

Annex

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1976-1977 Session

Report of Proceedings

on 7 March 1977

Europe House, Strasbourg

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NOTE TO READER

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

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

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IN THE CHAIR: MR SPÉNALE

President

(The sitting was opened at 5.05 p.m.)

President. — The sitting is open.

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 11 February 1977.

2. Tribute

President. — Ladies and gentlemen, since our last part-session we have been shocked and distressed to hear of the death of Mr Anthony Crosland, President-in-Office of the Council of the European Communities.

Born in 1918, he was a brilliant student of politics, philosophy and economics at Oxford. He was President of the 'Oxford Union' which is still a breeding ground for statesmen.

During the last war he distinguished himself in the 'Royal Fusiliers' and in a parachute regiment.

President

After the war he returned to Trinity College, Oxford as a lecturer where he taught economics.

He was elected Member of Parliament for South Gloucestershire in 1950 and was re-elected to the House of Commons in 1959.

Appointed Minister of State for Economic Affairs in 1964, Anthony Crosland became in succession the Secretary of State for Education, Minister of Trade, and then in 1974 Secretary of State for the Environment. He retained this post until last year Mr Callaghan put him in charge of foreign affairs.

From his very first contacts with our Parliament in his capacity as President-in-Office of the Council, Mr Crosland demonstrated considerable knowledge of the problems of the European Community, a clear desire to solve them, a fundamental commitment and a realistic vision, which immediately created a climate of understanding and confidence and secured for him the esteem of everyone.

At the request of the family of the deceased, the funeral was a simple private one.

On behalf of Parliament and you all I have sent a telegram of sympathy to Mrs Crosland and to Mr Callaghan, the Prime Minister of the United Kingdom.

A memorial service was held today for Mr Crosland in London. I am grateful to Mr Berkhouwer for having represented the European Parliament there.

I would now ask you to observe one minute's silence in memory of this eminent statesman and great European.

(The Assembly observed one minute's silence)

3. Earthquake in Romania

President. — We have all heard that a very serious earthquake has cruelly struck Romania and neighbouring countries.

Being deeply concerned about this serious catastrophe which has already claimed so many victims, I should like to express today, on your behalf and on my own, our deep sympathy with the people affected. On behalf of Parliament I have already sent a telegram expressing our concern over the ordeal which Romania is suffering.

The Red Cross of the member countries of the Community and the United Nations have offered Romania their assistance, which has been accepted. I believe that the member countries and the Community itself will soon be deciding to help in the joint action which will be undertaken for the benefit of those who have lost their loved ones and their possessions.

We hope that this aid will be organized effectively and will reach the afflicted areas as soon as possible.

4. Appointment of Members

President. — The House of Commons of the United Kingdom has informed me of the appointment of Mr Ronald Brown, Mr John Corrie, Mr Robert Edwards, Mr Charles Fletcher-Cooke and Mr Christopher Price to replace Miss Boothroyd, Mr Dykes, Mr Fletcher, Mr Molloy and Mr Tomney.

The House of Lords of the United Kingdom has informed me of the appointment of Lord Brimelow to replace Lord Walston.

The credentials of these Members will be verified after the Bureau's next meeting, on the understanding that under Rule 3 (3) of the Rules of Procedure, they will provisionally take their seats with the same rights as the other Members of Parliament.

I cordially welcome the new Members.

5. Membership of Committees

President. — I have received from the Socialist Group a request for the appointment of Mr Seefeld to the Committee on Regional Policy, Regional Planning and Transport to replace Mr Schwabe.

6. Petitions

President. — By letter of 9 February 1977, the chairman of the Committee on Rules of Procedure and Petitions informed me that.

— Petition No 9/76 by Mr Walter Braun and others on active voting rights for European citizens has been filed without further action since the Political Affairs Committee has decided to submit a report on this subject;

— Petition No 12/76 by Mrs Antony and others on relations between the European Communities and Chile has been referred to the Political Affairs Committee for its opinion;

— Petition No 13/76 by Mr Jean Feidt, chairman of Parliament's Staff Committee, and others on enquiries into the political affiliations of Commission officials and Petition No 14/76 by Mr Léon Bodson and others on the granting of an accommodation allowance have been referred to the Legal Affairs Committee for its opinion.

