixing the prices for certain agricultural products. It voted a resolution⁷ in which it rejected the Commission's proposals on the fixing of prices for cereals, rice, oilseeds and sugar for the 1969-70 marketing year and proposed that the price arrangements for these products applied in the 1968-69 marketing year should be extended for one year. It further declared itself in favour of maintaining the target price for milk, as proposed by the Commission, and reserved its opi-

nion on the direction of future agricultural price policy, to be covered by the Commission's memorandum on agricultural reform in the European Community.

87. During its March Session¹ Parliament examined a second interim report² on the Commission's proposals regarding a number of regulations on the fixing of prices for certain agricultural products and on medium-term measures for various agricultural markets. In its resolution³ it advocated a system of subsidies whereby sales of butter might be increased by reducing the price to the consumer. The cost of this subsidy would have to be covered by the budget forecasts required for the granting of subsidies for skimmed milk and skimmed milk powder, as provided for in the Commission's proposal⁴. Parliament took the view that Community policy in the milk sector must be reviewed. It was basically in favour of granting premiums for the marketing years 1969 and 1970 to farmers who of their own free will completely and finally gave up raising dairy cows and/or undertook to channel their production in an appropriate direction, in particular towards beef and veal. It proposed that the guide prices for calves and mature cattle should be raised from 1 April 1969 to respectively, 94.5 and 70 units of account for one hundred kilograms live weight. It approved in principle the proposals aimed at achieving greater stability in the international oils and fats market by active efforts to reach a world agreement, and invited the Commission to pursue its endeavours to have milk products in particular

1. European Parliament, Debates, *Official Gazette* No. 110 (Appendix), January 1969, pp. 91 et seq.

2. Doc. 187/68 : Richarts Report on the proposal from the Commission of the European Communities to the Council amending the Commission's proposal regarding a regulation amending Regulation No. 1009/67/CEE laying down a common organisation for markets in the sugar sector.

Resolution of 23 January 1969, *Official Gazette* No. C 17 of 12 February 1969, p. 17.

3. Doc. 190/68 : Vredeling Report on the proposal from the Commission of the European Communities to the Council (Doc. 180/58) for a resolution extending the time-limit provided for in Article 20 (1) of Regulation No. 17/64/CEE, on the European Agricultural Guidance and Guarantee Fund, to cover 1968.

Resolution of 23 January 1969, *Official Gazette* No. C 17 of 12 February 1969, p. 18.

4. Doc. 201/68 : Mauk Report on the proposal from the Commission of the European Communities to the Council (Doc. 193/68) for a regulation amending Regulation No. 158/66/CEE applying quality standards to fruit and vegetables marketed inside the Community.

Resolution of 23 January 1969, *Official Gazette* No. C 17 of 12 February 1969, pp. 23-25.

5. European Parliament, Debates, *Official Gazette* No. 111 (Annex), February 1969, p. 4.

6. Doc. 209/68 : Lückner Interim Report on proposals from the Commission of the European Communities to the Council (Doc. 198/68, part E) on the fixing of prices for certain agricultural products for the marketing year 1969-70.

7. Resolution of 21 February 1969, *Official Gazette* No. C 29 of 6 March 1969, p. 6.

1. European Parliament, Debates, *Official Gazette* No. 113 (Annex), March 1969, p. 61.

2. Doc. 227/68 : Second Lückner Interim Report on proposals from the Commission of the European Communities to the Council for a number of regulations on :
— the fixing of prices for certain agricultural products for the forthcoming marketing year (Doc. 194/68, part E) ;

— medium-term measures for various agricultural markets (Doc. 194/68, part C).

3. Resolution of 13 March 1969, *Official Gazette* No. C 41 of 1 April 1969, pp. 20-27.

4. This opinion invalidates a proposal from the Commission for the charging of compensatory amounts on powdered milk placed in store before the start of the 1969-70 milk season.

Cf. Doc. 6/69 : Lückner Report on this subject and Resolution of 14 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 34.

included in multilateral and world-wide food aid programmes.

At its sitting on 14 March¹, on a proposal from its competent committee², Parliament adopted a resolution³ on a regulation regarding the co-operation of the Guarantee Section of EAGGF. It recalled its resolutions of 5 July and 25 October 1968 and 23 January 1969 on the same subject, and regretted the fact that the time limits set in Regulations 17 of 1964 and 741 of 1967 had not been observed. It called attention to the harmful effects this might have for those whose interests were at stake.

During the same sitting, Parliament expressed opinions on a proposed regulation laying down standard qualities for certain cereals⁴ and on one regarding the common organisation of the market in cereals⁵.

88. The political and institutional aspects of implementation of the common agricultural policy were pointed out in two resolutions voted by Parliament on the basis of reports by its Committee for Finance and Budgets.

In its resolution of 18 June 1969⁶, already mentioned, Parliament observed that the proposed regulation on the financing of the common agricultural policy in the sugar sector provided for receipts which were in fact internal

ones, and stressed that their determination and use must be subject to valid parliamentary control. It recalled its resolution of 14 May 1965 concerning the Commission's proposals on the financing of the common agricultural policy, the Community's internal resources and the strengthening of its (Parliament's) powers¹. It felt unable to discuss the proposal in its present form and asked the Commission to modify the institutional aspects of it.

Parliament considered the time had come for a decision to implement Article 2 of Regulation No. 25 on the financing of the common agricultural policy and for it to be consulted on a proposal, which it invited the Commission to submit, for general application of Articles 201 CEE and 173 Euratom on internal resources and their democratic control by a substantial strengthening of parliamentary powers in respect of the budget.