I have also received

— from Mr Feidt and 239 other signatories a petition on pollution in the Toul region (Meurthe-et-Moselle), and

— from Mr Becker a petition on European minority groups.

These petitions have been entered under Nos 18/76 and 19/76 respectively in the general register provided for under Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of that same Rule, referred to the Committee on the Rules of Procedure and Petitions.

7. Documents received

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

(a) from the Council, requests for an opinion on the following Commission proposals :

- on the fixing of prices for certain agricultural products and on certain related measures (Doc. 576/76).

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

- regulation on certain measures to prevent abuses resulting from the sale of agricultural products on board ship (Doc. 581/76)

This document has been referred to the Committee on Agriculture.

- regulation on imports into the Community of certain agricultural products originating in Turkey (Doc. 584/76)

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

(b) from the committees, the following reports :

- Report by Mrs Dunwoody, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a decision concluding the European Convention on the Protection of Farm Animals (Doc. 566/76);
- Report by Mr Gerlach, on behalf of the Committee on Budgets, on the report of the ECSC Auditor for the financial year 1975 and the discharge to be given to the Commission of the European Communities in respect of the financial and budgetary activities of the ECSC in that financial year (Doc. 567/76);
- Report by Mr Willi Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council for a directive concerning health protection standards for sulphur dioxide and suspended particulate matter in urban atmospheres (Doc. 568/76);
- Report by Mr Shaw, on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council for a regulation on the procedure for applying the European unit of account (EUA) to the legal acts adopted by the Institutions of the European Communities (Doc. 569/76);
- Report by Mr Baas, on behalf of the Committee on External Economic Relations, on economic and trade relations between the European Community and Japan (Doc. 570/76);
- Report by Mr Nyborg, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission of the European Communities to the Council for a directive on the approximation of the laws of the Member States relating to boats and their fittings (Doc. 575/76);

- Report by Mr Frankie Hansen, on behalf of the Committee on Budgets, on the report of the Audit Board of the European Communities on the flat-rate aid granted to Italy from the EAGGF, Guidance Section, with a view to improving production and marketing structures in the unmanufactured tobacco, olives, olive oil and fruit and vegetable sectors (Doc. 577/76);

- Report by Mr Caro, on behalf of the Committee on Social Affairs, Employment and Education, on the Fourth Report on the Activities of the European Social Fund — 1975 (Doc. 578/76);

- Report by Mr Schwörer, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council for a fourth medium-term economic policy programme (Doc. 579/76);

- Report by Mr McDonald, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council for a regulation concerning certain measures to prevent abuses resulting from the sale of agricultural products on board ship (Doc. 528/76);

- Report by Mr Deschamps, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission of the European Communities to the Council for a regulation on the advance application of certain provisions of the ACP-EEC Convention of Lomé relating to trade with respect to certain countries signatory to agreements of accession to this Convention (Sao Tomé and Príncipe, Cape Verde and Papua-New Guinea) (Doc. 583/76);

- Interim report by Mr Schwörer, on behalf of the Committee on Economic and Monetary Affairs on the Community's supplies of raw materials (Doc. 585/76).

(c) the following oral questions :

- Oral questions with debate by Mrs Kruchow on behalf of the Liberal and Democratic Group to the Commission on the Community energy policy (Doc. 560/76).

- Oral question with debate by Mr Adams, Mr Albers, Mr Carpentier, Mr Dondelinger, Mrs Dunwoody, Lady Fisher of Rednal, Mr Glinne, Mr Ove Hansen, Mr Kavanagh, Mr Lezzi, Lord Murray of Gravesend and Mr Walkhoff to the Commission on Community social policy in the future (Doc. 561/76);

- Oral question with debate by Mr Adams, Mr Albers, Mr Carpentier, Mr Dondelinger, Mrs Dunwoody, Lady Fisher of Rednal, Mr Glinne, Mr Ove Hansen, Mr Kavanagh, Mr Lezzi, Lord Murray of Gravesend and Mr Walkhoff to the Council on the meeting of the Social Affairs Council of 9 December 1976 (Doc. 562/76);

- Oral question with debate by Mr Molloy, Mr Mitchell, Mr Willi Müller, Miss Boothroyd, Mr Gerlach, Lord Ardwick, Mr Flämig, Lord Castle, Mr Dondelinger, Lord Murray of Gravesend, Mr Kavanagh, Mr Evans, Mr Prescott and Lord Bruce of Donington to the Commission on health care in the European Community (Doc. 563/76);

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- Oral question with debate by Mr van der Hek, Mr Lange, Mr Knud Nielsen, Lord Ardwick and Mr Delmotte on behalf of the Socialist Group to the Council on the control of concentration between undertakings (Doc. 564/76);
- Oral questions without debate by Mr Dondelinger to the Commission on action to combat poverty (Doc. 565/76);
- Oral question with debate by Mr Fioret, Mr Noé, Mr Vernaschi, Mr Martinelli, Mr Ripamonti, Mr Pisoni, Mrs Cassanmagnago Ceretti, Mr Pucci and Mr Ligios to the Commission on the treatment of waste from titanium dioxide (Doc. 571/76);
- Oral question with debate by Mr Lagorce, Mr Mitchell, Mr Radoux, Mr Patijn, Mr Flámig, Mr Knud Nielsen, Mr Amadei, Mr Hughes, and Mr Siegler-Schmidt to the Commission on the EEC's commercial relations with India (Doc. 572/76);
- Oral question with debate by Mr Willi Müller, Mr Guerlin, Mr Evans, Mr Spillecke and Mr Adams to the Commission on the danger to health of asbestos (Doc. 573/76);
- Oral question with debate by Mr Jahn, Mr A. Bertrand, Mr Früh, Mr Fuchs, Mr Ligios, Mr Hans-Werner Müller and Mr Schyns to the Commission on the Community's transport policy towards the state-trading countries (Doc. 574/76);
- Oral questions by Mr Berkhouwer, Mrs Ewing, Mr Cousté, Mr Howell, Mr Dalyell, Sir Peter Kirk, Sir Brandon Rhys Williams, Sir Geoffrey de Freitas, Mr Hougardy, Mr Durieux, Mr Normanton, Mr Shaw, Mr Johnston, Lord St. Oswald, Mr Dondelinger, Lord Bethell, Mr Kaspereit, Mr Nolan, Mr Herbert, Mr Shaw, Sir Geoffrey de Freitas, Mr Patijn, Mr Scott-Hopkins, Mr Bettiza, Mr Hamilton, Mr Howell, Mr Lemoine, Mr Nyborg, Mrs Ewing, Lord Bessborough, Mr Osborn, Mr Noé, Mr Dalyell, Mr Evans, Mr Gibbons, Mr Leonardi, Mr Cousté, Mr Spinelli, Sir Brandon Rhys Williams and Mr Cifarelli for Question Time on Wednesday 9 and Thursday 10 March 1977 pursuant to Rule 47A of the Rules of Procedure (Doc. 1/77);

(d) the following motions for resolutions :

- motion for a resolution by Mr Waltmans and Mr Früh, pursuant to Rule 25 of the Rules of Procedure, on residential adult education as the nucleus of the European Community's education policy (Doc. 558/76);

This document has been referred to the Committee on Social Affairs Employment and Education as the committee responsible and to the Committee on Budgets for its opinion.

- motion for a resolution by Mr Clerfayt on the insertion of a paragraph 3 in Rule 22 of the Rules of Procedure (Doc. 559/76);

This document has been referred to the Political Affairs Committee.

(e) from the Council :

- a draft regulation (EEC) on the advance implementation of the ACP-EEC Convention of Lomé relating

to trade in respect of certain states which have signed Agreements of Accession to the Convention (Doc. 580/76);

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

8. *Texts of treaties forwarded by the Council*

I have received from the Council certified true copies of the following documents :

- agreement in the form of an exchange of letters relating to Article 9 of Protocol No 1 to the agreement between the European Economic Community and the State of Israel and concerning the import into the Community of fruit salads originating in Israel ;
- agreement in the form of an exchange of letters relating to Article 9 of Protocol No 1 to the agreement between the European Economic Community and the State of Israel and concerning the import into the Community of tomato concentrates originating in Israel ;
- agreement in the form of an exchange of letters relating to Article 19 of the Cooperation Agreement and Article 12 of the Interim Agreement between the European Economic Community and the People's Democratic Republic of Algeria and concerning the import into the Community of fruit salads originating in Algeria ;
- agreement in the form of an exchange of letters between the European Economic Community and the People's Democratic Republic of Algeria on the import into the Community of tomato concentrates originating in Algeria ;
- notice of the completion by the Community of the procedures necessary for the entry into force of the agreement between the European Economic Community and Macao on trade in textile products ;
- notice of the completion by the Community of the procedures necessary for the entry into force of the agreement between the European Economic Community and the Republic of Korea on trade in textiles ;
- notice of the completion by the Community of the procedures necessary for the entry into force of the agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile products ;
- notice of the completion by the Community of the procedures necessary for the entry into force of the agreement between the European Economic Community and the Republic of Colombia on trade in textile products ;
- agreement between the European Economic Community and the Arab Republic of Egypt ;
- agreement between the European Economic Community and the Hashemite Kingdom of Jordan ;
- agreement between the European Economic Community and the Arab Republic of Syria ;