On 30 September 1968² Parliament examined a proposal for a third directive on the harmonisation of turnover tax legislation and procedures for the application of the value added tax to transactions in agricultural produce. On the basis of a report by its Committee for Finance and Budgets³ it adopted a resolution⁴ approving the proposal, provided account was taken of its own observations on the political and institutional aspects. It recalled that :

(a) it was traditionally part of the essential powers of parliaments to determine rates of taxation ;

(b) in its resolution of 8 March 1966 it had expressed the opinion that, insofar as the entry into force of the directive entailed a limitation of the legislative powers of national parliaments, equivalent powers should be transferred to itself, particularly in the case of an amendment to the provisions laid down ;

1. European Parliament, Debates, *Official Gazette* No. 113 (Annex), March 1969, p. 160.

2. Doc. 7/69 : Vredeling Report on the proposal from the Commission of the European Communities to the Council (Doc. 231/68) for a regulation on assistance from the Guarantee Section of EAGGF.

3. Resolution of 14 March 1969, *Official Gazette* No. C 41 of 1 April 1969, pp. 33-34.

4. Doc. 8/69 : Dewulf Report on the proposal from the Commission of the European Communities to the Council (Doc. 195/68), for a regulation fixing standard qualities for durum, other wheat, rye, barley and maize.

Resolution of 14 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 35.

5. Doc. 9/69 : Briot Report on the proposal from the Commission of the European Communities to the Council (Doc. 232/68) for a regulation amending Regulation No. 120/67/CEE on the common organisation of markets in the cereals sector, with particular regard to the international arrangement on cereals.

Resolution of 14 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 36.

6. *Official Gazette* No. C 66 of 2 July 1968, pp. 25-26. Doc. 60/68 : Rossi Report on the proposal of the Commission of the European Communities to the Council (Doc. 41/68) for a regulation laying down additional financial provisions for the common agricultural policy in the sugar sector.

1. *Official Gazette* No. 96 of 2 June 1965, pp. 1660-1665.

2. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 9 et seq.

3. Doc. 121/68 : Artzinger Report on the proposal of the Commission of the European Communities to the Council (Doc. 13/68) for a third directive on the harmonisation of member states' legislation on turnover taxes (common procedures for the application of the value added tax to transactions in agricultural produce).

4. Resolution of 30 September 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 8-13.

(c) the Council had agreed, when arriving at decisions on the problem of the balance to be achieved in the milk sector, to follow up its declaration on the strengthening of Parliament's budgetary powers as recorded in the minutes of the restricted sitting on 23 December 1963 ;

(d) the financial rules of EAGGF would have to be revised in the very near future, member states' contributions being replaced by internal resources ; this would necessitate applying Article 201 of the EEC Treaty, which meant a strengthening of Parliament's powers ;

(e) there already existed sufficient grounds for resolving the question of valid parliamentary control over Community activities by considerably strengthening the powers of Parliament ; it was a question that had been discussed many times and was once again raised by the presentation of the proposed third directive.

Consequently, the Commission was urged to submit to the Council before 1 April 1969, in accordance with the procedure set out in Article 201 of the EEC Treaty, proposals relating both to internal resources and to the general strengthening of the powers of Parliament.

It was felt that, in view of these circumstances and the reasons given, the reduced rate and the flat rate provided for in the third directive should not be fixed by the Council on a proposal from the Commission until Parliament had stated its views as laid down in the provisions on the strengthening of its powers, which member states had adopted in accordance with their own constitutional rules.

3. Energy, research and atomic problems

89. At its sitting on 1 October 1968¹, on the basis of a report from its Committee on Energy, Research and Atomic Problems² Parliament conducted an important debate on European research and technology policy. It voted a resolu-

tion¹ recalling its numerous stands on scientific research and technology policy. It was with grave disquiet that it viewed the delays which had occurred in attaining the goals established by the Council on 1967. It was concerned at the continuing hold-up in the activity of the Maréchal Working Party, at the deterioration in scientific co-operation and at the threat which still hung over the existence of Euratom. It warned against the dangers of a return to national attitudes and programmes in scientific and technological research, paid tribute to the Commission's efforts to arrive at a real Community policy on research and urged the need for a more rational utilisation of the resources and experience of the member states, to put an end to the squandering of time, money and manpower which was the result of inadequate co-ordination of national programmes. Parliament invited member states to keep the Commission regularly informed of the various national programmes involving technological research, so that it could submit to them the appropriate recommendations for scientific co-ordination in Europe. It called again for the creation of a proper system of European patents and a legal form of European company and for the harmonisation of financial assistance and taxation systems in the different states of the Community. It recommended that the Community should be endowed with suitable financial autonomy, which would enable the Commission to elaborate and execute programmes of joint action in satisfactorily stable conditions. It reaffirmed the need to improve the structure and operation of the Euratom Joint Centre.

Parliament stressed that for a true Community research policy co-operation must extend to the industrial application of results, so that there was a direct link between research and industry, affording a real industrial strategy on a Community scale. In this connection it pointed out that the seven areas chosen by the Council for a study of the possibilities of Community co-operation should form the basic foundation for broader, more homogeneous programmes. It also noted that the institution of a Community

1. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 61 et seq.

2. Doc. 112/68 : Bersani Report on European research and technology policy.

1. Resolution of 1 October 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 22-23.

research policy meant the "Europeanisation" of the universities, to ensure the free movement of teachers and students and the harmonisation of study courses and degrees. It emphasised the importance of creating effective links between universities, industry, and public and private research laboratories.

Parliament asked the Commission to submit concrete proposals concerning the dissemination of knowledge and scientific documentation. It urged the desirability of extending scientific and technological co-operation to outside countries, especially states wishing to accede to the Communities. It declared itself satisfied with the talks arranged by its Committee on Energy, Research and Atomic Problems at parliamentary level with a group of British experts, to explore the possibilities of co-operation between the Six and Great Britain in research and technology. Finally, it called for a positive stand to be taken quickly on the building of a European isotope separation plant. This might well be one objective of co-operation between Great Britain and the Six.