President

- agreement in the form of an exchange of letters relating to Article 20 of the Cooperation Agreement and Article 13 of the Interim Agreement between the European Economic Community and the Kingdom of Morocco and concerning the import into the Community of fruit salads originating in Morocco;
- agreement in the form of an exchange of letters relating to Article 19 of the Cooperation Agreement and Article 12 of the Interim Agreement between the European Economic Community and the Republic of Tunisia and concerning the import into the Community of fruit salads originating in Tunisia.

The documents will be placed in the archives of the European Parliament.

9. Authorization of reports

President. — Pursuant to Rule 38 of the Rules of Procedure, I have authorized certain committees to draw up the following reports:

- Committee on Social Affairs, Employment and Education: a report on the salary and social security problems experienced by cross-frontier workers as a result of fluctuations in the exchange rates applicable to them;
- Committee on Regional Policy, Regional Planning and Transport: a report on regional policy for the future. The Committee on Agriculture, the Committee on Economic and Monetary Affairs and the Committee on Budgets have been asked for their opinions.
- Committee on Development and Cooperation: a report on development aid trends since the Fourth UNCTAD and on certain aspects of the Conference on International Economic Cooperation concerning development cooperation and the proposal of the President of the World Bank to set up a special Commission to study current development cooperation problems.

10. Order of business

President. — The next item is the order of business for today's sitting, which is the last of the 1976 — 1977 session.

At its meeting of 23 February, the enlarged Bureau prepared the draft agenda which has been distributed. Are there any objections?

- statement by the Commission on action taken on the opinions of Parliament
- oral question with debate to the Commission on Community social policy
- oral question without debate to the Commission on action to combat poverty
- oral question with debate to the Commission on health care in the European Community.

11. Action taken by the Commission on the opinions of Parliament

President. — The next item is the statement by the Commission on action taken on the opinions and proposals of the European Parliament. I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I have the honour to tell you that in the last few weeks the Commission has drawn up a number of amendments in line with Parliament's suggested changes to the Commission's original proposals. In two instances, on 15 February 1977 the Council adopted regulations which took considerable account of the amendments proposed in Mr Howell's report concerning the conditions under which agricultural products are marketed and processed, and those proposed in Mr Albertini's report relating to special measures for Beneventano tobacco. A number of proposed amendments take account of the changes suggested in Mr Guldberg's report on the action programme in the aerospace industry, Mr Krieg's report on aid for the coke and coal industry and Mr Guerlin's report on health problems relating to fresh meat and poultrymeat.

As usual, Mr President, you will have received written notification of the details of the amendments.

The Commission has taken the necessary measures to enable it to submit this week to the Council proposed amendments relating to five other matters. These are, firstly, the amendment to the Financial Regulation on which Mr Shaw has drawn up a report which the Commission has taken extensively into account. The other matters relate to the organization of the market in potatoes, toxic and dangerous wastes, the packing and labelling of dangerous substances, and the approximation of the laws relating to veterinary medicinal products, on which reports have been drawn up by Mr Bourdellès, Mr Müller, Lady Fisher of Rednal and Mr Ney respectively.

12. Oral question with debate: Community social policy in the future

President. — The next item is the oral question with debate (Doc. 561/76) by Mr Adams, Mr Albers, Mr Carpentier, Mr Dondelinger, Mrs Dunwoody, Lady Fisher of Rednal, Mr Glinne, Mr Ove Hansen, Mr Kavanagh, Mr Lezzi, Lord Murray of Gravesend and Mr Walkhoff to the Commission of the European Communities on Community social policy in the future:

In the Council press release issued after the meeting of the Social Affairs Council on 9 December 1976, it is reported that the Commission would be drawing up social policy guidelines in the next few months.