4. Common transport policy

90. During the period covered by this report, Parliament rendered opinions on several proposals from the Commission on regulations regarding the implementation of the common transport policy.

At its July Session¹, on the basis of a report from its Transport Committee², Parliament adopted a resolution³ expressing opinion on a proposal for a regulation on the introduction of common rules for entry to the occupation of road haulier in national and international transport and for capacity control in national road haulage.

At its January 1969 Session¹, on a proposal from its Transport Committee², Parliament gave its opinion³ on a regulation on the introduction of conditions of entry to the occupation of passenger carrier by road in national and international transport.

91. On 30 September 1968⁴, Parliament rendered an opinion⁵ on a proposal for a regulation on access to the inland waterway goods transport market. In its resolution it stressed that the regulation could not achieve its object unless a scrapping operation was carried out to remove excess capacity. It pointed out that the improvement of the social situation in inland waterway transport posed problems which demanded special attention, and in particular thought it desirable that older workers who lost their employment through scrapping measures should be given the opportunity of early retirement. Parliament asked the Council to authorise the Commission to negotiate with outside states concerned, with the aim of reaching an agreement to extend the regulation to cover their Rhine vessels⁶.

92. During its November Session⁷, on the basis of a report by its competent committee⁸ Parliament adopted a resolution⁹ expressing its

1. European Parliament, Debates, *Official Gazette* No. 110 (Annex), January 1969, pp. 23 et seq.

2. Doc. 186/68 : Boertien Report on the proposal from the Commission of the European Communities to the Council (Doc. 109/68) for a regulation on the introduction of conditions of entry to the occupation of passenger carrier by road in national and international transport.

3. Resolution of 21 January 1969, *Official Gazette* No. C 17 of 12 February 1969.

4. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 22 et seq.

5. Doc. 116/68 : De Gryse Report on the proposal from the Commission of the European Communities to the Council (Doc. 166/67) for a regulation on access to the inland waterway transport market.

6. Resolution of 30 September 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 14-19.

7. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 167 et seq.

8. Doc. 150/68 : Faller Report on the proposal from the Commission of the European Communities to the Council (Doc. 3/68) for a regulation on common rules for the standardisation of railway company accounts.

9. Resolution of 29 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 33-39.

1. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 191 et seq.

2. Doc. 25/68 : Jozeau-Marigné Report on the proposal from the EEC to the Council (Doc. 105/67) for a regulation on the introduction of common rules for :
— entry to the occupation of road haulier in national and international transport ;
— capacity control in national road haulage.

3. Resolution of 4 July, *Official Gazette* No. C 72 of 19 July 1968, pp. 52-62.

opinion on a proposal for a regulation on common rules for the standardisation of railway company accounts.

On the same day Parliament rendered an opinion on a proposal¹ for a regulation on the introduction of a standard permanent accountancy system for infrastructure costs in transport.

During its March 1969 Session², on the basis of a report³ by its Transport Committee, Parliament adopted a resolution⁴ on a proposed decision regarding the organisation of a survey on infrastructure costs in rail, road and inland waterway transport. It stressed the importance, in the overall context of the transport policy, of a better knowledge of the composition of urban traffic infrastructure costs.

5. Social policy and health protection

93. Parliament turned its attention on several occasions to the social policy of the Community. On 3 July 1968⁵ it discussed a report by its Committee on Social Affairs and Health protection⁶ on the Commission's account of the social situation in the Community in 1967. Following a debate, it adopted a resolution⁷ in which it noted the favourable development of

the social situation in the member states despite the economic difficulties which had arisen in the year covered by the report. It regretted that because of the absence of political resolve on the part of the Council the efforts made by the Commission and Parliament in the social sphere had not enjoyed the support they should have received in the interests of the peoples of the Communities.

Parliament was concerned at the rather high level of unemployment in 1967 and considered that energetic action was urgently needed. It recalled its suggestion for the convening of a tripartite conference of workers' and employers' organisations. It stressed the need to review the present powers of the European Social Fund, again in the light of a policy of full employment. It called for the implementation of a regional industrialisation policy to prevent the migration of local labour, caused by the economic and social backwardness of certain regions.

Parliament considered that the Community should work more actively to :

(a) ensure a constant improvement in labour relations and working conditions and in workers' purchasing power ;

(b) adapt vocational training to current economic and social needs ;

(c) promote harmonisation of the progress of social security systems in accordance with Articles 117 and 118 of the EEC Treaty ;

(d) encourage the building of subsidised housing, in particular by pursuing the finance policy adopted on the basis of the EEC Treaty and extending it to all Community workers, above all to migrant workers ;

(e) develop arrangements for helping families and old people and expand the social services and mass tourism. Parliament expected the Commission to set up a special department to co-ordinate and follow up the work of member states concerning legislation on work safety and hygiene and public health in general.

Parliament expressed disappointment that a number of proposals submitted, with its support and that of the Economic and Social Committee, by the Commission had not led to any decisions by the Council of Ministers. It regretted the paralysing effect this was having on

1. Doc. 159/68 : Fellermaier Report on the proposal from the Commission of the European Communities to the Council (Doc. 108/68) for a regulation on the introduction of a standard permanent accountancy system for rail, road and inland waterway transport infrastructure costs.

Resolution of 29 November 1968, *Official Gazette* No. C 135 of 14 December 1968, p. 33.

2. European Parliament, Debates, *Official Gazette* No. 112 (Annex), March 1969, p. 18.

3. Doc. 208/68 : Apel Report on the proposal from the Commission of the European Communities to the Council (Doc. 122/68) for a decision amending certain provisions of Council Decision No. 65/270/CEE of 13 May 1965, applying Article 4 of Council Decision No. 64/389/CEE of 22 June 1964 relating to rail, road and inland waterway transport infrastructures.

4. Resolution of 10 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 6.

5. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 139 et seq.

6. Doc. 57/68 : Van Hulst Report on the account by the Commission of the European Communities of the development of the social situation in the Community in 1967 (Doc. 2/68).

7. Resolution of 3 July 1968, *Official Gazette* No. C 72 of 19 July 1968, p. 40.

progress towards the social goals of the European treaties. It expected the Commission both to continue its watch to ensure that the social obligations arising from the three treaties were observed and also to see that these obligations received practical application. Finally, it reminded the Commission of its invitation to proceed without delay with the drafting of proposals for combining the European treaties, bearing in mind the urgent need to formulate a genuine, realistic and resolute social policy for the Community.

94. During its sitting on 14 May 1968 Parliament discussed two oral questions (Nos. 1/68 and 2/68) with debate, put by the Social Affairs Committee to the Commission and the Council of Ministers respectively, on Council decisions on social policy matters¹. The committee wished to know whether it was true that the Council had taken a decision at its session on 29 February 1969 to restrict considerably the Commission's freedom to establish contacts with professional workers' and employers' organisations, to consult experts and to publish studies. It also asked whether this decision did not limit the powers of the Commission to the extent of preventing it from exercising them with the desired degree of independence. Parliament enquired of the Council whether it was willing to commit the necessary funds for the Commission to conduct studies at the request of Parliament under Article 122 of the EEC Treaty. In the joint debate on these two questions the President-in-office of the Council and the Vice-President of the Commission with responsibility for social affairs replied on behalf of their institutions, stating that no limitation of the Commission's rights had been intended. The President of the Council added, for his part, that application of Article 122 raised no problems of a budgetary character.

95. At its sitting on 2 July 1968², on the basis of a report from its competent committee³,

1. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 90 et seq.

2. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 50 et seq.

3. Doc. 81/68: Troclet Report on the possibilities and difficulties of ratification by member states of an initial list of conventions entered into in the framework of other international organisations.

Parliament voted a resolution¹ on the possibilities and difficulties of ratification by member states of an initial list of conventions entered into in the framework of other international organisations. It was pleased to note that the Commission was beginning its work on the harmonisation of social security systems in fields of interest to international organisations. It was of the opinion that this work should aim to create a common nucleus of standards of social law. It appreciated the opportunity given to both sides of industry to formulate their own observations and noted with satisfaction that the majority of member states had either completed or embarked upon ratification procedures for most of the eight ILO conventions and the European Social Charter and European Code of Social Security of the Council of Europe. Parliament recalled its resolutions of 14 May 1963 on the European Social Charter and invited the governments of member states which had not yet ratified it to proceed without delay with a partial ratification, which could be supplemented by later amendments, rather than delay initial ratification any longer.

96. On 14 May 1968² Parliament discussed an oral question (No. 5/68) with debate³, concerning the revised proposal for a regulation on the free movement of workers. In particular, it wished to know why the majority of the amendments it had proposed had not been included in the revised proposal and whether, in view of these amendments, the Commission did not think that a fresh revision was needed.

Mr. Levi-Sandri, replying, explained that the Commission had examined Parliament's amendments and all their political implication, and had been obliged to reject a number of them because of the limitations imposed by the Treaty.

1. Resolution of 2 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 21-22.

2. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 96 et seq.

3. Oral question No. 5/68, with debate, by Mr. Müller, Chairman of the Committee on Social Affairs and Health Protection, MM. Troclet and Angoiy, Vice-Chairmen, Mr. Pêtre, Rapporteur, and Mr. Behrendt, to the Commission of the European Communities.

97. At its November Session¹, on the basis of a report from its Social Affairs Committee², Parliament adopted a resolution³ concerning social security for migrant workers moving within the Community. In its resolution approving the Commission's proposals it declared itself opposed to any new discrimination which might be introduced by the inclusion of other conventions in the annexes of the proposed regulation. It expected the Commission to present a revised regulation No. 4 and proposals for social security arrangements for the self-employed. It repeated the need to arrive at genuine harmonisation of legislation on this matter and regretted the Council's dilatoriness and equivocation. Finally, it stressed that there had been no follow-up to the 1962 European Conference on Social Security.

98. Parliament examined the work of the Mines Safety Commission at its sitting on 13 May 1968⁴. On the basis of a report by its Social Affairs Committee⁵ it voted a resolution⁶ on the third and fourth reports on the Safety Commission's work. It expressed satisfaction at the work accomplished during the period under review, while emphasising the need to keep workers in coal mines adequately informed so that the results of that work and the knowledge acquired might bear fruit in practice. It invited the Safety Commission to take a more active interest in the problems of the health section and to study the medical and health problems of dust in underground workings. It urged the appropriate authorities in the member states to equip a certain proportion of underground wor-

kers with light-weight, portable, fire-damp meters and portable fire-damp limit warning devices. It noted that the work of the Safety Commission on the human factors continued to lag considerably behind its study of the technical problems involved, and asked that more attention should be devoted to the influence of the human element on the safety of underground work. It recalled its previous request for a comparative study of mining legislation in the six countries as a possible basis for common regulations. It deplored the fact that the recommendations of the Conference on Safety in Coal Mines and some of the recommendations of the Safety Commission had still not been implemented in full. It asked that research into pneumoconiosis be continued so as to establish conclusively whether this disease could be regarded as an occupational one. Finally, it urged that the Commission of the Communities should give the Secretariat of the Safety Commission sufficient staff to carry out the vast tasks assigned to it.