1. Can the Commission give details as to what the contents of these guidelines will be, and to what it intends to give priority?
2. How soon does the Commission expect to be able to submit these proposals to the Council?

I call Mr Adams.

Mr Adams. — (D) Mr President, we can understand the fact that in his recent speech in Luxembourg Mr Jenkins, President of the Commission, was rather vague in his references to social policy. It is obvious that the main reason for this was the short time at his disposal.

The Socialist Group is naturally very anxious to find out as quickly as possible what ideas this new Commission has with regard to Community social policy in the future. That is why this question is on the agenda today. Of particular interest to us is the question of what ideas the Commission has worked out for the most important element in its social policy, namely, the Social Fund.

Mr President, we are all aware that in 1973 this Social Fund was reorganized along new lines, but this was done at a time when the economic situation and the situation on the labour market were completely different to what they are today. For this reason the Social Fund set its sights in a completely different direction to what would be demanded in the conditions prevailing at this time.

We feel that today the Social Fund should be first and foremost an instrument of employment policy, and we should like to ask the Commission whether it also takes this view. If so, have concrete proposals along these lines already been worked out, or what line will they take?

We are all aware, Mr President, that in recent years the Social Fund has increased considerably in size. This prompts us to ask whether we can be certain that the Commission is able to take practical steps to check whether Community monies are always, and particularly at the present time, used to create new jobs. Are there ways and means of checking this? We attach great importance to keeping a close eye on this matter to ensure that these resources are being spent to an increasing extent on the creation of new jobs.

In this connection, Mr President, we should like to point out that in the tripartite conference the Commission, the governments and the social partners have found a very sound and promising instrument of employment policy. The communiqué of 24 July 1976 was a finely-balanced compromise, but it did exert enormous pressure on the governments to take action. At that time it was agreed to aim at achieving the following average figures for the Community by 1980 — an unemployment rate of 2.5 % at most, an economic growth rate of at least 5 % and a maximum inflation rate of 4.5 %.

To judge by the latest figures from the Community's Statistical Office, however, we have made absolutely no headway as yet in these matters. In this connection we must remind the Vice-President of the Commission, Mr Vredeling, who has a particular interest in these questions, of an interview that he gave on one

occasion to a Dutch newspaper and ask him if he is still of the opinion that the next tripartite conference of this kind should be convened in June of this year and whether this deadline can be respected.

We feel that with the emergence of the idea of this tripartite conference an instrument has been created which can play a very important part in relation to employment Policy. In our opinion it is impossible to have a successful economic and labour market policy without sympathy and understanding between the partners in question.

Mr President, ladies and gentlemen, there are certain groups in this Community that are particularly hard hit by unemployment, namely, young people, women, older workers and handicapped workers. We should like to ask what ideas the Commission has for improving the lot of these workers. Has any master plan been drawn up to attain this objective?

From the statistics available to us so far in regard to the unemployed, we know that those most severely affected are people without any or scarcely any professional training. In the past we in our group have repeatedly pointed out by means of questions on matters affecting young people that we are very concerned that the Commission should do more through its social policy precisely in this very area of professional training. Does the Commission have other and better proposals for the future in this area?

When the proposal for a regulation for a European Cooperation Grouping was being submitted, Mr President, we had the impression that the Commission — I refer, of course, to the old Commission — had taken quite a few steps backward in the matter of worker participation in management.

We should like now to ask the new Commission, and this is my last question on this matter, what steps it intends to take to promote the democratization of the economy. Our group, at any rate, will measure the success or failure of this new Commission mainly by whether it gives the workers of this Community greater opportunities in the near future to play their part in management.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the oral question tabled by Mr Adams and some of his colleagues in the Socialist Group, despite its succinct nature, is so wide-ranging that it is not a simple task for me to give an exhaustive answer to it. May I remind you that I have only been dealing with problems relating to employment and social affairs for the past two months. Although these two months have been quite sufficient for me to develop certain ideas as to the direction the Commission will have to take, it is in my opinion, too short a period for me to give you a detailed blueprint. And so in answering this question, I intend to avoid making

Vredeling

wild promises or grandiose declarations. Instead let me tell you about two projects which have occupied me particularly during the last two months and which in the next few months will doubtless continue to be of prime concern to the Commission and Parliament. These problems relate to the review of the Social Fund, which has already been the subject of a question by Mr Adams, and to the organization of the Tripartite Conference. Then I will say a few words about the approach I intend making to the enormous problem of employment or rather, lack of employment in our Community.