99. At its May 1968 Session¹ Parliament once again took up the question of application of the principle of equal pay for men and women. On the basis of a report by its Social Affairs Committee² it voted a resolution³ noting that the measures necessary to ensure full implementation of the principle of equal pay had not yet been adopted in all member states, that procedures to ensure legal safeguards for this principle had not yet been instituted in all states and that one state had still not ratified ILO Convention No. 100. Parliament noted that the Commission intended to draw up a programme of work for classification of jobs, of facilities for the vocational training of female workers, including advanced training, and of the structure of female employment. It looked to both sides of industry to do their utmost to ensure equal pay for male and female workers, and trusted that with this end in view they would accept only those collective agreements which unequi-

1. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 5 et seq.

2. Doc. 158/68 : Servais Report on the proposal from the Commission of the European Communities (Doc. 106/68) for a regulation establishing annexes to the Council Regulation on the application of social security schemes to employed workers and their families moving within the Community.

3. Resolution of 25 November 1968, *Official Gazette* No. C 135 of 14 December 1968, p. 4.

4. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 12 et seq.

5. Doc. 11/68 : Bergmann Report on the third and fourth reports on the activities of the Mines Safety Commission.

6. Resolution of 13 May 1968, *Official Gazette* No. C 55 of 5 June 1968, pp. 5-6.

1. European Parliament, Debates, *Official Gazette* No. 103 (Annex), May 1968, pp. 23 et seq.

2. Doc. 26/68 : Berkhouwer Report on application of the principle of equal pay for men and women workers.

3. Resolution of 13 May 1968, *Official Gazette* No. C 55 of 5 June 1968, pp. 7-8.

vocally recognised the principle of equal pay and would continue to oppose any job descriptions or classifications likely to lead to wage discrimination. It felt that it was essential to abolish wage discrimination and all other forms of direct or indirect discrimination in connection with female workers and their employment and to oppose the prejudices prevailing in this sphere.

100. During the period under review, Parliament expressed opinions on several questions relating to public health and health protection.

At its July 1968 Session¹, Parliament engaged in a joint discussion of two reports² on proposals for directives regarding proprietary pharmaceuticals. In the resolutions adopted³ at the close of the debate, it noted that in the proposed directive on the approximation of member states' legislation on the advertising of proprietary pharmaceuticals and on printed material packed with them, the Commission gave priority to health protection over economic considerations. It stated that certain member states were not yet applying the first directive on proprietary pharmaceuticals and that the Council had still not adopted the proposal for a directive submitted to it in 1964. Parliament considered it deplorable and dangerous for the same proprietary pharmaceuticals to be marketed under a variety of fancy names and urged the Commission to take steps to end this state of affairs. It assumed that, since the advertising of pharmaceutical products for use in human and veterinary medicine, branded dietetic preparations, toilet preparations and products for alimentary disorders did not fall within the scope of the directive, it would be covered by a Community directive in the near future. It stressed that a study was needed on price formation in pharmaceutical

products and that vigilance was called for to prevent unlawful price increases and the setting of profit margins at unjustified levels.

In Parliament's opinion, it was essential that no advertising should be permitted outside specialist circles unless those circles had been informed of all the properties and effects of the preparation in question. Parliament felt that, while a ban on the television advertising of proprietary pharmaceuticals would be both desirable and justified on grounds of health policy, the public were entitled to objective information. It therefore invited the Commission and the Council to impose still more stringent conditions on the television advertising of proprietary pharmaceuticals, within the framework of the directive in question. It asked the Commission to complete its work on the standardisation of lists of pharmaceutical products obtainable on prescription only, so that the lists might become compulsory throughout the Community.

101. In its resolution rendering an opinion on the third directive relating to the approximation of member states' legislation on proprietary pharmaceuticals, Parliament noted with pleasure that the proposed directive provided for the mutual recognition by member states of marketing permits issued by them for proprietary pharmaceuticals. It regretted, however, that the directive did not provide for automatic admission as had been expected but envisaged a highly complex authorisation procedure which needed simplification. Parliament favoured a genuine Community solution which would lead more easily and more surely to the ultimate goal of all public health policy, which was to make new medicines of high quality available to the public without delay. It insisted on the right of the sick to have full and reliable information on new therapeutic methods.

Parliament considered that the proposed directive could not provide anything more than temporary rules, and called for the organisation, within three years from the date on which the directive came into force, of automatic mutual recognition of marketing permits issued by the member states for proprietary pharmaceuticals. It attached importance to the creation of a European institution to co-ordinate member states' legislation on health protection, as repeatedly de-

1. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 74 et seq.

2. Doc. 55/68: Vredeling Report on the proposal from the EEC Commission to the Council (Doc. 103/67) for a directive on the approximation of member states' legislation on the advertising of proprietary pharmaceuticals and on printed material packed with them.

Doc. 56/68: Vredeling Report on the proposal from the Commission of the European Communities to the Council (Doc. 171/67) for a third directive regarding the approximation of member states' legislation on proprietary pharmaceuticals.

3. Resolutions of 2 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 25-30 and 31-34.

manded by its Committee on Social Affairs and Public Health.

102. During its November 1968 Session ¹, on the basis of reports by its competent committee ², Parliament adopted a resolution expressing its opinion on a proposal for a directive on the approximation of laws governing the classification, packaging and labelling of dangerous substances ³ and a resolution on a directive regarding electrical equipment ⁴. In the latter resolution it noted with satisfaction that safety standards for electrical equipment were to be harmonised in part and asked that Community standards should also be laid down for medium and high-tension electrical equipment. It urged that the provisions of the directive be put into effect by the end of 1969 at the latest.

103. During its sitting on 19 June 1968 ⁵, on the basis of a report by its competent committee ⁶, Parliament voted a resolution rendering an opinion on a regulation regarding the treatment of saccharose intended for human consumption ⁷. It approved the proposed regulation and called for the setting-up, as had been long envisaged, of a Standing Committee on Foodstuffs to decide on requisite methods of control.

104. On two occasions Parliament examined a proposed directive on health problems in

1. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 159-161.

2. Doc. 156/68: Berkhouwer Report on the proposal from the Commission of the European Communities to the Council (Doc. 125/68) for a directive amending the Council Directive of 27 June 1967 regarding the approximation of laws and regulations relating to the classification, packing and labelling of dangerous substances. Doc. 157/68: Jarrot Report on the proposal from the Commission of the European Communities to the Council (Doc. 92/68) for a directive regarding the approximation of member states' legislation on electrical equipment designed for use within certain voltage limits.

3. Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, p. 30.

4. Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 27-29.

5. European Parliament, Debates, *Official Gazette* No. 104 (Annex), June 1968, pp. 56 et seq.

6. Doc. 76/68: Müller Report on the proposal from the Commission of the European Communities to the Council (Doc. 72/68) for a regulation concerning the treatment of saccharose intended for human consumption.

7. Resolution of 19 June 1968, *Official Gazette* No. C 66 of 2 July 1968, pp. 42-44.

connection with intra-Community trade in certain cuts of fresh meat. At its sitting on 3 July ¹ it adopted a resolution put forward by its competent committee ². It expressed satisfaction that stringent health requirements were being drafted by the Commission for cutting and boning establishments and for the storage, carriage and packaging of cuts of meat, and approved the provisions made for a Standing Veterinary Committee with consultative functions. Parliament proposed a number of amendments, which it invited the Commission to endorse.

At its sitting on 14 March ³, on the basis of a supplementary report ⁴, Parliament adopted a new resolution on the amended proposal for the same directive. It deplored the fact that the Commission had not taken account of all its proposed amendments and urged it to submit a new amended proposal embodying its (Parliament's) health policy requirements.

105. On 14 March 1969 ⁵, on the basis of a report by its competent committee ⁶, Parliament rendered an opinion on a proposal for a directive on the approximation of legislation governing certain foodstuffs ⁷. It asked the Commission that the special department responsible for consumer problems and contact with consu-

1. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 157 et seq.

2. Doc. 88/68: Behrendt Report on the proposal from the Commission of the European Communities to the Council (Doc. 54/68) for a directive on health problems in connection with intra-Community trade in certain cuts of fresh meat.

Resolution of 3 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 42-47.

3. European Parliament, Debates, *Official Gazette* No. 113 (Annex), March 1969, p. 158.

4. Doc. 223/68-69: Behrendt Supplementary Report on the amended proposal of the Commission of the European Communities to the Council for a directive on health problems in connection with intra-Community trade in certain cuts of fresh meat.

Resolution of 14 March 1969, *Official Gazette* No. C 41 of 1 April 1969, p. 28.

5. European Parliament, Debates, *Official Gazette* No. 113 (Annex), March 1969, p. 159.

6. Doc. 212/68: Merchiers Report on the proposal from the Commission of the European Communities to the Council (Doc. 171/68) for a directive on the approximation of member states' legislation on meat, yeast and protein extract, on flavouring for soups and other foods and on meat-based stocks, soups and sauces.

7. Resolution of 14 March 1969, *Official Gazette* No. C 41 of 1 April 1969, pp. 29-33.

mer organisations should take part in the drafting of provisions regarding foodstuffs. It also expressed the wish that the Standing Committee on Foodstuffs to decide on requisite methods of control should be set up without further delay.

CHAPTER V

Financial and budgetary questions

1. Budget of the European Parliament

106. At its sitting on 2 July 1968¹ Parliament adopted a resolution on the estimated receipts and expenditure for the financial year 1969² on the basis of a report by the Committee for Finance and Budgets³.

Regarding staff establishment, Parliament approved the decision taken by the Bureau in agreement with the Committee for Finance and Budgets. It likewise approved the increases envisaged for plenary sessions, committee meetings and special sessions. It adopted the estimate of receipts and expenditure for the financial year 1969, totalling 8,570,460 units of account.

107. During its sitting on 30 September⁴ Parliament adopted a resolution⁵ on its accounts at 31 December 1966 closing its management account at that date at the final figure of 6,324,605.80 units of account for expenditure incurred and 6,092,302.10 units of account for out-payments.

108. On 3 October 1968, on the basis of a report by its competent committee, Parliament rendered an opinion on the consultation requested by the Council regarding Section 1 (Euro-

1. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, p. 30.

2. Resolution of 2 July 1968, *Official Gazette* No. 72 of 19 July 1968, pp. 16-21.

3. Doc. 85/68 : Battaglia Report on estimated receipts and expenditures of the European Parliament for the financial year 1969.

4. European Parliament, Debates, *Official Gazette* No. 36 (Annex), September-October 1968, pp. 7 et seq.

5. Resolution of 13 September 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 7-8.

pean Parliament) of the preliminary draft budget of the European Communities for the financial year 1969¹. While wishing to preserve in the future the principle of its budgetary independence and recalling that an exchange of views was still to take place with the Council, it considered that the procedure initiated at permanent representative level and pursued at Council level had proved useful and had helped reconcile different points of view.

109. At its March 1969 Session², on the basis of an interim report by its competent committee³, Parliament adopted a resolution⁴ on the draft settlement of its accounts for the year 1968. It decided to close the accounts at a later date on the basis of a report by its competent committee.

2. Financial and budgetary questions concerning ECSC

110. At its July 1968 Session⁵ Parliament examined a report by the Committee for Finance and Budgets on a number of budgetary and financial questions in connection with ECSC⁶. In its resolution⁷ it formally noted that the administrative expenditure of ECSC had risen to 19,847,266.06 units of account for the financial year 1966-67. It approved the Commission's proposal to retain the present levy rate of 0.30% until 31 December 1968. It noted with satisfaction that the executive had pronounced in accordance with the opinions expressed by the four parliamentary committees concerned.