Before I begin that, I think we should sketch out the social situation in which we must carry out our policy. As we all know, the Community is going through a difficult period as a result of the economic crisis, the effects of which are being felt intensely. Firstly, we have at present an unemployment rate of between 5 and 5.5 %, which means in absolute figures that almost 6 million workers in our Community are affected. Certain economic sectors and certain regions are proportionally even worse hit. The most unfortunate aspect of this situation is that in all probability it will remain with us for several years to come, at least, all the forecasts point to this. Secondly — as Mr Adams has just reminded us — the rate of economic growth has slowed down considerably. Originally we had assumed a rate of economic growth of about 4.5 to 5 %, around 5 % per annum, but now it is very doubtful whether we shall achieve this forecast, given the present economic situation. And we shall also have to face a very marked increase in expenditure, in the social security sector, both in terms of price and volume and this at a time when all the authorities from the highest to the lowest are having to pursue a very restrictive budgetary policy. Even if there were an economic upturn, it is very difficult to imagine that social expenditure as a whole can continue to increase twice as rapidly as the gross domestic product, which was the case before 1974. Given the gloomy forecasts for economic growth, it is difficult to imagine that such a favourable situation will recur in the foreseeable future. And finally, the economic divergence between Member States continues to increase and it is still not clear how this can be reduced in the next few years. If the Community wants to be able to develop as a Community, then a solution must be found to this problem. In his speech last month to Parliament, the President of the Commission, Mr Jenkins, quite rightly gave very high priority to this.

Mr Adams asked for the Commission's concept of the new Social Fund. I can tell you that right from the very first day when I took over my new office, I have been busy drafting proposals for a review of the Social Fund. The Council is supposed to take a decision on this on 1 May, but it is doubtful whether they will be able to meet this deadline. This is not critical, because the new fund is not due to come into force until 1 January 1978. But I am very grateful that both the appropriate committee, Parliament's Committee on Social Affairs, and the

appropriate department of the Economic and Social Committee, together with the President-in-Office of the Council, have promised to do all in their power to enable a decision to be taken on the new Social Fund before 1 July 1977. The preliminary draft which I drew up on behalf of the Commission, if it has not already been forwarded, will be forwarded this week to the Committee of the Social Fund and will be discussed this week. Once this has been done, the Commission will put the finishing touches to its formal proposal. We hope that we shall be able to do this during the week beginning 16 March, and then submit it to the Council and, of course, to Parliament.

As for Mr Adam's concrete questions, concerning the contents of the Social Fund, you will understand that at present I have great difficulty in giving a reply because the Commission — and I have to speak on behalf of the Commission here — has to take a decision on this next week, as I just mentioned. I consider his question at this stage therefore more as suggesting where I should place most emphasis. In drafting the proposals — and I can tell you this much — we have particularly tried to find an answer to three questions among which Mr Adams' question also belongs. The first question is : how can the Social Fund respond better to the sharply increased employment problems in the Community. The second question is : how can the resources available within the framework of the Social Fund be more purposefully utilized so that they have greater impact. And finally the third question is : how can the administrative efficiency, the general administration of the fund be improved. One of the objections to the Social Fund as it stands at present, Mr President, is that it can only concern itself with vocational training. Almost 90 % of the resources available to the Social Fund are utilized to that end. The present particularly serious employment situation brings home to us the restrictions imposed by subsidizing vocational training to the exclusion of everything else. We shall have to seek — and indeed we are seeking — ways of granting subsidies which can be directly linked to maintaining or creating employment opportunities. However, the related problems are extremely complex. So it is impossible to give a direct answer to all the questions now. We must discuss them with the Member States' governments and study the problems more closely. It therefore seems more sensible to restrict ourselves in this first phase to extending the scope of operations to fields other than just vocational training in order to face up to the problem of unemployment ; in the second phase we could consider the possibility of certain kinds of subsidies and then give these concrete form and content.

The impact of the Social Fund's activities will be greater once clearer priorities can be set in the utilization of resources.

Future activities must be directed more than in the past towards overcoming difficulties in certain economic