1. Doc. 143/68 : Battaglia Report on the consultation requested by the Council on Section 1 (European Parliament) of the Preliminary draft budget of the European Communities for the financial year 1969 (Doc. 139/68).

Resolution of 3 October 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 47-48.

2. European Parliament, Debates, *Official Gazette* No. 112 (Annex), March 1969, p. 4.

3. Doc. 222/69 : Spénale Report on the draft settlement of the accounts of the European Parliament for the financial year 1 January-31 December 1968.

4. Resolution of 10 March 1969, *Official Gazette* No. C 41 of 1 April 1969, pp. 3-4.

5. European Parliament, Debates, *Official Gazette* No. 105 (Annex), July 1968, pp. 171 et seq.

6. Doc. 82/68 : Corterier Report on certain budgetary and financial questions regarding ECSC.

7. Resolution of 4 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 49-50.

111. At its January 1969 Session¹ Parliament voted a resolution² on ECSC's operational budget and levy rate for the financial year 1969, on the basis of a proposal from the Committee for Finance and Budgets³. It appreciated the fact that in maintaining the levy rate at 0.30 % for the financial year 1969, the Commission had followed the advice given by the four parliamentary committees at their joint meeting on 12 December 1968. It noted that this rate would make it possible to meet the particularly heavy cost in the 1969 financial year of retaining workers, and requested the Commission, in conjunction with the member states, to accede as far as its resources allowed to requests submitted to it for assistance with retraining.

3. Budgets of the Communities

112. On 5 July 1968⁴ Parliament examined a report on additional draft budget No. 1 of the European Communities for the financial year 1969⁵ and adopted a resolution on the draft⁶. It recalled that it had requested the Commission to report to it on the application to that organ's officials of special temporary measures relating to their status. It gave its approval to the additional draft budget drawn up by the Council, noting nonetheless that it differed from the Commission's proposals.

113. On 30 September 1968⁷, on the basis of a report by its competent committee⁸, Parlia-

1. European Parliament, Debates, *Official Gazette* No. 110 (Annex), January 1969, pp. 85-91.

2. Resolution of 23 January 1969, *Official Gazette* No. C 17 of 12 February 1969, pp. 16-17.

3. Doc. 191/68-69: Rossi Report on the ECSC operational budget and levy rate for the financial year 1969.

4. European Parliament, *Official Gazette* No. 105 (Annex), July 1968, p. 208.

5. Doc. 96/68: Leemans Report on additional draft budget No. 1 of the European Communities for the financial year 1968 (Doc. 91/68).

6. Resolution of 5 July 1968, *Official Gazette* No. C 72 of 19 July 1968, pp. 68-69.

7. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 7 et seq.

8. Doc. 120/68: Leemans Report on the management accounts and balance sheets of EEC and EAEC relating to budget operations for the financial year 1966 and on the Audit Board's report on this subject (Doc. 103/68 - I to IV).

ment adopted a resolution¹ on the management accounts and balance-sheets of EEC and EAEC relating to budget operations for the financial year 1966 and on the Audit Board's report on this subject.

Parliament urged the Audit Board to make any suggestions likely to improve the financial management and accounting of the European Development Fund and the European Agricultural Guidance and Guarantee Fund. It pointed to the need to expand the activities of the European Social Fund and initiate measures relating to the incurring and discharge of EAGGF liabilities.

114. On 28 November 1968² Parliament voted the proposed resolution³ contained in the report⁴ of its competent committee on the draft budget of the European Communities for the financial year 1969. It took the view that the Commission should have laid stress on the need to apply the provisions in respect of internal resources and to give it greater powers in budgetary matters. It remarked that the Council, on a proposal from the Commission, had, under Regulation No. 1009/67/CEE on sugar, earmarked revenue which was in the nature of Community resources without first laying down provisions for adoption by the member states in accordance with their respective constitutional rules, as stipulated in Article 201, which necessarily imputed the transfer to itself (Parliament) of the budgetary powers of national parliaments in matters removed from their competence. Parliament asked the Council for a decision on the revision of the basic regulations of the European Social Fund that was necessary in order to increase the Fund's activities.

115. At its sitting on 1 October 1968⁵, after studying a report on the draft EAEC supplementary research and investment budget for

1. Resolution of 30 September 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 6-7.

2. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 121-122.

3. Resolution of 28 November 1968, *Official Gazette* No. C 135 of 14 December 1968, pp. 10-14.

4. Doc. 168/68: Gerlach Report on the draft budget of the European Communities for the financial year 1969 (Doc. 160/68).

5. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 87 et seq.

1968¹, Parliament adopted a resolution² expressing satisfaction at the positive decision taken on the Dragon agreement. It regretted the fact that the Council had not yet presented a long-term research programme and noted with disappointment that the draft failed to meet the needs of a Community research policy. It emphasised that present circumstances forced it to the conclusion that the inadequate number of budgetary decisions taken by the Council had created a hiatus in the Community's scientific research policy.

116. During its March 1969 Session³, after discussing a report⁴ by its competent committee, Parliament declared itself opposed to the draft research and investment budget of the European Atomic Energy Community for the financial year 1969⁵. It observed that the draft was the financial expression of a limited programme covering for one year only, and deplored the fact the Council had decided on a provisional blocking of appropriations for expenditure in the second quarter of 1969. It declared that the draft could not be regarded as a budget for a real scientific and technical research policy, such as was needed by the Europe of the Six.

CHAPTER VI

Legal questions

1. *Implementation of derived Community law*

117. At its sitting on 3 October 1968⁶, on the basis of a report by its Legal Affairs Commit-

1. Doc. 135/68: Battaglia Report on the draft supplementary research and investment budget of the European Atomic Energy Community for the financial year 1968, as established by the Council (Doc. 111/68).

2. Resolution of 1 October 1968, *Official Gazette* No. C 108 of 19 October 1968, p. 24.

3. European Parliament, Debates, *Official Gazette* No. 113 (Annex), March 1969, p. 104.

4. Doc. 3/69: Leemans Report on the draft research and investment budget (Doc. 230/68) of the European Atomic Energy Community for the financial year 1969.

5. Resolution of 13 March 1969, *Official Gazette* No. C 41 of 1 April 1969, pp. 16-17.

6. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 161 et seq.

tee¹, Parliament adopted a resolution² on Community procedure for the implementation of derived Community law. With regard to the principle of the exercise of implementing powers, it observed that Article 155 of the EEC Treaty reserved the exercise of such powers in matters of derived Community law to two institutions, the Council and the Commission. It recalled its resolution of 17 October 1967, on the legal problem of its consultation, which provided that it was to be heard on all texts deriving from basic regulations and thereby helped to shape the political, economic or legal consequences of these regulations. Parliament thought that when under the Treaty the Council itself exercised implementing powers which did not allow of the definition of any new political, legal, economic or social orientation, its decisions should, subject to Article 149 CEE, be by simple majority, a qualified majority being required only in exceptional cases.

With regard to the part played by committees, Parliament noted an institutional development towards increasingly frequent intervention by bodies not provided for in the Treaty in procedures for implementing derived Community law. It felt that, while this method might enable the executive institutions to give the representatives both of interested quarters and of member states a share in the Community's implementing powers, it should nevertheless, not being provided for in the Treaty, be used with the utmost political caution, so as not to vitiate the Community's institutional system. The role of committees should be exclusively consultative, and in no case should they be permitted to share in the powers of decision of the competent institutions.

2. *General programme for the removal of technical obstacles to trade*

118. During its sitting on 3 October 1968³ Parliament discussed a report by its Legal Affairs

1. Doc. 115/68: Jozean-Marigné Report on Community procedures for the implementation of derived Community law.

2. Resolution of 3 October 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 37-38.

3. European Parliament, Debates, *Official Gazette* No. 106 (Annex), September-October 1968, pp. 175 et seq.

Committee¹ on the general programme for the removal of those technical obstacles to trade that resulted from disparities between national systems of law. In its resolution on the subject², it requested that the Commission's proposal should be amended so that its title covered regulations and administrative provisions as well as legislation. Parliament called on the Commission to take full account of social requirements, especially those relating to public health, safety at work and health protection, in its general programme. It approved the Commission's proposal, subject to the amendments stated.

3. Amendments of the Rules of Procedure of the European Parliament

119. At its sitting on 11 March 1969, the Chairmen of the four political groups presented to Parliament a proposal for a resolution³, amending Article 4 of its Rules of Procedure, relating to the expiry of representatives' terms of office. Adopting the findings of its Legal Affairs Committee, and having regard to the need to ensure continuity in its work, Parliament decided⁴ to amend Article 4 (2) to read as follows :

" 2. In the latter case, a representative whose original term of service has not expired may continue to serve until his successor has been appointed, provided that such a further period of service shall not exceed six months."

1. Doc. 114/68 : Armengaud Report on the proposal from the Commission of the European Communities to the Council (Doc. 15/68) concerning a general programme for the removal of technical obstacles to trade resulting from disparities between national legislations.

2. Resolution of 3 October 1968, *Official Gazette* No. C 108 of 19 October 1968, pp. 39-45.

3. Doc. 225/68 : Motion for a resolution tabled by Mr. Illerhaus on behalf of the Christian Democrat Group, Mr. Vals on behalf of the Socialist Group, Mr. Pleven on behalf of the Liberal and Allied Group and Mr. Triboulet on behalf of the European Democratic Union Group, amending Article 4 of Parliament's Rules of Procedure on the terms of office of representatives.

4. Resolution of 11 March 1968, *Official Gazette* No. C 41 of 1 April 1969, p. 9.

120. On 13 March Parliament adopted a resolution presented on behalf of the four political groups regarding the procedure for examining the 2nd general report of the Commission on the activities of the Communities in 1968¹.

4. Questions relating to the status of European officials

121. At its November 1968 Session, Parliament concerned itself with two questions regarding certain classes of officials.

Mr. Gerlach had presented an oral question (No. 13/68) without debate from the Committee for Finance and Budgets to the Commission regarding the settlement of travel expenses and daily allowances for officials seconded from Luxembourg to Brussels and vice versa in connection with the merger of the administrations².

122. On a report from its Legal Affairs Committee³ Parliament also expressed itself in favour on a proposed regulation regarding the application of the Protocol on the Privileges and Immunities of the Communities⁴.

1. Doc. 2/69 : Motion for a resolution tabled by Mr. Illerhaus on behalf of the Christian Democrat Group, Mr. Vals on behalf of the Socialist Group, Mr. Pleven on behalf of the Liberal and Allied Group and Mr. Triboulet on behalf of the European Democratic Union Group regarding the procedure for examining the 2nd general report of the Commission of the European Communities on the activities of the Communities in 1968.

Resolution of 13 March 1969, *Official Gazette* No. C 41 of 1 April 1969, pp. 14-15.

2. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, pp. 12-14.

3. Doc. 152/68 : Carcassonne Report on the proposal from the Commission of the European Communities to the Council (Doc. 105/68) for a regulation determining the classes of officials and other employees of the European Communities to whom Articles 12, 13 (2) and 14 of the Protocol on the Privileges and Immunities of the Communities apply.

4. European Parliament, Debates, *Official Gazette* No. 108 (Annex), November 1968, p. 164.

Resolution of 29 November 1968, *Official Gazette* No. C 135 of 14 December 1968, p. 31.